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**Woltjer, J. and Hudalah, D.**

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## Chapter 6

Gentrifying the peri-urban: Land use conflicts and institutional dynamics at the frontier of an Indonesian metropolis

Delik Hudalah

Institut Teknologi Bandung, Indonesia

Haryo Winarso

Institut Teknologi Bandung, Indonesia

Johan Woltjer

University of Westminster

### Introduction

This chapter will respond to the shortcomings in the current gentrification literature, which has to a large extent originated from Western inner city cases (see for examples: Ley, 1996; Smith, 1996), and assess its potential application to peri-urban area or the rural–urban transitional zone in developing non-Western countries. Learning from an Indonesian case study, the chapter will particularly focus on the roles of actors and coalitions and their strategies in determining the outcome of gentrification in a peri-urban area.

Studies of Indonesian gentrification have long been concerned with capitalist accumulation of wealth manifested in market or middle-class-driven urban land transformation and its social implications in the form of marginalisation, eviction or displacement of the poor or indigenous people for the sake of increased spatial amenity, to name but a few of the issues discussed (Bunnell et al., 2006; Kusno, 2011; Peters, 2010, 2013; Winarso, 1999; Winayanti and Lang, 2004). Little attention has been paid to the institutional and political processes underlying this gentrification. Meanwhile, as Lees (2012: 163) has argued, gentrification needs to be regarded as a plural phenomenon that is ‘embedded in the soil and institutions’ of a country. In other words, the outcomes of sociopolitical interactions and conflicts among local actors shape the direction of and resistance to gentrification (Shin, 2009).

Our case study is centred on a revitalisation project driven by the development of a luxurious residential enclave in Punclut, an ex-plantation peri-urban area of Bandung City. Conflict in this case has to be viewed in the context of a period of rapid institutional transition in Indonesia, from a long-established authoritarian government towards Otonomi Daerah (Indonesia’s decentralisation) and democracy from the early 2000s. It is a period where local governments have shifted their behaviour from acting like *bawahan* (subordinates of central government) to *raja kecil* (little kings), thereby trying to maximise their use of newly transferred authority (Firman, 2009).

The next section attempts to locate the gentrification literature within the context of fast-growing, peri-urbanising Asian metropolis. Following a geographical and historical overview of the case study, the main tactics and strategies in the peri-urban revitalisation project under investigation are identified. The analytical focus is on the aspects of conflict and the

institutional factors pointed out above. We will show that in this peri-urban case study, the relationship between the inflow of capital and neighbourhood reinvestment is far more complex than a supply–demand mechanism would suggest. We will argue that the transformation of the rent gap into reinvestment opportunities in the peri-urban area is not autonomous but intermediated by what Clark (1995: 1490) called ‘social relations and power struggles’ among competing cross-class coalitions playing at a regional scale.

### Locating the gentrification literature in the context of peri-urbanising Asian metropolis

Gentrification can be broadly defined as a socioeconomic process accompanying any land use change from low to relatively high functional value. From a structuralist viewpoint, the process is often typified by the replacement of indigenous and working-class people in a decaying neighbourhood by those of considerably higher socioeconomic status (Glass, 1964). In the later stages of its conceptual development, the process also includes reinvestment of space neglected by the market to generate profit (Clark, 2005). In the latter, gentrification is no longer simply referred to as a systematic replacement of the existing lower classes by higher ones, but as being linked to the movement of capital underlying this commodification (Smith, 1986).

Gentrification, as a for-profit activity, has been associated with a frontier on which large-scale land and property investment, development and speculation tend to be initiated (Smith, 1996). In the developed world the gentrification frontier has often been found in inner city areas (Ley, 1996; Smith, 1996). Neighbourhoods in the inner regions of established, deindustrialising cities would experience devalorisation. In turn, shifting market demands, changing locational advantages and the altering behaviour of landowners could create a substantial ‘rent gap’ (Whitehead, 2008). The rent gap is the value disparity between potential and actual ‘highest and best’ land use (see Smith, 1979). It represents the dynamics of opportunity for reinvestment in decaying neighbourhoods. Clearly, the rent gap is here seen as a ‘temporal’ rather than a ‘spatial’ phenomenon. As such, the gentrification frontier should not be seen as an exclusive attribute of the inner city. Instead, the phenomenon can also be found in other types of location, including, for instance, rural areas (see for examples: Darling, 2005; Phillips, 1993; Smith and Higley, 2012).

