

From Farming to Franchising: Current aspects of transformation in post-crisis Metro-Jakarta

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The rapid urbanization in Java is primarily based on the development of its metropolitan region Jabotabek, the mega-urban agglomeration around Indonesia's capital Jakarta. This article deals with the interdependence of economic, political, and demographic change within Metro-Jakarta, Southeast Asia's most densely populated urban region. Having been politically pushed since the beginning of former president Suharto's pro-western 'New Order'-policy in the late 1960s, the deregulation packages of the past decade have resulted in enormous international capital influx, the creation of new towns, a general deterioration of living conditions and an increasing transformation of employment, which can not be controlled successfully by regional and local authorities. Indonesia's present economic and political turmoil in the aftermath of the Southeast Asian crisis seems likely to further reduce international interest in sustainable investment within Western Java.

1 Urbanization, Global Power, and Political Turmoil: A Socio-Demographic Approach

The past decade has seen an increasing number of scientific papers and analyses focusing on the interconnections between rapid Asian urbanization and various phenomena of globalization, the catchphrase of the early 21st century (Gugler 1996, McGee 1995, Sudarsono 1996, Sukamdi 1997). Highlighting both ecological (Sari and Susantono 1999) and sociological (Asra 2000) aspects of megacity development, some major issues of political interference and internal unrest have been neglected or not attributed the proper attention (Douglass and Ling 2003). Southeast Asia's economic crisis of the late 1990s has slowed down both the rapid urban development of the regional capitals and the investment interests of potential international investors: Metro-Jakarta, Southeast Asia's biggest agglomeration and once bound to become Asia's global boomtown, has thus come to a complete standstill in the aftermath of the economic crisis, which itself accelerated the breakdown of the Suharto government, made Jakarta the centre of increased social turmoil and thus prevented future investor interest (Legowo 1997) – a vicious circle for social development and future industrialization in the world's fourth biggest country, whose huge market opportunities seemed to be unlimited after the introduction of some substantial deregulation measures in the early 1990s.

Today, Java is among the world's most densely populated islands. 60% of Indonesia's multi-ethnic population of almost 220 million people live on only 6% of the land. In the mid-1980s, 43% of the rapidly growing urban population concentrated on only two provinces in the west of Java, *Java Barat* and *Daerah Khusus Ibukota Jakarta* (= DKI), the core city itself (Hugo et al 1987). Another decade later, Java's share of Indonesia's urban population was 62% (Tjiptoherijanto 1996: 6), with the agglomeration Jabotabek¹ — which will be used synonymously with the term Metro-Jakarta in this article — being the focus of concentration.

Jakarta itself is supposed to be the world's eleventh largest city, currently being one of sixteen megacities in developing countries, or one of twenty-one in the world (Hogan and Houston 2002). Its annual population growth rate is nearly twice that of the nation as a whole. Before the 1998 crash, the Gross Domestic Product of the city

Western Java, which is subject to new suburban settlement patterns and the rapid socio-economic transformation in the urban fringe areas.

2 City Development in Jabotabek Region: Spatial Aspects of Global Transformation

2.1 Live and let die: Demographic Change in Metro-Jakarta

Unplanned metropolitan growth was an urban phenomenon already observed in Dutch colonial times until the mid 1940s, which intensified during Sukarno's era of national consolidation until 1965. However, only Suharto's 'New Order'-regime started to take measures to control the continued massive population pressure, which cumulated in Jakarta. In 1971, 60% of Jakarta's residents were born outside Jakarta. From 1976 to 1996, the population grew 80,4%, which raised the average population density to 14.522 people per km² in 1995 (1971: 7.761), with peaks of 100.000 per km² in various slum districts (Department of Information 1996: 291).

