

## Urban Area Policy Innovation From The Perspective of Public Policy in Serang Municipality, Indonesia

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**Abstract.** This article aims to discuss the policy implications and criteria for ideal urban area policy innovation from a public policy perspective. This research was conducted using a case study approach using semi-structured interview data collection techniques as a data collection instrument. The results of the research show that the policy implications for urban residential areas in Serang City are still not optimal due to the limited authority of the city government and the lack of integration of *SiKasep* policy innovations with urban needs and problems. Apart from that, *SiKasep* policy innovations have not been able to have an impact due to the low ability and willingness to innovate within the civil service. country. The policy innovation criteria for ideal urban residential areas in Serang City can be applied through the New Public Services (NPS) approach as a representation of policy innovation. Research findings show the importance of strengthening regulations and legitimacy, especially in formulating programs and policies for urban residential areas that are based on regional policy standards; second, the importance of encouraging policy interventions related to access to basic services for the community; third, it is important to encourage policy actors to develop integrated programs and minimize the various interests that hinder policy innovation in urban residential areas; and fourth, participation and involvement of non-governmental elements is very important to obtain broader policy support.

**Keywords:** Policy Innovation; Serang Municipality; Urban Area.

**Abstrak.** Tulisan ini bertujuan untuk membahas bagaimana implikasi kebijakan dan kriteria inovasi kebijakan kawasan perkotaan yang ideal dari perspektif kebijakan publik. Penelitian ini dilakukan dengan pendekatan studi kasus melalui teknik pengumpulan data wawancara semi terstruktur sebagai instrumen pengumpulan data. Hasil penelitian menunjukkan implikasi kebijakan kawasan pemukiman perkotaan di Kota Serang masih belum optimal karena terbatasnya kewenangan pemerintah kota dan belum terintegrasinya inovasi kebijakan *SiKasep* dengan kebutuhan dan permasalahan perkotaan, selain itu inovasi kebijakan *SiKasep* belum dapat memberikan dampak dikarenakan rendahnya kemampuan dan kemauan berinovasi dalam dari aparatur sipil negara. Kriteria inovasi kebijakan kawasan hunian perkotaan ideal di Kota Serang dapat diterapkan melalui pendekatan New Public Services (NPS) sebagai representasi inovasi kebijakan. Temuan penelitian menunjukkan pentingnya penguatan regulasi dan legitimasi khususnya dalam merumuskan program dan kebijakan kawasan pemukiman perkotaan yang didasarkan pada standar kebijakan daerah; kedua, pentingnya mendorong intervensi kebijakan terkait akses layanan dasar bagi masyarakat; ketiga, penting untuk mendorong aktor kebijakan untuk mengembangkan program yang terintegrasi dan meminimalkan berbagai kepentingan yang menghambat inovasi kebijakan di kawasan pemukiman perkotaan; dan keempat, partisipasi dan keterlibatan unsur non-pemerintah sangat penting untuk memperoleh dukungan kebijakan yang lebih luas

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## INTRODUCTION

The success of any housing policy depends entirely on the society's political, economic, and social transformations. Burd & Slack (2004) confirm that cities must provide a wide range of services such as transportation, water, garbage collection and disposal, fire protection, parks, recreation and culture, and affordable housing. It has also been argued that the ideal goal of urban residential areas is to create a sense of security for the community, decent living conditions, social justice and prosperity, productivity, and sustainable development to strengthen and realize regional development. Moreover, according to Gurran (2003), Local Governments play an essential role in pushing for priority policies in urban settlements, such as increasing knowledge, developing collaborative processes, and undertaking comprehensive housing and urban development planning. However, the governance of the policies for these areas has been causing several problems due to policymakers' limited competence and willingness to innovate, adversely impacting urban residential planning.

This problem is mainly experienced in poor countries, where too many people need houses while the government has limited resources (Gilbert, 2004). Therefore, Potts and Kastle (2010) proposed three reasons innovation is required in the public sector, which includes 1) the capacity to influence the growth of people's productivity, efficiency, and product value; 2) the need for policies to adapt to global economic developments; and the 3) and the ability to set rules for private sector innovation to improve public management, ensure better public policy implementation, and support for economic growth. This means that the state's role has shifted from merely exerting "power" to providing public services (Batalli, 2011). To that end, policy innovation is significant for both central and local governments as an instrument of good governance.

