

The Effects of Subsidized Housing Construction on the Development of Binjai City

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Abstract

This study aims to analyze the changes in conditions that occur after housing construction and whether it will continue to provide positive values for indigenous people and migrant communities as part of the Binjai City community. The increasing need for housing demands the Binjai City government to improve the welfare of the people by building a subsidized house. Citra Wahidin Housing, Royal Wahidin Housing, and Wahidin Regency Housing are subsidized housing located in the District of East Binjai and South Binjai. The construction and procurement of housing land is financed by the developer. The analytical method used paired sample T test with 76 respondents from 320 households. The results showed that the construction of subsidized houses in the city of Binjai had a significant positive influence on the economy, socio-culture, facilities and infrastructure. The influence of the economic community, socio-cultural community, and infrastructure facilities simultaneously has a positive and significant impact on the development of Binjai City.

Keywords: *Subsidized Houses Construction, Economy, Socio-Culture, Facilities and Infrastructure,*

Introduction

Housing is the most basic community need, but is still difficult to reach by low-income people in Indonesia, especially in urban areas. In urban areas most of the low-income population live in villages that are behind shops and offices in small plots, coincide with one another, unhealthy environments and often in one house live more than one family. Not only that, they also live in groups making a settlement on the border of the railroad, on the border of the river, under the toll bridge, and on abandoned land.

The rapid development of urban areas will lead to increased land demand in the city. Problems that arise later are the need for housing or housing. Different levels of income of the population cause differences in the purchasing power of a residence (house). For city dwellers who work in low-income economic sectors, the need for housing is a severe problem.

In the framework of a comprehensive and equitable development, this problem is included in the government program. The targets of housing and settlement development programs are listed in

Ministerial Regulation No. 27 of 2012 concerning Procurement and Settlement with the help of subsidized Home Ownership Credit.

Statement of the Problem

What is the impact of the construction of subsidized housing on the economy of the subsidized housing community in Binjai City?

Hypothesis

H_0 is rejected if the probability value is <0.05 , which means there is a change in the economy of the community before and after the construction of subsidized house.

H_0 is accepted if the probability value is >0.05 , which means there is no change in the economy of the community before and after the construction of subsidized house.

Objectives of the Study

This study aims to analyze the impact of subsidized housing construction on the economy of the community of Binjai city.

Research Methodology

The research method used is a survey. The study was conducted on subsidized houses in the city of Binjai because there were changes in the economy of the community. The population in this study was 320 households in the subsidized house in Binjai City. Samples are taken by probability sampling.

Primary data is obtained from respondents around the location, while secondary data is obtained from related agencies such as District data, Central Statistics Agency (BPS) data, Binjai City Regional Development Planning Agency (Bappeda) data, Housing and Settlement Office data and resources- other sources such as books, official government reports and magazines.

Research data was collected through questionnaires, interviews and subsequent observations were analyzed using a paired sample t-test to evaluate certain treatments in the same sample in two different observation periods (Pramana, 2012). Paired sample t-test is used if the data is normally distributed. According to Widiyanto (2013), paired sample t-test is one of the testing methods used to assess the effectiveness of actions, where there are differences in the average values before and after the action is given.

Literature Review

Basic needs are a very important need for human survival such as individual needs / consumption such as food, clothing and settlements, as well as certain social service needs such as drinking water, sanitation, transportation, health, and education (Mulyanto sumardi et.al. in Soetjipto, 2000)

The policies outlined in Government Regulation No. 29 of 1974 states that in order to improve people's welfare, the procurement of housing and environmental infrastructure needs attention. The Ministry of Public Housing was formed to carry out the function of providing housing for low-income community. In the field of financing, Bank Tabungan Negara (BTN) is established as a mortgage bank. Furthermore, Act No. 4 of 1992 stipulates that housing is one of the basic human needs of Indonesia that needs to be fulfilled. Also in 1992, the Government through a Joint Decree of the Minister of Home Affairs, Minister of Public Works and Minister of Public Housing Number 648-384 / 1992 stipulated a policy regarding the concept of a balanced residential environment. This concept is further elaborated by the Decree of the Minister of Industry No. 04 / KPTS /

BKP4N / 1995 concerning the balanced concept with model 1 (luxury house), 3 (moderate house): 6 (simple house).

