

# The spatial strategies and its mechanism of home-based enterprise in Kampong Cikini, Jakarta

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## Abstract

Home-based enterprise (HBE) is one of the plausible solutions for slum alleviation through income generating activities. This research aims to investigate the determinants of HBEs particularly the role of social life in slum settlement, followed by its implications to the spatial strategies. The research methodology is conducted with questionnaire, interviews and detailed observations in Kampong Cikini as one of the notable slum settlements in Central Jakarta. The findings revealed a profound comprehension of HBE that inseparable from socio-economy activities in the neighborhood. It confirms the positive and negative implications to neighborhood and the participation of surrounding neighbors in determining the type of commodity, public space usage and the practice of spatial strategies.

## Keywords

Home-based enterprise, Kampong, Spatial strategy.



## 1. Introduction

### 1.1. Home-based enterprise and spatial strategies

Home-based Enterprise (HBE) is defined as any business entity engaged in selling products or services in the market operated by a self-employed person or with employees, which uses the residential property as the base of their operation (Lawanson, 2012). It was claimed to allow the underprivileged to improve the housing conditions (Kellett & Tipple, 2000), to contribute a multiplier effect in local economies by providing basic services and needs of the community, to reduce transport costs by offering those goods and services within the settlement and to develop and strengthen community cohesion and liveliness of neighborhood (Gough, 2010). Nonetheless, it was also denigrated for serving various problems such as pollution, waste and fire hazards as well as privacy and crowding, either for the household or the neighborhood (Muraya, 2006). Despite these downsides, empirical studies in African countries documented the role of HBEs in improving slum dwellers financial capacity (Lawanson, 2012). It indicates that the slum dwellers accepted the HBE operation because of the positive benefits they gain which outweigh the occurrence of negative implications to survive life in the city.

Based on his thorough observation in developing countries, Jimenez (1982) expounded that the slum dwellers manufacture their houses as an asset of economic value for social functioning, which is accumulated through use, rent, and being local production. A research by Silas (1993) in Surabaya (East Java, Indonesia) and the assertion by Roy (2005) have corroborated the dual function of the house as an integrated place for domestic and economic activities. Especially after a serious recession, HBE played as important safety nets to ensure the livelihood and sustenance of the underprivileged (Yasmeen, 2001). This dual function of the house ignites spatial transformation to accommodate domestic and economic activities in the limited space of the house. The study by Tutuko and Shen

(2014) in Kampong Sanan, Malang City (East Java, Indonesia) affirmed that the neighbors are more attracted to the position of the interior room due to the similarity of occupation and concluded that the house's proximity to the main road impinged on the operation of HBE. In Ujung Tanah and Tallo Municipality, Makassar (South Celebes, Indonesia), Osman and Amin (2012) identified the usage and spatial arrangements of interior houses for HBE. A study by Amelia (2015) in Tulung Agung City (East Java, Indonesia) found the implication of local spatial tradition to the spatial arrangement for HBE inside the house.

The most thorough HBE's study in spatial strategy and arrangement in Indonesia was delivered by Marsoyo (2012). According to his research in Kampung Prawirodirjan (Yogyakarta, Indonesia), he classified three types of spatial strategies to overcome the crowding issue in the interior such as sharing, extending and expanding including the use of space outdoors. The practiced spatial strategy was comprehended as a long-enduring adaptation process for overcoming the psychological pressure due to the combination of domestic and economic activities inside the limited house size. However, the classification was composed of thorough and detailed longitudinal research of the process of spatial arrangement from the independent households' point of view. This research offers a wider perspective of the HBE operation and its spatial strategy, which is inseparable from the social and economic life of the neighborhood. The research questions are: What are the main initial determinants of set-up conditions of the HBE operation? How does it result in the spatial strategies and the mechanism of HBE in the kampong settlement?

### 1.2. The aims of the study

Most of the studies have attempted to examine HBE through the lens of architectural typology analysis and concluded general spatial configuration as hybridization of domestic and economic activities inside the house (Kellett and Tipple, 2000; Tipple,

2005; Marsoyo, 2012). Furthermore, most of the case studies were located in the suburban or rural areas, where the community can be considered homogenous and the social norms were already formulated and practiced traditionally within the kampong community (Osman and Yamin, 2012; Tutuko and Shen, 2014; Amelia, 2015). However, those studies provided insufficient findings on comprehensive factors of the decision of HBE's spatial strategy, which involve the neighborhood. There are insignificant studies of the self-made regulation for the spatial strategy of HBE in an urban area.

