Abstract

"City of consumerism" seems to be an appropriate moniker for Jakarta, the capital city of Indonesia. Over the past few years, Jakarta has transformed from an administrative town where both state and local public authorities exercise policy and development strategy — into an economic empire of the nation. Economic indicators pointed out that the economic development in the metropolitan region is massive; 6 percent economic growth, rising middle-class’ purchasing power, and increasing foreign property investment. Urban scholars have highlighted that this urban transformation is much influenced by modern world-class city aspiration driven by the private sectors who are able to display grandiose modern projects and influence the policy makers.

One of the many phenomena that shows this urban revolution is the booming of shopping center development in the metropolitan region. Currently, Jakarta Metropolitan Region has 153 shopping centers, supplying more than 5 million square meter retail spaces to the 30 million metropolitan population.

I argue that the enormous number of shopping center operated in the city comes as the result of the shifting urban development focus towards neoliberalism bounded to an intricate economic, political, and ideological system of the nation. Using urban historical framework and the mapping techniques, I seek to analyze the urban transformation through the shopping center perspective. I further evaluate series of implications — supported by data and facts — that emerge from the shopping center deployment.
Acknowledgements

I consider this thesis as my antecedent opportunity to trace the first of multi-layered urban issues in my hometown, Jakarta. The city with its rich history, uniqueness, peculiarity, and unprecedented transformation has intrigued me and many urban scholars over the past few decades. I am eager to keep enriching this thesis in either my future academic or professional journey.

First and foremost, I would like to thank my academic advisor Hiba Bou Akar and my thesis reader Gavin Shatkin who engage in thinking through issues similar to those raised in this thesis. I am grateful for having their guidance, feedback, and support throughout this thesis writing.

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During my fieldwork in Jakarta I had engaging conversations with Suryono Helambang and Marco Kusumawijaya, the two excellent urban scholars, whose knowledge has influenced my perspective in thesis writing. I would like to thank Mr. Izhar Chaidir, former Jakarta Secretary of Spatial Planning Department for giving me a valuable perspective about spatial planning in Jakarta and Leah Meisterlin who came out with exceptional ideas to further explore this topic.

I am indebted to Abidin Kusno and Jo Santoso, the two influential figures in my academic life, for their perspectives, criticisms, and suggestions. I am grateful to many friends, especially my colleagues, Regina and Meyriana at the Grogol School of Planning, Dian at UCLA and Krista at UPenn who assisted me in the administrative process and data collection. I am also thankful for my Indonesians friends at GSAPP: Dissa, Faisha, Robin, Yufi, and Nick whom I sought for ‘home’ in my homesickness and all of friends in New York for fun time we spent together.

Finally, I dedicate this thesis to mama, papa, and Icha. Without their love, care, and compassion, this thesis would have never taken the shape that it has.

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I BACKGROUND

The City of Consumerism

"City of consumerism" seems to be an appropriate moniker for Jakarta, the capital city of Indonesia. Over the past few years, Jakarta has transformed from an administrative town where both state and local public authorities exercise policy and development strategy — into an economic empire of the nation. Not only does Jakarta represent massive economic growth — 6 percent from 2013 to 2014— but the city also epitomizes Indonesia’s newly emerging middle class with its buying power. Nielsen Indonesia, a global consumer research company, affirms that the economic growth has flourished along with the middle-class’ purchasing power: 100 percent cellular phone penetration, 15 percent overseas travel every two years, 84 percent personal computer possession, and 67 percent access to online news. For retailers and consumer products, the middle-class’s willingness to purchase is an opportunity to be captured.

Sharing the same perspective with Nielsen Indonesia, McKinsey & Company, a management consulting firm, mentions that the city is home to a rising middle-class. As many as 9 million inhabitants in the Jakarta capital region, or 30 million inhabitants in Jakarta Metropolitan Region (JMR), are entering the urban consuming class. Not only are they spending money on such primary needs as food and housing, but they are also tending to spend on such complimentary needs as financial services, leisure, travel, and luxury goods.

One of the industries that successfully captures JMR’s promising market is the retail industry. Retail sectors, fashion, electronics, food, beverages, home-furnishing, entertainment, and supermarket have penetrated JMR's market through shopping centers built by property developers. Inside the shopping centers, retail stores are agglomerated. Enhanced by various
amenities and attractive displays, the retail stores inside shopping centers offer an enjoyable shopping experience to the city's inhabitants.

The shopping center has become part of daily life in Jakarta: the city's number of shopping centers is astounding. A Research from Center for Metropolitan Studies Universitas Tarumanagara Jakarta claims that, starting from 1963 to 2017, there were 153 shopping centers built in JMR. There are 5,254,202 square meters (6,283,973 square yard) retail space throughout JMR—equal to 600 soccer fields, or one-and-a-half area of Central Park New York. Colliers International also reported that approximately 160,000 square meters' additional retail space—or as many as five new shopping centers—are expected to operate in 2019. It is also predicted that the retail sector will keep flourishing with food and fashion as the leading retailers, although e-commerce has also been growing over the past few years.

As shopping centers proliferate in number, size, and scale of service, two opposing standpoints emerge. On one side, Jakarta, with its modern shopping centers, has indisputably been reconstructed into an economic generator, enticing more commercial investments and stimulating people's spending. On the other hand, the public in general has concerns with how shopping centers could perpetuate urban and social problems such as, gentrification, increasing property tax, unhealthy competition between the shopping center and traditional retailers, and traffic congestion.

In 2012, discerning that shopping centers would grow without control, Jakarta Spatial Planning Agency issued a moratorium to halt shopping center development, especially for shopping centers with more than 5,000 square meters area of development. The initiator of the moratorium, the former Governor Fauzi Bowo, was concerned with the overcrowded commercial
centers, especially in Center and South business strips where many office buildings also lined up along the main streets. Although the moratorium was never been abrogated, in 2013, former Governor Joko Widodo relaxed the moratorium. He emphasized that he would support shopping center development as long as, "it was constructed in the eastern part of the capital - as there are only few shopping centers there" (Jakarta Globe, 2013).

The shopping center phenomenon in Jakarta has attracted scholars' attention over the past few years. Van Leeuven (2011), through her writing in *Lost in Mall: An Ethnography of Middle-Class Jakarta in the 1990s*, analyzed how Indonesian media in 1990s cynically represented shopping centers as, "almost unreal spaces of consumption and modernity" or "places belonging to a realm of intangibility and illusion." Santoso (2011), in *The Fifth Layer of Jakarta*, concerned himself with the atrocity of real estate developers who acquire massive blocks of land and then transform those blocks into "large-scale gated community" with "privately controlled pseudo-open space within the shopping centers." Ayu Utami, a prominent writer, mentioned that shopping centers, to a certain degree, offer "a level of protection women don't have on the streets" (as cited in Lamb, 2016), although she also concerned herself with the issue of exclusivity in the shopping center. She described how the shopping center is an immoderately selective space, "poor people cannot go inside the mall."

**Framing the Narrative**

During my college years in Jakarta, I noticed that the discussions within the urban studies realm discussed the emerging role of the private sector in making the megacity, Jakarta (Cowherd, 1988; Kusno, 2013; Silver, 2007; Santoso, 2011; Shatkin, 2017; Simone, 2012). Simone
(2014) emphasized that the private sectors, through their close links to the public authorities and their abilities to "deliver showcase projects that added something special to the city's emerging modernity," have been the preeminent actors in the city-making process. Mega-developers, mainly the Indonesian conglomerates such as Lippo Group, Sinarmas Land, and Ciputra, do not only engage in the property business sector. They also dominate the financial, agriculture, telecommunication, and media industries.

Shopping center, as a product of those mega-developers, occupied the space in JMR starting from the early 1990s. They consistently obtained land in both the city center and the suburbs through land acquisition (Silver, 2007), then gradually developed the acquired land into exclusive enclaves that supplied apartment units, retail spaces, hotel rooms, and office towers.

The land parcels acquired by the mega-developers in the city are mostly the urban "irregular" (Leaf, 1994), a condition in which there is "lack of enforcement of stipulated de jure status, giving rise to circumstances which are de facto accepted as legitimate" (Leaf, 1994, p.13). The lack of de jure status, known in many urban parcels in Jakarta as lahan girik, frequently simplifies the process of land acquisition. The land parcel owners, realizing that their lands have only girik certificate (the least preferred certificate of land ownership because it is a community-acknowledged ownership), would then have no alternative to gaining financial benefit from their property. Selling their land to the mega-developers, or to land speculators who have a motivation to resale the property with higher prices seems to be the foreseeable option. The public authorities in Jakarta are generally in favor of mega-project development, because it is a way to register land status in Jakarta. If the legal status of land in Jakarta is defined, the public authorities then have the power to direct the development.
As the land speculation becomes imminent, on the other perspective, Roy (2005) argues land market in many developing cities has become more complicated in the condition “where squatter settlements [or the urban irregular] formed through land invasion and self-help housing can exist alongside upscale informal subdivisions formed through legal ownership and market transaction but in violation of land use regulations.”

The exclusive enclaves constructed by the mega-developers are completely in contrast with the form of "organic urban settlement" (Kusno, 2013); "the common" (Leitner & Sheppard, 2017); or kampung, which is the original urban form characterized by high-density housing, semi-permanent building structures, and limited public infrastructures. The expeditious replication of exclusive enclaves that are commonly associated with westernized-style living, has segregated the overall urban fabric in Jakarta. Kampung and the exclusive enclaves are juxtaposed, forming a contrasting image between high-rise modern buildings with low-rise disorder settlements.

The emerging role of the private sector in city-making, however, is only a fragment of a bigger narrative behind the proliferation of shopping centers. The whole narrative that explains why JMR has transformed into a region with 152 shopping centers with various scales, actors, sizes, and locations remains ambiguous; although social and economic researchers have already brought up the issue of a rising middle-class, and urbanists have already realized the pressures that the real estate market exerts in urban development. Therefore, I sought a bigger narrative to examine this phenomenon.

