PART: I. THE RESEARCH FRAMEWORK
Chapter 1. Introduction

1.1 Place-making in urban tourism

The main point of departure in this research is the interplay between tourism growth and the way in which it influences the local place-making. The place-making in urban tourism capitalizes local community’s asset, inspiration and potentials and yet characterized by a diverse collection of cultural products as the pretext for consumption. As Wyly and Hammel (1998; in Gotham, 2005) have stated, tourism development highlights the twin processes of globalization and localization that define contemporary urbanization and restructuring process. Configurations of the global and the local, thus constitute the economic, political, social, cultural and even personal matrixes within which individual increasingly live and die, define themselves and experience the world today (Cvetkovich and Kellner, 1997). It is the interconnection between global and local, which account for the particular ways in which an area of local history and culture is made available and transformed into a resource for local economic and social development within a globally evolving economy and society (Sassen, 2007).

To some extents, globalization is often equivalent to merely homogenizing and universalizing in some deprecatory manner against to a more heterogeneous, particularizing and concrete local sphere. And thus, the local has often been the site of the most oppressive, patriarchal, and backward forms of domination against, which more global and universalizing forces have progressive effects in eroding domination and oppression (Cvetkovich and Kellner, 1997:13). Following this conceptualization, in tourism development, many new destinations are keen to adapt to the new forces of globalization through branding themselves with references to the favored attractions all around the world in which tourism is paradoxically expressed in the language of the locality.

The integration of the juxtaposed global and local is often described as “glocalization”, a process that always takes place in some localities while at the same time the local is reproduced in the discourse of globalization (Robertson, 1992, 1994, 1995; Salazar, 2004). In the economic terms, Robertson suggested “glocalization” as the proliferation and branding of goods and services on a global level to be increasingly differentiated in the particular local markets (1994:28). He has debated that in “glocalization” concept, the expectation of authenticity has become increasingly institutionalized and globally spread and often seen as problematic; “the idea of globalization versus localization should be transcended, it should be the question of the ways in which both of these two tendencies have become the features of contemporary life” (ibid: 27). The idea of locality is sometimes seen as a form of opposition against the global trends. However, an interesting variant of this view is to be found in Gotham (2007:10) who has posited the glocalization process as a similar vein as “localization” that can be defined as “a process by which local actors and organization appropriate global images and symbols to reinforce local sentiment and inscribe local meaning into becoming tourism commodity”. However, glocalization process cannot inscribe the claim over local attributes since it is the “global” images that are being embedded into social practice.
As the result of such dichotomy between global and local, the ‘locality’ has emerged in contemporary destination economies as a new dimension explored and commoditized both by tourists and industry practitioners. Hall (2005) has suggested that the widespread notion of the local implies that locality could be analysed as being produced in real-time concomitantly with the development of destination economies. Meaning, state locality is produced by tourism industry per se, and it suggests the relation between tourism places with social interaction (Pernecky, 2007) given that destinations are packaged as the result of negotiations between different interests and social construction processes.

Speaking in reference to the local distinction, more city destinations are branding themselves in the similar way of representation and the “staged authenticity” of local expression (MacCannell, 1973) becomes correspondence with the notion of “zero-sum game” (Harvey, 1989b; 2005), which caused “placelessness”1 as the “casual eradication of distinctive places and the making of standardized landscape that results from an insensitivity to the significance of place” (Relph, 1976). Placelessness in this logic has been an effective heuristic framework for understanding the construction of place-making as a result of globalization and urban redevelopment that largely underestimates the cultural subjectivity of locals (Roudemetof, 2005; Tomlinson, 1999; Wang, 2007). The subjectivity of locals is reflected as tourists move in the city as temporal subjects, who have little time to put down roots as they pass through spaces, consequently, tourists on their wanders are only able to consume images of society and the reality is covered by multiple levels of selected representations. On the other hand, the tourism industry also generates various impacts on host communities as it transforms ‘locality’ into tourist commodity.

In addressing the issue of localization and thus, commoditization, this research embraces the notion of place-making as the result of social construction with emphasis on how places fundamentally constituted by social relations and reflexive practice (Massey, 2005; Murdoch, 2006; Sheller and Urry, 2006). The dynamic is transcribed into the uses of sites among host communities and tourists, even if it should not be taken merely to imply a focus of analysis. However, the place-making concept is crucial to pinpoint interrelated situations where locality is introduced, articulated and performed (Hall, 2011). This research gives emphasis on to what extent does place-making relate to community and local identity and to what extent is the social and spatial structure of the city is made available for the tourism place-making endeavour2.

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1 The contemporary discourse of place is largely influenced by modernity and globalization deforming the meaning of place for the community (see Sack, 1992).

2 This relation is a subject to the interpretation of place as its meaning and purpose suggest a significant cultural and historical value manifested in local, regional and national identity which its value expands into a location for economic transaction; tourism.
1.2 Background of the study

Throughout the past few decades, tourism has become increasingly essential to Indonesia particularly in its shift on political climate and the shifts from an agricultural to a more industrialized and service-oriented economy. In particular, starting from the 1969, when the nation-building was defined in terms of a source of foreign revenue, Indonesian leaders stipulated the political program for the development of tourism sector. Tourism was embraced as a vehicle to contribute to economic development in terms of measurable growth. The high priority given to tourism in national development policy generated a rapid growth in tourist arrivals and in earnings from tourism. Moreover, after facing the declined oil revenues, the Indonesian economic policy was soon directed towards the expansion of non-oil sectors in 1980 (Dahles, 2001).

Following the economic turmoil as a consequence of what has been frequently called "urban crisis" in the early 2000s; big cities in Indonesia had adopted a decentralization policy to overcome the urban decline. It has enabled the program for tourism that serves as a mechanism to upgrade the image and identity on the city. Prior to that, decentralization policy seems to expose local's credibility in managing and promoting position of their tourism resources and attractions bypassing the agent of national trends. The shift of responsibility and power to local government has stipulated in the Law 22/99, which consolidated central government offices with their local counterparts, including tourism. At the same time of the transition, Indonesia witnessed a severe economic crisis and political instability. Thus, the main attention has focused on strategy to tackle directly local unemployment and to provide sufficient basic services (Silver, 2002).

Decentralization became the mainstream for local governments to develop policies in order to optimize and utilize the economic potential of the region. The emergence of achieving good government emanates in the changing patterns of the state policy towards the city. The regional development simultaneously cooperates with autonomous regions in which tourism has played a pivotal boost for economic regeneration. This situation has put every city into the stage of active place branding in attempt to gain competitive advantage in attracting foreign and domestic investment. As a result, cities, which are better positioned strategically, benefit more with their established and growing infrastructure and higher concentration of talent and material resources. The investment of the development therefore, takes place in the efforts of urban tourism place-making for the local links to obtain the commodity chains, cultural industries and consumption avenues mainly concentrated in the inner city. For the destination areas, place-making involves a node of spatial, organizational and temporal consideration where places are defined in the name of packaged cultures and natures of everyday life (Jensen, 2007; Ooi, 2004).

3 In the decade from 1982 after oil revenue began to decline, a shift towards import substitution of goods and services began and a lot of process was made towards the goal of making non-oil traded goods sectors, such as agriculture, manufacturing and tourism internationally competitive in order to case dependence on exports of oil and gas (Booth, 1998:199).
1.3 Palembang as a relevant case study

Palembang underwent a major transformation from a port city into a tourist destination started in 2000s, when the city hosted the 16th national sports event. In doing so, Palembang promotes itself as a destination for urban tourism by emphasizing the richness of cultural heritage of the Kampong Kota Lama (inner city district) and along the Musi river. After hosting several national events and promoting itself as a cultural destination, it was only on the 27th of September 2005 when Palembang was first inaugurated as a water city by the president of republic of Indonesia. In 2008, “Visit Musi 2008” a tourist campaign was started as the city has completely revamped into a tourist friendly city with Musi River as the major attraction.

Driven by sudden tourism demand, the process of commoditization has had a significant implication on the locality. As their surroundings are transformed to accommodate the requirements of tourism, it was challenged from a loss of sense of place. Since many of the components of tourism development have come to deal with eviction renewal. In order to upgrade the image of the city, the state actors pursued projects that guided private developers to invest in the construction of tourism amenities while relocating the existing community to the periphery.

Policy makers and other actors concerned with urban development and planning have started to recognize the potential of places in the city. There are significant actors concerned with the neighbourhood development who pay attention to tourism as potential means of contributing to the regeneration of neighbourhoods in disrepair. In the broader debates of contemporary urban development, the neighbourhood level has been attacked for commoditizing and exploiting local community’s culture and heritage for the benefit of developers and other private sector actors. It intensifies the process of gentrification and uneven development and paying little attention to the needs of the urban poor and other vulnerable population groups. Within this struggle, the issue on how community can sustain their local identity and access the tourism places as tourists do in the face of globalized tourism network has become the challenging discourse among the researchers (Reed, 1997; Moscardo, 2008; Settachai, 2008).

Having that said, Palembang has appeared to be the potential urban destination in which its realization would depends on the proactive governance in managing the resources. With the decentralization granted to the local governments, the new constellations between public and market actors emerged, which is associated to the capitalist economies (Heynen and Robbins, 2005; Jonas and Bridge, 2003; Pike and Tomaney, 2004). Enticott and Entwistle (2007) among others scholars, argued that the private enterprises are becoming the pivotal agency for the public sectors. Statement such this is also promoted by Hall (2007) who is claiming that the management of

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4 The project of Musi River side development started since 2009 and has already conducted by the relocation of 150 families into the social housing outside the inner city with low compensation price. According to Palembang city mayor, Eddy Santana, pedestrian area on the banks of the river requires a multi-year funding from the regional budget, moreover, Government of Palembang offers to investors for the construction of the hotel and the integrated area (Palembang News, 2010).
places by tourist and destination economy strategists respectively becomes market-driven in which the relationship between the public authorities and stakeholders’ autonomy generates the productivity of regional economy. Therefore, it is important to understand power relations embedded in tourism place-making to distinguish if the locality is merely produced as a relational outcome rather than an authentic characteristic of a place.

Kampong Kota Lama is the historical inner city district in Palembang. Its urban dynamic can be analysed in terms of tension between urban regeneration and tourism development particularly in urban waterfront area. Originally, regeneration planning in Palembang has focused upon the built-in quality of infrastructure and building. The implementation of this approach has based on the policy of development strategy of urban spatial planning enforced by state agencies. Government pays attention to the preservation of national monuments, sites, vernacular architectures and the ‘culture’ of local people as well as the program of renewing slums settlements using comprehensive legal frameworks or financial instruments. Following this logic, the effort of regenerating the built environment leads to a tension between the existing structures of the city with the current policy of the development of tourism infrastructure. This is because, as a new destination, the city planning strategy has been primary re-oriented towards the needs of tourists and the provision of infrastructures for the investors.

The empirical study of this particular issue took place in the inner city of Palembang and popular area such as "Kota Lama" (Trans: Old city). Palembang Kota Lama is a slum area, where a high concentration of poverty and social deprivation take place. On the other hand, slums have been the first stopping points in providing low cost housing that enable the immigrants to adapt into the urban society. Kota Lama is composed by several neighbourhoods on which I focused my study in: Kampung 16 Ilir, Kampung 9/10 Ulu and Kampung Kapitan. The settlement pattern of Kampong tends to reflect the general characteristic of the relation among these neighbourhoods; the Chinese live mostly in Kampung Kapitan, an area along the commercial street; local traders and entrepreneurs live in Kampung 9/10 Ulu along the more hectic area; teachers and government officials settled along the main road of Kampung Ilir as it is considered as the more productive area. The kampong type of neighbourhood is something of a reinterpretation of the village pattern as denser, and more heterogeneous urban environment.
During the last 15 years, the inner city of Palembang has developed complementary specialized tourism-related function, parallel to the urban growth of the city itself as a new attractive destination. *Kota Lama* community has been through a process of physical and socio-economic transformation. Even though the area has consistently functioned as a commercial and water-based transportation hub of the region, but over the time, the community has been transformed from a location of Sriwijaya Empire in the 15th century, a Dutch residential area and fortification walls in the 18th century, to a traditional market area in the early 20th century, and to the prime area for contesting urban regeneration and tourism development in the 21st century. Such a changing function and urban economy and its relationship to regional and international process, needs to be related to the multi layers of socio-history and characteristics of the area. As Fainstein, et al (2003) have argued, cities have been a subject to culture and ethnic immediacy and their demography has been related to their dynamic and innovative potential. Given this, *Kota Lama* community conveys the growing development of their area of living as the illustration between an emerging capitalist market economy of tourism and a local community.

Driven by the potential of Riverside and heritage tourism, the inner city of Palembang is co-modified into a tourist attraction, where the space is identified as a ‘product’ and its users are seen as ‘consumers’. Fainstein, et al (2003: 5-7) have put emphasis on the transformation of function of the city, e.g “older industrial cities converted into tourist destinations”, which became such commodity. In Palembang, such transformation is typically inserted into the slum landscape and old market, where the synergy of the two has gone their separate ways. Therefore, a relevant formal planning and administration is created not only in promoting and preserving such places but also to manage the process of accumulation and manage the
relationship between capital and labor and how they are situated in urban space (Ibid). Without proper regulations and institutional structure, this development could lead to the conflict between the demands of tourists and the needs of local people.

1.4 Problem Statement

The question on whether the tourism development has exacerbated the existing forms of social and spatial equality or provides new capital opportunities for marginalized areas has been contested. Urban scholars (Harvey, 1977, 2004; Zukin, 1993, 1995; Hall and Page, 2003, Fainstein and Judd, 1999) have seemed to incline to the negative consequences for minorities, which are more likely to emerge in the city that has been transformed into a place of consumption. However, as it is challenged by Fainstein, et al (2003), Bianchini, et al (1996), Smith (2007) the cultural diversity demanded by global forces, in the other hand, is giving rise to the new forms of cultural capital and niche marketing when planned carefully in the integrative manner to urban development, that “to appreciate the significance of culture, urban planning needs to take into consideration of lifestyle, cultural associations and local identity” (Smith, 2007:7).

To what extent such opportunity is profited by the local community to enhance the attractiveness of previously non-marketable places, depends largely on the set of regulations, which allows an active contribution of local community into tourism planning development. Following the logic, it is crucial to explore the intersection of global-local interplay. In his research of cultural heritage tourism in Nepal, Sofield (2001) has particularly emphasized the importance of investigating tourism in the framework of global trends with local nuances, since local communities have been subject to the global tourism’s proliferation. Implicit to this argument is the assumption that globalization will eventually result in global cultural homogeneity, thus oppressing the locality as the marginalized property (Blakely, 1979; Evans, 2001; Sofield, 2003; Mowforth and Munt, 2008). The researcher of this academic work would rather see that cultural homogenization, depending on the resistance and negotiation of the social collectives and regulatory bodies, is more likely to emanate in generating and endorsing heterogeneity as an attribute as much inherent to its logic as homogenization.

Therefore, it is crucial to develop an understanding of tourism as a social force with transformative capabilities in involving connections with social relations and the multiple obligations of everyday life. The central focus of this study is the tourism place-making which is analysed from the perspectives of locality. Where place in this regards, is constructed by socio-spatial pattern of human interrelations, meanings, and value embedded in particular loci (Tuan, 1969).

Study case area particularly will be taking place in the city of Palembang. Despite the commotion associated with the strengthening of the central city and heritage creation in Palembang, tourist related development remains a contested area of the central city's regeneration efforts. As a capital city, Palembang has converted some of its unappealing structures of the slum community to develop new infrastructure. The municipality has apparently proposed the further redevelopment program in the area of evicted neighbourhood, which enabled the investors'
intervention in developing another five stars hotel on the riverside area. The project was controversial due to its propaganda of city beautification for the price of evicting numbers of households to the urban periphery. The project has raised public criticism and skepticism on the way in which government applies its development program by practicing a "harsh eviction methods".

1.5 Research question

The aim of the study is to investigate and evaluate the urban transformation through which key attributes of place-making are commoditized for the purpose of tourism development. The researcher is looking at the substance of local characteristics, which are used to indicate inclusion or limitation of urban tourism conditions. The research question of this dissertation is, therefore: How is the condition of locality made available for tourism development through localization and commoditization process as a component of tourism place-making?

The research question aims to investigate the culture of tourism in Palembang with the subquestions:

1. What kind of institutional and regulatory policies are employed? Who are the actors involved in the place-making process?
2. How can the locality generates tourism identity and negotiates the forces of global standardization on behalf of its community?
3. What are the strategy approaches of Palembang city to accomodate the tourism development?

The approach to understand the effect of tourism is constructed through recognizing that tourism is governed by regulatory frameworks constituted at different geographic scales; national, regional and local scales. The principal concern is the way in which cities are shaped by efforts to attract and control visitors in urban tourism place-making of the potential destinations.

In this research, to theorize urban tourism as a development strategy, it is necessary to investigate the way tourism is regulated and therefore its influence to the commoditization and localization processes. Within tourism, much capital has been spent to enhance natural attractions, to build human-made attractions and to complement these with infrastructure, such as a wide variety of accommodations. All of these cater to local users and others who visit the city from a distance. Many of them have been developed in line with national government policies but reflect the particular local circumstances. For example, many hotels are under state ownership but diversity of ownership and management arrangements exist including the involvement of international chains.

Tourism place-making requires set of parameters that contains; (1) the socio-cultural aspect; how neighbourhood is related to neighbourhood's stock of social and cultural capital and (2) spatial transformation; knowing that tourism has significant impacts on urban form. The spatial organization of tourist destination city differs from the other industrial cities that have specialized historically in producing services, distributions and manufactured goods. Consequently, the city center belongs to affluent visitors rather than to residents, resulting in the exclusion of working-class resident from the core.
1.6 Research Contribution

This research seeks to contribute to the concern of the often-neglected small and middle range Indonesian city, Palembang; that has been rarely explored. Apart from the historical research by Wertheim (1958) and Zed (2003), social studies by Nas (1986, 1995, 2003) and Sakai (2009), contemporary urban research focusing in this area is still limited and underexplored. Major researches concerning Indonesian urban development are still focusing on the cities of Java Island, which plays an important role in Indonesian’s urban development. Nevertheless, after the central government has strongly favored more regional autonomy and economic equality, many regional centres are now expanding more rapidly than is the capital\(^5\). The regional centers now, which are becoming the new destination are also taking advantages from tourism industry.

As one of the growing pillars of Indonesia’s economic growth, the tourism industry in 2009 was ranked as the third most important sector after gas and oil. However, relatively little is known about the discourse of urban tourism in Indonesian cities, especially in the regional capitals outside Java Island. This research is contributing to the discourse of urban tourism phenomena in Indonesian cities particularly in Palembang, as one of the growing regional capital in the Sumatra Island. The findings of this study will aid in the planning of strategic development programs for the city and by investigating this, the city will be positioning its role and prospect in international urban framework.

1.7 Research Gap

The most cited studies of urban tourism has embarked from diverse field of discipline, such as cultural studies, sociology, geography and urban studies (Ashworth, 1989; Ashworth and Tunbrigde, 1990; Law, 1993; Mullins, 1991; Shaw and William, 1994; Page, 1995; Zukin, 1996; Gladstone, 1998, Wyly and Hammel, 1998; Pearce, 2001; Page and Hall, 2003; Urry, 2006; Edwards, Griffin and Hallyar, 2008; Spirou, 2011; Hoffman, Fainstein and Judd, 2003). The result of these studies retains a set of consequences for the tourists, the industry and the host communities. These studies, however, pointed out their significance mostly from the perspective of “central place“ theory. With the reference to the concept of global city (and thus globalization) located in global circuits of money and people, with substantial historical assets and iconic buildings designed by famous world architects (see Harvey, 1986; Zukin, 1996; MacCannell, 1998; Spirou, 2011). They have a status of cultural center and global business network, which offer a wide range of leisure experience (example of the destination in Southeast Asia is Singapore, see chapter 3).

Larsen, et al (2006:244-262) have claimed that recent study of tourism “has neglected issues of sociality and co presence and overlooked how much tourism is concerned with (re)producing social relations and cooperation”. The alternative study of tourism, putting its main argument into the community-based perspective have been

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\(^5\) Also it was prompted by the liberalized financing investment and banking has become nearly ubiquitous because foreign banks are now free to open branches in cities other than Jakarta (Silver, 2001: 83-90).
studied by, among others Murphy, (1985); Mullin, (1991); Rodman (1992), Reed (1997); Dahles, (1997, 2001); Salazar (2005); Mascardo, (2008); Maitland and Newman, (2009); Murti (2015). It has been focused mainly as compiled evidence on how community capacity for tourism can be built, enhance and influence urban planning. Whereas, research into the social impacts of tourism on a community suggests that a number of indicators influence the level of impact. As an example to this, factors such as the state of the local economy (Gursoy, et al, 2002), the maturity of tourism destination and the level of community attachment to place have been recognized to influence the level of impact. Much of the research into social impacts focuses on the host community perceptions and examines the negative and positive effects of tourism on the community as perceived by its members (Fredline, et al, 2006). These researches are conducted based on the intrinsic factor, which defines particularities within the community and which can be explored within a single case study.

In developing social indicators for tourism development, previous researches have acknowledged indicators that measure components of community life such as the level of safety within the community, levels of crime, and the sense of community and community well-being and the sense of pride in the community (Fredline, et al 2006: 9). The result of these researches highlighted the need to develop indicators that would be relevant to tourism planning and development. Using a range of analytical techniques, the findings of these researches have developed a measurement tool to provide information for social policy and planning strategy (Horn, 1980; Faulkner and Tideswell, 1997).

However, these measurement tools may not reflect the views of community and may not capture the transformative fashion the community has been dealing with throughout the process of tourism development. Since the purpose and role of social indicators is to reveal change over the time and provide the causal findings from the potential impacts. How much change is required or is acquired, in understanding the conditions essential for tourism place-making, is a fundamental issue to focus on within my research. By using historical data on the location of tourism attractions and other accommodation services, it is aiming at analysing and interpreting the spatial distribution of tourism in association with a wider set of urban changes (suburbanization, globalization and the evolution of urban mobility). Place in this context is constituted by social relations and reflexive practice to pinpoint the situations where locality is introduced, articulated and performed into a tourism commodity.

Therefore, rather than investigating the social impact of tourism per se, this research is aiming to evaluate the culture of tourism development and its role in transforming the city. The implication of recent developments in tourism is especially the “physical” environment, on how the environment is being “read”, how it is appropriated, and how it is exploited. In this research, referring to the increased influx of tourism development into neighbourhood gives the impact to the neighbourhood which is therefore shaped by;
• The kind of tourism entering the neighbourhood and how influential the interventions are related to the institutional and regulatory context;
• The host community’s particular characteristic (social, ethic, spatial) tourism impinges upon;
• The way tourism development is planned and how does it integrate to the overall city’s planning.

1.8 Scope of the research

The particular choices that have been made over the course of research have resulted in several limitations of the study. However, by recognizing the limitation, the researcher hopes it will create new opportunities for future research.

1.8.1 Time dimension of the research

The research findings and analysis are mainly based on data obtained from five months of field research altogether; April-June 2011 as the preliminary research and December 2012-February 2013 as the final field research following the several south-east Asian cities as a reference study (Yogyakarta, Singapore, Bangkok). The different time periods were given to respond to the change over time as a result of the nature of community in the study case area since change is inevitable and urban areas are subject to vast changes. The research basically provides a snapshot view of the effect of tourism, which suggests that long-term studies of the same topic and location are required to provide a better understanding and broader view of the interface between tourism development and local communities.

1.8.2 Dimension of Tourism Research

The investigation, which was conducted in this research, is the result of on-going process of transformation of the city. It is pivotal to note that the effect on host communities is the main consideration taken into account in the analysis that is identified as “people impact” (Fox, 1997; Page and Hall, 2003). The impacts on host communities in urban areas are often considered only when tourism development leads to local opposition, such analysis gives significance in determining local policy, planning and management responses to the development of the city. Both the renewal and regeneration process and urban tourism development are the agents of change of the existing built environment in city; their common characteristic is in transforming the old spaces and creating the new ones. A major focus of argument over clearance and redevelopment has been their impact on the lives of the residents of older areas. Two separate aspects of the argument can be distinguished; long-term implication related to the aspirations of residents; and more immediate problems of the

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6 Regulation refers to the institutional structures that support and stabilize a given regime of accumulation both the formal rules imposed by institutions as well as the informal norms and expectation that arise from social and cultural pattern (Amin, 1994).
redevelopment process. However, the focus of consideration will be on social-cultural and spatial transformation conception, which is beneficial to reveal the risks and benefits of tourism development apart from its immediate tangible economic effects.

1.8.3 Generalization of the case study

The effects of tourism are contingent upon a range of factors, for example, the scale of tourism activities and the nature of interaction between hosts and guests. The research was conducted in the selective study area, which is a subject to generalization of the findings. Thus in the future, to increase the external validity of research findings, more case studies of the same city, located in a directly comparative framework, need to be undertaken.

1.9 Organization of the chapters

This research is written and organized in three parts. Each part represents the different research materials, which serves as a coherent and continuous contextual setting for this research.

Part I consists of chapter 1 and chapter 2. Chapter 1 delivers the introduction of the study overviewing the nature of this research. It points out the ontological position of this research, that "what is there that can be known about it, how things really are and works" (Cuba and Lincoln, 1994:105-117). In Chapter 2, the researcher examines the relationship between the concept of the changing cities and urban tourism as the theoretical framework of the study. These are the literature review pertinent to this research and inquiry.

Part II posits the research theoretical context (Chapter 3) in which the methodology of the study was based on (Chapter 4). Chapter 3 aims at illustrating the structural argument for this research, where place-making of tourism is instrumentalized through the researcher’s understanding of localization and commoditization process. It posits the determination and positioning of my research, putting its structural argument in the context of locality, Chapter 3 also highlight the lesson learnt from the reference studies of Yogyakarta and Singapore. Both reference studies are giving the example of the aesthetic mode of localization and the commoditization. Chapter 4 describes the methodology of this research in terms of the research philosophy it subscribed to, the research strategy employed and so the research instrument utilized and developed in the pursuit of a goal. The research is influenced by critical and constructivist paradigms and thus a qualitative case study approach was adopted.

Part III reveals the research empirical findings, focusing in pinpoint each research sub. Question.1 (Chapter 5), sub. Question.2 (Chapter 6), and sub. Question.3 (Chapter 7). Chapter 5 examines the regulatory framework of urban tourism and the legal modes of institutionalization that are responsible for encapsulating the strategy of urban tourism. It examines the role of tourism stakeholders and its relationship to the place-making, image-building and narrative-telling. Essential to this chapter is the exploration of political shift to decentralization policy in Indonesia. Chapter 6 presents an in-depth analysis of tourism development in generating community capacity. It
explores the commoditization of kampong tourism through city transformation, place
image and identity and heritage branding. The advantage of targeting initiatives at the
neighbourhood level occurs from the fact that the neighbourhood is the most
appropriate area for fostering community identity, involvement and collaborative
action. Chapter 7 depicts the implication of tourism development on spatial and
economical structure by examining the production and distribution of urban attraction
in terms of capital flows, communication and transportation adaptations. Lastly,
Chapter 8 delivers the conclusion and discussion part for the thesis and the empirical
study. It revisits the state of the art study of whether tourism really is playing the
important role of transforming the city. It suggests that tourism place-making involves
the reciprocity of urban dynamics: cities take on tourism as a reference model of
development, and tourist areas adopt the proliferation of cultural lifestyle to meet the
industry's demands.
2.1 Urban Tourism

To acknowledge that tourism is an urban phenomena, the researcher investigated on how the new destinations of developing area seize the opportunity in pursuing tourism growth in a manner resilient enough to respond to a changing global demands and societal structure. In this chapter, the researcher explores the culture of urban tourism in order to give rationale on the intrinsic value of cultural localization and commoditization. This notion entails the debate on post-modern cities as the significant background for the economic basis of cultural transformation and the impact it gives to, most importantly urban dwellers and visitors. It prevails the creation of cultural industries that embody leisure and tourism as a complex and diverse post-modern phenomena. The examination will be particularly exemplified on the heterogonous spaces as the attribute of the post-modern city with the attention given to a diversity of urban attractions in the built environment. Examples upon this examination will address place-making components in cities and the way it relates to localization and commoditization process.

To explore the notion of “the city as a place to visit” as a fundamental ground in urban tourism, the author of this research refers to Saskia Sassen’s argument on today’s globalization. As Sassen has claimed that denationalization dynamics and globalization cut across institutional hierarchies and across the institutional encasements of territory historically produced by the formation of national states (2007:6). The proposition might be formulated as follows: that the entity located within the territory of a sovereign state does not necessarily mean as a national entity. It might be a localization of the global or denationalized instance of the national, which is made possible by the process of rescaling. Thus, the locality or local conditions are productive in the shaping of an articulation with global dynamics rather than merely victimized by the global situations. The possibility of local space as a mode of spatial practice that materializes at the intersection of global economic forces and urban restructuring is attested (Sassen, 2007).

The intersection of global economic and urban restructuring in tourism growth is often determined by the international flows of goods, services and financial capital. With this interdependency among nations brought by globalization, the border of the country is often biased. The possibilities of investment are becoming more sporadic on

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7 Postmodernity can be seen as an idea, a cultural experience, a social condition or even a combination of all these elements (Lyon, 1999:6). In urban tourism discourse, the concept entails the idea of space production that “space is no longer governed by a hierarchy of uses and function in which the sphere of leisure is differentiated from the sphere of work. But this hierarchy has been replaced with a more fragmented and less uniform pattern of spatial differentiation (Meethan, 2001:26).

8 Assuming the macroeconomic perspective, globalization is considered within the context of its geographical scope and its influence on the creation of wealth and repartition of incomes within national economies and among countries (see Theuns, H.L, 2008:99-105).
localities and thus investors can take benefit of differences in resource qualities and costs between places. The construction of spaces through the building of new office space and provision of service sectors is rapidly growing. For example, as an integral part of Indonesian economy resource, foreign tourism has contributed to an increase in foreign currency based on the foreign tourist's expenditure and their length of stay\textsuperscript{9}. In short, as it is argued by Meethan (2001:35) “globalization implies increasing interconnectivity, increasing economic depth and the extension of commodity relations...”.

It is crucial that these global flows of information, capital, and cultures are manifested in specific socio-spatial forms as the development of new networks of places and the emergence of new spaces of consumption.

Despite of the fact that tourism is influenced by international trend by its nature and its development in the market economies, the generation of a tourist product remains “location-specific”. Cooper adds that tourism is “produced where it is consumed and is delivered at the local destination yet it is impacted upon by the global process, creating the dilemma of global and local nexus” (Cooper, 2008:109). Therefore, the understanding why cities and regions are becoming a unique locality for economic activities is fundamental since its enduring competitive advantages depends on local sources (Zmyslony, 2011). It is in cities where the leading reverses are accumulated and the processes, which generally affect the world economy, are created and developed (Sassen, 2007). Consequently, cities are subject to proliferation, which roles vary between “a city as global market participant, a city as a global democracy and a city as an entertainment machine” (Clark, 2004:293).

The significance of the studies on urban tourism recognized that attractive cities have become influential as a significant part of this industry (Ashworth, 1989; Shaw and William, 1994; Page, 1995; Page and Hall, 2003). The long established model of the destination is probably an affluent part of historical heritage in the city, developed together with the place for recreation and consumption (Ashworth, 1989; Ashworth and Turnbridge, 1990, 2000). With the reference to the concept of global city, the cities are usually rich, multi-functional and have polycentric centre, located in global circuits of money and people, with substantial historical assets and iconic buildings designed by famous world architects (Zukin, 1995, 1996; Spirou, 2011). They have a status of cultural centre and global business networks, which offer a wide range of leisure experiences. Thus, they generate large number of business visitors in addition to those to visits attracted by tradition and culture (Law, 1993; Zmyslony, 2011). In the supply-side perspective, the industry has tremendously brought development initiatives while increasingly job opportunities (Law, 1993; Page, 1995; Hall, 2005). Unlike any other economic sectors, urban tourism is performed mainly in the core of the city since the older central cities contain various built-in advantages to tourism development; make it easier to develop the tourist infrastructure.

\textsuperscript{9} The number of foreign visitors in 1997 was 5.2 million, contributing around 6.6 billion US$ to foreign income - about 3 \% of GDP (World Bank, 2002). In 2005, the number of arrivals from abroad is expected to be around 11 million, generating foreign currency receipts of over $15 billion. Tourism contributed 16\% of total job creation in 1995, and in 2007 it is estimated that 1 of every 11 new jobs will originate from tourism (Kompas, 06/02/1999).
Although it is argued that tourism is an invention that crystallizes the values and social practices based on attributes established for the city; mass, contiguity and monumentality (Cooffé, 2010), the tourist sites induces change in space generating differential of urbanity that derives from physical relocation and cultural processes. Regarding the creation of the landscape and their image in the urban physicality, the creativity of tourist sites views physical transformation as a utopia where tourism transfers the essence of urban substance on the cultural level. Boorstin (1964) has coined the term of “environmental bubble”, which is equivalent to the origin within which the visitor can move easily without ever coming in contact with the otherness of people and places. Based on this premises, tourism can be identified as a form of urbanity, a relationship with the space that is intended as the human experience of places and areas, and thus generates a form of urbanisation.

2.1.1 Urbanization in South East Asia

To highlight the tourism concepts and processes related to urbanization, the trends of urbanization in Southeast Asia by drawing attention to its historical roots and the difference with Western urbanization’s model is essential to be taken into account. Theories on urbanization in Southeast Asian have been around and have interlinked with the theories of industrialization and more recently, globalization (Mckinnon, 2011). The perspective of western societies that globalization is the most marked contemporary form of economic, social and cultural transformation or modernization, somehow does not apply to what may constitute South East Asian urbanization. Based on his study on the most urbanized Southeast Asian cities, Mckinnon (2011) has further defined globalization into three characterizations.

First, the definition of globalization in twenty first century Asian cities is considered as a part of the growth of western capitalism from the days of colonialism and imperialism. Second, many cities in developing Asia that grew between 1950 and 1980 see urbanization not as a product of globalization but rather as the ‘invasion’ of urban to rural, that the rural areas have been dramatically opened up to new ideas through transport and communications development and greater population mobility. In Thailand, in Java and in Sumatra, for example, 40 years ago, there were abundant isolated villages where the impact of the outside world was minimal. Third, nation-building had been at the center of the newly independent countries in Southeast Asia (Miksic, 1989: 3-29). The definition refers to the process by which a population in a particular state or territory acquires a shared identity. In the condition of post modernity by Harvey, the shift of capitalism from the 1970 seems to marginalize such endeavor of nation building by imposing the global term in nationality (Harvey, 1989b).

Urbanization in Southeast Asia is departing substantially from those countries of developed world, which experienced stereotypical models of urban industrialization as a basis of past experience. Added to that, rapid urbanization in the big cities has been accompanied by explosive growth, whereas, the institutional and social problems are still a big challenge to economic growth and give an important effect on the character

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10 Based on his interview on New York times, 15 October 2006, quoted comment by Wang Hui interviewed by Pankay Mishra
and pattern of urbanization in Southeast Asian large cities (Hugo, 1996; Dick and Rimmer, 1998). The cities sustained a prolonged spurt of rapid growth. Urbanization is usually analysed in terms of three elements, first the natural increase of the people who already live in the city, second the migration of people into the city from rural areas, and lastly the expansion of the city from non-urban areas into urban area (Jones, 2002: 119-136).

The most prominent understanding of urbanization is related to the increase of the number of people in urban areas by working in non-agricultural sector, which are conveyed in the growth of the non-agricultural production in an urban rural space (Mcgee et al; 2007:5). To define it within the contemporary Asian studies, urbanization entails the massive transformation in term of infrastructure development, forcing the city to adapt to the new demands and needs. As a major component of economic activity, the reconstruction of the city life is carried out by groups of social class, from the households, small entrepreneurship, and corporate business to public authority in public-private partnership. From this perspective, urbanization in Southeast Asian countries is a major spatial outcome of global capitalism and its own spatial organization. This is an inherently uneven process leading to geographic disparities between urban and rural areas and between cities.\footnote{See discussion in Tommy Firman (2004). Demographic and spatial patterns of Indonesia’s recent urbanization. Population, Space and Place. Vol.10}

Southeast Asia has not been sufficiently developed, yet it has been profoundly affected by urbanization. An important development has been the emergence of extended metropolitan regions, which now contain about 11% of Southeast Asia’s population (Mcgee et al, 2007). These regions represent a new form of urbanization incorporating a great variety of areas and life-styles. They include old inner cities, slums, industrial areas, suburbs, greenery, agriculture, recreational centers, new towns, extensive communication and transportation networks and so on (Dick and Rimmer, 1998). The term of Desa Kota, which means regions of an intense mixture of agricultural and non-agricultural activities that often stretch along corridors between large city cores, literally means village (desa) and city (kota) in Indonesian language. These regions were previously characterized by dense population settlement engaged in agriculture (Hugo, 1996).

Castells (1996) has argued that the new urban form is characterized by simultaneous concentration and de-concentration. A dual structure is emerging in which some cities are included in a global, interdependent network dominating economic, political and social life, while other cities are excluded from this network. This network is hierarchical though flexible in nature. To summarize, urbanization and the global cities are interconnected in points mentioned below:

- The landscape of the southeast Asian cities bears a powerful imprint of globalization in the form of high rise apartment and office towers, hotels and shopping centres with outlets of the world wide fast-foods chains, following the latest post-modern fashion of architecture.
- Globalization is constructed by transnational enterprises and rented out to multinational enterprises operating on global scale, side by side with informal trade taking place in the city.
After the independence of Southeast Asian states, their respective capital cities formed the urban core, which eventually control a larger territory and its expansion into a nation state.

In the following chapter, the concept of urban kampong as a result of rapid urbanization in social and spatial sphere of the city will be introduced. This concept entails the two juxtaposed terms of “urban” and “kampong”, the feature that is omnipresent in urbanized Indonesian cities.

2.1.2 Tourism urbanization

The elementary concern of urban tourism is related to the urbanization, which is explained by the expansion of business and corporate activities and thus the population movements beyond the geographic boundaries (Mullins, 1991; 1994; 1999). Urbanization in Indonesian context should be differentiated from the urbanization in Western context; while North American or West European consider urbanization merely as a product of globalization, in developing Asian cities it is considered as a polarization in wages and living conditions between rural and urban areas.

Broad definitions of the tourism urbanization involve well-researched concepts such as social cohesion or the improvement of quality of life for inhabitants. Sustainability as a broad definition is identified with new development or the growth of the already existing city. If we pay attention to the existing built environment, the need of social sustainability becomes essential when tourism renewal and regeneration programs are being implemented.

As it was stated in the previous section, as a global process, urbanization has caused an agglomeration of an area’s population for economic purposes in order to achieve the efficiency of economic productivity (Johnston, 1981; Page and Hall, 2003). Throughout history, cities have functioned as important locations for tourism activity with the accommodation and entertainment function of the pre-industrial city. Cities have become a destination with multi-motivations of various purposes: business, entertainment, and recreational activities. Consequently, towns and cities provide the context for a diverse range of social, cultural and economic activities such as tourism, leisure, and entertainment industries (Page, 1997:112).

This phenomenon has caused the growing of urban tourism, which has other distinctive characteristic different from general tourism that attracts only those who visit. Urban tourism, therefore, is different from any kind of tourism such as village tourism or resort tourism. It uses urban facilities that are also used by residents of the city as attractions (Law, 1995:4). In the context of global economic restructuring and deindustrialization in some cities in the world, tourism development plays an important role in improving the economy of a city. Likewise, tourism development additionally serves as an important motivation for urban renewal program.

Page (2003) has suggested that urban tourism is growing as a result of economic globalization since the late 1972, which has changed the world’s economic structure and has integrated the national economy structure into international economy structure in the form of trade, foreign investment, migration, and technology. The changes have been demonstrated in the decentralized economic organization on a
global scale so that the cities have lost their autonomy. The condition has led to the occurrences of deindustrialization in the urban investment of service industries that generates consumption behaviour and a domination of service industries (Page, 2003:27). High investment in the service industry and the revitalization of the cities in post-industrialization (Van der berg, Van der borg and Van der meer, 1995:5) has motivated municipalities to develop tourism as a major stimulus for the improvement of local and regional economies. The growth of tourism is conveyed in the city’s development with the capital form of this consumption experience in urban landscape, also referred to as “consumption of leisure” (Mullins, 1991). The new destinations, which do not have such assets and characters are often creating a rather leisure alternative and oriented towards a specific mode of tourism, they offer opportunities for visitors to discover new attractions off the beaten track (Maitland and Newman, 2009:2). However, Ashworth and Page (2011:1-15) opposed that the cities, which economies are the most dependent upon tourism are less benefitted in comparison to the cities dependent upon a varied economic resources.

