



Extended urbanization in small and medium-sized cities: The case of Cirebon, Indonesia



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A B S T R A C T

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Although urbanization in smaller cities is arguably not imperative, the future of urban living is no longer expected to be principally in mega-cities. People increasingly live in intermediate and smaller cities, in line with the proportion of people residing in urban areas, which is also gradually rising. Smaller cities in Indonesia, like other smaller cities in the developing world, are relatively densely populated, and many of them are experiencing extended urbanization, thereby exceeding their administrative boundaries. This paper seeks to explore the factors triggering urban development in these smaller cities, for a case in Indonesia. Urban change in Cirebon Region has accelerated in recent years, very much in line with the decentralization policy in Indonesia. This paper shows how urban change is influenced by economic restructuring, which encourages people to live closer to the core of the region, representing a new link between the core and new emerging urban areas in the region. This paper reveals these attributes to identify the characteristics of smaller urban centres, thereby contributing a more nuanced image of small cities in general.

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Introduction

Over the last decades, urban studies have paid overwhelming attention to the characteristics of urban development in mega-cities and metropolitan regions. Mega-cities generally represent significant contributions to the national economy and can act as gateways to the wider globalized world. Urban systems in developing countries are mostly typified by primacy, as shown by central place theories (Cohen, 2004, 2006). There are many examples of this, such as Jakarta (Indonesia), Mexico City (Mexico), Seoul (South Korea), Bangkok (Thailand) and Budapest (Hungary). It is therefore unsurprising that larger cities tend to be the most commonly studied.

At the same time, small cities are studied less often and are under-theorized (see Bell & Jayne, 2009). Secondary and tertiary cities also potentially play important roles, for instance, as specialists for certain products or commodities (e.g., Rondinelli, 1983), as capital cities or as distribution centres. According to the United

Nations (2012), 52.1% of the world population live in urban areas, of which only approximately 17.7% are in large and mega-cities: the rest of the urban population mostly inhabits smaller urban agglomerations.¹ Therefore, this paper departs from the position that studying the characteristics of urbanization in smaller cities is important.

Several arguments can be assembled as a conceptual foundation. A first theoretical issue is that small cities have unique assemblages of socio-economic characteristics and have their own specificity, including specialization (Bell & Jayne, 2009). A second issue is that urban growth in developing countries is globally-relatively rapid, with smaller cities typically growing faster than larger cities (cf. Zhou, 1991). For developing countries in particular, there are forces to accelerate the development into a more modern industrialized economy and to overcome problems of extensive urbanization and spatial inequality at the same time (Dix, 1986; Lin, 1993).

Another theoretical aspect relevant to understanding small cities is size. Following Bell and Jayne (2009), size is understood in a

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¹ In Indonesia, according to the 2010 Population Census (in Firman, 2012), 118.3 million people, or 49.7% of the total population, live in urban areas. The bulk of the urban population, 80.5 million of 118 million (68%), are clustered on Java Island, while the remainder is spread across the other islands.

relative sense: the relative position of small cities in a specific urban hierarchy is important – it should not be phrased, for example, in absolute population numbers alone. A further theoretical issue for the understanding of small cities is the linkages these cities have to other places (Bell & Jayne, 2009; Hinderink & Titus, 2002). The influence of small cities is important, as are the driving forces defining their roles. This paper sets out to clarify the driving forces (triggers) behind urban challenges such as extended urban development in smaller cities. The case of Cirebon, an urban region in decentralizing Indonesia, is central to the analysis. Cirebon is an example of a smaller city on Java: it is densely populated and urbanizing.² Growth and development of its urban areas has grown, relatively enlarged. Cirebon Region comprises the Cirebon Municipality (*kota*) and the Cirebon District (*kabupaten*).³ The Cirebon Municipality is considered a small city with only 300,000 inhabitants. There are an additional 400,000 people in the outer urban agglomeration, administratively under the territory of Cirebon District.

Cirebon is particularly suitable given its growth and extended urban areas. A lack of basic services and infrastructure provision, and the institutional capacity to deal with them, is also present. This case is therefore likely to be representative and should establish an improved understanding of rapidly urbanizing secondary and tertiary cities in Indonesia, and perhaps decentralized developing countries in general. It may also deliver policy advice on specific drivers of urbanization in smaller cities, and how to address these drivers and manage change in the future.

The remainder of this paper is structured as follows. The second section discusses theoretical perspectives on urbanization and development in the context of small cities. Theories and previous studies on the drivers of urbanization are also presented in this part, and the latter part briefly explains the methodology. Section four describes the patterns of urbanization in Cirebon Region, while section five presents the overall analysis, comprising of the demographic, economic, physical and policy changes that have triggered urban development in Cirebon Region. Finally, the last part sums up the discussion and suggests policy implications for the future of urbanization in Indonesia.

Urbanization and small-city development

As small cities are not often mentioned in discussions of urbanization, this section attempts to assemble the concepts and theories related to urbanization that fit the context of smaller cities in developing countries. In this literature review, the main emphasis is on urbanization drivers.

A fundamental issue, of course, is the definition of 'small cities' itself. The most basic definition is essentially based on population size. For example, the United Nations (2012) defines small cities as urban agglomerations with populations of less than 500,000. Nevertheless, Bell and Jayne (2006b) have argued that it can be problematic to define small cities only by population size, because

² According to Firman (2012), small and medium-sized cities in the outer islands are growing more rapidly than those on Java Island. Smaller cities outside Java play a more significant role as the centre of various economic activities. However, his analysis only covers urban localities which are administrative cities (municipalities), whereas the data on urban areas across districts (*kabupaten*) is not available in demographic-census reports.