The *Jabotabek Metropolitan Development Study*, which was initiated in 1977 with World Bank support and budgeted with 224 mio. US\$, was explicitly aimed at the coordination of infrastructure development within Metro-Jakarta in order to increase the attraction of the area for international investors. The explicit goal of the new approach was the prevention of further uncontrolled suburbanization. Today, two main axes can be distinguished: a 120 km east-west corridor connects Bekasi and Tangerang, whereas a 200 km north-south corridor already goes beyond the Jabotabek boundaries towards Bandung, which is Java's second largest agglomeration. "This has created intense rural-urban linkages, blurring the rural-urban distinction and making for a distinctive settlement pattern" (Dharmapatni and Firman 1995: 299).

The latest trends show the absolute necessity of coordinated urbanization within the Botabek region. Between 1980 and 1990, Botabek's population grew by 3,5 mio., which means a total increase of 336% and an average increase of 16% annually. The rate of urbanization was beyond 50% in 1990, compared to 20% in 1980. Spatial disparities are obvious, and so is a temporal shift. Whereas the southern region of Bogor constituted the migration pole in the early 1980s, the western (Tangerang) and eastern (Bekasi) suburban regions faced an increasing migration boom not before the 1990s, when their population tripled to more than 1 mio. each.

DKIJ's residents have doubled from 2,9 mio. (1961) to 6,5 mio. (1981), and were beyond 12 mio. in 2000. The suburban area of Botabek more than tripled its population to 17 mio. in the same period. Prognoses for total Jabotabek (cf. table 1) suggest a population increase from 17,1 mio. in 1990 to 30 mio. in 2010 (Webster 1995: 28).

The growth of the core city is at 2,4% p.a. (1995) low compared to 3,8% in the early 1970s. In an increasing number of inner-city areas the population even declines, which is reported to be due to a variety of factors. On the one hand, there is the transformation of huge housing areas into industrial and business areas; on the other,

the policy of de-concentration of densely populated housing areas contributes to this development as well (Leaf 1994: 68f.). 6% (38.000 ha) of the total Botabek area were assigned a fixed future use by permits issued by the National Housing Agency, which are designed for housing purposes (86%) and industrial projects (14%).

Table 1: Population Growth in Jabotabek

	1960		1970		1980		1990		2010	
	mio.	in %	mio.	in %	mio.	in %	mio.	in %	mio.	in %
DKI Jakarta (core city)	2,97	51	4,57	55	6,49	54	8,22	48	11,18	37
Bogor	1,31	23	1,86	22	2,74	24	4,01	23	7,41	25
Bekasi and Tangerang	1,54	26	1,90	23	2,67	22	4,87	29	11,30	38
JABOTABEK (total)	5,83		8,33		11,89		17,01		29,91	

Sources: McGee 1995: 12 (Censuses 1960-1990); Kusbiantoro 1996: 61 (*Prognosis 2010*).

Firman (1999) points out that the steady out-migration to the fringe areas of the agglomeration has accelerated since the beginning of the political turmoil in 1997. Additionally, DKIJ — the core of Jabotabek — is undergoing great physical changes with many residential areas being invaded by business activities, amusement centres and the like, thus the depopulation of the city cannot be neglected. Recent studies reveal that the economic crisis has revived an appreciation for land in the rural areas, not only as a means for food security but as an asset (Suhendar 1998: 60f.). According to the SUPAS (Intercensal Population Survey 1995), there are more women among Jabotabek's in-migrants from all over Indonesia and relatively more (unskilled) men among those leaving the agglomeration: This "gender transition of migration" (Gugler 1996) seems to be driven by the growth of the urban service sector itself.

2.2 Superblocks and New Towns: Metropolitan Development and Regulation Concepts

The nucleus idea of sub-centres, which are designed to be self-sustainable in terms of employment and service facilities, is still the basis of future city planning. All scenarios for Jabotabek's development are based on the concept of 'superblocks', which was given legal status by the Jakarta governor's *Keppres-Decree 678/1994*. Superblocks are defined as multifunctional areas with a minimum size of 20.000m², which are served by at least two high-capacity roads and are located in urban town improvement areas and/or low-density regions.

