

Turning Creative Destruction into Creative Economy: A Solution for the City of Jakarta

INTRODUCTION

Why human being in general more like to live in the city than in countryside? Why countryside develops into town, and does not occur on the contrary town becomes countryside? A city offers various potencies to accumulate social assets, physical assets, and economics assets. A city has potency to give the condition for more comfort and healthy life, more pleasant and cultured life style, with lower consumption of energy and resources. A city is also a representation of life where jobs/activities are more organized and scheduled, where the choice of works is more varied and personal development is more open. It is true that a city promotes many problems, but city also provides more solutions and ideas. A city is the place of planting knowledge, exploiting invention where Innovator can learn directly with its competitor.

In economic context, even before golden era of capitalism, most cities in the world grew up because of capital accumulation. A city functions like a cell; port, banking district, marginal area and plant zone are networked systems; and the capital – whether in the form of money or developed asset, is the energy flows through the systems¹. Therefore, capital accumulation is seed of urban development, so that city often becomes a center of technological & spiritual innovation, and change of institution. It personates a cell nucleus. By territorial, city is social organizational sub-system which owning capacities to bear and to absorb change of innovation, while countryside is sub-system, which its growth often depends on its nucleus². The more density the city and its nucleus, the lower investment per business unit will provide utilities, infrastructures and services (i.e. piping, clean water supply, waste dismissal, electricity, telecommunications, health, education and others). High density means also more denseness of social networks of the citizen that may lead to initiative and cooperation in more effective way.

Urbanization in the world has been growing up rapidly. However, since 1930's Industrial societies in Europe and North America have experienced de-industrialization. Manufacture Industries in the city was declining. Oppositely, Industrial products pop out in rural areas. Peter Hall categorized Europe in order of city evolution into some stages, and it must be noted that cities in Indonesia are also passing thru the phases; **Centralization** occurred by the industrialization where urban population increased, but rural population around decreased in general, then some cities are experiencing **Industrialization** where urban population growing up rapidly but proportionally, but there is also **Relative Centralization**, where cities start to expand over administrative borders and start to develop sub-urban. On the contrary, it is also frequently found the process of decentralization where **Relative Decentralization** makes sub-urban areas sprouts faster than urban areas, but **Absolute Decentralization** makes residents leave out of the city and urban areas turned into commercial and business districts. Finally the city is **Abandoned** and dying because most residents move to the rural/sub-urban area³.

The phenomenon mentioned above also happened with Jakarta and surrounding. The process of Urban Centralization in Jakarta followed also with new industrial areas – which not too organized and more decentralized to border areas. But Centralization itself is not yet sufficient to create A Global City - a city owning roles in multi-national financial service related to wealth circulation and creation of properties on global scale⁴. As always happened in developing countries, capital accumulation in Jakarta often makes the city over urbanized. The density process is growing rapidly because of international and domestic investment more concentrated in capital cities of the country or the provinces (therefore it called capital!), a phenomenon known as “urban bias”. This Urbanism runs faster because of urban founders' contribution, especially the urban developers which having coalition with giant corporations, local governance elites, and bankers in doing investment intensively.

Urban Founders are entrepreneurs/government officers/mayors/governors/bankers whom active in the business of space manipulation for the sake of exchange values. In the context of capital accumulation, they are businessmen of space who always try to market the city and turn it into new commodities by using a modern life style issues.

Urban development history also influenced by the elites, which having capacity and authority to exploit spaces and influencing consumption of space and society life style, and even governmental budget. They are an ambitious town creator, flamboyant and imaginative innovator whom able to see urban spaces as production factors of growth and development. They are basically is the people who believe that space/land business is a growth business machine that creating power and properties to the initiators and its owner⁵. To accelerate capital accumulation, the ideology of urban development becomes a privatism because the state controls space supply through neo classic economic ideology where the market is perceived as technical, neutral and impersonal, with focus to facilitate private capital accumulation.