³ Indonesian governance is divided into several tiers of administration. Below the national level are provinces. Below each province are administrations which can be differentiated as *kota* (municipality) and *kabupaten* (district). Both municipalities and districts have the same authorities to manage their own regions. However, a municipality is generally typified as mostly urbanized and of a relatively higher level of function with respect to its surrounding region, for instance, as an economic activity centre.

urban hierarchies differ greatly across the world. Urban ordering cannot be determined by principle size alone (Bell & Jayne, 2009; Jayne & Bell, 2009). It would be preferable to define them based on their 'cityness', smallness, 'third-tierness', 'localness' or, in other words, their relative function within regions.

Topics covered in existing publications mainly emphasize the role of small towns within regional development. Despite their relative smallness, there have been consistent beliefs that small cities can positively contribute to their surrounding regions in stimulating rural and hinterland economies, specializing in certain functions (Rondinelli, 1983), as cultural centres and places with strong identity (Bell & Jayne, 2006a, 2006b; Lin, 1993), controlling and balancing the rapid development of metropolises (Cohen, 2006), and encouraging poverty reduction (Owusu, 2008).

In fact, the role of small cities as cited by the literature is often bypassed by national policy and global market mechanisms (Hinderink & Titus, 1988, 2002). Economic development strategies in small cities frequently failed because of size matters, as they could not generate agglomeration economies (Fleming, Ghilardi, & Napier, 2006; Lorentzen & van Heur, 2013; van Heur, 2013). Nevertheless, as pointed out here, small cities can have unique and relatively large urban economies. Bell and Jayne (2006a, 2006b) have argued that it is better to 'think big' than to consider enlarging economic externalities of small cities. The theoretical point is that small cities can be 'big' in terms of their influence and reach, and linkages to other places.

Although there has been renewed interest and vivid recent debate on the role of small cities and towns in regional development, explanations of urbanization processes and characteristics in small cities have remained less obvious and inconclusive. However, an important conclusion from the aforementioned literature is that the factors of economic restructuring, planning and political processes could trigger urban development in smaller cities. Another important acknowledgement in the literature is that the characteristics of American and European small cities are different from those in developing countries, which are relatively more densely populated and grow faster than large cities (Cohen, 2006). A framework, therefore, for examining smaller cities in the context of developing countries will need to consider facts and studies beyond the developed world. In this debate, several theories of urbanization in the metropolitan context, or at least extended urbanization in the context of developing countries, are also considered. Particularly unique characteristics of urban form and function in Asia include peri-urbanization (surrounding larger cities; e.g., Webster, 2011) and rural–urban transitions (including mixtures of agricultural and non-agricultural activities in cities (McGee, 1991)).

Accordingly, it seems that the best way to examine small-city characteristics in Indonesia remains the basic concept of urbanization. As Prabatmodjo (1993) pointed out, small cities can be classified into two types: those in the context of mega urban regions and those within rural regions. This paper refers to the second context with regard to concerns about the transition from rural to urban. This paper also follows the theoretical importance of considering urbanization and small cities in terms of their relative size, their linkages to other cities and regions, and the specific drivers that underpin their development (see also Bell & Jayne, 2009).

Drivers of urbanization

Conventional models for urbanization have studied the effects of large cities on urbanization in small cities (cf. Geyer, 1993, 1996). However, these models remain insufficient to describe what drives urbanization in smaller cities. Scholars have discovered several factors that could induce urbanization. Cohen (2006), for example, has argued that urbanization and city growth is caused by diverse

reasons related to rural–urban migration, natural population increase and annexation. In addition, [Erickcek and McKinney \(2006\)](#) have explained that the growth of a metropolitan area depends on its economic structure, human capital resources, quality of life factors, historical trends and location.

Although little discussion can be found on urbanization triggers in smaller cities, several results from previous research should be mentioned here. Small-city urban expansion can be an outcome of multiple processes, including economic restructuring and increases in income and population which generate increased demand for land and new building space, planning preparation, profit-seeking practices and, more importantly, efforts by local governments to achieve economic ambitions ([Han, 2010](#)); the reproduction of built environment and a flexible local regime in responding consumer behaviour (tourists) and infrastructure development ([Qian, Feng, & Zhu, 2012](#)); and remaking of the urban core and infrastructure development that connects the core and remote residential areas ([Simone, 2006](#)).

Meanwhile, [Webster \(2011\)](#) has pointed out that the drivers of change in peri-urban areas include industrial and non-industrial drivers. He emphasized that in defining those drivers, two forces must be considered: centripetal (inward driving) and centrifugal (outward driving) forces within an extended urban region. Centrifugal forces in many middle-income countries can include manufacturing investment, rapid development of expressways and the urban land market, in which land price is lower at the periphery. Cultural preferences also play a role in the sense that people with high incomes may wish to live in peripheral areas, as found in North America and Australia, despite housing projects being offered close to the core. Meanwhile, centripetal forces have been found to probably be related to economic structural changes that encourage urbanization. This could involve certain sectors, for example services, which tend to concentrate spatially in specific areas. However, cultural factors and choice limitation can also play a role in the same way as centrifugal forces.

In addition, as [Goldblum and Wong \(2000\)](#) found when examining the origins of urban expansion in Jakarta, speculative activities can also be considered as a factor of urban change. This is only to show that in land development, spatial change can also be instigated by parties with the economic power to dominate the land market. Overall, a variety of factors contribute to the characteristics of urban form and development. Our review suggests that the development of small cities need to be seen in terms of their linkages to other cities. Furthermore, there are several factors that may contribute to the development of small cities, which include economic drivers, settlement dynamics, and broader policy change.

Analytical framework

This study mainly seeks to find why urbanization in Cirebon Region has extended and to check two possibilities: whether urban change in Cirebon Region is more readily triggered by external

factors such as spread effects, decentralization or deconcentration from larger urban centres; or whether this merely reflects the position of the Cirebon Municipality as an engine of growth in Cirebon Region.

[Webster \(2011\)](#) argued that within spatially extended urban areas, dramatic changes in land use, built environment, economic structure, environmental status and social constructs can be understood by examining the landscape outcomes of industrial and non-industrial drivers of urbanization. Therefore, to deliver a better international insight into the drivers of urbanization, this paper analyses land use changes within the region in question, along with an examination of other aspects. As also indicated by the literature, we examine factors possibly inducing urban development, including economic change, demographic change, and political and policy processes (see summary in [Table 1](#)).

