

LIMITED EQUITY COOPERATIVE HOUSING: AN ALTERNATIVE TO COPE WITH THE LAMENESS OF URBAN LAND OWNERSHIP

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Abstract

This article is intended to discuss the lameness of land ownership system in our cities, and to describe the idea to cope with the lameness through the application of a program for the provision of homesteading, i.e. 'Limited Equity Cooperative Housing' using a system approach. The discussion is begun with some theoretical views capable of explaining urban poverty in the Third World, i.e. Marginal theory, Developmental theory, Dependency theory and Articulatory theory. These theoretical views become the bases for the discussion on finding policies to cope with the land system in our cities which causes the impecunious group of urban people which has high proximity level to the urban activities center, cannot obtain affordable housing. The discussion began with the description about the concept of Limited Equity Cooperative Housing as an alternative. Then, discussion regarding a system approach to applying a program for the provision of homesteading through the combination of "bottom-up" and "top-down" model. The discussion ends with the description of basic strategy to implement the program by using General Action System model introduced by Talcoot Parsons. Finally, this article ends with policy implication and conclusion.

Keywords: *limited equity, cooperative housing, lameness of land ownership, impecunious faction, homesteading, affordable housing, gentrification*

I. INTRODUCTION

In a large context, cities provide positive and useful things. However, urban growth can cause various social, economical, and political problems. It has been realized that rapid growth of cities, particularly in the underdeveloped country, has been followed by various problems related to demographic factors, particularly the growth of urban population that can not be avoided. However, there is an indication that the increase of total population in the city has decreased from previous projection (Taylor and William, 1982:6). Rapid

urbanization and population growth have resulted in the growth of impecunious group of people and informal sector activities.

In facing this problem, cities are generally viewed only as the part of the process of and the objective of economy development and also politic, while the existence of the impecunious community tends to be put aside. Planning and decision making are often focused only on solving the problem of urban efficiency, while the impecunious community is mostly viewed as the element of urban that need to be evacuated, because it will only confuse the planning entirely. This is probably caused by planners and decision makers' lack of theoretical expertise, particularly related to poverty problem in the urban setting. The behavior and attitude of planner or decision maker, usually based on theoretical comprehension they possessed, are directly and indirectly obtained from the theoretical knowledge resources. If they have shallow comprehension, the policy they decide would always be imprecise, and may be ineffective. On the other hand, if they have a circumstantial comprehension, they may produce appropriate and effective policy. However wide the theoretical comprehension, it will never produce appropriate policy and attitude because each Third World country faces the problem of poverty uniquely and differently. In addition, every impecunious community always has the different characteristics from other impecunious community. However, the comprehension of poverty problem and social lameness with wide perspective, added with practical observation and consideration, would assist in finding the most appropriate policies to be applied in every case. There are, however, some theoretical considerations that could explain the phenomena of poverty and social discrepancy in the Third World cities.

By taking into account the objective of this article, the following discussion will only describe some of those considerations. Some of the considerations can be implied directly to the policy, but some others are still in general level and have not been directly implied to the policy. The structure of the article is as follows after this introduction, an overview of urban poverty mainly in relation to the land-ownership is discussed. An alternative is proposed in the next section, followed by its assessment. Finally conclusion and implication are drawn.

II. URBAN POVERTY AND THE PROBLEM OF LAMENESS IN THE SYSTEM OF LAND-OWNERSHIP

Some theoretical views are able to explain the causes of the occurrence of poverty in the Third World cities, e.g. Marginal theory, Developmental

theory, Dependency theory and Articulatory theory (Baker, 1980; Forbes, 1986; and Craib, 1994).

Marginal theory assumes that poverty in the Third World cities is caused by the culture of poverty constructed by the process that has been going on from one generation to another. Marginal theory, according to most urban experts, is the earliest theory that is capable of expressing the phenomenon of urban poverty in the Third World cities. Oscar Lewis in his book, *Culture of Poverty* (1966 in Suparlan, 1984 & 1989) gave a clear description about the occurrence of urban poverty by emphasizing the cultural values inside the impecunious community in urban areas, emerged through a socialization process. Marginal theory describes that the people of the impecunious community as people who are lack of education, behave apathetically, and do not have any ambition or resilient to plan their future. These values have been socialized from one generation to another. Therefore, urban poverty, in the view of Marginal Theory, has been established well, so that the communities' culture and attitude have limited their effort to alleviate their poor condition (see Baker, 1980: 5, Suparlan, 1984, 1989; Gilbert and Gugler, 1981: 84; Anshory, 1989: 34).