The dynamics of capital accumulation in urban development is getting intense with the existence of NIDL (New International Division Labor) at global scale⁶. Growing industrial areas in Jakarta and its surrounding (especially after Asian crisis 1998) can be explained through space development and space divisions fitted into labor market. In understanding NIDL, there is global space that experiencing structural changes because of recent capitalism economic internationalization. Multinational and transnational companies can exploit difference spaces through labor market divisions in certain industrial sector technically. And the capital moves freely from Developed Countries to Developing Countries because of semi unemployment and unskilled labor, cheap wages, authoritarian political regime, bad working condition, and weak labor union and so on where for capitalist those conditions are very interested to be exploited in global scale. Who is enjoying the situation? Of course the investors whether foreign or domestic.

THE BATTLE OF ECONOMIC SPACE

The spatial implication of domestic and transnational production reorganization is not only creating industrial estates, but also pushing up the production of spaces for office, housing, recreation, commercial and others. On the other side, it also stimulates growth of slum and illegal settlements which built up by laboring impecunious immigrant, and often grow also various informal sector services which marked with illegal stalls appearance, push cart and decrepit tents that spreading out all over the street and taking over public spaces. Public Space then become a battle of economic space which sometimes bleeding out.

Capital accumulation process in Jakarta creates a world of dualistic. As told by the story of *A Tale of Two Cities*⁷, the implication of this capital accumulation immediately creates town landscape which very presenting contradiction between formal vs. informal economics; urban rich vs. urban poor; the haves and the haves not, and shopping mall vs. traditional market; even also found ethnic segregation which express "urban apartheid". This segregated, dualistic, and contradictive city is always keeping disquiet, distress, distrust and insecurity where its implication will be commented furthermore in this article. It is very well known that the middle - upper classes are rather threatened than being grateful with the poor. What the urban poor has done with the public spaces makes the other class feeling unsecured. Firstly, the poor occupied other properties at will as they want. Secondly, the poor makes the public spaces messy and disarranged. Thirdly, the way the poor moved is creating traffic jam everywhere, because of the poor's vehicles (i.e. push carts, pedicabs, etc) used always stop by at any places, anywhere, any time. Moreover, they can't move as fast as the middle – upper class' vehicles. Fourthly, some of them are thieves. In fact, from the very young age, their kids has already taught how to get money by forcing others such as being a beggar, street vendor, cleaner for car glass, and "a penny police" at U-turns. In dangerous level, many criminals come from the poor communities.

Because of the threat of the poor has already become a social perception for the middle – upper class in urban life, the city arrangement also restructured into social polarization. The poor perceived as the aggressor and the invader of the public spaces, so that the middle – upper class must fight against them. With their money, the middle class makes coalitions with the government to evict the poor out of the city in the name of law enforcement. As for the consequence, the planning and development of the city like Jakarta is aimed to the middle - upper class interests, to protect their properties through building security systems and high fences for preventing them from urban poor penetrations. There are three instruments used for this purpose - Urban Design, Architectural Planning, and Allocation. All of them are combined to make the law does not accommodate the poor needs⁸.

The battle was begun when developers - who represent the haves, apply the formula of 3L (location, location and location!) for their property business philosophy, and ironically so does the haves not. For the poor, the only way to survive is by approaching the crowd, the place where people hassles and bustles. They offer many things to get money for a living in the public space which at the present day managed and “owned” by the developers. In every new shopping mall that built over the past five years in Jakarta there are also exists illegal stalls around. Both of them, the malls and the illegal stalls competes one another. The weapons of the mall are air conditioner, granite floors, elevators, and branded items that creating deluxe images while the illegal stalls are having negotiable price, cheap brands, free parking, and time-saving shopping for their own guns to win the war.

The developers together with city planners and architects always try to translate global consumption strategy in the name of “making people happy” through the exclusive modern lifestyle. They built not only commercial centers but also consumption centers that treating consumers like the special elected persons so that they believe the most real happiness in the era of globalization is by adopting exclusive modern lifestyle, which is only afforded by the middle-upper class. In relating to make the lifestyle comes true, it is very obvious that the existence of the poor and slums areas will be seen as disturbing problems. Therefore the middle – upper class, whether conscious or unconscious, are doing class discrimination projects by clearing the urban spaces from illegal stalls, street vendors, beggars, by liberating the urban movements from transportation modes of the poor⁹.