First of all, we examined where extended urban development has occurred in the region, as indicated descriptively by demographic and physical changes. Demographic change was analyzed in which urban agglomeration the population amount and growth increased. Land use change was analyzed from the standpoint of the physical evolution of the built-up area. A series of maps (1994, 1997, 2001, 2005 and 2009) from the National Coordinating Agency for Mapping and Surveys (Bakosurtanal) have been analyzed so as to indicate in which part of the region the rapid development takes place.

We then checked each possible factor triggering development in the region. Firstly, economic factors were checked through the structural change in economic sectors both in the Municipality and the District of Cirebon. In so doing, we used the data on gross domestic product and labour force and performed the location quotient (LQ) analysis to show more clearly how economic restructuring takes place. LQ is one of traditional methods for showing basic and non-basic sectors (economic base), which represent the ratio of the regional proportion of employment in a specific sector in the region, relative to the national proportion of employment in the same sector ([McCann, 2001](#)). All statistical data was gathered from the Central Statistics Agency. The second factor we checked was settlement development, in which its trends, growth, and underlying related processes were evaluated. In accordance with this, we interviewed some local actors to obtain diverse points of view on existing problems, local preferences and policy issues in the region with actors from local government. Key informants of these interviews were actors from the local governments i.e. the Municipality and the District of Cirebon: Local Development Planning Board and other local departments; heads of subdistricts (Mundu, Weru, Sumber and Kedawung); and the local housing developer association (Real Estate Indonesia Chapter Cirebon). Meanwhile, to explain the external factors and policy issues, policy and planning documents, and newspaper articles were also prepared and analyzed. In the end, all the aspects of analysis were figured out in a map to show the direction of urban development and to exemplify all the possible drivers of urbanization (see [Fig. 5](#)).

Table 1
Summary of methods.

No.	Aspect of analyses	Analysis method	Data source
1	Demographic change	Descriptive analysis of share of each part of urban agglomeration	Central Statistics Agency
2	Physical change	Map analysis of built-up area; time series 1994–2009	National Coordinating Agency for Survey and Mapping
3	Economic restructuring	Gross regional domestic product, descriptive Location quotients (LQ)	Central Statistics Agency Central Statistics Agency
4	Settlement development	Progress in local economic activities Progress in formal housing development, descriptive Progress in overall development, descriptive	Interview with local officials, newspapers Real Estate Indonesia (REI) Chapter Cirebon Interview with local officials, REI and subdistrict government
5	Political and policy processes	Analysis of process	Interview with local officials, REI and subdistrict government

Urbanization patterns in Cirebon Region

Cirebon is located on the north-eastern coast of West Java province, approximately 300 km northwest of Jakarta, the capital city of Indonesia, and about 200 km northeast of Bandung, the capital city of the province. Cirebon is transected by the Pantura (Java Northern Coast) line, which is one of the important national transport corridors on Java Island. It has currently been recognized that urban development in the Cirebon Municipality and its outer urban agglomeration is increasingly extensive and does reflect an expanded function of the Cirebon economy. For this reason, in the provincial policy (2010), Cirebon Region is recognized as a new 'metropolitan' region. However, defined relative to its position and functions, Cirebon is small in comparison: Jakarta is the primate city and other metropolises such as Surabaya, Bandung and Medan, while sufficiently large, are classified as intermediate cities.

Cirebon is well known for several things that represent its local and cultural economic identity. The city is known for its shrimp, which makes it popular as 'the city of shrimp' (*kota udang*). It is also famous for its high quality batik from Trusmi. In [Government regulation \(2008\)](#) and [Provincial Regulation \(2010\)](#), Cirebon is designated as a regional activity centre (*pusat kegiatan wilayah*) serving the surrounding Districts. In the past it was known as Karasidenan Cirebon (subprovincial administrative region in the Dutch East Indies), including Majalengka, Kuningan and Indramayu. Since Cirebon has been planned as a regional activity centre, Cirebon urban development has actually been a long story. It was a regional capital during the Dutch colony era until in 1959 the urban area became a new Municipality. Accordingly, the formation of this Municipality has nothing to do with the effects of Indonesian decentralization policy (*pemekaran daerah*) in 1999. Apart from the development of Cirebon Municipality area and Sumber, the capital of the Cirebon District, recently there are new emerging small urban centres within some subdistricts in the outer urban agglomeration. The development in these small centres corresponds to its own specific local function, such as Karangsembung (as a gate to Jakarta and Bandung), Weru (industrial activities) and Kedawung (residential and service).

Urban development patterns can be examined with demographic changes both in the Municipality and the District. According to demographic data, population growth in the Municipality is an undramatic 2% per year, which could correspond to a high birth rate and in-migration level ([Kompas, 2010](#)). However, the total fertility rate (TFR) in the Municipality in 2010 was only 1.7, which was much lower than the national average (2.7) ([ANTARA, 2010](#)). It is not enough to explain demographic changes only in the Municipality. In [Table 2](#), the urban population across each part of the agglomeration is presented as respective shares of urban population across a series of years. The shares of urban population in the core tend to decrease over time, whereas the population has increased slightly. The most rapid increase in the shares is in the urban agglomerations adjacent to the core (17.7% in

2009), where most new settlement developments are located. During the period 2000–2006, the population in that area almost doubled, suggesting that the main urbanizing part is the outer agglomeration under the territoriality of the Cirebon District. A possible explanation for this is that this value increase corresponds to massive migration by people who previously lived in places far from the core. This is confirmed by the population decrease in the scattered urban agglomeration across Cirebon District during the same period (see row 5 in [Table 2](#)).