According to the followers of developmental theory, poverty in Third World cities occurred as a result of lack of industrialization's attribute, and the tardiness of economic growth. The problem of urban poverty, according to this theory's view, has a close relationship with underdevelopment situation. Limited development capital, low management capability, inadequate infrastructure, and problems of politic stability are assumed to be the cause of poverty in the Third World countries where the symptoms are clearly seen in their cities. In this case, developmental theory recommends development as the main criteria for overcoming the problems of social inequality and poverty. It seems that the attitudes and policies of most governments in the Third World countries have been dominated by the views and opinions coming from this theory. In their efforts to cope with the suffering of these countries, they assume that the problem of poverty could be overcome. Development planning, however, is aimed at strengthening production, urban efficiencies, economics of scale, and acquisitions of investment capitals (Brown and Panayotow, 1992; Bryant and White, 1986; Brow, 1986).

The dependency theory and articulatory theory offered different point of views. Each theory with different focuses shows that urban poverty is related to the problems of the world economy and to global political structure. According to the dependency theory, world development is taking place lamely. Industrial countries are economically dominant, whereas Third World countries depend economically on the industrial countries. When industrial countries experienced development, Third World countries experienced

colonialism and neo-colonialism which increased their backwardness. Backwardness causes poverty since most of Third World countries have lost their source of productions (Farley, 1992: 619-21; Nurzaman, 2006: 41-2). As a result, cities as the centers of accumulation in Third World countries also become the target for job seekers from rural area. Thus, poverty from rural area is reproduced in the urban area. This, according to the Dependency view, is how poverty occurs in Third World cities.

Articulatory theory assumes that urban poverty in Third World countries is directly related to the process of capitalism penetration into the countries. The penetration did not occur perfectly. In Third World countries, according to the Articulatory view, the 'mode of production' of capitalism articulates the 'mode of production' of pre-capitalism. This occurred simultaneously where one of the 'modes of production (capitalism) dominates the other (precapitalism)' (Craib 1994: 210 and Forbes, 1986). Thus, indirectly the theory of Articulatory explains that urban poverty in the Third World is the results of the articulation from two modes of production. In the periphery side, particularly at the centers of accumulation (cities) the existence of the two modes of production (capitalism and pre-capitalism) stimulates the exploitation of cheap worker in all sectors of urban poverty (Forbes, 1986).

From the theoretical explanation of urban poverty, it can be seen that urban poverty is not a technical problem, it is more a cultural or structural problem, particularly concerning the provision of the access for the impecunious faction to resources, production system, distribution and other aspects (Pakpahan, 2005: 27). Including also in it is the access to affordable housing for the impecunious faction. It can be assumed that the poverty they are experiencing now is a tentative thing, and is not only limited by cultural factors as explained by the marginal theory. Homesteading for the impecunious faction in our cities, like in any other Third World cities, is not simply a place to live, a place for eating, talking with friend, and loving, but particularly also as a source of aggregation. Furthermore, although homesteading is not a productive investment, but its easy access to urban infrastructure and to the activity centers of urban economics is a necessary resource for the urban impecunious faction to be able to support the efficiency for the development of urban economics (Mills, 1991:222-3). It is typical for cities in Indonesia that the downtown area (Central Business District) is the most important area of the city in terms of land use. There is a concentration of impecunious residents in the CBD indicated by informal sector activities supporting urban economic activities. Due to the need on proximity to industrial areas, to harbor area, to commerce centers, or to any other urban activity centers, communities of impecunious people emerged around the CBD area.