Figure 1. Land clearing from illegal settlements in urban space shows class discrimination.

But it doesn't work! It is because the urban poor become poorer nowadays compared to the era before crisis. Some facts tell the recent situation: job opportunity is hard to get, gaps among classes become greater, marginalization of the urban poor to the sub-urban areas, no political representatives for the poor is creating strikes almost everyday, and cultural imperialism existed because of the middle-upper class labels the poor with negative stereotype. The urban poor has realized of what they did with the public spaces was illegal and they know they will not stay permanently, but again, the only way to survive is by approaching the crowd because there is no access for the poor to get any parts offered: privatizations are taken by the rich, bank loans are given for the people with collaterals, and productions are imported since the local cost became higher. As for the consequences: unemployment had ever increased to the level we never imagined (over 40 million people). This is aligned to what Heidegger (1962) said about dwelling and trading illegally in the public space are only the media for wandering around¹⁰.



Figure 2. Trading activity used by the poor for wandering around as contemporary-flaneur.

They urban poor looks like a contemporary-flaneur who lives in the fantasy world, in the realm of the unreal. Their life is not in externalized dimension of time and space, but in the stage of "being" forever. They dissolved into unconsciousness and irrationality. As for the consequence they are easily to be provoked and admitting violence without thinking the risks. This kind of urban experience creates the new understanding of urban discontent and contributes the new meaning of the chaotic and instable space known as space indeterminacy¹¹.

The development of the city then is fragmented into the fortified society for the haves versus the slum-criminal region for the haves not side by side. The architecture of the city becomes militarism

syntax expressing a movement against the poor where urban spaces transform into defensible spaces. All phenomenon delivers message that there are "different human creatures" outside the fences, not our people, not our breed, not our class, not our family and not our race. Unfortunately, most of city planners and architects are maintaining the polarization state. Moreover, the successful of city planner is measured by the degree of how exclusive the building they built. The very secure designs and the very high enclosure blocks are the parameter to guarantee the successful of the city planners. They forgot already the noble mission behind the profession for the sake of money and the battle continues.

Beside formal developers, the polarization state which is having potential danger by design maintained by illegal developers or the hoodlums. Because of the big number of money circulation and capital accumulation in these areas, the business of illegal spaces is growing up rapidly and establishing the never-ending war towards the business of legal space. The battle of economic space is unavoidable: the haves vs. the haves not, formal vs. informal. And we are standing in the middle of the war everyday!



Figure 3. Two economic faces separated by fence.

THE CREATIVE DESTRUCTION

A term coined in 1942 by Joseph Schumpeter in his work, *Capitalism, Socialism and Democracy*, to denote a "process of industrial mutation that incessantly revolutionizes the economic structure from within, destroying the old one, creating a new one." Entrepreneurs are constantly looking for new ideas that will render their rivals' ideas obsolete. By creating something new, successful innovators destroy the profits motivated their predecessors¹².

Formal Developers as entrepreneurs and the urban development actors as well in Jakarta are not limited to the professional urban founders, but also all "amateurs" who jump from their business core into real-estate field. They basically are entrepreneurs in banking, garment, fishery, oil and others. It makes urban development become frenzied and hotter; which eventually in the end will contribute worse economic crisis. The question is why do they plunge into property business?

In capitalist society, land is fully transacted commodity. But to be differed from manufacture commodity comprehended by Marx, land is a commodity which spatially having fixed location and cannot be removed physically. It needed by human being and all assets upon it can be built up, can be renewed and can be also broken down. However, not like foods which finished when swallowed, or clothes which broken when wore continuously in a short time - building can be exploited relatively for a very long time¹³. Therefore, it oftentimes also needs big investment with long amortization as well. In capitalism economics, property is a determining factor because of tied up in the form of built environment. This condition makes property being a part in capital accumulation chain. First part is manufacture commodity production such as those conceived by Marx – but where benefits accumulation of labor exploitation enter the condition of contradictive, namely effect of over production, the purchasing power of the society shall no longer be adequate to absorb it so that the benefit is difficult to obtain. As for capital can be optimally exploited, hence it should be transferred to the second part, namely investment on built environment - where capital is more stable with more certain benefits. Some of capitalists then will transfer its capital to third part, which concerning technological investment and more scientific knowledge, more sophisticated and skilled labor reproduction and so on¹⁴.

