

# The Challenges of Urban Management in Indonesia

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**Abstract**—The United Nations estimates that by 2050, about 70% of the world's population, including Indonesia, will live in urban areas. Urbanization is a major cause of urban population growth. High urbanization will cause problems such as social problems, housing, employment, welfare, infrastructure, security and environmental issues. To overcome these problems, a good urban management system is required. This study aims to examine the challenges of urban management in Indonesia. The study was carried out by descriptive method of urban management systems in several major cities in Indonesia. The survey was conducted by interview method, observation and documentation study. The results of the study are various challenges in the city management system such as the quality of city plans, organization, human resources, financing, community participation and development control issues. Improvements of urban management is needed to overcome these problems.

**Keywords**—urban management; planning; development

## I. INTRODUCTION

Urbanization is the most dominant phenomenon in all developing countries [1]. The United Nations estimates that by 2050, about 70% of the world's population will live in urban areas. In 2015 almost half of Indonesia's population lived in cities [2]. This amount is expected to rise to 67 percent in 2035. According to Sri Mulyani "Indonesia's population growth in urban areas is among the highest (in the world) at 4.1 percent," The population growth rate is higher than India 3.1 percent and China 3.8 percent [3].

The World Bank estimates that urbanization in Indonesia reaches 70% by 2030 [4]. According to the World Bank, urbanization in Indonesia has a new pattern. At present, the moving population tends to stay away from big cities like Jakarta and target secondary cities, such as Yogyakarta, Cirebon, Pekalongan, and so on. Secondary cities are usually inhabited by around 500,000 to 3 million people. Urbanization generally causes problems in urban areas such as slums, employment, traffic congestion, solid waste, clean water, housing, sanitation, education, health, pollution and the environment.

Slum settlement problems are faced by almost all major cities in Indonesia. According to the Ministry of Public Works [5]. Slum Settlement Area Reaches 38,000 Hectares, the most abundant slum area in Java. Population density in Java is the cause of many slums on the island.

Traffic congestion is a common problem in big cities. According to Tamim these problems generally arise in cities with a population of more than 2 million, such as in the cities of Jakarta, Bandung, Medan, Surabaya, Semarang, Palembang, Ujung Pandang, Bogor, Malang, Yogyakarta, Bandar Lampung, and several other cities [6].

The government has tried to overcome the traffic problem, but the reality of traffic problems is growing increasingly complex, due to the inequality of rapid increase in private vehicles with limited public transportation capacity.

The problem of unemployment and employment is a dominant problem faced by urban in Indonesia. According to Ridho the problem of unemployment is a complex problem and has links that are interrelated with each other [7]. The root of the problem is the low level of demand for labor and the high rate of population growth. The low demand for labor needs occurs because of an imbalance in supply-demand for economic growth, while the high rate of urban population growth is caused by high rates of population migration due to economic attractiveness.

The amount of waste in urban areas continues to increase every year in line with the increase in population and activities. Solid waste problems are generally caused by poor waste management systems. Waste management activities should utilize a variety of solid waste infrastructure and facilities which include storage, collection, transfer, transportation, processing and final disposal.

The percentage of households with clean water sources in 2015 according to BPS was  $\pm$  73% with the highest achievements in Jakarta (93.7%) and Bali (91.1%) [2]. The availability of clean water has a major role in reducing the mortality rate in children due to diarrhea. WHO estimates that of all cases of diarrhea is caused by inadequate drinking water (34%), sanitation (19%) and hygiene (20%) [8,9].

The need for a house is always increasing. The level of housing needs each year tends to increase, while the number of houses that can be built is limited. In 2014, the backlog in Indonesia reached 13.7 million units. This has an impact on house prices being very expensive. High housing prices make it difficult for low-income people to get a home. The limitation of the procurement of these houses has led to the development of slums, which are characterized by poor conditions of clean water services, sanitation, education and health [10].

Poor Environmental Management such as clean water and sanitation, according to the World Bank can have a negative impact on the Indonesian economy: 1) the total economic loss from limited access to clean water and sanitation is estimated at 2 percent of GDP each year. 2) Costs arising from air pollution to the Indonesian economy are estimated at around 400 million dollars annually. 3) Costs arising from air pollution in the Jakarta area alone are estimated at 700 million dollars per year [4]. These costs will generally be borne by low income groups for two reasons. First, they are the ones who have the greatest likelihood of being affected by pollution. Second, they lack the ability to finance prevention and overcome the effects of pollution itself.