Lack of skills and education, added with the problem of access to obtain capital and facilities, make the impecunious—generally migrants from rural areas—can not have access to the formal urban sectors, such as private and public companies, government bureaucracy for obtain licenses, investment credits and using various other public facilities (Schaffer and Hsien, 1985). As a consequence, migrants can only operate in informal sector and dwell in the sub-standard housing compounds surrounding around the urban economic activity centers. This indicates that the impecunious communities of our urban area, as in other Third World cities, are inherently part of urban system. Real estate development activities in Third World cities are the effect of government policies and have a relation with world capitalism system. In the Third World cities, owners of small plot of lands that generally consist of middle and upper middle economic group are just minority in number. Capital accumulation in our cities has absorbed rural resources in the form of new people coming to the cities. Cities, then, tend to be inhabited by minority faction of impecunious people and majority faction of middle and elite economic faction. This creates serious effect, where urban land ownership is dominated by minority faction, i.e. elite economic group, with abundant consumption, usage of land as a status symbol, and heaping the properties. On the contrary, the majority, the faction of impecunious, due to access problem, would never get any opportunity to obtain land with legal ownership rights or legal usage rights.

The lameness of land ownership system in urban area ought to be able to be solved through land use planning and policy acts, especially at the new development areas of the cities. Unfortunately, that is not the case in reality. The new development areas in the cities, that generally face rapid growth of industrial buildings, is only designated for middle and upper middle faction, since only they who can afford to obtain it. Even though there are many government efforts for the procurement of very cheap housing, the impecunious faction still cannot afford to obtain the housing. Due to land price consideration, the location of cheap settlement areas is usually far from the centers of urban activities.

The fundamental problem is that planning of the new development area in cities does not adequately take into account the existence of impecunious community as a part of urban structure. Changes are in progress, but the urban extension itself likely have placed burden of the changes on the shoulder of the impecunious faction. It has been realized by planners and policy makers that if impecunious community existence is considered more precisely into planning the community will possible become the resource of and strengthen the growth of urban economics (Mills, 1991). To achieve urban efficiency, land use policy should look at the valid provision of homesteading for urban

impecunious clan in the strategic locations, i.e. locations which are affordable and close to the activities centers of the city, where most of impecunious people work.

III. THE PROGRAM OF LIMITED EQUITY COOPERATIVE HOUSING: AN ALTERNATIVE

3.1. The Concept

Empirical experiences indicate that, the efforts to providing homesteading handled by the capitalists—i.e. profit oriented private sector — can not cope with the problem of housing for impecunious faction in the cities (Gilderbloom, 2006). To cope with the lameness, one of the efforts is to assist the urban impecunious faction in obtaining affordable housing through a mechanism in the form of "cooperative" in the way of "limited equity". This program enables the impecunious faction to have financial power on one side and on the other side to avoid 'gentrification' which is a disadvantage for the impecunious faction, both long-term and middle-term. The program is called Limited Equity Cooperative Housing/LECH, a program providing non-profit homesteading allocated to low income society faction, with a cooperative approach. The organizer is a housing cooperative whose membership is low income faction of the society. The cooperative acts as non-profit oriented developer which would designate the locations for housing development (Glossary, 2006; also Gilderloom and Appelbaum, 2006).

The mechanism of the cooperative can be explained as follows: in a typical arrangement, every user will pay a share of light advanced money (e.g. 10% from the value of the property to be owned); The monthly payment include every portion of owner from collective mortgage, added with the costs for the maintenance and operation (Giderbloom and Appelbaum, 1991:180-1). If an owner intends to move, the owner can not sell his property to other party, except through the co-operative which is a competent organizer. Then, the co-operative will resell the property to a new owner, which has been accepted as member of the co-operative. By doing this, sale price will remain constant below the market price for similar type and quality. If a certain house is resold to the co-operative, while its mean price is still above the market, then the unit owned by the co-operative would never be sold.

Such cooperative is called "limited equity". Limited equity, according to the definition used by Gilderbloom and Appelbaum (199:180) is the limitation of equity of the co-operative of the units that have been freed by the co-operative. In other words, limited equity applies the limitation on the result of any reselling of the housing units by the first owner. This differs from the

housing co-operative without limited equity, where the co-operative members are not prohibited to resell their housing units at the existing market value.