This can further be analyzed by overlaying the built-up area maps of the period 1994–2009, see [Fig. 1](#). Built-up areas throughout the embankment zone (alongside the core to Kapetakan) clearly already existed before or since the early 1990s. Development in this area was triggered by fishery activities and was generally associated with informal settlement. The fishing communities prefer to live there, given the ready access to the Cirebon Municipality, where they distribute their produce. Since 2001, the growing patterns of urban development are generally more extensive. A massive and accelerated development trend emerged in the period between 2005 and 2009. This trend included agglomeration growth in and around the core, forming a concentric pattern and stripping corridors (urban development along roads) to Jakarta and Bandung. Sumber, the capital of Cirebon District, was increasingly connected to the core. This extended development reveals new core–periphery relationships: between the core (Municipality) and peripheral centres in the Cirebon District, in which each centre has its own functions and position. Whilst other metropolis cases are usually typified by a pattern of road-oriented urban growth and an integration of rural areas into the urban economy called 'desakota' ([McGee, 1991](#)), the extended urban agglomeration around the core in Cirebon demonstrates that urban development does not always follow main roads.

Looking for triggers of urban change in Cirebon Region

After describing the general pattern of urban development in Cirebon Region, this section seeks to elaborate all the factors triggering urbanization in the region. Several aspects are considered in the analysis, including economic restructuring, settlement development, and political and planning processes.

Economic restructuring

There has been a significant change in the economic structure of both Cirebon Municipality and Cirebon District, as indicated by GRDP shares (see [Figs. 2 and 3](#)) and location quotients, which show how concentrated the economic sectors in the region are compared to the national average (see [Table 3](#)). The agricultural sector in the District appears to have declined since 2000. Fishery activities, which caused Cirebon to be known as 'the city of shrimp', have decreased; embankments related to fishing in the area of Kapetakan have gradually closed. The manufacturing shows a unique development: its share of GDP in the District has decreased, as has

Table 2
Shares of urban agglomeration in Cirebon Region, 1990–2006.

No.	Type of urban agglomerations	1990		2000		2006	
		Urban population	Share	Urban population	Share	Urban population	Share
1	Municipality	213,063	11%	242,149	12%	249,877	10.9%
2	Adjacent to the core	186,960	10%	218,959	10%	405,878	17.7%
3	Stripping along regional road to Jakarta–Bandung	187,410	10%	202,350	10%	230,504	10.1%
4	Stripping along regional road to Central Java	NA	NA	NA	NA	249,749	10.9%
5	Scattered	218,298	12%	229,373	11%	200,774	8.8%
Urban population in Cirebon Region		805,731	43%	892,831	43%	1,336,782	58.4%
Total population in Cirebon Region		1,872,062		2,095,276		2,287,798	

Source: adapted from [Central Statistics Agency \(1990, 2000, 2006\)](#).

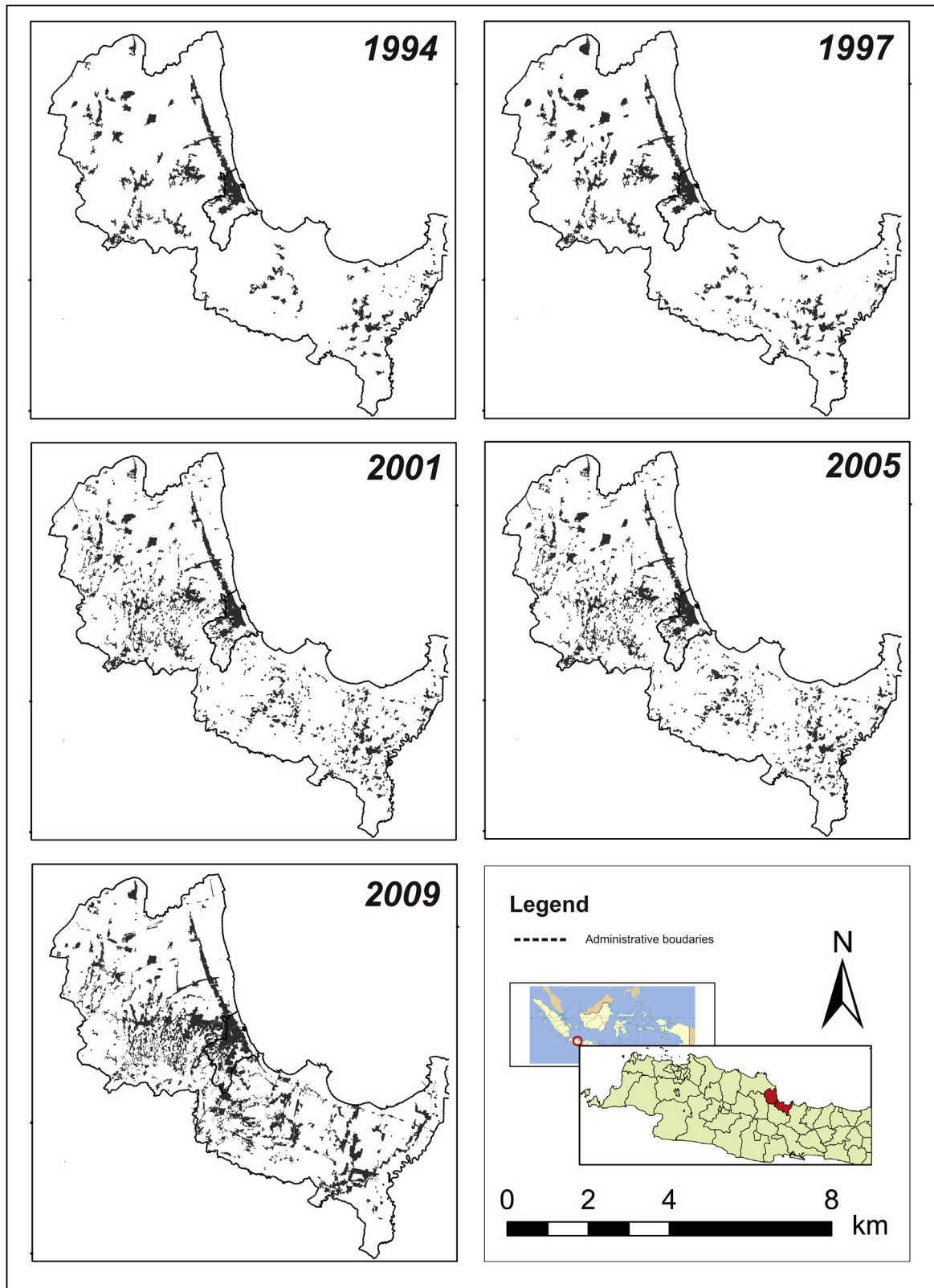


Fig. 1. Physical expansion in Cirebon Region 1994–2009.

