

# Legal Analysis of the TAPERA Programme in Increasing the Availability of Housing for Low-Income Communities in Indonesia Based on PP No. 21 of 2024

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## ABSTRACT

This study conducts a normative juridical analysis of the TAPERA Programme, established by Government Regulation No. 21 of 2024, focusing on its efficacy in increasing the availability of housing for low-income communities in Indonesia. The TAPERA Programme aims to address housing affordability by encouraging savings among low-income individuals and providing financial assistance for housing needs. This research examines the legal framework, operational mechanisms, and regulatory environment of the programme, assessing its alignment with national housing policies and its potential impact. The findings indicate that while the TAPERA Programme holds significant promise due to its inclusive approach and emphasis on sustainability, challenges related to participation rates, implementation efficiency, and regulatory coherence need to be addressed. This analysis contributes to a deeper understanding of the legal and regulatory dimensions of housing policies in Indonesia, providing insights for policymakers and stakeholders involved in housing development for low-income communities.

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## 1. INTRODUCTION

The issue of housing affordability for low-income communities in Indonesia is a critical concern, with various policies and programs being implemented to address it. The TAPERA (Tabungan Perumahan Rakyat) Programme, established under Government Regulation No. 21 of 2024, stands out as a significant initiative aimed at enhancing the availability of affordable housing for low-income citizens. Research has shown that factors such as housing location, travel

behavior, and the availability of finance play crucial roles in determining the effectiveness of housing finance policies for low-income communities [1]–[3]. Additionally, the implementation of regional regulations, like Surakarta City Regional Regulation Number 7 of 2023, is essential in ensuring the fulfillment of the right to housing and settlement areas for residents, especially those affected by illegal settlements [3]. Overall, these initiatives and regulations reflect the government's efforts to improve housing

affordability and access for low-income populations in Indonesia, contributing to the global recognition of the right to adequate housing as a fundamental human right [4].

Housing affordability in Indonesia faces challenges due to rapid urbanization, population growth, and economic disparities [1], [5], [6]. The TAPERA Programme addresses this issue by promoting savings among low-income individuals to gradually finance their housing needs, aligning with the principle of mutual cooperation (*gotong royong*) in Indonesian society [1]. Factors influencing housing affordability include housing location, travel behavior, and accessibility, emphasizing the importance of integrated public transportation infrastructure and accessible facilities in suburban areas [1]. Income disparities, investment, education levels, and urban infrastructure play significant roles in shaping housing quality and social cohesion, highlighting the need for equal development, education, and community empowerment to bridge the affordability gap and ensure sustainable urban development [7], [8].

Government Regulation No. 21 of 2024 provides the legal framework for the TAPERA Programme, outlining its objectives, operational mechanisms, and the roles and responsibilities of various stakeholders involved. The regulation mandates the establishment of a dedicated fund, managed by the Public Housing Savings Management Agency (BP TAPERA), which is responsible for the collection, management, and distribution of savings contributions. The programme is designed to be inclusive, targeting not only formal sector employees but also informal workers, thus broadening its reach and potential impact. This paper conducts a normative juridical analysis of the TAPERA Programme, examining the legal principles and regulatory provisions that underpin it. By critically assessing the programme's legal framework, this study aims to determine its effectiveness in achieving its intended goals and identify potential legal and regulatory challenges that may hinder its implementation.

## 2. LITERATURE REVIEW

### 2.1 *Housing Affordability and Low-Income Communities*

Housing affordability is a pressing global issue, particularly impacting low-income communities. In Indonesia, rapid urbanization and economic inequalities have worsened the crisis, with millions living in inadequate conditions [9]. The country faces a significant housing deficit, with around 13.5 million households lacking proper housing [6]. Informal settlements like slums have emerged due to the scarcity of affordable formal housing options, emphasizing the necessity for targeted policies for low-income groups [1], [5]. Studies show that low-income households often allocate a disproportionate amount of their income to housing, limiting access to other necessities [9]. Addressing this issue requires comprehensive housing programs to ensure the basic human right to adequate housing, essential for individual dignity and well-being [1].