This paper aims to look into the mechanism of HBE, which results in the practiced spatial strategies of HBE in the urban kampong. Urban kampong as a settlement in an urban area has an attachment to the city because of the mutual economy activities (Downey, 1976: 317). The low-income households are an integral part of the economic entity in the city as they provide cheap labor, power and services to the formalized economic sphere to preserve their own space and as well as to be entrepreneurial on a household scale (Simone, 2015). Moreover, HBE in urban kampong as a high-density settlement with a compact community pattern cannot be regarded as an individual household's activity. The economic world of the urban kampong is interwoven through elusive numerous exchanges such as money and services in reciprocal manners. It indicates that HBE cannot only be regarded as an individual household activity but also a social

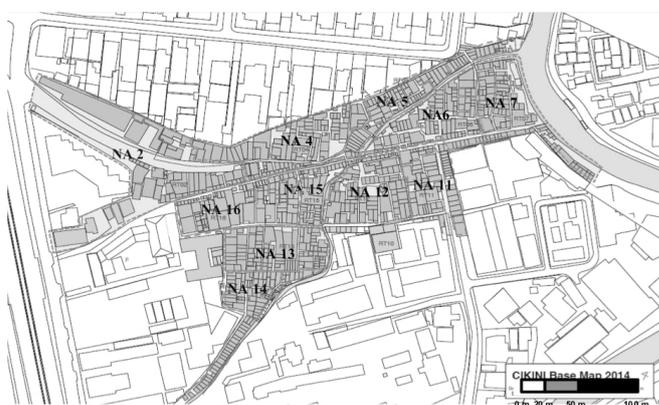
activity.

In sociology literature, the practiced social activity refers to the distinctive social structure (Mingers, 2004). According to the Giddensian view, social structure is composed of rules and resources that dictate social activities including human agency (Giddens, 1984:16–25). Critical Realism approach believes human agency always exhibits ineluctable creativity (Joas, 1997) that defies subsumption by any kind of nomothetic laws (Porpora, 1983), which in turn reproduces and transforms these structures (Mingers, 2004: 409). The transformations are the result of a distinctive mechanism that works in the community. Therefore, it is substantial to investigate the mechanism of the community in kampong settlement to attain the profound comprehension of the spatial strategy of the operated HBE. The term mechanism refers to an explanatory strategy, which means causal reconstruction and a retrospective process-tracing that ends with the identification of crucial initial conditions (Büthe, 2002). According to Machamer et al (2000), a mechanism consists of set-up conditions, intermediate activities and termination conditions. Depending upon this theoretical framework, this research tried to investigate the factors of HBE operations by the individual household as set-up conditions, the underlying factors of the practiced spatial strategy as the intermediate activities and the observable spatial strategy as termination conditions.

### 1.3. Study area

In the local administration, the research location belongs to Community Associations (CA) 1, Pegangsaan Subdistrict, Menteng District in the municipality of Central Jakarta. In Menteng District, there are 906,601 residents within 48.13 km<sup>2</sup>. Among 5 Subdistricts in Menteng District, Pegangsaan Subdistrict is the highest density population district, where 27,934 people reside in 0.98 km<sup>2</sup>.

Pegangsaan Subdistrict consists of 8 Community Associations (CAs) and CA1 has been well known as



**Figure 1.** Location of Case Study Area: Kampong Cikini.

**Table 1.** Number of HBE owners in CA 1 and number of respondents.

	TYPE OF COMMODITY					NUMBERS	RESPONDENTS	
	Raw Foods	Consumer Goods	Processed Foods	Rent Rooms	Service	(n)	(n)	(%)
TOTAL	5	38	41	32	17	133	54	40.60%
	3.76%	28.57%	30.83%	24.06%	12.78%			

Kampong Cikini, which is identified as a slum settlement according to DKI Jakarta Government Report in 2014. It is a perfect example of the urban kampong in Indonesia, which manages to survive in the middle of a privileged and modernized area like Menteng District. The terms of urban kampong refer to densely populated settlement in urban area. It also refers to urban lower class inhabitation with a poor state of infrastructure and degraded environmental condition (Silas, 2010).

Kampong Cikini once consisted of the housing for the workers of the National Railways Company since the Dutch colonial era and the population increased due to the irrepressible in-migration rate after the railway overlay project in the 1960s. Most of the migrants were the traders in Cikini Market, which was built in 1962 to serve the basic needs of the Menteng elite society. This fast-growing settlement was divided into 16 Neighborhood Associations (NAs) in the 1960s.

In the 1980s, Pegangsaan subdistrict emerged as a business districts, the rapid modern development turned 5 NAs into commercial and public buildings, leaving only 11 NAs in the state of Kampong Cikini. The 11 remaining NAs are NA 2, 4, 5, 6, 7, 11, 12, 13, 14, 15 and 16, where approximately 942 households live within 4.01 hectares. The perseverance to survive the wave of modernization in the heart of the capital becomes the pivotal point of Kampong Cikini as a research location to comprehend the practice of spatial strategy on utilizing houses and developing HBEs.