According to Phillips (2004), the literature relating to Western cities has so far maintained an empirical dichotomy between ‘urban’ and ‘rural’ gentrification. Our argument in this chapter is that this tendency to separate urban from rural space causes difficulties when we attempt to uncover the generic issues defining gentrification – such as revitalisation, reinvestment, inequality, accessibility and displacement – in the context of emerging and fast-growing Asian metropolitan regions. Rimmer and Dick (2009) have observed that Southeast Asian metropolises historically have both an inner frontier (the city core) and an outer frontier (the outskirts of the city). In recent decades, large-scale spatial expansion, including economic restructuring and social transformation, has tended to occur not just in inner city areas but also in this outer frontier around large cities – the peri-urban area or the urban-rural transitional zone (Bunnell and Nah, 2004; Bunnell et al., 2010; Hudalah et al., 2007; McGee, 1991; Webster, 2002, 2011). In South Asia, for instance, privately owned special economic zones (SEZs) are built at the peripheries of medium-sized cities with direct connections to

the main cities (Levien, 2011). These are not zones that the gentrification literature has tended to focus on, to date.

As metropolitan spatial dynamics deconcentrate towards the peri-urban areas, the gentrification frontier in non-Western cities will not be found exclusively in the inner city. A considerable expanse of lower socio-economic level neighbourhoods can be found in such peripheral areas, which are larger than the inner city. According to the rent gap theory, they also have the potential to be succeeded by higher-income households through the process of population displacement and replacement (Gonen, 2004; Ortega, 2012). Therefore, in line with Phillips (2004), throughout the analysis we seek ways to extend the gentrification lens so that it is more open towards processes occurring in the peri-urban area of a fast-growing Indonesian metropolis.

### The case study of Punclut, North Bandung Area (KBU)

In the Sundanese language, Punclut literally means 'peak'. Geographically, it is associated with a hill and its lower surroundings, located around 10 km to the north of the city centre of Bandung, West Java Province.<sup>1</sup> Currently, Punclut is divided into two different local administrations: (1) the high ground belongs to Bandung Barat District/Kabupaten (582 ha), and (2) the low belongs to Bandung Municipality/Kota (268 ha)<sup>2</sup> (Figure 1). Our analysis focused on the latter, which is entirely part of the municipality. Since the 1980s, this part of the peri-urban area has transformed into one of Kota Bandung's most important recreational parks and tourist attractions.

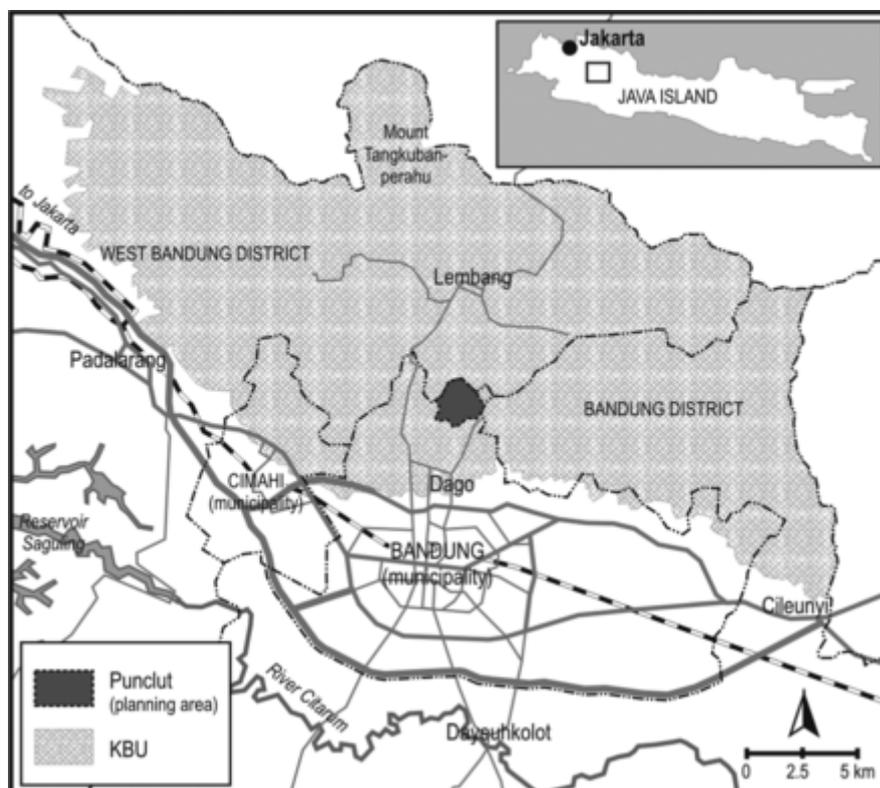


Figure 1.