Source: analyzed from National Coordinating Agency for Surveys and Mapping (1994, 1997, 2001, 2005, 2009).

increased in the Municipality. In reverse, the LQ for this sector in the Municipality has decreased, as has increased in the District. Our review suggests that the labour pool of these territories is intertwined. As there is a slight increase in the GRDP share of

manufacturing industries in the Municipality, this could be contributed by the Cirebon District residents who work in the Municipality. Besides, industrial activities in this region, which are mostly characterized by home and small industries, particularly

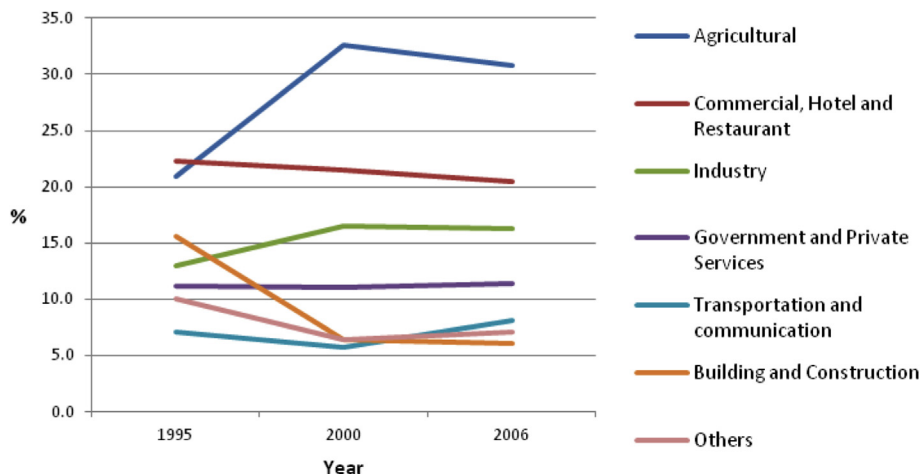


Fig. 2. Percentages of GRDP in the Cirebon District 1995–2005.
Source: adapted from Central Statistics Agency (1999, 2008).

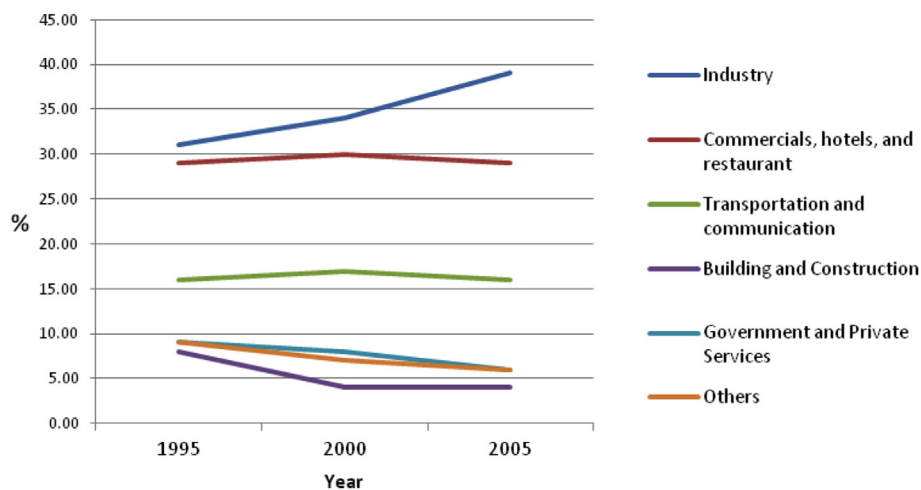


Fig. 3. Percentages of GRDP in the Cirebon Municipality 1995–2005.
Source: adapted from Central Statistics Agency (1996, 2001, 2004).

Table 3

Location quotients for the district and the municipality in 1992 and 2007.

No.	Sectors	1992		2007		Annual growth in share of national employment (1992–2007)
		District	Municipality	District	Municipality	
1	Agriculture	0.7275	0.0779	0.5181	0.1166	–0.15%
2	Mining	0.8657	1.7509	0.0746	0.6707	4.35%
3	Manufacturing	1.0916	0.9225	1.1185	0.4530	2.73%
4	Electricity, gas and water	0.3784	4.8520	0.8489	8.3918	0.50%
5	Construction	1.4633	2.8717	1.5969	1.1176	5.03%
6	Trade	1.7458	2.4703	1.5406	2.0252	3.80%
7	Transportation	2.0822	2.4487	1.1698	1.5001	5.76%
8	Finance	0.3631	4.1133	0.1609	2.5732	6.12%
9	Services	0.8646	2.1063	1.2366	2.1977	1.29%

Source: calculated from Central Statistics Agency (1992a, 1992b, 2009a, 2009b).

batik (dyed textiles) and rattan (furniture made from palm stems), are found to have declined. Though Cirebon was one of the largest suppliers of rattan products during the 1990s, these industries have suffered from gradual bankruptcy since the national export policy in 1999, which allowed massive exports of raw rattans (Ministry of Trade, 2011). Even though the government has terminated this export policy since 2004, the development of rattan industries in Cirebon Region is no longer prioritized in the national policy

(ANTARA, 2012b). Therefore, it can be argued that the development of this sector does not correspond to the current urban changes in Cirebon Region.