Over the past few years, urban planning realms have been progressively working based on "rationality and objective reason," as mentioned by Richardson (1996). A phenomenon happened in the society generally is supported by data and fact as supports or “claim to
rationality" (Richardson, 1996, p.282). Policy analysts and planners often fail to recognize the non-rational forces, such as the political framework in a space restructuring.

Castells (1981), through La Question Urbaine, recognized such political entanglement in the space development. He pointed out that,

"the development of space is the expression of the underlying social structure and by consequence is fashioned by the economic, political, and ideological system and their combination and social practice" (Castells, 1981, p. 223).

In his previous work, City, Class, and Power, he also acknowledged the power of politics in the space-making process. Castells (Castells, 1978. p.2) stated,

"...the city and the environmental are also at the heart of the politics, especially, the ideology of most governments, on the one hand, because as we will see state intervention in this area plays an increasingly strategic role in economy and politics, and on the other, because it is through these themes that most often is considered the relation of the political with the material conditions of the organisation of everyday life."

By embarking on Castells’ argument, I hypothesized that the shopping-center proliferation phenomenon in Jakarta is not only a result of either the transformed society or a certain degree of paradigm shift in the planning process. It is somewhat bounded to an intricate economic, political, and ideological system, which Castells underlined.

Inspired by Castells’ notion, and positioning my research on urbanism history, I anatomized this phenomenon in the bigger framework. My thesis aimed to find the role of politics and urban development’s focus in the shopping center transformation. From the inter-relationship between politics, urban development focus, and the shopping center’s trajectory, I
developed a series of implications—supported by data and facts—that emerge as the practice of shopping center development keeps going along with urban development in JMR.

Research Methodology

This thesis aims to examine how JMR has emerged into a region with an immense number of shopping centers using politics and urban development history as a framework. Furthermore, this thesis seeks to interpret what sort of implications have emerged as the practice of developing the city with retail spaces keeps enduring.

This thesis emphasizes on the characteristics of shopping centers in JMR; location, size and scale of development, and investor to devise the urban transformation. Focusing on historical aspects and understanding the changed patterns of shopping mall development throughout relevant historical intervals, the research integrates both qualitative and quantitative data, such as the Center for Metropolitan Studies (Centropolis) Universitas Tarumanagara’s shopping mall database; planning documents; real estate outlooks; field observations; and interviews with a city planning executive, two urban scholars, shopping mall visitors, and shopping mall employees.

With approval from Columbia University’s Institutional Review Board to conduct human-subject research on November 29th, 2017 (protocol number: IRB-AAAR6169), I conducted field observation and interviews in Jakarta from January 3rd to January 14th, 2018. Half of the background studies—such as literature review, planning documents, and real estate outlooks — had already been conducted during my thesis workshop course, in the spring semester of 2017.
There was a research method alteration after I conducted my field trip. On the research proposal submitted to Columbia University’s Institutional Review Board, I planned to do field interview to the residents living in Kebon Kacang neighborhood; a neighborhood in the Central Jakarta where two shopping centers — Grand Indonesia and Plaza Indonesia—are situated. I aimed to study how the two shopping centers alter the urban fabric and the living conditions of the Kebon Kacang residents. I had no access to contact Kebon Kacang community board or rukun warga; thus, I failed to interview the interviewees there. Due to the time constraints, I decided to cancel that research approach. Instead of using a neighborhood territorial framework, I used a regional territorial network, supported by secondary data sources — the publicly available data and interviews with the other informants to support my research.

**Centropolis Universitas Tarumanagara Shopping Mall Database**

With permission from Centropolis Universitas Tarumanagara, Jakarta, I am allowed to access and use Centropolis’ shopping center database for this thesis. According to Centropolis’ database, there are 153 shopping centers built in JMR from 1963 to 2017. Centropolis Shopping Center Database comes in the form of a spreadsheet with four variables: shopping center address (the geographic coordinate), years of operation (YOC), and retail space area (RSA).

I further analyzed Centropolis Shopping Center Database by using a technique of mapping. I transformed the database into series of maps using Geographic Information System (GIS) and dissected the shopping centers based on the variables available; YOC and RSA. The series of maps produced by this method will give the readers a better way of understanding the shopping center-development patterns and the size transformation in a specific period.
Planning Documents

During the thesis workshop in the Fall semester 2017, I had studied planning documents that regulate the retail and commercial development in Jakarta, such as Jakarta Spatial Plan 2030 and Retail Chain Regulation number 53/2008 issued by Ministry of Trade Republic of Indonesia. This method has been able to guide me to understand the shopping center development policy and spatial restrictions. Although examining the policies is not the main focus of this thesis, this overview has enabled me to nuance my findings, especially in enriching the discussion about shopping center transformation and bringing the critics on what sort of planning and policy had failed to regulate.

Real Estate Outlook

I was able to investigate the latest Retail Sector Outlook for Jakarta and Greater Jakarta published by Colliers International, in October 2017. The document provided me a significant overview of the retail market in JMR. The Retail Sector Outlook by Colliers International showed demand and supply, vacancy rate, and the rental price of shopping mall spaces, which allowed this research to bring more facts, grasp the development trend, and to speculate on the future shopping center development.

Field Observations

I conducted two field works in the Summer 2017 and Fall 2018. I visited several shopping centers in JMR and documented my observation with pictures. I used in this method to enrich the readers with visual and spatial experience.
Interviews

I used the interviewees’ statement to strengthen the fact findings and support the arguments made in this research. I conducted 13 interviews with these following interviewees in the Fall 2018:

a. A city planning official: Mr. Izhar Chaidir, former Secretary of Spatial Planning Department.

b. Two urban studies scholars: Mr. Suryono Herlambang, Head Department of Urban and Regional Planning Universitas Tarumanagara, Jakarta; and Mr. Marco Kusumawijaya, Founder and Director of Ruang Jakarta Center for Urban Studies.

c. Five shopping mall visitors.

d. Five shopping mall employees.

Issues discussed with the interviewees have facilitated me to interpret and understand numerous context of urban issues, ranging from spatial development—such as regulation, zoning, and policy—to social issues such as employment, consumerism, and spatial 'exclusivity.'

Thesis Structure

I organized my research into six sections. The first section is the background that guides readers through the general issue of shopping center proliferation: why it matters and what sort of concerns have been brought by the public. The first section also describes the primary purpose of the thesis.

The second section of this thesis provides readers with the territorial framework of my thesis. It describes the administrative and the population characteristics of Jakarta, the capital
city, with its surrounding municipalities-- known as Jabodetabek, or JMR (I mostly use the term of JMR in this thesis).

In the third section, I provide readers with a theoretical framework about the shopping center; mainly, with the history, the development's premises, and the issues related to shopping center development using various scholarly works from the field of architecture, urbanism, and social studies. I expect the theoretical framework will contextualize and illustrate shopping center development as an emerging issue, which is relevant to be discussed.

The fourth section presents the main findings along with the narrative of the issue of shopping center development: how the politics in Indonesia, and urban development focus, correspond to the transformation of the shopping center. I define transformation as both space restructuration (location, size, and scale) and capital transformation (investors or stakeholders engaged in the development). Using the historical technique that allows me to collect, evaluate, re-write, and incorporate data from the present to the past event, I juxtapose the relevant historical facts with the characteristics of the shopping center. I also develop a shopping center restructuring map that shows how shopping centers have evolved in location and size. This technique aims to show how shopping centers which emerged in a different period had different ways of strategizing and positioning themselves as a product and space that occupied JMR.

Moving to the fifth section of my thesis, I summarize the possible and relevant urban implications from shopping center development to the spatial and social structure of the city. Using data from my field work and correlating the factfinding with literature study, I discussed the implications such as gentrification and the growing of informal sector, the globalized peri-urban, the oppressed retail worker, and the exclusive middle-class space. I also highlight personal
concerns and critiques brought by the interviewees about the shopping center development in the discussion about the oppressed retail worker and exclusive middle-class space.

The sixth section of my writing is a conclusion of this thesis. It aims to reflect my whole thesis writing by cutting across issues brought in each section. This conclusion delivers a short closure of this thesis and deliver both ideas and questions for further research.
II JAKARTA METROPOLITAN AREA IN CONTEXT

Jakarta, the capital city of Indonesia, is a metropolitan city with 9 million inhabitants, spreading over 6161.5 square kilometers (255.4 square miles) in area. Although Jakarta is the core of economic activity, analyzing space restructuring should not disregard the neighboring satellite cities that have provided services and housing to the capital region of Jakarta for decades. Thus, I used Jakarta Metropolitan Region (JMR) as the territorial framework in this thesis to better understand both urbanization and shopping mall reconfiguration.

Table 1 Number and Growth Rate of Population in Metropolitan Jakarta, 2010

<table>
<thead>
<tr>
<th>Area</th>
<th>Number (million)</th>
<th>percentage</th>
<th>Growth Rate 2000-2010 (percent per year)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Jakarta Special Capital Region</td>
<td>9.588</td>
<td>34.32</td>
<td>1.4</td>
</tr>
<tr>
<td>Municipality of Bogor</td>
<td>4.763</td>
<td>17.05</td>
<td>3.13</td>
</tr>
<tr>
<td>City of Bogor</td>
<td>0.949</td>
<td>3.40</td>
<td>2.39</td>
</tr>
<tr>
<td>Municipality of Tangerang</td>
<td>2.838</td>
<td>10.16</td>
<td>3.82</td>
</tr>
<tr>
<td>City of Tangerang</td>
<td>1.797</td>
<td>6.43</td>
<td>3.12</td>
</tr>
<tr>
<td>City of South Tangerang</td>
<td>1.303</td>
<td>4.66</td>
<td>4.74</td>
</tr>
<tr>
<td>Municipality of Bekasi</td>
<td>2.629</td>
<td>9.41</td>
<td>4.69</td>
</tr>
<tr>
<td>City of Bekasi</td>
<td>2.336</td>
<td>8.36</td>
<td>3.48</td>
</tr>
<tr>
<td>City of Depok</td>
<td>1.736</td>
<td>6.21</td>
<td>4.3</td>
</tr>
<tr>
<td>Total</td>
<td>27.939</td>
<td>100</td>
<td>3.6</td>
</tr>
</tbody>
</table>

Source: National Census Bureau, as cited in Firman (2011)

JMR, which is known as Jabodetabek--an acronym for Jakarta, Bogor, Depok, Tangerang, Bekasi--is one of the largest metropolitan areas in the world. JMR consists of 3 provinces: Jakarta Special Capital Region, Province of West Java, and Province of Banten. It equals to 11 cities and
The Jakarta Metropolitan Area (JMR) encompasses numerous municipalities: Central Jakarta, North Jakarta, East Jakarta, South Jakarta, West Jakarta, City of Bogor, Municipality of Bogor, City of Depok, City of Tangerang, City of South Tangerang, Municipality of Tangerang, City of Bekasi, and Municipality of Bekasi. It is estimated that approximately 28 million inhabitants live in this metropolitan area, according to the 2010 national census (Number, percentage, and growth rate of JMR’s population presented in the Table 1, and the JMR administrative map is represented in Picture 2).