Map of the North Bandung Area (KBU) indicating the location of the garden house project in Punclut.

Punclut has experienced land development conflicts for decades. As in other Asian metropolitan regions, stories surrounding peri-urban land use conflicts often date back to colonial times (see for example Bunnell et al., 2010). During the late Dutch colonial era in the 1930s, Punclut mainly consisted of a tea plantation owned by a Dutch private company holding a long lease (Moeliono, 2011). Following the nationalisation of Dutch assets in the early independence era of the 1950s, the land tenure and the future orientation of Punclut became uncertain. First, the government claimed state ownership over the land in Punclut. In 1961 the government granted titles of ownership on the land to former army officers who served during the 1940s war of independence. Owing to various obstacles, including a lack of infrastructure, none of the military officers developed houses or settlements in Punclut (Moeliono, 2011).

At the same time, the tea plantation was gradually cleared by former plantation workers, who claimed ownership of the land in Punclut. They established scattered kampongs (informal/irregular village settlements) and low productive agricultural fields on which rotating cultivation was practised (Figure 2). Until recently, the orang kampongs (the villagers) were still predominantly the former plantation workers who had lived in these kampongs for generations. Owing to their long period of occupation on these ex-plantations, the former workers have been regarded as pituin Punclut, the Sundanese expression for the indigenous people of Punclut. In 2000 they numbered almost 12,000 (Pemerintah Kota Bandung, 2004a). Many are poor and most residents work irregularly. Most men rely on work in construction as their primary source of income. Many members of households (both men and women) generate subsidiary income from seasonal farming.



Figure 2.

A scattered kampong in Punclut.

Punclut is part of the Kawasan Bandung Utara (KBU)<sup>3</sup> or North Bandung Area, the main upland area located in northern Bandung Raya or the Bandung Metropolitan Area (BMA) – the third largest metropolitan region in Indonesia. KBU is effectively governed by at least four autonomous local governments: Kabupaten Bandung Barat, Kabupaten Bandung, Kota Bandung and Kota Cimahi (Figure 3). With a total area of 38,548.33 ha, KBU mainly consists

of plateaus and hills surrounded by mountains. Its lower areas are delimited by the 750 m contour line.

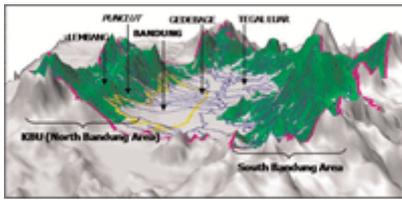


Figure 3.

A three-dimensional map of Bandung Raya (BMA).

Source: modified with permission from DPKLTS (2005).

The peri-urban areas of Indonesia's large cities, including conservation areas such as Punclut, have become prime locations for new private towns, villas and luxurious housing developments (Dick and Rimmer, 1998). Since the early 1980s, Punclut has been popular among middle- and upper-income groups because of its beautiful landscape, good local climate, fresh air and proximity to Bandung City at the core of the BMA. These physical and spatial advantages have fostered uncontrolled land speculation and the development of settlements and recreational facilities for upper-class society.

Furthermore, land speculation and uncontrolled issuance of development permits in Punclut, as in central urban areas (Peters, 2013), was triggered by central government's market-led development policies in the 1980s and early 1990s. The most fundamental policy was the 1993 Deregulation Measures Package (known as PAKTO 1993), which allowed private developers to obtain permits-in-principle (*ijin prinsip*) and site permits (*ijin lokasi*) on privately owned land in Punclut directly from central government through the Investment Coordinating Board (BKPM) and the National Land Agency (BPN), respectively (Moeliono, 2011). Accordingly, affected lower government tiers, namely West Java Provincial Government, Bandung District Government and Bandung Municipal Government, were required to observe decisions made by the central government. While the central and provincial government's monitoring and control are too remote to reach the peri-urban area, local government is too ineffective to be aware of the regional consequences of their decisions.

