Peri-urban planning in Indonesia
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Chapter 1  Introduction

1.1  Overview

Peri-urban areas can be defined as areas around or outside the city proper that are ecologically and socio-economically integrated into their core city (Simon, McGregor, & Nsiah-Gyabaah, 2004). They function as a transitional zone between the city and its hinterland and countryside, characterised by intensive flows of natural resources, goods, and people from and to the city. They also serve as the interface between urban, rural and natural areas with relatively rapid growth, dynamic and mixed physical and socio-economic attributes (Allen, 2003).

Peri-urbanisation, which refers to the process of urban transformation in peri-urban areas, is becoming an important spatial phenomenon in our informational and globalised society. Peri-urbanisation can be triggered by the development of irregular settlements, new towns, industrial estates and other forms of large-scale urban functions around big cities. The phenomenon is increasing rapidly in fast-growing economic regions such as East Asia. In the next two decades, around 200 million people are predicted to reside in peri-urban areas of East Asian metropolitan regions, making up 40 percent of the total population of the metropolitan regions (Webster, 2002).

Peri-urbanisation has created new opportunities as well as challenges for metropolitan planning and governance in Indonesia and other developing and transitional countries in East Asia. First, peri-urbanisation may create new economic activities, attracting massive employment thus contributing to regional development (Lin, 2001). However, it is also found that the development of exclusive middle-class residential and other urban functions in rural areas has created gated communities, reinforcing colonial-inherited socio-spatial segregation (Firman, 2004; Leisch, 2002). In addition, industrial estate developments often transform extensively fertile agricultural land...
thus decreasing a region’s rural productivity (Chunnasit, Pages, & Duangngam, 2000; Firman, 2000). Furthermore, the emergence of second homes, private villas and recreational facilities often encroach on protected areas thus threatening regional sustainability (Douglass, Ginsburg, Koppel, & McGee, 1991; Firman, 1996; Firman & Dharmapatni, 1994; Goldblum & Wong, 2000; Leaf, 1996).

The most fundamental challenge is the fact that peri-urban areas, as transitional zones, are often governed by complex and often overlapping institutional structures. For example, the peri-urban area of North Bandung Area (NBA) is administered by four autonomous urban and rural governments with different visions and governance styles and capacities. Besides, some planning tasks are shared with the province which is responsible for coordinating inter-local planning issues. Such conditions might result in uncoordinated private and local initiatives, which contributed to the increased physical as well as institutional fragmentations in peri-urban areas (Dijkgraaf, 2000; Mattingly, 1999).

This study examines and addresses the emerging challenges of rapid and unforeseen physical change, spatial divides, social exclusion and conflicts, and institutional fragmentation in peri-urban areas. It first sketches out the institutional contexts for peri-urbanisation and planning in East Asia, with a special reference to Indonesia. Emphasis is given to the impact of the global economy, neo-liberalisation and domestic institutional arrangements on peri-urban transformation and planning and governance system and practice. In understanding how to deal with these institutional forces, it draws on network, discourse and opportunity approaches, especially from a sociological institutional viewpoint. Each approach is developed into an institutional capacity building framework to understand how planning, in the face of irresponsive formal institutional arrangements, could respond to the peri-urban challenges and contribute to the improvement of governance capacity. The conceptual frameworks are enhanced through the empirical cases of urban and environmental conflicts in North Bandung Area (NBA).

1.2 Past studies on peri-urban planning

Peri-urbanisation is not a new issue in the planning literature. Since the beginning of modern planning history, urban and planning theorists had been aware of the emergence of this form of spatial reality. For example, Ebenezer Howard (1898) introduced the ‘garden city’, a conceptual design to deal with growth and expansion of European cities by making clear the boundaries between city and countryside.
However, the current urbanisation challenge is far more complex than Howard ever predicted. There is now a seemingly boundless growth and expansion of cities throughout the globe. As a consequence, a peri-urban area can no longer be perceived as a locked gate or a sharp borderline between city and countryside.

This increasing complexity of the peri-urbanisation phenomenon has become an integrated outcome of transport and communication technological revolution and the global neo-liberal economy. In studying networked cities in Germany, Sieverts (2003, p. x) argues that ‘the speed of information and travel connections has blurred the notion of space, in which the old contrast between city and country has dissolved into a city-country continuum’. Furthermore, he maintains that the emergence of international institutions, transnational firms and the global market has undermined the traditional role of nation-states, cities and communities as the sole drivers of spatial change in peri-urban areas.