One of the major areas of debate and criticism that follows large investment in urban tourism relates to the uneven development condition that it creates. A “dual city” (Castells, 1991; Spirou, 2011) is formed, characterized by affluence and poverty, leading to social polarization and intense division. The concept of polarization was basically shaped on the assumption that economic restructuring in an urban society has created a trend towards increasingly distinct divisions based on income and position in the employment structure.

The unequal quality of social service, private investment and public attention from community needs are the effects of uneven development. The development intervention in the deteriorated neighbourhood often resulted in the creation of two communities reflecting the formal and informal economies: one community comprises educated, and highly trained professionals whose skills are central to the increasingly international nature of commerce; the other community comprises low-paid services workers who are needed to maintain the activities of the reformatted production functions. The latter group is working-class poor who are struggling to make life. These class divisions are reflected in residential patterns and other spatial arrangements within the built environment (See Sassen, 1991; Stouten, 2010). The implications associated with the rise of urban tourism gives rise to the question on how to sustain a dual city that would serve both the residents and the visitors.

Therefore, further discussion on what constitute this concept will be carried out, most importantly to see this perspective from the various target groups visiting the cities. Since the taste and preferences are strongly dependent on each group’s expectation of those who live in or visit a city. This issue of tourism urbanization also addresses the question of what factors nowadays determine the attractiveness of cities. Van den Berg (1987) has described the appeal of the living environment factor for both citizens and companies as one of the main requirements that city should fulfil. The other is the appeal to visitors and tourists, who relies on the presence of and access to primary as well as complementary tourist products (Van den Berg, Van der Borg and Van den Meer, 1995).
2.1.3 Location Factor in Urban Tourism

The appeal of a place also depends on the quality of proximate locations, as for an attractive city, internal accessibility is vital (Van den Berg, 1987). In the efforts to stimulate profitable growth, municipalities need to take into account the attractiveness of the living environment for residents aligned with the lure of the location environment for companies (Van den Berg et al., 1990; Van den Berg and Braun, 1999). It is essential to recognize that a pleasant living environment contributes to an attractive location environment. Van den Berg and Braun (1999) have acknowledged the 'material' appeal of the living environment (the quality and accessibility of services, of the living environment and of the natural surroundings) and the 'immaterial' appeal of the living environment (the quality of the labor supply, technical provisions, technical infrastructure and the geographic situation of the economic center).

Locations are supported by the economic actors who are the owners of a specific piece of real estate, and the authorities, who determine the quality characteristics of the real estate within their range competence. Funck (1995) has divided the location factors element into two categories: hard location factors and soft location factors.

Among hard location factors of a particular business activity in a given region, the local levels of prices for material inputs and services, the wage rates and other labor related expenses are to be included along with all characteristic determinants of transport cost. Some of these elements are established in the market, others are prices of public goods, or are cost elements determined through policy-based actions of regional or national authorities or non-profit institutions.

In contrast with hard location factors, which can be easily identified, soft factors have indirect effects on the competitive position of business firms and are difficult to determine and evaluate. Funck (1995) has rather seen cultural sectors as a potential economic sector with capacity for producing inputs for other sectors as public goods. In order to grasp the meaning of soft factors, one should focus on the factor of major influence on how people are utilizing the place and giving potential impact to the activities taking place at the certain location. In determining the soft factors, particular attention should be given to the "socio-cultural ecology", that is to include not only cultural and recreational opportunities at all levels, but also social institution and attitude (Van den Berg et al., 1995).

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12 Consisting of geographical situations; access to infrastructure establishment of various kind, position in transportation and communication network, utility supply and waste disposal systems, and level of human capital's capacity and structure of labour market (Funck, 1995).

13 Also according to Bianchini and Landry (1994) soft location factors are determined by Intensity, diversity and level of quality of cultural activities and recreational offers; Quality of natural and man-made environment; Creative climate based on degree of political and intellectual discussion, participation of citizens in public affairs and Identification of local citizens with their location.
In his research, Van den Berg and Braun (1999) have argued that the importance of "soft" location factors to have higher importance over the traditional "hard" ones. Since hard location factors are often easy to quantify and have a direct influence on the costs or revenues of a business, on the other hand, soft location factors are harder to measure and give indirect influence on profit. It should be acknowledged that cultural events and attractions in a region generate extra demand for retail service, accommodation service, and transport industry, thus exerting additional impetus for regional economic performance. The benefits from installing cultural services into regional planning are also used as promotion tools for the tourist industry. The improvement of the image of the city is seen by Funck (1995) as another further external effect. Related to this consideration is the established fact that the level, quality and diversity of cultural activities prevalent in a region have become an important factor in the locational decision-making of enterprises. The reason for this is the expected sufficient supply of qualified personnel in the city the live in.

In deciding their location, business companies consider the production structure of private enterprises in the city and the organizing capacity of the government as partner of private enterprises (Van den Berg et al 1990). From the above, the attraction that a city exerts may differ by function (living, working, leisure pursuits) and by target groups. Although cities will always specialize to some extent, a degree of equilibrium in functions as well as target groups is advisable. Negative aspects of mono-functionality are one-way traffic flows (Van den Berg, Klaassen and Van den Meer, 1990), lack of vivacity (Jacobs, 1961), and vulnerability to economic fluctuations and other exogenous changes. Not only in terms of functions and target groups should a city be harmonious, but also socially. An accumulation of social problems (such as unemployment and crime) in a few neighbourhoods can have a negative, degrading effect on a whole city.

It is argued by Castells that in the process of structuring the present day of Southeast Asian urban agglomerations, most of the cities are dissolving into a world economy and becoming "world cities" (Castells, 1996). The flow of goods, information and capital and meanings, which used to find the nodes in the city and gave rise to city systems, have lost their connection to the locals. Through globalization, space is transformed into abstract space and localities into commodities. It has been committed through the transformation of labor into a commodity and therefore into an abstract value (Evers and Korff, 2003). Urban development has used to be more or less continuous and following a pattern as centers and axes was clearly defined and a symbolic communicative meaning was attached to them. The process of finding connection in the creation of diverse space receives a specific meaning through the association of life-style. Evers and Korff (2003:16) have argued that under these circumstances, the new role of everyday life classes cannot be defined only economically but also taking into consideration economic abilities (purchasing power), culture, and symbolization of everyday life, which is also called "emic construction".

In evaluating patterns of international tourist flows, Mansfeld (1990) has suggested that tourism space can be viewed in three ways: actual space which denotes the area that accommodates tourism activities and has clear geographical boundaries; functional space, which views tourism space as including both generating and attracting areas; and perceived space, which refers to the personal perceived images of space that tourists have on an individual level. McKercher and Law (2008) have
explained that generating and attracting areas can be analysed at various scales including inter- and intra-destination. Using a space-time budget examines how tourism groups use facilities, attractions, transportation, and accommodation. Law (1993) has suggested that tourist spatial patterns can be classified into four broad themes: single destination with or without side trips; transit leg and circle tour; circle tour with or without multiple access points; and a hub and spoke style. However, they argue that mapping tourist movements is “complicated by the virtually unlimited number of places that tourists could visit, an unpredictable sequencing order between places, the potential for stochastic movement patterns that may follow no logical pattern, and the unique needs and wants of individual tourists” (McKercher and Law 2008:357)

In retrospect, Funck (1995), Van den Berg (1999), Mckercher and Law (2008) have deliberately agreed that understanding the tourists’ perspectives and aspects of the way in which they visit places, such as their spatial movements, the time they spend and the services they utilize can provide valuable information for many engaged in the management and study of tourism. Government agencies and destination managers can use the information to inform planning decisions, redirect visitor flows to avoid overcrowding, minimize adverse impacts on sensitive sites, concentrate marketing activities, inform transport policies, and more broadly distribute expected benefits.

2.2 Urban renewal and transformation of the Global city

This section examines the relationship between the components of city transformation constituted of urban renewal and regeneration in accordance with urban tourism development. It presents an overview of relevant theories of the nature of renewal, its evolving concept and the way in which urban tourism functions as initiative planning. The section is aiming at the construction of key interlocking themes between these two complex discourses- how urban tourism is being utilized and appropriated to achieve the desired objective in urban restructuring, both in social-cultural and spatial sphere.

The fluctuating economic and social situation through history from the global scale to the local one makes each city as a subject to change and adapt to new state of circumstances. In order to tackle the new challenges, cities can supposedly able to become acclimated to the changes. The consequences of the inability to adapt to the new situations are giving the economic and social ramifications, effecting in the raising of unemployment rate and social exclusion to the worsening of living condition. As a result, the city’s urban structure is affected by these turbulent circumstances and manifested through, for instance, physical decay, out-dated premises and poor transport infrastructure. Cities that are suffering for urban decay have developed renewal policies to solve the decline of the areas. The typical policies may include land use regulations to promote new development and attract new economic activities or to reinforce the existing one, which explanation will be discussed further in the context of urban renewal and regeneration.
This section will tackle the evolving concept of city transformation and tourism in the context of Western and Eastern countries in discussing the extent to which urban tourism and transformation is a global process, and in doing so highlighting the uneven developments and displacements that this process is yielding globally. Therefore, this section will continue to discuss the complexity of urban tourism and renewal of describing the process in developed and developing countries, and the connectivity that integrate them.

2.2.1 Urban Renewal in the West

The phenomenon of urban renewal has become increasingly prominent on government agendas since decades. At first it was intended as a method addressed to neighbourhood and housing estates in reaction to environmental impoverishment, later during the last decade, the approach of renewal has been designed with a strategic and long-term purpose. Throughout a series of case studies in different European old industrial cities, Couch et al (2003) have suggested the core concept of renewal that is regarded with the re-growth of economic activity where it has been lost; the restoration of social function or social inclusion and the restoration of environmental balance where it has been disturbed. It is regarded as an aspect of the management and planning of existing urban areas rather than the planning and development of completely new urbanization (Couch et al, 2003).

Most of the studies of physical renewal (Abrams, 1966; Rosenthal, 1980; Mir, 1986; Couch, 1990; Robert, 2000; Raco, 2003;) have summed up the basic series of action of urban renewal in most European countries after World War II into three phases, the first was from 1950s to 1970, the second was from 1970s to 1990 and the third is from 1990 to the presents.

The term “urban renewal” was first coined after the Second World War confronting the problem of post-war urban decay in physical landscape; many houses were destroyed or damaged and new buildings and maintenances were virtually ceased. Many national government implementing state-financed renewal programs, which aim was to erase the existing blight in urban life (Gale, 1984). “Operation Rescue” (Gibson and Langstaff, 1982) was launched as the legal framework on the problems of obsolete and obsolescent housing. The emphasis of this building program was slum clearance with local authorities “proposing” the area for the clearance where the authorities were given total power of deferred demolition for slum areas.

Even before the first wave of urban renewal phase, the productive living condition for working class was already reflected in Garden city movement (E. Howard) with the plan of Hausmann Paris Project (1809-1891). The project has famously promoted urban clearance to provide “free space” for boulevard and streets reconstruction. Slum clearance after the industrialization focused on the necessity of transforming the slum areas into liveable space (mainly) for the working class people. The principal planning initiative for eradicating urban poor settlements were based on zoning ordinances and construction of new green zones and recreational areas. The result of this proceeding has spurred the population movement from the city center to the suburbs, mostly effecting the wealthy that could afford the cost of mobilization. The number of sprawl has also encouraged by the development of railway construction and
transportation technologies, enabled people to mobilize easily (Robert and Sykes, 2000).

Focusing only into the physical renovation of the city, residents began to recognize the sometimes dismal and often disruptive consequences of the government urban renewal program. The study of community studies by Willmott and Young (1960) was fundamental in emphasizing the bond of family and kinship in area of clearance; most people did not want to leave the area because of a deep-rooted attachment to their families. As well as Jane Jacobs’s critique to the most of anti-people approach in her book “Death and Life of American cities” has influenced the nature of urban planning and given its relevance to the renewal strategy. This aspect of human dimension was neglected in the most of renewal program, because it failed to reflect the complexity of community’s area and the people’s aspiration. For this respect, many believed that the answer was not continued investment solely in physical renewal but new program of spending for “human renewal” approach (Jacobs 1961; Rosenthal, 1980).

Soon after the collapse of the first stage, the second stage was inaugurated in the 1970s with the emphasis on expensive schemes for rehabilitating human behaviour joined those for reconstructing buildings, transportation facilities and the general urban infrastructure (Rosenthal, 1980). The concept of improvement, repair, clearance and new buildings occurring organically- and it was at the pace determined by the wishes of local residents- had obvious attractions. Urban renewal, therefore, more focused on the people who lived in the cities rather than only on problems of decaying physical fabric and environment, or on the relationship between economic regeneration and social spatial rehabilitation.

The focus of the first two stages of urban renewal targeted merely only for rebuilding the cities in which people work and live, while other issues such as urban environmental qualities, cultural facilities, and recreational amenities were not a primary concern in the first two stages of the program (Coach et al, 2003). Political agenda only later did shift into the heightened significance of place image, which has occurred as a consequence of changing modes of accumulation (Raco, 2003), mainly driven by the political and economic forces of presenting positive image for the city. In these circumstances, one may conclude, the concept of urban renewal has evolved as a way to answer the need of social objectives of the people by improving their quality of life and enhancing the image of the city, in which the term of urban regeneration appeared (see table 2.1).

<table>
<thead>
<tr>
<th>Time Interval</th>
<th>Characteristics</th>
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</thead>
<tbody>
<tr>
<td>Industrial Revolution-WW II 1945</td>
<td>• Effects of liberalism over urban structure</td>
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<td></td>
<td>• Slum clearance approach</td>
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<tr>
<td>Post-war- 1960s</td>
<td>• Fordism mode of production with new technological operation</td>
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<td></td>
<td>• Urban reconstruction and redevelopment</td>
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<tr>
<td>1960s- 1980s</td>
<td>• The changes in production mode from Fordism to post-fordism</td>
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<td></td>
<td>• Society concerns over the environmental and social issue</td>
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<tr>
<td></td>
<td>• Inner city revitalization and urban rehabilitation approach</td>
</tr>
</tbody>
</table>
Table 2.1 Periods of Urban Transformation Trends

| 1980s-2000s | • Neo liberal economic policy  
|             | • Sustainability and heritage concern |
| 2000s–now   | • The issue of preservation and public participation and local identity  
|             | • Urban regeneration approach  
|             | • Concern over the community and diversity |

In the context of development in western countries, renewal is used to areas redeveloped after industrial decline (Smith, 2007). The early narratives about renewal trace back to the process of mass urbanization prompted by the industrial revolution in the early and mid-1800s when enormous amounts of population migrated from rural areas and small villages to cities in search of work opportunities, mainly in manufacture and service industry. This movement, however, is represented in the spatial development and morphologies of the city, which are determined by the purpose of the city (e.g., port cities or inland cities), geographical location and physical features (Smith, 2007).

Hoyt’s sector model for instance, showed how the physical organization of the city is structured around residential and business sector, which represented the rational use of space in terms of the establishment of production zones (Jayne, 2006). The model illustrates the central business districts, commercial shopping zone, workers village, and so on, which are organized and serviced by industrial and domestic utility provision, transport link and network. While Hoyt’s sector model are persuasive and take debates around consumption culture to its logical argument, however, Jayne (2006) has criticized this model since it has failed to convey the nucleus growth of the city where multiple cores appear, which is the characteristic of what cities today. In contemporary urban regeneration discourse, many industrial complexes have been removed to the other parts of the city and have been replaced with another urban nuclei activities. Regardless its critique, the model had highlighted the general mind set that led to rational master planning of cities.

The critique to the traditional urban renewal approach lays on its social and environmental costs, it can bring the sacrifice of a community's cultural heritage and the destruction of viable neighbourhoods, depriving people of valuable housing resources which in many cases still serve a useful function (Frieden, 1964). In such condition, redevelopment by demolition and reconstructions was firmly established within overall planning strategies for the city-region. Though the physical consequences of clearance and redevelopment have been the subject of criticism, it is their social impact, which has been the focus of most debate. For developers, redevelopment represents maximum profit through the sale of new centrally-located unit and for local government, this approach represents maximum use of land, higher floor area ratio and has the advantages of introducing higher income groups (Law, 1993).
The need of integration and engagement between different interests are crucial in order to achieve more sustainable urban “playscapes”\textsuperscript{14}. Typically, such transformations are in existing urban centers and on previously developed, derelict or contaminated land (Murayama, 2004). Murayama has promoted the importance of mixed-used landscape as amenity environment in the way, which the large-scale developments with tourism as the key function for urban renewal\textsuperscript{15}. The challenge of this approach is that such developments are in danger of creating exclusive, unsustainable and segregated areas (Murayama, 2007:19-44).

Moreover, in correspondence with the redevelopment process, urban decay and renewal should be seen as by-products of urban growth. The spatial transformation of the urban structure usually takes place in an unbalanced manner. The result is that, growth areas develop at the expense of stagnant areas or even areas of decline. These areas of decline are usually problem areas of deterioration and blight that can develop in older urban areas (Van der Merve, 1989). What should become the main concern of urban renewal are its effects to urban environment at many levels. The preservation of the city’s identity, community, local culture, and natural and built environment therefore must be given special attention in the renewal process.

A frequent challenge faced in the sensitive manner of reshaping of an already-existing environment is discovering and preserving its own visible structure and drawing out its inherent image and identity. Urban renewal modifies not only the physical form of the urban environment but also transforms the way in which it is perceived and experienced, and the psychological and emotional relationships between humans and urban places (Holcomb and Beauregard, 1981). It is argued by important scholars such as Mumford (1956), Lynch (1960), Jacobs (1961) and Frieden (1964) that the important elements of urban identity that are need to be preserved are the following; namely diversity and continuity. In the vexed relation between social ties and the changing spatial arrangement in the city, Willmott and Young (1960) have illustrated how continuity is crucial in community’s life, their analysis apparent on the endurance of community in the modern city compared with the disintegrating effects of urban development and suburbanization.

At all levels, diversity is essential for the creation of a lively urban environment and should be encouraged through urban renewal. It is the wholeness of the city, which brings together an unpredictable mix of people as one of the greatest assets. Jane Jacobs even argues that big cities with their intricate mingling of uses and complex interweaving of paths are natural generators of diversity and prolific incubators of new enterprises and ideas of all kinds. In one of her observations in the local order of the street, Jacobs has identified the following features that make cities work: the relation between the physical fabric of the city, and the weave of social interaction between it (Jacobs, 1961; Tonkiss, 2005). The often effect of the social mix is to put people on the street at different times, which is essential in giving social shape to the street and later links it into the larger circuit of city life; diversity of mobility. The notion of diversity is

\textsuperscript{14} Another term for “cultural quarter” labeled by urban designer, see Zukin, 1995; Murayama, 2007.

\textsuperscript{15} The conceptual model of the amenity environment illustrates the idealized place of, “work, live and play” dimensions that need to be combined in order to make a successful amenity environment.
always both social and spatial. Social mix, for Jacobs, entails and requires a mix of spatial uses.

The impact of segregating different users is especially evident in the rationalized architecture of urban renewal (Tonkiss, 2005) especially, in the environment where social housing removes social life from the street and enclose it with the boundaries. For Holcomb and Beauregard (1981), the sense of continuity of place is necessary to people’s sense of reality and the city should be apprehended over time as a pattern of high continuity with many distinctive parts, which are clearly interconnected. It is therefore important to maintain the city's homogeneity and continuity even after its renewal. According to Lynch (1981), local continuity should be a key aim in reshaping a city. For him, the aim of renewal should be “to maintain continuity, both of the community itself and the image of history and of nature that is held by its members” (Lynch, 1981:260).

Related to the physical and psychological well-being of the individual and the community, urban renewal is a subject of re-accommodation of the original population on the site after its renewal or its transfer to another part of the city through relocation. Relocation generally occurs in large-scale housing projects built in isolated environment and far from the city center, where access to city’s facilities is limited (Kazemian, 1991). However, relocation not only means physical mobility for the population since it demands both financial cost and social and emotional costs, it often leads to the dissolution of urban communities and the loss of proximity to friends and relatives.

The story revealed that trade-off between urban improvement and authentic locality is a common theme in account with urban renewal. Diversity and continuity appear to be essential components of the urban environment that must be preserved in the process of urban renewal. However, in recent years, the emergence of a global model has been threatening local identity, integrity and authenticity, where cities around the world have become increasingly uniform (Bianchini and Parkinson, 1993; Cvetkovich and Kellner, 1997; Chang, 1999). Respecting the city’s own identity through urban renewal will help rescue cities from the “placelessness” of contemporary international architecture and the homogenous values of the mass culture (Holcomb and Beauregard, 1998; Arefi, 1999).

2.2.2 Urban Renewal in the East

In the case of less developed countries, urban renewal has become a key theme amongst built environment professionals, which reason differs from the developing countries, because urban renewal in the less developed countries emerged from the rapid population growth and urban sprawl (Danisworo, 1992). Before the 1980s, the main approach to urban renewal in developing countries was in the form of squatter eradication and relocation of the population to low-cost housing projects. In practice, urban renewal has often meant the displacement of an existing low-income population, creating space for more profitable office, commercial, and luxury residential development of the provision of transport facilities (Couch et al, 2003).
In Indonesia, urban renewal or *peremajaan kota*\(^{16}\) is rather seen as re-developing process of the city's area in order to rejuvenate the productivity and quality of the area (Sujarto, 1985). In addition to ameliorate the quality of deteriorated living environment, urban renewal also contains efforts to enhance the city's carrying capacity\(^{17}\) to solve the expeditious population boom through mix land use intensification (Sumintardja, 1980).

The most affluent components of urban renewal are possibly slums clearance and redevelopment, which have changed the appearance of towns and immensely affected the lives of their populations. This state intervention is applicable to areas in which the arrangements of buildings are such that the area cannot provide satisfactory living conditions (Abrams, 1964; Miller, 1959).

Then they first called for building new and single-family houses on relatively inexpensive land in the outlying areas of the city, which was an ambitious but fiscally irresponsible proposition. This approach may lure some inner-city kampong residents to peripheral areas but in practice, their number was insufficient to make any appreciable difference in the congested conditions of existing kampongs. Moreover, this approach required all money to be channelled into developing new residential areas in outlying regions at the expense of existing kampongs (Danisworo, 1992).

A second approach considered was modelled after the “urban renewal” concept of development, the term, which has already emerged in the western urbanizations (Turner, 1980:250). Under this suggestion, the city government would acquire and raise existing kampongs and construct new, multi-storey residential buildings. Since the use of full-service and high-rise buildings allowed for high densities of population, so often it is accompanied by the overcrowded, tightly packed and low-rise structures. This cost factor aside from urban renewal schemes required the mass removal and interim relocation of kampong residents during construction activities, thus introducing complex logistical and social problems generally associated with large-scale displacement. Although this approach addressed the problem of dealing with existing kampongs, its economic and social costs proved prohibitive (Danisworo, 1992).

The idea of “site and service” was later introduced, which dealt only with the provision of land and a minimum level of service; no attempt is made to provide complete houses (Kuswartojo, 2005). Government funds are used to acquire vacant land and develop it by the installation of basic infrastructure such as paved roadways, sanitary facilities, and public water taps. The difficulties with this approach were; that it did not take into account pre-existing levels of infrastructure or user behaviours. As a result, certain facilities were duplicated while others were underutilized. Another problem involved was the un-even distribution of improvements throughout the

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\(^{16}\) The example of the renewal program of kampong (urban village) was initiated in Jakarta, the capital of the country, and famously known as KIP (Kampong improvement program). The main aim of the program was to alleviate the extremely low standard of living endemic to all the city’s kampong areas.

\(^{17}\) Such concept is used to measure the maximum number of people who can use a site or an area without an unacceptable alternation in the physical environment and without an unacceptable decline in the quality of life (Mathieson and Wall in Page and Hall, 2003).
kampong, which resulted to residences located along improved roadways or in close proximity to public water taps and sanitary facilities have benefited more than those located farther away (Devas, 1981; Sujarto, 1985: 16-17).

Like most cities in the Third World, having difficulties in providing suitable living environment for a burgeoning population, Kampong Improvement Program (KIP) has become the alternative approach in the way in which it accepts squatter settlements rather than removing them (Devas, 1981). As a result, squatter settlements, over time, have transformed into prospering urban communities. At the level of city's planning and designing, urban renewal is an attempt to formulate development policy and procedures relating to the re-organization of the spatial elements of the rejuvenated city. The result of development policy serves as guidance for the realignment of urban parameters, such as land use and buildings, circulation and parking; building intensity, open spaces, commercial area, urban design and other supporting elements (Danisworo, 1992).

The capacity of public institutions in contributing to the success of renewal program is the imperative rationale of the regulatory body, only when they play a collaborative authority in determining the direction of renewal process. Land redevelopment is considerably more challenging than developing new property, because previous developed sites often lack necessary infrastructures, assessment and improvements to make them usable (Danisworo, 1992; Danisworo and Martokusumo, 2002; Kuswartojo, 2005). With such problems plaguing the sites, there is no demand for the property, and the market fails to support it. Neither private sector nor public sector can tackle the problem of redeveloping urban blight alone. The cooperation of public-private partnership is required especially because it will bring benefit for both parties in tackling the land procurement problems; the government will provide the land while the private sector provides the grants and makes a positive contribution to improve the living quality and take part in managing the program. The tools provided by local authorities through urban renewal are the only way to support the redevelopment of such sites, together with business partnership that is efficient in accelerating the capital turns over and also increasing land diversifications (Kuswartojo, 2005).

2.3 Concepts in Tourism-based regeneration

As the paradigm of urban decline gained importance, urban renewal and tourism had become closely linked (Law, 1994; Smith, 2003, 2007). The common characteristic of both the tourism development and the renewal process is that they seek to transform old spaces whilst recreating new ones. This often takes place in cities that composed by poorer housing, lower paid employment, and settlement by migrant and other groups with less opportunity to urban (formal) economy. The main reason for this correlation was the impossibility of the formal sector to provide sufficient jobs for the rapidly expanding population and the attempt of transforming old spaces into the contemporary space (for example the rehabilitation of old building into some entertainment facilities) will enable the growing of secondary facilities to support the primary ones.
The role of urban tourism, in this matter, is linked with the relationship of public-private partnership and the global trend towards marketing cities as distinct entities. This is due to the urban renewal’s contribution to the reshaping of the city’s physical fabric, and its direct and indirect effect on tourism. Such impact have included the increased attractiveness of the city, as areas of blight have been redeveloped, while the tourism infrastructure has benefited more specifically through the construction of tourist’s accommodation and entertainment facilities. In many cases, these are mixed-used development areas that aim to provide attractions and facilities for locals and visitors, which may include entertainment facilities, retail, restaurants as well as cultural venues or attractions. Smith (2003) has emphasized the need of having “people climate” as well as “business climate” to create a vibrant atmosphere and an experiential economy. It is also engaging in civic action, dealing with some of the issues relating to a sense of place and identity. Often, the city governments that claim to have achieved successful renewal have based their strategies on the so-called cultural industries.

Many cities that have given special prominence to tourism as an economic development strategy have begun to experience substantial increases in their inner city residential population. Law has illustrated this phenomenon (see figure 2). It shows the idea behind tourism as an economic tool in the process of tourism-based regeneration. Tourism is preferred since it attracts service industries, which allow job opportunities (Law, 1991).

As tourism develops, new facilities help create a better urban environment; it is believed that local residents will receive the benefits and there will be a general improvement in the image of the city to attract potential investors. The critique of the residential upgrading of the inner city involves the absence of continuous access to the economic source and also the absence of affordable housing in local development plans. It has led to a concern over gentrification as incumbent residents of transient hotels and more prosperous new comers have pushed out the working-class enclaves (Shaw and William, 1994).
Often, critics of the residential upgrading of downtowns note the absence of affordable housing in local development plans (Spirou, 2011). Concerns over gentrification have emerged as incumbent residents of transient hotels and remnant; more prosperous newcomers have pushed out working-class enclaves. Gentrification approach is seen as the model of urban renewal as opportunities to revitalize an important heritage complexes and improve local economic via tourism, recreation and local retail. Spirou (2011) has believed that promoting tourism and inner city residential development requires the involvement of multiple public agencies and private groups while the municipality is responsible as the urban catalyst.

Empirical studies (see Evans and Shaw, 2004) has reported that renewal projects are frequently used as base for investment and thus renewal efforts are seen as catalyst for city's productivity. In the case of after deindustrialization and economic restructuring throughout western Europe, cultural and sporting events have been used as mechanism in urban renewal strategies, as illustrated by the hosting of European cities of culture (e.g. Glasgow, Porto, Dublin and Liverpool), Commonwealth Games (e.g. Manchester, Glasgow) and the Olympic Games (e.g. London). However, the concern over mega-event is that, the infrastructure development does not necessarily construct the city.

2.3.1 Culture-based Paradigm

The complexity of renewal project from professional vantage points becomes apparent from housing, commercial property and industrial development, architecture and civil engineering, public private partnership and environmental issues. The pursuit to regenerate urban land is popular in relation to urban design and planning or cultural planning for land development. Specifically, the term “urban regeneration” itself refers to the development of the orbit social habitation; it involves communities and socio-cultural infrastructure and a suitable breadth of multiple stakeholders (Vickery, 2007).

Interdisciplinary cultural research showed a concern in urban regeneration (see Smith, 2007) as a substantial publication although largely concerned with specific case study based analysis. This also goes for Franco Bianchini and Michael Parkinson’s Europe-wide research on Cultural Policy and Urban Regeneration (1993) which aim was to reveal the increasingly strategic and instrumental function of cultural policy within European city economic development, city marketing and urban renewal. Study case from USA, illustrates how the creative class, culture and creativity are paramount in encouraging economy growth by performing regeneration strategy on so-called “creative industries”. This strategy emphasizes the need of engaging civic action dealing with issues relating to sense of place, identity or integration. In this respect, creative people tend to contribute more to social inclusion and the growth of innovation (Bianchini and Landry, 1994).

Further, in the case of European cities, The Creative City was published to exemplify a methodology for examining “urban vitality and viability” (Bianchini and Landry, 1994; Vickery, 2007). A construction of a defined concept of culture has been undergone from the late 1980; from which the idea of cultural-led regeneration as a policy concept began to emerge. The diverse meaning of “culture” has given rise to the problematic approach on presenting it as credible framework, mainly because its bifurcation between “aesthetical” point of view and “socio-urban” context. There are
two different distinctions in approach between “culture-led regeneration” and “cultural regeneration” depending on the degree of cultural intervention.

Evans and Shaw (2004) have demonstrated (see also Smith, 2007; Vickery, 2007) the characteristic of the two approaches. Culture-led regeneration is utilizing culture as an engine of development; it is usually represented by an area of a public art project, also called “artist driven regeneration”. On the other hand, cultural regeneration demonstrates culture as the main strategy in overall planning scheme where design, arts, architecture and cultural activity is integrated in a way of living, using and occupying social space. From these vantage opinions, one could conclude that, it is the need of achieving “quality” of life, which has become a major policy concept and animates the discourse of cultural regeneration. The discourse encompasses realms diverse as national social and urban policy, local community strategy, contemporary public art practice and many other fields of interests.

However diverse, there is no substantive categorical distinction between mainstream urban regeneration discourse and the more “holistic” form of “culture-led regeneration”. The attempt to integrate both mainstream regeneration and cultural elements into policy framework has utilized the "aesthetic” and quality of life together in urban design and development plan (Vickery, 2007).

Urban design and public art appeared as the cultural dimension of urban regeneration in the 1990s and has emerged strongly in public context. From this point of view, culture in this context can be referring to anything from architecture, heritage buildings and attraction, to the visual and performing arts, festivals and events. As it is described by Bianchini et al (1996) in *The Art of Regeneration*, culture focuses on what is special about a town and its people and how its history can pre-figure its future, which includes; its archaeological history; architectural heritage; landscape, topography, amenities and landmarks; the attractiveness of its public space; indigenous and ethnic traditions; local products; the quality of urban tourism; subcultures; traditions of public social life. In short, culture is a summary term, which describes the atmosphere created by people in confrontation with the place they live in; “Planning is humanized when culture is given a leading role” (Bianchini et al, 1996).

Above all, the most prominent aspiration of regeneration is the reintroducing of human scale into the built environment where the urban physical infrastructure gives priority to the people and public life so that it will lead to the inspiring visionary ideas providing an impetus for cultural change and social participation without traditional social dimension. Place must have a human dimension, which emphasizes the role of communities in the development of cultural regeneration and it is pivotal if local or ingenious character and uniqueness are to be maintained (Entrikin, 1991; Fainstein and Judd, 1999).

Malcolm Miles (2007) has believed that the role of cultural consumption in the symbolic economy is essential for figuring out the consumption activities in the city. Culture in this regards, can be perceived as the art and the way of life, and cultural consumption has a deceived impact on the urban landscape. He classified the symbolic economy into several main topics: cultural capital and its relation with symbolic economy, cultural industries as development strategies of global competitiveness and democracy discourse in cultural display development. Cities are increasingly using cultural subs to improve their image, stimulate urban development and attract visitors and investment. In regard with symbolic economies of city, Miles stated that cultural
consumption has a particular role as the most visible aspect of a largely invisible and service-based economy. Malcolm has argued the designation of cultural quarter is considered as a strategy of economic regeneration that has led public-sector investment to attract greater private-sector development in the area of “cultural capital”, such as museum or concert hall, tying these developments to a new "symbolic economy" based on tourism, media and entertainment. Cultural tourism is gaining momentum as an approach for tourism development. This is understood as a type of special interest tourism where heritage or cultural objects are commoditized as items for economy exchange and consumption.

However, it has been long discussed by Myerscough (1988) that the model of cultural regeneration has several difficulties. He argued that cultural regeneration is a context wise approach and it cannot be imitated from one city to another. The pattern of consumption cannot be predicted that it depends largely on the happening global events. Although many cities and countries have been thinking how to increase their competitiveness through the development of culture, their culture development strategies include the establishment of art and culture districts to promote urban development and to shape urban images.

It has been argued that there is a dichotomy between culture as culture objects and their appreciation that are products of historical circumstances. Thus, culture is not nature, to appreciate the culture; one has to own knowledge from the specific educational and leisure opportunities that provide the vocabulary to engage in such discussion (Buordieu, 1979). Moreover, In Culture and Society, Raymond Williams stated that:

“The working class, because its position, has not...produced a culture in the narrower sense. The culture, which it has produced, is the collective democratic institution, whether in the trade union, the co-operative movement or a political party.” (Williams, 1958: 315, cited in O’connor 1989:65)

The concept of “culture industry” recognizes that culture is present in a society in the form of replicated commodities (Adorno, 1991), while the other confirms culture industry has its effectiveness in revitalizing urban economies (Harvey 1989; Zukin 1995). Culture industry under the concept of symbolic economy presents itself in the form of various types of industries and businesses, clustered and distributed in the city. Culture industries are to process and industrialize the culture capacities by using “culture” as raw materials, and then produce, market, and sale them in an industrial production process, and further articulate themselves into the chains of the production in a city.

Miles (2007) has pointed out that lifestyle tends to become culturally coded devices in the formation of identities, thus cultural consumption now contributes to a process of group identification among young professionals. Spaces as cultural display of symbolic economies, such as contemporary art gallery, café and shop, tend to be engines of gentrification after financed by public-sector investment to attract more renovation. The sustained solution in avoiding the raise of rents and land values is to establish a connection between cultural space and wealth accumulation (William, 1995). Symbolic economy is considered as more specific than the relation between economy and cultures as a base as superstructure as in Marxist model. In particular,
Zukin (1995) has noted the use of cultural reputation by the city's entrepreneurs who populate the boards of museum, so that the museum board is a useful place to be in terms of networking and making money.

2.3.2 Community-based Paradigm

The follow up of the community engagement concept in regeneration process results in the emerging initiatives of community-based renewal. Since urban renewal implementation is synonym with slum clearance for public housing, community-led renewal is needed in order to reduce the social exclusion from the regenerated deprived neighbourhood. Poverty is a distinct symptom of social exclusion but it can also refer to inadequate access to public facilities. As such, social exclusion is associated with both a wider concept of citizenship but also with a daily quality of life. Apart from poverty, social exclusion can also lead to the so-called multiple deprivations; it includes the lack of productivity activity, poor access to services, and weakness of social networks and integration (Hoffmann, 2000).

A key challenge for renewal initiatives has been to conceive the forms of identity, diversity and community in the city without reinforcing actual or imagined lines of segregation. Community is a collection of people occupying a more or less clearly defined area, also a collection of people organized by the social, cultural, political and economic institutions (Park, 1967; Tonkiss, 2005). This implies that a socially organized neighbourhood is a useful focus for many initiatives with the advantages (Holcomb and Beauregard, 1981). A prominent source of “neighborhood effect”

18 is said to be the quality and availability of local services. Studies of poor areas have consistently shown that services are worse than in any other areas and their negative impact is intensified by limited mobility and a scarcity of financial resources among residents (Carley, 2002).

Community involvement is indeed challenging, tracking back to the several failures in engaging with communities, for instance, the failure to lead the participation program to a productive, systematic plan for neighbourhood improvement but rather to uncoordinated request for yet more participation and the distorted decisions making process which are dominated by certain stakeholders or groups. Whilst demanding, genuine partnership of stakeholders implies empowerment, which means communities enhancing their own ability to participate in the development and implementation of renewal strategy, service delivery, and community governance. It is often said that it is essential to social inclusion, but the difference now is that participation has become a mainstream dimension of local governance rather than a superficial joint to the institutional and professional agenda of regeneration.

Neighborhood renewal initiatives need to be part of boarder initiatives to buttress local participation in democratic governance and to bring citizens, local councillors and local authorities into a more constructive relationship. The long term nature of neighbourhood renewal and the importance of local services require a better participation in community renewal. Watkins (1999) has identified two main roles for

18 A term to identify the state of social exclusion of neighbourhood in deprived area in the regeneration process (see Michael Carley, 2002).
community development: a developmental role which involves increasing the ability of local communities to control their own affairs and a functional role which involves formulating and progressing projects of benefit to the community (see also Skinner, 1997). Community development agents who help groups within communities develop social capital can assist the process of community development.

2.4 Urban tourism in the postmodern setting

Some tourism literatures have linked urban tourism with postmodern city (see Page and Hall, 2003; Urry, 1995; Selby, 2004). Postmodern movement has shown up to emphasize the cultural dynamics of society utilizing the service industry as a fascination upon consumerism. This mass consumption of goods gives way in postmodern society to hierarchies of taste, where reality and simulation blur is characterized as a stage in late capitalism (Mansfeld, 1999; Lyon, 1999; Heynen and Robbins, 2005; Jayne, 2006). The debate between sociologists on the postmodern city is regarding as the significance of the economic basis of cultural transformations that have occurred between the modern and postmodern period (Featherstone, 1991; Mansfeld, 1999; Murphy, 1999; Gottinger, 2000). Both spatial and cultural transformations gave the impact on the urban dwellers and visitors, which attract a great deal of interest. Most remarkably it is the creation of cultural industries that embody leisure and tourism as complex and diverse postmodern phenomena to be consumed in the city. In contemporary cities, traditional class boundaries become blurred as the boundaries between art and high culture, between everyday life and popular culture are dissolved (Sassen, 2001).

It is argued that a postmodern city is characterized by a rich collage of signs and symbols from a wide range of genres and styles; a diverse range of buildings, places and cultural products have been described as postmodern (Dear and Flusty, 1998). Aside from the production of services and experiences, a city is a patchwork of symbols and opportunities for consumption (Murphy, 1999: 302). Cities are visibly more spectacular; for instance, revitalized city centers and agglomerated business and financial districts feature high-rise office blocks, waterfront development and flagship buildings (see figure 2.2).

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19 The rich collage of signs and symbols were identified as ‘keno capitalism’ to describe the role of urbanisation in creating the opportunity of capital. It is argued that, the process of urbanisation and the postmodern urbanism generate a power element in shaping leisure space in the city (Dear and Flusty, 1998: 65).
From geographical point of view, in the postmodern society, the changing relationship between the city and its spatial division remarks the characteristic of postmodernist way of consumerism; the transition from production (fordism) to consumption (postmodernism) (Featherstone, 1991; Mansfield, 1999). The transition of its relationship is developed through evolutionary phases. In which it provides a new way to experience the culture where the city reversed its economical function over the former port into a place of consumption, so that the new place offers a site where many items could be commoditized (ibid) for example, the activity of recreation, residential, employment, hospitality industry and culture and heritage. Cybriwsky (1999) has added that few adjustments on urban space needs to be made and regulated by the government policies concerning tourism development, such as the merge of the economic center with the community settlement and tourism infrastructure. This is to avoid the social polarization caused by the space-social transition (the emergence of gated community, the emergence of city's identity which is mainly formed by the relation to sphere of consumption and the emphasis on self-representation).

