Chapter 8  The building of peri-urban institutional capacity

8.1  Introduction

This study has provided several institutional perspectives on peri-urbanisation and its planning processes. First, it deals with the institutional factors for peri-urbanisation and planning policy around Indonesian metropolitan cities. Based on this contextual understanding, it further explores how planning responds to the unique challenges of physical divides, social exclusion, and institutional fragmentation in the peri-urban areas. Particularly, under the theoretical umbrella of sociological institutionalism, it analyses the potential of network, discourse and opportunity approaches as innovative strategies for managing peri-urban environmental conflicts and for improving institutional capacity in the planning of peri-urban areas.

In earlier chapters, we have presented the results of multi-level case studies conducted in East Asia, Indonesia and, more specifically, North Bandung Area (NBA). In this final chapter, we draw conclusions from the results of these case studies. First, it revisits the findings of each case study analyses and attempts to synthesise the findings. It then identifies the practical implications for the planning professional practice, the planning policy system and regional planning in Indonesia. The last section outlines some unresolved issues for further study.

8.2  Urban transformation, planning and institutions in peri-urban areas

This section summarises and synthesises the findings of the analyses in the previous chapters. It first explains the institutional factors for peri-urbanisation in Indonesia and explores how these factors influence planning policy formulation affecting peri-urban areas. Furthermore, it links the three approaches/strategies of network, discourse and opportunity emerging from the peri-urban environmental conflicts in NBA. The building of institutional
capacity is seen as a deliberative ethos of transforming undesirable
governance styles and cultures in peri-urban areas by linking networks,
discourses and opportunities interactively.

8.2.1 The institutional factors for peri-urbanisation, planning and
governance

This study views peri-urbanisation, while it is contextually shaped, as a
global phenomenon. Therefore, prior to examining the emerging approaches
to peri-urban environmental conflicts and capacity building, it is important
to know how global and domestic, indigenous institutional factors have
influenced the uniqueness of the peri-urbanisation phenomenon, planning
and governance in Indonesia.

In order to assess the impact of globalisation on peri-urbanisation,
especially the planning and governance system and practice in Indonesia, we
analytically differentiate between exogenous (global) institutional factors
and endogenous (domestic) institutional factors. Exogenous institutional
factors focus on the global neo-liberal political-economic systems and ideas.
Endogenous institutional factors can be divided into formal and informal
institutional factors. Formal institutional factors are centred on managerial
and organisational structures of government reflected in formal rules and
regulatory frameworks, while informal institutional forces are rooted in the
basic features of political and governance culture.

We have seen in Chapter 4 that both endogenous and exogenous
institutional forces attempt to reshape the basic characteristics of the
Indonesian planning system. First, the formal institutional forces have
resulted in the comprehensive goals and scope and universal structure of the
planning system, while the informal institutional forces have maintained the
role of the central government in the planning institutional structure.
Finally, the influences of neo-liberal ideas tend to be partial and can be seen
in the development of binding approaches, the growing necessity for
metropolitan/regional planning, removal of government participation and
the introduction of zoning instruments.

In a similar manner, Chapter 3 analyses how institutional changes at
domestic and global levels have underpinned urban development and
planning practice in East Asia’s peri-urban areas. The multi-level
institutional changes discussed in the analysis include the growing influence
of global capitalism and markets, the rise of middle-class culture, the
reinforcement of clientelist governance tradition, and the weakening of
formal and centralised governance and legislation. Such institutional changes
have not yet been adequately accommodated in the current domestic planning systems. Therefore, regardless of its potential contribution to the improvement of regional economic performance, peri-urbanisation still entails undesirable consequences, including spatial segregation and fragmentation and reduction of rural productivity and environmental sustainability.

**Figure 8.1** The Master Plan of Punchut Integrated Tourism Area
(Source: BITA, 2004)

This private-led housing development project in North Bandung Area (NBA) provides an obvious example of the impact of institutional fragmentation on peri-urbanisation. The highlighted southern part of the project area (right), with total area 80 ha, is administered by an urban government (kotamadya). Meanwhile the remaining 68 ha (left), the northern part, is administered by a rural government (kabupaten).