## 2. Methodology

The research employed a case study research method to disclose the mechanism of HBE and the implications for the apparent practice spatial strategy. The investigation began with the role of HBE and its operation based on the capacity of the individual

household. The investigation of the social system regarding HBE operation was also conducted to conclude the generative mechanism behind the apparent spatial strategy of HBE in Kampong Cikini.

The investigation was delivered by observation and mapping of the classification of HBEs in Kampong Cikini. Tipple (2005) classified the HBEs focus on its type of product into 3 categories, which were: retailing (processed food, commodities and unprocessed food), small-scale production (food and fresh produce, petty commodity and specialized production) and service-oriented activities (daily and specialized service). Due to the specific context of the commodities in Kampong Cikini, the classification was modified into 5 (five) categories: 1) Raw foods; 2) Consumer Goods; 3) Processed Foods; 4) Rental rooms, and 5) Service. The process of HBEs mapping was delivered intensively as some of the HBEs did not operate regularly, were newly open or close down, which required longitudinal observation and identification. Confirmation from neighbors was necessary in order to reach valid identification of HBEs in the research location.

Based on HBE mapping, there were 133 HBEs in Kampong Cikini. There were 54 of 133 (40.60%) HBE owners consented to participate and share information in this research. Most of the HBE owners, especially owners of rental rooms, declined to participate due to maintaining the privacy of renters and concealed their business' legality. After receiving consent from the respondents, an interview was conducted with each respondent without the presence of other parties, which may compromise the validity of information. The observation included measuring houses and visual documentation. While interviewing the respondents interviews with

**Table 2.** *The source of financial capital.*

The Role of HBE for the Owners	The Occupation on Head of Household							Total	
	Civil Servant	Private Employee	Self-Employed	Daily Labor	Retiree	Unemployed	Passed Away	(n)	(%)
Primary Income	-	-	8	-	1	5	11	25	46.30%
Additional Income	1	9	11	2	5	1	-	29	53.70%
<b>Total</b>	<b>1</b>	<b>9</b>	<b>19</b>	<b>2</b>	<b>6</b>	<b>6</b>	<b>11</b>	<b>54</b>	
	1.85%	16.67%	35.19%	3.70%	11.11%	11.11%	20.37%		

**Table 3.** *The implication of amount of financial capital to the type of commodity.*

The Amount of Financial Capital *)	Types of Commodity					Total	
	Raw Foods	Consumer Goods	Processed Foods	Rental Rooms	Service	(n)	(%)
< US\$ 10	-	-	2	-	-	2	3.70%
US\$ 10-20	-	-	7	-	-	7	12.96%
US\$ 20-30	-	2	7	-	-	9	16.67%
US\$ 30-50	-	4	8	-	-	12	22.22%
> US\$ 50	4	5	10	1	4	24	44.44%
<b>Total</b>	<b>4</b>	<b>11</b>	<b>34</b>	<b>1</b>	<b>4</b>	<b>54</b>	
	7.41%	20.37%	62.96%	1.85%	7.41%		

\*) The range was coined by the respondents during interviews.

neighbors, who live in the surrounding HBE locations were also performed. There were 200 of 3784 (5.29%) residents that consist of 20 respondents in NA 2, 4, 7, 11, 12, 13, 14, 15 and 16 while only 10 respondents were willing to participate in each NA 5 and 6. The interview employed random sampling based on the zeal of respondents to participate.

### 3. Findings

#### 3.1. The set-up conditions

HBE becomes the primary income resource (46.30%) for the households with small and uncertain income from irregular occupations. Most of the respondents (53.70%) claimed HBE as their additional income resource because the head of household manages to earn a sufficient amount of income from regular occupation. It indicates the numbers of kampung dwellers in the formal sector and earn sufficient and regular monthly income are approximately equal with the ones that depend on the informal sector. Moreover, HBE becomes their reserve income to meet unexpected adversity and a means of social interaction with neighbors especially for the housewife, who stay in the house or a retiree.

Most of the respondents (85.19%) accumulated savings from various sources of income and numerous occupations then start the HBE. Additionally, their relatives are also struggling to survive the city life and

dispute in the future with other parties is the last thing they need to expect if the business is growing fast or fails. Several respondents (7.41%) claimed the role of Koperasi (Indonesian self-help micro-finance institution) as their source of start-up capital. This institution is located in their household member's formal working place where they become members to procure the small loan for starting up HBE. Despite the mutual assistance, some determination attitude among the neighbors makes the money-lending activities for HBE operations less frequently exercised.