According to theoretical planning, 75% of potential commuters should live in an inner circle at a distance of not more than 15 to 20 kilometres from the city limits of DKIJ, 25% farther out. However, development in the very vicinity of the core city is

beyond control. The availability of cheap land resulted in the influx of private, often international, investment and the creation of growth-poles, which were frequently contra-productive to regional planning.

All these new physical developments are clearly induced by government policy to deregulate the economy and to promote industrial estates as a necessary step to attract foreign firms (Soegijoko 1996: 406).

The spillover effects of increasing suburban landuse resulted in enormous building activities, which were first restricted to the boundaries of DKIJ and then continued into Botabek. The steady expansion into former prime agrarian land and its transformation into urban housing and industrial units is regarded as a characteristic feature of Southeast Asia's mega-urbanization (McGee 1995). However, this general transformation has a feature specific for Java: due to often disputed landowning, most land transformation in Jabotabek is performed by the speculation of private developers, who monopolistically fix prices below the market level (Firman 1997: 1029).

Jabotabek's housing development is striking. In 1971, 31,4% of DKIJ were built-up, with 58% in 1980 and 82% in 1994, which means an annual increase of 4,3%. Between 1971 and 1980, the influx of migrants, who constituted around 40% of the total population at that time, caused an annual growth rate of 7,1%. In 1993, 95% of all new houses in Jabotabek (total: 246.000) were built in Botabek, but only 5% in DKIJ, where 48% of all new houses had been built in 1981. According to Soegijoko (1995: 20f.), a number of interdependent factors are responsible for this development:

- The availability of comparatively cheap land
- The improvement of metropolitan infrastructure (transport facilities, telecommunication)
- The provision of employment by economic deregulation measures

The strategy of creating counter-magnets to DKIJ has been enforced for more than a decade now. In order to face migration and commuting, special focus was put on the formation of self-sufficient 'new towns'. At present, more than 30 private land developing companies are planning large-scale satellite towns of up to 10.000 ha. Most of them were planned within 60 km out of the DKIJ boundaries and offer industrial and service employment on a total area of 43.000 ha (Kusbiantoro 1996: 61). However, the short-term ease of the tense housing market for middle-income customers will be replaced soon by a dramatic increase of regional traffic flows. Recent scenarios for *Bumi Serpong Damai*, one of the 'new towns' in Tangerang district, whose completion was projected for a total number of about 650.000 residents in 2015, predict a 2.958% traffic increase on secondary roads and a 2.270% growth on artery toll roads. "Given that all new towns and industrial estates developed along the toll road corridor are expected as ... BSD ..., the impact of this rapid development will be devastating" (Kusbiantoro 1996: 63). The lack of proper coordination among the various developers has lead to insufficient infrastructure development and a boom of projects that are planned and constructed side by side, often in close proximity to each other, and without realistic concepts of demand and costs.

3 From Farming to Franchising: The Socio-Economic Change of the Metropolis

The economic take-off in terms of employment has been taking place right out of DKI for almost two decades, with serious consequences for infrastructure development, local transport, and daily commuting, whose size and structure are beyond proper analysis due to lack of sufficient statistical data (Sukamdi 1996). An analysis of the predominant economic sectors seems to back the idea of rapid structural change. The share of the agrarian labour force declined in whole Jabotabek within the past decade. Both the elimination of women from the labour-intensive process of rice harvesting in favour of small groups of male contract workers and the growing mechanization of rice production have led to a transformation of both production and working conditions. Only thirty years ago, harvesting was done by up to 500 (mostly female) workers per one ha, which is harvested by only ten to twenty people today. The share of landless people is steadily growing, which seems to be due to increasing, mostly speculative, interest of private developers in suburban land. This trend resulted in a further release of rural labour force, which put further pressure on the urban labour market (Douglass 1991).