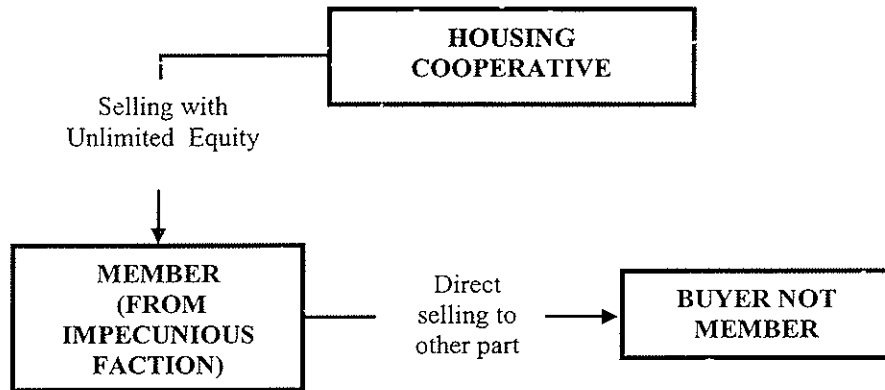


Figure 1: Sale and Resale Pattern of Homesteading at Conventional Cooperative Housing

In conventional housing co-operative; each member who has mastered a homesteading can sell directly to other party at the existing market price. In practice, this pattern produces ‘gentrification’— the transferring of the right of property to the higher economic level (**Figure 1**).

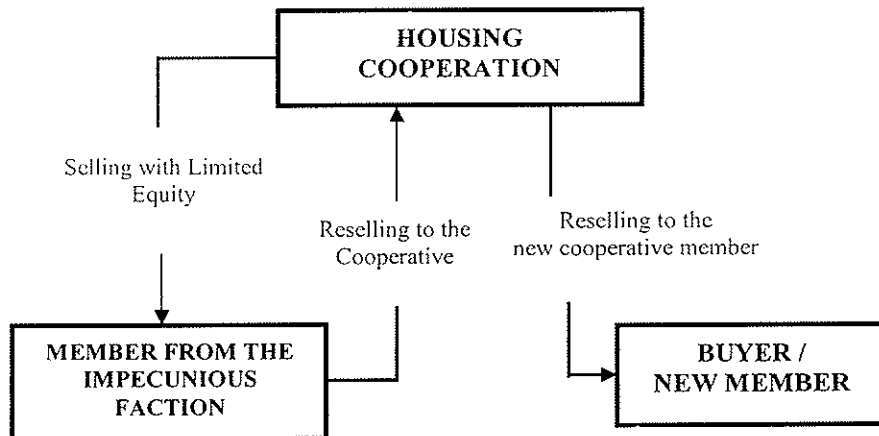


Figure 2. The Buying and Reselling Pattern of Homesteading at The Program of Limited Equity Cooperative Housing

At the housing co-operative with limited equity system, members who owned a property through the co-operative should only resell the houses to the co-operative at the price of under the market price (**Figure 2**). This will yield not

only important improvement to reach an affordable housing for impecunious faction, but also preven *gentrification*.

3.2. System Approach as the Application Method

A system is usually assumed as "a share of gathering of each other interconnectedly which form a complex whole as a unity" (Amirin, 2003:4). System also shows compilation of structured and organized ideas, a compilation of principles, law doctrine, etc. In addition, system is also utilized to refer understanding of scheme or method for the arrangement of organization or formatting something.

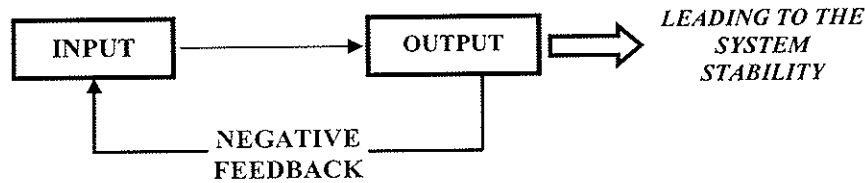


Figure 3. The model of input output systems with negative feedback

System responds to *input*, *output* and feedback. Feedback occurs when output functions as an input and leads toward stability or change of the system. Feedback can be in positive (Figure 4) or negative (Figure 3).