Factors that have an impact on housing development are quite numerous, which have cross-sectoral and interrelated characteristics. Yudohusodo provides several factors that have an impact on the construction of houses and settlements to meet the needs of today's society, such as population, land, affordability, development of technology and construction services industry, institutions, legislation, self-help and community participation in development and settlements (1991: 85-92)

Determination of low-income community groups is not easy, because there is a possibility of uncertainty in income (Budihardjo, 1991: 58). The government provides assistance to low-income communities (MBR) to buy simple houses (RSH) by providing subsidized mortgages. MBR is defined as a member of the community who earns less than 2.5 million rupiah per month.

Housing development and improvement is an effort to improve the condition and function of residential areas due to a decrease in productivity and utilization, the development of housing conditions that do not follow planological norms and environmental health norms, but still pay attention to the zone and building functions. (Mekaryani in Nasution, 2002).

According to Widyaningsih (2001) the development of a city and region can be

determined, from the economic aspect through community income and employment opportunities. According to Turner which refers to Maslow's theory, there is a link between a person's economic condition and the priority scale of life needs and priority of housing needs (Turner in Panudju, 1999: 166 - 168). Turner 1971 (in Panudju 2000) concluded that for low and very low income people, the distance factor between the location of a house and a workplace is the most important thing. The factor of land and house ownership is the second priority while the factor of form and quality of the building remains the last priority.

Hadisaroso (1993) suggests that regional development is an action to develop the region to improve the welfare of the community. According to Soegijoko (1997) regional development is an effort to evenly develop development by developing certain regions through various sectoral activities in an integrated manner, so as to increase the economic growth of the region effectively and efficiently and can improve the welfare of the community. Sirojuzilam (2005) defines regional development as increasing the value of regional benefits for a particular area of society and being able to accommodate more residents, with the level of community welfare which on average many facilities / infrastructure, goods or services are available and community business activities are increasing, both in terms of type, intensity, service and quality.

Result

Operational Definition of Research Variables

Variable	Definition	Indicator	Scale
Community economy	There are business	Business opportunities	Ordinal

opportunities, improvement of trade and service facilities, employment and community income after the construction of a subsidized house	Trading and service facilities	Ordinal
	Employment and Income	Ordinal
		Ordinal

The plan for regulating the population of Binjai City for the period 2010-2030 is determined on the basis of several factors, as follows:

- a. The spread of population is strongly influenced by the distance to the activities of urban centers;
- b. Population density is determined according to the intensity of activities and capacity of the city;
- c. Determination of distribution and population density takes into account the state of existing population density, the phenomenon of population development regarding local migration, and the plan for equal distribution in each part of the city area (BWK) and the environmental unit according to the extent.

The plan for the use of Binjai City's space based on the grouping of the intensity of the activity needs to be determined, as follows:

1. The intensity of activities that have high value, such as trade, services, industry and offices.
2. Intensity that has a moderate value like a residential area.
3. Low intensity values, such as recreation, sports, parks, and other open spaces.

The development of GRDP value is one indicator that can be used as a measure to assess the success of regional development or in other words the economic growth of a region can be reflected through the growth of GRDP value.

Table 1. GRDP Based on Current Prices 2009-2013 (Millions of Rupiah)

Sector	2009	2010	2011	2012	2013
Agriculture	32.090,68	36.233,49	38.950,33	42.057,57	47.543,17
Mining and excavation	2.550,76	2.732,82	2.937,12	3.167,54	3.421,16
Industry	399.529,59	452.399,16	512.542,47	580.829,69	677.170,13
Electricity, Gas and Drinking Water	11.492,97	11.307,43	13.290,07	14.475,38	15.998,94
Building	191.048,19	228.141,64	269.913,80	319.705,46	384.994,65
Trade, Hotels and Restaurants	458.856,81	517.329,84	586.604,12	666.502,43	769.102,65
Transportation and Communication	304.165,67	331.727,63	363.760,83	399.800,66	450.187,19
Finance and Services	247.048,99	287.465,34	325.331,58	371.015,88	437.510,87
Services	391.211,98	443.397,97	504.208,29	575.487,58	687.057,18
Total	2.041.995,63	2.311.735,31	2.617.638,60	2.973.042,20	3.462.985,93