Picture 2 Jakarta Metropolitan Area (JMR) Administrative Boundaries
Source: Statistics Indonesia
The latest census data show that although Jakarta Special Capital Region is the capital city where business activities are located, it is not the fastest growing area. City of South Tangerang, Municipality of Bekasi, and City of Depok are the three highest population-growth cities or municipalities.

Further trends also show that urbanization rapidly occurs in the satellite cities more than in the capital region, especially during the 1985 to 1999 period, and that the National Land Agency incentivized housing investors to develop 80,000 hectares (309 square miles) of land in the satellite cities (Rustiadi, Pribadi, Pravitasari, Indraprahasta, & Iman, 2015) in order to provide more housing supply, as the population boomed. This was the beginning of the peri-urbanization process in Jakarta.

The practice of selling lands or properties to the mega-developers in the city, and moving to the city's outskirt for both financial trade-off and better living quality, became more common than ever. In Jakarta, the residential areas that were transformed from "irregular urban settlement" (Leaf, 1994) were mostly where the urban low-to-middle-class live, to apartment blocks, high-rise offices, and modern commercial enclaves. As a consequence, during 1984-1994, the population in Jakarta Capital Region decreasing by 15 percent (Rustiadi et al., 2015).

Winarso (2002, p.643) indicated that "the private sector has urbanized 16,600 hectares of rural land far away from the built-up area of Jakarta, selling around 25,000 housing units annually". Although the basic infrastructure, such as roads, drainage, and electricity were not available in rural outskirt areas of Jakarta, "the developers' selection of land for development has not always been associated with the availability of essential infrastructure, or with good access to an urban center" (Winarso, 2002, p. 653-653). Because the land price in the rural area was
relatively low, “developers were able to construct on-site infrastructure, including streets and roads, and even a toll road connecting their projects with Jakarta” (Winarso, 2002, p. 653-653).

Peri-urbanization by the private developers and the declining population in the city center had also been accelerated by the construction of highways that connected the city to the rural outskirt. The first highway that connected Jakarta with Bogor, Jagorawi Highway, was completed in 1978; the second highway that connected Jakarta with Tangerang, Jakarta-Merak Highway, was completed in 1984. During these periods, there was a significant increase in car ownership. Silver (2007) pointed out that there were less than 200,000 vehicles registered when Jagorawi Highway was completed in 1978. However, after numerous highway projects were finished in 1995, total car ownership rose to one million. Currently, there are 548 kilometers of highways that are either operating or under construction in JMR, causing the rising number of car ownership and traffic congestion.

*Picture 3 Jakarta Highway Network
Source: Ministry of Public Works, 2013*
Picture 4 Jakarta Metropolitan Region (JMR) with the peri-urbanized area
Source: Access to Main Roads or Low-Cost Land? (Winarso, 2002)
III SHOPPING CENTER BACKGROUND

Several writings from social, economic, and architecture-planning perspectives have been produced to address this global shopping-mall phenomenon in the past a decade. Backes, (1997) in *Reading Shopping Mall City*, forms a critical debate on how shopping malls stand as mass-culture and medium for the capitalism process. Koolhaas, (2001) with *The Harvard Design School Guide to Shopping*, alongside Backes' writing, tries to position the shopping mall as a media for imaginary and fantasy, setting a firm ground on how the retail space shapes a city's identity and infiltrates people's life. The most recent publication by Al (2016), *Mall City: Hong Kong's Dreamworlds of Consumption*, reveals how Hong Kong became a global capital of consumerism when the mall emerged as a culture of the city itself.

Shopping activity, according to (Leong, 2001), is "...the medium by which the market has solidified its grip on our spaces, buildings, cities, activities, and lives. It is the material outcome of the degree to which the market economy has shaped our surroundings, and ultimately ourselves." A shopping center is a place where retail stores are agglomerated. By various amenities and attractive displays, the retail stores inside shopping centers offer an enjoyable shopping experience to the city's inhabitants.

There are several descriptions that define the shopping center:

a. "A shopping center is defined as a group of retail and other commercial establishments that is planned, developed, owned and managed as a single property, typically with on-site parking provided. Although this is generally the accepted description globally, significant variations exist by region" (International Council of Shopping Centers, 1957).
b. "A group of retail and other commercial establishments that is planned, developed, owned and managed as a single property" (Colliers International, n.d.).

c. "Land that has been developed into a group of connected retail stores for the purpose of offering a variety of goods for sale is shopping center. Identified as developments for the sale of retail products, they may vary in size from a few thousand square feet to several hundred thousand square feet. Shopping centers have free parking and spate stores with individual entrance. They generally do not have interior corridor" (Roark & Roark, 2006, as cited in Concise Encyclopedia of Real Estate Business Terms).

d. "A shopping center is an area consisting of one or more vertically or horizontally constructed buildings which is sold or rented to retailers or managed by a specific business entity to engage in goods trading activities" (Ministry of Trade Republic of Indonesia, 2008).

Shopping Cities

The shopping center is not only a space that supplies curated goods or stimulates consumption. Besides having a premise to boost economic production, consumption, and employment, the shopping mall is also influenced by the vision to structure the city. The shopping mall is interrelated with the city where it is situated. It is the "node", "landmark", and identity of the city (Lynch, c1960). McMorrough, (2001. p. 194) emphasizes how shopping is an instrument of urbanism:

"The relationship between shopping and the city has, over the last half-century, inverted from shopping as a component of the city to shopping as the prerequisite to urbanity."
Rather than shopping (as an activity) taking place in the city (as a place), the city (as an idea) is taking place within the shopping (as a place). Through an evolving series of process, shopping has come to constitute urbanity."

The Boulevard Shopping Center (Galleries Lafayette, Paris 1983)

One of the most iconic shopping centers, Galleries Lafayette, was built initially as a small store in 1896. Galleries Lafayette was transformed into a shopping center in 1912 when the owners enlarged the size of the store, refurbished the interior, and started to sell high-end merchandises. Not only has Galleries Lafayette become a market-place for shopping and trading activities, but the amenities provided--the reading rooms, the tea rooms, and the rooftop terrace that offers a panoramic view of Paris--have revolutionized the function of shopping the center
(Galeries Lafayette Paris Haussmann, n.d.). Since its transformation, Galleries Lafayette has become a place for human interaction and personal entertainment.

Situated in the Boulevard Haussmann, a 2.5 kilometers long grandiose boulevard close to such iconic places as the Opera Garnier and the Grands Boulevards, Galleries Lafayette has been a part of Paris’s main attractions. The strategic location of Galleries Lafayette, and its proximity to various tourist attractions, can transcend the "imageability" or symbolize the "landmark" of the city (Lynch, c1960).

![Picture 6 Galleries Lafayette (1912) after transformed from small store to shopping center](Source: Galleries Lafayette Haussmann)

The Suburban Core Shopping Center (Southdale Center, Edina, Minnesota, 1956)

Victor Gruen, the initiator of American shopping-center city concept in the post-second World War, introduced shopping center as an urban core, where "urban core represented the 'heart, brain, and soul of the city'" (Leong, 2001). (Leong, 2001) also pointed out that Gruen used the shopping center as a basic unit for city planning, appropriating the usage of the shopping center as "a multi-purpose urban center, an antidote to traffic congestion and urban disarray".
One of the iconic shopping centers designed by Gruen is Southdale Center, in Edina, Minnesota. Southdale Center started its operation in 1956 with a premise to curb car dependency. At that time, the suburban residents highly depended on the automobile to travel to the city center for both work and leisure-related activities. As a centralized retail center, where various retail stores were enhanced by restaurants and complemented by artificial green-landscape, the shopping center imagined by Gruen could provide a communal space for the suburban communities. Therefore, they would reduce their frequency of travel to the city center.

*Picture 7 Gruen’s Shopping Mall City Concept*

*Source: Harvard Guide to Shopping*
In addition to that vision, Gruen also imagined that the artificial pedestrian landscape that connects a store to another store could represent the "European walking city" (Dyer, 2004a), creating a tranquil environment for the suburban community.

Gruen’s American shopping-mall city was conceived to bring a "pleasant atmosphere for communal activities and socializing" in American suburban life (Dyer, 2004a). In responding to Gruen's shopping-mall city concept, Dyer (2004b) highlighted that even though the concept was projected to provide a collective space for suburban residents, it was, in reality, "a consumer-manipulating environment".

*Picture 8 Southdale Center (1956), Edina, Minnesota, the first shopping mall in America*
*Source: Minnesota History Center*

The Regional Magnet Shopping Center (CentrO, Oberhausen, Germany 1994)

In contrast with Southdale Center, whose vision was to provide small number of suburban residents a space to intermingle, CentrO Oberhausen was constructed as a regional magnet that
attracts residents from multi-municipalities in North Rhine-Westphalia. Located in the middle-size city of Oberhaussen, CentrO was able to transform the city itself, from heavy-industry based to a service-based industry. Although CentrO is situated in a middle-sized town (population 210,934), it attracts approximately 23 million visitors each year who primarily come from such neighboring cities as Sterkrade and Osterfeld.