It is found that the undesirable implications of spatial transformation in peri-urban areas have reflected the fragmented institutional landscape prevailing in these areas. As transitional zones between rural and urban administrations, those areas face a weakened governing power (for an illustration, see Figure 8.1). While the central government is too remote to reach those areas, the local governments have an inadequate capacity to formulate and implement required planning policies. At the same time,
regional authorities are still poorly established. Ineffectiveness also occurs as fragmented rural authorities are pushed to adapt to an early urbanisation. All these institutional conditions encourage the private enterprises, which have strong links with global capitalism and the markets, to take over parts of physical development and planning, which are often uncoordinated at higher levels.

By comparing the analytical results of the two chapters, it can be inferred that the comprehensive planning system and formal institutional arrangements face the challenges of global neo-liberal ideologies and persisting clientelist governance tradition, which increasingly frame the urban development and planning practice in peri-urban areas. For example, the 1945 Constitution requires the government to redistribute the cultivation of land and space at a considerable level but this requirement has been undermined by the global neo-liberal tension to withdraw government participation in urban and infrastructure development. In practice, it is difficult for the government to redistribute such vital resources since they lack institutional as well as financial capacity to control them. Besides, the normative, comprehensive and blue-print planning styles are unable to deal with the pragmatic, discretionary, and acute clientelist governance practice largely operating in peri-urban areas.

It can be concluded that global as well as domestic institutional factors have shaped the current peri-urbanisation, planning and governance in Indonesia. Furthermore, the complexity of these institutional contexts has created a substantial gap between urban development and planning practice and the planning system affecting peri-urban areas, in which the transition in the planning system and other formal institutional arrangements is still unable to effectively address the undesirable consequences of reinforced clientelist governance culture and unanticipated global neoliberal ideas that have largely contributed to the uncontrolled transformation in peri-urban areas.

8.2.2 Peri-urban planning approaches and institutional capacity building

The previous section implies that the key planning issues that should be dealt with have been related to the acute clientelist governance culture and the increasing influence of global neo-liberal urban development ideology. These problems of governance and development processes require planning to put more attention upon implementation, execution and realisation rather than on plan formulation aspects. It is argued that a large part of planning
implementation issues can be addressed by focusing on the political dimensions of planning, including organisational and institutional aspects (Louis Albrechts, 2003a, 2003b; Alexander, 2005; Kitchen, 1997; Meyerson & Banfield, 1955). As such, our focus on applying institutional approaches can contribute in bridging the gap between plan-making and its implementation.

Guided by sociological institutionalism, we have explored the potential of network, discourse and opportunity in producing innovative approaches to peri-urban planning. As briefly reviewed in earlier chapters, historical institutionalism, Foucauldian approaches and post-modern planning theories have long emphasised the structural formation of policy network, discourse and opportunity (Flyvbjerg, 1998; Huxley & Yiitachel, 2000; Immergut, 1998; P. M. McGuirk, 2001). Meanwhile, our analyses show that these social resources are not necessarily structured by history but, at the same time, they have been reconstructed throughout planning and governance processes. For example, the debates on the Dago-Lembang road development and Punchut could not instantly become important moments for building awareness on preserving NBA but committed environmental advocates and planners actively reconstructed meanings out of these perceived moments. Although they might have different motivations, they were connected with each other by shared common objectives: to improve planning’s institutional capacity in NBA. The process was expanded by means of discourses and networks. While actors’ motivation functioned to fuel the capacity-building process, discourses and networks provided the infrastructure to reach the capacity-building objectives.

Policy network, discourse and opportunity function not only to resolve peri-urban environmental conflicts but to contribute to the building of institutional capacity in peri-urban areas. The notion of institutional capacity implies the ability of governance not to merely reduce unnecessary transaction costs or constrain undesirable actions but, more importantly, to promote social acceptance and legitimacy of emerging, innovative planning ideas, strategies, frameworks, and action affecting peri-urban area. Moreover, the focus on opportunity, network and discourse implies that the building of institutional capacity does not always start from the formal planning process set up by the government and professional planners but can emerge from informal day-to-day practices involving wider participants outside the formal planning community.