Processed food becomes the type of commodity, which required a minimum amount of capital as shown in Table-3. The consumer goods also become the popular type of commodity in the Kampung Cikini for a similar reason. The incremental number and variety of commodities are fluctuating, depending on the monthly profit earning. As for the raw foods, they cannot attain a similar result because the operators are required to purchase from the traditional market or distributors in a large quantities, which requires a large amount of capital. The necessity of available assets demands the preliminary large amount of capital as experienced by the service and rental room providers.

The small-sized house does not become a constraint for dwellers to operate HBE, as shown in Table-4.

**Table 4.** Type of commodity according to house size.

House Size*)	Types of Commodity					Total	
	Raw Foods	Consumer Goods	Processed Foods	Rental Rooms	Service	(n)	(%)
0-21 m <sup>2</sup>	1	2	14	-	1	18	33.33%
22-36 m <sup>2</sup>	-	4	12	-	1	17	31.48%
37-45 m <sup>2</sup>	2	1	2	-	-	5	9.26%
46-60 m <sup>2</sup>	1	3	2	-	-	6	11.11%
> 60 m <sup>2</sup>	-	1	4	1	2	8	14.81%
<b>Total</b>	<b>4</b>	<b>11</b>	<b>34</b>	<b>1</b>	<b>4</b>	<b>54</b>	
	<b>7.41%</b>	<b>20.37%</b>	<b>62.96%</b>	<b>1.85%</b>	<b>7.41%</b>		

\*) The classification is based on standard house size by The Government of Indonesia in various regulations of the Ministry of Public Works.

**Table 5.** Reasons for permission according to the authorized parties.

The Authorized Parties	Reasons for Permission						Total	
	The Usage of Public Space		Sale Competition		Scale of Business		(n)	(%)
	(n)	(%)	(n)	(%)	(n)	(%)		
Head of NA	-	0.00%	-	0.00%	3	100.00%	3	13.04%
Neighbors	16	100.00%	4	100.00%	-	0.00%	20	86.96%
<b>Total</b>	<b>16</b>	<b>69.57%</b>	<b>4</b>	<b>17.39%</b>	<b>3</b>	<b>13.04%</b>	<b>23</b>	

This finding exhibits that most of the processed food vendors live in a very small house (0-21 and 21-36 m<sup>2</sup>). The similar condition also occurs with the commodity of goods traders, which only require small space inside or outside the house to serve as display and storage space. Meanwhile, rental room commodity requires the big-sized house to accommodate the privacy of the homeowners and renters in a small-sized house. Therefore, the amount of startup capital and the existing house size can be regarded as the identified considerations for selecting the type of commodity.

### 3.2. The intermediary activities

The type of commodity becomes essential in HBE operation. It is not only determined by the owner's startup capital, including money and house size, but also the permission from Head of NA or fellow HBE owners in the surrounding area to operate HBEs. As many as 23 of 54 HBE owners (42.59%) are required to obtain permission and considering that prior approval is needed for several things such as the usage of public space (69.57%), sale competition (17.39%) and scale of business (13.04%).

The permission to operate HBE in Kampong Cikini was based on an oral contract as a token of the acceptance of the neighborhood. Head of NA and neighbors are two informally authorized parties to issue

the oral contract. Table-5 clarifies the authorized parties and the breakdown of consented issues. Head of NA has an authority to issue a permit for the type of commodity that potentially generates large numbers of consumers from outside the neighborhood in indefinite time of operation. Aside from the possible disturbance to the surrounding neighbors, this scale of business is apprehended to compromise the safety and security of the neighborhood due to the flood of unrecognized consumers from outside the neighborhood. In this case, game center and computer rental providers are the kinds of commercial activities that require permission from Head of NA because they operate almost 24 hours and cause loud noise as well attract consumers from outside the neighborhood.

The neighbors are entitled to confer permission for the HBE operation in regards to two issues namely: the use of public space and sale competition. The first issue is aimed at reaching maximum spatial toleration of the use of public space for economic activity through deliberation among neighbors. The surrounding neighbors understand the need for HBE owners to use the small part of the alley for economic activity due to the lack of interior space and to provide a certain degree of convenience for the households. However, the expansion must not induce public inconvenience