Source: Binjai in numbers 2014

In Table 1 above, it can be seen that Binjai City's GRDP at current prices during the

period 2009-2013 shows an increasing trend dominated by the trade, hotel and

restaurant sector, the industrial sector and the services sector. While the sector that provides the smallest contribution is the mining and excavation sector. This can be

seen from the contribution of GRDP according to the Binjai City sector, as presented in Table 2.

Table 2. GRDP Distribution Based on Current Prices 2009-2013 (%)

Sector	2009	2010	2011	2012	2013	Rataan
Agriculture	2,63	2,53	2,45	2,39	2,35	2,47
Mining and excavation	1,08	1,08	1,07	1,07	1,07	1,07
Industry	20,60	20,60	20,61	20,56	20,58	20,59
Electricity, Gas and Drinking Water	0,52	0,49	0,47	0,45	0,43	0,47
Building	8,45	8,86	9,31	9,75	10,12	9,29
Trade, Hotels and Restaurants	21,52	21,42	21,45	21,45	21,24	21,42
Transportation and Communication	13,90	13,91	12,91	12,45	12,00	13,03
Finance and Services	13,10	13,10	13,43	13,48	13,64	13,35
Services	18,20	18,20	18,29	18,38	18,57	18,33
Total	100,00	100,00	100,00	100,00	100,00	100,00

Source: Binjai in numbers 2014 (Processed data)

In Table 2. above it can be seen that during the period 2009-2013 the average GDP at Current Prices shows the trade, hotels and restaurants sector which has the largest distribution of Binjai City GRDP with an average of 21.42%. Furthermore, the

distribution of the industrial sector to Binjai City's GRDP was the second highest at 20.59%. The services sector has an average distribution of 18.33% and is in the third position of the Binjai City GRDP.

Table 3. GRDP Data Based on Constant Prices 2009-2013 (Millions of Rupiah)

Sector	2009	2010	2011	2012	2013
Agriculture	18.905,98	19.200,52	19.755,03	20.432,53	21.152,77
Mining and excavation	1.948,20	1.992,88	2.041,80	2.094,64	2.149,15
Industry	159.650,29	168.818,6	178.918,8	186.838,9	195.322,1
Electricity, Gas and Drinking Water	5.549,69	5.790,99	6.064,38	6.383,95	6.749,80
Building	94.447,61	100.153,8	106.838,2	114.104,3	121.958,2
Trade, Hotels and Restaurants	280.849,53	299.899,5	322.234,2	347.061,5	375.276,8
Transportation and Communication	192.812,23	206.458,8	221.577,8	238.291,7	255.968,5
Finance and Services	107.856,89	111.654,1	119.608,6	127.905,0	137.077,1
Services	246.218,42	259.609,5	275.312,8	293.134,1	312.345,5

		8	5	0	3
Total	1.108.238, 84	1.174.579, 00	1.252.366, 55	1.336.246, 84	1.428.000, 00

Source: Binjai in numbers 2014

In Table 3 above, it can be seen that Binjai City's GRDP on the basis of Constant Prices during the period 2009-2013 shows an increasing trend dominated by the trade, hotel and restaurant sector, the services and transportation and communication

sectors. While the sector that provides the smallest distribution is the mining and quarrying sector. This can be seen from the distribution of GRDP, as presented in Table 4

Tabel 4. GRDP Distribution Data Based on Constant Prices 2009-2013 (%)