As illustrated by Figure 1.1, past studies have been inclined to emphasise the building of institutional capacity as mobilisation of discourse and policy network as the main resources internal to agency’s action (Gualini, 2001; Healey, 1998; Rydin, 2003; Vigar, et al., 2000). Meanwhile, our case study
analyses imply that the internal resources in the forms of discourse and policy network need to be coupled with moment and structure of opportunity as a resource external to actors in order to make institutional capacity building work (Figure 8.2). Such coupling may be able to reinforce the earlier agency-centred approach, which has been criticised for its limited attention on the role of broader institutional settings reflected in the state, the economy and power (Huxley & Yiftachel, 2000; P. M. McGuirk, 2001; Tewdwr-Jones & Allmendinger, 1999).

A clear example of this coupling would be the urban environmental discourse-coalition in the Puncut project and the environmental policy network in the Dago-Lembang project. The network and coalition were able to minimise or to marginalise the growth coalition hegemony by exploring strategic moments such as debate escalation on protecting the watercatchment area, shifts in societal moods (growing societal interests on quality of life and regional sustainability) and natural disasters (floods affecting the city, landslides in peri-urban areas). In addition, they also drew on the political structures in the forms of local and regional elections, local and regional political coalitions, elites’ constellations, government organisational structure, and the institutional arrangements of Indonesia’s democratic society.

Figure 8.2 A peri-urban institutional capacity-building process
Network, discourse and opportunity strategies function in support with – rather than as substitutes of – each other in managing conflicts in peri-urban areas (Figure 8.3). First, the opportunities helped to mobilise discourse and policy network as relational and knowledge resources for collective action. This was particularly reflected in the development of the environmental policy network in the Dago-Lembang corridor case and the formation of water catchment discourse in the Puncclut case. In the former, the network was used as an ‘infrastructure’ through which the discourse of preserving the ecological functions of NBA was constructed and mobilised (0). In a similar fashion, in the latter, the ‘water catchment’ discourse also provided an innovative reasoning for wider marginalised actors to join in with and reinforce the complex network of environment-concerned communities (0). This relational building is clearly evident in the evolution of GALIB/KMBB.

Figure 8.3 The interactive relationship between opportunity, network and discourse in the peri-urban institutional capacity building

In the context of the open, democratic and fragmented Indonesian society, the case studies presented in 0, 0 and 0 imply that the contribution of network, discourse and opportunity to the building of peri-urban governance’s institutional capacity can be assessed according to three criteria:

1) **Strategic inclusion:** network, discourse and opportunity should be able to involve peri-urban and regional stakeholders as strategically (corporatist) and as inclusively as possible in the decision-making process.

In the case studies, this can be seen in the empowered position of the environmental advocates, the planners and the political opposition factions as traditionally weak and vulnerable actors in the decision-making process affecting the peri-urban area. Their empowered position was demonstrated by, for example, their active involvement in the
formulation of the provincial planning legislation for controlling urban development in NBA.

2) **Facilitation of the weak: network, discourse and opportunity should be able to raise, accommodate, focus and channel stakeholders’ awareness on important yet neglected peri-urban issues and agendas.**

In the case of Dago-Lembang, this can be seen in the shift of the decision makers and politicians’ focus of attention favouring peri-urban environmental quality and regional sustainability. Meanwhile, the ‘water catchment’ discourse in the Puncul case contributed to the building of local political awareness, reflected during the mayoral election campaign.

3) **Legitimated mobilisation: network, discourse and opportunity should be able to consistently and deliberately realise and deliver agreed environmental planning ideas, strategies, frameworks and policy outcomes.**

In anticipating the peri-urbanisation pressure in NBA, series of planning and development legislations have been repeatedly enacted (see Appendix A Regulations and Plans Concerning North Bandung Area 1982-2004). However, they could not significantly restrain the uncontrolled issuance of land development and building permits as well as the physical development by private developers. This is due to weak governmental implementing capacity resulting from, among others, acute discretionary, clientelist and corrupt practices. In this situation, the practice of creating opportunities, building informal policy networks, and forming discourses has contributed to refocusing governance’s awareness on the necessity of promoting regional sustainability and peri-urban environmental quality by consistently encouraging the enforcement of available planning and development legislations.