The postmodernism in Southeast Asian countries has been exposed through the more service-oriented production as a shift in labour market orientation from pure and dominant labour-intensive industrial production in several big cities in Southeast Asia. This shift in labor market orientation required more skilled and educated talents. Hall and Page (2000:7) have emphasized this growing trend together with the influx of international finance and insurance companies, few headquarters of internationally producing companies such as international congress center for MICE, airports and institution of international importance, are installing themselves in the Southeast Asian cities. As a result, the growing polarization of labor market and educational sector starts to take place in the city. Also consequently, the city has started to generated
infrastructures and accommodations that are also useful to tackle the mobility of people, goods and money.

Second, the re-organization of place in the city has emerged with the nodes of functionally different economic center, large infrastructure construction, and residential satellite cities including its own shopping malls (Murphy, 1999). They are elements of postmodern fragmentation of the cities in multi-functional centers and independent settlement structure (Dear and Flusty, 1998). Harvey (2004) sees urban design on postmodernism epoch has a fragmented urban fabric, at extreme level is superimposed upon each other which aim is to be conscious to vernacular tradition and local history by strengthening traditional image of spectacle.

Third, the gated community as an “islandification” (often in urban periphery area) of urban structures with respect to completely different land use can be observed as one of postmodernism elements in the city (Kusno, 2000). As noted by sociologist HW Dick, such a phenomenon is likely to be found in the big cities that have given a new discourse on city planning with the advent of the Indonesian middle class. Middle-class identity can be seen from the location where it lives. Top fraction usually stays in a good residential area in the city, while a lower fraction living in the villages or in the new low-cost housing that can be monitored and protected. Fraction of them remains puff class: the homes in the respectable villages or in selected blocks in the housing complex. With this development, the decline of villages to a lower class has affected a growing polarization between people of different income, education and lifestyle (Dick, 1990).

Fourth, the emergence of privatization of public space in respect to limit and control access to residential areas, shopping centers and leisure facilities which aim is to protect the city through private security system (see figure 2.2. right side). In the attempt of place-making, postmodernists tend to shape the space according to aesthetic aims and principles which have nothing to do with any overarching social objective. Harvey (2004) has suggested that the built element of environment constitutes one element in a complex of urban experience that has long been a vital crucible for the forging of cultural sensibilities. That is why postmodernists attempt to seek the active restoration in the form of recreating traditional values. Regardless the superficiality of many postmodernist approach, in fact, it is about finding ways to express such an aesthetic diversity (Mansfeld, 1999).
Table 2.2. Modernity and Postmodernity
Source: Adapted from Mansfeld (1999:330)

Post-modernity in urban space has created more nuanced understanding in the consumption and reproduction of images and spectacle. This translates directly into the domain of tourism because of the pursuit of new economic forms of production to replace the employment lost. The restructuring of localities has made tourism a fundamental element of most cities’ economies. In a consumption context, many of the urban landscape in postmodern cities can be accessed only by the wealthy. As a result, many of the well-to-do communities can defend the image of place and have recognized a trend in public and private space, with surveillance of pace to address concerns of urban fears (Cybriwsky, 1999).

2.4.1 Infrastructure of play

The term of “infrastructure of play” was introduced by Judd (2003) in his in-depth study throughout North American cities, which examines local development in the specific geographical area that are intended to promote urban tourism. The study shows how tourism infrastructure, as a growing sector, has transformed cities and generated further investments in such areas as renovated waterfronts. Infrastructure of play is often translated into the so-called “tourist bubble” as an extended cluster of tourism infrastructure in the city serving both residents and visitors, such as domed stadiums, festival malls, redeveloped waterfronts, entertainment districts which provide enclosed tourism “playground” (Judd, 2003:6-7). In tourism discourse, the term infrastructure differs from what it had been applied as during the last few decades in the public work’s discourse, in which it includes almost every support system in modern society.  

20 In the post-war era, infrastructure was essentially the public capital invested in roads, utility systems, communications and education, health and other governmental facilities formed the foundation of economic development. Today, the notion of infrastructure has expanded and included national
While the city is a subject to this changing spatial progress, the dynamic of change in the urban space is identified by number of factors, the actors and the context variables behind the process. Jansen Verbeke (1998, 2003) has referred to this change as “tourismification” in which is extrapolated how things transformed under the influence of tourism development. By developing the territorial expression of tourism resources in space, the analysis of the interaction and coherence between the different core elements of tourism with supporting facilities in the local and regional identities needs to be explored. To understand the dynamics of change and the effect of interactions, a systemic approach in a multi-dimensional perspective is required.

The occurrence of time-space compression and the acceleration of social developments legitimate the choice of the concept of transformation as crucial for the analysis (Dietvorst and Ashworth, 1995:3). Harvey (1989b, 2005) has pointed out some relevant social developments, which support this argument for using the concept of transformation as a central focus. First, the tourism industry especially specializes in the acceleration of turnover time through the production and marketing of images. As an instant product generated by the manipulation of image to the consumer market, tourism relates to the phenomena of “instantaneous time” where the spontaneous action counts. Thus the tourism industry practitioners are strained to adapt to this acceleration. Second, the blurred distinction of spatial barriers made available by modern information technology enables people to enter any localities. At the same time this phenomenon has accentuated the exploitation of local entities by the city region. Harvey calls this as the central paradox: “the less important the spatial barriers, the greater sensitivity of capital to the variations of place within space, and the greater the incentive for places to be differentiated in ways attractive to capital” (Harvey, 1989b: 296).

Consequently, the presence of several built elements in an area allows destinations marketers to select and highlight attractive landmarks and to develop icons strategically (Judd, 2003). It is a critical realization factor in the making of tourism places. It should be possible to trace the relevant factors in the dynamics of the tourism economy, starting with a spatial analysis of tourism precincts. It is a necessary first step in the interpretation of territorial dynamics such as clustering processes although the study of location patterns seems basic and hardly innovative. The two characteristics of cultural commodities can be resolved through geographic concentration or clustering. The cluster then appears as a place where the levers of exogenous and of endogenous growth come into play. The principles of clustering have been studied from various perspectives, such as the industrial activity, retail trade, and lately also in tourism (Hayllar et al, 2010). The study suggests that geographic concentration offers supportive conditions for interaction between different attractions and activities. The clustering of tourism activities has shown a number of advantages, mainly in terms of destination management and marketing and eventually as an objective of visitor management planning. At different scale levels, territorial clusters can be, or can become functional hubs in the network of stakeholders, and physical core areas in the tourism-scape (Jansen-Verbeke and Lievois, 2004: 170).

transportation grids, communication systems, media, housing, education, and computer networks and information superhighways (see Judd and Feinstein, 1999).
Much attention is paid to the clustering trends and this also in relation to the networks and linkages. Physical connections (a road, a path, a waterway) between places or areas of cultural interest can become a generic factor in the cultural network. Also symbolic networks between tangible and intangible elements, when supported by partnerships and alliances, have proven their strength for tourism marketing. The infrastructure development often requires an enormous commitment of political and fiscal capital in which "the cost of supporting the infrastructure and amenities of tourism absorbs most of a city's public development resources" (Judd, 2003:4). Since the state cannot utilize the resources efficiently in dealing with the infrastructural demand of urban society, the joint corporation with private investment is seen necessary in the provision, operation and maintenance of physical infrastructure. Van den Berg (1987) has argued that attractiveness of city is depending to the multitude of target groups who create the location behaviour to the place they visit. For the residents, the sufficient supply of public services and the proximity from their households to their office determine the spatial behaviour of residents.

2.4.2 Urban Mega-Events

Regarding the implications of mega-events on the issues of place and identities, mega events are about concrete embodied spectatorship and participation, thus they are about the particularity of place (Roche, 2000:10). Roche's perspective renders the localization of mega events also in terms of being analyzed as urban events, as having important and distinctive urban level characteristics. As such, they provide "a model of cities in their architecture, habitation areas, public functions and services", which depends strongly on the infrastructure of "play". In space, they usually intended to physically transform some strategically important area in cities to represent the image and status of the local power elite for the city's public. Roche further approached the nature of mega events within the economic functionalism. While it is evident that mega events are seen as self-reproducing and equilibrating system in terms of their costs and benefits for urban and regional development, "ironically they also related with the representation of power elite version" giving the elite groups the influence to the dynamic of policy-making, planning and management which involves a struggle of power (ibid:12). He described that "economic functionalist analysis of events in terms of local economic system is often a common accompaniment of instrumentalist boosterish campaigns to win support for the staging of mega events" (2000:17). In rather critical approach of neo-marxist ontology, the mega event is interpreted as a process, which has been called into existence by the capitalist system's requirements to legitimize the capitalist consumerism and profit seeking (Roche, 1994).

SEA Games as temporary mega events continue to have a range of impacts on cities both from the short and long-term perspective. SEA Games has a direct and obvious effect on cities since they are traditionally staged either in a prestigious central area of a city or alternatively in an urban area, which the city leadership has zoned for economic development. Greenhalgh (1998) has coined the term "ephemeral phenomena, ephemeral vistas", which was critically described by Roche (2000:131) as "leaving little trace on the cities, which host them and having little impact beyond the short term". However this conception could be misplaced, since SEA Games events
require massive construction of venues in hosting the said sport events. The building of
the main SEA Games stadium, the main swimming pools and the sport facilities and
complexes associated with these and other sports venues have created a substantial
architecture heritage and an internationally recognized and relevant sport facility. On
the other hand, staging a sport event is obviously a complex project carrying it with a
range of potential social and political costs in addition to potential economic costs.
They address the theme of urban politics of place and identity involved in staging such
sport event (Hall and Hogdes, 1998; Hall, 2006).

Hudges's study was probably more cautious in observing the impact of sport
event in the case of 1996 Olympics in Manchester (Hugdes, 1993). He has stated that
"the games could prove a distraction from the development and implementation of a
firmly based long-term tourism strategy unless they are perceived as an opportunity to
develop or strengthen such strategy." (Hudges, 1993:161-3). Hudges has believed that
for the purpose of urban regeneration, a program of medium scale hallmark event is
likely to be more effective and beneficial than a one-off mega event such as Olympic
games. Roche has argued that mega events typically tend to be produced and imposed
by urban elites who nonetheless need to attract the support of local citizens to
legitimate, attend, work on and help them to pay by raising local taxes from the
residents (Roche, 2000:157). The preparation of this event usually requires the role of
local growth coalitions and booster groups of politicians and leaders of business and
the media (ibid: 140).

Following Hiller (2000), by definition, development involves some kind of
transformation. The key words in linking development with the Olympic bid are
‘catalyst’ and ‘acceleration’. The SEA Games, as a mega-event, was to provide the
occasion to take action in bringing change in the short term rather than in a nebulous
long term. The fixed deadlines of the SEA Games timetable were to motivate and jump-
start innovative thinking, and create the need for action that would prevent stalling or
gradualist approaches continuing into an undefined future. In that sense, the SEA
Games venture was to spark change and accelerate action that could contribute
towards developmental transformation (Hiller, 2000).

The SEA Games was, therefore, an extremely significant component of place
promotion that was associated with large-scale public expenditure, the construction of
facilities and infrastructure and urban redevelopment and revitalization strategies,
which may give an impact on the host community for a far greater period than that in
which the event took place. The commercial sports sector gives the substantial
economic benefits in terms of contribution to the generation of employment, the value
of consumer expenditure and the investment opportunities. Given this, the shift of
economic activity into sports activities has been benefitted by the city through a strong
link between transnational capital and sports events that provide a basis for the
creation of partnership between local and transnational interests (Hall, 1989; 1992).

The creation of coalition between economic interests in the bidding and hosting
of mega-events is reflected in Molotch's (1976) theorization of the city as a growth
machine in which the decision on the growth provides the key operative motivation
toward consensus for members of politically mobilized local elites (1976:310). Such
pursuit of growth is regarded as shaping not only the political system but also the
pattern of urban development in which sport events and their accommodations
become an integral part of urban re-imaging strategies and place competitiveness (Hall, 2006:60).

According to Law (1993:107), sport events serve as panacea for urban change by persuading people to work together around a common objective and as fast tract for obtaining extra finance and getting building projects off the drawing board. This is not without opposition, since the physical aspect of this strategy has been linked with the inner city regeneration and in particular with that of the city center benefitting over those of welfare. Sport mega-events emerge as central elements in place competition in at least three ways. Firstly, the infrastructure required for such events is usually regarded as integral to further economic development whether as an amenity resource or as infrastructure. Secondly, hosting of events is seen as a contribution to business vitality and economic development. Thirdly, the ability to attract events is often regarded as a performance indicator in its own right of the capacity of a city or region to compete. Indeed, such competition can lead public-private growth coalitions to seek to coerce and co-opt interests in an attempt to control the mega-event agenda, particularly at the bidding stage (Hall, 2007).

2.5 Summary

Tourism is an urban phenomenon, which is identified as a form of urbanity- a relationship that occurs between space and human experience within the specific local context. This is evident by observing the occurrence of mutual urban dynamics, interweaving two sets of changes: cities take on tourism as a reference model of development, and tourist areas adopt urban dynamics to meet consumer demands.

Cities take tourism as a reference model of development that is reflected by the substantial growth of tourism-related infrastructure. The growth of tourism depends on the interconnectedness in flows of goods, services and financial capital brought by globalization. However, the mobilization of human capital in expanding the business, consumption and corporate activities is related to urbanization. In other words, tourism tends to appropriate the spatial outcome of global capitalism (in the local level) and the spatial organization brought by urbanization (when talking about the inherently uneven process leading to geographic disparities between urban and rural areas).

Throughout the history, the diversification of consumption activities to enhance the tourism experience in urban landscape is also referred to as "consumption of leisure": it is where cities provide the context for a diverse range of social, cultural and economic activities and where tourism, leisure and entertainment form a postmodern society. The locality and its cultural representation have often been subject to the domination of global demands and historical legacy. Paradoxically the expression of local identity is somewhat becoming more attractive as a set of urban experience and local economy. The challenge of local tourism is placelessness as the result of demand for standardization paradigm that suggests new contextual outcomes as the palimpsest of social relation and identity. It is often found within the over-representation of banal place images of urban attractions.

The fact that tourist areas adopt urban dynamics to fulfil consumer demands is explained through the desired objective in urban restructuring, both in social-
cultural and spatial sphere to provide more tourist attractions. The nature of urban
dynamic is studied with the reference to the post-industrial western countries, from
slum clearance approach during the industrial revolution, to urban regeneration with
the concern over the community and urban diversity in the early 2002. In tourism
planning, the concern over locality was reflected by the humanization of service
industry after the critique over the mass tourism (fordism to post-fordism era), which
was also influencing the nature of urban planning in general. At the same time, city
productivity takes a key role as the main features of economic growth of the city. It
consists the planning for improving labor and capital efficiency and integrating land
use and infrastructure.

The concept of transformation (to be defined as the changing of the shape,
appearance, quality and nature of something) is used as a synthesized concept to
express the importance of space and time in considering tourism and recreation.
Considering these relevant concepts, tourism is treated as catalysts for the
transformation of economy, morale and appearance of a city. Tourism in the urban
transformation framework is considered to be a useful vehicle, which only came in
view at a later stage of the planning process. While there is definitely a set of
preconditions, which need to be assessed in order to give this catalyst function, it is
therefore necessary to focus on the policy context and spatial functional context.
PART II: THE RESEARCH FRAMEWORK AND METHODOLOGY
Chapter 3
Tourism place-making: localization and commoditization

3.1 Tourism Place-making

This chapter discusses about the place-making of urban tourism that is governed by the localization and commoditization process in which the meaning of places are represented by its societal practices in the selective urban area. The particular interest of the locality of others may perform another reality, which is hard to discover in the everyday life of tourist (Urry, 1990). The ability of experiencing “the other” expands the meaning of place. Research on place by different disciplines provide the range of approaches; anthropologists explore how locals are imbued with personal and collective meaning as a core locus of identity (Prohansky et al 1983; Lavin and Agatstein, 1984; Rodman, 1992). Architects and urban designers emphasize the quality of the built environment in order to achieve pleasant aesthetic and functional urban space (Gehl, 1996; 2010); sociologists and philosophers draw subtle distinction between “space” and “place” based on social relation and diverse activities it could bring (Jacobs, 1961; Lefebvre, 1976). Place in this regards, is constructed by socio-spatial pattern of human interrelations, meanings, and value embedded in particular loci (Tuan, 1969).

Tourism place-making in this research is analysed within the discourse of locality. The place-making concept in postmodern context is characterized by a diverse collection of cultural products in which the production of services in the city is a patchwork of symbols and opportunities for consumption (see Chapter 2). As consequences of the interconnectedness of social relation in the globalized world, labor and capital have become more mobile than before. Places are contested and negotiated that they are defined by socio-spatial practices, where control and power are exerted. However, the multiple effects of its influences are not only constructed by processes operating only there, but also constructed through the intersection of global and local.

This research mainly concentrates on places that are embedded in the built environment of the city, especially in neighbourhoods (or urban kampongs) and communities. It is referred as to locality, which represents the on-going interaction of everyday life pattern between people, activities and territory and community resources and identity. The investigation on tourism place-making illustrates the connection between commoditized relation in economic spaces with the local attributes.

The interconnection between place and tourism is widely documented through the investigation of place marketing and the use of imaginary rather than to the translation between the two terms (Settachai, 2008:46). Place in tourism represents the tourist experience and therefore the basic products of the industry (Philo and Kearn, 1993). Indeed, place provide fundamental subjects for the study of tourism because they are entities and setting through which humans define their lives and societies engage in everyday life. The claim over the local attributes is what the researcher of this scientific work called localization process. It entails the relevant equivalency before authorities expand the locality into a solely economic purpose.
But locality cannot be represented as a commodity alone since it requires the broader terms than mere objects, and include service, activities and experiences. Even though touristic commoditization is seen as banal, we also need to acknowledge that some compromise of local values is inevitable. Settachai (2008:74) has agreed that the differentiated quality of local characters needs to be included in the analysis of tourism place-making. A proposed conceptual framework of tourism place making is located within the community life as the central focus of this research. In this framework, the idea of tourism place-making is used as an analytical construct to categorize its influence in the city. The interconnected key attributes of tourism place-making are identified as; localization process (community connections, informality and image and identity) and commoditization process (value in built environment, place branding and flagship developments).

3.2 Localization

As the contextual base of this research, the localization is explored in order to understand the construction of local images, where places have been transformed by the development of service occupations and tourism industry as the consequence of globalization (Urry 1995; Castells 1996; Harvey 1989). The localization is commonly represented by its particular pattern that invokes a sense of familiarity, uniqueness and authenticity. Most importantly, the growth of tourism industry on the local community has been linked to the branding of local tourism, where the host society offers the uniqueness and authenticity, epitomized in the deliberate construction of local images and impressions (Guinness 1989; Dahles 2001). Local tourism is constructed to exemplify the complex matrix of symbolic economy, which illustrates the interplay of sectors and scales (Zukin 1995; Fainstein et al 2003; Collins 2007).

Paradox to the nature of globalization, as merely homogenizing and universalizing (Cvetkovich and Kellner 1997), it is rather the expression of local differences that have somewhat become more valuable as a set of tourist commodity. It is crucial to pinpoint interrelated situations where locality is introduced, articulated and performed in urban tourism setting (Hall, 2011): to what extent does place-making relate to community and local identity and to what extent is the social and spatial structure of the city is made available for tourism. Therefore, the representation of local meanings and values can be found within the areas in which the majority of urban activities occur.

As it has been discussed in Chapter 2, the notion of localization entails the spatial eclectism in post-modern society, where patchwork of cultural symbols and properties are commoditized as tourism property. The researcher elaborates her understanding of place-making and localization by illustrating the expression of local aesthetic where local activities and values transcribed in urban space.
3.2.1 Community Connection

After the fall of the New Order regime, the practice and discourse of decentralization in response to the centralization often led to a simplification and narrowing of vision that produced temporary solution to the political and social dynamics. I refer the term “community connection” as a response to the post New-Order regime’s movement, where various groups and communities in Indonesia have revived their traditional bonds of ethnicity as a “re-discovery, re-creation of regulations and identities…” (Henley and Davidson, 2007:2). In the broader sense, this is indeed an integrating concept as in the phrase of “attachment to the ordinary landscape” coined by Riley (1992:13-16). Riley argued that refining community bonds and connections are also culturally imbued; the tie between the culture of the people and its landscape is the key to understanding collective identity.

Community connection seems to be challenged during the urban transformation as capitalists order influenced the quality of local community life. This legacy was strengthened within the work of Wirth (1938), who argued that “the increasing size, density, and heterogeneity of urban life weakens the primary bonds of urbanites to neighbour and kin” (in Hummon, 1992:256). The ethnographic studies of neighbourhoods have provided new perspective of community life, that it has to be understood in terms of processes other than those involved in the broad ecological structuring of modern settlement pattern (Young and Willmott, 1957).

Today, it is considered that the “community” life is vividly found in urban kampong, that is the fundamental link between the city and people (Radovic, 1994:166; Sihombing, 2004). This perspective derives from the legal and administrative point of view as the operator of the urbanity. Community in kampong is a concept of social relationship (rukun) embodied in a community institution (RT) as the link between Kampong dwellers and Kota. Kampong is seen as an indicator of the public assessment of socio-cultural distinctions between the low-income settlement and middle class residents. It may also be embodied by the Rukun Tetangga (RT) in administrative strata, an organisational unit associated with the kampong as a low-income neighbourhood. In RT, an elected committee of non-officials is responsible for the organization of kampong’s activities.

In the Indonesian context, the development of popular urbanization is bound to the avowedly “village” origins of the urban construction. “Village” in Indonesian urbanization also renown as “kampung”, is the highly unstructured and informal settlement in the relations to the broader socio-economic system (Firman, 2002). The physical conditions in many poor kampong contrast sharply with the wealthy lifestyle found elsewhere in the city, since kampong is seen as a settlement in an urban area without proper infrastructure, and continuous planning or urban economic networking. In comparison with the middle class housing, kampong people construct their lifestyle “in opposition to the metropolitan super culture and its structures of power and policy” (Murray, 1991:15). It has created not only social but also spatial segregation in how the houses of the wealthy are separated from the kampong of the poor because the wealthy are clustered in their own exclusive housing estates without interaction.
There is, however, a clear distinction between “kampong kota” with "kampong desa". While “kampong kota” is influenced by trade and commercial goods and generally has high population density, “kampong desa” is marked by the agricultural population in rural area with less skilled labour. This implies, that the presence of “kampong kota” is highly influenced by the presence of the “kota” (city) as the center of political and economic activities. Geertz (1965:106-107), discussed the re-adaptation of kampong form in a “Kota”, that:

“First, there was the emergence of a new, semi modern occupational structure which allowed and encouraged people to move off land and into non-agricultural work. Second, there was the atomization of the traditional forms of village social life within the Kampong as the agricultural basis of community integration disappeared, and coincident with this atomization, the emergence of new forms of social organization to combat it. Third, there was a partial dissolution of village political structure and also a partial reorientation toward urban political leadership.”

A great juxtaposition between Kampung and Kota21 such as “social and human development versus economic and political development; personal and interpersonal relationship versus management; self-sufficiency versus top-down dependency; local versus inter-local and global; and community versus society” (Sihombing, 2004:6) represents the conflict that might have occurred together with the development of infrastructure and urbanization. The discourse of Kampong integration into urbanity may have originated from the Dutch colonial period, when enclaves for resident foreigners were established, built to standards of construction and infrastructure provision necessary for ensuring a European quality of life for colonial elites. Only after the post-colonial period that newly independent Indonesian urban elites had displaced the previous colonial elite class as the city was organized for modern life and the traditional landscape of the urban kampong was reproduced (Wertheim, 1987; Kusno, 2000)

The integration of kampong community into urbanism is shaped by linkage to the broader urban spatial economy and political power that are utilized to secure access to land and housing or infrastructure (Sihombing, 2004). This integration is challenged by the on-going rapid urbanization and the effect of political and administrative changes (Kusno, 2001; Firman, 2004; Graham and Thrift, 2007). The assumption of community cohesion within Kampong settings is a critical concern to the quality of social interaction in such setting. Thus, it is important to understand the processes of Kampong formation and development with respect to this integration as they have been manifested in the past and how their development was interpreted by the current changes.

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21 Here, the researcher uses Indonesian term to indicate the difference between qualitative value and quantitative value of two opposed characteristic that is representing them.
3.2.2 Informality

Inner city enclaves embody the elaborated knowledge on the informal sector within the highly fragmented tourism industry. The rupture of the institutional deficiency has often influenced the other aspect of city development resulting in the porosity and permeability of Indonesian urbanization. In the study of informality, Roy (2005; 2009) stresses the need of embedding informality into a planning framework through the selective implementation of programs. The integration policy of informal sectors can be accomplished through the political will to enable the community's network power in the process of participation (Phillips and Roberts, 2013). This notion derives from the involvement of the community to service provision rather than merely direct delivery of programs (Murphy, 1985; Murphy and Murphy, 2004; Moscardo, 2008).

Although research on informality is frequently used in tourism planning and literature (Santos, 1975; Blakely, 1979; Murphy, 1985; Rojas, 2009), few studies were explored with regards to its integration into the tourism activities. In the tourism context, informality is fundamentally intertwined to the extent that tourism experience cannot be separated from the informal practice of marginal population in the city. Since community serves as the operator of the informality, thus contributes to the representation of the local expression and of its commodity value. Therefore, the study of the establishment of the institutionalized board in consolidating the informality sector is crucial within the fields of planning behavior, theory, and development.

The growth of the tourism industry and of its economic potential for stimulating local entrepreneurship has formed an important point in much of the literature on tourism (see Young, 1973; de Kadt, 1979; Mathieson and Wall, 1982; McIntosh and Goeldner, 1986; Shaw and William, 1990). Within the considerable literature on tourism's economic potential, limited attention has been paid to the role of entrepreneurial informal activity and to how tourism enterprises operate in different economies (Shaw and William, 1990, 1998). Much of the employment in tourism is based on self-employment since tourism is basically a service industry requiring also the notion of small-scale entrepreneurship such as street guides, vendors and culinary business. The rediscovery of the entrepreneurial role in society itself has gained more constant interest across social science (see Kinner, 1997; Aldrich, 1999; Swedberg, 2000; Kim and Aldrich, 2005; Ghezzi, 2012). Its increasing popularity benefited from the hegemonic expansion of the neoliberal ideology worldwide (Harvey, 2005). The variety of local richness, which is embedded in the interaction between cultures and economies, is important to the understanding of capitalism and small-scale industrialization. Small-scale entrepreneurship, according to Jafari (1989) operates according to a tourism business culture, and yet it may also be part of the local social system (in Shaw and William, 1994: 132).

As the capitalist economy grows, small-scale enterprises have been becoming visible and becoming an important element. The "petty modes" of production continues to increase and diversify as the tourism industry as the part of informal sector (Dahles, 2001: 94). Kampong tourism, in Guinness's term, flourished in the mid-1990s originally in Yogyakarta. The basic feature of kampong tourism is that it is defined as the opposite of government-supported "quality" tourism which is considered as the small scale, low-budgets, unorganized, "uncontrolled", informal, and low quality
(1989). It also entails more intensive tourist-local interaction, generates local benefit, makes use of local facilities and involves family-business and self-employed people.

The constant economic crisis however has further constrained the economic growth and has conflictingly influenced the low-income population. Since the modern (formal) employment sector cannot absorb the existing number of labor influx, the situation has become worse resulting in broad disparities of income and opportunities across the population. Stated by Carr and Chen (2002), employment in the informal economy has risen rapidly in all regions of the developing world by an increasing number of informal enterprises as a valid job-creation option. It is argued that the informal sector is offering virtually the full range of basic skills needed to provide goods and services for a large poor section of population (Bangasser, 2000). A simultaneous expansion of the informal economy, which provides kampong employment is thus linked to service and manufacturing of simple products that are not tradable in formal markets. Informality from the economical point of view contributes to the myriad of economic activities taking place outside the land enforcement (Hart, 1973).

It is often that the employment effects of the small-scale sector are often excluded in the assessment of tourism employment, because official employment data fails to measure the labor absorption capacities of informal business accurately (Cukier, 1999; Dahles 2001). The categories of small entrepreneurs distinguish themselves by strategically operating networks instead of land, equipment or funds. The tourism-related sector is particularly explanatory of the multifaceted economic relationship that incorporated the formal and informal modes of employment. Jobs generated by tourism industry are involving formal and informal sector activities, as the tourism sector continues to grow and diversify (Cukier, 1999). It is further emphasized that the combination of formal and informal in tourism industry necessitate the linkages of purchasing product and service between formal and informal activities (Dahles, 2001). Thus, the boundaries between the two activities in the tourism industry are blurred at both the individual and the collective level.

Regulating informality in the central areas requires intervention in at least four areas of the urban development; the infrastructure; public service; quality of public spaces; and accessibility (Rojas, 2010:37-38). The best sign of a successful upgrading program is the arrival of new economic activities and the corresponding rise of land prices (Greene and Rojas, 2007:98). Nevertheless, this strategy could generate a "gentrification process" among the marginalized population; it is described as an urban invasion by which the original population and economic activities are replaced by a new bourgeoisie and more productive activities. Gentrification process in the city centre creates an equality issue as well as limited accessibility of the replaced population to their daily economy. The social tension may also appear with the loss of social diversity in the gentrified area, which could endanger the long-term sustainability of the upgrading process. The addressing of the informality issue in the city centre depends on the availability of efficient public policies. However, urban upgrading programs are usually motivated by concerns to increase the value of the city centres rather than by social concerns for the urban poor. The solution of the physical intervention in urban space may also be enhanced by macroeconomic policies, such as the generation of new employment opportunities for low-income population (Rojas, 2004).
Hence in regulating the informality, the institutions, rules and laws that govern urban tourism are constituted from the very scale of kampong settlements; they serve as a vexed imaginary of the city's cultural narrative yet demonstrate the frequent interventions. The case of municipality in the attempt to modernize kampong in such a way that each building is accessed by public infrastructures, has deconstructed the kampong morphology. However, the attempt should not end up in the degradation of community connections, mutual asymmetries, and incoherence. It resulted in the exact opposite of self-organization in a complex system, a process building and internal networks via connectivity. In a desired model, the network of connections linking the components established the crucial organizational structure that makes the system work.

3.2.3 Image of Kampong: Example of Yogyakarta

Image and identity is a definite attribute of locality. It captures humans' use of places in constructing and maintaining self-identity (Williams, 2002; Settachai, 2008). While place identity is usually a collective construction of place perception (Prohansky et al, 1983), the image of place can be envisaged as a series of overlapping urban symbols or cultural landscapes, which are experienced and constituted by human agency (Appadurai, 1990).

According to Schutz (1981), the urban symbol is related to distinct sets of cultural values, which have a certain degree of autonomy. The symbols are subject to pluralization of life-worlds in the urban setting and compete with each other in an urban forum and interfere on each other's territory (Berger, Berger and Kellner 1974:62). Evers and Korff (2003) have suggested that the construction of the city and the main areas within, corresponds to social demands and related to the arrangement of its social structures of the privileged and the marginalized. It is also argued that:

"... The spatial structure of the city becomes a resource for power and control through non-negotiable spatial structures and through symbolic markers. Through its usage the meaning of city is internalized as a "map" for orientation. The terrain of conflict and struggles linked to the process of defining the urban meaning is not limited to the social and political sphere, but concretized in attempts to re-define and reconstruct urban imaginary"(Evers and Korff, 2003:20).

The proliferation of the informal aesthetic can be captured with elements of nostalgia and the search for authenticity and local uniqueness (Collins, 2007; Chang, 1999). The morphological authenticity of informal settlement often becomes the object of aesthetic interest of many parties: from visitors, artists, researchers and planners. In architectural term, the informality of its vernacular aesthetic is based on the idea of "architecture without architect". Such imaginary depicts the emergence of an informal order from a repetition of temporary raw materials made use of in the adaptive process of inhabiting the space. The maze of street networks of the informal settlements can be considered as part of the heritage of the city, since they embody a history and narrative of each kampong that should be preserved.
Here, the researcher would like to illustrate the kampong's life as the image and identity entities of its community. Based on the research in Yogyakarta, it was observed that localization was far beyond the reactionary form to the former regime's authority but it renders the "incorporation of local communities into the vertex of the global" (Murti, 2015:43). It is revealing how a kampong community positions itself between the official version and its representation of local identity in the context of globalization. According to Murti:

“Kampong plays a part in identity formation, and it is also the basis on which negotiation and advocacy on behalf of communities caught up in urban development can be undertaken, it represents the kampong as the signifier of a dynamic cultural identity as well as a particular location” (Murti, 2015:48).

Yogyakarta is the second most visited city after Bali as tourist-historic city, which received ITA (Indonesian Tourism Award) recognition by the Tourism Ministry of Indonesia in 2009 as a “Favorite City” and “City with the best Services” in 2009 and 2010. The city covers the area of 3.186 km/sq2 with the population of 3.514.762 in 2012 (Badan Pusat Statistik Yogyakarta, 2013). The city is famous as the center of Indonesian culture and also home to one of the most influential sultans in Java (Sörensson, 2008).

According to Sörensson, Yogyakarta is famous for its backpacker tourist market, aiming to see the two world heritage sites: Borobudur and Prambanan, which are located outside the city. Yogyakarta’s kampong becomes the main departure spot for tourist trips returning to the city (ibid). One of the kampons, known as Sastrowijayan, is argued by Sörensson (ibid :60) as “the most important factor behind the development of tourism busuiness is in the area, which has the origin in the neighborhood itself and was never ofically planned for by planning or tourism authorities”.

With the growth of tourism in Yogyakarta, there has been a shift of economic emphasis from small-scale manufacturing to tourism in a number of areas in Kampung; a number of kampong have undergone both change in economic practice and in physical appearance. For an example; many residents had converted their dwellings into tourism facilities, including boarding houses, rental shops and small cafes (Timothy and Wall, 1995). However, after the economic crisis in 1997, followed by the bomb attack in Bali in 2002, the number of tourism facilities in Sastrowijayan suffered a serious decline (Statistik Pariwisata Yogyakarta, 2005).
According to Yogyakarta Tourism and Cultural Planning Board, effective and integrative tourism planning has contributed to the increase of number of hotels in Yogyakarta in 2007: 302 (stars hotels) and 323 small hotels (losmen). In 2007 there have been 58 travel agencies and 540 licensed tourist guides and 70,000 cottage industries. In 2013, number of stars hotels in Yogyakarta has reached 1160 hotels (Dinas Pariwisata Daerah Istimewa Yogyakarta, 2014). Most of the small-scale business in Sastrowijayan kampong is community-led, and initiated and managed by the community. The area can accommodate using the different tourism facilities, such as hotels, small family hostels (losmen), and restaurants, souvenir shops and other tourism service businesses (Timothy and Wall, 1995; Dahles, 2001).

Various efforts have been made by the Yogyakarta Tourism and Cultural Planning board in developing community-based tourism, among others, is the human resources training in some communities working in tourism-related industry. The Department of Tourism and Culture in Yogyakarta also facilitate the community in establishing a forum of tourism awareness in 14 districts. The forum is called "Rumangsa" (translated from Javanese: Awareness). The forum assists and guides the personal development of tourism workers to better understand the potential of the industry (Dinas Pariwisata Daerah Istimewa Yogyakarta, 2014).

Kampong tourism is therefore, constructed based on its place image and identity and so as the local resources. What can be observed from it, is the illustration on how local attributes can be made available for tourist commodity, in collaboration between tourism from above and tourism from below actors. Although it is widely acknowledged that tourism and its very nature of commoditization can cause the disruptive images and commodity identity, it is also the community capacity that can help in avoiding such conflict. What we cannot neglect is that, the confrontation with tourist and the increase awareness of local culture and history may enhance both the local identity and community. In Yogyakarta case, the rise of commercial tourism-related enterprises represents an important factor in fostering local identity, as it provides an incentive to fruitfully maintain and take advantages of the identity makers.

3.3 Commoditization

Commoditization process illustrates the valorisation of places and local attributes that are restructured as a mean of consumption. Especially where people can actually experiencing the social relation (both visitors and locals) to obtain goods and service. It is relevant to navigate the commoditization process in the relation between post modernism and consumption in the city that might be appearing, as if postmodernist put the consumer into the main chain of production. It is crucial to understand the relationship between consumption and the development of urbanism as a symbol of accomplishment. Similarly, tourism amenities are offering great opportunity of consumption behaviors for the city dweller. Urry (1995) has considered how places have been transformed by the development of service occupations and tourism industries. In the changing analysis of space, there is the shift in understanding of place that occurred from the late 1970 onwards, which was the result of two processes: the extraordinary economic transformation and the concurrent revival of political economy approaches within the social science (ibid). The proliferation of
cultural commodity such as museum, heritage buildings, cinemas, and café ensures the city as a nexus point for money flow, goods and people from all over the world (Page and Hall, 2003).

The influx of investment potentials and the changes in production and economic management led to a highly integrated global economy which transformed the cities from sites of production into points of service provision, such as finance and banking, health care, education, media and tourism (Sassen, 1991; Funck, 1995; Bramwell and Rawding, 1996; Van den Berg and Braun, 1999; Hall, 2007; Asprogerakas, 2007; Hayllar et al, 2010). For many cities, as it is argued by Castells (1996), the urban growth is expanding and depending upon services, especially the more advanced services, which deal with the exchange and use of information as the major form of production. This is because being a form of service industry; tourism retains the idea of trade with the objective of revenues. The products provided for tourists by a city have constructed what we call “urban experience”.

For Jansen-Verbeke (1986), the tourism products are also represented by the physical setting, which includes historic buildings, urban landscapes, museum and art galleries, theatres, sports and events. The cultural commoditization becomes the main scheme for the development of urban tourism, that is the alibi for the local authorities to promote projects that combine the allocation of cultural resources with physical and environmental renewal (Mir, 1986; Evans, 2001; Evans and Shaw, 2004, Murayama, 2007). For instance, projects of urban revitalization, renewal and preservation of historic area in the inner city are used to upgrade the quality of urban life of the inhabitants. Tourism was embraced as a major policy instrument for many economic regeneration strategies on an urban or regional scale (Roberts, 2000; Raco, 2003). This has resulted in the active promotion of urban business tourism (conferences and conventions), sports and event-related tourism and the development of new attractions centered around leisure shopping or industrial heritage, with the aim of developing and revitalizing flagging local or regional economies (Hall, 1992; Law, 1993; Roche, 2000; Judd, 2003).

The features of urban renewal in tourism shown that cultural production and consumption have become key elements in such strategies, which are undertaken in order to enhance the reputation of cities through the range of consumption opportunity they generate. Since the 1980s, the global restructuring of economic, political and social process has had a profound effect upon the nature of everyday life. The importance of business, professional and service industries are increasing, replacing the demand for manufacturing industries, which has led to the problem of mass unemployment, physical decline and what Giddens (1997) called as “new petite bourgeoisie” (in Jayne, 2006). As the result, increased competition has arisen between cities as they try to create new images in order to attract speculators, business and consumers. Such development is characterized by new public-private partnerships and program of place promotion.

In the symbolic economy experience (Zukin, 1995), the aestheticized space has been created to address of entertainment and pleasure in which tourism involves the consumption of signs, symbol, festivals and spectacle. Furthermore, Husbands (1981:45) has pointed out that the space in which tourists and consumers move from one site to another has converted into the object of consumption rather than production. The provision of built infrastructures for accommodation and facilities are
required in order to facilitate the consumption of visual attraction (Bianchini, 1999). Therefore, we can argue that in utilizing the infrastructure in the city, social interaction of visitors and locals becomes a significant component of tourism experience.