![CentrO Oberhause's location and market penetration](source: beyondplanb.eu)

CentrO is the largest shopping mall in Germany, with a total area of 199,000 square meters retail floor area. The size of the development indicates that the premise of the development was an economically-driven project rather than a socially-driven project. In other words, it was not developed as a public space for the resident of Essen, but as a economic core in the region of North Rhine-Westphalia.

CentrO’s development also attracted many critics. Beyond PlanB indicated that CentrO only generated lower-wage and part-time employment, resulting in a 10 percent decline in the
average wage levels for the city. Furthermore, amongst low-wage and part-time workers employed by CentrO, only 15 percent of jobs went to people over 45. This fact indicated that the development did not significantly help those who lost jobs in the industrial sector (Beyond PlanB, n.d.).

The Integrated Shopping Center (IFC Mall, Hong Kong, 2003)

Over past few years, primarily in Asia region, the shopping center has been transformed from a free-standing building to an integrated structure. International Finance Center (IFC) Mall in Hong Kong, for instance, has "represented a new hybrid development at a mega-scale, incorporating a mega-node connecting to earlier developments" (Al, 2016).

Inside the IFC complex, there are office buildings, hotels, and a transit station for Hong Kong mass transit railway (MTR). Al (2016) mentioned that, although from the design perspective the mega-integrated shopping concept looks contemporary, it is still adapted from the American suburban megamall's layout. It transformed the department stores placed in the corner into towers, and an entry to the subway and skywalk system, making the shopping mall more integrated both with another neighboring building and with other buildings connected by the transit core.

Al (2016) pointed out that an integrated shopping center such as IFC Mall has received appreciation because it invented a "creative recombination of tower and mall" and inspired planners and architects to "provide a solution to the climate change". The more integrated the shopping mall becomes with transit and other centers of activities, the more independent people become from automobiles. However, Al (2016) highlighted that it might be a challenge to
replicate the integrated-commercial center except in a place like Hong Kong. Despite it being an economically driven place, Hong Kong still has "disciplined" public authorities committed to social equity by providing "mass-produced, industrialized housing to millions of urban majorities" through various financial housing schemes" and an extensive public transportation network.

**Picture 10 IFC Hong Kong situated in Hong Kong Financial Center and connected with the subway system**
_Source: IFC Hong Kong_

**Shopping Center and Development Premise**

A report from International Finance Corporation (IFC) mentions that shopping centers in developing countries are engines to drive development. The organization with support from World Bank has been working on funding shopping malls in developing countries around the world, in places such as Honduras, Nicaragua, Latvia, Senegal, and Georgia. According to the IFC,
the shopping center provides more leisure options, safe spaces, and healthy food distribution for cities.

"Shopping centers reflect the trend for modernization of retailing throughout the world - including middle- and low-income countries. They bring together a large number of food and nonfood retailers, as well as leisure and entertainment options. This results in a wider selection of merchandise under one roof and increased competition among retailers. Price reduction and improvements in quality, range of products and service levels follow. There is also the convenience aspect: a pleasant, safe, comfortable, year-round shopping environment with protection from the elements" (IFC, 2013, p.1).

The organization also claims that shopping centers creating more employment, especially for women and the young. According to their report, the malls represent a significant source of job creation, typically requiring one worker per 20 square meters of space. Thus, a medium-sized, (50,000 square meters) shopping center employs approximately 2,500 full-time retail staff, plus 50-75 workers in management and support functions, such as tenant relations, administration, marketing, cleaning, security, maintenance, gardening, and parking. Furthermore, the shopping center, according to IFC, is accessible for every market segment. In contrast to the informal markets that are characterized by many small shops, higher prices, lower quality products, and lack of attention to laws and regulations, shopping center are a way to reform the retail market. Because it is centralized, the public authority can efficiently manage regular quality inspection, distribute the quality product, and establish a fair price.
Shopping Center and Global Issues

Whereas the trend in American and European regions indicated that the retail industry and the commercial property sectors are dwindling, ICSC Harvard suggests that the retail sector and commercial property are thriving in Asian regions. Currently, 37 percent of world retail spaces are located in Asia. Developed Asian Countries, such as Japan, China, and Korea, share 23 percent of the world retail space; meanwhile, South East Asian cities such as Kuala Lumpur, Manila, Singapore, Jakarta, and Bangkok have counted in 1.20 percent of the share.

Chart 1 World Retail Space Share
Source: ICSC Harvard Project on City: Project Estimate 2011
Shopping center development trends in Asia are strongly associated with urbanization. In the South East Asia Region, urban populations will grow by another 100 million people. It is estimated that more than 350 million people will live in urbanized cities such as Phnom Penh, Bangkok, Jakarta, Hanoi, Kuala Lumpur, Manila, and Yangon.

The emerging urbanized population in South East Asia region has attracted international retail sectors over the past few years. AEON, the leading Japanese retail corporation that operates primarily in hypermarket and department store businesses, recently started to run in Phnom Penh, Cambodia. With an investment of US $200 million, and 66,000 square meters retail space, AEON has become not only the first large-scale shopping center built in the country, but also the first internationally managed shopping center operated in the state. Currently, AEON is developing the second mall situated in Sen Sok district, a peri-urban growing area with numerous real estate projects.
AEON continues to expand its business in South East Asia’s middle-low income countries. In Malaysia, the company has merged with a giant French retail company, Carrefour, and a local department store chain, JUSCO, managing more than 30 department stores. At this moment, the store operates two department stores in Jakarta. Both of the shopping centers are situated in mega-suburban residential areas, or "the new township", Bumi Serpong Damai and Jakarta Garden City developed by the local conglomerates.

AEON business growth in South East Asia’s emerging countries has added the globalization layer onto the shopping center development issue. Even though the globalization issue has never been correlated directly to shopping center development, Klein, (2000) in her book, *No Logo*, has brought up the possible implications of retail modernization perpetuated by the international retail chain industries. Global brands have jeopardized the existence of local businesses. With a significant amount of capitalization, the global retailers can expedite their business expansion and destruct the local companies, as (Klein, 2000, p. 102) emphasized,

"*After A&P launched its "economy stores" in 1912 (the prototype of the modern supermarket), it quickly opened 7,500 outlets, and closed half of them after saturation had been achieved and many competitors were forced out of business.*"

Another issue of the global retail chain industry is low-income employment. Although the retails industry's premise is to provide more work, as underscored by IFC World Bank, this does not mean it will improve the living quality of employees. Klein (2000) pointed out that international retailers such as GAP, Nike, Kmart, and Starbucks employ low-income jobs, like temporary workers, part-timers, and students with inadequate compensation, undesirable hours, and little chance of advancement.
NATIONAL POLITICS & ECONOMIC FOCUS

| 1945-1966 | Soekarno |
| 1966-1998 | Soeharto |

**Birth of the Nation**
- 1945 Independence
- Soekarno became first president

**New Order - Liberal Reform**
- 1966
- 1967 foreign investment law
- 1970 PELITA I agriculture production
- 1973 massive oil export
- 1974 PELITA II workforces & industry
- 1974 anti-vehicle import, Japanese assembly manufacture started

**Transition**
- 1998
- 1998 Habibie came into power

**Transition**
- 1998
- 1998 Habibie came into power

**Democracy - Global Era**
- 2004
- 2004 SBY came into power

SHOPPING MALL TRANSFORMATION
- 1963 Sarinah (17,000 sqm)
- 1972 Senen (61,300 sqm)
- 1982 Gajah Mada Plaza (38,000 sqm)
- 1995 Mega M (87,000 sqm)
- 2007 Grand Indonesia (133,500 sqm)
- 2015 AFON (75,000 sqm)

URBAN DEVELOPMENT
- 1945
- 1954
- 1963
- 1971
- 1981
- 1990
- 1999
- 2008
- 2017

|------|------|------|------|------|------|------|------|------|
IV SHOPPING CENTER ON POLITICS AND URBAN DEVELOPMENT IN JMR

Having a large amount of shopping center operates in the city had influenced former Fauzi Bowo to enact shopping mall moratorium in 2012. The decision to stop shopping center construction was some concerns that additional shopping center would burden the infrastructure of the city; traffic congestion. Public authorities also believe that the moratorium will lessen the migration to the city as many rural populations are lured with by the job offered in the retail industry. Oxford Business Group (2014) also highlights that shopping centers “were being built at the expense of parks and public space. According to press reports in 2011, only 10% of the city was green space despite the 2000-10 Spatial Bylaw calling for an increase to 13%.

Oxford Business Group (2014) argues that “the battle against modern retail is part of a longer-fight to save traditional retail. In the recent years, a raft of regulations has been issued in an attempt to protect wet markets and hawker stalls. For instance, Regional Regulation 2/2002 says that modern retailers cannot be too close to traditional retail outlets, while Presidential Regulation 112/227 requires modern retail outlets to be on main roads. Moreover, Presidential Decree 111/2008 prohibits foreign investors from developing department store smaller than 200 square meters.” In addition to the Regional Regulation 2/2002, Presidential Regulation 112/227, and Presidential Decree 111/2008, higher tax on imported luxury cars, mobile phones, clothes, and handbags was applied in the Government’s fiscal package. The tax regulation aims to protect the local commerce led by the small and medium enterprises.

Public remains skeptical about the shopping center moratorium and a set of regulation established to control the shopping center and its commercial activities because there is
inconsistency in the implementation. Shopping center development is still allowed in some areas such as East Jakarta, where there are not so many shopping centers operated and Dr. Satrio street, one of many important commercial cores in Jakarta.