Additionally, the improvement of transport facilities in Java increased spatial mobility. The building and widening of secondary roads, as well as the increased use of minibuses, facilitated both the access to rural villages and to Jakarta. Henceforth, time and distance did not hinder seasonal or temporary search for urban employment any more, which further pushed migration to Jabotabek. On the other hand, the improvement of transport facilities in Java also enabled the penetration of rural markets with goods produced in urban medium- or large-scale enterprises. These urban-made groceries and clothes, which were generally cheap and of good quality, entailed professional changes – such as people becoming clothes dealers rather than tailors – and speeded up rural unemployment, which worked as another incentive for an increase of informal activities in Metro-Jakarta.

3.1 The suburbanization of industries: "Manufacturing Belt" Botabek?

The general tendency has been for more polluting industries to be located in lower-income economies, not only because of relatively low environmental management capacities in these countries, but also due to the older, more polluting technologies being transferred with the investment. In terms of indigenous enterprises, manufacturing in many cities, especially but not only in Southeast Asia, is characteristically found in shop houses and older commercial areas associated with particular ethnic groups. Although each enterprise may be small in size, the collective levels of pollution from them can be substantial yet difficult to monitor and even more difficult to regulate. Thus in DKI Jakarta, as well as in other Asian cities, the range of industrial and manufacturing enterprises run from local and global sweatshops, which expand work by adding labour rather than technology, to higher-technology fordist assembly-line operations and post-fordist systems of flexible specialization:

Increasingly, too, commodity systems reaching from agricultural fields to biotechnology-based industrial processes are making inter-sectoral integration more vertically complex at all spatial scales (Douglass and Ling 2003).

However, decentralization in practice remains a form of deconcentration of administrative tasks still tightly controlled by central bureaus rather than authentic devolution of effective governmental capacities. Actually, there is a sharp increase of secondary sector activities, whose share grew from 15% in 1980 to 27% in 1995. According to Henderson et al (1996: 85), the suburbanization of manufacturing industries is mainly due to the creation of an efficient transport system in Jabotabek. Only in the formal sector (which Henderson et al define as medium- and large-scale enterprises with more than twenty employees), 73% of all newly founded enterprises were located in Botabek. Owing to the (often only planned) improvement of efficient toll-road systems, the industrialization continues in east-west direction and gradually goes beyond the administrative boundaries of Jabotabek: according to statistics of the Ministry of Public Works, its neighbouring districts of Karawang (East) and Serang (West) were reached in 1994.

Wages still tend to decline in concentric circles around the core city and increase the region's attraction at the periphery of the urban agglomeration. Roughly speaking, the difference in wages between DKIJ and Botabek amounts to around 25% for the same kind of industrial jobs. This fact works as a further push towards the sub-urbanization of industrial activities, which is also due to comparatively low land costs in Botabek. In order to increase their competitiveness on the international market, many companies have relocated their production to suburban Botabek.

The Bogor region still acts as a centre of textile industry, with increasing links to Bandung, which is Indonesia's second largest urban agglomeration and so-called "textile metropolis" (Prabatmodjo and Firman 1996: 20ff.). The other suburban regions constitute a mix of industrial functions, ranging from chemical industry to transport equipment and machinery. In accordance with the Jakarta Structure Plan (1985-2005), the low-tech industries are bound to be relocated to suburban areas due to their high level of pollution, which should guarantee a concentration of clean high-tech forms of industrial production in DKIJ (Henderson et al 1996: 87ff.).

Despite booming investment of mostly East Asian enterprises, which are primarily export-oriented and import-substituting, the number of unemployed residents is permanently on the rise (Nasution 2000). The enormous labour force, that has migrated to Metro-Jakarta as a consequence of the agricultural "Green Revolution" and Indonesia's striking population growth, cannot be integrated completely into the region's production processes. A full third of Indonesia's manufacturing industries are located in Jabotabek and Bandung, both in traditional cottage-industries and, increasingly, in (international) medium- and large-scale industries.