This institutional 'gap' has resulted in an uncontrolled amount and area of land being acquired in Punclut. During the 'boom period' of the 1990s, land controlled by private developers increased dramatically from 586 ha in 1992 to 2832 ha in 1996 (Natalivan, 2004) in the outer district of North Bandung Area (KBU) – including Punclut. Bandung Municipal Government recorded that after the property boom of the early 1990s, more than 40% of the land in Punclut under Kota Bandung was controlled by only three private residential developers (Pemerintah Kota Bandung, 2004a).

After a decade of land acquisition, development had commenced in only a small fraction of the land parcels owned by PT DAM Utama Sakti, which was the largest of the three upper-income housing developers operating in Punclut. Until the early 2000s, most of these land parcels were still mainly used by the indigenous people for seasonal farming. In their report, the municipal government argued that such unexecuted land development permits had largely contributed to an increase in erosion, sedimentation and air temperature, the lowering

of the groundwater level, and a decrease in vegetation (Pemerintah Kota Bandung, 2004a). The report argued that reduced vegetation caused by the land development had increased the magnitude and occurrence of floods during the rainy season, especially around the city and the lower parts of the region.

#### The environmental revitalisation project

In 2004 the municipal government, backed by PT DAM Utama Sakti, the largest private developer in Punclut, proposed an empowerment of the economic potential of Punclut as a residential and agri-tourism area. The ultimate aim of this public–private partnership project was to revitalise Punclut’s ecological function as a buffer zone for urban expansion, which had deteriorated over the previous ten years because of uncontrolled informal and formal residential development.

According to the environmental revitalisation planning report, two interrelated urban development concepts have motivated the project (Pemerintah Kota Bandung, 2004a). The first was land consolidation and titling, which would provide the existing marginalised villagers with a legal basis to continue cultivating the land they occupied. The concept was initially expected to increase the indigenous people’s sense of belonging to the land, thus ensuring the sustainability of the greening programme.

The second and most important concept was integrated tourism development, which tried to combine agri-tourism and ecological functions with residential development. The latter could be viewed as the government’s strategy to accommodate the delivery of a luxurious residential enclave proposed by the developer. The concept adopted the developers’ idea of rumah kebun (garden houses) (Dam Utama Sakti, 2005). The concept referred to low-density luxurious houses (with at most 20% building coverage ratio) surrounded by vegetation (Figure 4).



Figure 4.

A garden house under construction.

#### Strategies around the environmental revitalisation project in Punclut

Our analysis will focus on the strategies for and against the peri-urban environmental revitalisation project in Punclut and its consequences. As such, our analytical framework for gentrification shifts from merely the market process of land reallocation and supply–demand mechanisms towards spatial contestation. Gentrification is viewed here as a socio-spatial struggle among contending stakeholders vying for control over a contested space (Betancur,

2002; Shin, 2009). As Smith (1986: 34) has argued, frontier development is 'more directly political rather than economic'. Following Clark (2005), we pay particular attention to the emergence, development and outcomes of polarising coalitions struggling for dominance over the peri-urban environmental revitalisation project in Punclut.

To this end, in 2008 we conducted semi-structured private and group interviews with 15 key informants from municipal administrators, members of the local council, politicians, planning consultants, academics, researchers and informal community leaders, including heads of neighbourhood associations, who had directly participated in promoting or opposing the revitalisation project. The main researcher acted not just as a passive interviewer but also as a close observer of the conflict for around six months, during which he followed relevant discussions and meetings. The information resulting from the interviews was analysed using qualitative coding techniques and was combined with other supporting data, such as field observation and a content analysis of official documents, minutes of meetings and articles in popular newspapers.

#### Introduction to key actors surrounding the revitalisation project

Before analysing their strategies, it is important to introduce the key actors who supported and opposed the environmental revitalisation project in Punclut. One of the proponents of the revitalisation project was the Bandung Municipal Government which, since the implementation of Law No. 22 of 1999 (later replaced by Law No. 32 of 2004) on decentralised regional administration, has been conditioned to increase its reliance on local revenue through local taxes, levies and fees in executing its governmental functions. In the decentralisation era, these locally generated revenues contributed around 70% of all local government revenues (Mardiasmo, 2009 in Firman, 2013). As an illustration, during the period 1997–2006, the local revenues of Bandung Municipal Government increased from only 68 billion rupiahs to more than 343 billion (calculated from Reerink, 2011). In 2006 this municipality's land and building taxes and development permit fees constituted almost one third of its total revenues, with the rest coming from other kinds of local taxes, levies and fees.