In this section I analyze how historically shopping center has been growing. I dissected several important urban trajectories to understand the premise brought by the shopping center. I argue that despite the shopping center is consistently built as a premise of economic growth. And the changing politics and urban development focus have much-influenced shopping center development. It challenges the public authority to offer the solution to the urban issues.

**The Grand Boulevard Shopping Center (1963)**

*Picture 11 Sarinah, the first shopping center built in the city in 1963  
Source: author and Centropolis Universitas Tarumanagara*

In 1963, at the opening ceremony of the first shopping center, situated in the Grand Boulevard Thamrin, President Soekarno, the founding father of the nation, proclaimed,
"The Sarinah department store will become the important tools for the organization of Indonesian socialism... If Sarinah sells a blouse for 10 rupiah then another retailer will not dare to sell the same blouse for 20 rupiah" (Merrillees, 2015, p.107).

President Soekarno's speech in Sarinah's inauguration, the first modern department store built in the capital city, was a momentous event for the re-birth of a nation that had recently gained the independence. Although his primary message aimed to declare that the first modern shopping center would be the department store that supplied competitive prices for consumers' goods, his speech inevitably amplified his political ideology of "the Indonesian socialism," an anti-imperialist ideology which sought to integrate nationalism, modernization, multi-culturalism, and rational economic development policy.

Picture 12 Sarinah building nowadays
Source: Robin Hartanto Honggare
Indonesia, under Soekarno’s rule, was developed into an ultra-nationalist country. His full support for accommodating Non-Aligned Movement in Bandung Conference in 1955 showcased his sentiment for fellow nations that were still developing or had overcome colonization. He committed to remaining neutral when, at that time, the world was divided into two major geopolitical blocks: the socialist east block led by the USSR, and the liberal west block led by the United States. Although, towards the end of his power, he sympathized with the left-wing, anti-American movement, he withdrew Indonesia from United Nation, set up the Game of Emerging Force (GANEFO) for socialist countries to boycott the Olympic Game, and provided land for framers through agrarian land reform.

After Indonesia proclaimed independence in 1945, experienced its post-independent struggles, civil wars, and its re-occupation by the Dutch, Soekarno—not only "an architect of the nation" but also an educated architect who received a civil engineer degree from Technische Hoeogescool te Bandung—started the decolonization period by modernizing the capital city, Jakarta. Several city-center revitalization projects, such as the construction of the National Stadium, Hotel Indonesia, Thamrin Avenue, Tebet housing complex, and Kebayoran Baru housing complex were carried out during the early 1950s to the mid-1960s. Those projects, alongside Sarinah shopping center, marked the first phase of modernization in Jakarta.

Sarinah was planned meticulously at that time. The street on which it is situated, Thamrin Avenue, is the main boulevard connecting the old town in north Jakarta with an elite residential complex, Kebayoran Baru in the south part of Jakarta. Thamrin Avenue was planned as the leading economic generator of Jakarta, as Santoso (2011, p. 36) wrote,
"All important objects in the new developing city were located along the Thamrin Sudirman Boulevard. These include the first international hotel: Hotel Indonesia, the Olympic-standardized sports complex of Senayan, the first earthquake-proof office tower, Wisma Nusantara, the first department store "Sarinah", and the "Bank Indonesia building."

Sarinah nowadays remains similar with Sarinah when it was first inaugurated. The building, which consists of 15 floors of department stores and 17,000 square meters of retail space, maintains close proximity to the strategic economic center in the city, business offices, embassies, Sabang and Jaksa Street—where affordable hotels and restaurants for tourists are situated. The less-than 50-centimeter wide escalator, which is notably known as the first escalator in the nation (Merrillees, 2015), remains intact.

Sarinah is the only shopping center built under President Soekarno's rule. Before having an opportunity to replicate Sarinah as a prototype of shopping centers throughout the capital region—a state-owned shopping center curating local products—President Soekarno and his social-collectivism ideology was ceased by the coup d'etat in 1965. Santoso (2011) pointed out that Soekarno's ideological experiment for the integration of multiple coalitions between socialism, nationalism, economic development, and multi-culturalism had failed to reach consensus amongst political groups in the nation. However, "at the end of Soekarno's era, the city of Jakarta had established its new identity as the new capital of Indonesia" (Santoso, 2011, p. 42), the modernized capital in the former colonized nation.
The Elite Enclave’s Shopping Center (1972-1991)

Picture 13 Shopping mall built in the city 1991
Source: author and Centropolis Universitas Tarumanagara

Jakarta experienced tremendous urbanization after the downfall of Soekarno's era. The inaugurated new president, General Soeharto, reformed the overall national economic policy through market liberalization.

During the first years of his tenure, General Soeharto opened up the pathway towards free-market policy by rejoining Indonesia to United Nation, seeking financial assistance from IMF, and establishing the foreign investment law that provided incentive packages both for local and international investors. A few years later, combined with the revenue from the peaking oil prices in the global market, Indonesia experienced massive economic growth and financial stability.

During this transition period, the modernization in the capital region kept running with the inauguration of National Monument (Monas) and elite settlement projects, such as Kelapa Gading neighborhood. Construction began on several highways reaching the outer fringes of
Jakarta as the local conglomerates started to get the permit to build a massive new town project in the peri-urban areas such as Tangerang and Bogor.

As the economic reform increased the GDP per capita of the nation, and as the people's consumption was stimulated, several shopping centers were revitalized from many high-income neighborhoods’ traditional markets. These neighborhoods were the first urban enclaves that adapted American new urbanism: single detached homes, integrated infrastructures, a communal green space in the center of the community, and an extensive pedestrian system where the residents had relative purchasing power, such as in Gajah Mada, Pluit, Kebayoran Baru, Slipi. Shopping centers built in this period symbolized a certain degree of 'elitism' for people living in those high-end enclaves, as Suryono Herlambang has mentioned,

"Using the neighborhood as the name of shopping centers, for example Blok M Plaza, Gajak Mada Plaza, and Slipi Jaya, those shopping centers's name intended to personify the pride of the people living in those area" (personal communication, February 2, 2018).

Picture 14 Blok M Neighborhood and Blok M Plaza
Source: Christopher Silver (left) and Blok m Plaza management
After several decades of General Soeharto's neoliberal regime, the real estate industry turned into the core sector of economic growth (Santoso, 2011; Shatkin, 2017; Silver, 2007). It appeared through the substantial commercial development in the city center. Subsequently, the business development increased the property value in the city center, pushing the urban settlers, mainly the middle-income class, to the fringe area.

General Soeharto's neoliberal regime was characterized by "oligarchy", a governmental system "in which political power evolved at the nexus of the state and corporate power" (Shatkin, 2017). The economic reform in the nation perpetuated "a rapid influx of equity," bringing the equity from the financial industries to speculate in the property development sector (Shatkin, 2017; Winarso & Firman, 2002). As a result, the oligarchs who had a strong connection with General Soeharto's family, although they had not previously involved in property development
sector, gained the power to develop the new large-scale projects in the Jakarta's fringe areas (Shatkin, 2017).

Lippo Group, whose primary business was in the financial sector, indisputably became the leading players in the new town projects. Through agriculture land acquisition and the state's permit, thousands of hectares Karawaci in the Municipality of Tangerang were transformed into the "Southern Californian" high-end residential township (Cowherd, 1988). Lippo Karawaci was characterized by American suburban living, gated communities with a high standard of public facilities, such as an international-standard hospital, private school, golf club, convention hall, and a gigantic suburban shopping mall. Lippo Karawaci attracted mainly the middle-class urban population who were seeking a better-quality living. A 60,000 population now occupies Lippo Karawaci. The corporate claims that the sprawling Lippo Karawaci township has provided 48,000 jobs.

In 1995, as a part of the initial stage of the new town development, Lippo Karawaci launched its iconic project, the Mega M supermall. It was not only planned as a complimentary product for the residents living in the new township: the gigantic shopping center with 32,000 square meters retail space showcased an 'elite' suburban living to the urban residents.

During the opening years, every Saturday night, Mega M invited visitors from all over JMR by displaying fireworks. It was quite a successful strategy for Mega M to capture the urban population by such an attractive event. Mega M's direct access to Jakarta, Tangerang Highway, made the shopping center accessible to the urban population, although it is situated in the fringe area.
There were also several factors that formed the attractiveness of Mega M as a shopping center. Mega M was the first shopping center that adapted American design, one very similar to Gruen's shopping center city where the ample space is complemented with walkable corridors and common areas for visitor interaction. Inside Mega M, there is an amusement park that provided the first indoor roller coaster and kids' play-zone. It also became the first shopping center that carried the famous American brands Walmart and JC Penny, at that time.
Shopping Centers in the era of “Back to the City Movement” (2002-2011)

![Picture 17 Shopping mall built in the city, 2001
Source: author and Centropolis Universitas Tarumanagara](image)

In 1997, the Asia financial crisis that caused hyperinflation in Indonesia terminated General Soeharto's 32 years of dictatorship. The youth movement, agitated by General Soeharto's kinship with the oligarchs, the practice of corruption, collusion, nepotism, and the uneven development in his administration, occupied the city of Jakarta and demanded General Soeharto’s resignation. On May 2, 1998, President Soeharto abdicated his power. The year of 1998 marked the starting pathway to democracy.

In this transition period, both the economy and urban development in the city experienced a stagnancy due to political uncertainty. From 1998 to 2004, the country underwent three different political administrations. President B.J. Habibie, President Abdurrahman Wahid, and President Megawati Soekarno Putri struggled to guide the nation that had just undergone an
extreme transformation from totalitarianism to democracy. During this period, the property and retail industry remained stagnant.

It was not until President Yudhoyono was elected as the president in 2004 that he amended the economic and political structure of the nation. By targeting an equitable economic growth for each social layer in the country, he regenerated the local small-medium enterprises through the low-interest loan policy and incentives. His policy was fruitful. When the global economic crisis occurred in 2008, Indonesia did not undergo the economic depression. Instead, in 2009, economic growth in the nation hit the highest rate, a 7 percent surge from the previous year. Property investment in Jakarta during this period was growing rapidly. Many large-scale shopping centers in Jakarta, for instance Mall of Indonesia (110,000 hectares) and Central Park (100,000 hectares) were started to operate a year after the economic crisis.

