

# PLANNING ISSUE AND PROBLEM IN SURABAYA, INDONESIA

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## ABSTRACT

Urban planning approach in developed countries is adopted by many less developed countries, including Indonesia and Surabaya as the case study. Political situation, economic condition and strategic planning in Surabaya are very different to those in developed one. Issue of local government decentralization and regularization of urban land disregard the existence of informal sector. Surabaya' city view the growth of informal sector only as part of the systematic urban transition of industrialization process.

**Keywords:** urban planning, industrialization, informal sector.

## INTRODUCTION

In many less developed countries, including Indonesia, the approach to urban land use control is adopted from developed countries. According to McAuslan (1985), many less developed countries are over-ambitious in their attempts to adopt the planning culture of developed countries, including the introduction of zoning systems. He notes that the urban resources, administrative systems, political philosophy, and bureaucracies in less developed countries differ greatly to those in developed countries, and lack the capacity to deliver effective planning intervention in the development process. In many less developed countries, the urban phenomenon of illegal occupation of land, including informal commercial activity, has paralleled the industrialization process (McAuslan 1985).

The paper will identify the value of this mismatch. Planning systems adopted from developed countries may not be effective in different cultural contexts, requiring new systems to be developed that are more responsive to the needs of less developed countries. This mismatch creates unfavorable condition to most of the community in Surabaya, as the case study of the paper, such the growth of informal commercial activity.

## URBAN PLANNING AND ZONING

According to Johnson (1997), urban planning is the process of making and implementing decisions about urban land use based on social and economic policies. Therefore, social and economic considerations are fundamental to planning. The planning process is responsible for housing, recreation, and social facilities as well as providing for community interaction and issue of fairness and justice that reflect prevailing social values.

In creating a clear structure for urban planning, planners use the regulatory tool of zoning (Johnson

1997). Structuring urban areas into several zones is the main role of the zoning system. Before zoning, urban areas had no control over what was built where and had to tolerate land use patterns based solely on the land market (Johnson 1997). Zoning divides land into distinct categories of uses, permitting some and excluding others. Legally, it is used to protect particular land uses from competition while politically; it can be used as a device to achieve the social and economic aims of the country's leaders.

## PLANNING ISSUES IN LESS DEVELOPED COUNTRIES (LDCs)

Before discussing the planning issue and problem that are faced by Surabaya' city, it is important to clarify the basic definition and approaches to urban planning in both developed and LDCs, which can be seen in figure below. These differences impact on the implementation of a planning system.

	ASIA	WEST
<i>Economic growth</i>	<ul style="list-style-type: none"><li>- rapid and sustained growth over a number of years</li><li>- largely based on industrialization</li><li>- some Asian nations are facing acute shortage of labour</li><li>- regional differences</li></ul>	<ul style="list-style-type: none"><li>- slow economic growth</li><li>- economic restructuring</li><li>- de-industrialization and re-industrialization</li><li>- focus more on service sector</li><li>- high and sustained unemployment</li></ul>
<i>Urbanization and population growth</i>	<ul style="list-style-type: none"><li>- rapid urbanization and suburbanization</li><li>- sustained rural to urban migration</li><li>- still a very large young population</li><li>- some Asian nations facing significant international migration of labour</li><li>- low but rising car ownership</li></ul>	<ul style="list-style-type: none"><li>- steady state population</li><li>- sunbelt migration</li><li>- aging population</li><li>- use of private cars</li></ul>

<i>Urban development</i>	<ul style="list-style-type: none"><li>- mega projects</li><li>- vast investment for new infrastructure</li></ul>	<ul style="list-style-type: none"><li>- urban consolidation</li><li>- continuing suburbanization</li></ul>
<i>Income growth</i>	<ul style="list-style-type: none"><li>- rapid rise of the middle class</li><li>- employment expansion</li><li>- still vast number of the poor especially in the rural areas</li></ul>	<ul style="list-style-type: none"><li>- squeeze on the middle class</li><li>- growing income gap between rich and poor</li></ul>
<i>Provision of infrastructure</i>	<ul style="list-style-type: none"><li>- attention given to the overall poor infrastructure provision now regarded as an obstacle to economic growth</li><li>- more and more attention to the possibilities of private sector provision of infrastructure</li></ul>	<ul style="list-style-type: none"><li>- deterioration of some infrastructure but lack of public capacity to provide for replacement</li><li>- look towards the private sector and/or users pays for funding</li><li>- increasing demands placed on developers to provide infrastructure as part of the development consent process</li></ul>
<i>Environmental awareness</i>	<ul style="list-style-type: none"><li>- environmental concerns amongst the public still nascent</li><li>- large and growing environmental/pollution problem</li></ul>	<ul style="list-style-type: none"><li>- very strong environmental concerns amongst the citizens</li><li>- increasing political response to incorporate environmental concerns into planning decision</li></ul>