However, urban investment does not by itself can solve the first crisis in capital accumulation chain. The second part can also create crisis in itself, because of property values can be devalued in time, especially if planned recklessly which immediately can become a barrier to capital accumulation expected, and even at one time it can also become a barrier for the target of new investment. As a result, second part requires to renew or to relocate to other site - returned to the first part again or shifted to third circuit. Urban investment in fact offers solution in the crisis of capitalism, because urban space units grow and die by turning around. It is clear there is significant correlation between economic restructure and urban restructure.

Increasing price of land is increasing Ground Rent (GR). GR is a value claimed by landowner as surplus over production cost. Capitalization occurred in GR is actually the most suitable and realistic value based on market value for the landowner in exploiting space nowadays. Selling price, thereby is building value added by the capitalized GR. Smith focus on what he conceive of potential GR or land value which can be capitalized when exploited optimally at its best (or highest and best use, in planner parlance). The problem of capital accumulation is what called as the Rent-Gap (RG). RG is a value difference between potential GR with capitalized GR. Many factors influence to the span of this value. A new re-investment will enter if the gap opens widely. For Smith, to increase price of land is to increase GR. Using the opportunity of increasing value means to catch up the opportunity created by RG¹⁵.

Thereby, gentrification will occur when the gap is opening wide enough so that developers can buy it cheaply, and after rehabilitating or developing, they can sell it at the most beneficial price. Then, entire GR (or partially) is capitalized, a new environment is reborn (recycled), and the new exploiting cycle is about to begin¹⁶. Capital in second part is also can be devaluated in time and land can also be abandoned. In this perspective, the dynamics of urban development is also can be seen as investment and un-investment history. The Global capital in this time is easy to hop from one country to another aligned with the NIDL concept. In Uneven Development, the dynamics network of investment and disinvestment at city scale is "seesaw location". Capital will enter slum area and develop new things while the existent population is moved to other area. But they will return to the original place because the area declines and does not function. Capital moves from creating to destroying and recreating, and so on¹⁷.

There are many kinds of environment becoming main target of destroying and re-creating, For instance; traditional markets, historical sites, park squares and slum areas. They are very attractive because its potential Gap Rent opens widely and attract government elites and developers for establishing a coalition. The weak - less professional – corrupt governance, supported by the unskilled - less knowledge city planners, then join with more professional private interest. This coalition believes each obeyed city resource has to immediately transform into various new services/products of the space to be more useful, socially and economically.

What kind of development created by this "urban founders" coalition? They supply various recreation place, office towers, industrial workshops and commercial buildings such as shop houses, department stores, shopping malls, and all of those tend to be dedicated for middle-upper class society. They also build a lot of single houses, flats, apartments and mixed development that combines offices, commercial and recreational.

How they develop? They didn't build "architecture high-style" but only "architectural type" which is relatively not creative. Architectural type defined as space and form structure that proven the most efficient from investment point of view and most functional in response a certain program. The type has potency for repeated continuously (i.e. gas station, shop houses, flats, apartments, office towers in uniform). They are composed in building typology that often configured in a super block system. Type then becomes a design procedure in architecture production either through formal/stylistic or structural/organizational. Architectural Type is capable to maintain essential characteristics from an object that can be replicate into various variations, so that the concept of type in such a way is very useful in architecture design¹⁸. However, if the architect is having so-so ability, architecture production is easily trapped into uniform and standardized object. Super block alone is usually built up on big size land, often string up some blocks or buildings at the same time to develop new single project - and the process frequently destroy all previous building fabric (i.e. destroying the Chinatown at Senen, Central Jakarta for creating the new Atrium Shopping Mall).

Thereby modernism in fact shall no longer a simply architecture movement. Inherently it represents a totality that cannot be separated from capitalism system. Even ideas of post-modernism cannot secede from strength of capital accumulation for destroying town and produce building type which uniform and standard. This creative destruction echoed by Joseph A. Schumpeter as a fact of capitalism which continually makes elementary changes to economic structure from within itself by destructively destroying the old one and recreating a new one.