The central and regional governments have implemented several programs and policies for urban settlement areas in Indonesia. These include the arrangement of the residential regions, infrastructure assistance, and financial subsidies for people without a house. These were conducted to fulfill the public services directed toward creating an ideal urban settlement area. However, to this day, this goal has not been

achieved due to several complex problems, among other things, low quality of housing infrastructure, lack of essential services such as access to clean water, poor sanitation, high population density, and illegal residential land ownership (UNESCAP and UN-Habitat, 2008). These programs and policies, it is argued, have failed because they lack sustainable impact. Thus, innovation in urban settlement policies is required to ensure the areas provide strategic and comprehensive value for sustainable regional development.

Research on policy innovation has become a trend in various countries and has attracted the attention of international scholars, He et al. (2023). Some of them, such as Bosworth et al. (2016), showed how to integrate social policy innovation into evaluating rural development policies and programs. Then Ghosh et al. (2021) explained that policy innovation must be transformed to assess and change orientation as the essential capital of sustainable development. Meanwhile, Fug & Ibert (2020) use the idea of social policy innovation to explain the link between new policy approaches and spatial geographic mobility.

In their research, Du & Guo (2023) explored the influence of green credit policies on environmentally friendly innovation behavior in environmentally friendly companies and the moderating impact of climate change policy uncertainty. In line with this research, Calderini et al. (2023) and Tuckerman et al. (2023) explain the importance of transformative policy innovation to embed and provide solutions in implementing the principles of social and environmental sustainability. In contrast to previous research, Afewerki et al. (2023) said that policy innovation has a role in developing aquaculture production technology.

Thus, more and more international scholars are researching policy innovation. However, most research only concentrates on the direct impact of policies from various perspectives, and no research discusses policy innovation from the perspective of urban residential areas or public policy. Therefore, considering the gaps in this research, this research aimed to discuss urban residential areas from a public policy perspective.

By taking the research location in Serang City, Indonesia, the innovation related to urban area policy that the Serang City Government has carried out is the

*SiKasep* innovation, which is an acronym for Housing Subsidized Home Ownership Credit Information System. This innovation comes as a response to the development of the digitalization paradigm of public services and answers the challenges of the Industrial Revolution 4.0 era, which has changed patterns of thinking, living, ways of communicating, behavior, and activities in various fields, including meeting housing financing needs for MBR.

The *SiKasep* innovation ensures the accuracy of targets for distributing Housing Financing Liquidity Facilities (FLPP) to MBR (Griya Sejahtera, 2020b). It aims to increase the fulfillment of housing needs and improve MBR's access to financing and affordable house prices. Technically, people can look for subsidized housing anytime and anywhere just by using an application on a smartphone based on the Android system, simply downloading it for free on the App Store and registering by filling in their identity in the form of a Resident Identity Card (KTP), income amount, and a direct photo of themselves (Griya Sejahtera, 2020a).

*SiKasep's* policy innovation still looks at financing factors, especially subsidy costs, as a solution to overcoming policy problems in urban residential areas. On the other hand, there are still various problems faced by the people of Serang Municipality, such as the lack of access to adequate housing and settlements, access to groundwater and sustainable raw water, access to drinking water, access to proper sanitation, and a safe urban environment.

Based on the explanation above, we view that urban area policy must have policy implications and innovations that can be integrated with the urban planning system and can solve the problems of basic service needs of urban area communities, especially in Serang City, such as the availability of access to decent housing and settlements, access sustainable groundwater and raw water, access to drinking water, access to proper sanitation, and a safe urban environment.

In the context of this research, there are two essential elements in urban residential area policy innovation, namely internal determinants and regional diffusion (Tyran & Sausgruber, 2003) and achieved through the creation of social and public interactive value, distributed co-creation and mass collaboration to inspire the public sphere (Navarro, 2016). On the other hand, public administration requires

policy innovation by creating new knowledge that serves the public interest. It, however, depends on the ability of innovators to apply administrative and technical-based skills to achieve the objectives. This is because policy innovation is not only focused on planning, organizing, mobilizing, and monitoring but also lies in the ability of innovators to apply science and technology to public policy. Four paradigms are known: old public administration, new public administration, new public management, and new public services. This research discusses the policy implications and criteria for ideal urban area policy innovation from a public policy perspective.