Under this pressure to increase local revenues, the municipal government was forced to adapt their land use plans to this private initiative. In an interview on 27 September 2008, a top official from the Bandung Municipal Development Planning Agency argued for a revision of the local land use plan to accommodate the garden house project in Punclut:

So, the government as a facilitator, considering such interests from the perspective of society [the developer] and investment obstacles in Bandung City, including [due to the rigidity of] rules in [the actual] RTRW [the land use plan], wished to revise RTRW. RTRW is essentially a commitment to stakeholders ... If some of those stakeholders request revisions, we can negotiate about it.

The land use revision proposed by the municipal executive agency had to be approved by the local council of Bandung Municipality. The local council active during the Punclut conflict analysed in this article was formed after the 2004 legislative election. This was the second democratic election since the beginning of the reform era in 1998. Each winning party or a coalition of smaller parties formed a political group in the assembly. Since the beginning of the conflict, the political groups had been divided into the ruling majority who fought for the environmental revitalisation project proposal and the opposing minority who countered it.

The decentralisation policy encouraged both the municipal government and the ruling groups in the local council to behave as what Firman (2009) termed 'raja kecil' or little kings, who selfishly managed their own city without any substantial coordination with their neighbouring districts and municipalities and the provincial government. In Punclut the pressure from the ruling groups to increase revenues particularly undermined the 1982 Governor's Decree and a number of provincial land use plans for the conservation of northern BMA, as the region's main water catchment area (Pemerintah Kota Bandung, 2004b).

Backing the municipal revitalisation proposal, PT DAM Utama Sakti, which was the largest of the three developers operating in Punclut, had previously initiated a large-scale urban transformation in the form of rumah kebun ('garden houses'), which would become exclusive, luxurious low-density houses and recreational areas complete with road networks. It had become a sign of prestige for this upper-income housing developer to own a project in Punclut – as part of the KBU. There is an assumption among such developers that 'if a developer has not been able to build in KBU, it seems that he cannot be called taipan ... not a great one' (interview with a planning consultant on 1 September 2008). Taipian is a nickname for rich and successful Indonesian businessmen – mostly of Chinese origin. Because of the strict planning regulatory framework in the KBU, for most taipans, succeeding in building houses and facilities in the KBU also meant succeeding in breaking the law. In fact, it has become a seemingly unavoidable practice among the local and provincial governments and developers wishing to build in KBU (Reerink, 2011). As an illustration, a planner admitted:

A friend of mine [working] in a [local government] institution asked [consulted with me] about a rich person [developer] who wanted to invest in apartments or a mall, preferably in the KBU. In short, he wanted to hire me. [He said] 'you have so far been planning the KBU so you know the loopholes in Punclut [KBU]'. (interview with the same planner as above on 1 September 2008)

This informant's statement confirmed the findings of other scholars who have shown that the land development practices in Indonesia have been characterised by discretionary, clientelist and corrupt practices, partly because of the strong influence of the market and the private sector (Server, 1996; Winarso and Firman, 2002).

Following the democratisation policies of the reform era, NGOs grew dramatically both in number and size and have gained an increasing influence in the government's decision-making process. Several leading environmental NGOs in the metropolitan region, such as Dewan Pemerhati Kehutanan Lingkungan Tatar Sunda (DPKLTS) or the Research Council for Sundanese Forest and Environmental Conservation, originated from within society. Meanwhile, several national NGOs operating in the region, especially Wahana Lingkungan Hidup Indonesia (Walhi) or Forum for Indonesia's Environment enjoyed strong grassroots support and a relatively independent political position. Therefore, they consistently fought against the environmental revitalisation project from its outset. They argued that the project's idea of promoting partnership with private housing developers had failed to fulfil the government's earlier commitments to promote local community participation.