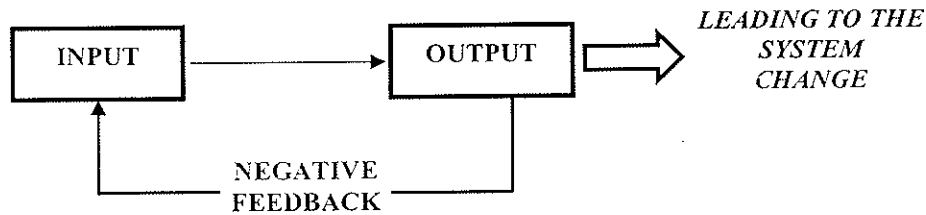


Figure 4. The model of input output systems with positive feedback

In general system theory, negative feedback could occur when the respond of the system reside on adversative direction from the output. Output of the cycle would lead to stability at the system, when the feedback is negative. Hereby, negative feedback is a response toward its stability and self arrangement (figure 3). On the contrary, positive feedback is often comprehended as a cycle capable of causing radical change inside the system. Output of the cycle would lead to the change at the system when the feedback is positive (Figure 4).

In the case of lameness in land tenure in our cities, the land tenure system in urban area could be seen as a system formed by negative feedback and its output leads to stability system (Figure 3). Here, stability of the system tends to give advantage only for society faction outside the impecunious faction, especially economic elite who own land in every strategic location in the cities, whereas impecunious faction doesn't obtain any advantage from the system. And, this possibly makes the lameness in land domination become a permanent thing in our cities.

If what expected is a radical change from unproportional toward proportional land domination system, then the approach should create a positive feedback inside the system. Figure 4 show that a positive feedback can change the system radically. In this case, positive feedback can be created through an affordable housing program for impecunious faction. How the program can be applied better is by conceiving that the program is as a process where its implementation is a cycle of 'input-output-feedback', with positive feedback.

Hence, the output of the cycle automatically can lead the system to a radical change, so that land domination system which is initially stable in a situation where the lameness can be altered to proportional land domination system. Theoretically, using positive feedback can create change in land ownership system in urban area from the domination of middle and upper economic level to proportional ownership system where the impecunious faction can get the opportunity to have homesteading at the strategic locations.

3.2. Application of the System Approach: Combination of 'Bottom-Up' and 'Top-Down' Models

The failure of government in providing homesteading for impecunious faction in urban area is very possible caused by the mechanism of implementation with 'top-down' approach. The impecunious faction in urban society, because of their lack in bargaining position, is seldom touched by any program with the top-down character. On the contrary, although the program of "Limited Equity Cooperative Housing" is more characterized by Bottom-Up approach, there are many problems of access faced by the organizer (the cooperative management), unassisted by the government party. For example, economic growth that follows capitalistic pattern and institutionalizes land speculation by the elite would become the main obstacle for the organizer or the cooperative management in providing access to affordable housing. In this case, without government's 'political will', any effort to implement this will lead to a failure. As a solution, what can be considered is a combination of 'top-down' and 'bottom-up', as shown in **Figure 5**.

Figure 5 shows some correlations between institutions that are competent in providing homesteading for impecunious faction, through "limited equity housing" program approach. Figure 5 shows the correlation between one system of component with another system of component in the society. Top-down correlation covers the relation between central government and city government; between central government and private sector/developer; between central government with banks and financial institutions; between city government with housing co-operatiosn; and between housing co-operations with impecunious faction of urban society. Bottom-up correlation coverw the relation between impecunious faction of urban society and housing co-operative, between housing co-operative and Non Governmental Organizations (NGOs) and Legal Aid Institutions (LAIs); between housing co-operative professional developers; between NGOs and LAIs and central government and city government; between NGOs and LAIs and banks and other financial institutions.

Relation between central government and private sector/developer and with banks/financial institution, especially in relations to policies, regulations and control. Efficiency of this program would be mostly determined by government regulations particularly to the impecunious group. The policy regarding "crossed-subsidy" in real estate development by the developer can urge the developer to provide land subsidy in the interest of the impecunious faction. Central government also can issue a policy of providing credit related to the providing of homesteading for impecunious faction. The other form of policy is tax dispensation, a priority for the co-operative management.

Relation between city government and cooperative management covers the provision of city government aid in the form of land use policy which designates land in the interest of the impecunious faction. The location of the land has a high proximity level to the centers of economic activities in the city. Another form of city government aid is dispensation in permit and retributions. Technical assistance, human resource training, management assistance and other similar activities are also the responsibility of city government. Although it is expected the the city government can provide plenty of aids to co-operative management, but an important thing that should be avoided is a direct aid that capable of lessening the authority of co-operative management in taking policy for project developments.