### 8.3 Peri-urban planning system and practice

The aim of this section is to transform the research findings into practical implications for planning system and practice in Indonesia. It first identifies key issues in transforming the planning system to be more adaptive to the complexity of peri-urban socio-economic and environmental changes. Furthermore, some major consequences for professional planning practice are indicated. These consequences are focused on the role of peri-urban planners as activists, social mobilisers, and institution builders by learning from the practice of building networks, discourses and opportunities in the case study. Finally, it illustrates how the practice of institution building can be fostered at the regional scale.
8.3.1 Towards a transformative planning system on the edge

In the context of global pressure exerted by neo-liberalisation and democratisation, peri-urbanisation has become an inescapable feature of Indonesia’s metropolitan transformation. It is no longer relevant to uphold the old planning principle of maintaining the separation between cities and their countryside. It is not always productive to judge living on the edge (of cities) as being unfavourable for sustainable development. Instead, living on the edge needs to be accepted and transformed into an essential element in – rather than a source of problems for – spatial plans and strategies concerning cities and metropolitan regions.

In order to address the challenge of peri-urbanisation, the current integrated-comprehensive-like planning system needs to be adjusted. Land use and comprehensive plans emphasising rigid standards and norms at micro levels can be adapted into those promoting flexible rules and conventions at higher levels. For example, the building coverage ratio (BCR), as an important element in the Detailed Spatial Plans (RDTR) and the Zoning Regulations, can be up-scaled from the individual (building) level to area level. Such rescaling can better accommodate the dynamics of the physical environment and actors’ creativity in the development process. It can also reduce the impact of institutional fragmentation and facilitate development control in the long term.

Besides, the emphasis on rational-technical processes and formal hierarchical structures and procedures in the current Indonesian planning system seems to be no longer applicable. Instead, in the face of rapid spatial change and weak and fragmented formal institutional arrangements in peri-urban areas, environmental planning and management requires innovative ideas and action. These can emerge once the system allows informal day-to-day routines and governance practices – in the forms of discourse, network, and opportunity formations – to feed the planning process. In doing so, the system could provide more opportunities for professional planners and key participating actors to be involved not only in the technical processes of plan-making, but also in the socio-political processes of plan realisation and development control. This democratic planning process can be started through, for example, holding regular legislative hearings and public consultations throughout the planning and development processes. As another example, the local government can initiate and support the formation of independent plan monitoring and development control
committees in peri-urban development planning projects by involving local people, private sector, interest groups and experts.

8.3.2 Peri-urban planners as institution builders

In the face of fragmented formal institutional arrangements and governance structure, which featured prominently in the case studies, the planners and policy makers in peri-urban areas cannot continue to merely sit back 'in the face of power' (Forester, 1989), enjoying their traditional positions as technocrats and mediators. The case studies show that such passive positions per se could not significantly contribute to the transformation of non-conducive governance styles and cultures. For this reason, the planners need to look closely ‘into the mouth of power’ relations (Moulaert & Cabaret, 2006, p. 67) where the challenges of managing conflicts and resolving institutional divides become their everyday life.

It would be efficacious if the peri-urban planners took on the role of activists, social mobilisers, and institution builders whose task is not merely mediating short-term interests and promoting planning frameworks but transforming the governance conditions hindering a plans’ implementation and control. In governance transformation, the planners take part in a gradual process of producing and distributing new cultural and institutional values in society. In their actions, planners should not always be restricted by the rigidity of formal political and policy systems. Instead, they need to contribute to transforming those systems continuously in order to respond more effectively to the challenges of rapid and unforeseen physical change, spatial divides, social exclusion and institutional fragmentation in peri-urban areas.

As institution builders, planners require innovative strategies in order to gain easy access into the deeper structures of governance. In doing so, they could participate in informal political and decisionmaking processes (Louis Albrechts, 2003b). These processes include the building of policy networks and discourses and linking of these social resources with the structures and dynamics of available opportunities. Here the planners are not just conditioned to be aware of the existing networks, discourses and opportunities but, moreover, are encouraged to reproduce, engage with and transform those social resources in order to improve the social legitimacy of their ideas and actions.

Based on the cases of peri-urban environmental planning in NBA, as analysed in the current study, it is revealed that the building of policy networks tends to start with person-to-person relationships instead of inter-
organisational coordination and cooperation. The cases also imply that planners’ socio-political position can be strengthened if they build networks with committed and motivated people from organisations emphasising horizontal and voluntary relationship in their institutional development. Furthermore, in the policy networks, planners can act strategically as a ‘bridge’ by building loose-coupled and diverse relationships with other actors. Another important characteristic of the network is the building of trust and mutual and reciprocal exchange of resources. Each actor could better able to play a specific role in the network, depending on their unique capacities.