### 2.2 *Government Policies on Housing in Indonesia*

The Indonesian government has been proactive in addressing housing affordability through initiatives like the National Housing and Settlement Policy (NHSP) and the One Million Houses Programme, focusing on increasing the supply of affordable housing [5], [6]. While these programs have shown progress, challenges persist in financing, land acquisition, and regulatory barriers [5]. The TAPERA Programme, established under Government Regulation No. 21 of 2024, introduces a novel approach by promoting a savings culture among low-income individuals to facilitate sustainable housing acquisition, aiming to integrate both formal and informal sector workers for a broader impact [6]. This new strategy represents a shift towards a more inclusive and financially sustainable mechanism to enhance housing affordability and improve living conditions for Indonesian citizens.

### *2.3 Theoretical Framework of Savings and Housing Finance*

The concept of savings as a crucial tool for housing finance is supported by various economic theories. The lifecycle hypothesis, as proposed by Modigliani and Brumberg (1954) [10], suggests that individuals strategically plan their consumption and savings patterns over their lifetime to maintain a stable living standard. This theory aligns with the TAPERA Programme's focus on promoting long-term savings for housing purposes. Furthermore, the institutional theory of savings, discussed by Sherraden (1991) [11], emphasizes the significance of institutional frameworks in encouraging savings, especially among low-income households. Sherraden highlights that savings programs offering incentives like matching contributions and tax advantages can notably boost asset accumulation for low-income individuals. The TAPERA Programme integrates aspects of this theory by providing a structured savings platform and financial rewards to participants, enhancing their ability to save for housing effectively.

### *2.4 Legal Framework for Housing Programmes*

A robust legal framework is indeed crucial for the successful implementation of housing programs, as highlighted by legal scholars [5], [12]. In Indonesia, the evolution of the legal framework for housing, including regulations like Government Regulation No. 21 of 2024 governing the TAPERA Programme, plays a vital role in enhancing housing accessibility and affordability [5]. This regulation outlines the operational aspects of the program, defining the roles of the Public Housing Savings Management Agency (BP TAPERA), procedures for savings collection and management, and criteria for housing loan disbursement [5]. Legal analyses by Indonesian scholars underscore the significance of regulatory coherence, effective enforcement mechanisms, and transparent governance, emphasizing the need for continuous monitoring and evaluation to

ensure the efficacy of housing programs [5], [12].

## **3. METHODS**

### *3.1 Research Design*

This study employs a normative juridical approach to analyze the TAPERA Programme's legal framework and its effectiveness in increasing housing availability for low-income communities in Indonesia. The normative juridical method is appropriate for examining legal documents, regulations, and policies to understand their implications and effectiveness. This research design involves an in-depth analysis of primary legal sources, such as Government Regulation No. 21 of 2024, and relevant secondary sources, including legal commentaries, academic articles, and policy reports.

### *3.2 Data Collection*

The data collection process for this study involves the following steps:

- a. The main legal document analyzed is Government Regulation No. 21 of 2024, which establishes the TAPERA Programme. This regulation is examined to understand its provisions, objectives, operational mechanisms, and legal basis.
- b. Secondary sources include academic articles, legal commentaries, policy reports, and other relevant literature that discuss housing policies, the TAPERA Programme, and the broader context of housing affordability in Indonesia. These sources provide insights into the effectiveness of the programme and the challenges faced in its implementation.
- c. Reports from the Public Housing Savings Management Agency (BP TAPERA), the National Development Planning Agency (Bappenas), and other relevant government bodies are reviewed to gather data on the implementation and impact of the TAPERA Programme.