3.3.1 Regulatory Body

For a better understanding of the commoditization process of locality, it is necessary to first indicate the conceptual issue of a regulation body setting the baseline for the machinations of a globalizing tourist industry. Tourism enables the interventions of global investments that collide with the local expression of cultural representation (Fainstein and Judd 1999; Wyly and Hammel 1998; Urry 2002). In a similar vein, Gotham (2005) perceives tourism as a “globalization process that connects the exogenous forces of multinational corporations and capital flows, with locally based powers of residents, elites and consumers”. Thus, such bottom line has been established before by Cvetkovich and Kellner (1997) who argue that globalization is often analogous as merely homogenizing, universalizing and abstract in a critical stance against a more heterogeneous, particularizing and concrete local sphere. The locality and its cultural representations has often been the subject to the domination of global forces resulting in the progressive effects of cultural homogenization. Paradoxically, the expression of local differences is somewhat becoming more valuable as a set of urban experience and local economy (Harvey 1985; Shaw and William 1990; 1998).

The experience of ‘authentic traditional cultures’ sought-after by tourists can be traced back to the questions: why do people visit a city; why do people have an urge to gaze upon a set of different settings of townscapes or landscapes which are out of the ordinary, even though this activity allows them to consume goods and services, which are in some sense unnecessary. MacCannell’s (1976) response to this question is rather ontological, he suggests that tourists seek to encounter the “real” life of the people they visit by pursuing “authentic” experiences that reveal some aspect of the daily life of the host society. Therefore, locality is specifically appropriated to maintaining the never-ending cycle of production and consumption as functional spatial commodities (Bartling, 2007: 110). This perpetuation concedes local commodity as a determinant that could boost the profit realization process, which is controlled and influenced by regulatory bodies.

According to Hoffman, et al (2003:7), the regulationary framework is therefore essential in framing the tourism industry that stimulates urban changes. Tourists set the market segmentations to be further developed and fulfilled while multi-layered collaborations between local authorities, firms and companies provide the product of tourism. There are four types of regulations within the tourism milieu: (1), regulation of visitors to protect the city in emphasizing the environmental protection before “911” to emphasize the prevention of terrorism after “911”; (2) regulation of the city for the benefit of visitors and the tourism industry, which aim is to differentiate the city in global tourism market through city marketing; (3) regulation of labour markets for the benefit of capital, labor and place in increasing the job opportunities and polarizing the income; and (4) regulation of the industry for the benefit of place, which aim is to guide tourism industry towards the health development.
3.3.2 Place branding

The use of high-profile projects alongside tourism policy also aims to promote positive city image, which is central to encourage business investment and activity. It is argued that high-profile projects are closely associated with the promotion of a locality to the outside world (Stobart and Ball, 1998). Place branding becomes the tool of promoting city attractiveness as a place for investments and visitors. From this point of view, these places that are promoted seek to make their service, commercial, or prestige functions stand out from those competing for the same investment on the basis of similar urban character. The projects are usually forms of property-led urban regeneration and are dominated by prominent new buildings and/or reconstruction, land reuse and infrastructure development with attention to building, urban design and spaces at the macro or city-wide scale (Hubbard, 1995).

Also fundamental to place branding is the construction and projection of an attractive image of the locality. In many cases there will be an attempt to replace a vague or unfavourable image with one that is conclusive to attract visitors and investment. Enhancing the image of the city is often integral to urban tourism development. Although stereotypical images of dirt and dereliction can represent a severe obstacle to tourism in post-industrial cities, tourism has an important image enhancement role. It is also important to note that an integrated approach to urban tourism development is essential, focusing on the salient aspects of the image of the city and the user's experiences (Gale, 1984).

Harvey's analysis (2005) has explained the usefulness of engaging local and cultural qualities to create products with unique selling propositions. He identified contradictions within the process as the following: first, the destruction of unique qualities through commoditization and marketing: second, the presence of global influence on dictating localities. This has resulted in the production of a new breed of attractions and intermediaries that supplies culture specifically for tourist consumption.

Further, the commoditization process in this research is embedded in the way cultural heritage emphasises the appropriation on building heritage such as the old quarter revitalization. It is evident that the culture of place is intimately bound up with the history of the place and of the history of the people living in that place. As an attempt to promote historical resource in the course of marketing the image, heritage tourism serves also as important political purposes. Furthermore, Kearns and Philo (1993) as well as amongst historical geographers Datel and Dingemans (1980; 1984) have introduced the importance of history into the discourse of cultural heritage. Salazar (2005: 628) stated that in the domestic level, cultural heritage is commonly used to stimulate local pride, which is conveyed in particular features and ideology, whilst in the national level, heritage sites are marketed and sold as iconic markers of national identity. Jensen (2007) also has argued that the globalization of heritage through tourism has led to a greater respect for culture that existed previously. Contrary to this, McCannell (1976, 1992) has emphasized the significance of tourism production often depends upon the exploitations of communities and local cultures for their images. It is evident in a way in which ethnic identity becomes an object for tourist consumption, to the extent that local inhabitants provide an important component of the destination's image (Oakes, 1993; Palmer, 1999; Hoffmand, 2000).
3.3.3 Flagship Development

Commoditization depends on the large-scale projects that often referred to as flagships development aim at providing new harbours for investment. This is because the use of high-profile projects alongside tourism policy also aims to promote positive city image. It is argued that high-profile projects are closely associated with the promotion of a locality to the outside world (Stobart and Ball, 1998). From this point of view, these places that are promoted seek to make their service, commercial, or prestige functions stand out from those competing for the same investment on the basis of similar urban character. The projects are usually a form of property-led urban regeneration and are dominated by prominent new buildings and/or reconstruction, land reuse and infrastructure development with attention to building, urban design and spaces at the macro or city-wide scale (Hubbard, 1995).

The investment in these kinds of projects is both socially and politically attractive – the selling of the place as a location for investment and the activity depends heavily on the creation of an attractive imagery, which is of interest to politicians and other stakeholders, thus start the process of place promotion. Tourism development seeks to improve the urban physical structure through the reuse and adaptation of historical buildings or brownfield land in cities, especially in areas located in waterfronts, historical districts or run-down areas to the benefit of both tourists and local residents. Improvement of the physical environment, together with major planned cultural events, such as organizing festivals as part of a tourism strategy, will promote the city as an attractive and enjoyable place to visit, to invest in, and to live in (Bramwell and Rawding, 1996).

Although many urban planners, business leaders and urban elites claim the flagship development as a panacea to reviving cities and providing beneficial impact to local residents, on the contrary, flagship development is not a final solution to urban revitalization since the concentration of the development is spatially specific and based largely on profit potential. Hence, the benefits are not widespread by all residents nor do they represent the local values (the case of Bilbao museum for instance, see Gomez, 1998; Miles, 2005).

It is emphasized by Zukin (1993) that the urban landscape, which includes the built environment and its material and social practice, serves as a symbolic representation. Issue of identity and representation has become central to analysis of the manner in which the city has come to be packaged as a product to be sold (Kearns and Philo, 1993). Roche (1992, 1994) and Hall (1994) have mentioned the importance of place-marketing as a dimension of re-imaging strategies. Contemporary urban imaging strategies are typically policy responses to the social and economic problems associated with deindustrialization and globalization and associated issues of economic restructuring, urban renewal, multiculturism, social integration and control (Page and Hall, 2003:307).

As a destination, the city should attract non-local visitors for a variety of activities, which should be accommodated through the physical setting. The product and images that intermediaries packaged and sell is a destination experience, and as such creates an industry that is highly dependent on the goodwill and cooperation of host communities (Murphy, 1985). Development of new facilities requires private-public investments in infrastructure and shared facilities as well as the
commercialization of local festivals and events; it is the citizens who must bear with the potential impacts of such developments and needs to have greater contribution into how the community is consumed as a tourist product. The destination community as assets and resources is shared by its inhabitants, visitors, public and private sector interests whose benefit may be shared by numerous stakeholders in the local destination (Getz and Jamal, 1995: 186-204). However, destination residents may be less willing to support additional tourism development through local revenue tax funds (Getz, 1987; Getz and Jamal, 1995) and could favor government control over development. The role of local authorities hence is not limited only to mediate the private sector interest with the need of local residents.

3.3.4 The thematic zone: example of Singapore

The physical setting of tourism destination determines the context for urban experience and the experience is part of that context. Therefore, it is becoming inevitable that our experience shapes and is shaped by the contextual setting. Stevenson (2003) claims that experience establishes authenticity, which is captured by the fluid nature composed by signs, image, movement and temporary moments that validates a visitor’s experience. The physical structure in the city is clearly overlaid onto the context of the place and formed the precincts (Edwards, et al, 2008).

Some of the factors contributing to the location and distribution of urban tourism precinct include the presence of a growth pole around which tourism operation may congregate. Perroux (1995) has developed the analysis of the growth pole by examining the use of supply links as part of the multiplier effects of dynamic sectors. Increasing demand in services has generated possibilities for economic that can be realized either by internal vertical integration or by external linkages. With respect to the location of this cluster, decisions are based on the predicted demand for tourism products and services, the availability of land, the cost of clearance and revitalization, provision of utilities, the maintenance of management and regulations for land uses. The municipal has vested interests in the historical touristic squatter settlement and therefore tries to find means to ensure the continued alteration.

Understanding the tourist-attraction system by analysing the spatial connectivity of tourist product and placing these patterns in the scope of tourist experience has become a new field of research (Jansen-Verbeke, 1992). Further, Jansen-Verbeke (1995) has introduced the concept of clustering and network in order to analyze the tourist-attractions system and its spatial implication on the urban areas. The functional association between the elements of a cluster can be illustrated from the point of local business advantages of a combination of place, product and people (Jansen-Verbeke and Ashworth, 1990). From the point of view of the consumer and tourists, the spatial proximity of a wide spectrum of amenities increases the attraction of the site and as such the inclination to spend more time and money in the area (Clark and Stanley, 1979).

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22 A cluster in urban tourism context is understood as a spatial concentration of different and complementary product element of tourism, recreation and supporting amenities, which attract specific users (see Jansen-Verbeke, 1995:139).
In general, inner city precincts whose site and situation factors incorporate proximity to the central business district are advantaged in attracting visitors. On the other hand, urban settlement, which has been traditionally regarded as central place has been exerted with the expansion of the establishment of new spaces designed for the new form of experience consumption. In order to integrate the community of slum settlement in the overall planning strategy, a more proactive top-down approach can be employed. Stilwell (1992) and Simpson (1999) have argued that "tourism is a threat to a space and place, which coexist with the dominant contemporary process of international economic and social integration". Furthermore, the land use transformation generated by tourism expansion seems to lead to other examples of spatial impact. Having that said, urban tourist precinct is bound to that of urban settlements as tourist destinations and the choices, which are made with respect to urban land uses.

Gould (1973) similarly to Lynch (1969) has developed the concept of mental maps based on the images used by people in their organization of spatial routines and expressions of preferences. According to the concept of mental maps in fieldworks, the researcher observed the elements of visitor movements as one form of spatial interaction. Within a tourist precinct they may be categorized into: gateway (entrance and exits); nodes (the places visited); paths or circulation corridors (the channels along which movement occurs); districts (subdivisions); edges (barriers or markers separating subdivisions) and landmarks. As for the external linkages, the most obvious spatial links between a precinct and its external environment are with the origins of its visitor and the most obvious spatial principle that of distance decay. The principle of distance decay will still apply, but the success of the precinct is seen to be dependent on the success of the city or destination region in attracting visitors. The dependence on the city as the source of visitors may partially explain the apparent popularity of the inner city precinct locations and the importance of transport pedestrian links to the CBD and to other tourism precincts.

From the "facility approach" model (Getz, 1993), it is useful to identify the areas in which the majority of tourist activities occur and therefore to use it as the focus for the analysis of the supply of tourism services in the postmodern city. The important argument of this approach is the multifunctional land use of the area. This model is a framework to understand the components of urban tourism and how they connect to each other, yet it is difficult to separate visitor-oriented services from each cluster. One of the most prominent thematic zones of tourism precinct that offer attraction in the city is known as TBD or Tourism Business District. TBD is a: "Concentration of visitor-oriented attractions and services located in conjunction with urban central business (CBD) functions. Owing to their high visibility and economic importance, TBDs can be subjected to intense planning by the city" (Getz, 1993:583-4). This model especially highlights the spatial definition in which urban core function and urban tourism function formed consumption-oriented place under city's limited amount of land.

An example of Singapore's TBD area gives the evidence that tourism can fuel economic growth. Beyond the economic domain, Singapore's tourism has repercussions for society and the environment, which becomes the other aspect of sustainable development. Singapore's tourism in TBD area takes the elite development model in the protection project of historical and cultural value, often involving the excessive commercialization of culture as a means of tourists' consumption. For the
protected enclaves of the urban core areas such as China town has undergone a massive gentrification process and a site of mechanism between government and private developers. The concern is how Singapore could maintain its local cultural identity while establishing core values in the name of urban development and progress.

Singapore's emphasis on tourism development began in the early 1970s when the government recognized the need to diversify Singapore's economy (Teo and Huang, 1995). Tourism development followed on the heels of urban redevelopment that was being undertaken in the city centre and which resulted in the demolition of numerous old buildings and the disruption of the city's ethnic districts such as Chinatown and little India. The formative years of the 60s and 70s were characterized by the sparks of consistent urban planning and the major infrastructure development. Only after 1980s, the conservation effort began to bring new insight to the understanding of architectural heritage and cultural identity (URA, 1988:52).

The Singapore Tourism Board is continuously looking at potential avenues to make Singapore a competitive destination, unlike other countries in which the capital city provides a gateway to other national/natural attractions, Singapore’s tourism depends significantly on urban tourism (Page, 1995). Singapore’s emphasis on tourism development began in the early 1970s when the government recognized the need to diversify Singapore’s economy. Most importantly, its identity is formed based on state-led initiative conceived in the hope of repositioning the tourism industry for the new millennium and providing an avenue to rejuvenate urban places (Cho and Govada, 2014:4). The role of regulatory framework is to ensure that tourism remains an important economic pillar through long-term strategic planning, and by forging partnerships, driving innovation and ensuring excellence in the tourism sector. It continues to market Singapore's multi-faceted appeal as a premier business, leisure, healthcare and education destination, and offer empowering and customized experiences through the “YourSingapore” destination brand.

The re-branding of Singapore in tourism marketing from “Uniquely Singapore (2005)” to “Your Singapore (2010)” reflects the individualism and flexibility in tourism planning and the emphasis on diversity in choices (www.yoursingapore.com), Tourist and travel guide, 2015.)
In expanding the significance of leisure activity in urban areas, Singapore Tourism Board proposed the extension of nature-based type of attraction. For example, Singapore River is a place that has been dramatically transformed over the years to respond to the developing demand of tourism markets. The Singapore River has since undergone rapid transformation in the past 25 years, with old buildings restored and new developments springing up by the riverbanks alongside the heritage buildings. In 1977, the government embarked on a massive task to clean up the river. The “Great River Clean-up” campaign was mooted (URA, 2002). Over the last decade, urban tourism has played an important role in articulating the definition of national identity (Chang, 1999), particularly in using the thematic zones along the Singaporean Riverside to remain fundamentally embedded in local cultural and societal activities.

Tourism is an important industry in Singapore that has become an income generator. Urban tourism in Singapore, thus the epiphany of the concept of “a great city to live, work and play” 24 has been contributed as a conscious attempt by government and private companies to create contrived activities and engineered attractions by the ubiquitous theme parks, Disneyland and theme hotels around the world to cater to mass tourism (Singapore Tourism Board, 2015). The mode of Singapore city image is formed by two tendencies: one is a travelling system of codes and values of imported ideas (primarily western supported by colonial experience) and the other is the adjustment to and resistance against these mere ideas. Singapore’s city image is a matter of adoption, adaptation, hybridization and assimilation. It involves opposition and difference: the global versus the local (URA Research Center, 2012).

Changing image of the city emphasising the theme of corporate style as a facet of global exchange. Within each manifestation, the flair of style is sought out for their difference and distinction. The prosperity of such a system of style production to commodity difference is a growing phenomenon of competition among world-class cities. For each development, these buildings had higher budgets and a higher degree of capitalism empowerment from industrial development. This space is formed by contemporary demands for corporate image ability and is less affected by its colonial past. The placelessness discourse has altered the spatial history and vernacular of space and replaced the reading with western images. In this mode, the space is presented through the technological industry, enabled by and promoted through new materials and new constructions.

24 According to the Singapore Tourism Board (2015), the tourism sector currently contributes 4 per cent to Singapore’s gross domestic product and supports some 160,000 jobs. Tourism plays an essential role in reinforcing Singapore’s status as a vibrant global city that is a magnet for capital, businesses and talent. It also enhances the quality and diversity of leisure options for local residents and helps to create a living environment.
3.4 Comoditization of locality

The concept of commoditization of locality in tourism industry is based on the capitalization of local resources as the valuable tourism products. While its process cannot be isolated from the urban restructuring, tourism and locality became inextricably intertwined. It is not only to the extent that the consumption of tourist experience cannot be separated from the social relations but also tourism capitalizes its local sources. The notion of consuming the locality resonates through what Urry has seen of locality as a consumable mean of attraction, where historical landscape, natural and cultural monuments and people themselves become incorporated into the "tourist gaze" (1990). Following this, in the approach to consumption, Urry (1995:132) establishes the bottom line that "consumerism in touristic behavior is particularly connected to the gazing experience, which is modified by agencies' intervention in creating tourist expectation upon images and signs". The lavishness of gazing experience is much associated with the variety of its production.

Several studies conducted by Van den Werff (1980), Husbands (1981:50) and Braverman (1974:281) have suggested that, tourism tends to extend its production through commoditizing the attributes of locality as raw materials, which generate more commodity expansion. Given this, the augmentation of tourism in consuming "locality" enables a dependency upon the exploitations of communities and local cultures as a process of tourism production (McCannell 1973; 1976; 1992). However, this situation quickly becomes more complicated within the heterogenous local cultures, which are probably associated with different class, gender or ethnic groupings, all of which arguably should be represented in the "locality".

Urban tourism represents the different modes of production that signify the number of heterogenous processes (Van der Werff, 1980), contrary to the traditional form of production. Tourism thus extends the production. Its raw material embodies a hybrid combination of socio-cultural, natural and physical features in which its attributes spread over the locality (Husbands, 1981; Bianchi, 2003). Within the capitalist mode of production, Bartling (2007:108) has argued that since the capitalist society is exposed to a web of commodity goods and services, its needs are sprouting and can be only satisfied by appropriate commodities, which generate more commodity expansion. Given this, the expansion of tourism in consuming "locality" enables a dependency upon the exploitations of communities and local cultures for their images as a process of tourism production (MacCannell, 1976, 1992).

In commoditization process, city productivity takes a key role as the main features of economic growth of the city. It consists of the planning for improving labor and capital efficiency and integrating land use and infrastructure. Analysis of time-space structured transformations revalorizes devalued landscapes of the urban area (Harvey, 1985; 1989a; Smith, 1990; Zukin, 1993). The question is in what extent does urban tourism development contribute to appropriating the devalued landscapes in regeneration and renewal initiatives? To answer this question, it is pivotal to note that the basis of urban renewal is relating to the economic values of the built environment owing to the fact that the investments in the built environment are long lasting and serve to profit making and fixed capital for the entrepreneurs (Harvey, 1989b). Thus, the development of urban economy and economic integration with the new world economies also results to changes in all part of the cities.
According to Harvey (1989b), "urban" has a specific meaning under the capitalist mode of production and defines the framework of capitalism within the themes of accumulation and class struggle. Capitalist search for new sources to maximize their profit turns the built environment into commodity for investors. Harvey (ibid) characterized capitalist society by the “domination of labor by capital; labor power as the source for capitalist profit”. The built environment became a place for production because fixed capital in built environment is immobile in space, it cannot be moved without being destroyed, so that investment is long lasting. The endeavour of achieving the maximum value of land-use has been further debated by the Marxist when the modes of production authorized capitalist investment in built environment, giving the prerogative for capitalists to demand spatial organization to gain maximum utility from built environment in order to increase the rate of exchange value. This mode has relevance to the distribution of productions, which leads to the immense growth of development investment particularly in expansion of transportation and communication infrastructure (Gottdiener, 2000).

Commoditization involves two types of built environment in clearance and redevelopment policy, which are: “environment replaced” and the “environment provided”. The environment replaced entails the area of “improvement” and numbers of old facilities that were being replaced with the new one. The environment provided involves the rebuilding of large residential area where some commercial redevelopments were also introduced (Sujarto, 1985). Comprehensive redevelopment of residential area was combined with reshaping road system and in some profitable location it is combined with new shopping and office areas. The extensive investment in promoting tourism eventually led to the creation of considerable housing demand. The lure of a renewed urban romanticism coupled with existing structures in the form of old buildings and former manufacturing spaces that could be quickly redeveloped and offered for sale leads to a new wave of residential growth.

3.5 Placelessness as the challenge to locality

The image of the city is a crucial aspect of urban tourism, in which its locality can be also represented by dirt and dereliction (Selby, 2004). Constructing this image of place has long been associated by architects and planners with the enhancement value that will bring benefit for community. This approach has been linked with what is referred to as the “commoditization of place” (Agnew, 1984). Fundamental to the commoditized locality\textsuperscript{25} is the construction and projection of an attractive image of the city. In many examples there will be an attempt of replacement and demolition of deteriorated image with one that is appealing to tourists and investment. The adopting of policies such as urban renewal of old neighbourhoods to preserves its character marks the commodification process of the locality.

\textsuperscript{25} There has been also discourse about “invented tradition”, which is added in the locality to create sense of attachment to place to the modern lifestyle. It has been generally correlated to the funding through public-private partnerships based on corporate values (see Hobsbawn, and Ranger 1983).
“Much of the current malaise about the urban landscape can be attributed to the growth of placelessness”; Nagel (1986) has considered that placelessness is the by-product of globalization to signify the power of capital. The standardized image making is closely related to the global demands of targeted customers, thus the simplified generalizations about people and places is a challenge to locality, in which many city suffers from the state of “placelessness” or the “loss of meaning” of place. The discourse of “placelessness” captures the arguments regarding the transformation of the meaning of place, “from an unconscious to conscious stage and from a conscious to a manufactured stage” (Arefi, 1999:183). Loss of meaning, according to many urban scholars, goes beyond the major paradigm shift in urban form but also reflects people’s perception of attachment to place (Relph, 1976; Heyden,1995; Arefi, 1999). Some of the major challenges facing the value of locality is how to validate and celebrate the “new sense of place” yet still be authentic and genuine. It is crucial to enhance the proper connection of places which is characterized by social, historical and physical connectedness for social interaction and continuity. The concern of preserving cultural identity should not be interpreted as the opposite of progress, rather it should be perceived as the contribution to the preservation of cultural and spatial identity.

The commoditized locality for tourism consumption then becomes the paradox, when the search of authenticity leads to the replication of similar urban development strategies and to the global homogenization of urban landscape. Harvey argued that these contradictions tend to destroy the very unique quality of locality thus eradicating the monopoly advantage, which can be extracted (Harvey, 1989b). He called this as zero-sum game, where:

“Many of the innovations and investments designed to make particular cities more attractive as cultural and consumer centers have quickly been imitated elsewhere, thus rendering any competitive advantage within a system of cities ephemeral . . . Local coalitions have no option, given the coercive laws of competition, except to keep ahead of the game thus engendering leapfrogging innovations in lifestyles, cultural forms, products and service mixes, even institutional and political forms if they are to survive.” (Harvey, 1989:3)

Such concern reflects the standardizing global forces have significant implications for what constitutes the construction of place but also promulgated the idea that “space and place were of diminishing importance” (Arefi, 1999:185).

![Figure 3.2. Two identical images from Palembang (Left), and Bangkok (Right)](Source: Field Documentation, February 2013)
Placelessness in the locality as the result of tourism demand for standardization paradigm suggests multiple facets of place as the palimpsest of social relation and identities. The influence of local politics and global capital interferes social relation and generate new spatial outcomes. These outcomes are not necessarily permanent. They are temporary in nature and thus constantly oppose the sense of permanence. Places are constantly in tension between "what they are, what they ought to become and what the mediations of global capital and power make of them" (Arefi, 1999:191).

3.6 Framework of Analysis in Tourism place-making

In reflecting to the model of (tourist) city, urban space morphology is a significant parameters or resources in urban tourism development. Later, it came up after the attractions and supply-side mapping, the extraction of local values that are made available into a tourist commodity (see table 3.1).

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*Table 3.1 Data categorization of localization and commoditization process*

*Source: Author, 2015*

**Thematic Zones**

The physical setting of tourism destination in the local level determines the context for urban experience as a part of the local context. Thematic zone in Palembang is used as an excessive method for the authorities to sort out, distribute, regulate the differences in market segmentations and to do inventory of the tourists movement, which is connected to the network system of internal flows and external linkages. Thematization is not only reflected on the theme park, but thematization of urban space is also a consequence of it. The meaning of the traditional public space is substituted by the relaxes and vibrant atmosphere that are created by the people's movement and activities in shopping centers, inner city attractions, restaurants, stadium and also theme parks. Thematization of urban space is of what particularly symbolizes the “tourism bubble” concept without trying to detach it from the cultural local setting. The element of visitor movements (also known as mental maps), as one form of spatial interaction within a tourist precinct, suggests that the relationship among these tangible entities is occurring between visitors, space and social practice. The spatial configuration of specific site planning is represented in their physical structure (e.g river tourism in waterfront area) forms an arena for the experience of visitors.
**Waterfront area**

Waterfront area embodies a number of functions within a city environment. It serves as a traffic artery, a location for industrial and commercial activities, a drain or reservoir, residential area as well as a recreational spot. Jansen-Verbeke has viewed inner city as a representation of “tourism product”. The diversity in usage indicates a number of different groups utilizing the waterfront; it can be entrepreneurs, workers, families or tourists. With the reference to Craig-Smith, (1995) these are the major usages of waterfronts which lead to a number of features such as housing, industry, commerce, transport, and other leisure facilities. Waterfronts are one of the most valuable resources of a city. In securing the long term growth of this resource, it is essential to use waterfront area strategically to maintain their economic value and enhance their specific images (Bruttomesso, 2006).

The necessity of developing waterfront areas as recreational space derives from the concept of urban regeneration in the latter half of the 20th century. Many cities at that time had to deal with the negative consequences of the abandoned waterfronts due to the rapid industrial and technological transformation (Craig-Smith, 1995; Griffin and Haylar, 2006). In the case of the economical shift from production to consumption, many cities had to replace goods production buildings that were clustered around ports with luxury hotels and accommodations (Fainstein and Gladstone, 1999). The shift is increasingly used to secure future growth and to make city to be internationally competitive (Oakley, 2009). Consequently, leisure and tourism became the major objective behind the regeneration strategy which is demonstrated by the development of waterfront area. It is usually associated through the provision of public space thus the development of waterfront have received important recognition in planning, design, management, and the land use of river bank (Fagence, 1995). Particularly relevant for Palembang, waterfront development projects shape the image of the city as a major attraction points. It is believed that visitors would utilize the waterfront not only for specific entertainment and shopping, but also to feel the ambience of this place.

**Kampong enclaves**

The researcher utilizes the term “kampong” as the equivalent to urban slums and nostalgia, since the term is strongly based in the Indonesian's locality. As the upmost overrated principle of Kampong tourism, the romanticism over poverty and poor living condition is associated with the slumming, while the valorisation of marginalized urban area seems to be under investigated (Freire-Medeiros, 2009; Mowforth and Munt, 2009; Butler, 2012). While it is evident that most of the tourist attractions are immersed within the historical quarter of the city; by the same token kampong tourism also manifests itself in the midst of areas of relative deprivation. Such a promising premise to combat global inequalities and urban poverty of destination inhabitants was firmly established in overall spatial planning strategies (Frenzel and Ko Koens, 2012).

The researcher explores the effect of tourism development on the informality and social structure: to see how the nature of community is affected during the shift to the decentralization policy of the local region. So that with the demise of the New Order and the rise of policy promoting decentralization, urban society changed under the impact of political reform, globalization, global and local patterns of consumerism, and kampong expression of community. The question of whether the tourism development
has exacerbated the existing forms of social and spatial equality to provide new capital niche for marginalized areas remains contested. Borrowing Roy's terminological disputation in informality as "a state of exception from the formal order of urbanization" (2005:147); the researcher of this academic work asks how can this state of exception be strategically used by planners to alleviate the disadvantages of the marginalized population?

**Historic core**

The historic urban cores can be seen as functional fragments of the city which have become rich in meaning and can be interpreted in different context. On the other hand, the cultural zone tourism is not as rich in meaning neither by form nor by history, however the varieties of urban attractions of spaces in terms of forms and function will allow individual to make their own (different) choices (Vidler 1978:31). That can be said that tourist's movement in the urban space is encouraged by the concept of creativity and thus can provide individual with the choice of free exploration, which is not the case of mass tourism (modernism) by travel agencies. The concept of free exploration fits better with the concept of individuality and diversity of choices characterized by the post-modernism tourism, that is the core aspect of contemporary urban tourism.

### 3.7 Summary

In this research, localization is constructed through the community connection of urban kampong that presents the fundamental link between the city and people. The integration of kampong community into urban area depends on the linkage to the broader economy and political power to access infrastructure. As the informal economy of the city illustrates the intertwined co-existence of the "Kampong" and "Kota" in which exacerbated by the rapid concentration of global flow resulting in the inequalities of spatial division and social classes. Informality continues to increase and diversify tourism industry, which is based on the small-scale, and low-budget enterprises. It also entails more intensive tourist-local interaction, generates local benefit, makes use of local facilities and involves family-business and self-employed people. Localization is also reflected by the construction of one's local image and identity. It relates to distinct sets of cultural values and are subject to pluralisation of urban setting. Image and identity can be strongly seen in the form of physical landscape, people's lifestyle, as well as the proliferation of its informal aesthetic (the example of Kampong Tourism).

Commoditization extends the local attributes into the consumable means dependent upon regulatory body, place branding and flagship development. Commoditization sees locality as a valuable tourist attraction and particularly connected to the gazing experience. In commoditization process, city productivity takes a key role as the main features of economic growth of the city. It consists of the planning for improving labor and capital efficiency and integrating land use and infrastructure, which is depicted in the example of urban renewal and regeneration. Commoditization of place provokes the "improvement" of old facilities that were being
replaced with the new ones, as well as the rebuilding of some commercial redevelopments.

The dilemma of commoditized locality leads to the replication of similar urban development of urban landscape which tends to destroy the very unique quality of locality. It also tends to hinder the community's role in planning participation, since top-down initiative is required to operate the commoditization process. Therefore, it is important for the government to "entrust the partnership model with the related local stakeholders also to integrate the (tourism) infrastructure into the community scale" (Author interview: Maulidia, December 2012).
Chapter 4.
Methodology of the study

4.1 Introduction

In this chapter, the author demonstrates the research strategy that is employed in this academic work. Furthermore, the research instrument that is utilized and developed in the pursuit of a goal, as well as the research objectives and the quest for the solution of a problem and the research questions are included in this section. The research is influenced by critical and constructivist paradigms and thus a qualitative case study approach was adopted. The historical analysis was first carried out to trace the influence of tourism development on the long term changes of the socio-physical environment in the inner city of Palembang. In depth key informant interview, field observations and community mapping analysis were conducted in this primarily inductive analysis as a means to gather the primary data. These data-collection techniques effectively provided ways to emphasize the justifications for the analysis of tourism development impacts on community life. To investigate the process of commoditization and localization of urban tourism, the methodology accommodates the research framework on the tourism place-making, which involves (1) spatial transformation; how tourism gives significant impacts on urban form, and (2) the socio-cultural aspect; how neighbourhood is related to tourism industry.

4.2 Research design

In the field of tourism research, there has been a significant growth of researchers in investigating the subject particularly in the 1980s (Getz, 1987; Richards and Munster, 2010). Many of the early studies in tourism were mainly focusing into quantitative aspects of socioeconomic profiles of tourists and their behaviour. In the early phase, the tourism research tended towards quantitative work, often in the form of participant survey submitted to statistical analysis (Richards and Munster, 2010:3). As the range of the subject began to expand in the early 1990s, the focus of the research has been shifted and the trend in linking it with the cultural studies has been discovered.

Given this, the studies of tourism as weapons for city development have led to a proliferation of studies on the social and cultural aspect of tourism production and consumption (Munster, 2007). Most of the research works during this era has been conducted through qualitative methods to understand in greater depth the reasons why people undertake cultural consumption during their holiday. As a result, the intangible concept of touristic behaviour such as “atmosphere” and “liveliness” are interpreted through qualitative methods, which are difficult to capture using quantitative research methods.

In this research, in order to keep a holistic approach, the proposed research utilizes multiple methods, which will be used as the combination between qualitative research and quantitative analysis, namely; case studies, open-ended questions, and structured or semi-structured interviews. Recent research involving qualitative
methods mentioned, “it has sought a more sensitive understanding of how people assign meaning to various aspects of life and how decisions follow from this” (Johnston, Gregory, Pratt and Watts, 2000: 52). The use of interpretative qualitative approaches, such as open-ended questionnaires and semi-structured interviews, have also been suggested as being valuable methods to gain insight into the complexities of tourism (Echtner and Ritchie, 1991; Jamal and Hollinshead, 2001). The quantitative analysis is used to conduct the ordering of the received data from the field. Whereas the qualitative analysis is used to describe and to interpret the quantitative analysis results so that the analysis result is acquired suitable with the aim of the research. Site observation is established in order to discover firsthand knowledge of the inhabitants, physical appearance, and social activities on the site. Hence, qualitative methods is implemented to get more involved with the situation on the site.

The research is based on case studies, which is a method focused on particular characteristic of specific area (Denzin and Lincoln, 1994). In case studies, the types of knowledge that can be obtained are: a) describing the object or phenomenon—not only its external appearance but also its internal structure and its earlier phases of development; b) explaining the reasons why the object is as it is; c) predicting the future of the object and; d) planning improvements to the object or to other similar objects or gathering opinions about related object. Case studies examine comprehensively many features of a few cases over time. The researcher uses the logic of analytic induction, considering the context of a case and examining how its parts are configured (Neuman, 2000). Case study method enables a researcher to closely examine the data within a specific context. In most cases, a case study method selects a small geographical area or a very limited number of individuals as the subjects of study. Case studies, in their true essence, explore and investigate contemporary real-life phenomenon through detailed contextual analysis of a limited number of events or conditions, and their relationships. Yin (1984:23) defined the case study research method “as an empirical inquiry that investigates a contemporary phenomenon within its real-life context; when the boundaries between phenomenon and context are not clearly evident; and in which multiple sources of evidence are used.”

Tourism scholars have been categorizing the type of case study approach based on the way data is being investigated, namely: exploratory, descriptive, explanatory interpretive and evaluative (Yin, 1984, 1994; Getz, 1987; Neuman, 2000). What is typical in exploratory case study, for instance, is the importance of initial fieldwork and small-scale data collection before proposing research questions and hypothesis, which is crucial in determining the protocol that will be used. The aim of exploratory case study is to explore any phenomenon in the data, which serves as a point of interest to the researcher. Meanwhile, the descriptive case studies set to describe the natural phenomenon which occurs within the data which goal is to describe the data as they appear. Neuman (2000) suggested that descriptive case studies might be in a narrative form. However, the challenge of a descriptive case study is that the researcher must begin with a descriptive theory to support the description of the phenomenon or else there will be the possibility of lacking reliability of the project. The explanatory case studies examine the data closely both at a surface and deep level in order to explain the phenomena in the data. On the basis of the data, the researcher may then form a theory and set to test this theory. Furthermore, explanatory cases are also deployed for causal
studies where pattern-matching can be used to investigate certain phenomena in very complex and multivariate cases.

Through interpretive case studies, the researcher aims to interpret the data by developing conceptual categories, supporting or challenging the assumptions made regarding them. Whereas in evaluative case studies, the researcher goes further by adding their judgment to the phenomena found in the data. However, this approach has been criticized due to the tendency of the researchers attempt to separate these categories or to conceive them as a hierarchy (Neuman, 2000). Yin (1984:15) has postulated that a common misconception is that the various research strategies should be arrayed hierarchically. Thus, people were once taught to believe that case studies are appropriate for the exploratory phase of an investigation that surveys and histories were appropriate for the descriptive phase, and that experiments were the only way of doing exploratory or causal inquiries. The hierarchical view, however, is inaccurate. Experiments with an exploratory motive have certainly always existed. In addition, the development of causal explanations has long been a serious concern of historians, reflected by the subfield known as historiography (Munsters and Richards, 2010).

Based on these frameworks, this research is conducted by performing the combination between interpretive and descriptive case studies to be able to tackle the limitation of case studies. It can be concluded that the limitation of case studies includes: (1) the target can be human research, events, background, and documents; (2) goals are reviewed profoundly in accordance with the background or context, with a purpose to understand various connections that exist between the each variables. While describing the phenomenon in data as their occurrence, the combined approach allows the author to develop theories based on conceptual categories made by interpreting data.

4.3 Reference Study

The research was mainly constructed based on case study approach as an attempt to describe relationships that exist in reality. However, case study approach can be considered weak as it is typically restricted to a single organization and therefore, it is difficult to generalize the findings since it is hard to find similar cases with similar data. A key feature of the design of case study research is the number of cases included in a project. In this research, to pursue more valid generalization, references study to a number of cities with the similar phenomenon were undertaken as a means to describe phenomena, test and develop theories, but not necessarily making any comparison. The cities, which the author of this academic work has observed as the reference studies are Yogyakarta, Bangkok and Singapore. All of them are linked in the geographical proximity in Southeast Asia and they also promote tourism as a mean of urban development. However, since these reference studies serve only as a margin for testing the theory and to construct the validity in which the phenomena has occurred, the author did not perform the case study methodology in comparison to Palembang as the main study area. Given this situation, there is an attempt to establish an observed pattern against a predicted one, which is regarded as a valuable tactic for case study analysis, while explanation building is considered as a special type of pattern matching (Yin, 1994).
The reference study was essential as a model in establishing the level of tourism experience in the city based on the scale of tourism’s development model on each city, which is categorized in four aspects namely: social interaction and confrontation; tourism characteristic; image of the city; and spatial characteristic. This model helps to legitimize the position of the selected study case as the main city for the investigation. In the similar gesture, this strategy advocates a replication strategy; a conceptual framework oversees the first case study, then successive cases are examined to see whether the new pattern matches the one found earlier.

<table>
<thead>
<tr>
<th></th>
<th>“Model 1”</th>
<th>“Model 2”</th>
<th>“Model 3”</th>
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</thead>
<tbody>
<tr>
<td><strong>Spatial characteristic</strong></td>
<td>Historic and Commercial areas overlap, mostly in the inner city</td>
<td>Facilities are spatially dispersed with web of multi-precincts experiences</td>
<td>Urban regeneration projects are aiming at integrating tourism with local activities in the inner city</td>
</tr>
<tr>
<td><strong>Image of the city</strong></td>
<td>Tourist-Historic city</td>
<td>Postmodern play-scape</td>
<td>Community based tourism in urban kampong</td>
</tr>
<tr>
<td><strong>Planning Strategy</strong></td>
<td>Special interest of tourism, city as a mono-function</td>
<td>Differentiation between “front stage” and “backstage”</td>
<td>City adapts to the new economic condition while cultural expression remains pivotal</td>
</tr>
<tr>
<td><strong>Examples of Destinations</strong></td>
<td>Krakow, Prague, Bangkok</td>
<td>TBD in Singapore</td>
<td>Yogyakarta, Palembang</td>
</tr>
<tr>
<td></td>
<td></td>
<td><em>(See Getz, 1993)</em></td>
<td><em>(see Dahles, 2001)</em></td>
</tr>
<tr>
<td></td>
<td></td>
<td><em>(See Ashworth &amp; Turnbridge, 2000)</em></td>
<td></td>
</tr>
<tr>
<td><strong>Theory Relevance</strong></td>
<td>Responding to the critical theory of mass-tourism and collective tourist gaze</td>
<td>Responding to the relational theory in emphasizing the humanization of tourism service</td>
<td>Responding to the Hyper tourist theory <em>(see Jensen-Verbeke, 2000; Judd, 1999)</em> Collaboration tourism planning theory emphasizes on community capacity and empowerment</td>
</tr>
<tr>
<td></td>
<td><em>(see Boorstin, 1961; Turner and Ash, 1975; Urry, 1990)</em></td>
<td><em>(see Cohen, 1988; MacCannell, 1975)</em></td>
<td><em>(see Murphy, 1985)</em></td>
</tr>
</tbody>
</table>

*Table 4.1. The Constellation of Urban Tourism Research*
Source: Compiled data by author, 2012
The scheme (see Table 4.1) illustrates the research's configuration in investigating the selected study cases as a distinct model of tourist city. The study of Ashworth and Turnbrigde (2000) paid attention on the exemplification of tourist historic city with post-industrial European cities as the case study. In this research, the tourist historic-city is also exemplified by Bangkok as Southeast Asia's representative. Meanwhile, Getz (1993) has proposed the model of postmodern tourism in the Southeast Asian destinations, such as Singapore. My study case in Palembang characterizes the city as a new destination, while tourism becomes the alternative of diversified local economy sources with the reference study of Yogyakarta's kampong tourism (Dahles, 2001). It suggests that these models of tourist city depends on to what extend the city carry out the tourism strategy. The model symbolized into three stages: intertwined, segregated and organic tourists’ city, which is reflected in the overall place-making attempts, the spatial characteristic, image of the city and the planning strategy. To be able to stand as a distinguish destination, every destination has to generate its identified tourism product of experience in order to attract target group.