Services and the commercial sector have become increasingly dominant in the Municipality. These activities, including shopping malls, tend to attract people even from beyond Cirebon Region. In the Municipality, the services, finance and trade sectors currently perform as economic bases, as does the construction sector in the

District. The construction sector in the Municipality has become less dominant, while in the District it has slightly increased. This means that construction is now more intensive outside the core. It is also interesting that in the District, the trade and services sectors have now become more important, displacing manufacturing and transportation. This indicates that economic restructuring is occurring in the District as a result of economic changes in the Municipality and as a response to the decline in several sectors which were previously economic bases in the District. In addition, unusually strong location quotients were found for the electricity, gas and water sectors in the Municipality for both years. This substantial change can be explained by the relatively higher proportion of people working in that sector given the smaller size of the Cirebon Municipality. Employment in the sector in the Municipality is growing more rapidly than the national employment share in that sector, which is broadly constant (0.5% growth per year). Nevertheless, this signifies a unique characteristic of economic development in such small city-region.

The decline in both agricultural and manufacturing sectors indicates a shift in the regional economy of Cirebon. Economic restructuring in the Cirebon District, however, at least indicates two possibilities. First, local economic development in the District could be currently taking a new path towards a more advanced economy. Alternatively, it is possible that the amount of employment in the District does not reflect the local economy itself, because people who work in the Municipality commonly live and reside in the District. The regional economy of the Municipality and the District is a unity and cannot be separated.

Settlement development

Economic restructuring has significant implications for physical development in Cirebon Region. As the Municipality acts as a centre for trade and services, there are a large number of job opportunities which cannot only be filled by people from the Municipality. People have attempted to locate closer to the core and seek affordable housing, but in fact, the core lacks land and land there is expensive. This condition subsequently stimulates speculative behaviours not only of people, but also housing developer firms that seek opportunities in the housing markets by meeting people's needs to live beyond the core. Land prices in the Municipality reached 100–175 thousand rupiahs per m², while remaining at only 40–60 thousand rupiahs in the District. As the result, there has been growing settlement in the area adjacent to the Municipality where people can accessibly reach their workplaces. It is important to mention that this also includes informal housing that arguably accelerates the extensive development of urban agglomerations. As generally found in other cities in Indonesia, more than a half of new houses are self-built and acquired from others (e.g. inheritance or gifts) (Monkkonen, 2013). This type of development can be found in several locations, especially along the road corridors to Jakarta and Bandung.

Settlement development has been found as the main cause of physical changes in Cirebon Region. The property business seems to be much in demand among investors, both from Cirebon and other cities. The number of new housing development companies has gradually increased since 2007, rising from two developers in 2007, to 16 in 2008, 29 in 2009, 58 in 2010 and 32 in 2011 (Cirebon Pos Kota, 2011). The projects undertaken by these developers are presented in Fig. 4. There is an evident fluctuation over time, which has implied to the pattern of physical changes as shown in Fig. 1. The trend from 1996 to 1997 is upward, followed by a downturn during the Asian monetary crisis in 1998–1999. Afterwards, property development revived again, whereas it only serves to build on a demand basis and generally on a small scale, for instance only 100 houses within no more than 5 ha of land. According to interviews,

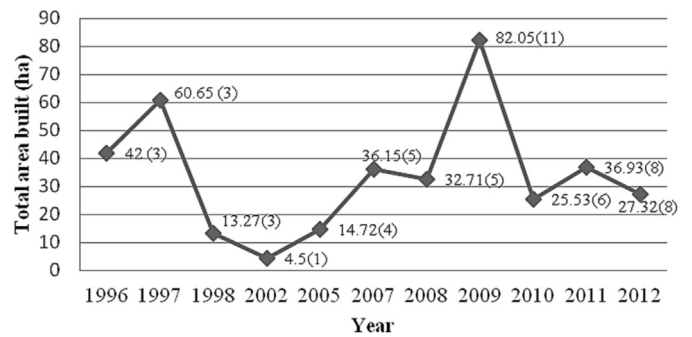


Fig. 4. Developments in the number of projects and their area (ha) in Cirebon Region. Note: numbers inside the brackets indicate the number of projects. Source: adapted from Real Estate Indonesia West Java (2012).

demand-driven housing development, especially for low-income houses, is done through which prospective consumers pay an advance before their houses are built; alternatively, they face preliminary assessment by the creditor banks.

Housing development across the region has also been a result of communication in the land market. Developers have attempted to enter the land market in the Municipality, attracting some people's interest, especially the middle-income class. However, this has not always been successful, because houses on expensive land are often not affordable. The preferred areas for development are located in the District, yet close to the core, as people prefer these locations with better accessibility and basic infrastructure qualities. As a result, the general pattern of residential location can be summarized as follows. Higher-income people reside mostly in the Municipality and the subdistrict of Kedawung, while middle and lower income people live in places like Weru, Plumbon and Sumber. Housing in the eastern region, in places such as Mundu and Astanajapura, is inhabited by low-income people (see Fig. 5). Additionally, this includes a number of failed housing development projects in remote areas which are really not accessible from the core.

Speculative practices are also indicated for several cases where people have purchased houses they do not actually live in: these purchases are for future investment purposes only. Property consumers, 40% of whom are from outside Cirebon Region, are also an indication. These consumers are typically commercial parties from Jakarta, who have opened branches in Cirebon (Kompas, 2008). However, it is important to mention that even though housing development seems essential to explaining urban changes in Cirebon Region, the scale of projects tends to not be as low, and indeed, not comparable with larger metropolitan regions like Jakarta (see Table 4).

