JAKARTA’S GREAT LAND TRANSFORMATION:
Neoliberal global urbanism & Asian urbanization

Eric Sheppard and Helga Leitner
(with Herlambang Suryono & Liong ju Tjung—IUNTAR)
Land Academy Conference, Utrecht
June 29, 2017
INTRODUCTION

Jabotabek: 30 million by 2020?
INTRODUCTION

- Particular case of urban land transformation in postcolonial cities:
  - Prevalent urban informality
  - Periurban development
  - An emergent middle class
  - Aggressive real estate developers
  - International finance seeking to assetize land
- BUT: Where’s the land?
OUTLINE

1. The global context
2. Three eras of land transformation in Jakarta
3. Displacing informal settlements & farmland
4. Kampung evictions in the name of ecological security
5. Emergent developments
1. THE GLOBAL CONTEXT

- Peripheral positionality and pervasive informality
- Neoliberal global urbanism
- Neoliberalization, Indonesian-style
- Developers: (Chinese)Indonesian conglomerates & some specialist firms
- *Elite* informality
2. THREE ERAS OF LAND TRANSFORMATION IN JAKARTA

- Suharto, the US, post-1980s turn
- Development trumps the Basic Agrarian Law
- Cukong-Cendana alliance
- Large-scale land transfers (izin lokasi)

=> New Town periurban mega-developments

- Developers’ debt woes, bankruptcies
- Middle class stock-market losses
- Promoting consumption: Shopping Indonesia’s way out of crisis
- Resilient networks of political authority and economic interest (oligarchy persists)
- Failed Million Houses Program (2003) and 1000 Tower Program (2006) for urban majority

DKI Jakarta shopping centre boom

▸ Developers: Recovered/bailed out & ready to reinvest
▸ Decentralization of power over land transformation to local officials
  ▶ Opportunities for developers
▸ Increasing global orientation:
  ▶ Global strategies of Indonesian conglomerates
  ▶ Inward FDI (Japan)
  ▶ Global sources of finance

=> Era of super-blocks; integrated real estate projects
ST. MORITZ
MILLENNIUM VILLAGE (LIPPO)
ORANGE COUNTY

Discover The Truly Beauty of Asia's Tropical Sense in Your Private Living

PASADENA
SUITES

PRIORITY PASS NOW Rp 10 Juta - Fully Refundable
Shifting Urban Development Types

1998
Succession of National Power: Reformation Era

1990
new town-horizontal

2000
shopping center (2002-2005)

2005
convenience store: chain-network

2007
super block (2007): FARMax – vertical

2010
high dense dev. In the center of new town

2015
3. DISPLACING INFORMAL SETTLEMENTS & FARMLAND

- Privatizing urban commons (kampungs)
- Developers’ challenge: The market
- Peri-urban aspects
COMPLEXITY OF LAND TENURE RIGHTS

- Hak milik (freehold)
- Hak Pakai (Right of use)
- Hak Sewa (right to lease)
- Hak buna bangunan (right to commercial use)
- Adat/Hak Girik (traditional rights)
Commodifying The Urban Commons

- From informal to capitalist market
  A. PRIVATIZATION: ‘Normalizing’ property relations
De Soto

Consolidating a sustainable real property rights system

November 4, 2013
Commodifying The Urban Commons

▶ From informal to capitalist market

A. PRIVATIZATION: ‘Normalizing’ property relations
B. COMMODIFICATION: Developers responding to middle class demand:
INDONESIAN FAMILY CONGLOMERATES

LIPPO

CIPUTRA

SALIM GROUP Co.

Bakrie & Brothers
Commodifying The Urban Commons

From informal to capitalist market

A. **PRIVATIZATION**: ‘Normalizing’ property relations

B. **COMMODIFICATION**: Developers responding to middle class demand:

C. **ASSETIZATION**: Global finance trawling the globe for investment opportunities
EPICENTRUM DEVELOPMENT
Acquisition Progress in Menteng Atas RW 02

May 2014

May 2015
New rental housing
PERI-URBAN LAND COMMODIFICATION

- Development rights
- Declaring land ‘unproductive’
- Partial process of development
- New opportunities for kampung residents
- Farmland loss
4. KAMPUNG EVICTIONS IN THE NAME OF ECOLOGICAL SECURITY

“Illegal” kampungs
World Bank/Indonesia: **Jakarta Urgent Flood Mitigation Project, 2013--**
Kampung Pulo
Before – 12-2013
August 2015
5. EMERGENT MEGA-MEGA PROJECTS

► Offshore: Dubai-ification of Jakarta
► Onshore: Meikarta new city
GREAT GARUDA SEAWALL + 17 ISLANDS
TO BUILD THE BIGGEST AND THE MOST BEAUTIFUL METROPOLITAN CITY FOR BETTER LIVING AND WORKING
Central Park of 100ha

Green, Sustainable, & Beautiful Environment
STRATEGIC LOCATION AT THE CENTRE OF 7 INDUSTRIAL ESTATES

With 6 NEW Infrastructures