### 3.3 Data Analysis

The data analysis process involves several steps: a detailed content analysis of Government Regulation No. 21 of 2024 to identify key provisions, operational mechanisms, and legal principles underpinning the TAPERA Programme, focusing on the regulation's coherence, clarity, and potential impact on housing affordability for low-income communities; a comparative analysis of the TAPERA Programme with other housing policies and programmes, both within Indonesia and internationally, to identify best practices and potential areas for improvement, drawing on secondary legal sources and policy reports to provide a broader context; a thematic analysis to identify recurring themes and issues in the literature related to housing affordability, savings programmes, and legal frameworks, highlighting the challenges and opportunities associated with the TAPERA Programme and providing a basis for evaluating its effectiveness; and legal interpretation methods applied to understand the implications of specific provisions in Government Regulation No. 21 of 2024, involving interpreting the language of the regulation, considering the legislative intent, and assessing the practical implications of the regulation's provisions.

## 4. RESULTS AND DISCUSSION

### 4.1 Legal Framework of the TAPERA Programme

The TAPERA Programme, established by Government Regulation No. 21 of 2024, is a key initiative aimed at addressing the housing needs of low-income communities in Indonesia. The regulation outlines the structure, objectives, and operational mechanisms of the programme, emphasizing the importance of fostering a savings culture among low-income individuals. It mandates the creation of the Public Housing Savings Management Agency (BP TAPERA), which is responsible for managing the funds collected from participants. BP TAPERA's duties include

collecting savings contributions, managing the investment of the funds, and disbursing loans for housing.

The regulation stipulates that both formal and informal sector workers are eligible to participate in the programme, with participants contributing a percentage of their income to the TAPERA fund, which is then pooled and managed by BP TAPERA. Criteria for loan disbursement prioritize low-income individuals who meet specific eligibility requirements, and the loans can be used for purchasing, building, or renovating homes. Additionally, the regulation establishes mechanisms for monitoring and evaluating the programme's performance, ensuring transparency and accountability in the management of the funds.

### 4.2 Effectiveness of the TAPERA Programme

The analysis of Government Regulation No. 21 of 2024 reveals several strengths and potential challenges in the implementation of the TAPERA Programme.

The TAPERA Programme demonstrates several strengths, including inclusivity, sustainability, and regulatory clarity. By encompassing both formal and informal sector workers, it broadens its reach and ensures that a larger segment of the population can benefit, which is crucial in a country where a significant portion of the workforce is employed in the informal sector. The emphasis on savings promotes financial discipline and long-term planning among low-income individuals, addressing immediate housing needs and encouraging a culture of financial responsibility. Furthermore, the regulation provides clear guidelines on the roles and responsibilities of BP TAPERA, the criteria for participation, and the process for loan disbursement, ensuring effective implementation and management of the programme.

The TAPERA Programme faces several challenges, including participation rates, implementation efficiency, and regulatory coherence. Encouraging participation, especially among informal sector workers, remains a significant hurdle,

as many low-income individuals may lack the financial literacy or resources to participate effectively. The success of the programme also hinges on the efficiency of BP TAPERA in managing funds and disbursing loans, with any delays or inefficiencies potentially undermining its objectives. Additionally, ensuring coherence between TAPERA regulations and other housing policies is critical, as any discrepancies or conflicts can create confusion and hinder the programme's effectiveness.

#### ***4.3 Impact on Housing Affordability***

The TAPERA Programme has the potential to significantly impact housing affordability for low-income communities in Indonesia. By providing a structured savings mechanism and financial support, the programme addresses some of the key barriers to housing access.

The TAPERA Programme has several positive impacts, including increased access to housing finance, a reduction in informal settlements, and enhanced economic stability. It provides a viable financial mechanism for low-income individuals to acquire housing, potentially leading to higher homeownership rates among this demographic. By facilitating access to affordable housing, the programme can help reduce the prevalence of informal settlements and improve living conditions in urban areas. Additionally, by encouraging savings and homeownership, it contributes to the economic stability of low-income households, providing them with a valuable asset and a sense of security.