In dealing with the peri-urbanisation around German historic cities, Sieverts (2003) suggests that planning systems should move away from their old tradition of maintaining and controlling urban-rural separation through, for example, compact city policy. He contends that ‘at present, only undemocratic societies can still enforce a compact city’ (Sieverts, 2003, p. 123). Instead, living in peri-urban areas should be accepted as a part of reality of large cities and, thus, needs to be accommodated in planning. In this context, Sieverts (2003, p. 122) emphasises that ‘planning must change from being a predominantly restrictive, controlling and distributive activity into an active and creative one’. In Sieverts’s conception, planning should equip the core cities better in order to be able to compete with peri-urban areas. This must be combined with large-scale and sustained protection and development of important landscapes around the cities. Furthermore, the region must be seen as the most appropriate spatial and institutional scale for managing peri-urbanisation. For this reason, regional governance should be strengthened politically, administratively and financially in order to make development control possible again.

Compared to this Western viewpoint, planning the peri-urban areas of developing and transitional countries is even more challenging. Peri-urbanisation grows much more rapidly in these countries. Besides, their planning’s institutional arrangements tend to be old-fashioned, with a lack of capacity to comply with this relatively new form of urbanisation phenomenon. In addition to the decrease in environmental quality, rapid and uncontrolled peri-urbanisation in developing countries often results in a deeper social differentiation and acute poverty (Tacoli, 1998).
The distinctive and increasingly challenging peri-urbanisation phenomenon in developing countries has invited scholars to develop new planning and management approaches and tools. According to Allen (2003), the current models of intervention can be divided into three broad categories: rural, urban, and regional planning perspectives. The rural planning perspective attempted to counteract a perceived ‘urban bias’ in government-led rural programmes and policies. This can be seen for example in rural-urban migration control measures through strengthening rural production. Such programmes tend to focus on localised and discrete actions with a lack of regional and long-term planning perspectives.

The urban planning perspective focuses on managing the relationship between urban systems and their rural hinterlands (Allen, 2003). According to this approach, the urban planning system needs to extend its influence outside the limits of built-up areas in order to be more pro-active in managing flows of resources required and produced by the city. Such an attempt entails a shift of emphasis from local government and environmental issues towards local governance and sustainability issues; from pragmatic stakeholders’ participation towards strategic and long-term actions affecting the city and its hinterlands. As an alternative, the urban planning perspective may also focus on improving the quality of life of peri-urban dwellers in an attempt to integrate peri-urban areas into the urban fabric (Allen, 2003). It includes, for example, programmes of promoting decentralised provision of infrastructure and services, low-cost sanitation technologies, participatory methodologies for project design, community labour and micro-financing schemes. The challenges for both focuses have arisen, according to Allen (2003), because most peri-urban issues work beyond the scope of local government decision making and the nature of power relations at the municipal level tends to be biased towards urban-based interests.

The regional planning perspective seeks to respond to rural-urban pressures and flows by developing mutual linkages between rural and urban areas (Allen, 2003). This rural-urban linkage perspective views the regional territory as a network in which planning and policy initiatives are developed for multi-sectoral, interrelated and complementary activities. Emphasis is on the infrastructure connectivity of the region as a system of rural, peri-urban and urban areas. Tacoli (1998) underlines that, instead of the city cores, this perspective views small towns and peri-urban areas as playing a key role in linking the rural hinterlands with both domestic and global markets and creating non-farming employment opportunities for the rural population. However, in giving more room for market-led development, such a neo-
liberal perspective tends to generalise society thus moving away from addressing the needs of the most vulnerable groups and planning issues in both rural and urban areas (Tacoli, 1998).

Another emphasis of the regional planning perspective attempts to respond to the problem that peri-urban areas tend to be remotely governed and framed by fragmented, disconnected and often overlapping institutional arrangements (Mattingly, 1999). As mentioned earlier, the current arrangements have been dominated by the dichotomies of the state vs. local governments, public authority vs. private sector. Since major issues lie between the two dichotomies, peri-urban areas experience the ‘missing middle’ (Storey, 2003), the intermediary institutional arrangements that link the divides between urban and rural issues, between formal rules and local custom, between local and national/global interests, and between public and private interventions. Therefore, the new regional planning approach needs to focus on creating new institutional arrangements that encourage inter-local cooperation to address these political and spatial imbalances resulting from the core city primacy and global market hegemony.