## **METHODS**

This research adopted a case study approach, which is understandably preferred considering the need to understand complex social phenomena through the central research question (Yin, 2014). This study aimed to gain an in-depth understanding of policy innovation in urban settlement areas from the perspective of public policy. The study area is Serang Municipality, Banten of Indonesia, which oversees six sub-districts, including Serang, Cipocok Jaya, Kasemen, Walantaka, Curug, and Taktakan. However, only three sub-districts were selected to represent the different levels of urban settlement density classified as high, medium, and low areas. They were named Districts A, B, and C, respectively. Moreover, pseudonyms were used to protect the anonymity and confidentiality of respondents and sub-districts.

Data collection techniques used interviews with nine respondents who participated in this study with different perceptions and roles. Data were analyzed using systematic qualitative analysis proposed by Miles et al. (2014). This involved the use of data coding and the data classification process. It is essential to state that each theme was arranged according to category and placed in the same group based on a comparison with all the interview transcripts.

## **RESULTS AND DISCUSSION**

### **The Implication of Policy on Urban Settlement**

Serang Municipality is the capital of Banten Province, where the government manages the policies on urban settlement areas through the Housing and Settlement Area Office and several other stakeholders, as observed in programs and policies implemented to restructure the urban settlement area. Some respondents, however, stated the policies are not optimal, including the *SiKasep* policy innovation that the Serang Municipality Government has implemented.

For example, one respondent from the government elements stated some obstacles in *SiKasep*'s policy innovation and policy innovation formulation due to the limited authority of the city government in the types of activities within its powers, the classification and level of activities and the area as stipulated in (Law Number 9 of, 2015) concerning local government because almost everything is regulated by the central and provincial governments and this makes the City/Regency governments encounter difficulty in compiling effective programs. Next, another respondent also raised a similar problem: the City Government was not free to formulate programs and policies based on public needs. This has been implemented in the field at a lower-than-optimal level.

The residential area policy in the city is regulated in Serang Municipality (Regional Regulation Number 6 of, 2011) concerning Spatial Planning and Regional Plan as well as (Regional Regulation Number 1 of, 2018) concerning the implementation of Housing and Settlement Areas. In some cases, the two Regional Regulations have not been optimally implemented and integrated with *SiKasep* policy innovations. Obstacles in implementing the regulations include a lack of socialization and synchronization between regulations at the central and regional levels, the limited budget, and the absence of priority and needs-based programs.

The research results show that coordination and communication between regional governments are not yet optimal in implementing urban residential area policies because they are often unaware of residential area programs such as infrastructure assistance for residents, housing costs, etc. One of the reasons is the ineffective role of organizational leadership, which causes the impact and performance of program policies not to meet expectations. Achieving that requires

leaders at sub-district offices and institutions to conduct objective and measurable evaluations.

The ineffectiveness of *SiKasep's* policy innovations in overcoming urban area problems can be seen from the research findings that showed that the existing housing sector and residential areas of Serang Municipality are classified as slums. Several respondents said there were limited and inadequate infrastructural conditions, access to clean water, and residences. For example, the housing backlog in District A up to the present moment is 24,110 units/RT from the ownership side and 730 units/RT for the residential, with the number of households already owned/controlled being 75.17%. At the same time, those on contract/lease are 8.66% and 16.17%, respectively.

The same condition was also evident in District C, where most people did not have a decent house nor a certificate of ownership for land and buildings. For example, housing conditions in several subdistrict areas are deplorable due to inadequate sanitation facilities, limited clean water, and the non-existence of land and building ownership certificates because they are unaffordable. Respondents from one community also reported that they have been experiencing infrastructural limitations for over a few years. Despite government assistance, there is a limited and uneven distribution of beneficiaries.