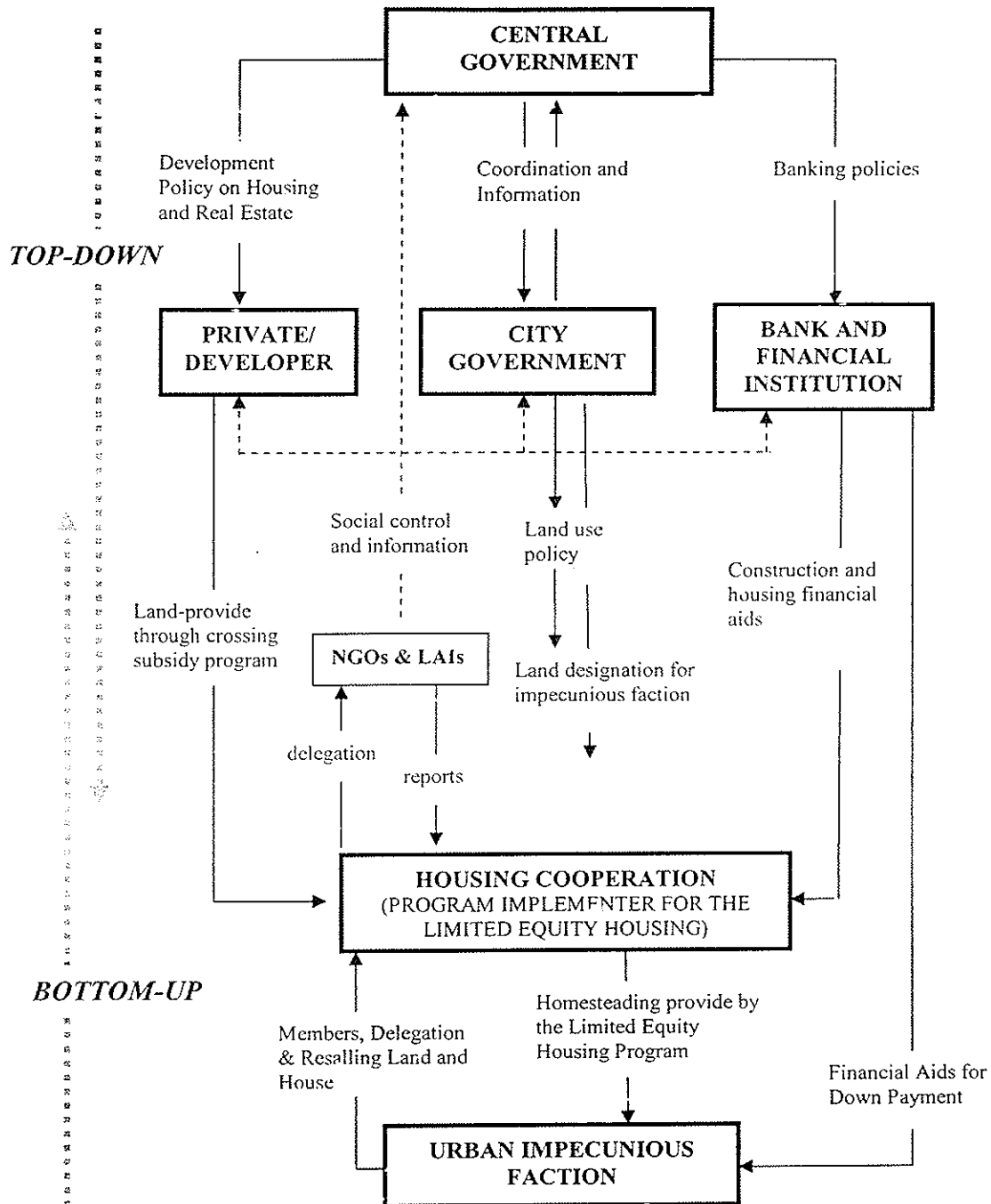


Figure 5. The model on system approach for implementation providing the Limited Equity Housing

Relation between cooperative members/impecunious faction of society with cooperative management consist of two special dimensions, i.e membership relation, including delegation relation, and relations on selling and also purchasing the property units. Pursuant to the basic concept of Limited Equity Cooperative Housing, there are some principles of the work relation between cooperative management and its members that have to be obeyed, e.g: cooperative member is a member of impecunious faction society group, pursuant to certain clauses and criterion; and members could buy or sell any property only through the cooperative.