The design of the new institutional arrangements in peri-urban areas needs to be coupled with the building of institutional capacity, or the improvement of governance consciousness, styles and cultures. Therefore, this study aims to explore how such a capacity can be built innovatively by planners and wider participants, who are situated in complex contextual environments characterised by institutional fragmentation, social exclusion and spatial divides. Illustrated by several cases of peri-urban environmental conflicts in Indonesia, the main analyses of this study show that the project of institutional capacity building or transforming governance can be started in day-to-day and informal planning policy practice as part of broader socio-political processes.

1.3 The three new institutional approaches and planning theory

The previous section leads us towards the conclusion that one of the key issues in planning the peri-urban areas is how to deal with plural, irresponsible and fragmented institutional arrangements hampering the achievement of sustainability objectives at a broader (regional) scale. Major new institutional and planning theoretical approaches have the potential to address such institutional/contextual issues, including rational institutional approach, historical institutional approach and sociological institutional approach.
First, the rational institutional approach focuses on human instrumental behaviour aspects based on strategic calculation in which individuals seek to maximise the attainment of preferred goals (Hall & Taylor, 1996). Institutions affect behaviour by providing certainty about the behaviour of other actors. In this approach, institutions are defined as the ‘rules of the game’ by which agency/action is enabled and constrained. Institutions are seen as an instrument to enhance the efficiency of action by reducing transaction costs of undertaking the same action without such an institution (Hall & Taylor, 1996). Planning’s application of this approach has focused on institutional design, referring to ‘the devising and realisation of rules, procedures, and organisational structures that will enable and constrain behaviour and action so as to accord with held values, achieve desired objectives, or execute given tasks’ (Alexander, 2005, p. 213). It is essentially a technical, purposive, and experimental process of designing institutional arrangements (Bolan, Mandelbaum, Mazza, & Burchell, 1996; Gualini, 2001). As another application, Sager (2001a, 2001b) uses social choice theory to explain the relation between types of planning styles and organisational contexts in which planning is practiced. The main weaknesses of applying such a rational approach are due to taking the institution out of its context. The approach treats institution as external to action thus simplifying and reducing the ambiguity and complexity of human motivation and preference into sets of predefined rules, procedures, and organisational structures (Hall & Taylor, 1996).

In the historical institutional approach, institutions are defined both as ‘formal and informal procedures, routines, norms, and conventions embedded in the organisational structure of the polity or political economy’ (Hall & Taylor, 1996, p. 938). Institutions are associated with organisations, rules, and conventions promulgated by formal organisation. The approach emphasises institutions as unintended consequences of history, path dependence and uneven power relation and distribution.

The historical institutional approach has played a significant role in some variants of postmodern planning approaches, in which planning is seen as a ‘struggle for power’ in the context of politically rationalised institutions (Flyvbjerg, 1998; Huxley & Yiftachel, 2000; P. M. McGuirk, 2001). The problem with this approach is apparent in its structural analytical perspective. First, the approach tends to overstate the uniqueness of particular cases and contexts thus compromising its contribution to general theoretical building (Immergut, 1998). Furthermore, it treats the institutions prevailing in that particular case as an external, given and passive factor for
planning action thus lacking normative and practical implications (Rydin, 2003).

Anticipating the weaknesses of both rational and historical approaches, as an alternative, the current study is built on the sociological institutional approach. According to this approach, institutions share meaning with ‘culture’, comprising ‘not just formal rules, procedures, and norms, but the routines, symbols, cognitive scripts, and moral templates that provide the “frames of meaning” guiding human action’ (Hall & Taylor, 1996, p. 947). Institutions function not just to reduce transaction costs (rational institutional approach) or to give context (historical institutional approach) but also to build social legitimacy of action (W. W. Powell & DiMaggio, 1991).

The sociological institutional approach emphasises an interactive and mutually-constitutive relationship between institutions (structure) and action (agency) (Giddens, 1986). It is a process-oriented view on institutions in which, according to Powell and DiMaggio (1991, p. 7), institutions ‘do not merely reflect the preferences and power of the units constituting them; the institutions themselves shape those preferences and that power’. Following this, the notion of institutions, institutional change and institutional transformation fundamentally shifts their focus from formal organisations towards informal rule-like forms of institutions; from static and stable to dynamic and contesting characters of institutions; from holistic to incremental institutional change; and from top-down, independent and hierarchical to bottom-up, embedded and relational institutional formation (Lowndes, 2001).