Policy and political process

We found that both national and local development policies affect urban change in Cirebon Region. It has been well established that government policies and national political institutions affect the degree of urban concentration (cf. Davis & Henderson, 2003). That is also probably true for the problem of imbalance in growth and development between eastern and western Cirebon Region. As activities and people concentrate in the west, also for the well-developed infrastructure, the east seems to be being left behind. It appears true that the absence of national prioritization and policies can hamper an extensive development of economic activities in certain areas. Although the district government has long desired to develop the east as an industrial complex for large manufacturing activities, the national government could not affirm this motivation.

The second consideration is related to decentralization policy that results in the development which is more locally rooted, where local governments have a greater authority in managing their

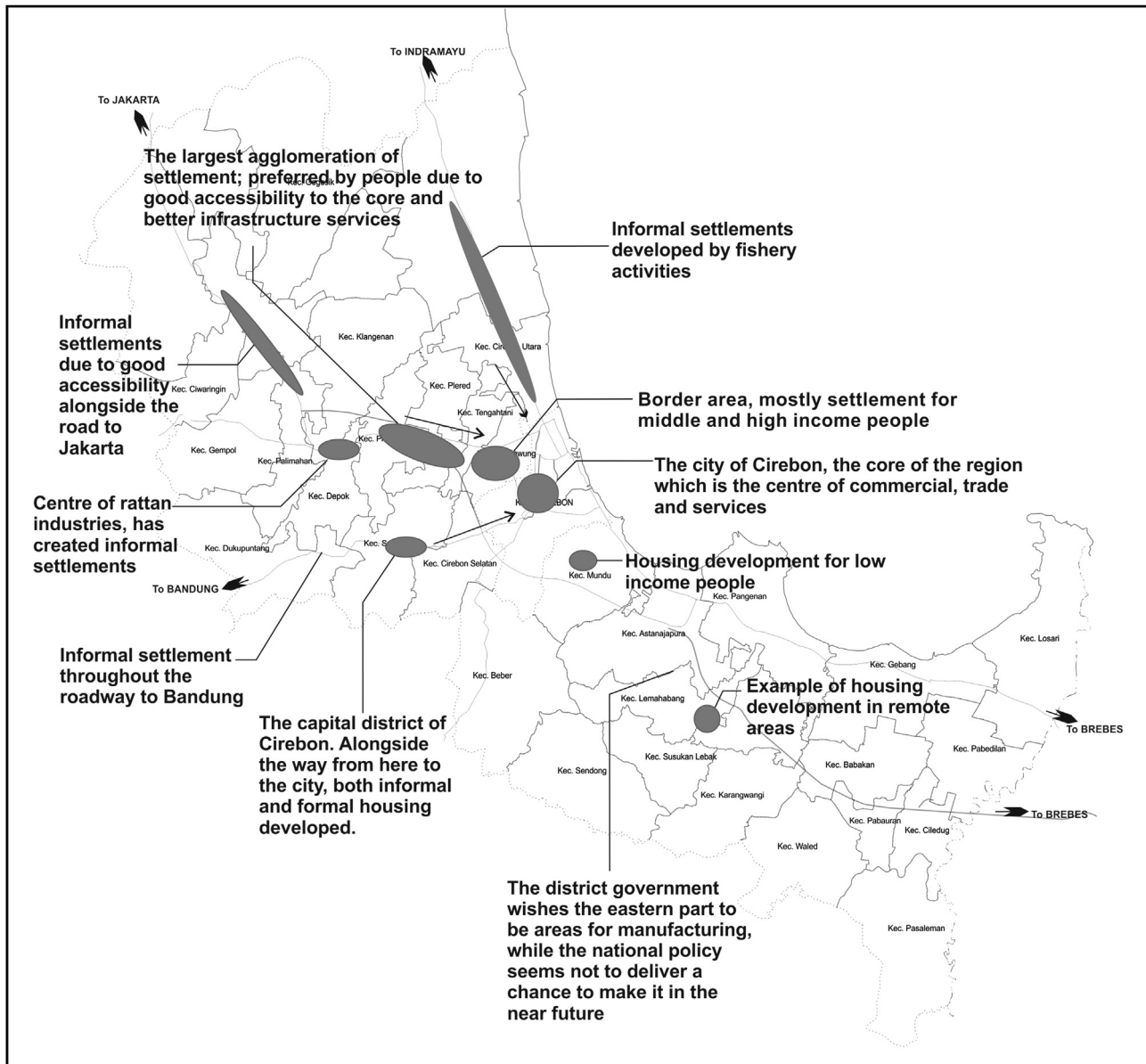


Fig. 5. Diagrammatic analysis of urban changes in Cirebon Region.

territories. Building permits can be issued widely for the development of new housing and commercial areas, particularly because of the possibility of higher tax revenues. Meanwhile, as identified through interviews, extended urbanization in the agglomerations adjacent to the core reflects unsynchronized spatial plans of these two territories. There is no such form of coordination between them, but conflicted perceptions about the agglomerations adjacent to the Municipality: whilst the Municipality regards this as a burden, the District perceives this as the Municipality's failure to provide enough spaces for development.

Besides, urban reality in Indonesia is typically the result of market mechanisms, while spatial plans only follow growth and current trends, and do not create new spatial patterns. According to the new Indonesian planning system, the predominant role of the government is focused on plan making and development control, while its capacity in implementing plans becomes rather weak, as influenced by neoliberal values (Hudalah & Woltjer, 2007). On the other hand, land administration and development procedures are quite rigorous – developers have to follow an approval mechanism

in executing housing projects.⁴ Although the spatial zoning mechanism reflects a regulatory system, *de jure*, in practice, development processes indicate a more discretionary mechanism, in which any activities and uses of land can be proposed and compromised. This could be the bottleneck for many urban planning problems in Indonesia, as Monkkonen (2013) indicated that for countries like Indonesia which have strict land use regulations yet rapid growth of urbanization, it is difficult to predict the stability of land markets. As the result, localities tend to practice profit-seeking behaviour towards land markets.