The model of tourist city is related to some of the established social theory of tourism sociology, particularly as it is concerned with organized spaces. These theories have come to the fore since the rise of social movements in the 1960s, and thus can be summarized within four major theoretical categories: critical theory, relational theory, hyper tourist theory and collaboration theory. Critical theory's main argument is based on the criticism over the concept of mass tourism, emphasizing the opposition of the standardizes recreation activities that hinders the authentic urban experience. Meanwhile, the relational theory emphasizes the importance on the humanization of service during the transition from Fordism to post-Fordism in the opposition of hetero-directed nature of mass tourism. Hyper tourist theory suggests that the city is the original site of production of all the consumption flows connected through the dynamic of urban activities. Collaboration theory (also as theory of sustainable tourism) connects the commoditization of mass tourism in specific targets of sustainably motivated tourism, which is also called "sustainable authenticity" (Cohen, 1988; Cohen et al 1995) to outline the situation where demand is intertwined with the expression of local culture.

### 4.4 Data collection

Collecting methods were divided into two segments, which are primary data collection and secondary data collection. Primary data collection includes in-depth interview of residents, observing the site through direct experience to get an overview related to site's physical, economic and social condition. Secondary data collection includes municipality's database, literature and articles.

In the analysis after data collection and identification, several stages of analysis are including mapping analysis as a technique used to facilitate discussion about the state of the region and its surroundings. This situation is depicted into a map/sketch of the area. Mapping studies aim to facilitate the public to express the state of its environment, changes, and assess these changes as the location of resources and its potential and problems.
With the mapping technique such aspects as state of community resources and problems, changes, and its potential can be described. Potency and problem analysis, as an activity, carried out to visualize the community's potential and problems into maps through analytical critique.

4.4.1 Historical analysis

A historical analysis was conducted in order to analyze the fundamental question: first, how has Palembang been transformed into a new attraction of urban tourism destination over the time starting from the Sriwijaya era until today? Second, what are the roles of decentralization policy as a main cause of tourism legislation in Palembang? The purpose of conducting an historical analysis was to discover the connections between the driving force of tourism development and the continuing changes of the socio-physical context in the study area.

Data about the history of Palembang and its inner city's community was gathered from various archives such as old maps, newspaper and old articles. Another historical document was a set of old pictures showing the landscape on Palembang's inner city in the past, in comparison with the current images. These archival data were mainly aggregated as the secondary sources notably official city documents, reports, anthropological studies, and written histories of the study area conducted by experts. By collecting these data, it is expected that a better understanding of Palembang's tourism development could be established through the analysis of the documents. The data archive also includes the information of the controversial issues between local residents and public authorities, such as an eviction plan with regards to the claim of a local cultural image. The stories of social riots, following the uprising of the national regime of New Order in 1997, were also a pivotal momentum in describing the "hidden" relation among its inhabitants, which is encapsulated in the very disparate background of ethnical identities and its conflicting representation on space. Such information was obtained from the local newspaper and informant interviews.

The analysis of these historical affirmations pursues the "political economy approach" as it was examined by Shaw and Williams (1994). Ashworth and Turnbridge (2000) have claimed that tourism plays a significant role as urban regeneration strategy. And thus, under the political-economy approach, the data were organized by key points such as; the government's promotion of tourism as a means of urban restructuring for economic development (Shaw and Williams, 1994) by strengthening urban core to attract more workers; tourism is adopted as an urban regeneration strategy by the reinforcement of physical landscape in the city (Pearce, 2001); local people support the tourism industry and interacts with the tourists so that tourism has a characteristic of dual city that catered both to visitors and residents (Spirou, 2011). Given the particular geographical characteristic of the study area, there are two models of city being examined, namely: the Indonesian post-colonial coastal city model (Ford, 1993), which after the tourism development has promoted itself as the waterfront tourist-historic city model (Ashworth and Turnbridge, 2000).

The model of post-colonial coastal city was originated by the fact of disconnected physical geography of Indonesia, thus the role of regional centers was especially important since the most of rapidly growing Indonesian cities are coastal
commercial centers established by colonial or extra local power such as Islamic traders. The initial form of most Indonesian coastal cities reflected some aspects of foreign urban ideology which was classified into five main zones: port colonial city zone, commercial zone, government zone, industrial zone, kampongs, suburbs and elite residential zones. By 1700s, Jakarta, Semarang, Surabaya and Palembang had central area modeled after ideal Dutch port cities, which implies the imposture of ideal landscape on “alien” cultural and physical environment (Ford, 1993). Post-colonial Indonesian city typically have spine of development leading from the waterfront. Along this spine is a graduation of commercial activities and somewhere along it, the Chinese commercial are gradually merged into a mixed commercial zones. Today, this zone is likely to be the real economic heart of the city, with everything from open traditional markets to modern pedestrian malls. The port and related colonial-city structures are the main morphological attributes in analyzing how the city has been transformed over the time to a waterfront tourist-historic city model. The Dutch colonial city is an important visible element in Indonesian cities, however it is no longer functionally important; many urban regeneration programs are aiming to enhance its historical value.

![Figure 4.1. Model of coastal Post-colonial city](https://example.com/image.png)

Consequently, the model of waterfront tourist-historic city is utilized as an emerging spatial pattern of the historic and tourist cities. The waterfronts with surrounding area, in this regard, were often the primary locations for the initial establishment of the settlement and important nodes of nearly commercial activity. Ashworth and Turnbrige (2000) classified it within four phases of transformation: 1) the emergence of CBD of the original city; 2) the movement of CBD to the inland area; 3) the city port area develops into the tourist-historic city and thus resulting to the fourth transformation; 4) the modern CBD stops to expand away from the historic city and is redirected towards the historic port due to the increasing profile of the waterfront's image of the city.
Based on the historical data and geographical characteristic models, an analysis of tourism development and promotion in Palembang was undertaken. The aim was to illustrate the modified characters of the initial post-colonial coastal city to the waterfront tourist-historic city under its specific socio-spatial settings. The findings of the analysis are expected to help readers understand not only the evolution of spatial transformation but also the prospect of the future development in the area of study.

4.4.2 Informant interview

In-depth, semi-structured interviews were conducted with a relatively medium number of key stakeholders. It provides means to determine how individuals or social groups view themselves, their relationship to the environment, to others and to agents and forces of change. The aim of the selective informant interview is to gather the insightful information about the history of the area, the perceived impacts of tourism development, the transformation of the physical environment and community relations, view on their participation in the development process. In selecting key informants, the researcher referred to Gotham (2005, 2007) on his study of New Orleans's Tourism, which has developed a conceptualization of tourism agencies between tourism from above and tourism from below. He presented a schematic overview of the major process, structures and networks and key actors and organizations in his study case associated with tourism above and below. Gotham proposed that the agency of tourism from above and the agency of tourism from below have a mutual relationship that embedded in networks and organizations (2005:7.12). Thus, the selection of key informant based on this conceptualization is crucial in providing the precise information for answering specific research question. It has become the most important consideration in qualitative decisions.

The discourse of "tourism from above" and "tourism from below" as it is critically conceptualized by Gotham (2005), illustrates the contrasting yet mutually dependant body of tourism organizations responsible for enhancing local distinctive features through a series of strategic branding. Later, in his more elaborated study, Gotham (2007) has developed a conceptualization that views tourism as two sides of coin of homogenization forces and diversity forces. The relationship between each other is not contradicting but rather reciprocal and responsive. Tourism from above operates in the process of globalization, commoditization and urban branding, which emphasize the role of regulation strategies established by the governance. On the other hand, tourism from below reflects the role of grassroots initiative to express their cultural invention and local authenticity in everyday life.

Tourism from above

Tourism from above is responsible for regulating the capital flows, communication and transportation technologies, and legal modes of governance and regulation that have evolved over time to encourage travel and coordinate different forms of tourism and entertainment. In this research, globalization implies the agglomeration of social and geographical interconnectedness and an accelerated mobility of people, capital, information and cultural symbols. Commodification is the
conversion of local features and identities into saleable products as a means of profitable exchange. Whereas, urban branding within this context refers as the extension of commoditization process associated with the marketing version of urban culture as an object of consumption.

<table>
<thead>
<tr>
<th>Process</th>
<th>Structures and networks</th>
<th>Key actors</th>
</tr>
</thead>
<tbody>
<tr>
<td>Commoditization</td>
<td>1. Palembang City Government (Department of Public Works, Directorate General of Cipta Karya)</td>
<td>Mr. Nur, Ms. Aris</td>
</tr>
<tr>
<td></td>
<td>2. Spatial Planning Department (BAPPEDA)</td>
<td>Mr. Tri, Ms. Yulis</td>
</tr>
<tr>
<td></td>
<td>3. Urban Transport Department</td>
<td>Mr. Wawan</td>
</tr>
<tr>
<td></td>
<td>4. Palembang Tourism and Cultural Department</td>
<td>Mr. Maulidia, Mr. Tabrani</td>
</tr>
<tr>
<td></td>
<td>5. Hotel and Restaurants Associations (PHRI)</td>
<td>Mr. Erlan</td>
</tr>
<tr>
<td></td>
<td>6. Travel Agent Associations (ASITA)</td>
<td>Mr. Anton, Ms. Oka</td>
</tr>
<tr>
<td></td>
<td>7. Media (Sriwijaya Post)</td>
<td>Mr. Yandes Effriady</td>
</tr>
</tbody>
</table>

Table 4.2. The structure of “Tourism from above”  

Tourism from below

Tourism from below put the emphasis on the participation of local people and groups in creating the “framing strategies, symbols, aesthetic codes of expression” to stimulate cultural intervention and promote tourism at a grassroots level. Localization can be also defined as a process by which local actors and organizations appropriate “global” trends and symbol to reinforce “local” attitudes and inscribe “local” meaning into cultural production. On the other hand, heterogeneity is a pre-condition of local authenticities and is best explained by the degree of how extra local process interconnects with local actions in producing “tourism products”.

<table>
<thead>
<tr>
<th>Process</th>
<th>Structure and networks</th>
<th>Key actors</th>
</tr>
</thead>
<tbody>
<tr>
<td>Localization</td>
<td>1. Residential networks</td>
<td>Mr. Mamat (18 Ilir), Mr. Budi (18 Ilir), Mr. Wicaksono (16 Ilir), Mr. Angkara (9/10 Ulu), Ms. Ani (16 Ilir), Mr. Wahid (Ka. Kapitan), Mr. Hermawan (9/10 Ulu), Ms. Rahma (9/10 Ulu), Mr. Mulyadi (Ka. Kapitan)</td>
</tr>
</tbody>
</table>
2. Heritage and Archaeology Research Institute
   Mr. Rangkuti
   Ms. Novita

3. NGO networks
   Mr. A. Kemis

4. Art and Cultural networks (DKSS)
   Mr. Anwar Arifa’i
   Mr. Budiono

5. University
   Ms. Hilda Zulkifli
   Ms. Tutur
   Mr. Adam

6. Local entrepreneurship associations
   Ms. Nia
   Ms. Sri
   Mr. Harun

7. Guides (formal and informal)
   Mr. Latif
   Ms. Ria
   Ms. Echa
   Ms. Rahadi

| Table 4.3. The structure of “Tourism from below” |

The classification of key informants delivers a set of animating tools for highlighting the diverse connections between tourism and urban development in which the changing relations between the actors, structures and networks are extrapolated. The method of selecting the key informants, in this regard, was adopted from the technique of purposeful sampling (Patton, 2002). Through this technique, a limited number of informants was selected in order to provide in-depth information that could not be obtained from other people. In this case, the dimensions of variation relevant to the study were the degree of local knowledge, professional backgrounds, power and potential benefits from the presence of tourism. By using this approach, 35 representatives were selected from 14 stakeholder groups who had first-hand knowledge about tourism development in the Palembang’s inner city.

In conducting the interview, from the beginning the author was very open about this research project to persons living and working in the Kota Lama Palembang. The inhabitants, official workers, tourist agencies and tourists were asked if they wanted to participate, to which some declined and some agreed. For the qualitative research done by the author, the results are greatly dependent on the kind of information participant chose to share. The author was also aware that she would be the one who controls which narratives she chooses to present in the writing process. For that, the selective open-question interview had actually helped the author (and eventually the people who were interviewed), to focus in what topic to discuss, without having to digress too much in delivering the content. However, while the author could direct an interview, she could not make anyone answer the questions, as she wanted to or dismiss someone who wanted to talk about a topic not on the list.
### Table 4.4. The distribution of sub questions, methods and the related key actors

Source: author (2013)

All interviews were recorded on a tape recorder in order for the researcher to be able to preserve exact statement for content analysis. Some of the interviews with one department of municipality were carried out with the participation of two people at once, for instance, the chair of the department with their secretaries or the social activist who at the moment of interview had his colleagues interested in taking part. As it is put by Robina Mohammad (2001:113) "a lot of loose ends and tangled webs that need to be discarded or woven into coherence if possible with some consciousness and some authority." Therefore, the researcher can only pursue to write something substantial about the narratives of the keynote interviewees (see Appendix III).
4.4.3 Observations

Real time observation is used as a mean to draw inferences about and generate interpretations of someone’s point of view and its meaning. This method is also appropriate in situations where full and accurate information cannot be elicited by questioning (Patton 2002). Observation in this sense consists of gathering impressions of the surrounding environment through all relevant human faculties, thus researchers must witness the phenomena in which the event took part. Qualitative observation is fundamentally naturalistic in essence, where it occurs in the natural context of occurrence, among the actors who would naturally be participating in the interaction, and follow the natural stream of everyday life (Denzin and Lincoln, 1994). Observation fieldwork began with selecting a setting, which can be done based on several reasons: the researcher may have theoretical interest to a particular setting, or may have potential access to a particular setting. Depending on the setting, the researcher may be able to pass freely through the setting and may be able to scope out the people and customs informally prior to a research role (Patton, 2002).

In this research, after the researcher has selected the particular setting and become more familiar with the setting and grasp the key social groups and process in operation, she came to distinguish features of the scenes that most interest them. At this point, the researcher was likely to shift to more ‘focused observations’, directing my attention to a deeper and narrower portion of the people, behaviors, times, spaces, feelings, structures and processes.

After getting close to the setting area, an attempt to gain access to the community through getting to know local people who live nearby the neighborhood was done. Having this access, the researcher has established social relations with members of the community. Observation data were produced in the form of extensive written notes, videotape recording and photographs with the explicit reference to participants, interactions, routines, rituals, temporal elements, interpretations and social organizations. At this point, the focus is on establishing and refining the characteristics of and relations among the elements, which has been previously selected as objects of study. In this phase, the observation progressively narrowing and directing the researcher’s attention deeper into the elements of the setting that have emerged as theoretically and empirically essential. This observational research aims to confront the statistical evidence in order to confirm the significance of observed patterns or trends, for example the increasing of local entrepreneurship due to the tourism development and promotion. To overcome the problem of validity in the observations process, a set of teams was established, which consisted of University lecturers26 who were present in the most of the field explorations conducted.27: to enhance the validity of the observations, as it enabled the researcher to cross-check each other’s findings and eliminate inaccurate interpretations.

26 The researcher has conducted two separated field work in Palembang, assisted by Adam Fitriawijaya (Sriwijaya University) and in Yogyakarta co-coordinated by Andi Wicaksono (Universitas Teknologi Yogyakarta).
27 In Palembang, the researcher has conducted in total of 5 seperated visits to each Kampong community. That was excluded from the expert and government sector interviews.
4.4.4 Attractions mapping

The aim of this method is to understand the spatial experience by mapping the tourist attractions in the city through "experience study". It is done by investigating the spatial movement of the researcher as an "urban explorer" in which touring is essentially space-searching activity characterized by acquisition and appraisal of information (Cooper, 1981:359). Smith (1990:160) has argued that tourism is a spatial phenomenon, involving a movement of people between destinations. It is important to acknowledge the intertwining variables the urban attractions have generated. Previous researches into socio-temporal movements of tourists were classified into different field of expertise for example, psychologist who are concerned with understanding the cognitive aspects of why people move along particular pathways in preference to alternative pathways (see Löwenthal, 1962; Hägerstrand, 1970; Driver and Tocher, 1979). The other alternative of subjects among geographers and tourism researchers that were more interested in how people move around particular locations and model is what has been observed in a visitors' movement (Cauthen, et al, 1971: 103).

However, it is important to be aware that the tourist's movement in the city is not originated by the tourist's motivations per se, but rather, it is a series of tours, which have been designed by the tourist agencies and management planners (touring packages). The researcher at this point would like to focus more in exploring the process of authentication promoted by tourist agencies, provided by locals where the tourist movement on space and their attachment to space becomes essential. Therefore, the attempt to observe on how the movements do differ and resonate in space by mapping the most significant attractions in the city and point out the hierarchical character of interests was made and the tourist (the researcher) will most likely encounter the local people on each site. Movement patterns represent the sequence of movements by tourists from one attraction site to another, thus resulting in the dominant movement patterns that are used by tourists most frequently.

In terms of planning, decision makers must appreciate current trends and travel movement to forecast the future development and improvement. Researchers who have investigated models of spatial movement of tourist suggested myriad variables of touring routes from the origin of place to the destination. For example the term "access and return routes" (Pearce, 1990:6) proposed the recreational routing in nature enabling the tourist to make use of tourist facilities, view scenery or tourist operations. Following this logic, the mapping approach conducted in this research was aiming to pinpoint the components of tourism complex such as a system that includes the tangible entities i.e. the tourists and the hotels, market places, shops and museums visited by them. Spatial relationship among these can be identified by examining the interactions among visitors-residents and the flow of visitors and information within the complex.

The elements of visitor movements, as one form of spatial interaction within tourist precincts, may be categorized according to Gould's (1973) concept of mental maps as the images used by people in their organization of spatial routines and expression of preferences. These include: gateway (entrance and exists); nodes (the place visited); paths or circulation corridors (the channel along which movement occurs); district (subdivision); edges (barriers or markers separating subdivisions); and landmark. To conduct this method, a semi-structured interview was adopted,
concentrating on the sequence of sites visited over the holiday week to the tourist travel agencies and to the independent tourists both domestic and international. The focus of the interviews was directed to the tourist agencies in order to understand the construction of tourism products offered to the tourists. The quantitative data in regard with the tourists (number of visitors, country of origins, movement) are second-hand collected from the agencies. Following that, travel agencies were also interviewed for their route preferences of the attractions in the city within two days\textsuperscript{28} of their visit.

4.4.5 Supply-side mapping

In addition to the concept of "tourism bubble", Jansen-Verbeke's urban tourism supply-side model (1986), suggests the relationship and interdependence between element of urban tourism system and the significance of inner-city as tourism product (see table.4). It suggests that the hierarchy structure of these elements are classified into "primary", "secondary" and "additional" elements, which are serving as a "pull-factor" in attracting the visitors. Jansen-Verbeke (1986: 85) has stated that the identification of the inner city as an "activity place" refers to the supply side of facilities for spending free time. The primary elements are differentiated by "leisure setting" features and "activity place". Although both settings require the gazing experience from the tourist in the local area and the "activity place" suggests more consumption behavior from the tourists. The primary element is supported by secondary and additional elements, which are not necessarily unimportant, but rather implies the tourist activities, which elements occur in a multiplier effect from the primary element.

<table>
<thead>
<tr>
<th>Primary elements</th>
<th>Secondary elements</th>
</tr>
</thead>
<tbody>
<tr>
<td>Leisure setting</td>
<td></td>
</tr>
<tr>
<td>Physical features</td>
<td>Historical areas, Interesting architecture, Heritage monuments, Parks and green spaces, Waterfronts</td>
</tr>
<tr>
<td>Socio-cultural features</td>
<td>Liveliness of place, Local language, Local traditions, Festivals, Friendliness, Security</td>
</tr>
<tr>
<td>Activity place</td>
<td></td>
</tr>
<tr>
<td>Cultural facilities</td>
<td>Theatres, Concert halls, Cinemas, Exhibitions, Museum and Art galleries.</td>
</tr>
<tr>
<td>Amusement facilities</td>
<td>Sport facilities, Casinos, Nightclubs, Events, Theme parks, etc.</td>
</tr>
</tbody>
</table>

Table 4.5 Tourism as a Leisure Product

Source: Adapted from Jensen-Verbeke (1986:86)

\textsuperscript{28} The average days spent by tourists in Palembang, source: BPS, 2010
4.5 Data analysis

Data analysis involves the transformative process in which raw data are turned into findings or results. In general, Neuman (2004) has stated that data analysis means "a search for patterns in data such as recurrent behaviors, objects, or body of knowledge". Qualitative studies ultimately aim to describe and explain a pattern of relationships, which can be done only with a set of conceptually specified analytic categories (Maxwell, 2005).

In this research, the first procedure was the typical inductive approach, in which analysis is set into motion with the initial site visits arranged from the descriptive to the explanatory, and from the concrete to more abstract. The typical inductive approach is divided into categorizing and conceptualizing. The essence of categorizing is the process of sorting data into various meaningful categories from the vantage point of one or more frameworks or set of ideas (Loftland et al., 2006). The aim of categorizing in qualitative research is not to produce counts of things, but to fracture the data and rearrange it into similar features that facilitate the comparison of data within and between these categories that aid in the development of theoretical concepts (Maxwell, 2006:28).

In this sense, the technique started with noting patterns and themes and clustering by conceptual grouping helps to see connections and correlation, for example power relation between the respondents, perceptions of tourism development, experience of physical and societal transformation and views on future development. With these caveats in mind, the researcher of this study has arrived to a set of “tactics” for generating meaning, which is operated in contextualizing strategy. It aimed to understand the data in context, using various methods to identify the relationship among the different elements of text (Maxwell and Miller, 2008). To sharpen understanding, a performance “making contrasts and comparisons” strategy as a means to built a logical chain of evidence took place; typically through comparison with the referent constructs in the literature. The contextualizing analysis was used in conjunction with categorizing strategy because the identification of connections between categories and themes require the results of a prior categorizing analysis.

The second procedure was “content analysis”. In content analysis, researches examine artefacts of social communications, typically in the form of written documents, or transcriptions of recorder verbal communications. Generally speaking, content analysis means "any technique for making inferences by systematically and objectively identifying special characteristics of messages" (Holsti, 1968:608). In the latter case, the analysis of date is extended to an interpretive reading of the symbolism underlying the physical data rather than manifesting it merely from the surface structure present in the message. However, to solve the reliability of the analysis, the researcher offers detailed explanation from relevant statements that serve to document the researcher’s interpretations as a safe rule to follow each interpretation. When utilizing a content analysis strategy to access written documents, the researcher has first decided at what level she plans to sample and what units of analysis will be counted, for instance the similar elements relevant to the context from each interviews or written documents and sorted it out to make clustering for further understanding was noted down. The categories used in a content analysis in this research can be determined inductively, indicating that an inductive approach begins with the researcher “immersing” herself
in the documents in order to identify the dimensions or themes that seems meaningful to the producers of each message.

When utilizing a content analysis strategy to access written document, researchers must decide at what level they plan to sample and what units of analysis will be counted. In the social research, it refers to a great variety of object of study for example, a person, a program, an organization, a community or a city (Patton, 1987). It is suggested that the most suitable unit of analysis is the whole interviews or observational protocols that are large enough to be considered as whole and small in order to keep in mind as a contest for the meaning unit, during the analysis process (Mishler, 1986). There are six major elements in written messages that can be considered as meaning units: words or terms; themes; characters; paragraphs; items; concepts; and semantics (Bereleson, 1952; Merton, 1968). A meaning unit is the constellation of word or statements that relate to the same central meaning that has been referred to a unit of analysis. Such data are collected and then reflexively considered both as feedback to craft action and as information to understand a situation, resolve a problem or to fulfil some sort of field experiment. Given these diverse approaches, there are certain facets of research that recur during any style of qualitative analysis:

1. Data are collected and made into text (e.g field notes, transcripts, etc).
2. Codes are analytically developed or inductively identified in the data and affixed to sets of notes or transcript pages.
3. Codes are transformed into categorical labels or themes (for instance, in regard with urban tourism place-making; what constitutes a place for tourism?)
4. Materials are sorted by these categories, identifying similar patterns, relationships and commonalities or disparities.
5. Sorted materials are examined to isolate meaningful patterns and processes.
6. Identified patterns are considered in light of previous research and theories, and a small set of generalization is established.

Between these elements, content analysis involves interaction within two processes: specification of the context characteristics being examined; application of explicit rules for identifying; and recording these characteristics. The category into which the code content item varies according to the nature of the researches and the particularities on the data. As with conceptualization and operationalization, it involves a synergy between theoretical framework and empirical observations.

### 4.6 Data interpretation

After the field research in Palembang, the researcher began transcribing the interviews upon returning to Weimar, Germany. And during the process of transcription, an awareness of some keynotes materials presented in Palembang was developed thus selecting relevant data in summarizing the transcription (selective transcription) took place. After setting up keywords, a systematic analysis based on each categorization was generated (e.g localization process parameters such as, community connection, informal economy, image and identity, whereas
commoditization parameters such as, flagship development, place branding, regulations) in order to be aware of creating fragmented materials or putting it in a totally new context within new analytic frameworks. However, Jackson (2001) has reassured that coding is necessary to build up framework analysis through a series of stages, to avoid premature conclusion.

After data collection, organization and categorization, the materials were interpreted based on the classification of: (1) the changes in the functional dimension; the case of physical regeneration that requires the reuse and re-adaptation of a particular urban area, (2) changes in formal dimension; which happens after the adjustment of regulatory framework following the decentralization policy, and (3) changes in both functional and formal dimension of the environment; the case of cultural zoning as an alternative means of tourism. To elaborate the findings, data were collected and made into text; codes were analytically developed or identified in the data; codes were transformed into categorical labels or themes; materials were sorted by these categories to identify similar patterns, relationships and commonalities or disparities; sorted materials were examined to isolate meaningful patterns and processes.

<table>
<thead>
<tr>
<th>Sub. R.Q</th>
<th>Themes and Concept</th>
<th>Findings</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>1</strong></td>
<td>Partnership model / UKKM</td>
<td>Tourism networks (2)</td>
</tr>
<tr>
<td></td>
<td>Operating beyond borders</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Decentralization policy on collaboration opportunities</td>
<td>The nature of tourism(4)</td>
</tr>
<tr>
<td></td>
<td>Local investment in less developed area</td>
<td>Tourist gaze (3)</td>
</tr>
<tr>
<td></td>
<td>Place branding for Musi River</td>
<td></td>
</tr>
<tr>
<td><strong>2</strong></td>
<td>“Gusur” in Kampong Ulu, Musi community</td>
<td>The nature of tourism(4)</td>
</tr>
<tr>
<td></td>
<td>Coordination of NGOs and local activists</td>
<td>Tourism networks (2)</td>
</tr>
<tr>
<td></td>
<td>Disparities of living conditions in Musi community</td>
<td>Urban symbols (1)</td>
</tr>
<tr>
<td></td>
<td>Regulated service provisions in Musi River area</td>
<td></td>
</tr>
<tr>
<td></td>
<td>P2KP funding as part of “Visit Musi 2008”</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Homestay program in becoming cultural agent</td>
<td>The nature of tourism(4)</td>
</tr>
<tr>
<td><strong>3</strong></td>
<td>TransMusi, urban transport improvement program</td>
<td>Tourism networks (2)</td>
</tr>
<tr>
<td></td>
<td>Waterfront revitalization, a safe public space</td>
<td>Urban symbols (1)</td>
</tr>
<tr>
<td></td>
<td>Increasing accessibility for tourist attractions</td>
<td>Thematic zone (5)</td>
</tr>
<tr>
<td></td>
<td>Tourism zoning connected to the road networks</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Kampong revitalization and architecture preservation</td>
<td>Tourist Gaze (3)</td>
</tr>
<tr>
<td></td>
<td>Slum upgrading in Kampong Ulu, “staged authenticity”</td>
<td>The nature of tourism(4)</td>
</tr>
<tr>
<td></td>
<td>Local economy- workshop centre for local products</td>
<td></td>
</tr>
</tbody>
</table>

Table 4.6 The Interpretation of themes of concept based on sub research question

Source: Author, 2014.
(1) **Urban symbols:** the concentration of power to the morphology of the city as the continuation of pre-colonial structure. The fieldwork in Palembang has focused on the following groups of urban symbols such as Uluan and Iliran. The segregation of the districts, which was once based on racial characteristics, has naturally disappeared with the end of colonialism. Today, its place has been taken by the segregation based on socio-economic status. The empirical study of this particular issue took place in the inner city of Palembang and popular places such as “Kota Lama” (Trans: Old city). Palembang Kota Lama in Ulu area (southern bank of the city) is a slum area in which high concentration of poverty and social deprivation take place. On the other hand, slums have been the first stopping point in providing the low cost housing that enabled the immigrants to adapt into the urban society. Kota Lama is composed by several neighbourhoods, which are the focus of this study. Vernacular architecture of Palembang embodies the power relation in the space. It is not only reflecting the way of living of its people but it is also associated with grandeur of social status and the attachment to these social strata is inherited through generations.

(2) **Tourism Networks:** regulatory body of decentralization, symbolic landscape of the city, and landscape of the actors. Tourism network navigates within the framework of decentralization. It has brought the challenges for the local government, such as: the lack of accessibility of funding, the disparities in development of amenities and attraction, and reduced human resources.

(3) **Tourist gaze:** Twofold characters of the branding strategies and the issue of local identity. Agent of authentication reflects the degree of authenticity that can be differentiated by what is being gazed at and by differing the everyday setting through the term “backstage” and “front stage”. The term “backstage” describes the physical setting in which visitors could observe, meet or share some “authentic” experience. At the opportunity during the empirical study, the researcher’s gazing experiences in the Kampong Kapitan were narrated through the transfer of knowledge between the locals, tourist guides and herself. Ms.Ria was a qualified tourist guide in Palembang, and a member of HPI (Tourism Association Board). The researcher has encountered the inhabitants of Kampong Kapitan, and the narrative of their neighbourhood is much unlikely from what the researcher had learnt from the guide; many inhabitants remain skeptical to the planning approach and that the imperative motive remains unclear.

(4) **The nature of tourism:** paradoxical tourism bubble is remediated through the creation of “diverse tourism spaces” and “local services”. It resonates to the intervention that justifies the displacement of the marginalized. “Pembangunan” or “restoring order” often comes with “shock therapy”. The building or repair of infrastructure was captured by an aesthetic detestation of poverty and disorder and it is usually controversial. The revitalized Kampong Kota Lama seems to successfully enhance the quality of physical environment in re-arrange spatial organization of functional relationships. But it comes with the price of replacement of the poor and the discontinuation of local activity and social interaction. Making a living from tourism suggests a renegotiation of community values to access tourism industry. The home scale business of textiles is considered as a force in the local economy. It gives a significant role from both the perspective of cultural change and of local economic
development. The Homestay program that is connected to home-scale production offers visitors to explore the surroundings; to try working at the Jumputan workshop, riverside fishing or learning to cook traditional cuisine. The program emphasizes the interaction between the host and the tourists so that it will enable the tourists in experiencing authentic Palembang.

(5) Thematic zone: implication on strategic planning and spatial structure.
To investigate the internal dynamics of urban development in a holistic way, the finding proves the importance of the integrative planning of “infrastructure of play” at local settings. Based on the city’s tourism master plan, there are three development areas, which are distributed in 11 thematic zones. The government of Palembang has constantly revised the masterplan in order to fulfill the relevant demand of urban infrastructures and local investment.

4.7 Summary
To investigate the influence of tourism development on urban transformation in the specific context of Palembang’s inner city, a mixed method of qualitative and quantitative and study case was conducted. Five data collections techniques included historical research, key informant semi-structured interviews, observations, attraction mapping and reference study were applied. With the archival data obtained from various sources, historical analysis was undertaken to reveal the growth of tourism development in the study area. Semi-structured key informant interviews were chosen to capture participant’s lives experiences and perspectives toward potential impacts of tourism on place making attributes. These interviews were supplemented by field observations that aimed to contest the host population’s role and relationship with tourism development. A tourist attraction mapping was undertaken to add the analysis of the spatial distribution of tourist attractions and of the physical transformation and place image of the city. Last but not the least, reference study was employed as an attempt to establish an observed pattern against a predicted one, which is regarded as a valuable approach for case study analysis.
PART III: FINDINGS AND DISCUSSION
Chapter 5.  
Palembang from “Above” and “Below”

5.1  Introduction: The Conditions of Locality

Interpreting the discourse of “tourism from above” and “tourism from below” as it is critically conceptualized by Gotham (2005), this chapter illustrates the mutually dependent body of tourism frameworks responsible for enhancing local distinctive features through a series of strategic branding. In the beginning of this chapter, the institutional and regulatory background of tourism in Indonesia is discussed. It explains the development of urban tourism in Indonesia by overviewing the knowledge of Indonesian’s urban development during the New Order’s regime and in the decentralization era. Decentralization has introduced a new meaning to a local culture, differs from what has been dictated during the New Order’s regime. In the local autonomy era, culture is no longer perceived as exclusively tool of nation building intended to foster national unity, but has shifted to greater emphasis on generating employment and revenue from culture via tourism as a creative industry model. Narrowing down into the local context, later in this chapter, the historical background of Palembang is extrapolated. It serves as the framework for localization process in tourism place-making.

As it was argued (Harvey, 1989; Pratt, 2007), the strong location factor is mainly driven by three forces: economy, culture and state. As the most prominent branding tools in competitive global structure, the local culture has the authentic selling point. Hence, the cultural consumption posits as new strategy for promoting cities as a tourism product. The most common way to approach this concept perhaps is the image-building of a destination. In order to increase the competitiveness of city tourism, its development may boost the creation of more recognizable and attractive places. It has become a contemporary planning practice of many local governments for the promotion of tourism.

Apart from investigating the historical and regulatory context and urban transformation of the city, my fieldwork in Palembang has focused on the following groups of urban symbols as local attributes, such as; Uluan and Iliran; vernacular architecture; traditional market places; modern shopping spree, green open spaces and city districts. These urban symbols of aesthetic are connected with the function of the central places in general and promote the distinctiveness of the city. Therefore, this chapter aims at attaining the local attributes and characters, which are made pertinent for tourism development through localization process.

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29 It has been explained that first, from the early 1970s many western cities have had to cope with the triple problems of deindustrialization, a falling tax based and declining public expenditure. Secondly, economic change has weakened in the emergence of new identities, which led into the personal consumption culture. Thirdly, the re-emergence of ‘global market forces’ has created a new ideology, which based around the notions of privatization.
5.2 National Regulatory Framework on Tourism Planning

The first substantial milestone of Indonesian tourism dates back to the colonial period in the year 1908, when the colonial government opened a tourist bureau in Batavia in order to promote the Dutch East Indies as a tourist destination. In 1914, the bureau expanded its scope to Bali as soon as it was allowed to be visited in safety (Picard, 1997: 190). Sammeng and Kodhyat (1996) have assumed that the history of tourism in Indonesia was signed with the first travel guide to Bali published by the tourist bureau in Batavia. To accommodate the travel, the bureau also provided a regular weekly service connecting Bali with Batavia and Makassar by the Dutch steamship line. The tourist activity soon developed the higher inland area, where visitor could enjoy the cooler climate stimulating the future development of hotels in the highland areas in Java and Sumatra.

During the colonial era, tourism activities were linked to the governmental expedition trips aiming at opening new agricultural areas in remote places. Tourism activities of the Dutch colonial period began officially since the year 1910-1912 after the release of the decision on the establishment of the Vereeniging Gurbener Toeristen Verkeer (VTV), which was a tourist bureau of the Dutch East Indies. The increased of trade between the continents of Europe, Asia and Indonesia in particular, has generated human traffic mobility in conducting trips to the various destinations. To provide services to undertaking such journey, the first establishment of a travel agent was established in Jakarta in 1926, named Lissone Lindemend (LISIND). In 1910, Governor-General AWF Idenburg, formed an organization called the Vereeniging voor Toeristen Verker (VTV). VTV was the official body of the Dutch East Indies government that regulated the flow of traffic and tourism activities in the Dutch East Indies (Picard, 1997). Besides organizing tourism activities, which is one of the organization's financial resources, VTV also published a wide range of travel information in the form of brochures and books written in English describing the tourist areas on the islands in the East Indies, for example, Lombok, Bali, Java and other islands (Kodhyat and Sammeng, 1996:47).

After gaining independence, the Indonesian government based on the Guidelines of State Policy expected that the tourism sector could play strategic role as a source of national income and foreign exchange, source for employment opportunities as well as a tool to preserve the national culture. Many studies show that the development of tourism was seen as the pilot of economic engine; collecting foreign exchange through visa permits (de Kadt, 1979; Latham,1994). In 1990, Indonesia's foreign visitors reached 2 million with a total spending of USD 2 billion. Within the next six years, the figure had risen to 5 million foreign visitors with a total expenditure of USD 6 billion (UNDP-KMNHL, 2000). Meanwhile, in 1991 there were approximately 72.1 million of domestic visitors who traveled around Indonesia with total expenses of Rp 7 trillion. The number increased to 100.4 million domestic tourists in 1994 with a total expenditure of Rp. 12.4 trillion. In 1997, despite of the economic crisis in the country, the number of domestic tourist has reached 108.1 million. In 2003, after the fall of Suharto regime, the foreign visitors to Indonesia reached 6.46 million, with a expenditure of USD 5.5 billion. The number of domestic travellers reached 141.54 million with a total spending of Rp. 71 trillion (Deparsenibud-PUSPAR UGM, 2005).
It must be noted that Indonesia as a developing country still perceives tourism as means of enhancing its economic growth and its political legitimacy (Richter, 1992). Starting from the 1969, when the nation-building was defined in terms of a source of foreign revenue, Indonesian leaders stipulated the political program for the development of tourism sector. Tourism was embraced as a vehicle to contribute to economic development in terms of measurable growth. The high priority given to tourism in national development policy generated a rapid growth in tourist arrivals and in earnings from tourism (Richter, 1988).

Especially when Indonesia had to face the declined oil revenues, the Indonesian economic policy was soon directed towards the expansion of non-oil sectors in the 1980s (Dahles, 2001). The rapid growth reflected in trade improvements, compared with other oil-producing developing countries such as Mexico, Venezuela and Nigeria (Booth, 1990). In the decade from 1982 after oil revenue began to decline, a shift towards import substitution of goods and services began, and a lot of process was made towards the goal of making the non-oil traded sectors, such as agriculture, manufacturing, and tourism in order to be more internationally competitive to case dependence on exports of oil and gas (Booth, 1998:199).

The New Order regime formulated a long-term development plan for Indonesia, which covered a period of 25 years, divided into five-year development policy program and which was abbreviated to Repelita (Rencana pembangunan lima tahun). The first Repelita (1969/70- 1973/74) was focused on the revitalization and conservation of colonial buildings as well as palaces and ancient temples as a way to attract more visitors mainly to Bali, Jakarta, Yogyakarta, Solo and South and North Sumatra. The first Repelita was synonymous with the development of tourism in various strategic locations, following the pattern of the colonial period. It was later emphasized in the second Repelita (1974/75- 1978/79), that Indonesia’s rich cultural heritage was identified as an important tourism asset, which brings benefits for local communities and qualitative aspects of the tourism products. Repelita II also compiled some Tourism Master Plans. Among others, there were the Tourism Development Plan of Java and Madura (1974-1975), Sulawesi Development Plan (1976-1977) as well as the concept of Minahasa Development (1979). The government also stipulated the National Tourism Development Master Plan to respond to the development of tourism, as well as anticipate the problems that may arise (Dahles, 2001).

The challenge was to find a local consultant who was able to prepare for the Tourism Master Plan. In September 1978, National Tourism Development Master Plan Phase I (RIPPN I) was handled by direct employment to local private company as a planning consultant. 30 The main proposal was the opening of several international air gates. In 1980 Medan and Denpasar international flights were proposed, besides Jakarta. In 1985, Ujung Pandang (Makassar), Surabaya, Manado followed. Subsequently, in 1990, Padang and Yogyakarta international gates were proposed. At the same time the term DTW (Destination Region) was introduced for the provincial scale and WPW (Regional Destination) (Ministry of Public Infrastructure Report, 1998).