**Table 6.** Spatial strategy according to Its preferences and house size.

Types of Spatial Strategy <sup>a)</sup>	Preferences of Spatial Strategy	House Size					Total	
		0-21 m <sup>2</sup>	22-36 m <sup>2</sup>	37-45 m <sup>2</sup>	46-60 m <sup>2</sup>	> 60 m <sup>2</sup>	(n)	(%)
The Shifting of Space	Lack of Interior Space	2	-	-	-	-	2	66.67%
	Low Cost	-	1	-	-	-	1	33.33%
	<b>Sub Total</b>	<b>2</b>	<b>1</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>3</b>	<b>5.56%</b>
		<b>66.67%</b>	<b>33.33%</b>	<b>0.00%</b>	<b>0.00%</b>	<b>0.00%</b>		
The Sharing of Space	Lack of Interior Space	4	2	1	-	-	7	58.33%
	Low Cost	-	2	1	1	-	4	33.33%
	Privacy of Owners	-	-	-	-	1	1	8.33%
	<b>Sub Total</b>	<b>4</b>	<b>4</b>	<b>2</b>	<b>1</b>	<b>1</b>	<b>12</b>	<b>22.22%</b>
		<b>33.33%</b>	<b>33.33%</b>	<b>16.67%</b>	<b>8.33%</b>	<b>8.33%</b>		
The Extending of Space	Lack of Interior Space	9	3	2	4	1	19	48.72%
	Low Cost	3	3	1	1	1	9	23.08%
	Accessibility of Costumers	-	6	-	-	3	9	23.08%
	Privacy of Owners	-	-	-	-	2	2	5.13%
	<b>Sub Total</b>	<b>12</b>	<b>12</b>	<b>3</b>	<b>5</b>	<b>7</b>	<b>39</b>	<b>72.22%</b>
		<b>30.77%</b>	<b>30.77%</b>	<b>7.69%</b>	<b>12.82%</b>	<b>17.95%</b>		
<b>Total</b>	<b>(n)</b>	<b>18</b>	<b>17</b>	<b>5</b>	<b>6</b>	<b>8</b>	<b>54</b>	
	<b>(%)</b>	<b>33.33%</b>	<b>31.48%</b>	<b>9.26%</b>	<b>11.11%</b>	<b>14.81%</b>		

\*) The classification is adapted from Marsoyo (2012).

**Table 7.** Spatial strategy according to types of commodity.

Types of Commodity	Types of Spatial Strategy			Total	
	Shifting of Space	Sharing of Space	Extending of Space	(n)	(%)
Raw Foods	-	2	2	4	7.41%
Consumer Goods	1	1	9	11	20.37%
Processed Foods	1	8	25	34	62.96%
Rental Rooms	-	-	1	1	1.85%
Service	1	1	2	4	7.41%
<b>Total</b>	<b>3</b>	<b>12</b>	<b>39</b>	<b>54</b>	
	<b>5.56%</b>	<b>22.22%</b>	<b>72.22%</b>		

caused by circulation blockage. The second issue is with respect to maintain the sustenance of every HBE owner in the neighborhood. The proliferation of HBE with a similar type of commodity will spark fierce competition and unrest among neighbors. The complementary variety of similar commodity becomes typical mutual decision to obtain a permit from the neighbors.

This finding demonstrates that the HBE operation is an inevitable adjustment between individual capacity and the surrounding context. Although the HBE owners have endured the self-help gathering capital

and made adverse spatial adaptation through deliberation with household members to select the affirmed spatial strategy, they still require permission from the neighbors to operate HBEs.

### 3.3. The implication of commodity type to the selected type of spatial strategy

Most of the HBE owners (72.22%) opted for extension of space as their spatial strategy in accommodating domestic and economic activities. The sharing of space is the moderate option (22.22%) and the shifting of space becomes the least option (5.56%)



**Figure 2.** The practice of the shifting (left), sharing (middle) and extending (right) of space by processed food vendors.

**Table 8.** Required permission by HBE owners according to types of spatial strategy.

Required Permission by HBE Owners	Types of Spatial Strategy			Total	
	Shifting of Space	Sharing of Space	Extending of Space	(n)	(%)
Yes	2	4	17	23	42.59%
No	1	8	22	31	57.41%
<b>Total</b>	<b>3</b> 5.56%	<b>12</b> 22.22%	<b>39</b> 72.22%	<b>54</b>	

as shown in Table-6. Most of the respondents (72.22%) were inclined to opt to extend their space by locating their economic activity outside the house on the edge of an alley or by expanding vertically to establish the clear demarcation between economy and domestic activity. Lack of interior space becomes the major preference (48.72%) even for the respondents who live in the large house (>60 m<sup>2</sup>) along with several other preferences such as low-cost (23.08%), accessibility of consumers (23.08%) and privacy provision for the owners (5.13%). Meanwhile, sharing the space is favored due to the lack of interior space (58.33%), low-cost (33.33%) and it provides privacy for the owners (8.33%).

In the smallest house size respondent group (0-21 m<sup>2</sup>), the majority of respondents tend to practice space extension compared to the shifting or sharing space as can be seen in Table-6. The data is quite different from Marsoyo (2012), which suggested that the extremely limited house size owner tends to employ the concept of the shifting of space. Moreover, the lack of interior space and low-cost becomes one of the considerations to opt for the shifting of space for the group of lowest house size respondents as it does not require any spatial intervention. This finding shows that the lack of interior space still becomes the main preference of this spatial strategy.