Figure 8.4 Major activities and social mobilisations organised by GALIB/KMBB
(Source: Suranto, 2008)

As discourse participants, planners could extend their ability to positively utilise different types and sources of data and information, which flow through not only formal sources but also mass media and informal networks, in order to influence their counterparts and broader audiences
about their ideas and solutions. Planners could also manage competing discourses likely to occur in managing peri-urban change. Based on the case studies, it is found that tough discursive competitions generally arise between, on the one hand, urban transformations, economic development and neo-liberal discourses and, on the other, environmental protection, regional sustainability and local-cultural discourses. Inclusive and socially legitimate discourses, as illustrated by the environmental discourses in the case study, tend to be grounded in day-to-day ordinary languages and embedded within existing cultural templates and local knowledge.

Finally, as opportunity managers, planners could connect different problems as well as connect these problems to the dynamics of external forces. As can be found in the case studies, planners generally transform unpredictable events such as debate escalation on protecting the water catchment area, shifts in societal moods (growing societal interests on quality of life and regional sustainability) and natural disasters (floods approaching the city, landslides in peri-urban areas) into moments of opportunity to make their actions work. They also read the socio-political structures of governance relations and use it to create room for pushing their ideas and alternatives onto the table. As the cases have shown, important structures that could potentially reshape governance relations in peri-urban areas take the forms of local and regional elections, local and regional political coalitions, elites’ constellations, government organisational structure, and the institutional arrangements for democratic society.

If institutional fragmentation in peri-urban areas is to be addressed, more planners need to seek a role as embedded activists and political leaders within governmental structure or members of social movements across non-governmental organisations. With this strategic but flexible position, ‘planners have the courage to leave the formal planning arena, or to commute back and forth with the real world, and step into fields of action to ally with socio-political movements that seek to mobilise sufficient (counter) power to stop, for example, devastating real estate led policies or environment threatening actions’ (Moulaert & Cabaret, 2006, p. 67). It is therefore important for such transformative planners to be equipped with sufficient communicative, political and institutional intelligence. The building of this intelligence can form a new area of concentration in graduate academic programmes and professional training programmes in planning schools.
8.3.3 Managing peri-urban change at the regional scale

With continuing decentralisation euphoria, the political position of the local government in Indonesia is still very strong. In fact, the local government is currently the only tier that closely deals with peri-urban spatial and environmental change. Such local-scale institutional arrangements cannot match the scale and magnitude of spatial and environmental dynamics in peri-urban areas since the process is a cross-jurisdictional issue rather than a simple, clear-cut localised issue. Moreover, most sustainability issues in peri-urban areas have major implications for urban/metropolitan regions. Therefore, institutional capacity building should be emphasised at this regional scale.

Regional institutional development in Indonesia currently faces the challenges of post-authoritarian euphoria. The national and provincial tiers have no longer clear authority upon planning and urban development at the local level. Meanwhile, the district and municipality consider themselves as the most authorised tiers in their regions. Reinforcing this tendency, many laws and regulations have been enacted favouring decentralisation trends at the local level. In order to avoid a radical confrontation with this euphoria, it would be better for regional institutional development to emphasise the transformation of and multi-level coordination among existing local, provincial and national governments rather than the design of any new tier. This implies that flexible and bottom-up regional institutional building is more favourable than a rigid and top-down one.

With the lack of comprehensive and long-term commitment among regional actors, it can be suggested that an incremental approach to institutional building could respond more effectively to the unforeseen spatial, socio-economic and institutional change in peri-urban areas. In this approach, institution building can be perceived as a gradual, evolving process of overcoming actual and pressing problems that emerge in specific areas or policy sectors (for example environment, water, transport etc.). In the case of BMA, for instance, regional institution building could be started in the water management sector, by focusing on revitalising the function of water catchment and conservation areas of NBA.

8.4 Further studies

This study provides an institutional explanation for peri-urbanisation and potential approaches/strategies for its planning and governance. Yet, there
are many unresolved issues, opening up some routes for further studies in the future.