The various problems of the city require a good city management system, which is able to solve city problems thoroughly and sustainably.

## II. LITERATURE REVIEW

Various city problems caused by high urbanization require solutions through a good urban management system. Cities play critical roles not only to provide urban environmental quality for their residents at a minimum acceptable standard, but also to be resilient to complex environmental challenges [11]. Urban management is now a central issue and a key approach in urban development [12].

According to Sharma "Urban management can be described as the set of activities which together shape and guide social, physical and economic development of urban areas [13]. Leonard argued "concern with the institutions and officials empowered to allocate resources and facilities" [14].

In line with opinions from Sharma and Leonard, according to Rakodi "Urban management aims to ensure that the components of the system are managed so that they make possible the daily functioning of a city which will both facilitate and encourage economic activity of all kinds and enable residents to meet their basic needs for shelter, access to utilities and services, and income generating opportunities" [15].

Mc Gill further argued that urban management should seek to achieve twin objective: planning for, providing and maintaining a city's infrastructure and services, and making sure that the city's local government is in a fit state, organizationally and financially, to ensure its own provision and maintenance [16].

### A. *The Actors and their Relationships*

The responsibility of managing is to see that actions –the tasks and processes - appropriate to the objectives and circumstances are carried out. The principal actors in the management of urban areas can be placed in three categories, as follows: The Public Sector, The Private Sector, The Community Sector [17].

### B. *Management Tasks*

Management Tasks for City Government covering Provision of Transportation Services, Provision of Water, Provision of Health-related Services, Provision of Sanitation

Services and Disposal of Wastes, Provision of Drainage, Provision of Security and Safety Services, Employment Generation, Provision of Food, Protection of the Urban Environment, Educational Services Provision, Energy Provision, Provision of Telecommunications, Provision of Housing, Protection of the Regional and Global Environments.

### C. *Processes of Urban Management*

Every task of urban management seems to require the performance of basic processes which they have in common. Here they are identified as planning, coordinating, resourcing, developing, operating, and maintaining. Planning and coordinating to arrange what need to be done, resourcing provides what is used, developing provides what needs to be created, operating deliver goods and services, and maintaining sustained operations.

### D. *Research Methods*

This study uses descriptive method with a qualitative approach. Data sources used are primary data and secondary data. Primary data collection techniques are carried out by interviews and observations in several major cities. Secondary data collection techniques are carried out through journal collection and writing in online mass media. The analysis was carried out in a qualitative descriptive manner.

## III. RESEARCH RESULT

### A. *Planning*

Development planning is a strategic stage in the city development process. Urban development planning has a time dimension: long term, medium term, and annual planning. In principle, regional planning must be able to touch all community needs in order to realize an increase in welfare in society [18].

Cities in Indonesia generally already have enough complete planning documents such as the Regional Long-Term Development Plan (RPJPD), Regional Medium-Term Development Plans (RPJMD, Regional Development Work Plans and Spatial Plans. The issue of planning cities in Indonesia is that there are too many plans arranged by the city therefore they could not focus on solving problems. Like Firmann's opinion "The city plan has not been effective enough in controlling development, so there is a lot of development outside the plan" [19].

This is in line with Ginting's opinion "the preparation of city plans is often not done with the right methods and analysis, so that the city plans that have been prepared often cannot be implemented" [20]. Furthermore, Ginting explained that city planning practices should apply the principles and ethics in planning sometimes only follow the wishes or interests of certain parties that deviate from planning ethics.

The problem of less optimal city planning is also caused by the lack of involvement of the community in the preparation of plans, the communication of development policies and plans openly to the community [21]. The City Plan is also politically nuanced because the Vision Mission in the RPJMD generally is

the vision / mission of the mayor and his deputy prepared by a successful team during the mayoral election. This success team could consist of political party people, academics, political consultants, entrepreneurs, and non-governmental organizations (NGOs), with the mayor candidates as the core.

In line with the above opinion, Rakodi argues that in developing countries including Indonesia there are indications that the plan is less objective and tends to be politically nuanced, so that Rakodi argues for a forget planning and put political first in urban development [22].

### *B. Coordinating*

Urban development coordination is generally not optimal, both between institutions in city government and between city, provincial and central government. According to Akmal the city development has not been well coordinated, that cause the development results to become less than optimal, inefficient and ineffective [23]. Likewise, according to Umar, the constraints of urban development are caused by weak coordination between levels of government (provincial and district / city governments), the role and function of the Governor as a representative of the central government is still weak, especially in coordinating and controlling Regent and Mayor [24]. Co-ordination and collaboration between government institutions that are less than optimal, according to Febrian is one of the factors of the lack of success of the city government in carrying out its development functions, service functions and empowerment functions [25].