Urban development in President Yudhoyono's era also went in a positive direction. Transjakarta Bus Rapid Transit (BRT), the first integrated bus system prototyped from Bogota, Colombia, started to operate in the city. With the consistent network expansion, Transjakarta BRT replaced the old informal transportation network, encouraging the public to switch to the more convenient transportation and integrated transportation system.

The commercial property sector in the city was thriving during this period. It was proven by the fact that property developers, either the conglomerates or small-scale investors, "returned to the city" (Smith, 1979) by developing blocks of mixed-use development, an integrated vertical housing tower equipped with commercial amenities in the valuable parcels of lands. Shopping centers developed in this era are characterized by gigantic building towers with a modern and minimalist design that usually have integration with residential and office tower
(mixed-use). Grand Indonesia, Plaza Semanggi, Pacific Place, and Kuningan City are some examples of the shopping centers built inside the mix-used development during this period. Centropolis Universitas Tarumanagara indicates that during 2002 to 2011 as many as 32 shopping centers were started to operate in the city of Jakarta (not in the JMR), supplying as many as 1,359,000 square meters (335.80 acres) retail space. This is the period with the highest influx of shopping center development in the city center.

![Podomoro City, West Jakarta, one of mix-used development built during back to the city movement](image)

*Source: Agung Podomoro*

The "back the city movement" as Smith (1979) underscored, is not a return to the city by the population, but rather a return to the city by the capital. The shopping mall developer, seeing the potentiality of redevelopment in the city, minimalizing the highest and best use of land parcels, and remodeling the old commercial blocks, were still able to capture profit from redevelopment. They also frequently made use of the lack of city authorities' control in zoning to
develop the shopping center, as stated by Izhar Chaidir, former Secretary of Spatial Planning Department,

"The spatial plan of Jakarta requires every high-rise residential development in the Jakarta must allocate 20 percent of its floor area for public facilities for the residents. However, many property developers claimed that commercial shops such as restaurants, cafes, even theaters are the public facilities. Can you imagine if a high-rise residential tower has 100,000 square meters total floor area and the developer converts 20 percent of the total floor area for commercial centers? Every high-rise residential development in Jakarta has a shopping center. Jakarta spatial authority must find a way to stop this." (personal communication, January 8, 2018).

Marco Kusumawijaya, Founder, and Director of Ruang Jakarta Center for Urban Studies also has a concern for the “back to the city movement” by the developers who built the gigantic shopping mall,

"I cannot understand why this large shopping center exists in this central business district [he pointed out the famous massive shopping mall just right across the street when we had a conversation in the ground floor of an office building in Central Jakarta]. Every day people here are trapped in traffic congestion. This shopping mall worsens the traffic congestion. In Germany for example, large shopping centers are usually built in the outskirt area, not in the city center" (personal communication, January 5, 2018).
The recent shopping center development in the peri-urban new towns of Jakarta has surpassed what Victor Gruen envisioned: the shopping mall as a unit of urban planning, a small neighborhood shopping center provided for a small suburban community located in the center of the neighborhood. If Gruen’s shopping center concept offered the elite suburban-style living: walkable corridor and open spaces for kids’ entertainment and family gathering, the recent shopping center development in the peri-urban new towns has evolved into something unprecedented; large-scale, agglomerated, and selling niche product such as lifestyle and living shopping center, garden shopping center, food and entertainment shopping center, and Japanese product shopping center. Not only has it surpassed Gruen's shopping city urbanism, but it also has exceeded what Mega M provided during the early suburbanization, in the mid-1995, a single massive suburban shopping center that offered large departments stores and friendly
walking experience for the individuals living in the new town development. Nowadays the agglomerated peri-urban shopping centers do not only position themselves as the amenities and center for the peri-urban inhabitants. The massive scale and the attractiveness of the product offered by them are able to attract visitors from all across JMR.

The recent shopping center develop in the peri-urban new town, specifically in the City of South Tangerang and Municipality of Tangerang Region is much driven by the leading four mega-developers; Bumi Serpong Damai (BSD), Lippo Karawaci, Alam Sutra, and Gading Serpong. Each new town has [6,000], [700], [700], [1,000] hectares area of development respectively (Firman, 2004). For example, Bumi Serpong Damai (BSD) has 7 shopping centers with 298,345 hectares retail area inside its 6,000 hectares area of development. Whereas BSD has turned into the key player in the shopping center development in the Tangerang Region, the neighboring new towns of Lippo Karawaci, Summarecon Serpong, and Alam Sutra also have [87,000], [125,000], and [144,000] hectares of retail area respectively (see table 2).

Table 2 Shopping Centers in Tangerang Region

<table>
<thead>
<tr>
<th>New Town Developer</th>
<th>Year of Operation</th>
<th>Shopping Center</th>
<th>Total Retail Area</th>
</tr>
</thead>
<tbody>
<tr>
<td>BSD</td>
<td>1993</td>
<td>BSD Plaza</td>
<td>7,045</td>
</tr>
<tr>
<td></td>
<td>2005</td>
<td>ITC BSD</td>
<td>53,000</td>
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<tr>
<td></td>
<td>2006</td>
<td>BSD Junction</td>
<td>60,000</td>
</tr>
<tr>
<td></td>
<td>2009</td>
<td>Teras Kota</td>
<td>10,000</td>
</tr>
<tr>
<td></td>
<td>2013</td>
<td>The Breeze</td>
<td>24,300</td>
</tr>
<tr>
<td></td>
<td>2015</td>
<td>AEON Mall BSD City</td>
<td>75,000</td>
</tr>
<tr>
<td></td>
<td>2016</td>
<td>Qbig BSD City</td>
<td>69,000</td>
</tr>
<tr>
<td></td>
<td></td>
<td><strong>Total Retail Area</strong></td>
<td><strong>298,345</strong></td>
</tr>
<tr>
<td>Lippo Karawaci</td>
<td>1995</td>
<td>Supermall Karawaci</td>
<td>87,000</td>
</tr>
<tr>
<td></td>
<td></td>
<td><strong>Total Retail Area</strong></td>
<td><strong>87,000</strong></td>
</tr>
<tr>
<td>New Town Developer</td>
<td>Year of Operation</td>
<td>Shopping Center</td>
<td>Total Retail Area</td>
</tr>
<tr>
<td>----------------------</td>
<td>-------------------</td>
<td>----------------------------------</td>
<td>-------------------</td>
</tr>
<tr>
<td>Summarecon Serpong</td>
<td>2007</td>
<td>Summarecon Mal Serpong 1</td>
<td>65,000</td>
</tr>
<tr>
<td></td>
<td>2011</td>
<td>Summarecon Mal Serpong 2</td>
<td>60,000</td>
</tr>
<tr>
<td></td>
<td></td>
<td><strong>Total Retail Area</strong></td>
<td><strong>125,000</strong></td>
</tr>
<tr>
<td>Alam Sutera</td>
<td>2011</td>
<td>Living World</td>
<td>84,000</td>
</tr>
<tr>
<td></td>
<td>2013</td>
<td>Mall @ Alam Sutera</td>
<td>60,000</td>
</tr>
<tr>
<td></td>
<td></td>
<td><strong>Total Retail Area</strong></td>
<td><strong>144,000</strong></td>
</tr>
<tr>
<td>Non-New Town</td>
<td>2003</td>
<td>Metropolis Town Square</td>
<td>17,560</td>
</tr>
<tr>
<td>Development</td>
<td>2003</td>
<td>WTC Matahari</td>
<td>64,000</td>
</tr>
<tr>
<td></td>
<td>2006</td>
<td>Serpong Town Square</td>
<td>55,600</td>
</tr>
<tr>
<td></td>
<td>2008</td>
<td>City Mall</td>
<td>15,000</td>
</tr>
<tr>
<td></td>
<td>2011</td>
<td>Tangerang City</td>
<td>40,000</td>
</tr>
<tr>
<td></td>
<td>2013</td>
<td>Mall Balekota</td>
<td>65,000</td>
</tr>
<tr>
<td></td>
<td></td>
<td><strong>Total Retail Area</strong></td>
<td><strong>257,160</strong></td>
</tr>
</tbody>
</table>

*Source: Center for Metropolitan Studies (Centropolis) Universitas Tarumanagara, 2018*
V IMPLICATIONS

Displacement and The Growing of Informal Sectors

One of the significant implications caused by the shopping center development in the city center is displacement. During the "back to the city center," there were numerous mix-used projects completed and absorbed by the middle-class consumer. However, as Leitner & Sheppard, (2017) points out “driven by global city aspirations, profit-seeking developers, demands from emergent middle classes for modern residential, consumption and recreational spaces, and, last but not least, the availability of finance, these land transformations seek to commodify and enclose residential urban commons and involve the displacement of thousands of urban residents.”

The improved public transportation network in the city, by Transjakarta BRT; unavoidable traffic congestion in the urban-suburban highways; and the rising housing price in suburban are the main factors that revived the "back to the city" movement after an immense wave of suburbanization occurred in the mid-1990s (Santoso, 2011).

Those mixed-used developers used the concept of integrated living: work, play, and live as a market gimmick for the young blue-collar workers with a not-so affordable price. As a result, the mixed-use development turned into an exclusive mega-block settled by the urban elites who can afford to pay the rent or mortgage, monthly maintenance fee, and shop and dine in the luxurious shopping center. As Smith (1979) argues, the back to the city movement is not the movement back to the city center by the people, but rather the movement of capital that is able to recapture financial benefit from modernization, revitalization, or redevelopment in the city.
Shopping centers generated the segregation in Jakarta’s urban fabric. Using the shopping center maps developed from Centropolis and informal settlement published by the Jakarta Special Capital Region, I analyzed how the shopping center grows side by side with the informal neighborhood. Picture 20 indicates that before 2001 there were 17 informal areas located within a 500 meter radius of 29 shopping centers. From the year 2001 until 2017, there are 48 informal areas are intersected within a 500 meter radius of additional 43 shopping centers.