Furthermore, Punclut's urban environmental role has been considered very important to the opposition faction of the local council because it included the largest surviving green space near the city. They argued that the quality of the environment around Punclut served as the

planners' figurative battle frontier, symbolising the critical performance of peri-urban land use planning in KBU as a whole. A group interview with the opposition group in the local council clearly illustrates this point: 'One of our fortresses was Punclut. If it is penetrated [by an initiating developer], northern Ujung Berung and other parts of Bandung's high ground will also be penetrated ...' (group interview with the head and members of the local council's opposition group, 9 September 2008). The opposition group believed that the failure to restrain peri-urban transformation in Punclut would become a precedent for developers to transform other parts of the protected green space in KBU located farther from the city or in kabupatens, into new urban functions with higher land use value.

### The pro-growth strategies

Punclut entered a new episode of public debate from the early 1990s onwards. During this period, a number of land development permits were issued for locations that had earlier been designated as protected water catchment areas in the regional and local land use plans discussed above. However, the local development planning agency had never discussed these legal violations until 2003, when large sections of the land were controlled by a number of housing developers. For the planning agency, the issuance of the development permits themselves was not an issue. Instead, they discussed how to arrive at a compromise in the local land use plan so that controlled urban land development could still be allowed. According to the planning agency, which was later reinforced by the local council's ruling groups, the local land use plan was considered too idealistic and detached from reality. The planning agency commented that the plan was 'less rational and less dynamic than the city's inherent development potential and the acceleration of the economic and physical growth of the city' (interview with a former official from the local development planning agency, 27 September 2008).

The government-developers coalition promoted a 'planning is development' concept in which it was not the development that should conform to the plan but the plan itself that should be adaptable to market demands. Given the limited fiscal transfer from the national government to local authorities following the 1999 fiscal decentralisation policies, the government and the ruling political groups had agreed that they needed to build coalitions with private housing developers to preserve the quality of the environment around the city. Consequently, the land use plan contained minimised, flexible and adaptive rules, which have become a foundation for neoliberal planning policy and, as Smith (2002) argued, this was inevitably required as an impulse of capitalist production. This neoliberal argument provided the basis for the revision of the one-year-old land use plan, which later became an important legal justification for boosting the privately led environmental revitalisation project in Punclut.

In response to the claim that the project might violate regional and national land use plans and regulations, the municipal government invited geologists to conduct a study. The geologists concluded that Punclut was not in fact a water recharge area since the rocks beneath its soil are volcanic breccias, in which water only infiltrates to a certain depth and then flows downhill instead of being retained within (interview with a former top official from the municipal planning department on 27 September 2008). Consequently, it was argued that increase of vegetation would not significantly improve the ability of Punclut's soil to retain water flows. Therefore, undermining the ecological function of Punclut, the municipal government tend to loosely treated it as a 'protected' area with more possibilities provided for urban development, such as low-density housing.

In line with the geologists' analysis, the villagers were supportive of the revitalisation project to get what they wanted, through strategically downplaying the ecological function of the area. They argued that 'Punclut did not retain the flow of water but passed it downhill' (interview with a community leader on 24 October 2008). While many planners blamed the hill for causing floods and drought in the lowlands, the villagers countered by stating that the people who genuinely ran out of clean water were not the lowlanders but they themselves, who had to obtain their supply from distant districts. From the villagers' perspective, the issue of basic infrastructure and services in the peri-urban area had long been marginalised in the municipal planning policies. With the environmental revitalisation project, the government, supported by the developer, for the first time promised to provide the villagers with land tenure security and build infrastructure including asphalt roads, basic schools, healthcare facilities, clean running water and all the amenities that were otherwise exclusively enjoyed by the people in the city proper.

In another effort to support the undermined ecological function of Punclut, the villagers put forward a number of arguments around land tenure history. They explained that the Dutch Government had not planned Punclut as a protected forest. It had always been designated as a residential area for the tea plantation workers, most of whom had become the current villagers:

For us, green means beautiful. We also want Punclut to become a green area but please remember that becoming green doesn't mean forest, because we are not orang-utans ... because for the almost 60 years that I have lived in Punclut, never has Punclut been a forest. (Interview with a community leader, 24 October 2008)

Supporting the revitalisation project, the locals expected their aspiration to be adopted by the government for the first time:

They [the NGOs] said [that] the people of Punclut would become mere spectators. I said yes we could only look on because the housing estates ... are beyond what these people can earn. But as long as we are allowed to be spectators, we cannot [be forced to] leave the land, meaning that we will not be thrown off the land. (Interview with the same community leader, 24 October 2008)