30 Prof. Kus Hadinoto acted as a project director. The team member consisted of expertise from various disciplines; a graduate of the Department of Planning planner, namely AA Gafar; Tourism foreign consultant, Edward Inskeep; and Tourism planner Gunawan Mohamad (Ministry of Public Infrastructure report, 1998).
The era of deregulation of tourism investment was marked as the third Repelita (1979/80- 1983/84), since the access to the country was facilitated by reducing license requirements for new investments, establishing new ports of entry and easier access to tourist visas. Tourism development was expanded to areas beyond Bali and Java, and the domestic tourism market was identified as means of promoting better understanding between the different peoples of Indonesia (Dahles, 2001). Tourism development in the fourth (1984/85 – 1988/89) and fifth (1989/90 – 1993/94) Repelita was marked by worldwide marketing of the country as a tourism destination. Indonesia was involved in a number of events such as Visit Indonesia Year, Visit ASEAN year and Tenth General Meeting of the World Tourism Organization. The government even launched a Tourism Consciousness Campaign (Dahles, 2001). Due to these tourism-promoting activities, tourism arrivals began to increase in significant numbers (Sörensson, 2008). However, unfortunately, the growth was mainly in the field of hospitality, and was not followed by the development of other elements. The concentration of the growth occurred in the already developed destinations such as Bali, Jakarta and Java. As a result, the tourism growth was uneven and finally caused the exceeding of carrying capacity where its development was oversupply in the main destinations.

The orientation of the cities towards a modernized policy has inaugurated new practices of the policy makers who capitalized on the past as a part of further development. On the other hand, the growth of modern cities has achieved its climax of capitalization (Dexter, 1999). Starting from the 1970s, the arrival of American travellers has changed the trend of the tourists' fluctuation. Analysis of the shift, by Soekadijo (1997: 213) defined indicators of tourist motivation and helped the understanding of the changing dynamics of motivation that determined the segmentation of the provided services. The research about indicators of motivation became available to the media in to develop policies on market segmentation targeted to raise tourist visits as a source of income.

Emerging as a key international concept in the 1970s, cultural development highlighted the role of cultural policy in managing the relationship between technological progress and cultural identity in Indonesia. Throughout this concept, cultural policy in Indonesia was constructed as lacking resources and content since it was indicated that there was a "trust in the robustness of traditional cultures in the face of changing conditions, also present were concerns over the effects of consumerism and commercialization of culture" (Jones, 2013:165). Therefore, several suggestions were recommended including the calls for greater funding for cultural policies as well as a focus on the relationship between culture and urban development in general. As one of the significant projects during the era through UNESCO, the international campaign to Safeguard Borobudur, where over USD 6.5 million was raised internationally.

Since the New Order regime in 1970s, the free market was established in Indonesia and ambiguously supported by its economic and foreign policies. One of the international institutions, UNESCO, served as an important asset to cultural policy deliberation across this period as the pilot of programs and reforms at the national level, particularly in developing countries. However, during the first twenty years of independence, UNESCO activities in Indonesia especially in the cultural space were extremely low (UNESCO report of Inspection, 1962:2). UNESCO rather focused in the education and science sector. After the 1960s, culture received increasing attention
along with more attention to the identification and conversation of world heritage. UNESCO functioned as a platform where positions were created and new ideas were expressed and translated into the national policy. The Indonesian cultural policy in the 1970s and 1980s was expanded and then incorporated as the zone of creative industries in the 2000s.

Under the New Order Regime, the concept of cultural heritage was central with the announcement of an ambitious publication program in Repelita II. Jones (2013) has claimed that even if the publication was treated as a historical data collection to protect and preserve the cultural values, the focus however was the cultural practices and knowledge of regional ethnic groups, events and figures in Indonesia's nationalist history. Further, he criticized that instead of facilitating the activities of cultural workers through mechanisms that provided resources, the Cultural Policy was constructed around a normative cultural subject defined by the state. It made a justification why culture in Indonesia is considered as backward and inappropriate for economic development. In the 1990s, the regime's cultural discourses had been impacted substantially by its economic policies: booming manufacturing industry, media and tourism industries, and related changes in the lifestyles of Indonesian (Jones, 2013:178).

Within this new regime in cultural discourses, the shift in cultural policy signalled in 1999 through the restructuring of the Directorate of Culture in a way that culture became linked to tourism rather than education. The high priority given to the promotion of tourism also brought changes, in particular through configuring "local identity and culture" as a "vehicle" for the development of tourism and its promotion overseas (Booth, 1998).

Tourism development policy in Indonesia is regulated by the stipulation of the Law no. 5 of 1992 (Article 19: 1), which entails the regulation mandate that makes tourism a priority in the national development strategies: with cooperation of private stakeholders to form a joint tourism industry comprising tourism entrepreneurs, tourism business associations, professional associations, and other related associations as partners. Thus, based on the public-private partnership strategy, it is inevitable that tourism policy influenced by collective interests grew much larger than before. In the urban sphere, the developments of urban areas are consciously affixed as tourism destinations based on the various political interests (Dahles, 2001).

The politics of tourism are pivotal for a global-oriented government. Autonomous regions at least begin with the positioning the areas to others, then gaining competence by developing and manufacturing products, and developing the mechanism of interaction and network, which is ever expanding. Autonomy is prerequisite as a foundation for earlier process for newly-autonomous regions to gradually reinforce their ability and adjust to the urban dynamics, which could enable the region to develop policies to support tourism. With the authority that comes through political and financial decentralization, it has configured the maneuver of conducting an audit of resources, identifying the competency of region and performing critical factors analysis to set the capacity of the region (Silver, 2002).

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31 The research center for history and cultural anthropology published the information under the title "Saving and caring for historical and cultural heritage" as their focus of research (Departemen Penerangan, 1974:225-229).
This is the most possible ideas to be encouraged because the regulation of financial balance and regional sources of income put much emphasis on revenue, fund balance, regional loans and other revenues that unauthorized (Law no. 32, 2004). Therefore, the logic that accompanies the regulation is how to encourage the process of local economic independency (post-decentralization) to develop and carry out innovative programs that are capable to stimulating the economy of motion, as well as the motor of tourism for the local economy of motion that drags the involvement of knowledgeable stakeholders in the region. It becomes important to look at existing strategies already developed, such as the marketability of the financial implications for the city and regional economy.

Parallel to this, the state plays a great importance as mediator between tourism and culture. In Indonesia, the development of tourism policy at national level usually has the twin goals of generating economic benefits and supporting culture, even if it is usually the national culture, which is being promoted. Tourism in this sense constitutes an arena where issues on cultural identity are related to the process of nation-building (Peleggi, 1996). Tourism is the new opportunity to reclaim identity, expression and sense of place. Through tourism, promotion of the nation is shaped as an “imagined community” as a culturally integrated entity (Palmer, 1999).

Tourism should not be treated mainly as a panacea to urban crisis since it is not easy for Indonesia to gain economic benefit from tourism, mainly due to the limited funding and the quality of credible human resources. The central government had adopted a master plan for a so-called sustainable tourism development for the entire country, supported by international agencies such as UNDF UNESCO, WTO, and ILO working closely with the appropriate government institutions. However, due to a lack of promotion in the short-vacation market, Indonesia still receives a relatively low number of tourists coming from its neighbouring countries (Silver, 1994; 2002)

5.2.1 Regulatory framework: Decentralization policy

Decentralization is entrusted as the instrument to democratize local self-reliance and participation as political objectives (Niessen, 1999). However, in practice, decentralization is often used as an instrument to extend the central government's influence over and control a nation, rather than to make room for regional economy (Mawhood, 1993). He emphasizes this in his critical thoughts of decentralization concept:

“Decentralization structures of administration that only act as a more effective tool for centralizing the power; regional and district committees in which government officials make decisions while the local representatives sit silent; village councils where local people participate but have no resource to allocate.” Mawhood (1993:3).

The misconception in decentralization also has things to do with the structure of the development administrations. The lack of qualified personnel, sufficiently knowledgeable and experienced manpower, which could be entrusted with complex government tasks, has caused the shortage of expertise to perform the governmental function in the regions. Additionally, the Indonesian national parliament has passed
far-reaching decentralization laws that have delivered many areas of policy, including the power to raise revenue and the area of cultural policy to the local government.

In the context of decentralization and centralization of the public affairs, Flynn (1990:158) developed a set of determinants that can be implemented in the issue of spatial planning. It is extrapolated into the following facts:

*The complexity of the regions.* Regions in Indonesia show a very complex trait in all aspects. Decentralization is seen as a necessary approach in order to achieve the effectiveness of public welfare-oriented development. But on the other hand, because of this complex regional systems, the division of regions in Indonesia did not follow the patterns and functional structure of natural ecosystem. It has led to a conflict management of natural resources between the districts or even provinces.

*The geographical and geopolitical threats.* The relative position of most of the local areas in Indonesia is highly vulnerable to external threats including the invasion of economic globalization and monopolization. Centralization policy, which was applied from the time of independence until 2001 (Act no.22 of 1999 enactment was applied effectively) seemed to be a cohesive bond to unify the region in a strong unitary state in dealing with ideological, political, economic and military threats from the outside. However, the purpose of national unity had imposed the life setting of local creativity, generated static structure and slow response to changes.

*The need for constant innovation.* Changes in the global scale have forced every region to innovate development strategies, policies and programs in accordance with local situation. For that reason, decentralization is a justified policy to stimulate local creativity in responding to the specific needs of each region, which in certain cases cannot be generalized at the national level as a generally accepted standard. However, the arrangement of the innovation strategy has been only partial and incrementally backfired by poor coordination, integration and synchronization of the system so that it created inefficiencies in the development investments.

*Complex execution on the local level.* In accordance with its domain, spatial planning has always been a public domain and it is a complex affair. From this standpoint, the decentralization policy is a solution, but difficulties will arise if the regions will not able to compile with the institutionalized public policy of spatial planning. The policy tends to over-simplify the issue of spatial planning in each region, without the proper effort to optimize missions and minimize the internal conflict and resources. On the regional level, the vested interest of sectorial issues tends to exacerbate potential conflicts between regions, and ultimately relativize the macro spatial structure.
Natural resource management. Failure in sustainable exploitation of natural resources in the region is mostly caused by the failure of its management. The negative impact of spatial levity will not only be experienced by today's population, but also by the next generation. In this regard, decentralization of spatial planning has led to the devastating exploitation of natural resources due to the high demand of population growth and the pressure of local revenue.

It is understood that on the other hand, centralization would also lead to the severe implications within the inter-regional relationship. In regard to spatial planning, the concept of decentralization thus should not be limited as the result of central management handing out its mandate to the local government. Decentralization should be seen as an optimization of authority and responsibility in the communities where the society determines the most suitable way for it to express the political will and organize their collective interest efficiently. Similar with this notion, Moeliono (2011:52) has pointed out on his thesis that the decentralization effort should aim for establishing a legal framework with a clear tasks distribution for all actors concerned and thus is treated as organizational device that may improve government’s efficiency, effectiveness and responsiveness under any given situation (World Bank, 1984). Most importantly, inherent to the idea of decentralization is that every locality struggles with different problems and thus different solutions, in doing so, decentralization should be able to bring development to the local people, which should result to local government possessing the powers necessary.

Moelione (2011:53) has further stressed that in order to successfully decentralize, the authorities should put their attention on such issues "as how territory is to be divided, what institutions will be used to govern, which functions, authorities and resources will be assigned to what layer of government and what means of popular and sectoral participation will be introduced to which territories." In fact, the effort of decentralizing powers to local government embodies more than only capacity building and transfer of skill. Simone (2002:10-12)\footnote{See also Abdou Maliq Simone, Principles and Realities of Urban Governance in Africa (UN Habitat, 2002). pp. 10-12.} has believed that the sufficient coordination performed by various government institutions is a highly relevant issue in related to decentralization. As a consequence of the implementation of the regional government law in 2004, the breaking up of the regions into smaller autonomous regions took place. According to BPS report (2007)\footnote{A complete list of provinces and districts and the legal basis of their establishment is provided by the BPS available at \url{http://www.bps.go.id/mstkab/mfd2007.pdf}.}, there were 336 districts and 30 provinces (with 4 new provinces established immediately after 1999) in 2001, three years later in 2004 there were 32 provinces and 434 districts.

The demand of separation may be based on political or historical consideration, but most significantly on the economical reason that it serves to boost local economic growth. This regional fragmentation has helped to attract foreign investors to enter the region and in cooperation with the local elite to exploit regional natural resources. It challenged critically the government's capability to maintain and synchronized efficient policy and puts local planning to the test.
Throughout the past few decades, tourism has become increasingly essential to Indonesia in its shift of political climate and the shifts from an agricultural to a more industrialized and service-oriented economy. In particular, starting from the year 1969, when the nation-building was defined in terms of a source of foreign revenue, Indonesian leaders stipulated the political program for the development of the tourism sector. As a means of their nation building and resistance to globalization, Asia has been a “revival of identities” (Oakes, 1993: 47-66). Following this, tourism was embraced as a vehicle to contribute to economic development in terms of measurable growth as a breakthrough to its nation building. The high priority given to tourism in national development policy generated a rapid growth in tourist arrivals and in earnings from tourism. Moreover, after facing the declined oil revenues, the Indonesian economic policy was soon directed towards the expansion of non-oil sectors in 1980 (Dahles, 2001). In the decade from 1982 after oil revenue began to decline, a shift towards import substitution of goods and services began and a lot of process was made towards the goal of making non-oil traded goods sectors, such as agriculture, manufacturing and tourism internationally competitive in order to case dependence on exports of oil and gas (Booth, 1998:199).

The implementation of regional autonomy has triggered the vast possibilities of various schemes for the regional development. Decentralization became the mainstream for local governments to develop policies in order to optimize and utilize the economic potential of the region. The emergence of achieving good government emanated in the changing patterns of the state policy to the city. The regional development simultaneously cooperated with autonomous regions in which tourism has played a pivotal boost for economic regeneration. However, the experience of decentralization came not without complications (Dick and Rimmer, 2009:117; Brodjonegoro, 2009:209; Firman, 2004). The decentralization policy certainly affected tourism development in general and urban tourism in particular. The tax reform legislation just prior to the onset of the fiscal crisis in 1997 had removed the unproductive local taxes that appeared to cost more and instead consolidated the local taxes into a smaller number of sources. This consolidation was believed to be a reasonable move at that time and was justified as a necessary modernization effort (Silver, 2002). However, the challenge confronting localities in Indonesia under the new system was to strengthen inter-jurisdiction cooperation rather than competition in tourism. Cooperation offers more appropriate strategy to promote overall development within a decentralized governance structure. As a result, cities, which are strategically well placed, benefited more from regional autonomy with their established and growing infrastructure and higher concentration of human and material resources in contrast with small predominantly small rural populations, which are not equipped to adapt to decentralization (Firman, 2004).

Decentralization has transformed the role of local government, from implementing national development objectives of the central government agencies in Jakarta to one serving local community needs. From the bureaucratic point of view, localities were afforded new responsibilities to govern their affairs, to provide funds and to accommodate the legal works in order to device their tasks. Empowering the involvement of locality through networking arrangements in tourism offered a solution
to local fiscal problems and also established a new cooperative model that allowed
decentralization and local autonomy to grow while integrating into new political
climate.

In the tourism industry, decentralization meant that both regional offices that
had previously been part of the national bureaucracy, and a number of special purpose
units, which included the cultural parks, provincial museums and a range of research
institutions have to share their resources (Jones, 2013). Consequently, tourism became
a state ministry rather than a department, which led to the less funding and reduced
human resources. It has showed that local authorities may have not responded well to
this transformation. The most recent cabinet reorganization under Mary Pangestu in
October 2011 has once again linked tourism to education and creative economy. This
division signifies that the state has decided to pursue the creative economy agenda
through trade and tourism industry policies. It implies a notion that culture is no longer
perceived as exclusively a tool of nation building intended to foster national unity, but
has shifted to greater emphasis on generating employment and revenue from culture
via tourism as a creative industry model.

5.2.3 Challenges of Local Autonomy on Tourism

Indonesia has long been struggled from the problems of the centralization
policy and its impact on urban development for 30 years. Various regions had to cope
with development disparities in the extreme case of Timor Timor, which led to the
spawned of the secessionist movement in order to be separated from the unitary state
of the Republic of Indonesia. The economic turmoil in the year 1998 led to the new
awareness of the demands in terms of organization and management of local
communities based on their own aspirations in accordance with the legislation. The
issuing of the law 22/1999 was intended to tackle the dual development of state as an
on-going challenge in the era of globalization. The principle of the decentralization
policy of the active involvement of local community was achieved by granting it with
tangible authority, yet accountable to the regions achieved by the arrangement,
distribution and utilization of national resources and financial balance between the
center and periphery.

Since the early implementation of decentralization policy, the regional
autonomy was not without oppositions. The policy was widening the gap between the
regions that become the further problem for Indonesia’s national unity. The rich areas
were getting more advantages such as the capital cities of the region (Jakarta, Surabaya,
Bandung) while the poor areas were lacking resources and thus becoming more poorer
(Lombok, NTB, Papua). The most serious threat was the emergence of the sectoral
against the cross-sectoral paradigm in the tourism industry. Indonesia's national image
would have faded away and become replaced by regional identity, which in turn would
affect the development of tourism infrastructure such as accessibility, amenities,
attractions and promotions. In addition to this, the regional sentiment has grown
stronger within the last few years and has created the racial monoculture movement in
many regions. For example in Aceh, which is dominated by Muslim population, has
imposed the policy of employing only muslim population into their labors force, giving
no space for people from outside this religion. Similarly, in the Eastern Indonesia the
Christian majority has reported to discriminate other Muslim in daily basis. In relation to the tourism industry, such condition complicates the image of heterogeneity, which is promoted through the national tourism branding in Indonesia. As a consequence, for instance, in business trips, some of the routes are blocked because of the racial conflict.

Fiscal decentralization (via law 25/1999 as amended by law 33/2004) entitles cities and districts to receive funding from three main revenue systems. First, cities and districts are awarded 90% of an equalization block grant for annual expenditure called a General Allocation Fund (Dana Alokasi Umum - DAU). While on the other hand, provincial administrations receive just 10% of the grant (law 25/1999, chapter 3, articles 6-7). This is due to the leading role that sub-provincial administration plays in public service delivery in comparison with the minor role provided by provincial administrations. The funding formula accounts for both revenue capacity as well as expenditure needs of population, poverty levels, land mass and construction expenses as an indicator of "geographical circumstances" (Hofman and Guerra, 2005:71). Due to cities having limited or no natural resources, the DAU financed some 70% of local government spending (World Bank, 2003:82; Miller, 2013). The DAU then comprises a minimum of 25% of the national budget after tax-sharing and was created to reduce economic disparities between resource-rich and poor regions (Miller, 2013).

Secondly, through an Original Regional Revenue fund (Pendapatan Asli Daerah-PAD), sub-provincial governments receive 8% of revenues generated within their borders that is administered by the Finance Ministry. The third revenue source is a Special Allocation fund (Dana Alokasi Khusus –DAK). DAK grants are special-purpose typically allocated for sectoral projects. Since the implementation of decentralization, DAK projects have diversified from an initial emphasis on health, education and infrastructure (transport systems, irrigations and government buildings) to a growing focus since 2006 on potable water, agriculture and environment (World Bank, 2008:123).

The range of issues that has to be anticipated in order to tackle the problem with tourism development in the region are classified into three categories:

**Accessibility issue:** With regards to the funding of transport system development in remote areas after being provided with full authority to handle or to finance it. For most of the famous destinations such as Bali, Jakarta, Yogyakarta, and Aceh, it may not be a tremendous issue since the fund for transport infrastructure is subsidized by every province. However, for the other secondary destinations such as East Nusa, West Nusa, Lampung or Nias, this can mean the death of their local tourism, since they cannot finance themselves.

**Amenities and Attractions:** These infrastructure disparities lead to other down spiral paradigm of urban development in the existence of various facilities to be offered to the local government and the business community in the area. The opportunity of amenities investment therefore occurred mostly in the areas, which are privileged with more accessibility. For instance, the construction of hotels and tourism amenities follows the location factor of accessibility in tourist destination areas. The amenities development should consider the ecological approach and refer to the need of facilities required by tourism activities. This
approach may include the intensification and revitalization of the existing facilities and the diversification and intensification of amenities.

**Human resources:** while maintaining our attention to the quantitative aspects of the role of decentralization on tourism development, the qualitative depends on the quality of human resources. This follows the logic of the development of tourism itself that the economic goals can only be achieved if the human resources are taken into consideration. Although the recent attention has focused on the need to reform the human resource sectors, the implementation of its reform is still far from significant. Human resource development policy program in national level (coordinated by Ministry of Tourism and creative industry and HPII) aims to create a quality of service that complies with the international standard of tourism industry. Study has shown that one of the weak points in the tourism industry lies in the ability of the bureaucracy that is far from adequate, which led to the deficient planning of tourism programs, regulations, and the cross-sectoral coordination (Miller, 2013). Miller has argued that this is due to the legal uncertainties inherent in Indonesia’s decentralized system. Strong and effective institutions and innovative leadership are consistently cited as the most critical factor in ensuring the successful development at the local level. Therefore, the readiness of the local government to organize and run tourism industry depends on the availability and utilization of qualified human resources (ibid).

### 5.3 The Construction of Urban symbols

Palembang during the first half of the 20th century did not only serve as a bridge between the political centers of power in Java with various local governments in Sumatra, but also as the economic bridge linking Singapore with the commercial life of Java and Sumatra (Tall 2003:172). The historical value of Palembang’s cultural landscape unites the complexion and processes of cultural topography, vegetation, circulation, and landscape structures. The character of cultural milieu can be used today as a guide in analyzing historical comparisons in order to determine the logic behind the cultural landscape. Palembang’s culture is synonymous with living on the edge of the water, subsequently; the city was developed into the waterfront-oriented culture of western bank called “Iliran” and eastern part called “Uluan”. The difference between the low eastern area and the western highlands area is not only its geographical separation but is also expressed in the disparities of the economic orientation of the population. The people who live in the western area are mostly dealing with the trading activities, whereas the people who settled in the eastern area are usually farmers. Since the lives of the people largely depend on the river system, Palembang people can be categorized as a riverside society (Zed, 1991).

Palembang city grows from the coastal area, river and fertile valleys. The historical framework of the city is greatly influenced by the Musi River culture - it is shaped by cultural values held by social groups associated with natural resources and environment existing in this particular area. It is also the model of the natural landscape which was shaped by particular cultural groups as an agent of media and cultural landscape. In this respect, cultural landscape is a reflection of human
adaptation in using a natural resource that can be expressed in many different forms such as the use of land settlement patterns, land use patterns and also shape of architecture and urban layout.

5.3.1 Venice of the east

The prominent strategic location as the “Southern Coast of Sumatra” (Nas, 1992) sets the geographical characteristic of Palembang. This location factor is best known as Sriwijaya Empire which was ruling the Southeast Asian trade connection with China, India and the Middle East in the beginning of the 7th century until the 11th century (Tall, 2003). Trade networks that ran along the Malacca Strait from Sumatra to the Southeast Malaya peninsula have been playing an important role even until today. The situation of this “Venice of the East” from ancient times, is an important trade artery between India and China, which has determined the character of Palembang as a port city. In the course of history, its commercial function has provided a basis as a city with a very divergent character. The conducted historical research has revealed the mass migration of several ethnic groups from China, Middle East, India and Europe to Palembang (Zed, 2003:40). Both the Chinese and the Indian ethnic groups were present long before the Europeans entered Palembang, with the Chinese ethnic group assumed to have been present since the 7th century AD (Zed, 2003).

Sriwijaya Kingdom was classified as a coastal kingdom that developed into the port city without its hinterland. It was inhabited by foreign merchants rendering the city as culturally heterogeneous. New influences from China and other areas had caused significant impact in trade in Southeast Asia in the 9th century and early 10th
century\textsuperscript{34}. At the end of the age of Sriwijaya Kingdom\textsuperscript{35}, eastern influences from China and the Islamic movement from the west had emerged and integrated in the culture after the fall of the Sriwijaya Kingdom in Palembang. In the 8\textsuperscript{th} century, Muslim merchants begun to arrive to Southeast Asia. In 12\textsuperscript{th} century, the Islamic movement from Gujarat (India) and Persia expanded from Sumatra to Malacca has led to the establishment of the Islamic Empire in Malayan peninsula. Since the 15\textsuperscript{th} century, due to its vast influence, the coastal town became the political-economic center of the region. The arrival of the merchants and foreigners has influenced the richness of the city. More position as the "port leader" was granted to the Muslim society. These positions can be inherited within a family lineage that evolved as a local official (Novita, 2003).

The geomorphological setting of Palembang at the time of Palembang Darussalam Sultanate in the early 16\textsuperscript{th} century had followed the spatial corridor, which extended from the downstream of the Musi River (Kuto Hurdles) to the upstream of the Musi River (Kuto Besak). Based on the historical founding, the early formation of the first palace in Sultanate era was found in Kuto Hurdles, which is PT PUSRI area at the moment (Hanafiah, 1999).

According to Hanafiah (1999), one of the followers of Aria Penangsang, Ki Gede Ing Suro, who fled to Palembang in 1552, has become the founder of the kingdom of Palembang. By seizing the power in Kuto Hurdles, he built a palace and the city overlooking the Musi river with the entrance through Rengas river. The palace was burned up during the war with the Dutch army in 1659. The legacy of cultural artefacts during Kuto Hurdles can still be traced down by the existence of the historical landscape in Kemaro Island, Ki Gede Ing Suro Tomb, Mangkubumi Tomb and Lawang Kudul Mosque. With the destruction of the early city and the Kuto Hurdles, the palace of Palembang Darussalam Sultanate was moved to the Upstream of the Musi River to Beringin Ilir.

During the reign of Sultan Mahmud Badaruddin, the Palace was moved more upstream, crossing the Tengkuruk River, following the construction of Palembang Grand Mosque. The new palace of Palembang Darussalam was built in the area now known as Kuto Besak. During the Dutch occupation together with the colonial residential, the development of the settlement area already reached out this rather exclusive settlement (Hanafiah, 1999). This settlement was no longer built towards the Musi riverbank. At the time of Gemeente Palembang, Thomas Karsten began the planning of the city within the regulatory framework of Verordening op het Bouwen en sloopen in de Gemeente Palembang since 30th September 1918. Later in 1935, the planning framework of Baouwverdening der Gemeente Palembang was issued. It marked as the beginning of the modern development of Palembang (Zed, 2003).


\textsuperscript{35} After the attack on the Mataram kingdom of Srivijaya (992) and attacks against Mataram Wings (1007), both made an alliance government for 200 years, because it was confronted by attacks from the Chola Kingdom of South India. In the 13th century, Srivijaya kingdom was taken over by Dharmasraya kingdom (See Novita, 2003).
Urban planning during the Palembang Sultanate era followed the urban structure from Sriwijaya empire (Zed, 2001; Novita, 2003). The Great Mosque was integrated into the urban tissue so that it could direct towards the Mecca. The architecture of the mosque was a mixed of traditional sacral architecture with Hindu and Buddha influences. In contrast to Islam, the China’s influence in Palembang has not been considered as politically significant. However, since the Chinese society was exclusive and considered itself as a separate community, its economic power has overgrown the rest of the ethnic group; it became the largest community among many ethnic groups in Palembang. On the other hand, it was not homogeneous, there were many rich merchants with extensive relationships with the Sultan and therefore privileged by high status. There were also poor Chinese communities who worked as simple entrepreneurs and therefore had integrated with other social strata in the community.

In 1971, the city created the outline plan, which focused on land-use planning as the basis for detailed development program, thus Palembang 1974-1994 Master Plan was created. In 1987, the revised Master Plan was issued in order to tackle the increased expansion of the city area from 224 km² to 400.6 km² followed by 3.36% of population growth (Hanafiah, 1999).

The most recent planning revision resulted to the Palembang Master Plan 1984-2004. The plan has focused on the preparation of hosting the National Sports Event (PON) in 2004 XVI and SEA Games 2011, which has provided the impetus to improve the image of the city. After having reached the status of metropolitan city, Palembang now is aiming of becoming an international city. Palembang is facing problematic urban challenges as a significant result of the political shift of decentralization, on-going urbanization, and the globalization forces.

5.3.2 Settlement of the ethnic groups

The result of anthropology research in the coastal city has revealed the mass migration of several foreign ethnic groups in Palembang such as Chinese, Arab, Indian and European (author interview, Rangkuti, 2013). Chinese and Indian ethnic groups have been inhabiting in Palembang before European. The Chinese ethnic group is assumed to have settled there in the 7th century AD, while Indian ethnic group lived as porters and belong to the lower class society (Mujib, 2000: 10). Chinese ethnic groups used to live in the raft houses on the banks of the Musi River. The government of the colonial Dutch East Indies started restricting these ethnic groups settlements only in the south side of the River Musi (Uluan). During the Sultanate era, the Chinese Muslim ethnicity was given the title “Demat” by the Sultan as administrations officials. Similarly, in the next period, the colonial Dutch East Indies government also raised a man from the ethnic group as a community group leader.

Since the Pre-Sultanate period, foreign ethnic groups were not allowed to settle on the mainland but they were encouraged to live in the raft houses along the Musi River. It is also reported by Sevenhoeven who served as regeering commissaries in Palembang in 1821 that the only foreign ethnic group allowed to reside in the mainland was the Arab (Novita, 2003: 33). Only after the settlement of colonial Dutch East Indies; other foreign ethnic groups were finally allowed to reside on the mainland.
Currently, the remnant of the settlement of Palembang Chinese ethnic groups can still be found in Kampung Kapitan. However, unlike the Arab ethnic group, the physical boundaries of the Chinese settlement remain unclear. Kampung Kapitan settlement is initiated by the arrival of Captain China, Tjoa Hin Him. The settlement grew as a result of the migration of people who had family relations with the Captain.

The European ethnic group in the early days has occupied Palembang within the area around Kuto Besak. They built a new residential area separated from the rest of the population settlements. Residential locations are located on the western side of government zoning, namely Talang semut. In colonial times, this settlement was devoted to citizens of European descent and indigenous elites. In particular, the area was generally established as residential areas in Palembang, which was built in the late nineteenth century and early twentieth century AD (Novita 2002:3-10). Talang semut was developed under the concept of “garden city” where the houses were built together with the established planted trees on the roadside. Streets medians were used as a green belt and therefore the presence of the few green spaces has marked this concept. With the move of the colonial elites into the suburbs, the old city area became the main residential area of the Chinese and the less well-to do indigenous groups. Surrounding the old city were several Kampong of different ethnic groups. Karsten describes the living condition of suburbs Colonial elites as follows:

"...as in regards to housing, the Europeans lived in large, spacious old indies houses with enormous garden,... the Kampong were extensive, the buildings in them were primitive and scattered, hence a certain amount of crops were still usually grown in the large compounds. Hence also, the character of the kampong in the town was still completely rural..." (Karsten, 1958:VI).

The settlement pattern alongside the Musi riverbank today can be differentiated with regards to its formal development: the non-structural settlement pattern and the structural settlement pattern. While the structural settlement pattern is mostly associated with sufficient infrastructure and public services, the non-structural settlement pattern is, on the other hand, lacking of good infrastructures and built independently by the community, even if those two settlement patterns are both having access to the Musi riverbank. Structural settlement pattern is located along the industrial and administrative official activities, which requires good accessibility to transport system. They tend to be in proximity to the suburb areas and thus were
transformed into new satellite city, with their own private school, commercial areas, sport field and so on. In general, the housing typology of this settlement pattern is regulated by the national housing standard with an area of 100 m² up to 200 m² per houses, consisting of 1 to 2 floors.

Three typologies of non-structural settlement pattern dominate the land of Musi River bank. It includes the settlement on the land, settlement on the river and the settlement along the river. The way people live on the Musi River bank somehow reflects their social or economic status. For instance, the settlements located on the river, or known as Rumah Rakit, are mostly regarded as the lowest working class labor. They are commuting to their place of work with their Rumah Rakit or conducting small economical activities within their houses (author interview, Rangkuti, January 2013). Most of the buildings are poorly maintained and less organized regardless their economic and social function.

Musi River serves as a source of livelihood and the means of transportation for the local community. It is considered important especially that the river is located as the center of the urban activities and thus, is part of the development of the city itself. The appearance of the settlements on the riverbanks was prompted by the interests of transportation needs as well as the need for water. River or the water's edge is also the geographical boundary of the area or region, which would receive the first-hand influences from the outsider and thus vulnerable to change. External influences brought by immigrants have formed a separated community and has spread the distinctive cultural identity in the edge of the area. These constant changes has brought the potential power of urban growth and expansion of the settlement patterns on the waterfront.

The settlements on the banks of the Musi River is an old settlement that has existed since the days of the kingdom of Srivijaya. This is reinforced by the statement of Raffles: “wherever Palembang residents go always with the boat. In fact they build homes on a stake river. Road no because even if made, the road will be submerged by the tide...” (in Proceedings of the Musi Riverside Tourism Development, 2010: 35).

There have been several tourism revitalization programs to beautify and upgrade the quality of this settlement typology. At this time, the condition of most of the buildings are poorly maintained. River bank settlement is probably the most affluent artifact of Palembang's historic settlement development which is still inhabited with various ethnic communities (Arabic, Chinese and Malay) from generations to generations. It has an elongated linear pattern along the Musi river with the inter-connection between one house to another as the main transport accessibility. The settlement on land is considered as the new residential boom as a spontaneous solution to tackle the high demand of housing scarcity of those who want live on the Musi riverbank. It has been long associated with the movement of the migrants who come from outside of Palembang to work as a daily labor. But this general assumption is rather biased since the demographic pattern in the area is also heterogenous. The land ownership is usually unclear and even not certified. The buildings were temporarily built with very poor conditions and high density but have generally good proximity to the economic activities in the inner city.

36 It is permanently built, with the medium density and legal land tenure.
37 The settlements are mostly inhabited with migrants, but also indigenous Palembang people who have been living there for decades (Rangkuti, 2012. source: author interview)
5.3.3 Palembang under colonialization

Initially, colonial cities emerged as commercial hubs to either facilitate trade within an adjacent region or as a competing commercial centre. Colonization of the interior city remained limited for the sake of monopolization of the production of spices. It was not until the introduction of large scale cultivation of commercial crops that the structure of society underwent a basic change (Wertheim, 1980:13). In Palembang, a dual pattern of administration was established with the colonial bureaucratic apparatus superimposed on the traditional structure. With the colonial administration turning towards territorial administration, a dualism between the traditional rule of indigenous local elites and a colonial administration emerged (Evers and Korff, 2003: 32). This dualism is referred to as “dual society” (Boeke, 1980) or “plural society” (Furnivall, 1980), which is indicated by the coexistence of the colonial capital and the indigenous centers, and as it is argued, “...within the cities by the coexistence of the European quarter, the centre of administration and international commerce, and the “native quarters” (Evers and Korff, 2003:32). Further, it is argued by Evers and Korff (2003) that the main impact of colonialism was the forced integration of bigger territories into an economy dominated by the European colonial government. As the colonial administration, they had proven more efficient and were able to integrate the regions under their control into one territory administered from the center, which eventually the former separation between commercial and production regions was dissolved.

The conflict between traditional elites and colonial elites already took place in Palembang during the Sultanate period. The commercial trade city, where colonial domination found its starting point, was governed by the market, and those who dominated the market were the elite of the city. The Europeans however, did not become the ruling elite of the archipelago as they clearly lacked sacrality, which has prohibited the integration of the Europeans into the traditional elites. The relationship between the European colonial power and the inland states became uneasy with the establishment of plantation economy as this necessitated territorial control and administration. (Evers and Korff, 2003:32-34).

In the colonial time, the morphology of the development of the coastal cities in Indonesia can be divided into five stages. First phase was initiated by the establishment of trading posts in the existing area. In the second stage, the trading post was developed into a fortress colony, where there were a lot of army settlements, housing for the merchants and the warehouses. In the third phase, the colony city transformed into a fortress city with a new city center, marketplace, port and all were inhabited by the Dutch while the Chinese and other ethnic people occupied the area outside the port: this phase is called the segregated city. Notably, more of the Dutch people started to occupy the area outside the city with more landscape quality. The fifth stage was called pre-modern city, which was shaped before the Second World War; coastal city center moved to another strategic center, which was located outside the old city fortress. This staging process also inevitably occurred in Palembang.

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38 Based on Widodo, Johannes pg. 201-207
Initially, the Dutch urban culture was embodied in the form of *indisch huis* architecture, as a Dutch's building typology with the distinctive form of roof, porches, galleries with several constructional elements of Palembang's traditional housing. The building was usually located within the urban context (townscape) but was realized in rural atmosphere (landscape). This formation was regarded as a new social expression, which was called "popular feudalism" (Markuz, 1997). This cultural mixture was more likely occurring in the political elite; the elite started to adapt to Dutch life style as the new cultural element. On the other hand, the growth of Dutch population in the coastal city greatly affected the dynamic of overall urban growth, particularly of the kampong settlement in the city center. Many newcomers bought lands from the Kampong, so that the majority of Palembang natives who lived in the kampong had to experience a shortage of land and had to move outside the city center.

The symbols of modern Palembang became inevitably visible in the physical development of the city. During the *Resident Brautigam* and *Westenenk*, in 1915 and 1920, *Vergdering* was postulated. It was a regulation for the purposes of cruise ships trading and transportation business in the city of Palembang. The Physical concern for the interests of the modern commercial city then increased sharply with the onset of the modern urban transport in the form of a train railway’s infrastructure. Basically, the railroad was constructed for easy transports of the plantation's harvest. In the border area of Palembang and Bengkulu there were many areas, which were sources of rubber plantations. The crops from these plantations were mostly not traded in the country, but rather traded for overseas market with the port of Tanjung Priok as the regional entrance, where the crops were swept by the train from Palembang (Zed, 2003).

Dutch authorities later tried to organize the colonial administration to run the territorial concept differently. Although the concept was still applied to the old system of regional network of human resources. Colonial powers also performed a variety of interventions into the native society through legislation, the new office and educational administration. In the case of Palembang, trends and the impact of the new system looked very striking. The foundation of the Dutch colonial policy in Palembang is invented by JJ van Sevemhoven. He introduced a policy of *dadelijke Regeering* (direct rule), which was a govern body that is based on pragmatic and internal government. Every area has been controlled by the Dutch Palembang and was then submitted and held by local military officials (Irwanto, 2011).

None of the Dutch colonial rulers realized that the incorporation of the new territorial areas without taking sharp distinction between Uluan and Iliran was the challenge to local political dynamics. Rebellions by local events in Uluan area proved that the Dutch conquer of the Palembang Sultanate in Iliran area did not signify the overtaken of power in the Uluan (Zed, 2003). The failure of Dutch policy to regulate the internal trading of the independent farmers had an important effect in the development of the next national entrepreneurship movement. Western and Chinese entrepreneurs were more privileged and had more advantages because they had a

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39 In the first decade until the mid-19th erupt spate of insurgencies tribal areas Uluan, such attacks Pasemah to the city of Palembang in 1829, Lahat (1829), Musi ulu (1837), Rejang (1840) and a small rebellion that generally derived from the Uluan.
direct trading connection to colonial rulers, while Arabic and indigenous entrepreneurs were marginalized and had to fight against discrimination (Zed, 2003).

The Dutch intervention in the colony began in the local politics and local administration, giving rise to the new system of governmental administration. Finally two administrative reforms were introduced; in 1901 the Dutch stipulated Etnische Politiek as new laws in the colonial cities, which allowed the local planning, finance and administration. As its implementation, in 1906, most coastal cities received the political status of Gemeente and most cities sometime in 1920s received the political status of Stadgemeente (municipality). Political and administrative affairs of the colonial city were finally handed over to the local European citizen who started to tackle the urban problems with innovative planning (for instance, kampong upgrading program). Some architects such as Thomas Karsten or Henri Maclaine Pont had given the most influence to the planning strategies. New regulations such as UItbreidingsplan or Burgerlijke Wonings Regeling were implemented. Experts from various fields were invited to discuss urban challenges related to aspects of health and sanitation, socio-political aspects, aspects of architectural engineering and financing (Hanafiah, 1988;1998).