Sector	2009	2010	2011	2012	2013	Rataan
Agriculture	2,63	2,56	2,51	2,46	2,42	2,52
Mining and excavation	0,09	0,09	0,08	0,08	0,08	0,08
Industry	15,43	15,40	15,31	15,00	14,69	15,17
Electricity, Gas and Drinking Water	0,41	0,41	0,41	0,41	0,41	0,41
Building	9,50	9,50	9,51	9,52	9,52	9,51
Trade, Hotels and Restaurants	25,46	25,46	25,84	25,07	25,38	25,84
Transportation and Communication	16,45	16,45	16,74	16,88	16,97	16,70
Finance and Services	8,72	8,72	8,54	8,56	8,59	8,63
Services	21,31	21,31	21,06	21,01	22,94	21,12
Total	100,00	100,00	100,00	100,00	100,00	100,00

Source: Binjai in numbers 2014 (Processed data)

In Table 4 above it can be seen that during the 2009-2013 period the average GDP at Constant Prices shows the trade, hotels and restaurants sector which has the largest distribution of GDP at an average of 25.84%. Furthermore, the distribution of

the services sector to Binjai City's GRDP was the second highest at 21.12%. The transportation and communication sector has an average distribution of 16.70% and is third in the formation of the Binjai City GRDP.

Table 5. Binjai City GRDP Growth Rate Data in 2009-2012 (%)

Sector	2009	2010	2011	2012	2013
Agriculture	3,36	2,64	4,05	4,61	4,71
Mining and excavation	6,12	5,71	5,93	6,07	5,98
Industry	5,51	6,78	7,02	5,45	5,58
Electricity, Gas and Drinking Water	4,60	6,30	6,71	7,31	7,80
Building	6,40	5,11	5,74	5,87	5,94
Trade, Hotels and Restaurants	5,14	5,81	6,47	6,72	7,15
Transportation and Communication	5,71	6,11	6,36	6,58	6,45

Finance and Services	4,95	3,49	5,23	5,99	6,23
Services	5,89	5,46	6,07	6,50	6,58
Total	5,95	6,04	6,67	6,75	6,91

Source: Binjai in numbers 2014

In Table 5. above it can be seen that the economic growth rate of Binjai City during the period of 2009-2013 shows an increasing trend, where in 2009 the economic growth of Binjai City was

5.95%, increasing to 6.04% in 2010. On in 2011, the economic growth of Binjai city increased to 6.67%, in 2012 showed an increase of 6.75% and in 2013 again showed an increase to 6.91%.

Table 6. Poverty Line and Poor Population in Binjai City...

Year	Poverty Line	Number of Poor (000)
2008	255.388	20,51
2009	283.367	18,90
2010	284.367	18,90
2011	314.567	18,30
2012	327.312	18,00
2013	338.050	18,00

Source: Binjai City Statistic Center, 2015

The poverty line of Binjai city continues to increase from year to year. 255,388 rupiahs in 2008, 283,367 rupiahs in 2009 and 284,367 rupiahs in 2010. Meanwhile,

the number of poor people in Binjai City has decreased over the years. There were 20,510 poor people in 2008, 18,900 in 2009, and 18,900 in 2010.

Table 7. Subsidized Houses in Binjai City

No.	Sub-district	Housing	Number of Built Units	Number of units occupied
1.	East Binjai	Citra Wahidin	142	109
		Royal Wahidin	126	97
		Wahidin Regency	116	82
2.	South Binjai	Grand Marcapada Indah 2	40	32
Total			424	320

Source: Village Head Office and Developer Data

This type of subsidized house is type 36 which consists of 2 rooms, 1 living room, 1 bathroom, 1 kitchen, 1 backyard, and 1 front yard. This Subsidized house

developer is a private company. This subsidized house is intended for 424 households, but only 320 households are occupied.