THE ILLEGAL COMMODIFICATION

Along with the efforts of the poor to survive, slum areas created, informal sectors increased and street vendors marked their territories in the public spaces. It is because the government, one of urban founders, does not provide access to the poor for proper economic space in strategic locations. Therefore, the slum areas operate automatically with their marginal capitalism concept and develop specific commodities to be consumed by the urban poor as also happens with the haves, this process called as commodification, a term used by Timothy Burke to show interrelationship between colonialism, consumer capitalism and the consciousness of needs.¹⁹ These include: "How do new needs develop? What makes a luxury into a necessity? What causes 'tastes' to



Figure 4. Artificial Palm trees are installed inside Kelapa Gading Mall as public space commodification for the haves.

'transfer'? What changes the relationships between things and people? How do people acquire deeply felt and expressed desires for things they never had or wanted before?" The difference between the poor and the haves commodification is for the haves supported by the law while for the poor is accused illegally.

There is wider gap created between the poor and the haves during the crisis. Expensive cars seen more frequent nowadays as for the population of Jaguar, Benz and BMW grow up significantly. Moreover, the property business, especially shopping malls, shop-houses and condominiums are demanded very high during the crisis. For instance, Kelapa Gading area at North Jakarta dominated by four new shopping malls established at mega scale in the last five years and one in progress, food cities, three compounds of condo towers with thousands units, thousands shop-houses and single houses during the crisis. Although the law of supply & demand works and Rupiah depreciates four hundreds percents against US Dollar that makes the properties in this area are very expensive to own but the price is no longer too high for the haves because of their need of security. The more secure the area, the higher the price offered. No wonder as one of the safe areas during the turmoil and the social unrest in 1998, Kelapa Gading becomes the most wanted area for the haves.

Why it can be happened? Basically, what the developers did is only moving the public spaces into buildings, from open space to closed space. Square, food court, courtyard, atrium are moved inside the shopping mall. Artificial plants, rocks, stones and street furniture can be installed inside the building in Modern Urban Environment²⁰. Cilandak Town Square at South Jakarta and other "Town Squares" around Jakarta can be examples the meaning of square, which should be an open space, changed into the massive building. In short, the whole public spaces relocated to the mall so that the public space free from the poor and its moves. For housing complex, the higher the peripheral fences and gates the more sold well the complex. The architecture style is no longer significant to be considered compared to the security system equipped the area. The more sophisticated the security system such as integrated electronic security system, the more favorable the area becomes.



Figure 5. Central Park of Monas located in the heart of Jakarta is double fenced.

Ironically, real public space becomes pseudo public space. A public park like Monas fenced around by the local government and people must pay for their right of being a citizen to enjoy public spaces. The great fountain of Hotel Indonesia also renovated with slippery slope flooring in the outer ring so that the poor cannot use it for strikes. Jakarta becomes fragmented, segregated, enclave, gated, fortified, and apartheid city. All of these are built for the sake of anticipating the threats of the poor. Law and order has made to protect the haves rights in creating the paranoid lifestyle and adopting consumptive behaviors. The more developed the city, the more discomfort Jakarta becomes. The more sophisticated the more isolated the housing complex will be. What a paradox!

The illegal commodification also developed among the poor. All branded items in the luxury shopping malls can be found in illegal stalls, but of course all fake! The fake Nike, Yves Saint Laurent, Cartier, and other luxurious brands are traded in illegal stalls just in front of the mall only one step away outside the fence! A portrait of apartheid-economic erected by the urban founders which against the social, moral and economic justice posed by the commodification phenomenon. Years of depression during the crisis should have been so auspicious to the rise of illegal commodification, a process supported unconsciously by the government, developers, investors, and not least, the middle-upper class. Given this state of affairs, the poor with uneven support did not labor in vain, for the ideals of luxury became increasingly powerful within the poor. To the extent that it was an integral part of the emerging commodity culture, however, luxury did not come cheaply, certainly not during hard times. We must pay for it at least the chaos outside the mall is its price!