This trend indicates that there is a tendency for the shopping center developers to keep acquire low-priced land parcels in the dilapidated squatter settlements, potentially gentrifying and displacing the informal settlements and transforming the acquired land parcels to pockets of luxurious commercial buildings. However, there has to be more rigorous method to analyze the gentrification phenomenon caused by the shopping mall development using more comprehensive informal settlement dataset (e.g. how the informal neighborhood evolves in the city and how the land ownership status of the informal settlement in Jakarta) to understand whether the shopping center either displaces the informal communities or grows side by side with the informal neighborhood. This spatial analysis is rather obscure and only able to show the trend of shopping center development that keeps occupying the informal neighborhood.
Picture 20 Jakarta Informal Settlement
Source: Jakarta Special Capital Region

Picture 21 Shopping Center and Informal Settlement in 2001 (left) and 2017 (right)
Source: author and Centropolis Universitas Tarumanagara
To give more perspective in such implication, I observed Kebon Kacang neighborhood, a neighborhood where two massive shopping centers; Grand Indonesia and Plaza Indonesia are situated. Within the 500 meters radius or Plaza Indonesia, I found various informal entities operated to support the large number of retail workers who cannot afford amenities and goods in the shopping centers. As Simone (2010) also argues that mega-development projects in Jakarta has fostered the informal sector by the urban poor — utilizing their access by providing service such as rental room, food, and parking to such mega development, the informal sector is able to thrive and replicate all across the city. In sum, this research finds that on the city-scale perspective, shopping center displaces and potentially segregate the urban fabric of the city,

*Picture 22 Shopping centers and Informal Entities in Kebon Kacang Area
Source: author*
however, in the neighborhood-scale standpoint, the massive scale of the development and the agglomeration of various shopping center benefit the small-scale business entities.

The Globalized Peri-Urban

Several years after President Joko Widodo was inaugurated, the economic agenda of the nation was shifting towards the mega-infrastructure projects. Thousands of kilometer toll-roads, dams, ports, train network, and airports were started, with the investment from state and private companies in Japan and China.

Investment by the foreign countries has not only appeared on the mega-infrastructure projects in the country recently. Foreign investment also has the important actors in the city making process, especially in the new town area. Bumi Serpoing Dama (BSD), a sprawling new town with 6,000 hectares (14,826 acres) situated in City of South Tangerang, had started to develop a mix-used development in 2017 by way of a joint-venture mechanism with a Japanese consortium: Mitsubishi Corporation, Electric Railway Corporation, Nishi-Nippon Railroad Corporation, and Keikyu Corporation. The project aims to provide 1,000 landed houses and stores in 19 hectares (47 acres).

This is not the first time that BSD has partnered with international corporations to develop property products. BSD has partnered up with Hong Kong Land, a globalized corporation that has a standard listing on the London Stock Exchange. The corporation operates in big Asian cities such as Singapore and Beijing, supplying more than 850,000 square meters luxurious residential and commercial projects. In BSD, Hong Kong Land is currently developing 67 hectares residential area.
The latest shopping centers built by BSD, AEON and QBig mall were also developed by joint-venture mechanism with Chinese, Japanese, and United Arab Emirates investors. AEON mall, built in 2015 with 75,000 retail spaces is the Japanese leading retail that just acquired the giant-retail company, Carrefour in Malaysia and operated the first international shopping center in Phnom Penh, Cambodia. QBig, developed with Rp. 600 billion investments (US$ 44 million) in 2016, is the first ‘power center’ shopping mall a shopping center that carries super-size tenants with more than 5,000-10,000 square meters retail space. Inside QBig, there are the first hyper-store, Lulu, a global chain from UAE and mega-furniture and living store, Informa, that carries home and furnishing products from China.

Centropolis Universitas Tarumanagara also predicted that, in the future, there would be more property development product built by joint-venture mechanism with foreign corporations, primarily retail or shopping center in the peri-urban area. The mega-developers--such as BSD, Lippo Karawaci, and Alam Sutra—still have a plentiful supply of 'land bank' or keep acquiring the rural land through land acquisition. BSD for instance, claims that currently 1,300 hectares area are already utilized and there are still 4,700 hectares of vacant land planned to be developed until 2035.
Picture 23 Shopping Centers in Peri-Urban Area
Source: author
The ‘Oppressed’ Retail Workers

Klein (1999), in her book *No Logo* criticized global brands’ practices in employing temporary workers. Klein (1999) introduced the term "Mcjob" to characterize jobs with low compensation, no steady payment, and a small chance of career advancement. To support her idea, Klein mentioned how the global retailer brand, Nike, pays a superstar basketball athlete for endorsing sneakers more than it pays its more than 30,000 factory workers for making them. Through her visit to a garment factory in Indonesia, Klein (1999) also found out that the global brands employ temporary workers with less than minimum salary.

Standing (2014), in his book *The Precariat, The New Dangerous Class*, described "the precariat" as an emerging working-class group that suffers from job insecurity, volatile monthly earnings, and lack of social benefits, such as insurance or retirement accounts. Standing (2014) mentioned that this phenomenon happened as the city becomes competitive and globalized.

Embarking on the working-class issue raised by Klein (1999) and Standing (2014), I interviewed five shopping mall employees in the Grand Indonesia Shopping Mall. The retail workers inside the shopping mall apparently share the same characteristics with the "Mcjob" or "the precariat" conceptualized by Klein and Standing: a job with little chance of career advancement.

The shopping mall employees I interviewed in the survey are mainly young workers. Four out of the five interviewees are between 18 to 21 years old and had a job before. The level of their job before were similar with the current jobs, low-income labor in the service and manufacturing industries. This indicates that, although one of the shopping center’s premise stated by IFC is to create more number of persons employed, it does not mean that the job
provided would advance the employee's life career. Labors in the retail sectors would possibly continue to work as employees in the retail sector with a small chance of career improvement with better earnings. As Edi Susanto (age 32), a barista in a café, mentioned that he has been working in the food and beverages industry since he graduated from high school.

"This is pretty much what I've been doing in my life. I've been working in food and beverages industry since I graduated from high school. Before working in this café, I worked as a barista in a café inside Deutsche Bank office, not far from this shopping mall" (personal communication, January 10, 2018).

For Liswatul Mu'awanah (age 21), a cleaning servicer from Cirebon, West Java, this is her second job as a textile worker in Cirebon. She came to the city to find a better opportunity, although she mentioned that both of the jobs are challenging for her.

"Before this job, I worked as a textile worker in Cirebon. Both jobs [as a cleaning service in Grand Indonesia Shopping Mall and textile labor in Cirebon] are hard, you know" (personal communication, January 10, 2018).

For the young workers like Feni Septiani (age 21), the job at a beauty salon inside the shopping center is her first job. She mentioned that she is still looking forward to continuing her studies in a higher academic institution.

"I would like to continue studying in the college when I have enough saving. Probably this would allow me to save some money" (personal communication, January 10, 2018).

From the interviews conducted, it seems that the issue of little career advancement in the retail industry is obvious. The shopping mall's premise of spilling over the economic growth and employment seems to be overpromised.
From the interviews conducted, the issue of spatial 'exclusivity' inside the shopping mall is also noticeable. All of the interviewees claimed that they never, or rarely, eat in the shopping mall’s food-court or restaurants for so many reasons, such as affordability and food preference.

Destri Rahmadiati (age 18) said that she likes to eat in the food stalls near the shopping mall. The food stalls located nearby Grand Indonesia Shopping Mall are organized informally. They occupy a small alley, utilizing it with wooden benches or tiny plastic chairs, and serving various local dishes.

"I like to eat in Kebon Kacang Alley because it is cheaper than the food served inside the shopping mall food-court. There are much more food selections as well" (personal communication, January 10, 2018).

In contrast to Destri Rahmadiati, Maulidia Ulfa (age 19) said that her employer, an international department store, provides a canteen for employees.

"We [this department store employees] must follow the rule from the employer. We are not allowed to eat elsewhere except in the department store employees' canteen" (personal communication, January 10, 2018).

She also said that the employees' canteen is exclusive and only designated for the employees working in that department store.

"No one is allowed to eat there, except the employees. The canteen is quite nice, clean, but there are not so many food selections served."
Table 3 Shopping Center Employees’ Profile

<table>
<thead>
<tr>
<th>Name</th>
<th>Feni Septiani</th>
<th>Desti Rahmadiati</th>
<th>Liswatul Mu’awanah</th>
<th>Maulidia Ulfia</th>
<th>Edi Susanto</th>
</tr>
</thead>
<tbody>
<tr>
<td>Employer</td>
<td>Beauty Salon</td>
<td>Beauty Salon</td>
<td>Cleaning service</td>
<td>Department Store</td>
<td>Cafe</td>
</tr>
<tr>
<td>Gender</td>
<td>Female</td>
<td>Female</td>
<td>Female</td>
<td>Female</td>
<td>Male</td>
</tr>
<tr>
<td>Age</td>
<td>21</td>
<td>18</td>
<td>21</td>
<td>19</td>
<td>32</td>
</tr>
<tr>
<td>City of Origin</td>
<td>Jogjakarta</td>
<td>Jakarta</td>
<td>Cirebon</td>
<td>Jakarta</td>
<td>Jakarta</td>
</tr>
<tr>
<td>Education Attainment</td>
<td>High-school</td>
<td>High-school</td>
<td>High-school</td>
<td>High-school</td>
<td>High-school</td>
</tr>
<tr>
<td>Job before</td>
<td>n/a</td>
<td>Department store</td>
<td>Garment factory</td>
<td>Department store</td>
<td>Cafe inside International Bank office</td>
</tr>
<tr>
<td>Numbers of Job had before</td>
<td>n/a</td>
<td>1</td>
<td>1</td>
<td>5</td>
<td>4</td>
</tr>
<tr>
<td>Transportation mode used to go to work</td>
<td>Motorbike taxi</td>
<td>Motorbike taxi and train</td>
<td>Motorbike taxi, train</td>
<td>Motorbike taxi, train</td>
<td>Personal motorbike (using informal parking space near shopping mall)</td>
</tr>
<tr>
<td>Place to have lunch</td>
<td>Food stalls around shopping mall</td>
<td>Food stalls around shopping mall</td>
<td>Employees’ room</td>
<td>Employees’ Canteen (provided by the Department Store)</td>
<td>Food stalls around shopping mall</td>
</tr>
<tr>
<td>Place to get groceries</td>
<td>Foodhall</td>
<td>Foodhall convenience stores, and a supermarket near house</td>
<td>Convenience stores</td>
<td>Convenience stores</td>
<td>Convenience stores</td>
</tr>
<tr>
<td>Place to get Clothing</td>
<td>Clothing Bazaar inside shopping mall</td>
<td>Clothing bazaar inside shopping mall, online stores, and shopping mall near house</td>
<td>Tanah Abang and Blok M (local textile markets)</td>
<td>Online stores, and Seibu department store (by employee’s discount card)</td>
<td>Tanah Abang and PGC (local textile market)</td>
</tr>
</tbody>
</table>