Relation between cooperative and supporting institution. Relation between cooperative and Non Government Organizations (NGOs) and Law Aid Institutions (LAIs) can be realized in the form of establishing the institutes by the cooperative itself, or in the form of contractual relation. Relation between cooperative and NGOS/LAIs is especially in the form of relation on law and supervising or controlling. NGOs and LAIs is expected to be able to control the implementation of policies by central and city governments which are designed to avoid the capitalists to intervene into the system. While the relation between banks/ financial institution with cooperative is particularly in the form of credit and capital aids, e.g: construction credit aids and housing credit aid.

Relation between NGOs/LAIs and related institutions is in the form of supervising and controlling policy implementation. As the institution representing the cooperation, NGOs or LAIs are expected to be able to control various policies of respective cities and central government, particularly supervising and controlling the mechanism of providing homesteading for impecunious faction, e.g. the implementation of crossed-subsidy policy by private sector, implementation of land-use policy by city government, or implementation channeling of construction credit, by related finance institutions and banks. In addition to supervision duty, these institutions also provide consultancy and consideration to government to complete any related regulation.

IV. BASIC STRATEGY: APPLYING PARSONS'S ACTION SYSTEM

System theory of Talcoot Parsons explains that a local community, an association, a corporation, a family, or a friendship can be considered as a small system. Life segments in a society are like aspects of economic, politics, and culture which are qualitatively imaginable as a system. For Parsons, the multivarious systems are correlated through a transfer of symbolic information. Every subsystem of a social system has a similarsymbol: *money* for subsystem of economics, *power* for subsystem of politics, *influence* for

subsystem of social community, and *commitment* for subsystem of socialization. Even if the symbolic sources are changed in any system, the system is always in balance with other systems, and at the same time maintains its identity by itself—maintaining its boundaries.

Parsons introduced his "structural functionalism" with 4 important functions for all "action systems", known by the name of AGIL Scheme, as abbreviation from Adaptation, Goal Attainment, Integration, and Latency (maintenance of pattern). AGIL Scheme is a function of the accumulation of activities which is directed to certain necessity fulfillment, or requirement of system (Parsons, 1971:6; Veeger, 1986: 199-206).

According to Parsons, every system is controlled by some subsystems. The highest subsystem controls the problem of information and the lowest subsystem controls the problem of energy. Thus, any lower subsystem push its energies to the system, and, any higher subsystems return the information downwards to the system. Parsons then made the assumption in four action systems to realize his AGIL scheme, as seen in **Figure 6**, i.e: 1). Behavior Organism. An action system implementing the function of adaptation (A) by adapting themselves and by changing the external environment; 2). Personality System: an action system that conduct attainment of the *goal (G)*, by specifying purpose of the system and mobilizing the resource to reach it; 3). Social System: To overcome the function of integration (I) with controlling the parts to be its components; 4). Cultural System: execute the function of latency (L) pattern by providing the actor in form of peripherals of value and norm, motivating them in acting (Ritzer and Goodman, 2004:121; Turner, 1991: 69-70).

A	G
BEHAVIORAL ORGANISM	PERSONALITY SYSTEM
CULTURAL SYSTEM	SOCIAL SYSTEM
L	I

Source: Ritzer and Goodman, 2004: 122

Figure 6. Structure Model on Parsons' General Action System

One of the principles of Parsons' system theory is that system tends to maintain self-balancing covering maintenance of the boundary, and maintenance of relation between the parts and the entire system, controlling the environment which different one to another, and controlling the tendency to change the system from within.

The problem that becomes our fundamental discussion, which related with the above principle, is how we control the tendency to change the system from within. System of land domination that established in our cities nowadays is the system of lame domination of urban land. Our duty, in this case, is to doing the approach to control the change of the system up at new system which expected - the system of proportional land domination. The following is the description of the basic concept, which can be considered, i.e. a basic strategy to implement the limited equity housing program by referring to the Parsons' action system.

The first action system, *Behavioral Organism* can be associated as institutions, which have been discussed above, starting from central government to impecunious society faction, each play certain function and role for the adaptation of the process to change the system from imbalance land domination system to balance land domination, by implementing Limited Equity Cooperative Housing Program. The second action system is Personality System.

