

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

Günter Spreitzhofer

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.