First, most studies on peri-urbanisation in Indonesia, as reviewed in the current study, have focused on the challenges and negative impacts of peri-urbanisation such as environmental degradation, regional imbalance, social segregation and so forth (Douglass, et al., 1991; Firman, 1996, 2000, 2004; Firman & Dharmapatni, 1994; Leaf, 1996; Leisch, 2002; Winarso, 2005; Winarso & Firman, 2002). Since peri-urbanisation is an inescapable phenomenon in the current societal transformation, it would also be important to explore the positive aspects of peri-urbanisation, for example its potential contribution to regional development and economy.

The empirical analysis of institutional capacity building in the current study uses the cases of North Bandung Area, as an integrated part of Bandung Metropolitan Area. It would be useful to conduct comparative studies with other peri-urban areas in Indonesia’s fast-growing metropolitan regions such as Jakarta, Yogyakarta, and Surabaya in order to clarify and enrich the findings.

The present study gives an illustration of how knowledge, relational and contextual resources in the forms of discourse, network and opportunity respectively can be transformed into approaches/strategies for peri-urban institutional capacity building. It might be interesting to explore more specific forms of discursive knowledge (e.g. indigenous knowledge) and informal network (e.g. epistemic community and policy coalition) in the process of peri-urban capacity building. Other possible research directions involve examining alternative forms of social-institutional resources, for example cultural symbol and visioning. Alternatively, in addition to these resource-based approaches to institution building, it might also be significant to analyse the role of actors’ motivation since it underlies any action and, thus, governance capacity formation.

The urban and environmental debates presented in this study help to track the institutional capacity-building process in peri-urban areas. However, it is important to test its analytical validity by, for example, further investigating its applicability to other planning issues prone to fragmentation, conflict, and exclusion, for example regional transportation, water management and waste management in peri-urban areas.

This study also underlines the emerging role of planners as activists, social mobilisers and institution builders. They tend to work in the ‘mouth’ of complex institutional environment characterised by fragmentation, conflict and exclusion as can be found in peri-urban areas. It might be valuable to investigate further how and the extent to which this role may
work in practice. What capacity do the planners need in order to contribute better in transforming governance? How can the planning system facilitate their action? What ethical issues will be involved and how should these issues be dealt with?

This study emphasises the ‘soft’ dimension of peri-urban institution building – that is the informal and dynamic aspects of institution building in peri-urban areas through constructing network, discourse and opportunity. Emphasis on the soft dimension might be useful in starting up peri-urban governance transformation but it is not sufficient to build a stable peri-urban institutional arrangement in the long term. Therefore, further study can focus on the ‘hard’ dimension, identifying appropriate formal forms and structures of regional institutions to deal with peri-urbanisation. First, it might be fruitful especially to study the potential of incremental approaches in regional institutional design. Such approaches may match the complex, dynamic and unforeseen characteristics of spatial and socio-economic changes in peri-urban areas. Another route for further study may emphasise the role of leadership in regional institutional design. Good leadership could play a significant role in guiding governance transformation in the face of ineffective institutional arrangements in peri-urban areas. The latter also can be seen as an attempt to accommodate and capture the benevolence-obedience tradition of the Javanese political culture.

As a final conclusion, this study has shown that global neo-liberalisation and domestic institutional arrangements have characterised the peri-urbanisation, planning system and practice around large cities in Indonesia. The main challenges for planning in the peri-urban areas are associated with physical divides, social exclusion, and institutional fragmentation. In responding to these challenges, this study has focused on understanding the building of peri-urban institutional capacity as a deliberative ethos of transforming undesirable governance styles and cultures in the peri-urban areas by interactively linking policy network, discourse and moment and structure of opportunity. It can be seen from the analyses that the process does not always start from the formal planning process set up by the government and professional planners, but can emerge from informal day-to-day practices involving wider participants beyond the formal planning community. In order to make institutional capacity building work, the social resources internal to actors in the forms of discourse and policy network need to be coupled with moment and structure of opportunity, which function as a resource external to actors. The performance of this institutional capacity building can be accessed through three broad criteria: strategic inclusion, facilitation of the weak and legitimised mobilisation. Turning this conceptual
understanding into practice, this thesis suggests that planners and policy makers in Indonesia should accept the peri-urbanisation phenomenon as an inescapable reality and a potential for planning, seek a role as activists, social mobilisers and institution builders, and focus on incremental and gradual governance capacity building at the regional level.