According to Parsons, *Personality System* is an action system executing attainment of the goal, and mobilizing the resource to reach it. In this case, the purpose should is to fulfilling the requirement of affordable housing and also has high level of proximity central places of economic activities, both seen from the aspect of the urban impecunious people. Resources mobilization conducted through the redesigning of land based on the city space order regulation. Other resources are the capital accumulation from any resources, e.g. fund from the community savings, and the pension. If the cooperative obtains many advantages, it can invest some of its advantages by buying a number of plots of prospective sites for further development. Other source that could also be obtained is from the membership fees and loan from financial institutions. The loan required by cooperative cannot only be obtained from any bank, it can also be obtained from non-bank financial institutions, such as Building Society, Housing Development Finance Corporations, and various insurance companies.

Social system can be arranged through stipulating various policies by government that are capable of stimulating the change of system from 'the

lameness in the land domination system' toward 'the proportional form in land domination system' at each of the related institution.

The fourth action system is *Cultural System*, executing the function of maintenance or latency the pattern by providing the actor with a set of values and norms that can motivate them. The implementation of cultural system in the case of program of housing cooperative is providing the law to direct the change. Some important legal equipments, for examples: the policy of land use conducted through the planning of city land use, that is determined into the city regulation; The rule of housing and real estate development, which is profit oriented conducive for crossed-subsidy, and that every developer should provide part of its site for development of housing for impecunious faction; The other equipment of law is tax dispensation policy and the rule of decision to facilitate the construction credit for housing cooperative. Cultural system as the action system exists in the level of the hierarchy of general action system. In this case, Parsons View has given a sign of the importance of government role for the socialization of the equipment of law, so it might be create an atmosphere directing the system to change that is expected.

V. CONCLUSION AND IMPLICATION.

This article has tried to discuss the problem of poverty, which related to urban lameness problem in land ownership, and providing the homesteading for impecunious faction, as embraced in a few items as follows (a). Through the theoretical studies can be clearly seen that poverty in Indonesian cities is not solely a technical problem. It is not merely because of cultural problem or no attribute for industrialization and also not only because of the economics growth. Poverty in our cities, likes in other Third World cities, is more related to socio-economic problems, which can be explained in constellation with the world economic and the global structure of political-economic. Impecunious factions in our towns do not have enough opportunity for obtaining land at the locations with high proximity to the centers of economic activities (b). The land domination system in our cities generally occur unproportionally, where most strategic locations is dominated by the middle and upper middle faction, whereas impecunious factions do not get the opportunity for it. The main problem is how to change the unproportional domination system toward the proportional domination system, so that impecunious faction can also get the opportunity to having the strategic locations. One of the concepts that can trigger change of the system is the program of Limited Equity Cooperative Housing. Although this program basically has a 'bottom-up' character, but without 'top-down' type of program, the impecunious community of urban will remain confronted with various access problems. In fact, any central government and city government could take any role to share in assisting the cooperative management effort, such as through various policies and their

operations; (c). The basic strategy of the program implementation can be done by creating a modification on General Action System of Parsons, which consists of four action systems. Behavior organism is associated with the institutes from the highest hierarchy — central government — toward the lowest hierarchy — the impecunious faction, each takes a role to the adaptation toward the expected change of the system. Personality system, is the action system executing the goal attainment, that is fulfilled of requirement the affordable housing and having the high proximity to reach the centers of economy activities; Social system can be formed through various policies to arrange the role and function of every institution of society as the agents of change; and Cultural System is to execute the function of maintenance (latency) the pattern through providing the actor equipment of value and norm to motivate the actors in acting, especially in providing the equipment of law to direct the expected change of the system. As a conclusion, the difficulty of implement housing program like this, is not at how to change the unproportional land domination system to proportional land domination system, and also not how to create harmonious interaction between the components of the system, but it seems more depend on the government's political will. However, without the desire of the government to assist the implementation of the program seriously, any policy specified will not reach the expected result. In this case, the policy makers need to realize that the impecunious community in our cities, at least to the current condition, should be considered as something inherent within the entire structure of urban community. The important thing is that urban efficiency can only possibly be reached when this community group is integrated well into urban social system.

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