### *C. Human Resources*

Human resources play an important role in city development. Human Resources is a driving force in urban development. The number of human resources in the city government is generally quite a lot but is not yet optimal in terms of quality. The performance of the apparatus has not been optimal in carrying out its duties and functions, according to Ashari indicated by many public complaints over government services, there are also cases of authority abuse in the form of corruption, collusion and nepotism (KKN), and lack of apparatus competent [26]. This problem occurs according to Apriani because the development of capacity building for human resources (HR) of this apparatus has not been done well [27]. This was indicated by the lack of HR competence, creativity and work methods of the personnel, low employee discipline and ethics, career systems that were not based on work performance, inadequate remuneration systems, less optimal education and training, weak supervision and audit of apparatus, and personnel management information systems that are not functioning properly.

### *D. Financial*

Limited finance is generally a major obstacle in realizing development plans, especially medium and long-term programs. According to Utari, the problem of budgeting is generally characterized by inconsistencies between the budget and various planning products that have been prepared [28]. This is because a) the official structure has not provided sufficient space for the preparation of integrated planning and budgeting, b) the budget team has not been fully involved at

every planning stage, c) lack of knowledge, understanding and motivation of employees to optimally implement performance budgets, d) limited development budget. According to Ramadhani budgeting is a process where various people or interest groups express different desire and make different decisions [29]. This is in line with Wildavsky and Caiden which states that the purpose of budgeting is as diverse as the goals of the people involved, the budget aims to coordinate different activities, complement each other, but the budget also aims to channel their desires [30]. For example, the budget is used for builders of facilities for their benefit, by mobilizing the support of other groups. That is what according to Bappenas is one of the reasons for the quality of development spending and the APBD so far are considered still weak, with one indication of indirect spending is always greater than direct spending [31].

### *E. Information Systems*

The City Government has a development information system, functioning as an instrument of communication with the community and the business world. Although it has been running, there are some weaknesses such as poor socialization, lack of integration of information resources, limited human resources in the application of information systems, bureaucratic management of information systems is less than optimal. This is in line with Domai the information system has been implemented well, but there are some obstacles [32]. According to Cahyadi the limitations of the city's information system are in terms of infrastructure and community readiness [33]. Cahyadi further explained that the trend can cause unfavorable impacts, among others. 1) Information Technology Investment that does not produce optimal benefits due to the lack of optimal use of the website by the community. 2) Slow access to government websites due to the use of interactive and dynamic components that require high data transmission capacity, while the telephone network capacity of the community is still very limited [33].

### *F. Institutional*

Urban government institutions are generally quite large with many sub-organizations. According to Irwan the regional government tends to be fat which swells overhead costs, it is estimated that 70% - 80% of the city budget is used for indirect costs, only around 20% - 30% APBD for direct costs that lead to public services [34]. In the organization there is also a fragmentation of government affairs to various types of institutions. Another problem in urban institutions is that the division of authority between levels of government is unclear which affects the number of overlapping rules.

### *G. Community Participation*

Community participation is the involvement of the community in all development process. Community participation is very important because people have information about their conditions and needs. In addition, the community will have more trust in the development program if it is involved in the development process, so that the development can be more effective and efficient [18]. The participation of the people in the city has generally run well,

especially in the private sector. As well as in the construction of trade, industry, service, health, education, office facilities and so on. The problem that often arises is community participation in government programs / projects, such as construction of roads, drainage, clean water, waste management, waste etc. The complaints from the people who participated in the Musrenbang event arose because of the lack of community proposals that were accommodated by the City Government. One classic problem that often arises and is used as an argument by the city government is the lack of funds or government budget for the implementation of the development plan that has been prepared. Determination of development priorities is also often influenced by political interests, where there are proposals that suddenly enter the regional development plan without going through the official mechanism of development planning development.

#### IV. CONCLUSION

There are several challenges of urban management in Indonesia: too much city planning but less effective in implementation, coordination problems between agencies (dinas) and sectors, less competent human resources, limited development budget, limited service and utilization of information technology, poor public participation system.

The central government needs to develop a better city management model. It includes optimization of the development planning system, synergy between institutions, efficiency of budget use, utilization of information technology, community participation and optimization of development supervision.

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