*Source: interviews*

The space exclusivity issue seems to perpetuate spatial segregation within the shopping center area. Having a limited access to the amenities provided inside the shopping center, the retail workers highly depend on the informal sectors situated adjacent to the shopping mall, such as food stalls and informal parking space. As Edi Susanto (age 32) pointed out that he cannot afford daily parking service inside the shopping center. Rather, he uses the informal parking spaces provided by the low-income community living in Grand Indonesia neighborhood.
"With only 2,000 rupiah, I can park my motorbike all behind this shopping mall. The parking inside the shopping mall is only affordable for the visitors. I think I have to spend 25,000 rupiah if I want to park all day there." (personal communication, January 10, 2018).

The shopping center is a controlled formal urban space where amenities are only provided for the middle-class visitors. However, this segregation even eternalizes the informal sectors’ operation in the areas within shopping mall. The residents living within the areas of the shopping center see the low-income retail works as an opportunity. They transformed their houses into rental-room services and the sidewalks into informal parking spaces and street food court to accommodate the retail workers.

Picture 24 The Informal food stalls operated in front of the Grand Indonesia Shopping Mall
Source: author
The Exclusive Middle-Class Space

On June 5, 2013, ABC, a leading Australian media, published an article about how Jakarta has emerged as a global city with its shopping mall. The report, “Jakarta Malls: The Cities within Cities where the Poor are Invisible,” concerned itself with the citizens' consumerism issue. The mall in Jakarta has become a popular meeting place, or even tourist center, for many reasons. It was written in the article that a shopping center is a place designated for the middle-class: "it is air-conditioned, at least not as humid as outside". The report also mentioned that Jakarta is one of many cities where two Louis Vuitton stores are located less than 100 meters apart.

Jakarta is a city with a huge gap of inequality exists between the rich and the poor. At the national level, World Bank data shows that Indonesia's GINI ratio is quite high 39.50%--where 100% means that the country is maximal equality. A report released by Oxfam mentioned that
the nation has an incredible inequality issue; as many as four people are wealthier than 100 million.

During the fieldwork I was able to interview several shopping mall visitors. "Shopping malls in Jakarta are designed only for the rich" seems accurate. Barabara Nababan (age 23) mentioned that she spent Rp 500,000 (US$35) each time she visits the shopping mall. This spending is huge, considering the majority of Indonesians in the city live with minimum wage or approximately Rp 3,7 million (US$275) per month. Tati (age 58), a professor in a private college mentioned, that she usually spends Rp 300,000 (US$15) to eat in a restaurant inside the shopping mall. The amount of money spent by Tati is similar with what most of the people living in developing countries in Europe or America pay to eat in a restaurant.

"I often bring my family to shopping mall every weekend. Food in the shopping mall is very expensive. Food like this [showing her pasta] costs 120,000 rupiah. My family has to pay more or less Rp 200,000 per person to have food and drink in the restaurant inside the shopping mall. This is the same amount of money you spend for food in European cities, but this is Jakarta" (personal communication, January 12, 2018).

Data gathered from the interviews also show that the shopping mall has been a part of people's lifestyles. All of the visitors interviewed in this study stated that at least once a week they visit the shopping mall. Three of the interviewees mentioned that they go to the shopping mall almost every day. Sandi Irshad (age 34), one of the visitors that goes to the mall nearly every day, said that it's part of his job, and the city doesn't seem to have another alternative place that could accommodate his needs.
"I meet potential clients almost every day in a restaurant or café at the shopping mall, because I don't know any other place as convenient as a shopping mall in Jakarta. You know, it's very accessible, like this shopping mall [Grand Indonesia] is located in central of Jakarta, close to the offices, and has a lot of parking spaces" (personal communication, January 10, 2018).

Same with Sani Irshad, Tuti (age 58) who indicated that the city is unlike cities in developed countries, which have a lot of public spaces provided for the citizens. Jakarta fails to provide its citizens with alternative leisure spaces.

"When I live in Vienna, it seems that public places like parks, museums, and opera are accessible for everyone, both the rich and the poor. But here in Jakarta, there are no such things."

Table 4 Shopping Mall Visitors’ Profile

<table>
<thead>
<tr>
<th>Name</th>
<th>Gender</th>
<th>Age</th>
<th>Occupation</th>
<th>Shopping mall visit per week</th>
<th>Shopping mall visiting purpose</th>
<th>Goods bought in shopping mall</th>
<th>Spending per visit (US$)</th>
<th>Transportation mode</th>
<th>Alternative leisure other than shopping mall</th>
</tr>
</thead>
<tbody>
<tr>
<td>Barbara Nababan</td>
<td>Female</td>
<td>23</td>
<td>College fresh graduate</td>
<td>Twice</td>
<td>Movie and food</td>
<td>Food and beverages</td>
<td>Rp 500,000 (US$35)</td>
<td>Car</td>
<td>Coffee shop, museum</td>
</tr>
<tr>
<td>Sandy Irshad</td>
<td>Male</td>
<td>34</td>
<td>Entrepreneur</td>
<td>Almost everyday</td>
<td>Client meeting</td>
<td>Clothing, food, and groceries</td>
<td>Uncertain</td>
<td>Car</td>
<td>Not sure if there is one</td>
</tr>
<tr>
<td>Tati</td>
<td>Female</td>
<td>58</td>
<td>Professor</td>
<td>once</td>
<td>Family gathering</td>
<td>Clothing and food</td>
<td>Rp 200,000 (US$22)</td>
<td>Uber or taxi</td>
<td>Not sure if there is one</td>
</tr>
<tr>
<td>Indri Islami</td>
<td>Female</td>
<td>23</td>
<td>Research Analyst</td>
<td>Almost every day</td>
<td>For lunch (it is adjacent to her office)</td>
<td>Depends on what is needed</td>
<td>Uncertain</td>
<td>Walking</td>
<td>Traditional market</td>
</tr>
<tr>
<td>Michael Suryo</td>
<td>Male</td>
<td>29</td>
<td>Bank Asset Manager</td>
<td>Almost everyday</td>
<td>For food</td>
<td>Food</td>
<td>Rp 200,000 (US$12)</td>
<td>Uber or private car</td>
<td>Not sure if there is one</td>
</tr>
</tbody>
</table>

Source: interviews
VI Conclusion

The shopping center transformation in Jakarta Metropolitan Region (JMR), from a small state-owned shopping center, situated in the city main boulevard, Sarinah (1963) to a gigantic foreign-owned shopping center, built in the exclusive peri-urban new town, such as AEON (2015) represents the urbanization process that intertwines with the politic and the city’s development agenda. Each period of political power in Indonesia: the birth of the nation (1945-1966), New Order-Liberal Reform (1966-1998) and democracy (globalization-era) has shaped urban structure in distinctive way. Through the apparent shopping center’s trajectory: the transformation of size, scale of operation, location, and investor in each relevant historical period of political power or urban development, we could interpret the whole narrative of capital restructuring or the urbanization process.

A shopping mall phenomenon in Jakarta metropolitan area has shown that the premise of ‘modernization’ or an antidote to urban problems (dilapidated urban settlement, poverty, and environmental degradation) through the practice of shaping the city with luxurious commercial enclaves has resulted in various urban implications. This thesis has pointed out that gentrification-displacement and the growing of the informal sectors the city center, globalization in the peri-urban area, spatial segregation which perpetuates by the social and economic disparity between ‘the oppressed retail workers’ and the affluent shopping mall visitors are the compounded urban issues emerged from the shopping center development. The failure to re-enact the shopping center moratorium, the obscure land acquisition process or land formalization in the urban informal settlement along with the powerless public authorities in
managing the privatized peri-urban sprawl has totalized the role of private sector in the city making process.

JMR as mega-region consists of nine municipalities currently has 153 shopping centers providing retail spaces to the metropolitan inhabitant. To control the rapid shopping center development, the municipalities — with different role and interests in urban development — must form a comprehensive regional planning or development plan. The shopping center moratorium enacted by Jakarta Special Capital Region in order to ameliorate traffic congestion, reduce the migration influx, and support the local commerce would be less effectual if municipalities in Tangerang area are failing to control the shopping center development in the peri-urban area. JMR should also form an alternative policy to efficiently manage the shopping center development such as the tax for burdening the urban infrastructure and worsening the public’s life quality. In addition to that, the informal economic entities built around the shopping centers should be revisited, it could be both a threat that contributes to more infrastructure and environmental degradation and a socio-economic asset for building inclusivity in the city.

This thesis has highlighted issues, challenges, and opportunities. There should be further detailed research in examining spatial restructuring, gentrification and displacement, and social exclusivity brought by the shopping center development.
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