Planning’s application of the sociological institutional approach has concentrated on institution building, referring to a gradual and socially constructed ethos of transforming institutional aspects that affects the nature of planning policy space (Gualini, 2001). According to Gualini (2001), the process involves mobilising and pursuing shared commitment, contingent unity of meanings, and constitution of collective actions. As can be seen in Figure 1.1, in Healey’s collaborative planning, emphasis has been given to the notion of discourse (knowledge resources) and policy network (relational resources) as two important mobilising aspects of ‘building an institutional capacity focused on enhancing the ability of place-focused stakeholders to improve their power to “make a difference” to qualities of their place’ (Healey, 1998, p. 1541, emphasis added).
However, in Healey’s later works (Coaffee & Healey, 2003; Gonzalz & Healey, 2005; Healey, 2007a, 2007b), it becomes apparent that discourse and policy network per se hardly result in successful institutional capacity building. Therefore, in order to overcome this weakness, the current study combines discourse and network, as the main resources internal to actors, with moment and structure of opportunity, as the main resource external to actors. The opportunity enables the actors to read cracks in power relations, to recognise contradictions and conflicts, which encourages these actors to realise that they need to reflect on what they are doing, that they need to work with others, and that they need to evolve different processes (Healey, 1997). More specifically, by employing the idea of moment and structure of opportunity into the existing framework, the current study attempts to maintain the normative dimension of Healey’s institutional capacity building while strengthening its contextual intelligence.

1.4 Objectives/ questions

This study provides institutional perspectives on peri-urbanisation and its planning and governance. The main objective is to understand the institutional contexts for peri-urbanisation and planning policy of Indonesian cities and, by using the sociological institutional approach, to further explore emerging planning approaches/strategies in order to be able to improve planning’s institutional capacity in peri-urban areas. These general objectives can be divided into two groups of operational questions:
1) **What are the institutional factors for peri-urbanisation in Indonesia? How do these contextual factors influence planning policy and governance affecting peri-urban areas?**

The study views peri-urbanisation as a global phenomenon that at the same time is contextually shaped. Prior to questioning emerging approaches/strategies to peri-urban planning, it is important to know how global and domestic, indigenous institutional factors have influenced the uniqueness of the peri-urbanisation phenomenon and planning and governance system and practice in Indonesia. The institutional factors analysed are extracted from the elements of global economy, neo-liberalisation and domestic planning and governance cultural and institutional arrangements.

2) **How have planning approaches been constructed to deal with peri-urban environmental conflicts? To which extent have they contributed to the building of institutional capacity in peri-urban areas?**

With these questions, the study aims to explore approaches/strategies to managing environmental conflicts and building of institutional capacity in peri-urban areas. Particularly, it compares and combines discourse, network and opportunity approaches as aspects of institutional capacity building in peri-urban areas. Based on the sociological institutional approach, *institutional capacity* here is defined as the ability of governance to promote social acceptance and legitimacy of planning ideas, strategies, frameworks, and action affecting peri-urban areas. The main proposition is that, in the face of fragmented peri-urban institutional arrangements, the building of such capacity can be started from informal day-to-day practices of governance process, including the building of policy network, discourse formation and the exploration of moment and structure of opportunity.

### 1.5 Theoretical contributions

This study aims at understanding peri-urban and environmental change and its planning process from the view of sociological institutionalists. First, it is expected to help urban and planning theorists, academicians and researchers to develop a better understanding of peri-urbanisation and its planning process in Indonesia. To a lesser extent, it could also be used as a conceptual resource for policy makers and practitioners in Indonesia to develop policy adaptations and planning strategies to deal with peri-urbanisation and environmental degradation in fast-growing metropolitan regions in Indonesia.
The contributions of this study to the theoretical development of peri-urbanisation and planning approaches can be identified as follows:

1) **Providing an Indonesian perspective on peri-urbanisation and planning in developing countries**
   
The current study can enrich the results of past studies of peri-urbanisation and planning in developing countries, which have largely concentrated on Africa, South Asia and other East Asian countries (Brook & D vila, 2000; Leaf, 2002; McGregor, Simon, & Thompson, 2006; Shaw, 2005; Simon, et al., 2004; Storey, 2003; Webster, 2002). The uniqueness of the case of Indonesia can be related to large-scale peri-urbanisation around big cities, a considerable role of the market and clientelist governance tradition in peri-urban planning system and practice, and the impact of societal and institutional transition towards democratic society.