Table-7 imparts three interesting findings on the implication of commodity types to the selected

types of spatial strategy. Firstly, the large amount and specific kind of commodity, which makes the shifting of space necessary is impossible to practice for the raw foods category. Therefore, the sharing and extending of space are the only options available for HBE owners who trade raw foods. Secondly, three kinds of commodity, which are consumer goods, processed foods and service, drive HBE owners to practice three types of spatial strategy. The variety of trading goods and tools are relatively easier to move than raw foods, which enables HBE owners to practice all types of spatial strategy. Lastly, HBE owners who provide rental rooms only practice the extending of space to provide privacy for the owners and renters by creating definitive demarcation. Due to the limited size of land, the vertical extending of space is necessary, where the owners live on the first floor while the renters live on the upper floor. The findings above suggest that commodity types influences the type of spatial strategy.

### 3.4. The termination conditions

The lack of interior space becomes one of the justifications to use the small part of public space for HBE operation, which requires permission from surrounding neighbors to maintain the individual and communal interest towards the public space. 2 of 3 respondents, who practiced the space shifting, were required to obtain permission for their HBE operation from Head of NA. As shown in Figure-3 (left and center),



**Figure 3.** The space shifting with required permission (left & center) and no required permission (right).

the type of commodity is a service, which operates almost 24 hours with various consumers from outside the neighborhood. One respondent, who use the bedroom as HBE at daylight, does not require permission from Head of NA or neighbors because of three reasons. Firstly, the small scale of the business will not affect the sale competition among the similar type of commodity traders in the surrounding neighborhood. Secondly, the location of HBE is inside the house and does not occupy the public space. Lastly, the scale and type of business will not compromise the safety and security of the neighborhood.

4 of 12 respondents, who practiced the sharing of space, were required to obtain permission although they do not occupy the public space and the scale of business does not jeopardize the security of the neighborhood. The shared space is the kitchen located close to the kiosk, which serves food to meet the need of household members and consumers simultaneously. The similar type of commodity, namely processed food, will increase fierce sale competition considering the location between HBEs in Figure-4 (left) and (center) is in the same alley within a short distance. The permission was obtained after deliberation between

neighbors and the owners to determine the specific kind of commodity to avoid fierce competition. Different kinds of processed foods were agreed not only between HBE owners but also the surrounding members who proposed kinds of processed foods to meet their variety of needs.

Placing the HBE in front of the house is a common practice for the extending of space. Not all the owners were required to discuss and obtain a permit from the surrounding neighbors. There were 17 of 39 respondents who practice the extending of space and required to obtain permission for their HBE operation from neighbors. The permission is required for HBE owners who place their (part of) HBE in the public space as shown in Figure-5 (left and center).

These examples demonstrate the usage of public space, which may cause circulation blockage and compromise the communal interest. Despite similar appearance, the HBE stands on top of the drainage channel and does not use the alley for space extension as depicted in Figure-5 (right). This practice of spatial strategy does not consume the alley as space extension and avoids circulation blockage. Therefore, the owner does not necessarily need to discuss with neighbors to obtain oral



*Figure 4. The sharing space with required permission (left & center) and no required permission (right).*



*Figure 5. The extending of space with required permission (left & center) and no required permission (right).*



*Figure 6. The combination of the sharing and extending of space.*

permission from them.

One of the research findings indicates the practice of combination types of spatial strategy. The kitchen is the most common shared space and placed in the public space for the HBE owners who serve processed foods as shown in Figure-6. It serves the domestic primary needs and provides trade tools as well for their economic activity. It occupies a small part of the alley to accommodate the consumers in large numbers, avoids air pollution inside the house and overcomes the interior size shortage. The production of this commodity requires flexible space where their personal kitchen serves foods for domestic and economic activities simultaneously.

#### **4. Discussion**

##### **4.1. The financial capital and house size as determinants of set-up conditions**

The findings identified the financial capital and house size as the main initial determinants of set-up conditions. Most of the respondents preferred to utilize their personal savings and household members accessed the possible financial resources such as micro-finance institutions. It shows a quite different finding from the existing body of literature on the mobilization of financial capital to start-up HBE (Tipple, 2005; Gough, 2010; Lawanson, 2012). The practice of mutual assistance ranging from sharing labor, ideas, money and other assets is regarded as communal efforts to overcome the present adversities in the deprived neighborhood. The findings explain the prevention of dispute in the future regarding the level of success of the business to become the main objective of this decision. Other than implying the individualism of HBE owners, it indicates the maintenance of social agreement with the surrounding neighbors. The amount of capital also determines the available options for selecting the types of commodity. In Kampong Cikini, processed food is the type of commodity that can be delivered in the lowest amount of financial capital. This type of commodity allows the usage of similar kitchen tools, which reduce

the preliminary operational cost. This advantage explains the proliferation of processed food vendors in Kampong Cikini.