3.2 Tertiary activities on the rise: DKI Jakarta as a future "Service City"?

Due to lack of reliable data, the spatial transformation of non-industrial activities is much harder to analyse. Undoubtedly, the continuous rise of Jakarta's Central Business District (CBD ('Golden Triangle')) in the central Jalan Thamrin and Jalan

Sudirman area has become most obvious in the past decade, which has had an enormous impact on the physical appearance of the core city per se. A completely new skyline of international business towers and condominiums is under construction, which has resulted in an exodus of an unknown number of *kampung* residents living there before. 35% of all communal and social employment facilities in DKIJ are located in Central Jakarta (*Jakarta Pusat*) now, whereas 34% of all metropolitan jobs in trade and tourism are located in South Jakarta (*Jakarta Selatan*). Both shares are equivalent to a quarter of total Jabotabek's employment facilities (Henderson et al 1996: 91f.).

The international rise to a global-style world of information became obvious by the increasing demand for office space since the early 1990s. Until the year 1997, 2,7 mio. m² were projected, which meant an annual growth of 28% (Soegijoko 1995: 23). 54% of all office space under construction was presold in 1995. The increase in space of about 185.000m² annually in the 1990s, which peaked in 1995 with 350.000m² 'Grade-A-Space' (FEER, May 16, 1996: 52), was among the highest in Asia, with the demand in Singapore and Hongkong ranking far below. The most dynamic demand was recognizable in the fields of telecommunication and finance.

In mid-1997, 3,42 mio. m² of office space were available in Jabotabek. However, if the number of vacancies at the end of the year was actually below the scheduled 10% (EIU 1997: 21) must be doubted with regard to the country's economic breakdown in early 1998. For the first time for six years, a considerable rise of rents (20 US\$/m²) could be observed, which parallels the development of land prices in the core city. This resulted in a spread of demand into suburban areas. From 1985 to 1994, the number of office space outside the 'Golden Triangle' increased by 400%, compared to 170% inside. In urban Bekasi, the eastern stronghold of Metro-Jakarta, the prices for industrial land (up to 250 US\$/m²) were still three times higher than in its rural hinterland (FEER, May 22, 1997: 57).

The centrifugal dispersion of a large number of (multinational) companies towards the periphery of the metro-region was influenced by this development to a large extent, which corresponds to the decentralized 'superblock'-strategy of the government. The rapid expansion of wholesale enterprises at the fringe of DKIJ was due to similar factors: 40% of the present trading space of 1,79 mio. m² is younger than two years, and 60% came into existence not before 1992 (Nasution 2000: 148ff.). This development seems to prove the existence of a growing middle-class, that is financially strong and estimated at about 20% of the total urban population after the economic crisis. Since 1993, only in DKIJ 160 international producers of branded goods have settled, most of them from the textile and food sector. Additionally, fast-food franchise-enterprises thought of multiplying their outlets. McDonalds, for example, had plans for 30 new shops in Metro-Jakarta until the end of 1998.

"... a 'service city' ... is not an ambitious manner, but it is a must" (Ahmad 1996: 1): on the one hand, there are steadily increasing land prices, which accelerate the move of traditional industries into suburban areas; this fact, on the other hand, supports the planning strategies of the (core) city government, which attempts to both spread and relocate (polluting) industries plus their workers into the suburban hinterland in order to reduce traffic congestions. Additionally, these measures are intended to

improve the living and working standards of the middle- and upper-class inhabitants of the new high-rise downtown, which is being newly constructed according to international standards. In the early 1990s, 70% of DKI's total revenue was based on service activities (CCJ 1994: 37); today, estimates range up to 82% (Hogan and Houston 2002: 43ff.).