Contrasting issues associated with planning in Asia and the West (Wu 2000, p.371)

Urban management in developed countries is based on a legal framework. This has been adopted by LDCs from their colonial occupiers (McAuslan 1998). In the colonies, formal laws provided the legal framework for urban development. For example, industrial planning in India is prepared under an urban Master Plan, which is developed based on the views of planning consultants schooled in Western European, or North American Planning ideology. The British planning system has been exported around the world. All over India, town and country planning laws are based on English legislation of the 1930's. In Indonesia, the current planning regulation and laws are adapted from original Dutch legislation.

Urban resources, administrative systems, political philosophy, and bureaucracies in LDCs are different to those in developed countries (McAuslan 1985). Most LDC government officers have to have regard to two 'masters': their constitutional obligations and local property elites who help keep particular governments in power (Amitabh 1997). Few social scientists have been appointed to government planning institutions. Rather develop-

ment issues are dominated by architects and economists. In this environment, plans are prepared with a lack of understanding of social concerns and the long-term requirements of the city and its people. A further problem of planning in LDCs is the role of the state in allocating urban resources, such as land and public infrastructure.

The planning problem in most LDCs is blocked by the inefficiency and unwillingness of the government to respond to rapid urban population growth as a natural impact of industrialization. The standard response is to segregate land based on Western planning theory; while in reality this constrains the interdependency between the formal and informal sector.

PROFILE OF SURABAYA

Based on Surabaya's history, the city developed and grew because of its trading activity along the riverbanks. The Dutch government saw the geographic context of Surabaya as beneficial to the establishment of the town as a trading centre for the spice rich hinterland. Surabaya's development has evolved from these trading traditions that encouraged the development of further small industries based on the processing of spices and the servicing of ships and other transport. It has been this industrial base that has empowered of Surabaya in the postcolonial era.

The metropolitan region of Surabaya occupies 32,638.68 ha. In 1990, Surabaya's population increased to 33.99%. In the 1980 census, the total population of Surabaya was 2,017,527 people. In the following ten years, the population reached almost 2.6 million people. Surabaya' residents can be divided into three main groups: urban, marginal and rural. Further stratification can be developed on the three basis economic status: an elite group, a middle income and a low income group. The average economic growth was 15.9%. Surabaya municipality contributed almost 45% of East Java' economic growth. Surabaya' economic growth was 8.18% per annum on average over the period of 1983 to 1991. The industrial activity ranges from traditional craft industry to modern factory production based operating out of two modern industrial estates (PEMKOT-SBY 1994).

SURABAYA' PLANNING PROBLEMS AND OPPORTUNITIES

Urban development and planning in Surabaya is highly dependent on current political issues. By contrast, national government's planning, regulation, and policy development primarily focus on only one part of the community: the investors and factory

owners. This condition has been affected by the political environment of the New Order government that was known for its ineffective governance. The current elected party has more concern for equity in development outcomes, which will require new approaches to the future planning of Surabaya.

Government intervention in development can be seen in the evolution of a planning hierarchy, from the City Planning and Development Division down to the Maintenance and Control Division. Recently, the encouragement of decentralized and accountable provincial government has created the potential for new approaches to community responsiveness from within government agencies. In this environment the Surabaya municipality is more inclined to concentrate resources on industrial and agricultural development by attracting investors into the area.

Industrial policy at a provincial and local level is searching for a balance between modern industry and traditional industry. The Surabaya' government appears to find it difficult to control small scale industrial activity (including informal sector) due to the transience and variety of the sector. Since it is difficult for the government to regulate small industry, these linkages are often difficult to determine and limits the ability of the local planning system to respond to their needs.

The emerging planning problem for the government is clearly seen in the need to incorporate equity considerations into the planning process. The provincial and local government must confront the tension between the needs of the Surabaya' people and the priority of economic independence.