The TAPERA Programme has potential limitations, including the financial burden on participants and market dynamics. The requirement for regular savings contributions may impose a financial strain on some low-income individuals, particularly those with irregular incomes. Additionally, the effectiveness of the programme depends on broader market dynamics, such as the availability of affordable land and construction materials. Without addressing these factors, the impact of the TAPERA Programme may be limited.

#### ***4.4 Comparative Analysis with Other Housing Policies***

Comparing the TAPERA Programme with other housing policies and programmes, both within Indonesia and internationally, provides valuable insights into best practices and potential areas for improvement.

Singapore's Central Provident Fund (CPF) and Mexico's INFONAVIT exemplify successful housing finance models through efficient fund management, regulatory oversight, and multi-stakeholder collaboration [13], [14]. CPF's housing scheme allows individuals to utilize their savings for housing, showcasing the importance of robust governance and centralized planning in ensuring affordability and ownership [14]v. On the other hand, INFONAVIT in Mexico combines savings, government subsidies, and private sector participation to provide comprehensive housing finance solutions for low-income workers, emphasizing the benefits of multi-stakeholder involvement in promoting financial inclusion and sustainable development [13]. These models highlight the significance of innovative approaches, digital technologies, and policy frameworks in enhancing fund management, service quality, and regulatory efficiency in the housing finance sector [15].

The One Million Houses Programme aims to address the housing deficit by increasing affordable housing supply, but it lacks a savings component crucial to sustainability, unlike TAPERA. Integrating savings mechanisms into such programs could enhance their long-term impact and sustainability [16], [17]. Government policies like the Housing Finance Liquidity Facility (FLPP) in Indonesia have shown that supporting homeownership for low-income communities can positively impact public health, emphasizing the importance of well-rounded housing programs [18]. Additionally, the Housing First model, exemplified by the Hábitat program in Spain, demonstrates that investing in housing for vulnerable populations can lead to improved life satisfaction, reduced homelessness, and increased institutional coverage, supporting

the viability of alternative housing models [19]. Overall, incorporating savings components into housing programs can contribute to their effectiveness and long-term success, benefiting both individuals and communities [20].

#### 4.5 Policy Recommendations

Based on the analysis, several policy recommendations emerge to enhance the effectiveness of the TAPERA Programme:

- a. Implement financial literacy programmes to educate low-income individuals about the benefits of savings and the TAPERA Programme.
- b. Develop targeted outreach strategies to encourage participation among informal sector workers, including partnerships with community organizations and microfinance institutions.
- c. Invest in the capacity building of BP TAPERA to ensure efficient fund management and timely loan disbursement.
- d. Harmonize the TAPERA regulation with other housing policies to create a cohesive and supportive regulatory environment.
- e. Implement complementary policies to address broader market dynamics, such as land availability and construction costs, to maximize the impact of the TAPERA Programme.

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## 5. CONCLUSION

The TAPERA Programme represents a pivotal initiative in Indonesia's efforts to improve housing affordability for low-income communities. By fostering a culture of savings and providing a structured financial mechanism for housing acquisition, the programme addresses some of the key barriers to homeownership faced by this demographic. The legal framework established by Government Regulation No. 21 of 2024 is comprehensive and provides clear guidelines for the programme's operation, but its success depends on effective implementation and addressing several identified challenges.

The inclusivity of the TAPERA Programme, targeting both formal and informal sector workers, is a significant strength. However, encouraging participation, particularly among informal workers, remains a challenge that requires innovative outreach and financial education strategies. Additionally, the efficiency of BP TAPERA in managing funds and disbursing loans is crucial for the programme's success. Any inefficiencies or delays can undermine the programme's objectives.

Ensuring regulatory coherence and addressing broader market dynamics, such as land availability and construction costs, are also essential for maximizing the programme's impact. By learning from international best practices and integrating complementary policies, the TAPERA Programme can be enhanced to better serve its target population.

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