In addition to the physical condition of residents' homes, some places had limited access to clean water services and residential areas. Based on the data from respondents, about 27.39% of households without toilet facilities do not have clean water services and only rely on water from public places. There are 40% with Low-Income Communities (MBR) status without latrines. The respondents interviewed stated access to clean water services in residential areas is a problem for households, especially women or homemakers, who need it for cooking, bathing, washing, laundry, etc.

Several problems, such as the lack of availability of Infrastructure, Facilities, and Utilities (PSU) in urban residential areas, need to be resolved by the City Government. Many developers have not handed over Infrastructure, Facilities, and Utilities (PSU) assets to the Serang Municipality as stipulated in Regional Regulation

11 of 2012 concerning the provision and delivery of infrastructure, facilities, and utilities of housing and settlements. Besides, the access road to these residential areas is another problem for residents who move in and out of the area to conduct daily activities. Damaged roads are another problem to the extent that walking or even riding a two-wheeled vehicle is difficult, especially when it rains.

### Criteria for Ideal Urban Settlement Area Policy Innovation from a Public Policy Perspective

In line with the problems of policy implications in previous studies, this research found that *SiKasep* policy innovations have not been fully implemented. The fundamental problem lies in the state civil servants' low ability and willingness to innovate in implementing urban residential area policies. Thus, policy innovation has not been implemented due to the inability and reluctance of state civil servants to innovate, a significant obstacle that has led to ineffective urban residential area policies in Serang Municipality. Other related issues concern the lack of understanding of policies due to a lack of socialization from the center and provinces and limited competence of officials, as reflected in the mismatch between education and background and the field of work.

Serang Municipality, through the Regional Development Planning Agency, has prepared steps to address infrastructure problems in residential areas related to community needs, such as access to clean water services, repair of damaged environmental roads, building poor households, and provision of latrines for households.

There is also a collaboration program with academics to promote healthy housing areas in the community. The problem, however, is the lack of priority in tackling the issue of poor policy integration in housing and residential areas. Poor policy integration is responsible for the decrease in the ratio of livable houses. Another problem for poor housing in the area is the emergence of a large gap between people's purchasing power and people's spending on housing. Data shows that the ratio of habitable houses is 73.73%, and that of slum areas is 5.57%. However, the provision of decent and livable housing for MBR is currently constrained by the

gap between purchasing power and housing expenditure levels between Rp. 131,162.11 to Rp. 148,000,000/unit.

Research results also discovered a need for including policy actors, especially non-governmental parties, to obtain more comprehensive policy support. Elements outside governments that should be included in policy on urban housing include community elements/Low-Income Communities, consumer protection, and Universities/Non-Government Organizations/Press to encourage the development of settlement areas in line with the community's expectations.

### **The Implication of Policy on Urban Settlement**

The findings showed that the SiKasep policy innovation in urban settlement areas has not had the desired impact on communities. This is mainly due to the limited authority of the city government on the types of activities it is allowed to handle, as classified in (Law Number 9 concerning Regional Governments. The success of the housing policy reflects the government's performance and effectiveness in various aspects of society (Choguill, 2008). The ineffectiveness of the current policy on urban settlements means that the central government needs to intervene to redress the situation.

An argument is often made that the responsibility of making appropriate housing and residential areas policies should be at the regional or local government level. This is because local governments are in high proximity and are aware of their residents' challenges. However, all levels of government play essential roles in providing enabling environments through inclusive policies and legislation to ensure a right to adequate housing. Moreover, as the United Nations suggests, the government has a significant role in ensuring affordable housing for its residents (Habitat III Policy Papers, 2017).

The dynamics of the urban area as an economic and social center have vast implications, and these include the provision of employment and the improvement and growth of citizens' welfare and community productivity. Therefore, there is a need to ensure appropriate coordination and communication of the possible problems encountered in sustaining the city among all levels of government. According to Kingsley (2017), housing problems may be physical, as observed in

overcrowding and deficiencies in the facilities or affordability, which includes having to pay more than 30 percent of income for housing. Between 2005 and 2015, the share of renters with an affordability problem went up from 45 to 48 percent, while those in physically inadequate housing declined from 11 to 7 percent.