On the other hand, industrialization creates urbanization which has high dependency on the formal industry. Urbanization has created the informal commercial activity because the incapacity of the city to absorb large numbers of poor job seekers among urban dwellers, and rural-urban migrants who have been unable to secure waged employment in the formal industry. The informal activity is mostly orientated to the production of consumption goods for daily use (Damayanti 2003). Most of the daily needs of the migrants are supplied by the informal activity. Likewise, the informal commercial activity provides cheap and efficient of products and reducing the overall cost of transportation.

## DISCUSSION

Indonesia, and other LDCs such as Brazil, Mexico, and India, are categorized as contemporary industrializing countries (Balchin, Isaac & Chen 2000). As part of this industrializing process they

have experienced massive structural employment change from agriculture to industry; from pre-industrial to industrial country (Mills & Hamilton 1989). The majority of the Indonesian workforce is still employed in the locally based agricultural sector, while the newer industrial activities are linked to global markets. According to Thee (1994), Indonesia and India have significant differences in their industrial development profile. India has a strong economic nationalism based on the domestic demand of a maturing industrializing country while Indonesia experiences significant economic dependency on the markets of the U.S., Germany, and France. For this reason, countries such as Indonesia with its abundant natural resources and large population become locked into a world market through the export of cheap, low-skilled labour-intensive products that return little benefit to employees or the wider population through multiplier effects (Thee 1994).

The evolution of pre-industrial city to industrial city has been generated by several processes:

- The absorption of large number of workers in the industrial sector, in both skilled and unskilled occupations (Williamson 1995)
- The growth of as a service economy to meet the needs of employers and employee (Turnham 1990)
- The attraction of the prosperity of the city in encouraging rural to urban migration (Mills & Hamilton 1989).

An increasing urban population has produced uncontrolled urban expansion, and a greater demand for urban infrastructure and urban land. This has challenged the capacity of planning systems adopted from developed countries (McAuslan 1985).

Indonesia's regional development has focused on decentralized development, in partnership with regional and local government and this has encouraged further investment in manufacturing activity. This reflects the dominant position of manufacturing activity as a dynamic base component of development. This explains the leading role it has played in planning strategies (Weiss 1988). The change from centralized to decentralized development has encouraged land speculation by investors seeking to attract high value economic activity. This has put considerable pressure on local government in controlling land use change within the context of local planning.

According to Oberlander (1985), land is a unique resource, limited in its supply but endless in the variety of its use. In a free market economy competition between supply and demand determine the highest and best use of land (Balchin, Isaac & Chen 2000). The government plays a significant part in framing the context of competition for the benefit of the state and the people (Kivell 1993).

Governments of many LDCs have formalized the urban land market leading to commercialization and consolidation of urban land (Oberlander 1985). This approach of government ignores the realities of the existence of informal commercial activity and in turn justifies their demolition or removal. Yet, the activity has been making up for the inefficiencies of urban land management.

The informal sectors whether in Indonesia, Peru, or India, are included as illegal occupants of land, which brings many problems for government agencies and some advantage for low-income groups. The government sees the existence of the illegal occupation of land as a problem of urban land regulation. Currently, governments in LDCs regard the informal sector as a part of a systematic transition from an agricultural to an industrial economy (Williamson 1995). On the other hand, the activity of illegal occupation benefits low-income people since this activity can lead to a dependable source of employment, income, and livelihood.

The government is responsible for urban planning activity. According to McAuslan (1985), India provides many formalized plans with little actual planning control taking place. Like India, Indonesia also has comprehensive and integrated urban plans, which are of little relevance to emerging planning problems.

### CONCLUSION

Currently, Surabaya' government regard the informal sector as a part of the systematic urban transition from an agricultural to an industrial economy; the informal sector, through its links to production, can encourage this transition. The servicing role of the sector sustains the urban and residential growth. Surabaya, as with many other LDCs, operates an urban land management system that is adopted from developed countries. In the search for formalization it has encouraged the commercialization and consolidation of urban land. Regularization of land title has focused on the collection of property taxes, triggering the land use change required to justify the decentralization of powers to local government. For these reasons the government does not recognize the informal sector but in so doing ignores a dependable source of employment, income, and livelihood.

In brief, the planning system particularly as it affects urban land management, in Indonesia and other LDCs has been adopted from developed countries and largely ignores the existence of informal commercial activity.

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