The available options for commodity types must comply with the available space in the house. The existing house size can be regarded as the identified determinant for selecting the type of commodity. Most of the respondents favored processed food as the selected types of commodity. Other than a small amount of financial capital and possible sharing tools that it demands, it also serves a flexible space to overcome the insufficient interior space. Consumer goods become the second favorite selected type of commodity as it shares similar requirements. Even though service, also provides the same advantages, it depends on the specific kinds of service that require particular tools and in turn the specific amount of financial capital and space requirements. Meanwhile, rental room commodity requires the large-sized house to accommodate the privacy of homeowners and the renters. It confines the small-sized house owners to select this type of commodity, as it will require a larger amount of financial capital to expand the existing house.

##### **4.2. The negotiations with neighbors as the pivotal intermediary activities**

The HBE operation gives several benefits to the neighborhood. It creates job opportunities and generates incomes for the unemployed in the neighborhood and provides daily basic needs for neighbors while offering installment payment option within walking distance. The ability to provide dual-function space, economic opportunities and interaction space simultaneously makes its presence vital for the sustenance of neighborhood's livelihood. Despite these positive contributions to the neighborhood, there are irrefutable negative implications such as increased waste generation, circulation blockage and annoying noise. This finding confirms the common environmental problems caused by HBEs in the existing literature, which ignites the rejection from a small numbers of respondents (Muraya, 2006).

Required Permission by HBE Owners	Types of Spatial Strategy			Total	
	Shifting of Space	Sharing of Space	Extending of Space	(n)	(%)
Yes	2	4	17	23	42.59%
No	1	8	22	31	57.41%
<b>Total</b>	<b>3</b>	<b>12</b>	<b>39</b>	<b>54</b>	
	<b>5.56%</b>	<b>22.22%</b>	<b>72.22%</b>		

Figure 7. The spatial strategies.

In order to reduce the negative contribution of HBE operation, the neighborhood develops a permitting system, which is authorized by each of Head of NAs and the surrounding neighbors. The Head of NAs is authorized to issue an oral permit regarding the scale of business, which involves the security of neighborhood. The surrounding neighbors are entitled to release oral permits concerning the sale competition and public space usage for economic activity. Thus, despite the enduring effort of HBE owners for gathering start-up skills and financial capital, the neighborhood leaders or members play a pivotal part to allow the operation with several requirements that must be consented to by the involved parties. This finding explains that the HBE operation can only take place through a series of contestations and negotiations encompassing the household members and surrounding neighbors. Nonetheless, the addressed issues in deliberations overlook the production of increased waste, which remains unsolved. The insoluble negative implications will increase the degree of environmental degradation and contribute to the exacerbation of the kampong dwellers' living quality.

Therefore, HBE cannot be considered as an individual economic activity but as an integral part of communal social and economic activities. The participation of neighbors on determining the type of commodity, public space usage for economic activity and how it shares the positive and negative implications to neighborhood substantiates the existence of HBE in the interwoven dynamic social and economic life of kampong settlement.

#### 4.3. The types of spatial strategy put in use as termination conditions

This research indicates the role of types of the commodity based on individual and social deliberation have implications for the practiced spatial strategy by HBE owners. For the type of commodity, which requires a high degree of privacy, such as rental room, the space extension is conducted vertically to provide privacy for the owners and renters. It differs from the type of commodity, which demands to capture attention from the potential customer such as processed foods, consumer goods and services. These commodities are placed in the house front or inside the house but visible to potential costumers from the alley, which indicates the practice of shifting, sharing and horizontal extending of space. As for raw foods, these needs to be placed inside the house with easy access and visible to the possible customers thus only sharing and extending space are reliable for the HBE owners. However, this research finds complementary indispensable determinants such as low-cost, accessibility for consumers and privacy provision for the owners. The evidence attests that the preference to practice the extending of space is not only due to the lack of interior space but also its low-cost nature. It also provides easy access to consumers and creates a clear demarcation between domestic and economic activities to offer privacy for the owners. These findings show the ability of human beings to engineer the surrounding environment to meet the immediate needs and tends. It excludes the possibility of the everyday object's characteristics as another pivotal determinant.