The study conducted in Malaysia by Sulaiman et al. (2016) recommends commitment and harmonious cooperation between the government and the community in managing housing and settlement provision. As confirmed in 2011), housing is a collection of houses in both urban and rural settlements equipped with infrastructure, facilities, and public utilities due to efforts to fulfill decent homes. However, this research established that some of the housing sectors and residential areas in Serang Municipality are slums with minimal access to infrastructure and clean water services, and residential areas. Research on sustainable regional development and the challenges of low-cost housing for MBR in South Africa conducted by Goebel (2007) concluded that the main priorities were the health and employment sectors. Meanwhile, basic sanitation needs were the main focus in the health sector, while the economic sector provided employment opportunities through training and education.

In the meantime, Clapham (2018) defined housing policy as any action taken by the government or its agencies to influence the process or outcome of the housing sector. Lee (2009) further reported it as a part of broad economic policy focusing on ensuring it is linked to the social security system, which, for many societies, is the main component of social policy. Besides Seo (2016), Korean housing policies prioritized stabilizing the current economy with a view toward future sustainability. This means that the profit-oriented approach characterizing the policies needs to be modified to a more socially acceptable one that treats housing as an essential social need for all members of society rather than a tool to stimulate uncertain economic growth.

In different contexts, the handling of housing and settlement policies for Low-Income Communities (MBR) should focus on social and economic aspects, potential locations, accessibility, cultural background, sustainable management of the area, as well as the psychological and social aspects (Abdullahi et al., 2016; Jaiyeoba &

Aklanoglu, 2012). These are aimed at achieving the degree of change desired by the people as well as the targets of the policy program. Therefore, Fopp (2008) emphasized the issue of MBR housing should be observed from the perspective of community construction and social dynamics.

The magnitude of public sector interest impacts a country, especially in improving economic welfare. For example, policies on residential areas can affect productivity growth by increasing product value through organizational improvement. This means that policies in line with economic developments in the global era and public-sector innovation can guarantee private-sector innovation. A study that examined the development of housing policy in Singapore from British colonial rule to the era of Lee Kuan Yew (1959–1990) conducted by Heo (2014) analyzed the factors structuring the path dependence in the Singaporean context. Another research on housing models and residential areas for MBR in Malaysia through the principle of intelligent growth proposed by Bakh et al. (2012) showed the existence of several services such as building facilities meetings, playgrounds, clinics, green open spaces, and shops to improve the quality of life of Low-Income Communities (MBR).

It was argued that despite the limited conditions, several urban settlement area policies are required to create social, economic, and environmental impacts directed towards providing comfort for the community. Pawson et al. (2018) explained three policy implications amid the limitations of the housing industry, and the first was the need for an adequate, coherent, and enduring affordable housing policy and resourcing framework based on the assumption that market forces would not independently provide sufficient suitable housing for lower-income Australians. The second was the need for enhanced leadership from both the government and the providing part of the industry, together with a restoration of dedicated policy-making capacity. At the same time, the third was more specifically focused on the call for revitalized industry regulation and standards. However, such a prudent approach in policy formulation is perhaps inevitable for two reasons. First, the policy directly impacts the immediate interest of a sizable portion of the population. Under the accountability system, the chief official on housing matters, the Secretary of Housing

and Transport doubling as the chairman of the Housing Authority, is politically held responsible for public housing policy. Therefore, prudence in policy formulation and implementation is expected (Chiu, 2010).

Therefore, some preliminary conclusions were provided regarding the implications of urban area policies: firstly, the importance of strengthening regulations and legitimacy, especially in preparing programs and policies for urban residential areas that are by regional policy standards; secondly, the importance of encouraging policy interventions on access to essential services for the community.

### Criteria for Ideal Urban Settlement Areas Policy Innovation from a Public Policy Perspective

Substantive policy innovation can reinforce solving problems that occur in society. Even though policy innovation is carried out not following trends or seasonally, policy innovation can be an alternative decision in the policy dimension, including, in this case, urban residential area policy. Research findings showed that there are still several obstacles to policy innovation in urban settlement areas in Serang Municipality, namely the low ability to innovate and willingness to innovate from the state civil apparatus. As stated by Mulgan & Albury (2003), barriers to innovation include a culture of risk aversion, reluctance to close down failing programs or organizations, technologies available but constraining cultural or organizational arrangements, and no rewards or incentives to innovate or adopt innovations. Therefore, it is a challenge and opportunity for public sector organizations in Serang Municipality to formulate political policies that can be implemented effectively and efficiently, especially in handling urban residential area policies.