Drawing on Marxian notions of commodity fetishism, in this case illegal commodification, consumer capitalism exploited. Yet a cultural diffusion is insufficient, because it fails to adequately account for the construction of stable "needs" and more "Indonesian" forms of cultural appropriation. Therefore utilizing power as both restricting and productive is needed to retain agency within urban communities calling for social justice. This phenomenon is strongly suggested for capitalist interests to share their mall-spaces to the urban poor. Yet one must still ask, given this evidence, how much of a role capitalist interests played in these developments. Cultural values of "luxury" are ambiguous at best, and capitalist efforts, especially during the crisis, to a great extent expanded already the gap of social institutions forms. Urban poor engaged in relationships with these forms, as well as forms of merchant exchange. The forms should produce more fundamental changes in urban poor customs and practices, but from oral evidence, most "urban poor" felt that the new forms forbid anything other than a new range of possibilities.



Figure 6. All fake branded items can be found in illegal stalls in front of malls.

THE OSBTACLE

Is there any effort of the government's to stop the battle? So far nothing is significant. What the government did was being confused, looking for justification and rationalization for not to provide access to the poor to get economic spaces in the strategic locations. The government always tries to relocate the poor into suburb areas rather than enhancing the quality of their original locations. It is because the government has a false paradigm of economic spaces for the poor neither a social consumption nor public goods. For government, economic spaces are the private goods as preached by the western economists. Investment in these sectors must be made as a cost-recovery project, so that the production and distribution should be given to the private companies in the name of free-trade mechanism. They wish the city development be sustainable by this market friendly policy even though this policy sacrifices the poor.

Ironically, instead of ceasefire the battle, the president just issued this June 2005 a New Presidential Regulation No. 36 on the Provision of Land for the Public Interest that trigger widespread protest. The government has assured the public that this Regulation will not advantage private entrepreneurs or speculators, intent on making a profit from the appropriation at the expense of rightful landowners. "The president has emphasized that this legislation will not become a tool for evicting people," said Minister of Public Works, Joko Kirmanto. "These regulations cannot be used to justify the building of malls or any private projects," he added. But then Kirmanto also said the Regulation will be used for attract investors to Indonesia, apart from being used for development in the public interest²¹. But the problem arises; what is public interest by definition? What if the government has no money to provide public facility then invites private sector? In fact several public facilities is now managed and owned partially (up to 49%) by the private sector such as Water supply, Ports & Harbor, Toll Roads, and so on. In fact, the economic recovery program offered hundreds of state owned companies to be privatized by the government. For this "selling the country" purpose a special institution named Ministry of State Owned Companies established IBRA (Indonesia Banking Restructuring Agency).

Therefore the urban poor cannot see the new regulation as government noble effort to enhance their quality of life and given economic opportunities but rather seen as political bargaining strategies played by the elites. They see themselves as a commodity for the policy makers. The function of government, which is actually protecting the poor, is no longer valid. What the republic constitution said in article 29 is meaningless since all the vital aspects including natural resources can be owned by the private sectors. In this perspective, the government has already committed a violation to the republic constitution. As for the result, about 47,000 ha of slum areas has been occupied by 2.3 millions poor people since 1999²² because economic space price cannot be afforded by the poor and no financial support provided, since there is no special bank assigned to support the urban poor economics development. This condition becomes ammos to extend the battle with point of no return until the government changes the policy and starting to look after the poor.

THE STUPID EVICTION

Removing the poor to suburb areas is not the answer to stop the battle. In fact, eviction is the most stupid solution for solving this problem. There is a study conducted by several NGOs in the case of Kali Surabaya revealing the stupidity of eviction that reported total asset of the poor living at slum areas along the river was over Rp. 144 billions consisted the price of house , land, infrastructure, and lost of opportunity cost (no economic activities during relocation), but excluding social and economical assets of the poor, the cost of relocation, and the cost for developing new area that makes the number will be much greater than the above calculation²³. This means the eviction program will waste very huge number of money for and because of the amount of people living there of 1033 families so that each family was having asset of Rp. 140 millions. It is not comparable to the little money the poor usually gets for compensation as stated in the new presidential regulation.