⁴ According to interviews, the process can be described as follows: firstly, developers arrange the 'fatwa permit', which is the recommendation or approval from the Local Board for Integrated Permit Service (BPPT) on behalf of other local boards in the locality (BPPT Cirebon, 2012). Having secured this primary permit, developers then arrange a location permit and building permits, which can vary according to consumer characteristics. Later, developers can begin marketing and selling houses.

Table 4
Examples of large housing development projects in Cirebon Region 2007–2012.

No.	Name of project	Area (ha)	Target group	Year project started	Location	
1	Cirebon Raya	25.05	Low	2007	Cirebon Utara and Cirebon Barat	District
2	Griya Lobunta Lestari	23.2425	Low	2011	Mundu	Municipality
3	Taman Tukmudal Indah	22	Low	2009	Sumber	District
4	Taman Kalijaga Permai	20	Middle-high	2010	Harjamukti	Municipality
5	Gerbang Permai Pamengkang	18.497	Low	2009	Mundu	District
6	Griya Sunyaragi Permai	16.5	Middle-high	2008	Kesambi	Municipality
7	Bumi Cirebon Adipura	16.2	Low	2008	Mundu	District
8	The Gardens	11	Middle	2011	Talun	District
9	Bumi Asri Pamijahan	10	Low	2009	Pamijahan	District
10	Bumi Babakan Indah	10	Low	2009	Babakan	District

Source: *Real Estate Indonesia West Java* (2012).

An inclusive analysis has been done by locating all the forces of urban change and indicating the directions of urban development on a map, see Fig. 5. Overall, our analysis has established that housing development has been responsible for most of the development over time. In Cirebon, property development is generally expected to grow further in the near future in keeping with the demands from people working in the core to adjacent areas in search of affordable housing. Cirebon Municipality also plays a very dominant role in the regional system. It is believed, as interviewees from Cirebon Municipality confirmed, that the day population of the Municipality could double at night. This phenomenon strengthens the argument that people working in the core live in suburbs in District territory, and commute every day. People also come to the core for recreation and shopping, especially at weekends. After all, Cirebon is a part of larger urban systems, as indicated by labour mobility between Cirebon Region and Jakarta and Bandung from the movement of trains and buses to those cities at weekends (ANTARA, 2012a). Nevertheless, there is no robust fact to prove that the position of either Jakarta or Bandung influences urban development in Cirebon Region. The evidence only suggests economic links between these cities in terms of branch office openings in Cirebon Municipality.

Conclusion and further remarks

This paper has shown that as a small urban centre, Cirebon has several characteristics reflecting its specificity and uniqueness, thereby confirming our literature review (cf. Bell & Jayne, 2009; Lorentzen & van Heur, 2013). Cirebon as ‘the city of shrimp’ and its popular batik are some indications. Despite its cultural political economy, Cirebon has unique roles within its surrounding regions: the Municipality acts as a centre for trade and services, which creates a new link between the core and emerging small urban settlements in the Region. Accordingly, this has implied to the specific pattern of urbanization in Cirebon Region, which in essence shows classic early-metropolitan development characteristics. Whilst the case of Jakarta and Bandung Metropolitan Areas, concentration around highway corridors connecting the main cities is extensive (cf. Douglass, 2000; Firman, 2009; Firman & Dharmapatni, 1994; McGee, 1991), urbanization in Cirebon Region tends to concentrate on the core, thereby creating a concentric pattern; though ribbon development can still be found. Acknowledging Webster (2011), the triggers of urbanization in Cirebon Region are mostly driven by centripetal forces. In line with other cases in Asia (cf. Douglass, 2000; Han, 2010; Webster, 2011), these forces also correspond to economic restructuring within Cirebon Region. A number of jobs in these sectors have attracted people to work in the Municipality. Along with this process, people have attempted to migrate to the core or its adjacent areas to get closer

to their workplaces, which have been responded by developers’ profit-seeking mechanisms. Whilst high and middle-income people prefer locations with better access to the core and basic service quality, lower income people are forced to live outside those areas.

A further conclusion from this case is that urban change is the result of many factors. This process entails locally rooted mechanisms in which the pattern of urbanization is a combination of development preparation, market mechanisms and conflict of interests. Decentralization policy particularly enables this as local governments can more easily authorize and promote the development. Meanwhile, deconcentration effects from Jakarta seem too far away to impact on Cirebon, even though there is an indication of labour mobility between them. It is important to mention that Cirebon is a part of larger complex urban systems, thereby linking with larger metropolises such as Jakarta and Bandung. Cirebon solely has its own reach and influence within the surrounding region, which was known as Karasidenan Cirebon. Nevertheless, we found that urbanization in smaller cities such as Cirebon is different from larger cities. While global cities are formed by transnational capital which results in urban growth and spatial concentration, as well as a change in socio-economic lifestyle (Douglass, 2000; Firman, 2012), for smaller medium-sized cities like Cirebon, economic restructuring at the local level is more likely to explain development processes.

The case of Cirebon, in any case, carries potential lessons for other intermediate cities or growing smaller cities, particularly those predicted to become metropolitan regions in the future. The kinds of drivers mentioned, therefore, would also come into play in other cases, especially in those where transnational capital is not available. To our knowledge, these typical cities would be found mostly on Java Island as the level of development is more advanced, while they could be little found on the other islands as the development is triggered more by their functions as centres of many economic activities, particularly natural resource exploitation (Firman, 2012). However, as we found that the urban development is triggered by internal and centripetal forces, Cohen’s ‘Small cities, big agenda’ (2006) should be revisited. As growth is relatively large, yet is population driven, urban expansion is still manageable. On the contrary, local institutional capacity, which is crucial to dealing with extended urbanization, is rather low. We need to pay careful attention to lest the infrastructure and service gaps that can become more and more overwhelming. In so doing, the collaboration between neighbouring localities is urgently needed to control extended urbanization. As Erickcek and McKinney (2006) suggested, this collaboration will also be economically profitable as the tighter the connections between local governments, the more probable are economies of scale in service provision and a focus on regional rather than jurisdictional growth.

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