Research findings show low participation or involvement of elements outside the government in implementing urban area policies, such as elements of society (MBR), consumer protection, universities (NGOs), and the press. According to Glor (2003), innovation in the public sector is based on the decisions of political officials as well as the expertise of public servants. This means the practical and active application of innovation requires excellent public administration and management, including a capacity for an appropriate placement, keeping friends onside,

communicating effectively with and convincing the public about the virtues of the innovation, identifying and providing the technical skills needed, measuring performance, and responding to deficiencies.

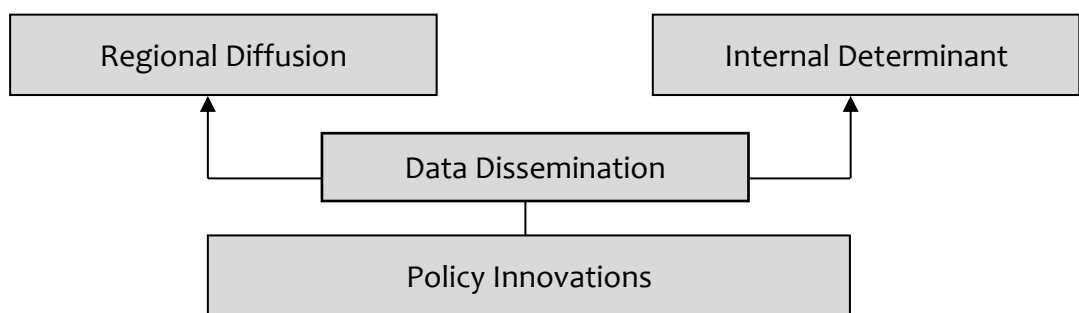
Some empirical studies have shown policy innovation in public sector organizations is positive, and this was observed from its ability to maximize the utilization of resources and capacities to create public value, improve the image and services to regain people's trust and restore legitimacy in the government, boost the pride of civil servants in the sector, and produce a domino effect by opening opportunities for innovation in other areas despite the fact it is a limited governance intervention or micro-level initiative (UNDESA, 2006). Thus, the participation and involvement of non-governmental elements are crucial to obtain broader policy support.

The research findings showed that housing and residential area policies have not yet been integrated and that interests still influence program implementation. Therefore, it is essential to encourage policy actors to develop integrated programs and minimize the various interests that hinder policy innovation in urban residential areas. On the other hand, various efforts, such as collaborating and partnering with the private sector and providing subsidies and incentives for low-income communities (MBR), are needed to gain access to housing and residential areas. It is essential to pay attention to environmental aspects in formulating housing and settlement areas policies and not only prioritize social and economic aspects.

Thus, it is essential to encourage ideal policy innovation criteria from the perspective of public policy or public sector organizations. Innovation gives rise to new policies for overcoming public policy problems. UNDESA (2006) states, "Public sector management innovation may also be defined as the development of new policy designs and standard operating procedures by public organizations to address public policy problems. Thus, innovation in public administration is an effective, creative, and unique answer to new problems or a new answer to old problems." Furthermore, using this concept is not a closed and complete solution but is open for modification and transformation by those adopting it. Therefore, there are three

essential requirements for innovating: opportunity, motivation, and skills. (Mulgan & Albury, 2003).

Policy innovation is spread based on two critical factors: internal determinants and regional diffusion (Tyran & Sausgruber, 2003). Internal determinants are a country's social, economic, and political characteristics, which determine its innovativeness. In contrast, regional diffusion is the possibility of a country adopting a particular policy higher than the ones adopted by its neighbors. Moreover, policy innovation would be best spread through critical approaches, including the creation of social and public interactive value, distributed co-creation, and mass collaboration to inspire the public (Navarro, 2016).



**Figure 1. Data Dissemination of Policy Innovations**

Source: Processed by Researchers, 2023

Innovation as part of revitalizing public administration in central and local governments, especially concerning services, is currently taking place in several parts of the world (UNDESA, 2006). As explained in the previous section, four public administration paradigms are presented in Table 1 below.