2) **Development of new institutional approaches in planning theory**
   
   Past studies on new institutional approaches in planning have focused on Western-industrialised countries (Alexander, 2005; Gualini, 2001; Healey, 1998, 2007a; Meyerson & Banfield, 1955). Meanwhile, institutional fragmentation, social exclusion, and neo-liberalising policy practices as the underlying contexts for institutional approaches can be found more explicitly in developing countries such as Indonesia. As such, richer and more significant empirical findings on how institutional approaches work in practice are expected to emerge from this study.

3) **Application and enhancement of the sociological institutional approach in planning theory**
   
   The application of this variant of institutional approaches in planning has so far emphasised the role of social resources internal to actors, especially in the forms of discourse and network, as a means of building institutional capacity (Gualini, 2001; Healey, 1998; Rydin, 1999; Vigar, Healey, Hull, & Davoudi, 2000). This agency-centred sociological approach has been criticised for giving inadequate accounts on the role of contextual forces such as the economy, power relations and the state (Huxley & Yiftachel, 2000; P. M. McGuirk, 2001; Tewdwr-Jones & Allmendinger, 1999). As a response, this study emphasises that discourse and network need to be coupled with moment and structure of opportunity, as a key resource external to actors.
1.6 Structure of the book

This book is divided into three main parts. The first part represents the research design, which outlines the state of the art of the study. It includes Chapter 1 and 0.

![Diagram of the book structure]

**Figure 1.2** Organisation of the thesis

The second and third parts mainly consist of the analytical chapters, which are presented as a collection of papers/articles. Most of the chapters were reproduced from papers formerly presented at international conferences.
and/or articles published in internationally recognised academic journals. In order to maintain fluency in their argumentation, the chapters are presented as much as possible in their original versions as formerly presented papers and/or published articles. Although they are not rigidly ordered, the chapters are organised in such a way so they can address the three interconnected themes in question: institutional contexts, approaches and institutional capacity (Figure 1.2).

The second part comprises Chapter 3 and Chapter 4, which discusses the contextual factors for peri-urbanisation and planning in Indonesia. It underlines some key challenges for peri-urban planning: formal institutional dynamics, clientelist governance, and global neo-liberalisation. They include, on the one hand, global trends of peri-urbanisation and, on the other, the planning practice and domestic planning system, culture and institutions.

First, Chapter 3 identifies the characteristics of peri-urbanisation in Indonesia and other three East Asian countries. It also explains the institutional factors shaping peri-urbanisation in this growing economic region. Whilst Chapter 3 focuses on the impacts of global and domestic institutional forces on peri-urbanisation and planning practice, Chapter 4 concentrates on the impacts of these forces on the planning system. It mainly discusses the current transition in the planning system marked by a massive enactment of laws and regulations, including the formulation of a new spatial planning law. It particularly explains the extent to which domestic institutional arrangements as well as global neo-liberalisation have influenced this transition process.

Based on this contextual understanding, the last part of this book identifies approaches to managing peri-urban environmental conflicts, which includes opportunity, network and discourse approaches. It also explains how and to which extent these approaches might contribute to the building of institutional capacity of planning in peri-urban areas.

0, 0, and 0 discuss approaches to promote the function of North Bandung Area (NBA) as the main water catchment for Bandung Metropolitan Area (BMA), which faces an increasing peri-urbanisation pressure from the main city of Bandung. First, 0 explores the potential of policy networking as an important aspect of capacity building in the metropolitan region. The case of policy debate on the Dago-Lembang regional road development proposal is reconstructed to illustrate how a policy network can be built and how it can contribute to the improvement of governance consciousness to be more responsive towards environmental quality and regional sustainability. In relation to the discussion on policy network, 0 examines how discourses can play a role in the building of institutional capacity of planning in peri-urban
areas. It uses a contested urban development planning project in the protected fringe area of Puncut as the study case. In this area, planning discourses have concentrated on market-led housing and agro-tourism development in contrast with green environmental improvement as strategies to support and challenge the project respectively. In supporting the discussion about the role of policy network and discourse, 0 combines political opportunity structure and Kingdon’s policy window in order to develop a sociological institutional approach to the meaning and utilisation of opportunity in collective action. Using the study cases analysed in 0 and 0, 0 argues that in order to make institutional capacity building work, the social resources internal to actors in the forms of policy network and discourse need to be coupled with moment and structure of opportunity, which function as a resource external to actors.

Finally, Chapter 8 synthesises and concludes the results of all case studies. It focuses on understanding the building of institutional capacity as a deliberative ethos of transforming undesirable governance styles and cultures in peri-urban areas by interactively linking policy networks, discourses and moments and structures of opportunity.