3.3 Between Dust and Doom: Living standards on the decline?

Whilst rapid growth will always have its attendant problems, most of these demographic and economic factors described might be seen as positive signs of progressive development. That is, until one examines the infrastructure, planning and environmental dimensions of life in Jakarta. 85% of new housing stock is informal, the home-made housing of the urban poor. The master plan for greater Jakarta (Jakarta 2005) is a conceptually fine blueprint but is ineffective, non-functioning and without a long-term development goal (Sari and Susantono 1998). Hogan and Houston (2002) argue that there seems to be little political will to implement even the minimal key objective of the Jakarta Structure Plan 1985-2005, which is to ensure for Jakarta "a basic system for formulating policies for landuse, sectoral activities and preparation of the more detailed plans" (1991: 4). Both before and after Suharto, the priorities of governing the nation have overwhelmed the planning needs of the nation's primate city (Effendi 1997).

Thus road traffic congestion is chronic and the rail system still reflects historic needs of colonial regional development rather than the intra-urban needs of the contemporary population. There is a lack of a proper hierarchy of transportation arterial roads and networks and a haphazard dependence on cars and trucks with only 10% of traffic in the megacity given over to rail (Kenworthy et al 1999). DKI Jakarta is the only major city in Southeast Asia that still lacks a rapid light rail transit system of any kind. Sprawl is largely unregulated and land speculation on the fringes of Jakarta is rife. The land registry is notoriously incomplete. The provision of an universal, efficient, and reliable urban infrastructure of such essential utilities as telecommunications, electricity and gas, potable water, and sewerage systems seems still to be a utopian fantasy instead of everyday reality of and for Jakarta's citizenry. In fact, there is no water supply and sewerage system in Jakarta, but almost each building or group of buildings has a well and a septic tank (Habitat 1996).

Quality of life indicators for Jakarta reveal a city in crisis, and even more so since the economic and political turmoil of 1998. The increase in the level of riots, looting and arson during this period is significant, but increasing crime rates also represent an endemic problem and a long-term trend correlating to mass poverty and increased polarisation between the very rich and the rest of Jakarta's population (Asra 2000). A recent survey ranks Jakarta as the 35th best Asian city a long way behind its nearest regional competitors: Singapore (4th), Kuala Lumpur (9th), Beijing (10th), Metro Manila (14th) and Bangkok (26th) (Firman 1999: 460).

The main sources of ill health amongst the city's citizens, however, are as much environmental as socio-economic. Closely tied to rapid industrialization and automobile dependence, pollution levels – air, water and land – are well beyond United

Nations standard threshold levels and will continue to increase at rising rates into the foreseeable future. The vast majority of wastewater is discharged without treatment. The annual cost of air pollution alone to Jakarta is expected to be almost one billion US\$ annually; it is estimated that air pollutants and biochemical oxygen demand substances are increasing two to three times faster than the economy (Douglass and Ling 2003: 4f.).

The major source of air pollution is motor vehicles. If not addressed with some urgency, Jakarta's already heavy dependence on private road transport and the problem of air pollution will become chronic over the next two decades. Environmental degradation of the coastal plain hinterland has caused severe water shortages in the dry seasons and flooding in the wet seasons. Although there is almost no monitoring of ground pollution in Jakarta, a relatively unregulated and rapidly developing industrialisation process is resulting in indiscriminate dumping of solid and toxic waste disposal on public land and into the river delta system. Yet the government allocates less than 0,5% of the GDP to cleaning up the urban environment (Douglass and Ling 2003: 13). Actually, Metro-Jakarta is not only troubled by quite recent economic and political turmoils, but increasingly suffering from looming ecological obstacles, which would need proper political response regardless of economic crisis – however, funds for increasing the urban population's everyday living conditions seem to be limited and prospects dire.

4 Metro-Jakarta as a global player? Some post-crisis conclusions

The early twenty-first century has become an era of international interdependence and multidimensional connection. Metro-Jakarta is trying hard to profit from global effects and to compete for the position of an internationally recognized economic centre. Besides, the breakdown of the communist system has increased the regional competition for international markets, since Vietnam has successfully established itself as another low-cost and low-wage country in Southeast Asia since the mid-1990s and China is ready for an economic take-off, too.