Gambar 1. Rumah Bersubsidi Kota Binjai

Table 8. Interval of Community Economic Score Before Construction of Subsidized Houses

	Score interval	Number of Respondents	Percentage (%)	Category
1.	5 – 8	5	6,57	Unable
2.	9 – 12	28	36,84	Less able
3.	13 – 16	22	28,95	Fairly able
4.	17 – 20	13	17,11	Able
5.	21 – 24	8	10,53	Extremely able
	Jumlah	76	100,00	

Source: Primary data processed, 2018

Table 8 shows that based on a score range of 3 with a total score of five, most of the respondents state economic variables of the community in the category were less able at 36.84%. The fairly able category

was 28.95%, the able category was 17.11%, the extremely able category was 10.53%, while the respondents stated that the economy of the unable community was 6.57%.

Table 9. Interval of Community Economic Score After Construction of Subsidized Houses

	Score interval	Number of Respondents	Percentage (%)	Category
1.	5 – 8	0	0,00	Unable
2.	9 – 12	6	7,89	Less able
3.	13 – 16	30	39,47	Fairly able
4.	17 – 20	26	34,22	Able
5.	21 – 24	14	18,42	Extremely able
	Total	76	100,00	

Source: Primary data processed, 2018

Table 9 shows that based on a score range of 3 with a total score of five, most of the respondents stated that the community economic variables in the fairly able

category were 39.47%. Able category of 34.22%, and extremely able category at 18.42%, while respondents stated less able at 7.89%.

Paired sample T test

Table 10. Paired Sample Statistics from the Community Economy

	Mean	N	Std. Deviation	Std. Error Mean
Pair 1 SESUDAH	3.6316	76	.87700	.10060
SEBELUM	2.8947	76	1.10247	.12646

	N	Correlation	Sig.
Pair 1 SESUDAH & SEBELUM	76	-.041	.727

Paired Samples Statistics shows that the average economic value of the community before and after the construction of a subsidized house. Before the construction was carried out, the average value of 76 respondents was 2.8947, while after the construction is carried out the average value is 3.6316. Paired Samples Correlation shows that the correlation

between two variables is equal to -0.041 with a significance of 0.727

The hypothesis proposed is:

H_0 : The average of the community economy is the same (significant > 0.05)

H_a : The average of the community economy is different (significant < 0.05)

Table 11. Paired Sample Test from Community Economics

	Paired Differences					t	df	Sig. (2-tailed)
	Mean	Std. Deviation	Std. Error Mean	95% Confidence Interval of the Difference				
				Lower	Upper			
Pair 1 SESUDAH - SEBELUM	.73684	1.43637	.16476	.40862	1.06507	4.472	75	.000

The t statistic value is 4.472 with a significant 0.000. because significant < 0.05, it can be concluded that H_a is accepted, meaning that the average of the economy of the community before and after the development is different (not the same). Thus it can be stated that the construction of a subsidized house supports the economy of the people living in the city of Binjai.

The construction of subsidized houses has a positive and significant impact on the economy of the community. Increasing economic community can be explained that from the results of the description of the economic variables of the community between before and after construction (Table 8 and Table 9) on the average the majority of the economic question items of the community, the situation after construction was answered by the respondent can answer 34.22% , and the category is very capable of 18.42%, while respondents stated that the economy is less capable of 7.89%. These results indicate

Discussion

Construction of Subsidized Houses on Community Economy

that the community economy increased by utilizing housing construction, because the responses of extremely able and able = $18.42\% + 34.22\% = 52.64\%$., While those who answer less able and unable = $7.89\% + 0\% = 7.89\%$. This means that the impact of subsidized housing can improve the economy of the community, this is due to the answer is very able and able greater (52.64%) than the answer is less able and unable (7, 89%). This can be explained that the answer of the majority of respondents regarding the construction of subsidized housing can provide business opportunities to the community, the community is able to use it by increasing the business opportunity, improving the service sector, employment in the implementation of subsidized housing construction, and must be utilized the community with an increase in community income after taking the business opportunity. All of this can be accepted by supporting the questions asked.

Conclusion

Based on the results of the study, it can be concluded that the construction of subsidized houses in Binjai City has a significant positive impact on the economy of the community.

Suggestion

The construction of a subsidized house in the city of Binjai has a positive impact on the economy of the community, for that the community can use it to increase business opportunity, employment and income.

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