This statement also shows that the villagers actually realised that they would ultimately be alienated by the growth coalition. They observed that the primary business of the developer was not greening or fostering local participation but building about 170 luxurious villas complete with amenities and an expensive international elementary school for incoming upper-class people. Meanwhile, the elementary school intended for low-income indigenous people had never been realised. A wide connecting road was well built, but it was also gated. Villagers and other people from outside the 'gated community' are not free to use the road and other amenities. They have to pass through a tight security check. Such restricted access has become a common feature of security-based gated residential development in socially segregated Indonesian cities and suburbs (Leisch, 2002; Prayoga and Esariti, 2011; Rimmer and Dick, 2009). Clearly, the villagers were not treated as allies but more like pawns. In such state-sponsored gentrification, support from the local community is often required as a 'political tool' to justify the realisation of a project (Lees, 2014).

The pro-environment strategies

In contrast to the growth coalition, planners and environmental activists felt that improving the green character of Punclut was crucial to ensuring the long-term performance of the Bandung Great Basin as a water catchment area. The decrease in the density of plants and trees, as a consequence of the residential development project, would increase the frequency and magnitude of floods in the city and the lowlands. The increased magnitude of the disaster became evident as soon as the project started. Following the construction of the main road, massive run-off downhill caused flooding of the city's main riverbanks, which had never overflowed before (Kompas, 2005).

To urban environmental advocates, because of its scale and geographical proximity to the city, Punclut had become the emblem of peri-urban planning performance around the northern part of the city. As such, what happened in Punclut would determine the fate of other peri-urban areas. They predicted that if the developer was allowed to build high-income houses in Punclut, others elsewhere and farther from the city would follow. Therefore, regardless of the fact that the land tenure remained uncertain, the peri-urban area's ecological functions needed to be protected. Later, its socioeconomic function as a tourism area could enjoy the same support, ultimately followed by socio-cultural improvement by encouraging participation and providing the villagers better legal rights to the land they occupy.

This environmental argument was strengthened by the minority group within the local council. This political group proposed Punclut as an integral part of KBU, in order to promote the sustainability of the region. Since the upland is shared by three other kotas and kabupatens, Kota Bandung could not decide alone about the peri-urban transformation but it had to cooperate with the neighbouring kota and kabupatens. In a specific response to the government's proposal, the minority group commented that urban development planning should be implemented holistically and not just to promote the economy (interview with the opposition group of the local council on 9 September 2008). Peri-urban development could be justified as long as it was based on the vision of improving the quality of the environment. The political group suggested that if the environment was improved, unnecessary socioeconomic costs such as pollution, floods and drought would be avoided. As a result, broad-based popular prosperity, which is the main goal of urban development, would increase in the longer term.

The opposition group's arguments were reinforced by recommendations made by urban planners and academics to keep Punclut green in the local land use plan. Green areas were designated to minimise uncontrolled urban development, which would harm the water catchment function (interviews with faculty staff from Bandung Institute of Technology on 29 August 2008). As a counterargument to the land use plan revision, the planners advocated that the plan should not be misused merely to justify the land development permits issued. Instead, the plan should be able to anticipate and contribute to shaping future trends in urban development and provide interested and participating stakeholders with legal certainty.

The NGOs, environmental experts and planners formed a policy coalition framed by environmental arguments, which were frequently linked to scientific observation and local cultural knowledge such as *leuweung* – the Sundanese cultural concept of green space. The arguments attempted to raise awareness of the critical condition of the environment and green space in Punclut among society, policymakers and politicians. They aimed to rediscover the meaning of broad-based popular prosperity and quality of urban life by

revitalising the ecological functions of Punclut and KBU as a whole. Through dissemination of research, public speeches, social networks and press releases, and mass protests, the coalition's broad objectives attracted wider communities with no direct interest in the environment to join it. These newly participating communities included the disabled, traditional merchants, labourers, the urban poor, cultural observers and artists.

The pro-environment strategies were ultimately unable to force the growth coalition to reconsider their environmental revitalisation project. Nevertheless, following lengthy debate and conflict, urban environmental sustainability became an important item on the local political agenda for the first time. Learning from the failure to prevent the pro-growth project's realisation, a powerful candidate used environmental issues as a major theme during an election campaign for the new mayoral post. Moreover, the conflict had pushed the provincial government, as another proponent of the pro-environment coalition, to show a proactive commitment to preserving KBU, which was considered as the region's main water catchment area and was suffering from declining environmental quality. Among other attempts, the provincial government has prepared a law on land utilisation control in KBU by involving planners, experts and activists who actively criticised the growth coalition's policy during the conflict over the revitalisation project in Punclut.