In Metro-Jakarta's suburban areas, some global players fulfil a key function as so-called 'anchor tenants'. The attraction of international brandnames, that are made more and more popular by CNN or MTV commercials, facilitated the invasion of Japanese (Seibu, Sogo) and US (J.C.Penney, Walmart) shopping-malls and supermarkets. In the *Lippo Karawaci Supermal* for example, a 94.000 m² mega-centre in Tangerang, more than half of the 300 tenants are franchise entrepreneurs of international chain-stores (Spreitzhofer and Heintel 2000).

Japan still is the main investor not only in Jabotabek but in whole Indonesia, followed by the East Asian tiger states South Korea and Singapore: "In terms of the global urban system this will also mean that Jabotabek is being oriented to Tokyo" (Firman 1996: 6). The strategy of relocating environmentally harmful industries to low-wage regions was obvious, which tended to make all international investment non-sustainable and footloose in character (Soesastro 1993: 318f.). The small degree of interaction with local economies was beyond discussion, which facilitated a

growing critique of internationalization per se both by low-income groups and by a (mostly Muslim) intellectual elite.

The recent ousting of the Suharto New Order Government in Indonesia also serves notice of a new, although as yet unresolved, relationship between the state and civil society. Although dominated by one party political machines in several countries, elected governments are no longer the exception in the Asia Pacific region, and even non-elected governments are having to widen the scope for public discourse over political affairs. All of these trends suggest a much greater possibility for collaborative governance than ever before. In most cases, however, a further strengthening of the capacity and capability of civil society is needed before the citizens can effectively engage the state and for-profit business interests in addressing environmental issues. As a consequence, popular sentiments have moved beyond the desire for higher material welfare to include aspirations for accountable governments, democratic practices, and a translation of economic gains into more livable urban habitats and socially just societies. Jabotabek's urban population is becoming more effective in challenging the ways in which cities are being planned and managed. Conflict over such issues as the location of environmental infrastructure and services, industry and mega-infrastructure projects such as airports, rail lines, and highways are increasingly common. The countless projects involved in creating industrial spaces and constructing mega-urban regions have become principal sources of political mobilization and confrontation throughout the Asia Pacific.

Although utter democratization remains illusive in Indonesia, a trend toward reducing the presence of government in command planning and regulation of urban activities, including land use and the environment, is readily observed throughout Southeast Asia. Actually, the social unrest in the course of increasing search for democracy has dramatically reduced potential investment since 1996. Thus the economic boom of the mid-1990s seemed to have slowed down even before Indonesia's monetary crisis in early 1998, whose consequences for Metro-Jakarta's spatial and socio-economic development are still open to speculation: the majority of new town projects have been seriously delayed or might be cancelled at all; DKIJ's new high-rise CBD might remain unfinished; the interruption of building activities might increase the number of unemployed workers dramatically; thus, lack of funds seems to make a sustainable improvement of urban living conditions quite unlikely in the near future.

Additionally, due to the prevalence of low-skill and low-wage production, a shift of investor interest to Indochina and PR China seems to be quite a probable scenario, since both regions are ready to produce even cheaper on the one hand and are regarded as politically more stable than present Indonesia. Recent development suggests that at least the economic turmoil seems to be under control: the appreciation of the Indonesian rupiah and the restructuring of the banking system have substantially reduced both the inflation rate (1998: 46%, 1999: 29%) and the interest rates (Nasution 2000: 159f.). If Indonesia can manage to solve its political problems and rebuild its social system peacefully, at least economic strength might easily be regained (Soesastro 2000). Actually, a rebound in the service industry seems more likely than in the labour-intensive low-skill industrial sector, where Asian competi-

tors might have outpaced Indonesia due to its political and economic unpredictability of the past few years. Jabotabek has spectacularly failed in its attempt to become a global player in due course: neither its political nor social and ecological background can be considered stable enough to provide any optimistic scenario for future development. However, whether and when international investors might regain confidence in Metro-Jakarta's staggering economy still remains to be seen.

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