Other effects of eviction are social and psychological cost that can not be valued by money; 1) many children will stop their education (formal/informal), 2) beggars & homeless increased, 3) criminals spread up, 4) low morality and low self esteem societies created, 5) some people who don't have strong mentality will suffer insanity, 6) clash of the societies, 7) the fragile nation building, and 8) the battle will be continued. Considering the damage of eviction program created, it is better for the government to think again before taking any action to evict. The eviction is not the cheapest way to solve the problem as thought by some city planners. In fact, the impact will be resulted in long term and is having negative multiplier effects. It is true that the poor is having bad behaviors and sometimes showing destruct behaviors. It is true that the slum area is unhealthy and quite disturbing visual scenery. It is true that the poor frequently against the law by occupying public space. But the question is all of those bad things a cause or an effect? The eviction must be the last option chosen whenever there is no other choice.

THE CREATIVE ECONOMY AS A CHOICE

At least three strategies can be applied to cease the fire based on changing paradigms as follows: 1) Slum areas & Informal sectors are assets, 2) Environment Rejuvenation is the very basic nature of urban development, and 3) Government is a public developer. If we look inside the slum area, we will know there are so many functions of urban development have internalized well and several advantages existed. The resources of cheap workers (labors), brokers (intermediaries), mortgages (collaterals), and creditor (money loaner) are completely provided in traditional form. The "rental space" business in slum area is always in very high demand for the new migrants whom always increased year by year. The price is lower than in shopping mall offered by private developers. Actually, the self financing development has already established in the slum area. What the government has to do is supporting the poor by modernizing the system; both financially and technically.

Instead of creating a brand new environment with no guarantee will be fit with the occupants, rejuvenation or upgrading is much better to apply. From environmental psychology point of view, it takes time to make the new environment fit in to the occupants, and sometimes takes a very long time. Behaviors are the product of people habits, and habits are adaptation process of the mind (and emotions) towards built environment. According the theory of architectural determinism, environmental psychologist knows that built environment determines people behaviors, but whenever the environment is not able to support the people needs and activities, the theory of environment probability will works since people are free to choose their environment²⁴. Moreover, the place-identity theory explains that place is about people cognition so the total changing environment will make their self-identity in crisis²⁵. From the industrial psychology point of view, beside rejuvenation is much cheaper than building a new environment, it can be a tool for enhancing productive behaviors and eliminating destructive behaviors. Old environment is the cause of low job satisfaction, but placing people into the strange new location will produce the same thing²⁶. Rejuvenation is the way to solve this problem since people is has not to be shocked with the new environment but in the same time avoiding boredom. The basic concept of urban development is put people first before the physical setting, not vice versa.

Eviction is easy but the cost is very expensive to bear. The Government must differentiate between private space for public activities and real public space. Government must gives access for the poor to get private space instead of being used by the private sectors to protect their greedy desires. Government must stands as a mediator between the have and the have not. Government must be very selective to determine whether the poor has already disturbed the public interest or not. At least there are 4 parameters must be considered: 1) social cost (i.e. criminality), 2) inefficiency (i.e. traffic jam), 3) safety risk (i.e. natural disaster like flooding area), and 4) public health (i.e. epidemic disease source). If one of the parameters is not met, eviction can not be chosen to solve the problem.

The main function of the government is to protect the poor rights, including economic right. There is no other way to come out from the urban crisis except the government plays this function very well. It doesn't make any sense if the private developers are able to be richer and richer while the government, who has regulation, financial resources, public funds, and infrastructures, is not able to be more success than the private developers. Housing Development Board of Singapore has proved that government is able to be the wealthiest company by having the biggest assets in the country, so why can't Jakarta?

Starting to combine capitalism with socialism in the manner way can be a powerful solution. Only government has a capability to redistribute equitable urban resources. Some production factors of urban development must be controlled by the government such as strategic locations, financial resources, material prices, and city development management in an integrated system to all over the city. The Government Agencies as public developer must be established as soon as possible in every level of city administration. Funding difficulties can be solved by budget allocation, cross subsidies, secondary mortgages, providence funds, special banking and so forth. The agency also given an authority for compulsory land acquisition, regulating tax incentive, and coordinating all sectors related to urban development such as city transportation and infrastructure. In fact, the occupancy rate of the new shopping malls in Jakarta is quite low since the economic crisis, so that the agency can give the poor a chance to get the space inside the mall. Hopefully with the competences of this agency the battle will be ended sooner.