## Conclusion

Most of the gentrification literature from the global North has focused on either the inner city or the rural (see for example Phillips, 2004). Transferred directly to Indonesia, this conceptual divide loses its fundamental sense. This is due to the fact that the frontier of the circuits of capital in this country is located not only in the inner city but also in peri-urban areas, the transitional space between urban and rural areas in fast-growing metropolitan regions. This chapter, therefore, has sought to reveal a supplementary understanding of gentrification in the context of rapidly peri-urbanising metropolitan areas in Indonesia, with a particular emphasis on northern BMA.

Based on our case study of a low-density housing development in Punclut, it can be concluded that conflict over peri-urban gentrification is essentially a struggle for a 'no-man's land'. In this context, the gentrification proponents are represented by a growth coalition of taipans (great private developers) and raja kecils (decentralised local governments). They seek not only proximity to the city or wilderness amenities (Darling, 2005) or lifestyle and cultural reorientation (Phillips, 2004), but also maximum flexibility of rules and institutional vacuum, as can be found in the peri-urban areas of large cities. Peri-urban areas are cross-jurisdictional areas with unclear authority. They are geographically located far from a city centre, and thus seemingly unreachable from the day-to-day planning policy discussion and development control within either kota (the urban government) or kabupaten (the rural government).

It has been made evident elsewhere that the negative impact of Asian peri-urban land development in formerly populated rural areas can take the form of the physical displacement of poor farmers and settlers (Ortega, 2012). By way of contrast, in our case study of Punclut, physical displacement of villagers was not an immediate feature of peri-

urban gentrification. Instead, peri-urban gentrification entailed a legal erosion of the local and regional communities' access to the functional role of the peri-urban area. As illustrated in the case study, this legal erosion has been manifested in at least two forms. First, there has been a coercive dismantling of land rights of marginalised and low-income society. Although that had not yet happened during the research period, it seemed likely that this kind of dispossession would lay the foundations for actual physical displacement of the local residents. Another form of legal erosion could be associated with the enforced revision of the land use plan, which foresaw benefit from the mere gentrification of the neighbourhood while harming the sustainability of the wider urban region.

This case also reveals that villagers (the poor) are not always straightforwardly seen as the predefined victim (subject) of gentrification. As the country's political system was democratised, the government–capitalist coalition at first pretended to be 'populist' to gain wider support. For example, the growth coalition promised to incorporate the narrow aspirations of the villagers, who wished to have better access to land and basic infrastructure, into their policy. The coalition ultimately failed to fulfil many of their promises, for various reasons. The mobilisation of villagers in this case, therefore, could not be regarded as a community empowerment strategy but rather, as Lees (2014) also found, as manipulation, as a short-term political tool to achieve the shared objectives of gentrification's proponents.

Moving to the peri-urban area, the social and political conflicts surrounding gentrification have shifted from the neighbourhood to local and regional levels. The case study shows in particular how the local growth coalition, in implementing their gentrification idea, had to confront strong resistance emerging from the metropolitan level. The contested policy issue was not just about neighbourhood segregation but, more importantly, urban quality of life, regional fragmentation and environmental sustainability.

This case study shows that the relationship between the movement of capital and the spatial reorganisation of social classes is far more complex than the structuralist's supply and demand mechanisms would suggest. The interaction between these two basic elements of gentrification can be rather indirect, and sometimes needs to be mediated by the dynamics of local, regional and national institutional specificity. In the case of Punclut, the absence of regional institutional tiers resulting from the decentralisation policy has weakened the government's capacity to deal with influxes of capital in the form of luxurious land and property development. A weak regional government structure has created considerable 'institutional gaps'. It was an institutional gap rather than a rent gap that helped the housing developers to easily expand their influence in the peri-urban area. In turn, the incoming middle-class residents attracted by the developer systematically replaced the role of the poor villagers and the former middle classes (the planners, the environmental advocates and the military officers) in reshaping the protected peri-urban space. As a result, in this peri-urbanising metropolis, gentrification needs to be narrated less in terms of class-based land use succession and, as Shin (2013) suggested, more in terms of the emergence of a cross-class coalition shaped by the historical landscape of the domestic political system.