**Table 1.**  
**Policy Innovation Based on the Paradigm of Public Administration**

	<b>Old Public Administration</b>	<b>New Public Administration</b>	<b>New Public Management</b>	<b>New Public Services</b>
The Importance of Innovation	Not Important	Important	Important	Very Important
The Scope of Innovation	Organization	Public administration practices to solve public problems	Public-customer organization relations	Holistic and integral

Innovation Goals	Systems and Effective	Administration system	Productivity and Efficiency	Public Interest
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Source: (Governance Innovation Center Team, 2014)

From the four public administration paradigms above, we believe that the New Public Services (NPS) paradigm represents the criteria for ideal urban residential area policy innovation. This is because, through applying the principles of policy innovation through NPS, the public, or MBR, is viewed in an integral, whole, and humanistic way. MBR is not reduced to customers characterized by egoistic economics, is not a bureaucratic mechanism, and provides a high appreciation for collaboration between stakeholders in comprehensively improving every performance of organizational elements. Moreover, the paradigm based on the principles of New Public Services (NPS) is a representation of this policy innovation, and they include: 1) serve rather than steer; 2) public interest is the aim, not the by-product; 3) think strategically and act democratically; 4) serve citizens, not customers; 5) accountability is not simple; 6) value people, not just productivity; and 7) value citizenship and public service above entrepreneurship. (Denhardt & Denhardt, 2000).

Furthermore, to ensure ideal urban residential area policy innovation, we adapted research conducted by (Navarro, 2016), which suggested four characteristics of innovation, which include: Ideal residential area policy innovation can be achieved through implementing collaboration between government officials at all levels as well as parties in the non-government sector to ensure effective organizational processes and provide creative support, suggesting four characteristics of policy innovation were adopted.

- 1) Kind of support. Ideal residential area policy innovation can be achieved through collaboration between government officials at all levels and parties in the non-government sector to ensure effective organizational processes and provide creative support.
- 2) Innovation management. This involves organizational and administrative arrangements based on the collaboration of external and internal resources. Restructuring the procedures for formulating innovative policies is an absolute requirement through institutional management and organizational innovation.

- 3) Types and characteristics of relationships. Policy innovation requires a symbiotic relationship among all stakeholders to achieve the desired result. It also involves the optimal use of resources and open cooperation in realizing good public policy governance.
- 4) Application of values. This plays a significant role in achieving a high success rate, especially with the attention placed on ensuring public interest.

## CONCLUSIONS

Policy implications of urban residential areas in the Serang Municipality, Indonesia, are still not optimal due to the city government's limited authority in the types of activity authority and the lack of integration of *SiKasep* policy innovations with the needs and problems of urban areas. Besides, there are obstacles to implementing regional regulations to support *SiKasep* policy innovation due to the lack of socialization and synchronization of regulations at the central and regional levels, limited budgets, and the absence of priority and needs-based programs.

Policy innovation for urban residential areas in Serang Municipality has not impacted society due to state civil servants' low ability and willingness to innovate in the urban housing area policies. Policy innovation criteria for ideal urban residential areas in Serang Municipality, Indonesia, can apply innovation principles through the New Public Services (NPS) approach to represent policy innovation. The public is seen as a whole, humane, and humanitarian through an approach that provides space for the public to collaborate and is oriented towards improving the performance of each element of the organization. The NPS's view of policy innovation is holistic and comprehensive and aims to comply with the public interest.

The study's findings showed the importance of regulations and legitimacy, policy intervention in access to essential services for the community, and participation from non-government, integrated residential and urban area policies. The findings of this study are expected to contribute to a better understanding of the implications and importance of innovative urban settlement policy as an alternative for policymakers at both the local and central government levels. Therefore, this research recommends several things, namely: first, the importance of strengthening

regulations and legitimacy, especially in formulating programs and policies for urban residential areas that are based on regional policy standards; second, the importance of encouraging policy interventions regarding access to essential services for the community; third, it is crucial to encourage policy actors to develop integrated programs and minimize the various interests that hinder policy innovation in urban residential areas; and fourth, the participation and involvement of non-governmental elements is essential to obtain broader policy support.

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