Figure 7. Emptiness inside the mall

CONCLUSION

The dynamics of destructive capital basically is a root of unstable city because in its process often accompanied by evictions, where lower social class is replaced by upper group and the urban poor usually will move to outskirts gradually but whenever there is no access for economic space in the outskirts, the poor will invade public space. Urbanization, Centralization, Privatization and Industrial Development as effects of NIDL will continuously create slum settlements in all place possible, and increasing informal sector that occupy public spaces. Increasing consumptive urban life style tied up with property industry will strengthen the process of centrifugal fragmentation, because commercial space managed in big scale will extend its service operation to take over market segment which usually supplied by traditional sectors (i.e. hyper market and super markets vs. food stalls and small shops in kampongs/lower class area). Therefore, segregated and dualistic city which is very distress and insecure will push appearance of defended settlement territories and defended islands of offices or commercial spaces peculiarly. The form of defensiveness of which at most done is to make high fence, special custody at the gate, and others. For the result, the repetition of architectural type and the configuration of super block are basically denying the importance of "otherness". It is more grappling the projects of modernity to uniform town shape and urban space. Main victim of this kind of project is historical site, and the second is space design and town shape which almost simply mass production of uniform objects.

Giving those facts above, refers to French Structuralism thought in 70's which believe in state intervention on managing capital accumulation, hence governance ought to play more significant roles to regulate and to facilitate capital accumulate in urban development. The capital accumulation regime in Indonesia in fact still embraces the model of urban development ala "Fordism" – which produces mass space for mass consumption. Making this kind of space is not in creative domain, it has been reduced by simply commercial domain and life style manipulation. This kind of regime in general has never response by the state with specific regulation mode. Beside technically less competence, the government nor have the way of creative intervention to facilitate private sector investment.

At the time of normal property market, study found that land have been developed around Jakarta Golden Triangle valued 15 times higher than the value at the time of buying it as kampong land, some reports indicated the increase of land value equal to 30 times²⁷. Manipulating the high potential Rent-Gap in urban development business is really an amazing creation wealth process. Thereby, the role of state intervention in managing capital accumulation ought to manage also how to redistribute the created-wealth to the whole society. On the other side, urban development is also a design problem. Indeed Capital Accumulate is a machine of urban growth, but devoting growth to humanism and esthetics will become more beautiful, more human and sustainable. And, of course by itself can weaken capital straggling in term of creative destruction, from creating to destroying and re-creating, and so on.

Innovation by developers, led to gales of creative destruction caused old inventories, ideas, technologies, skills, and equipment to become obsolete. The question was not how capitalism administers existing structures but how it creates and destroys them. This creative destruction causes continuous progress but should improve standards of living for everyone, both for the haves and the have not. The Schumpeterian views that "perfect" competition was the way to maximize economic well-being. Under perfect competition all players in an industry produced the same good, sold it for the same price, and had access to the same technology. What counts is competition from the new commodity, the new technology, the new source of supply, the new type of organization which strikes not at the margins of the profits and the outputs of the existing firms but at their foundations and their very lives.

Actually the wandering, the flaneur, and spaces indeterminacy make a city in developing country like Jakarta can be effectively functioned. Moreover, slum areas and the sector of informal public space can be creatively designed by the city planners as unique and imaginative thing. Unfortunately, many architects and city planners cannot see the potential of this condition. They prefer to walk besides the haves instead of being a cultural

agent or being a fair referee. In fact, many professions and professionals implicitly are having a position against the poor. But actually, if we can think creatively, they can be arranged for not contradictive spatially with formal sector interests. Functionally, the flaneur and spaces indeterminacy has been supplying products with affordable price, offering inexpensive services and providing cheap workforces. In short, the distribution of welfare can be realized with the existence of the poor. But can we, the professionals, the educated people see this potential?

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