Nonetheless, other than commodity type and house size, consent from neighbors should be included as

the factors to determine the spatial strategy. The neighbors' consent holds a vital role in the occupation for HBE operation in order to maintain the owner's and communal interests towards the usage of the public space. Many experts, such as Kellett and Tipple (2000) and Marsoyo (2012) asserted the inadequate house size is the determinant factor of the occupation of public space by HBE owners. Some of the respondents preferred to practice the space shifting or sharing, by locating their business spaces inside the house despite the limited interior space, due to the alley's narrow width in front of their houses. Placing their business space in front of the house will cause circulation blockage and ignites altercations with neighbors. This finding corroborates the interwoven spatial usage based on a series of contestations and negotiations, as stated by Roy (2005). Therefore neighbors' consent, as a result of a series of contestations and negotiations, holds a critical role considering that the presence of HBE must deliver minimal negative implications to the neighborhood.

#### **4.4. The emergence of combination spatial strategy**

This research also indicates the practice of combined types of spatial strategy. The shared and extended space is the kitchen. This space is shared to provide foods for household members and consumers at the same time. This combination type is practiced to reduce the initial operational cost to construct additional room and supporting tools provision for economic activities. While it is extended to invite more consumers, it still avoids inconvenient conditions inside the house at the same time, resulting from the activities performed in a very limited house size. This practice receives the neighborhood's consent because the occupation still respects the communal interest towards the public space and its dual functions as the economic and social interaction space.

This finding complements the classification of the types of spatial strategy such as sharing, extending and expanding, including the use

of space outdoors, which is coined by Marsoyo (2012). HBE in this research is considered as individual household activities where the whole decisions on HBE operation and its spatial arrangement are determined only by household to meet the household's interest. Despite this thorough longitudinal documentation and analysis, the scope analysis is disregarded the surrounding neighbors as one of the pivotal determinants. This research assumes the limited generalization has occurred because it is based on the limited scope of analysis and different context of the observed neighborhood.

Although most of the respondents practice one specific spatial strategy according to the classification, the possibility of multiple combinations must be acknowledged. The open-ended possibilities of multiple combinations of spatial strategies may become the creative, precise solutions in the specific context. This research shows the pivotal role of neighborhood members to the selected spatial strategy due to the presence of HBE, not only the livelihood of the owners but also the livelihood of the surrounding neighbors. The series of social contestations and negotiations serve uncertain outcomes, which in turn open the possibility of new breeds of combined spatial strategy.

#### **5. Conclusion and recommendation**

This research corroborates a distinctive occult mechanism performed by kampong dwellers to define the HBE. The existing body of literature (Tipple, 2005; Muraya, 2006; Kellett and Tipple, 2000; Gough, 2010; Lawanson, 2012; Marsoyo, 2012) and the findings of this research paper confirmed HBE as one of the plausible solutions for increasing monthly income through the creation of job opportunities, which offers various benefits for the surrounding neighborhood. The presence of HBE in kampong settlements also provides a different perspective to the meaning of house for the kampong dwellers. It is not only a place for performing domestic activities but also economic activities, which are essential for their

life sustenance.

The spatial strategy of HBE cannot be confined to merely house size but must also consider the amount of financial capital, types of commodity and the neighborhood-scale socio-economy activities. The accumulated capitals such as financial and existing house size are the undisputed resources to start HBE. Personal saving becomes the most popular source of capital along with other financial sources that can be mobilized by household members. Despite its individualism image, there is a willingness to preserve social agreement among dwellers by avoiding the possibility of conflict regarding economic activities. These resources define the commodity type of HBE owners as these impacts on the domestic and economic activities of the household members.

HBE also amplifies the environment degradation, especially the production of increased waste due to the lack of a waste disposal system. In order to increase the positive benefits and minimize the negative downsides, deliberation among surrounding neighbors, the fellow HBE owners and Head of NA is essential for determining the type of spatial strategy. HBE cannot be disregarded from overall socio-economy activities in the neighborhood considering its benefits and disadvantages contribute to the neighborhood. These factors do not impact on the mode of linear causal-effect but dynamically interchange, according to the process of negotiations between HBE owners and other stakeholders in the community. The latter is essential to ascertain social agreement in the neighborhood. The multiple considerations in the process open the possibilities of combined spatial strategies beyond the classification that has been established by Marsoyo (2012).

The understanding of HBE in kampung settlements is required to alternate the paradigm for housing provision and improvement that corresponds with the actual everyday life of dwellers. The disclosed mechanism needs to be acknowledged and comprehended by the government, planners and architects

to produce better house provision and improvement for the kampung dwellers. Further multi-disciplinary research is recommended by employing the combination of typology and socio-economy analysis to reach a profound comprehension of the concealed specific determinants and their implications to the practice of spatial strategy. Furthermore, the different context of the research location may also have a significant contribution to the different result. Culture, social, economy and demographic conditions in the different research locations are hardly comparable. Further researches in other kampongs in Jakarta are required to reach profound comprehension as one of the considerations of the successful slum settlement improvement program.

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