In the construction of colonial ideology, colonial authorities realized that Palembang was a city of trade, and it also needed for some modernization from the traditionalist approach of Palembang’s population (Irwanto, 2011:55). Thus, spatial ideology during the colonial era of Palembang is perceived as the articulation between the tradition and identity of the traditional market town, within the international network on one hand, and the articulation of a modern trading city with on the other hand.

The transformation from traditional to modern epoch was reflected in the form of architectural intervention. The colonial rule was reflected in their massive western type of architecture that contrasted with the wooden or clay architecture of sultanate vernacular buildings. These new colonial buildings became the physical symbol of the new ideology of Palembang city as a modern city, more precisely as a modern commercial city. In this way, one could assume that colonial government has put efforts in creating the first public symbols that can be seen as an attempt to divert the influence of power from Palembang sultanate.

In the early 20th century, the government buildings surrounded the center of native’s power, the so called palace of Kuto besak, which also served as a fortification wall. During that time also the authority of Palembang gemeente made more order in the city. Irwanto (2011:57) has classified the city in four sections: the first was commercial zone, which extended along the river on the Ilir area; the second was industrial zone, which extended along the Musi River in the Ulu area, the third was office zone, which was located in the city center, and the forth was settlement zone, which was located in the western part of the city center.

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40 Which was based on the understanding of Europe at that time. But also supported the improvement of the situation of Palembang, because it was realized that the improvement of the situation colony also associated with improvements in the village situation.

41 They designed with the focus on the synthesis of traditionalism with Indies modern architecture.

42 Based on the planning area for Dutch people

43 Based on the planning area for the administrative official workers
Entering the 1930s, Palembang appeared as *Wigewesten*, or profitable area, a term applicable for areas that were economically exploited. The city has gained its place in the international networks through advancement in rubber export trade. Valuable rubber, latex rubber, has made Palembang become a bustling city and the transformation of the city’s image has begun. Of course, the existence of these buildings cannot be separated from the provision of city facilities for the world trading activities (Zed, 2003; Irwanto, 2011)

At the time of the proclamation of Indonesian independence, the coastal city entered a new era in its development. After being recognized by United Nations in 1949, the cities restoration and urban development was initiated. Larger cities generally faced migration in a large number from the surrounding small towns. All the job positions previously occupied by the Dutch were replaced by Indonesian citizens, giving rise to the new recruitments. City life was considered as a success and progression, so that people from small villages tried to pursue a small portion of the profits in the bigger cities. The new administrative officials dealt with many urban challenges, meanwhile the attitudes of the new authorities were similar to the ones of the colonializes, they assumed the task of urban development as a tool for imposing representation and power control.44

After the stipulation of Pelita I (1969-1974), the new regulations appeared weak and often contradictory because its main principle was the restriction of functions. Based on the master plan, the detailed plans were introduced for each region. But in the reality, the development of the city did not correspond with these plans; urban development was rather treated as a natural process and considered as the main role of the investors.

### 5.4 Demographic and land use transformation

Palembang was established as Kotapraja by Dutch authority in 1906 with the population of 45,000 people. The number of population increased to 110,000 in 1930. In early 1980s, due to the transmigration program, which was increased rapidly after 1979, the population raised to 786,607 people. Most migrants were officially sponsored, with spontaneous transmigration accounting for less than 3 percent of the total inflow over the years 1980-1982 (Evans and Hasibuan, 1991:457). Based on the census date of 2000, Palembang’s city population arrived at 1,451,776 people at a density of 3,624 inhabitants per sq. km. In 2010, it was calculated that Palembang’s population has reached 1,789,018 people.

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44 See Kusno, Abidin. Behind the Postcolonial, 2000:49
Prior to the 19th century, land use of the city was assumed to be dominated by the swamp ecosystem. This assumption is in correspondence with Wikilson (1903) who has claimed that the city was once just a big area of swamp. This fact is proofed by the research in 1990, which showed the area of lowland as much as 52.25% under the flooded area.

<table>
<thead>
<tr>
<th>No</th>
<th>Land Drainage</th>
<th>Land Area (ha)</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Non-flooded area</td>
<td>10.009,4</td>
<td>47.76</td>
</tr>
<tr>
<td>2</td>
<td>Flooded area after heavy rain</td>
<td>443.3</td>
<td>2.12</td>
</tr>
<tr>
<td>3</td>
<td>Flooded by tidal influence</td>
<td>308.1</td>
<td>1.47</td>
</tr>
<tr>
<td>4</td>
<td>Flooded seasonally</td>
<td>2.366,1</td>
<td>11.29</td>
</tr>
<tr>
<td>5</td>
<td>Flooded permanently</td>
<td>7.829,9</td>
<td>37.36</td>
</tr>
</tbody>
</table>

Still in the colonial times in 1912, the land use was still dominated by the vast swamp area with a percentage of 87.47%. The remaining land (12.53%) was the origin of the most of today’s development. During that period, Musi River functioned as the main transport line for the mining industry. The production and export of oil was the biggest source of revenue during the end of Dutch East Indies colonial period. The development of mining industry in 1920s in Palembang has stimulated a large number of labours from Java (over 20,000 people). Given this, the influx of migrants from Java has created the residential land especially along the Musi river.
The land use pattern of Palembang in 1912 was similar to the general pattern of evolution of land use in Indonesia, while it was located below an altitude of 10 meters and was covered with swampland forest. In this period, the territory of Palembang had not been settled. With the constant influx of workers, migrant communities have inhabited the Musi riverside.

In 1919, the land use pattern of the city started to change after the increase of settlements by as much as 1.87%, even though the land was still a swampland forest. Within this period, the new housings were forced to adapt to the natural conditions. The formation of the staged houses was meant to block the tides from the river during the flood season and to protect the inhabitants from wild animals. During this period, people with farming backgrounds that were initially oriented to the river, started to
shift toward the firm land, which ensured better cultivation, and slowly moved to the open farmlands. The percentage of land use in the year 1919 showed that the proportion of natural categories were still dominant as much as 96.26%, while only 1.76% area were farmlands.

Diagram 5.3. Palembang’s land use year 1919
Source: Compiled data by author, 2014

Figure 5.4. Palembang’s land use in the year 1919
Source: Based on Auteursrecht Voorbehouden, 1919

After the independence period in 1969, about 15% of the land was transformed into rice fields in the south of the river. With a source of livelihood along the Musi River, more settlements (12%) began to gather in the Kampong form and were oriented towards the land. Ilir area had experienced most of the residential development of the city even until today. The settlement type has also developed in the form of multi-function home shop. The transformation of land use pattern in this period is seen in
the large number of new residential areas. Transmigration was initially the driving force behind this land use transformation. In the Dutch programme, and those of successive Indonesian governments, Palembang was the major target, taking about three-quarters of migrants in the colonial era, and one-quarter in Repelita 1. More recently, however, the nature of transmigration programme and of population mobility itself have been changing. Transmigration has been seen less as a means of solving Java's population problem than of developing the outer island, and therefore, voluntary movement has come to be emphasized over government planning (Bakir and Humaidi, 1991: 353).

Diagram 5.4. Palembang's land use year 1969
Source: Compiled data by author, 2014

Figure 5.5  Palembang's land use year 1969
Source: Based on Jawatan Topography TNI. AD, 1969

The land use pattern in 1988 shows the expansion of urban population and development on the city, where the city center was growing rapidly together with the trading amenities. The type of housing that was growing the most was the house-shop (Ruko), while the traditional houses have started to decrease or, degenerate. The south
of the river was dominated by the 24% of rice fields. During 1988, in addition to rice-farming, the communities also cultivated their wetland to intensify the house-farming production. The land use of built space reached 35.59% while the uncultivated forest was 31.94%. Therefore, sawah or rice-fields as semi-natural spaces was 32.47%. In 1980s, there was a dramatic increase in the output of farm food crops all around South Sumatra.

This trend appears to be still continuing, since that the growth of food production in South Sumatra has exceeded the national average. Evans and Hasibuan (1991:458) have explained that this trend was triggered due to various reasons. First, a policy of agricultural intensification in South Sumatra since 1982 has encouraged farmers to diversify their products. Second, the number of transmigrants arriving in South Sumatra and in particularly in Palembang increased considerably after 1980. Each family was provided with at least 1 ha. for food crops and 1 ha. for cash crops.
In the year 2000, after the fall of the Suharto regime, the movement of people from Java to Sumatra still continued within the process of transmigration. The residential area increased up into 30.31%. Meanwhile after the riots of May 8th 1998, the commercial area in the inner city has shrunk due to the mass anarchism in several shopping centers.

Most of the riverside community works as factory workers and utilizes the water as their daily transportation. Therefore, in 2000 the land use of semi-natural spaces was 60.63%, while the 32.59% of the area was dominated by settlement. These changes indicated a cultural shift in orientating the houses towards the land. In the early days of industrialization, roads were built to facilitate land transportation. Consequently, the use of the river as means of transportation was slowly substituted by the land roads. Since a lot of infrastructure was built following the networks of the road system, the river gradually came to be the area behind the houses.

Diagram 5.6. Palembang’s land use year 2000
Source: Compiled data by Author, 2014

Figure 5.7. Palembang’s land use year 2000
Source: Based on Badan Pertanahan kota Palembang, 2000
The land use transformation process in Palembang cannot be separated from the influence of urbanization and the urban policy after decentralization. The population of the city in 2010 was estimated to be 1,676,544 from 1,396,832 inhabitants in 2007 with the average growth of around 5% annually (Hapsoro and Gunanto, 2013; Murod and Hanum, 2012). Based on the projected population growth in the city of Palembang, the average annual growth reached 1.99% in 2010. In the five-year development until the year 2010, the population of the city has reached 1,474,724 inhabitants, and it is estimated that by 2020 Palembang’s population will reach 1,800,000 inhabitants and by 2030 will reach 2,000,000 inhabitants.

Palembang’s role as a regional economic center and service city in South Sumatra has exacerbated this growth. The introduction of the regional policy in 1974-1994 has legislated the city as a trade, industry, and tourism based on Palembang city master plan. The economic activity of Palembang before the decentralization was dominated by trading activities based on the distribution of agricultural products in South Sumatra. Today, based on the city’s spatial planning 2012-2032, the main economic recourses of the city are trading and services industry.

Current condition of Palembang’s land use is the establishment of built area at 44.5%. The escalation of the built environment is due to the economic growth of the city, for example the tourism industry, trading and service industry, as well as the development of other essential facilities that encourage the movement of people from the rural to the urban area. This land use transformation has attracted the regional activities to be located in Palembang. On the other hand, to meet the needs of the dynamic of urban demands, the efforts of converting once unproductive lands into more valuable lands is becoming more prevalent (Lantz et al., 2013). In Palembang, the effort to increase number of space for built environment is represented by the changing amount of wetland area from 37% to 25% during 2010 until 2012 period.
Referring to the urban policy of the city, since economic growth requires a significant amount of land conversion, the reclamation of swamp land has become the current solution to this need. The land reclamation was required in order to build more residential area, commercial centers and administration area. It is especially facilitated by the government policy that permits investors to reclaim the swamp area in order to build urban facilities (*Peraturan Daerah* no.11 year 2012). As a result, the remaining size of swamp area is currently 25% in 2011 in comparison to nearly 80% in 1919. The transformation of large-scale swamp area occurred in the city center, especially around Jakabaring and Musi Bridge II.

### 5.5 The Urban Symbols of Palembang

The fieldwork in Palembang conducted by the researcher focuses on the following groups of urban symbols such as Uluan and Iliran; vernacular architecture; traditional market places; modern shopping spree, green open spaces and city districts, which are connected with the function of the urban infrastructure. Even though the river activity is still omnipresent today, nonetheless, the Musi River no longer functions as the main mode of daily transportation of Palembang. The road traffic in the city has increased tremendously as a response to modernization of the city. Furthermore, administration policy is against the living on floating houses and a prohibition was introduced in 2000s. The urban area has also expanded, especially in the formation of kampong along the road to the north, which leads to the airport. The segregation of the districts, which was once largely based on racial characteristics, has naturally disappeared with the departure of the Dutch. Its place has been taken by the segregation based on socio-economic status. The urban middle-class is growing steadily in importance and lives in the formerly european districts.

The amount of land used for public and government activities has increased rapidly through the expansion of administrative and military organizations, and educational and medical facilities. Modern trading enterprises such as banks and finances have also expanded. This implies the growth of a completely new central business area north of the old business center on the Musi. This new commercial hub is no longer oriented towards the river, but towards the surrounding districts. It reflects the increased importance of road transport (Hannafiah, 1988). This man-made physical structure is reflected by *"urban symbols which by their physical nature add a touch of permanence to the rapidly changing urban society"* (Evers and Korff, 2003: 121). The image of Palembang is therefore determined by its noticeable symbolic structures as a set of urban mental map for various groups of city dwellers.

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45 On the other hand, the municipality was later promoting the regeneration program of several “representative” rafting houses in cooperation with NGOs (Cinfa Musi) and residential networks.
5.5.1 Iliran and Uluan area

Palembang is physically and mentally divided by the Musi River (Irwanto, 2011). This observation can be simply confirmed by the characteristic of physical landscape of the city that would be simplified into two areas namely Iliran and Uluran, as two terms used by the local population to distinguish the high area land and low area land. Both banks of the river present different urban characteristics; first, Seberang Ulu region is nowadays distanced from isolation. After the Ampera Bridge was built in 1962, it was expected to create the morphology of a Twin City, which was supposed to bring the balance between the Seberang Ilir and Seberang Ulu. However, the Ulu area has not been urbanized a lot since the independence, but is the object of important stakes of city’s extension today. Secondly, the Ilir bank is the area where one could find the historical center, the big office and housing buildings, shopping center and the main transport network.

According to one of the inhabitants, the disparities of the infrastructure conditions are present between Iliran and Uluan. Not only because of the growth of urban infrastructure, which were more focused on Iliran area but also the low awareness of place belonging of Uluan inhabitant. Ms. Rahma is a Javanese immigrant herself, who has lived for 25 years in this neighborhood and used to work as a house servant for a family in 14 Ilir area. She started her water business in 2005 with her husband supported by the loan from PNPM. Most of her clients are the home-producers food entrepreuners living in the same neighborhood. Beside selling water, she also rented some of the rooms to the other families: Javanese immigrant who work as daily labors.

As long established water entrepreuner dwelling in one of the most deprived neighborhood in Kampong 9/10 Ulu, Ms Rahma stated:

“Here (Uluan area), there is no proper shopping malls. We just go to PI (Plaza international) in Iliran, also because just in the matter of months, they will destroy the facilities, steal the lights, paint the benches, that is Uluan. The only shopping center Uluan used to have became vacant in the matter of months. Nobody was interested in this area. Investors were afraid, government finds it is hard to educate the people in the poorer areas of Uluan Kampong and to take care of their belonging”.

(Author interview, January 2013)
In addition to the physical landscape polarity, Iliran and Uluan also entail the peculiarities of socio-cultural and economical character of each location. The construction of its disparity could be traced back to the colonial era, when Dutch occupation and power was intensively reaching in the inland area such as Palembang. It can be argued that Palembang’s role in the political and economic constellation of the Dutch Indies was increasingly taken into account since the sources of gold, petroleum and coal were found around the end of the 19th century. Geographic variables and strategic location of Palembang in relation to inter-insuler (Java and Singapure) as well as natural resources performed as a constant factor in determining historical development of this area.

Apart from the terms of upland topography characteristic with dry land farming and watersheds, differences of the two regions can be seen from the local tradition perspective. Palembang Sultanate at that time was considered to have a variety of rights including the ability to control and coordinate all the resources of power both economically and politically. However, this monitoring system was not similar for the Uluan region. In the Iliran region, the sultan and his royal officials had the direct power to impose a variety of "levy" taxes and labor recruiting this region. They also had a certain privilege, such as the right to dominate the results of their monopolized trade. While in the Uluan region, sultan and his royal officials had no authority in applying their rules as they did in the Ilir.

The trade-oriented type of riverine community can be found in the commercial Iliran. These are people with trading talent and have long root to the trade center in the port of Palembang (Zed, 2003). As part of the center of the kingdom as well as entry port, Palembang’s role is to connect various regions and thus is home to a wide variety
of ethnic groups. They were included in the social stratification of the city of Palembang and each was trying to establish cooperation with the sultanate. Most of the chinese people, who were considered one of the oldest groups in Southeast Asia, traded with a boat called "Chinese junk", while the arabic people have lived independently in their own villages like the europeans did.

![Figure 5.10. The River from the Ilir perspective (Left side) and from Ulu perspective (Right side)](source)

Source: Field documentation, December 2012

The most striking characteristic of the pre-colonial empire in the Ilir region was the centralization of power. Political oversight, monopolistic trade practices and social relations centralized in the hands of the sultan and his royal officials. This trend was the opposite in the Ulu region. Ulu community residents were "tribal" and were almost completely autonomous. They never claimed to have abided to the imperial powers but rather abided to the "tribal chiefs". On the other hand, the Sultanate viewed Ulu’s tribal areas as "partners" and they were protected by Sultanate since they were an essential border guard who were able to stem the attacks from Banten kingdom.

Ulu community was a group of pure "farmers", peasants who worked on farms to meet the family's life. The expansive ground in the lowlands area allowed Ulu’s resident to develop agricultural areas more freely. Ulu’s local economy was almost entirely dependent on agriculture and farming activities. They are farmers not only in the economic sense, but also farmers in the sense of culture and politics.

Ulu’s local ethnic groups preferred to think themselves as an "ethnic group" of their own. They understood the difference with the people of Iliran region, especially those who lived in the capital. Ulu’s tribes group also had its own social sentiment as a group. They recognized the sovereignty of the empire, but did not want to be equated with the residents of the Iliran region. Legitimacy for the genealogical myths of their ancestors relied upon the consideration of Ulu’s people as respectable citizens of the sultanate of Palembang. A similar perception held by people of Iliran area, traditionally "milir" in the local language vocabulary that means downstream, symbol of "advance culture" as well as a gateway into the world of civilization, which was more progressive. It is implied that the former Sriwijaya kingdom and trading port center of Palembang city is not only a symbol of the greatness of the Sultan. The city also became the symbol of pride of Iliran’s residents, because they associated themselves as part of the advanced world civilization and the center of power.
Robert Redfield in his book “Peasant Society and Culture” has identified the similar features to Ilir communities as a group of people who supported the “great tradition” (Redfield, 1956). In that sense, it reveals the meaning of the kingdom ship and the greatness of Sultan palace, a symbol of the imperial grandeur comparing to Uluan which contained the meaning of “backwardness”. Lower mainland communities are “a world apart” from urban civilization, which is located in the upland. Their history is almost always on the fringe of the great civilizations wave.

The dichotomy of two different worlds in the case of Palembang does, to some extent, continue today. The discourse of dividing Palembang’s administration into two has been revealed to the public (Sriwijaya post, 2011). Under the leadership of city mayor Eddy Santana Putra, Palembang is rated as the city with a promising development growth; it is evaluated from the emergence of the city’s parks and public space, the economic improvement and the growth of foreign and domestic investment. Services and tourism sector is growing rapidly, due to the assignment to host a variety of national and international events. However, for many people these tangible achievements only can be seen in the Ilir area, yet equally opposite to Ulu.

5.5.2 Vernacular architecture

Vernacular architecture of Palembang is not only reflecting the way of living of its people but also is associated as a grandeur of social status and the attachment to this social strata is inherited through generations. Local wisdom is translated as knowledge of local life as well as various life strategies that connected with the activities of local communities (customs, religion, science, economics, technology, social organization, language and communication and arts) in addressing different issues to maintain and sustain their daily needs. The knowledge of local traditions form the basis of the physical and cultural environment, which is manifested in cultural heritage.

In the context of traditional houses, local wisdom that accompanies the construction process has been set in harmony with the needs of technology, building materials, design, layout, and natural ability. Harmonization is achieved by traditional communities by understanding the environmental conditions. Traditional societies mastered the concept of ecology in which they had lived; they acknowledged the interaction between living things with its biotic environment, so as to create a balanced life (Frick and Suskiyatno, 1998). Traditional societies had to align themselves to the existence of the ecosystem component that created a dwelling that reflected the knowledge of local wisdom. This is what is meant by ecological adaptation of traditional housing.

The long journey of Palembang historical background is reflected in cultural heritage in the form of a traditional home which can be classified as a traditional house such as Rumah Rakit, Rumah Limas, and Rumah Gadang. In this section the researcher

46 It was said that if the ancestors had lived in Limas house, the heirs ought to continue to live there to cherish and preserved the memories of the dead. Many vernacular architectural building are considered as heritage. This also apply to many vernacular houses belong to particular ethnic groups, that has prevented those houses from any intervention from the third parties (author interview, Ms. Novianti, 2013)
explores the knowledge of Rumah Rakit or floating houses and Rumah Limas, while Rumah Gadang could be hardly found in the inner city today (or rather, it was no longer able to adapt to the modernization of its surrounding and failed to preserve its building conditions).

Rumah Rakit

As the Indonesian city, which has an extensive history, Palembang has an abundant of cultural layers. Culture is an expression of the community in adapting to the environments that are tailored to the needs of life. The state of the banks of the Musi river environment will affect the shape of buildings, structures and construction conditions for the design of the people's house of the Musi riverside (Novita, 2013).

Rumah Rakit was the residence that was originally a settlement of Chinese people. This was because of a regulation, which did not allow the Chinese and other newcomers to settle or stay on the land. Chinese people generally had livelihood activities i.e trader, so the Rumah Rakit also served as floating stores, warehouses and even lodging. Therefore, the house had a commercial nature and was located along the river. As the name implies, Rumah Rakit floated on the composition of the block of wood or bamboo, while the floor of the house is made of boards. The shape of the house is a gable roof with a cover of palm leaves, reeds or palm leaves tied with rattan rope or zinc roofs.

Rumah Rakit is the oldest form of the house in this area, and may have existed at the time of Sriwijaya. In the Chinese chronicles, such as History of the Ming Dynasty (1368-1643) 324 books, written on the raft house, whose form has not changed much. Raft house also called as Chinese Raft raft because the roof of the house is shaped like the Chinese building roof (Siswaanto, 1997).

Rumah Rakit of the Musi River in the area of Ilir and Ulu is divided into three (3) categories, namely: (1) houses, which are located in the body of the river (rafting house); (2) houses, which are situated on the banks of the river and also located in tidal areas or wetlands (stilts with warehouse-typed of dwelling); and (3) houses, which are located on the banks of the river and also located in dry areas that are not affected by tidal occurrence (see Figure 5.11). Rumah Rakit is designed to be able to serve the users as living as well as trading activities (workshops, stalls and shops). The functional zoning in the house is divided as such: receiving area for guests (terrace), sitting area (living room), resting (bedroom), dining (the dining room), cooking (kitchen), while KM/WC is located on the side or back of the house (Diem, 2004).

The layout of the buildings in the neighborhood is generally elongated parallelly to the riverbank, and is consisting of several layers of planks towards the river and towards the land in accordance with the work of the owner of the house. If the layout of the building is facing the river the owners tend to work as trader who use the river as the main access path or use the residence itself as a place of business. As for the layout of the building facing toward the ground, it shows more activities relating to farming.
Rumah Rakit settlements are supposed to deal with high temperature as well as high level of sun radiation. The social order is embodied in the regulation of the building orientation, division of space, layout, system structure and construction, use of materials, and system penetration. The pavements patterns are layered with rows of road network in the settlements (small bridge) and in the neighbourhood (Diem, 2004). The roof is adapting to the awning system, which is in accordance to the environmental conditions of the rainfall, typical for the tropical climate. Palm leaves are chosen as roof covering material due to their ability to carry by a slope of 45 degree to be able to cater the water flows during the heavy rainy seasons. The floating foundation is intented to keep the house remains on the surface of the river while maintaining its position as the water level raises up due to the tidal.

An annual renovation on the replacement of the damaged part of the rafting houses is highly recommended to sustain its durability and resistance againts the flow of the water and rapid waves. However, due to the high price of natural materials such as bamboo, many house owners had to leave the house because they could not afford to pay for the repair costs.

Rumah Limas

Another typology of Palembang's vernacular architecture is Rumah Limas. Rumah Limas was rather a dwelling that is often referred to as Tetuo houses, or houses that are often used for celebrations. As the name implies, the shape resembles a pyramid and the roof is covered with the tile. The interior of the house has different heights adapted to the function and hierarchy of space. In Palembang, pyramid houses are located near a river or mostly along the river Musi. The location was considered...
very beneficial because the orientation of the house was closely related to the river as a transport artery before the construction of roads. Today, most of the Rumah Limas are located in areas with a very high density and which can be classified as slums.

Initially, the owners of Rumah Limas were highly respected people in the area, commonly called as the nobility or the local authorities (Raden). This can be understood that since the construction of Rumah Limas it became very costly compared to any other building typology (Siswanto, 1997). Currently, the ownership of Rumah Limas can be classified as private or family in inheritance. Homeowners do not always stay or inhabit the house, usually they live in another cities and the house is rented to immigrants. Since many of Rumah Limas are sold, homeowners today does not mean a descendant or a family member of the owner of the early era.

![Figure 5.12. Rumah Limas as a symbol of upper class social status. Homestay (left picture) and Sultan Mahmud Baddarudin Museum (right picture)

Source: Field Documentation, December 2012](image)

Some of Rumah Limas have been modified in accordance with the new function of the house and the house needs. These changes gave a different perspective to the value of philosophy and culture of Rumah Limas. Rumah Limas has a distinctive philosophy associated with the forms of architecture, construction details, ornaments and function of the building. For example, every floor in Rumah Limas have different heights depending on the type and function of the space; the higher the floor, the more public function of space. At first, the Rumah Limas did not have a kitchen or bathroom. The kitchen and bathrooms are built on additional buildings or built separately under house pyramid. Even in some pyramid house, the bathroom was founded on the banks of river Musi. Rumah Limas is often attached to the building wooden houses and around it is highly vulnerable to fire or other damage caused by the surrounding buildings. The government's attention to the preservation of Rumah Limas is still very limited and selective. Until now, there has been no local regulations that should specifically regulate and protect the house. The most recent approach to its preservation is to subsidize Rumah Limas owners in renovating and maintaining the house for the further homestay program (author interview: Yulis, December 2012).
5.5.3 Traditional marketplaces and town square

Douglas and Isherwood (1979: 12) have believed that economic goods are part of the cultural system and the acquisition of goods is a means to anchor meaning in social life. The market place is perceived as a place for the production and reproduction of meaning and a symbol of urban life. The central market is the “structural core” of the town and has intertwined its function within urban development. In contrast to supermarkets, most traditional markets are owned by the local government. Local governments in Indonesia usually have an Office of Market Management (OMM), or Dinas Pasar, which manages traditional markets. This office either manages the markets on its own or in cooperation with private companies.

In the urban center, Palembang has one traditional market in which daily activity occurs. The market remains one of the tourist destinations of the city, given its significant history and cultural identity. The crowding through the narrow lanes creates a feeling of community that symbolizes Indonesian city profile, on the other hand, the customers have to succumb to the precarious circulation of street vendors filled with goods of various kinds. It is noticeable that the areas store tremendous potential in the form of historical quarters that could be developed into a special area possessing value and meaning.

Figure 5.13. The Revitalization Plan of Market place
Source: Palembang Master Plan, 2004

To meet the particular social trends of urban environment, the city is aiming to reclaim the market place for people not only to be used as a daily basis, but also to be used as public space in leisure activities with large public and private investments. The transformation of both functionality and physicality of the consumption place is supported and fostered by means of urban development policy performed by the local authorities. The most recent development in the revitalization of 16 Ilir markets was a recreational shopping arena, which consists of the so-called festival marketplace, in-town shopping centre with an emphasis on foods, boutiques and entertainment. Sixteen Ilirs have changed its image from the slum traditional markets into the more presentable traditional market. Old buildings that have historical value and uniqueness were tremendously renovated in order to be used as a tourist attraction, complementing the existing attractions in the vicinity.
From a Dutch colonial point of view, in correspondence with Geertz’s perspective, (1965) town square or alun-alun constitutes the center of the town. From the beginning of its development, alun-alun served as open public space, accommodating various public activities and symbolized the urban identity. Alun-alun in Palembang, or famously known as Benteng Kuto Besak (BKB) was initially built during the Sultanate era in 1780 as the city of fortress after the first raid in 1751, when the Dutch imposed the trade monopolization in Palembang (Hanafiah, 1988). The scorched-earth invasion had accompanied by the relocation of the government center to the area by the Tengkuruk River, around 16 Ilir markets today. Then, during the reign of Sultan Mahmud Badaruddin I (1724 - 1758) the administrative center was moved again to its present location into the location of the Museum of Sultan Mahmud Badaruddin II. Furthermore, the central government moved again to a new location, which is known as Kuto Besak (Hanafiah, 1988).

After colonialization, BKB served solely for traditional trading activities, its rampant degraded physical value was one of the significant reasons of the area’s decay. Gradually after the implementation of decentralization policy, Palembang municipality carried out various management and development efforts to revitalize the BKB area into a more friendly, safe and valuable area to visit. Nowadays, BKB is an icon of Palembang and it is expected as the centre of economic activities, socio-cultural amenities and recreational precinct for the city dwellers. Following this effort, BKB area is accompanied by several tourist facilities, such as floating restaurants and water jetty. The land use of BKB has changed from a slum fruit market into a centre for the urban activity.

<table>
<thead>
<tr>
<th>Evaluation item</th>
<th>Before</th>
<th>After</th>
</tr>
</thead>
<tbody>
<tr>
<td>Property value</td>
<td>Prior to street vendor relocation, this area was unsafe and unattractive. Lack of investment value.</td>
<td>Being a tourist destination, increasing the value of buildings and land.</td>
</tr>
<tr>
<td>Land use</td>
<td>Informal trading area, traditional marketplaces.</td>
<td>Town hall/ city center, and Green Open Space.</td>
</tr>
<tr>
<td>Social &amp; Cultural activities</td>
<td>Merchants and consumers transaction of goods and services.</td>
<td>Abundant tourism activities, cultural events and festivals.</td>
</tr>
<tr>
<td>Local economy</td>
<td>Informal sector employment.</td>
<td>Appears to be attractive to the vendors who come at a certain time, the exchange of services.</td>
</tr>
</tbody>
</table>

Table 5.2. Evaluation of BKB land use transformation

Source: Author analysis based on written and interviews database, 2012
5.5.4 Modern department store

There have been many modern buildings recently erected as the most obvious example of modern economy e.g. shopping malls and commercial banks. Supermarkets in Indonesia are all privately owned and their permits are issued by the central government's Department of Trade. Local governments usually have no authority to refuse permits issued by the central government, although some require supermarkets to apply for a local permit.

In Palembang, like any other big cities of Indonesia local supermarkets have been around since the 1970's, although they are still concentrated in large urban centers. Foreign-brand supermarkets began entering the market in late 1990s as foreign investment policy in the retail sector was opened in 1998. The increased competition has resulted to supermarkets reaching smaller cities in their efforts to find new consumers and in wage price wars. Hence, while supermarkets catered only to the upper class in the 1980s and early 1990s, they were mushrooming in smaller cities and predatory pricing practices provided that consumers from the lower classes now have easy access to supermarkets. This is certainly also the case in other developing countries (Reardon et al, 2006; Collett and Wallace, 2006).

Population growth impacted the provision of service facilities, thus the development of the retail sector is one of the demands of a modern society. The local municipality of Palembang has an interest in the upgrading of city centers by creating incentives for the potential investors (through public private partnership). For that reason, the local municipality tries to attract business capital and visitors to the city and thus its city center. In doing so, the municipality are developing more proactive, entrepreneurial stance towards urban development within the context of policy guidelines of the government.

Retail industry in Palembang at first was dominated by stalls and shops with the concept of traditional market. However, as the conditions gradually became relatively busy and inconvenient, the consumers tended to shift their interest to go to one convenient shopping point. The consumers not only want to shop alone but also enjoy the atmosphere of the store as a remedy from the fatigue of work and daily hectic activities. Based on these conditions, the Palembang municipality started to arrange a general, integral vision on the city center by designing the functional facilities and the physical features, along with supporting facilities such as parking lots. Following that, the municipality invited property developers to give their views on a part of the city center that has been assigned for the development. By cooperating with property developers, a larger budget for city center development can be achieved. In return, property developers also rely on the local authorities for partial funding and for facilitating redevelopment projects (Reardon et al, 2006).

The development is associated with the project of shopping center to meet the contemporary demand of consumption. The entrepreneurial stance implies that, in addition to the initial focus on social issues, there is an increasing emphasis on fostering urban economic growth. By focusing on retail projects, some areas were redeveloped into shopping districts, for example International Plaza, PTC-Makro and Novotel, Palembang Indah Mall and Palembang Square together with Aston Hotel.
To enable and encourage shopping culture, cities are increasingly turning into ludic landscape. Shopping malls often are considered as the "managed playground" (Bauman, 1993) and are perceived as "highly controlled spaces" (Miles, 1998). The contemporary strolling in the shopping mall is "hanging out" and observing the crowd as much as performing windows shopping. Shopping malls developments not only transformed the property value and land use, but also changed the way of life and shopping culture of the society (Bauman, 1993). Before the establishment of shopping malls, people were usually spending their free time in the outdoors or natural recreational areas. However, today they spend their time inside the shopping malls and are expected to stroll through the shopping center aimlessly looking for new entertaining experiences by gazing at the shopping environment.

5.5.5 Green open spaces

In general, public open space in urban areas are consisting of green open space (GOS) and non-green open space (N-GOS). It can be a garden or the courtyard of the house, public building or private land. Public GOSs, such as riverbank greenery, city park and public courtyard are owned and managed by the municipality for the benefit of everyone. Given the important role of the open spaces (both GOS and N-GOS) in the spatial planning, the provisions regarding the matter should be regulated. Law no.26 year 2007 on Spatial Planning Article 31 (No. 5/PRT/M/2008) stipulated the need for provision and utilization of green space and non-green open space in urban areas. The institutional framework for GOS in mainly determined in the SPL 2007 and PEDOMAN (Penyediaan dan pemanfaatan Ruang Terbuka Hijau di Kawasan Perkotaan/ Preparation and Utilization of Green Open Space in Urban Areas).

According to the PEDOMAN, the provision of GOSs in the scale of the urban area is determined by considering the spatial structure of the city. It was constructed based on a space hierarchy of the functional activities and the provision of the transport networks and infrastructure forming a vibrant urban fabric. The lowest level in hierarchy is started from the RT/RW, or urban kampongs, and then districts up to the metropolitan area. The green space is provided proportionally based on the population of each area. However, the inner city, the area, which are heavily populated is lacking of green and regular open spaces. The GOS ratio per person in the inner city is less than 8 square meters.
The provision of green space in Palembang's urban area was made by considering the structure and pattern of the city. It was constructed based on a space hierarchy of the functional activities and are linked by the transport networks and infrastructure, which forming a vibrant urban fabric. The lowest hierarchy is started from the RT/RW, or urban kampongs, and then districts up to the metropolitan area. The green space is provided proportionally based on the population of each area. However, the inner city, the area, which are heavily populated is lacking of green open space and regular open space area.

The GOS ratio per person in the inner city is less than 8 square meters. Ideally, Urban area should consist of 30% green open space, public (20%) and private (10%) (Law No.26/2007 Spatial Planning). Palembang's master plan 2004-2014 shows that green open space area (natural) is only 14,58% (5.835 hectares) from the urban area. With Palembang's urban area of around 40.000 (ha), it needs at least 12.000 ha of green open space.

Law No. 26 Year 2007 on Spatial Planning (UUPR) Article 31 has stipulated the need for provisions and utilization of green open space and non-green open space. With the support functions as a platform for economic and ecological conservation activities, as well as complementary functions as an aesthetic environment, regions and territories. The shortage of green open space provision can be one of the triggers of the problem or social conflict.

The attempt of green cities initiatives in Indonesian cities have been studied by Kirmanto et, al (2012). In his study, he investigated the influence of planning strategy in tackling the issue of rapid urbanization. He has suggested that the more innovative programs and workable action plans are, the more it is needed to effectively respond the challenge. As part of planning reform, green city approach is a profound pilot program for a significant urban sustainability movement.

Cities and regions are becoming competitive and thus integrating a green planning framework to build a sustainable development is being practiced. In the last few years, the government of Indonesia has taken into consideration the concept of green city as an innovative measure to cope with the actual urban issues and in parallel to anticipate the unwanted impacts of high-speed urbanization. To tackle this issue, the on-going related programs have been prompted by the government at the national and regional scales. The imperative of these programs are in pursuing the quality of the life in the city since the quality of public open space is experiencing a significant decline. In the physical level, the aim for these projects is to encourage local administrations and residents to actively creating open and green spaces. The programs are also being heavily oriented toward a more balance orientation between economic efficiency, ecological preservation, community empowerment and social justice.

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47 GCDP (Green City Development Program) is a collaborative program started from 2011 between the city/regional government and green communities, supported by the provincial government and facilitated by the Central Government through technical assistance and incentive delivery.
5.5.6 City districts

Palembang currently has 14 districts; ten districts are located in Ilir and only four districts are located in the Ulu. The number of districts can be perceived as the development imbalance between Ulu and Ilir, it is not surprising that Ilir progresses more than the Ulu area. As an old center of the city, Iliran area is more developed: it contains primary service sectors which serve the whole city and South Sumatra Province. It has the trading center of 16 Ilir markets, Governor’s Office, Srivijaya University, Hospitals, Port, Administrative office and five stars hotels, whereas Ulu area is planned only now to become a working and small entrepreneurship center.
From the results of population projections, it was concluded that Palembang population pattern in each district has a diverse range of population number, especially in some Ilir districts, which have a large population compared to other Ulu districts (Palembang dalam angka, 2008). This is due to a high degree of related activities such as trade and services, government facilities as well as education, health, worship and others. But in some other districts, the population growth is lower, which is influenced by several factors such as lack of facilities or unfavourable natural conditions (flood areas, wetlands).

The dichotomy of sociological and political aspect from both Iliran and Uluan areas is emphasized in the urban development. It is crucial to have a public figure who can declare the idea of regional expansion of the Ulu area into an independent town; this public figure does not necessarily to be a native of Ulu's citizen, but could be also someone who can represent the aspirations of regional expansion of Ulu area (Author interview: Hilda Zulkifli, January, 2013). The discourse is well-welcomed by the representatives of the people in Palembang city parliament. Nevertheless, the former mayor of Palembang gave less support and consideration, having in his mind that the disparities of development in Ulu area still could be controlled, especially when the infrastructure is enhanced like in the recent years, due to the development of a sport stadium in Jakabaring.
The regional expansion aims to expand the spread of public service control, in order to achieve the maximum results of welfare of its people. The determining factor as basis for the establishment of the new region are influenced by the economic fulfilment capabilities, the potential of the region, socio-cultural and socio-political conditions, demographic, wide area, socio-political defence, and other factors, which allows the endowment of regional autonomy. The physical requirements for regional expansion includes the minimal amount of districts for the city establishment, the strategic location of the capital and the eloquence of governmental facilities.

5.6 Palembang's Tourism Stakeholders

The relationship between and among tourism stakeholders is not contradicting but rather reciprocal and responsive. Tourism from above operates in the process of globalization, commoditization and urban branding, which emphasize the role of regulation strategies established by the governance. On the other hand, tourism from below reflects the role of grassroots initiative to express their cultural invention and local authenticity in everyday life.

5.6.1 ASITA (Association of the Indonesian Tours and Travel Agencies)

As an intermediary for the companies with potential travellers, the travel agents are very important ring of the chain because of their influence in the sales of tourism services. Functionally, travel agents act as middlemen who bring together buyers and sellers without discount products to sell. Usually the sale of tourism services also covers the provision of recommendations regarding details of accommodation. Meanwhile, the role of travel agents in the tourist destination is to prepare the arrival of tourists from the information on accommodation, hotel reservation, provision of transformations to setting up a schedule to visit the attractions. This role is very common, especially in mass tourism (author interview, January 2013).

There are at least eight travel agencies, which are recommended by the municipality of Palembang Tourism Board. Most of the agencies are offering city tour packets (itinerary) as their main service. In addition to ticketing (outbound and inbound travels), hotel reservations, documentations, and human resource courses. One of the most established travel agencies is also providing the service for visa and passports applications. (Palembang Tourism Board, 2014).

The agencies are united in one regulatory body, which regulates the taxation system, memberships and further cooperation among the members. The Association of The Indonesia Tours and Travel Agencies (ASITA) is the only legally acknowledged non-profit alliance of Indonesian travel entrepreneurship. The association operates under the Law No.9/1990 in regard with tourism. ASITA provides a platform to the communal efforts of Indonesian travel agencies. The main objectives of ASITA is to serve and protect the interests of its members, since it has access to the municipality's lobby, it mediates the tourism-related interest, it can influence the further tourism policy. ASITA Palembang is one of the industry partners of Palembang Tourism Board.
ASITA has set up structures and made far-reaching efforts to boost the development, value and quality of Indonesian travel and tourism. In addition to encouraging cultural and environmental-based tourism, the association is also encouraging the local concept to develop the cultural tourism industry.

5.6.2 Aesthetic and Heritage networks, NGO Cinta Musi

Tradition is not just inherited from the past but is socially reconstructed and projected through daily social activities and practices. This localization and hybrid view of culture draws attention to how the production and maintenance of cultures and traditions take place. DKSS (Dewan Kesenian Sumatera Selatan) as the aesthetic and formal heritage network of South Sumatra has tried to maintain the city’s cultural resources through hosting a major multicultural tourism summit. It represented the role of this organization in raising awareness of Palembang’s heritage and in affirming tourism practices as an important source of authenticity invention. Mr. Senapan Budiono and Mr. Zulkhair Ali, both are respected cultural activists of Palembang, have stated that the city suffers from the lost of its cultural icons and symbols along the Musi River, although Palembang’s lifestyle has been long associated with Musi River since the Majapahit, Sultanate, Colonialization era, until contemporary time, the heritage nuances are not represented adequately. Mr. Zulkhair later added, ‘Visit Musi 2008 is a way to celebrate our culture, to bring back the local sentiment of its identity.” (Author interview, January, 2013).

On the other hand, it is argued that the intent of most tourist attractions is to further commoditize and direct people through the ideology of consumption and entertainment. In this case, the festive events are an instrument of political power that shifts attention away from the everyday social problems. DKSS comprises a collection of cultural and art organizations dedicated to bringing together artists, musicians and pop-figures to celebrate local culture. Its main concern is to preserve cultural heritage and thus attract the interests of local people to more appreciate their own arts, which have rarely expressed. However, most of the festivals in the city are produced and organized by the municipality, in order to attract the interest of national and international visitors, and to promote local culture through series of programs, projects and services.

On the international scale of events, the people are not simply passive recipients of accepted commercial meanings produced by advertisers, tourism boosters and place marketers. They are actively involved in the production of meaning and produce meanings. The event of Sriwijaya Fashion Carnaval in 2015 as an opening spectacle towards ASIAN GAME 2018, for instance, had attracted various positive appreciation from the locals.

Although some attempts have been made to portray Palembang as a city consciously celebrating its local culture, Palembang is struggling to consistently maintain its local heritage and aesthetics (author interview: Zulkhair Ali, January 2013). That is, to have the local resistance to the process of homogenization under the global trend. It is crucial to develop a solid local characteristic that would be

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48 Palembang cultural night is weekly events organized by Palembang tourism and cultural planning board and co-organized by, among others, Aesthetic and Heritage networks.
represented in everyday life of the society. Zulkhair also reviewed the art events in Palembang as not so vibrant. Traditional arts performances are still rare, let alone to have a theatre like in Singapore. Art is still considered by local communities to be a matter of entertainment for the nobles.

This point resonates with the intervention of NGO Cinta Musi of Palembang, an organization that contributes to the development of local entrepreneurship and community empowerment. It was established in 2007 by Azis Kemis, shortly after Palembang was inaugurated as a river tourism destination by then president RI, Susilo Bambang Yudhoyono. Its role is to develop collective regulations over the ketek owners and drivers as well as to be able to register all the water transportation vehicles. A registered ketek's owner means they are able to receive funding programs to renovate, recolor and repair their boat, but also that they are obliged to pay annual registration fees.

5.6.3 Tourism and cultural planning board

Regulation of the city for the benefit of tourism industry, which aim is to differentiate the city in global tourism market through city marketing is one of the relevant regulatory frameworks (Hoffman, Fainstein and Judd 2003:7). It also correlate to the regulation framework of the industry carried out by the municipality of Palembang for the benefit of place towards the sustainable development.

The strategic planning process for 2001-2005 period continued to reflect the “development” approach of the New Order Period. South Sumatra is a part of provincial system and is administrated by a governor, who is selected for a five-year term. Administratively, South Sumatra province consists of ten Districts and four City Governments, along with the House of Representatives. Under the Palembang’s major jurisdictions are a number of departments, which include various Dinas (regional/local department) such as the Regional Revenue Department, the Urban Management Department, and the Public Works Department, together with the Health Department, Market Department, and Tourism Board Department. Badan Perancanaan Pembangunan daerah (BAPPEDA) operates at the provincial and municipal levels. BAPPEDA I operates at the provincial planning board, generating its own plans, while BAPPEDA II operates in a similar manner at the municipal level, formulating plans to guide city development (JICA, 1996).

After the decentralization, the tourism planning board of Palembang was mandated to carry on its own related issues and over time increasingly adopted the style of entrepreneurial approach and place marketing. There have been various urban projects related to tourism development in cooperation with other public and private stakeholders, which aimed to provide the sites, environment, incentives and images to attract more development in tourism sectors. In addition to provide the physical infrastructures, the Tourism Planning Board also focuses on the economic development strategies in terms of employment and income generation through local entrepreneurship workshop programs.

Local empowerment is a concrete step to spur the dynamics and regional development. The structural and functional approach of local empowerment is constantly being re-evaluated in order to accommodate the aspirations of those who
participate in the regional development. It has become an abundant reformation strategy in the decentralization era in Indonesia. The Law 22 of 1999 on Regional Government and Law 25 of 1999 on Financial Balance and Local Government have been stipulated as the product legislation in the decentralization era. The guidelines for regional organizations, were stipulated in Law 84 of 2000 as the follow up with regard to the local government authority. Therefore, It has become increasingly apparent and obvious that the commitment of the central government is crucial in implementing regional empowerment, considering these regulations have given a new dimension in the development of the tourism sector, while the Government of the Autonomous Region should have full authority in the construction of tourism activities in its region. The shift of the development paradigm from centralized to a decentralized regional development generated broad implications in many fields.

In local government regulation, the overall tourism-related activities are multidimensional as a manifestation of the needs of each stakeholder as well as the interaction between the tourists and the local community. National tourism development master plan, is referred as the guidelines for local tourism master plan for a period of 15 years. Its goal is a rather quantitative tourism development, with the emphasis on the number of tourist arrivals and the number of domestic tourists movements, the amount of foreign exchange and expenditures. The implementation of an integrated master plan is carried out by the central government and local government. Until today, the handling of tourism in the city of Palembang, is a general responsibility of the Department of Tourism and Culture Planning Board.
The hierarchy of the organizational structure is led by the Head of the Department supported by the Deputy of the Department. The instruction comes from the top to down, eventhough many ideas or inputs from the other Subd. were welcome. The Head of the Department directly leads the other 5 Subd. and mainly responsible of the decision-making in stipulating any tourism programs. The 5 other Subd. consist of a set of operational boards in allowing the implementation, evaluation, and innovation of tourism strategies with very clear tasks and limitations. Tourism Program Subd. for instance, is responsible for planning and programming of data and information evaluation and reporting the tourism retribution. The task of Tourism Attraction Subd. is mainly collecting and preparing the target material, the development and monitoring of objects and tourist attraction. They coordinate mostly with Tourism Marketing Subd. who is responsible for workshop development, as well as preparing the material for publicity, promotion, exhibition, arts mission, culture, and tourism event in coordination with various stakeholders within and outside the country as well as monitoring and evaluation of the implementation of the promotion for forward planning. The sub department of the Accommodation and Services of the Tourism Business is responsible for implementing plans for the development, supervision, and licensing of facilities and tourism businesses. This Subd is mostly dealing with local entrepreneurship and tourist agencies. The tasks of the Culture subs regard the collection, monitoring, securing, and researching the buildings or sites with historical values. Their task includes developing concepts and manual guidance to the preservation of buildings protected by policy of cultural heritage.

According to the Secretary of Tourism and Culture Department, Maulida (author interview, December 2012), in the management of tourism, there are four elements that have to be considered by the whole organizational departments to ensure the implementation of effective and efficient tasks and mandates. First is the “what” element, which consists of the understanding of the scope of the tasks and purposes and the objectives to be achieved; second is the “how” element, which is associated with the system, method and management mechanisms; third is the “who” element, which is related to the knowledge of duties and responsibilities of anybody in the boards in implementing the uninterrupted aspects of managements; and the fourth is the “when” element, that is the knowledge of time interval performed within a specific time for the monitoring and evaluation process.

This structural device is expected to provide a greater portion of quality to the non-goverment components in the management of the tourism sector, such as society organization (CSOs) and other local NGOs. Due to its highly hierarchical flow of mandates and regulation process, the participation of the outsider is seen as a disruption in the tasks and responsibilities. On the other hand, it could ensure the transparency of the local government in managing the tourism development (author interview: Maulida, December 2012).
5.6.4 Management concept of PPP (public private partnership)

The management concept of tourism industry is closely associated with the mandates of the manager. The real condition shows that there is a trend developing in regard with the cooperation between local government with non-governmental organizations. This trend has generated certain considerations to modify the management concept of the tourism industry. Some management concepts that have been implemented are as follow:

**Government as owner, private sectors as manager**

In this concept, the government is serving as the owner of the property of the tourism industry, which managerial tasks are fully being carried out by the private sector. In the process, the government does not intervene in the management, rather simply by monitoring the management process. The retribution is shared between the two stakeholders, where the percentage of result is adjusted according to the agreement between the government and the private sector.

**The government and the private sector are equally involved, with the local government control in the management,**

A greater proportion of government involvement in the management of tourism property is especially related to the nature and cultural / historical related commodity. In the management of natural and cultural / historical attractions, it has to deal with two things, namely the optimization of tourism development and the conservation of the tourist objects. With the involvement of the private sector, which tends to be profit-oriented, it is expected to operate the optimal management. On the other hand, the government with its legalization plays an important role in the conservation of the tourist attraction in order to preserve it by its own development efforts.

**The government and the private sector are equally involved, with the private sector control in the management**

A greater proportion of the private sector involvement in the management, especially for built-in tourist properties (eg trade-hypermarket centers, entertainment venues, and so on). In this concept, commercial interests are higher than the interests of conservation. With the tendency of the profit-oriented private sector, a larger proportion than the government in the management of tourism is expected to create a multiplier effect that is optimal for the development of tourism-related industries. In this case the government plays an important role in creating conditions conducive to the survival of the tourism related industries. It is expected to create synergies between the activities of tourism objects in the surrounding environment.

There are the inevitable layers of partnership between private sector-public sector and community initiatives. Investing in tourism development, partnership became an important organizational approach focusing on vision and strategy. In a review of area regeneration and partnership, all models of partnership need to foster several types of integration, which suggest criteria for selection; 1) physical
development integrated with social and economic development, 2) that enables social inclusion to get fostered by public investment; 3) an involvement of community organizations with institutional players. A conventional analysis would place public and private sectors as separate entities, but in fact, they work closely together on tourism development. Increasingly, the participation of private sector entails investment, ownership, or management in city building.

Since Palembang introduced the place of branding strategy in the beginning of 2000s, Tourism Cultural Board continued to reflect the “development” approach of the New Order Period. The planning was essentially a top-down and a state-led initiative, which aims were to repositioning the tourism industry, creating new identity for the community, and providing an avenue to regenerate urban places. Its development followed by the urban redevelopment program that was undertaken by public-private partnership to boost more investment. The use of private-public partnership in regeneration is increasingly a common strategy. Private sector is known for its entrepreneurial ideas and would be willing to take higher risks in the hope of higher return. This makes certain infrastructure sectors attractive for private sector. From public sector’s side, it is in advantage for them that private sector is willing to invest. In reality, public sector also intends to transfer higher risks towards the private sector to reduce public cost.

<table>
<thead>
<tr>
<th>Responsible stakeholders</th>
<th>Indicators</th>
<th>Programs and activities</th>
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| Tourism and Cultural Board | Institutional reinforcement | • Evaluation and review on the established tourism institutions  
• Evaluation and review to the tourism regulation and policy framework  
• Support the tourism institutions and travel agencies  
• Support the tour operators institution  
• Create the team for program monitoring and evaluation |
| Service standard improvement | | • Designing training program for tourism human resources, including training for tourist guides  
• Upgrading the Minimal Service Standard (SPM)  
• Designing and formulating Standard Operational Procedure (SOP) framework  
• Socialization of SOP and SPM |

*Table 5.5. Quality development Palembang as tourism destination  
Source: data compiled by Author, 2013*
<table>
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<tr>
<th>Responsible stakeholders</th>
<th>Indicators</th>
<th>Programs and activities</th>
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</table>
| Local Industry Board      | Institutional reinforcement | • Creating the team under the Local Industry Board responsible for MICE development  
• Evaluation and Review towards regulations and Policy of MICE tourism  
• Identify and promote other economical activity related to MICE  
• Creating the team for program monitoring and evaluation  
• Coordination and communication with related public and private stakeholders |
| Tourism and Cultural Board | Service standard improvement | • Designing training program for tourism human resources for the management Team  
• Designing and formulating Standard Operational Procedure (SOP) framework  
• Socialization of SOP and SPM |

Table 5.6. Quality development Palembang as MICE and local industry destination  
*Source: data compiled by Author, 2013*

<table>
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<tr>
<th>Responsible stakeholders</th>
<th>Indicators</th>
<th>Programs and activities</th>
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| Public Infrastructure Board | Institutional reinforcement | • Evaluation and review on the established institutions related to riverside development  
• Evaluation and review to the regulation and policy framework on riverside development  
• Create the team for program monitoring and evaluation  
• Identify and promote other economical activity related to MICE  
• Coordination and communication with related institutions |
| Tourism and Cultural Board | Service standard improvement | • Designing training program for tourism human resources  
• Designing and formulating Standard Operational Procedure (SOP) framework  
• Socialization of SOP and SPM |
| Environmental Board       |            |                         |

Table 5.7. Quality development Palembang as Riverside city  
*Source: data compiled by Author, 2013*
The logic centers on the notion that growth is central to urban wellbeing, and urban tourism is simply another means to achieving that goal. The purpose of public subsidies is to induce private investment and entice commerce ventures. Businesses are expected to create jobs and a healthy tax base, which is then utilized by the municipality to improve basic services as well as maintain and expand infrastructure. Prosperity and a good business climate will in turn encourage additional private investment. It is believed that the outcome of this strategy is the rise of local growth coalitions and regimes that aggressively pursue tactics that focus on attracting and retaining corporate investment (Author interview: Maulidia, December 2012).

5.7 Summary

From the beginning of its early development, riverside cultural legacy has always been identified as the core of Palembang’s geographical character. This hard location factor during the first half of the 20th century linked the centralized power of Java with the local autonomous government in Sumatra as well as served as a commercial capital connecting Singapore, Malaysia, Sumatra and Java. Under the Dutch occupation, the city emerged as a commercial hub to facilitate the trade between a surrounding regions ruled by indigenous local elites (inland state) and a colonial bureaucratic apparatus.

The data on demographic and land use transformation of Palembang from 1919 until today showed that the city is spatially expanding and is aiming to spread the public service control. Palembang was established as Kotapraga by Dutch authority in 1906 with a population of 45,000 people. The number of population increased to 109,099 in 1930. In the early 80s, due to the transmigration program, which was increased rapidly after 1979, the population raised to 786,607. In 2010, the population of the city of Palembang have reached 1,474,724 and it is estimated that by 2020 Palembang’s population will reach 1,800,568 and by 2030 it will grow to 2,198,974.

In 1919, the land use pattern of the city started to change after the increasing amount of settlement. The percentage of land use in 1919 showed that the proportion of natural categories were still dominant with 96.26% of area with only 1.87% of settlement, while only 1.76% area were farmlands. After the independence period in 1969, Palembang received population surplus from Java as a part of transmigration program and had to provide new area for resettlement. The settlement area began to increase into 12% following this year. Land use pattern in 1988 shows the expanding of urban population and development in the city where the city center was growing rapidly together with the trading amenities. In 2000, after the fall of the Suharto regime, the movement of people from Java to Sumatra still continued within the process of transmigration. The residential area has reached 30.31%.

Spatial ideology during the colonial era of riverside culture was perceived as the articulation between the tradition and modernity. The transformation from traditional to modern epoch was reflected in the form of architectural intervention; the colonialist built their massive western type of architecture in contrast with the wooden or clay architecture of sultanate vernacular buildings. These new colonial buildings became the physical symbol of the new ideology of Palembang city as a modern city, more precisely as a modern commercial city. In this way, one could assume that
colonial's government has put efforts in creating the first public symbols that can be seen as an attempt to divert the influence of power away from Palembang Sultanate.

The construction of the image of the city was connected to the function of the central places, contradictory to the previous attempt of removal, renewal and prohibitions. It is evident that Palembang image-ability depends on the live and activities around the Musi River. However, these images also are subject to commoditization of life-worlds in the urban setting and compete with each other in an urban forum. The river has given the meaning-making to the discourse of Uluan and Iliran area. It reflects a functionality and the construction of the meaning of the city in relation to its clustering that are socially defined by developmental struggles. Thus, the disparity on spatial structure reflects a distribution of power and control through a non-negotiable symbolic marker (divided by Musi River).

Throughout this chapter, Palembang's spatial structure is portrayed as an urban symbol that continues to respond to the rapidly changing urban society. The image of Palembang is therefore determined by its noticeable symbolic structures as a set of urban mental map for various groups of city dwellers, such as Iliran and Uluan Area, vernacular architecture, traditional market place and town square, shopping malls, green open spaces and city districts. Palembang's urban landscape is hustled by the acquisition of goods as a part of the cultural system. The traditional market place, for instance, is perceived as a place for the production and reproduction of meaning and symbol as the "structural core" of the town and has intertwined its economic function within the urban development. Retail industry in Palembang at first was dominated by stalls and shops with the concept of traditional market. However, as the conditions gradually became relatively busy and inconvenience, the consumers tended to change their interest and started going to one convenient shopping point. The development is associated with the concept of shopping centre aiming to meet the contemporary demand of consumption. The entrepreneurial stance implies that, in addition to the initial focus on social issues, there is an increasing emphasis on fostering regional economic growth.

The tourism planning and was essentially a top-down and a state-led initiative, which aims were to repositioning the tourism industry, creating new identity for the community, and providing an avenue to regenerate urban places. Local authorities play a dual role in tourism development in Palembang. They are often the facilitators in partnership themselves, as well as the leading organization. Local authorities also provide the institutional context and many of the services, which support partnership and regeneration in general. It is a challenging situation- council must empower local partnership with decision-making authority over a range of issues and in effect empower other private institutional stakeholders and community representatives to act on their behalf.
Chapter 6.
Making a living from tourism, making the space for tourism

6.1 Introduction

This chapter re-interprets the concept of urban kampong in its relation to the commoditization in tourism place-making. First, through a consistent and ongoing urban regeneration programs, the kampons are subject to the city transformation. Second, through a branding strategy of its culture and lifestyle, the kampong embodies the practice of commoditization where tourism is hoped to produce the benefits for its community. The focus of the analysis is on the construction of tourism setting, especially on how local culture and resources are made available for the tourism industry.

The culture of the city is considered as the authentic “soft factor” of urban attractiveness and has thus contributed to the promotion of the city as a new destination. The concept of cultural consumption has become one of the most prominent branding tools in competitive national/global structures. The branding of the destination extends the commoditization and localization process as two mutually reinforcing entities, which are conveyed in the effort to advertise the selective image-branding (locality representation).

Coherent with the analysis is the the principle of community participation in tourism from two perspectives by urban scholars: the empowerment of local resident and the benefits of tourism development (Macintosh and Goeldner 1986; Wall, 1995; Mascardo, 2008). Tosun (2000: 615) argued that community participation is a tool to readjust the balance of power and reassert the views of the local community against those of the developers or the local authority. It could be also used to redefine professionalism, which may determine the conditions of successful participation and prevent manipulation of a community in the participation process. As Timothy believes, in the case of Indonesia, the involvement of local residents in the economic benefits of tourism happens in theory and to a lesser extent in practice. He added that residents and other stakeholders' participation in decision-making has not been recognized as important in planning documents (1999:383). The regulatory background, e.g decentralization policy serves as the legal basis of the tourism development and its implementation in local scale in Palembang. In the beginning of nation-building, tourism was embraced as a vehicle to contribute to economic development in terms of measurable growth.

The author of this research work illustrates the culture of tourism by observing the innercity area of Kampong Kota Lama in Palembang, Kampong 16 Ilir, Kampong Kapitan and Kampong 9/10 Ulu. The characteristic of the Palembang kampong is mostly visible in its organic development patterns, which illustrates the lack of continuous planning. Kampong is the urban equivalent to a village and the smallest administrative unit in the urban area, mostly associated with slum. It is considered as an urban paradox of community and identity within the larger anonymity of the modern city. Mainly because the way its community works is defined by social networks and the institutional allowance to form "the community without propinquity" (Park 1967 in Tonkiss 2005:14). However, Kampong's life is ascribed to the "moral
milieu” in which shared identities and interest provide a sense of belongingness (Tonkiss 2005:15).

The morphological authenticity of informal settlement often becomes the object of aesthetic interest of many parties; from visitors, artists, researchers to planners. In architectural terms, the vernacular aesthetic is based on the idea of “architecture without architects”. Such imaginary depicts the emergence of order from a repetition of temporary raw materials made use of in the adaptive process of inhabiting the space. The maze street networks of informal settlements can be considered as part of the heritage of the city, as they embody a history and narrative of each Kampong that should be preserved. Kampong tourism describes the assignment of economic value to something not previously considered in economic terms; it appears as a branded product and therefore cultural significances become a valuable local commodity.

Tracing back its origin to the time after the post-colonial era, the mobilization of people from rural to urban areas has accelerated the formation of urban Kampong (Kahn 2006:58). They were merely populated by the lowest economical level of community with heterogonous cultural structure. The economic turbulence that has occurred during this post-colonial period was demonstrated in economic disparities between urban and rural areas that influenced urban growth and urbanization in such a way that large cities are growing faster than small cities and rural areas. The city has to deal with unbalanced growth of population coming from the suburb and rapid extension of unemployment. The so called “cultural dualism” was later emerged as a strong contrast between modern and traditional society within the community (King, 2008). After the decentralization era in the early 2000s, these social strata were depending more on the alternative types of small-scale production and informal economy to tackle the daily economic stress (Kusno, 2010). As Kampongs are able to maintain livelihoods for the migrating people and other lower class communities, these self-sufficient habitats contribute to the diversification of survival strategies such as to work in informal sectors mainly based within their own Kampong (Hugo 1980; Nas 1986; Firman 2002).

6.2 Tourism Branding in Palembang

In the shift from its agricultural to a more industrialized and service-oriented economy, tourism in Palembang has become increasingly essential for the urban growth. The tourism boom was mainly enforced through the implementation of regional autonomy in the early 2000s, which has triggered the vast possibilities of various schemes for regional development (Firman, 2002). The need of achieving good governance emanates from the changing patterns of the state policy towards the city. The regional municipality simultaneously cooperates with autonomous regions in providing urban.

The performance of local government remains inextricably associated with the economic growth of the city, decentralization becomes the mainstream for the local governments to develop policies optimizing and utilizing the economic potential of the region. The regional government simultaneously cooperates with the autonomous regions in which tourism has played a pivotal boost for economic regeneration. As a result, cities which are strategically better positioned benefit more with their
established and growing infrastructure and higher concentration of social and material resources (Jensen, 2007). The investment, therefore, takes place in the efforts of urban tourism place-making for the local links to obtain the commodity chains, cultural industries and consumption avenues mainly concentrated in the inner city. For the destination areas, tourism place-making involves a node of spatial, organizational and temporal consideration where places are defined in the name of packaged cultures and natures of everyday life (Britton, 1991; Jensen, 2007; Ooi, 2004).

The initiatives of preserving local attractions have been slowly integrated into the urban tourism policy development during the decentralization era. Aligned with this initiative, the main urban development projects in Palembang are formulated in the form of leisure, to be produced, packaged, marketed and eventually consumed. A key aspect of this motivation is the assumption that such development will have a cumulative effect as a catalyst for further business activities and other initiatives. To develop this initiative, the municipality of Palembang has developed a master plan particularly for tourism sectors. Over the past ten years, the plan to develop the tourism sector will become one of the main allure for the tourists to visit the city; The “Visit Musi” endeavor of 2008 was one of the pilot programs to achieve this goal (auth interview: Maulidia, 2012). One of the main approaches was to establish an attractive local branding for the city, which will not only allow tourists to experience the nuances of local culture, but also contribute to the creation of the aesthetic expression at a grassroots level. Several branding slogans that are proposed by the Tourism and Culture Board as the alternative brand-image are the following: “Venice of the East”, “River city”, “City of 5 eras” and “Where Malay Culture began”49. This local initiative

49 These brand images were chosen based on the consideration that tourism industry depends largely on the destination image and representation, which is adjusted to the market expectations (Malaysia is...
requires a set of animating devices for operating the complex relation between actors, structures and networks (auth. Interview: Kemis, December 2012; Arifa’i, December 2012).

Since the inauguration of "Visit Musi 2008" on January 5th, 2008, the further follow-ups were established in order to gain more acknowledgement of the city. It involved the participation of Tourism National Board in cooperation with Palembang’s Tourism and Culture Development Board. The project of the cooperation was also based on the expansion of travelling routes organized by local travel agencies. For instance, this program was promoted through the Travel Fair Conference co-hosted by Yogyakarta’s local agencies (Author interview: Maulidia, December, 2012). Thus, this cooperation program between local agencies has generated the agreement between the private and public sector to engage actively within the legal framework of tourism industry. As well as in regards to the tourism promotional campaign, the regional and international events were promoted through various media.

The challenge for the locality under the new system is its dependency on local capital to strengthen inter-jurisdictional cooperation. Paradoxically, as it is argued, the decentralizations structure of administration acts as a rather effective tool for centralizing the power; “regional and district committees in which government officials make decisions while the local representatives sit silent; village councils where local people participate but have no resources to allocate” (Mawhood 1993:1-2; Niessen 1999: 20-26). The misconception in decentralization strongly relates to the structure of its local administrations. Because of serious shortage of expertise to perform government function in the regions, many mandates are decided in the central government in the first place, which has resulted to the extended shortage of expertise to perform government function in the local regions. A major issue is to determine how the different levels of government can co-operate.

Figure 6.2. The brand of the place, “Visit Musi 2008”
Source: Palembang municipality, 2010

The biggest international market of Palembang tourism). The brand images are associated with local culture, lifestyle and society values, with the main function of strengthening the marketing programs. However, this branding image was excluding the other market segmentation and therefore was not fully promoted (Author interview, Maulidia, December 2012).
6.2.1 Agent of authentication

In Chapter 5, the roles of tourism actors ranging from “above” and “bottom” have been discussed. The interplay between two agencies generates the conscious and deliberate commoditization of culture in an effort to enhance the appeal of places. The locus of place provides fundamental insights into the phenomenology of local meaning and sentiment in which they are (re)constructed in order to fulfil tourist aspiration for particular sense of nostalgia and authenticity (Urry, 1990; 1995). Following this perspective, the image and narrative of the locality can be largely determined and shaped by the nature and characteristics of the agencies themselves.

By definition, production and representation of tourist attractions constitute a complex exchange of “authentic” information and meaning between a number of agents that include the site, the local community, the tourism industry, guides and tourists (Dahles 2001). From the tourists’ point of view, the desire of tourists to experience and interact with the host society in the city is one of the primary motivations, which highlight the necessities of authentic experience of place by developing symbolism, as an ambiance that meets the expectations about the ethnic group in question. However, the demand for authenticity in a packaged and commoditized place becomes a paradox since the symbols are “multivocal if not ambiguous filled with contradictory meanings” (Meethan, 2001:27).

The best illustration of commoditization operating in tourism promotion and practice is the local guiding, which involves tailoring local products of representation of heritage and culture to changing global audiences. The tour guide as a grassroots initiative helps to promote the experience of the “authentic traditional cultures”. The authentic experiences occur during the transfer of knowledge between the tourist agents and tourists. They constitutes an important element of endorsing the national culture and acclimatizing cultural diversity. According to Urry (1990), the transfer or narratives involves a complex process of attraction building to transform a site into a sight, which generates meaningful and profitable tourist gaze.

The degree of authenticity can be differentiated by what is being gazed at by differing the everyday setting through the term “backstage” and “front stage” (Maccannell,1998). The term “backstage” describes the physical setting in which visitors could observe, meet or share some “authentic” experience. It is important to note that access to front stage as well as backstage requires actors in the tourism industry to mediate between the tourist demand and the culture and finally to be able to enhance benefits for both tourists and local residents. As Dahles (1998) argued, tourist guides should be regarded as entrepreneurs whose primary interest is their own benefit from tourism whereas, Urry (1990) has believed that tourist guides are among the local tourist entrepreneurs who construct backstage in a manipulated and artificial manner who eventually distorts the tourist perception and impression to certain image.

Given this dual pattern of behavior, they can operate as broker between the host and guests. Following this perspective, the image and narrative of the locality can be largely determined and shaped by the nature and characteristics of the agency themselves. It can be conveyed in the type of information provided by tourist guides, which may be quite different from both, the information that government requires to be transferred about the place, and the information, which the local residents could
provide. Many scholars (Schmidt, 1979; Holloway, 1981; Cohen, 1985; Bowman, 1992; Dahles, 2001) have proven that tourist guides are crucial in communicating the narratives of tourist attractions. Tourist guides are portrayed as someone who builds bridges between “host” and “guest” (Gurung, et.al 1996; Dahles, 2001). The definition, production, and representation of tourist attractions constitute a complex exchange of information and meaning between a number of agents including the site, the local community, the tourism industry, guides, and tourist (Dahles, 2001). Therefore, guiding becomes a strategic factor influencing the quality of the tourist experience with the extensive knowledge as a prerequisite so that the tourists may be convinced that the experiences they gain from their visit are a rewarding way of cultural contact (Bowman, 1992:125).

As a developing country, Indonesia’s economic growth and political objectives are closely intertwined. Images and narratives are socially organized and systematized, partly by professional experts but always under governmental control. In October 1988 in Palembang the Indonesian Guides Association was established as a private non-political and independent organization, which is the sole forum for individuals who have a profession as guides (author interview: Tabrani, January 2013). The members of HPI (*Himpunan pramuwisata Indonesia*) are expected to be active in research and tourism development as well as the vehicle of promoting tourism’s products as an industry.

Qualified tourist guides in Indonesia as the members of HPI are trained by government institutions and enforced by their employment situation to follow the official authorized narrative. During the interview with Mr. Latif, a licensed member of Indonesian Guides Association, he had mentioned that many touristic places are frequently presented as one of the narratives. The areas are for instance Siguntang Hill, Cinde Park, Museum Sultan Mahmud Badaruddin, Limas House and Pulau Kemarau. Mr.Latif narrated the most popular tourist route:

"...a lot of stories that we can dig out of these places, and everything is interesting, for example Sigungtang Hill. It was said that they have found the center of Srivijaya Kingdom, and the story has attracted many tourists, especially those with Malay roots. The Malaka people will first visit the Siguntang Hill before visiting the famous Ampera Bridge or the Musi River as the icons of the city. Another interesting tourist attraction they want to see is the Limas house. Palembang traditional house is already rare enough, but there are still few houses that were once occupied by nobles. If we talk about the history and city attractions in Palembang, it is necessary to show them the heritage of the city as our culture... when there is an event like Visit Musi or Cultural Festivals, many tourists want to see the events and want to know the story behind..."

(Author interview, January 2013)

Mr Latif works and owns a particular Tourism Agency and is often in high demand during international events, which are held in Palembang. He is also responsible in training another freshmen tourist guides (or so-called Madia Muda) as a
part of government program in cooperation with HPI and ASITA. His job is also to test and re-evaluate the tourism packages offered to the market. According to him, there are three types of tourism packages: retail program, which is focusing only in one particular attraction, such as River tourism package. This program usually lasts for half-day tour; package program- a combination of several retail programs, usually designed by Travel Agencies; special interest programs, this type of program is adjusted to the request of tourist. The two former programs are more suitable for large group of tourists, while the later one is more suitable for smaller group of tourists.

From another interview with a part-time tourist guide, Echa, who is also working in the District' municipality office as a secretary stated that:

“ I started becoming a guide (Pramuwisata) since 2008, and before that I had to participate in a month of training at the Tourism Ministry in Jakarta to gain another level of “madia muda”. I had to take another training for two weeks, which I didn’t manage to do because I already started working in this office and I cannot leave my work here. To be accepted as a “madia muda” I have to take a test and it was quite hard, as I had to study English and Chinese. For instance, when they seek guides for Visit Musi, the participants were about 800 people but only few were accepted, including me, but the test was also really hard. “

When being asked about the procedure of receiving tourist, she answered:

“There are two ways of receiving an individual guest. First, they will go to the tourist center at the airport and ask about the attractions in the city they could visit. During the weekends I am there, so if they need the tourist guide, I will offer the service. Another way is to go the information center in BKB (Benteng Kuto Besak), and the people in BKB will usually call one of us (tourist guides), but during the working days like this I can’t guide. When we receive a formal guests or group tourists, from another country or from another city, like parliament members, athletes or sometimes businessmen, usually HPI Province or ASITA (Travel agent association) will call us. We will get a sort of training on how to specifically guide them for visiting attractions; programs, narrations and so on. For individual tourists, usually Malaysian tourists like to see the origin of the Palembang city as the Srivijaya Kingdom. Others are more interested in visiting the Musi River, buying Songket, eating pempek or Pindang Ikan. Singaporean tourists, on the other hand, usually go to Pulau Kemarau or go to the historical Kelenteng in 10 Ulu. Especially when there is the Chinese New Year festival, the city will be receiving a lot of tourists from Hongkong. So the programs or touring packages are adjusted to their demand. So far, I have guided tourists from United Stated, Netherlands, Korea, Japan, and usually they stayed for 2 days. I do not have tourist that I necessarily dislike, Malaysian Tourists are rather picky, Singaporean are not really. “

(Author interview, January 2013)
Echa’s statement facilitates the explication of a particularly important point. It helps to demonstrate that much of the gazing packages have been conditioned by the institutionalized agencies. Even if she is working as a part-time guide, the correspondence she had with the tourists are programmed and controlled by the tourism agency association (ASITA). Since Echa does not work for particular Tourism Agencies, I found it interesting to acknowledge the network of hierarchies between operators and guides. For the formal and group type of tourist (mass tourist), ASITA holds a certain amount of control in regulating and determining the characteristic of touring packages. According to Mr. Anton, it is because of the market segmentation researches are still conducted through Tourism and Culture Board of Palembang. The knowledge are important to determine the most appropriate product that will satisfy the visitors: so that the coherency in branding and promotion effort are crucial (Author interview: Anton, December 2012).

Unlicensed guides, on the other hand, mostly those who belong to the unqualified unorganized and permanently unemployment categories form the informal sector of the tourist industry. These are not under the obligation to tell a programmed narration, instead, they attempt to please tourists and comply with their request to make backstage the accessible. The author came across an unlicensed, informal guide who happened to be a driver of a ketek boat. His name is Rahadi, and in an interview he shared his experience:

“I came from the small village outside Palembang, once a month I visit my family in the village. Now I live in Tangga Buntung (slum district in the Kampung Ulu) with my friends, we share a room. Usually I use the ketek for transporting locals to the market or to Pulau kemara, when the season is good, I also take visitors along the Musi River from here (BKB) to Pulau Kemara or even further. Foreign tourists also like to see floating houses, some of them even wanted to stay overnight inside. But that time, I was not sure if it will be safe or not. For one round of carrying tourist on the route BKB-Pulau Kemara-BKB, I will ask 50.000 rupiah, that is really cheap, because the oil is expensive and it will be for one hour and a half. Sometimes, if they ask about the place, I can only tell what I know, maybe about the Pertamina, or the story behind Pulau Kemara. Sometimes, the tourist already has the (licensed) guide, so I only hear carefully what (this guide) says to be able to tell this story later to another tourist. The ketek is not mine, I borrowed it from the dealer, and every week I have to pay tax around 100.000 rupiah for renting this boat. So when the season is good, I can send good (amount of) money to my family because I will have about 3 rounds a day. When I am not on the River, I also guide tourist, sometimes domestic, the other day (could be) international (tourist). I usually get to know them the day before and I offer them city guide for the next days. I will take them the place they want to go; International tourist like to see kampung and floating house, which is very strange because as far as I know, usually domestic tourists want to see Bukit Siguntang, Rumah Limas and Kelenteng and eat pempek.”

(Author interview, January 2013)
In retrospect during the last few years, tourist destinations in Palembang have witnessed a proliferation of unlicensed guides, sometimes exhibiting a fugitive behaviour in approaching tourists (Author interview: Anton, December 2012). The majority of these “wild” guides are young unemployed or underemployed men. From the viewpoint of government officials and the industry's executive, “wild” guides are not only untrained but also unprofessional and they can generate a hostile image of the destination. In Palembang, even though the amount of “wild” guides is not significant, from time to time, they will still approach people offering a city guide in a petty manner, especially if they see potential costumer wandering around with a camera without being accompanied by a local (author interview: Oka, December 2012).

According to Mr. Anton, the first step towards more control over guiding was the establishment of the National Guiding Association (HPI). This national organization was constituted in Palembang by the provincial section operating in the South Sumatra province in which has a substantial number of tourist guides. When it came to the employment of guides, the HPI turned out have little impact, as the association did not function as a labor union. Guides have to maintain a network of their own to find travel agents willing to employ them. Some of the cases have shown that guides depend more on ASITA (Association of the Indonesian Tourist and Travel Agencies), the organization of their employers rather than on their interest group. It was the ASITA, which established a pricing system to fix the guide’s honorarium to be paid by the travel agent to whom a guide is conducting a tour (Author interview: Anton, December 2012). Further, Mr. Anton pointed out that:

“Oh, even if we are responsible for the human resources management for the HPI members (Himpunan Pramusiwasta Indonesia) the government still in control with the budgeting of the trainings as well as the sharing of the market knowledges to every travel agencies in Palembang. The challenge we are facing now is to compete with online travel agencies, it is important to have good offer and strategy to cooperate with other (international) agencies. We should be able to operate beyond borders, especially for the most biggest tourism market in Palembang (Malaysia and Taiwan)…”

(Author interview, December 2012)

The local municipality’s role is in accordance with the stipulation of Rencana Induk Pengembangan Pariwisata Nasional (RIPPNAS) or The Main Guidelines of National Tourism Development, which is based on the market-led policy and product-led policy to improve the quantity of mass tourism and the quality of community-based empowerment. This guideline is a reflection of center-periphery power relation that claims every local resource as national assets (RIPPNAS; 1996:2-24).
6.2.2 Tourist gaze and representation

Within the context of decentralization, the city adapt new tool to construct the understanding of the city as a type of commodity, aiming at branding of a local image and identity. Giving the consequences of either proliferation of its local resources or “beautification” of its existing physical structure, often in the form of urban demolition. Most of the time, the local community participates in organizing the realization of detailed tourism products, such as urban sign of welcome board and entrance gate. This enactment is also involving the work of each community member, directed by PNPM mandiri pariwisata (Community association, tourism independent board).

PNPM members are usually chosen by the city for every urban’s district, but are not officially employed. They are already a prestigious or popular member of community themselves, in which ultimate role is to mediate the municipality’s agenda to the inhabitant. During the funding period of P2KP, the PNPM members are expected to work hand in hand with the community, as well as able to satisfy the municipality through establishing efficient working delegation. Mr. Hermawan, the PNPM member himself, argued that the challenge is to delegate the mandate from the municipality to the rest of the inhabitant in delivering the community work. Constant controlling and order maintaining are required. He stated:

“in doing the community work when we are supposed to do Gotong Royong⁵⁰, the real challenge is to raise the personal awareness and responsibility. I recommended the municipality to give the award to the most cleanest kelurahan (sub-district). Because then the people are more motivated. On the other hand, working only for getting an award is not always good. Kampung Kapitan is popular among visitors, and because of that, we have to maintain its impression, the good one, not the bad one”

(Author interview, December 2012)

The “good impression” of Kampong Kapitan was reflected through its vibrant urban atmosphere, although derelict within its physical environment are also visible. Walking through the gazed streets in Kampong Kapitan without being noticed by the local is impossible especially when someone is evidently carrying a camera. Ten years ago, this area was far more inaccessible, due to the lack of integrative structure to the urban infrastructure, as well as high cases of robbery (Author interview: Yulis, January 2013). Today, Kampong Kapitan appears to be a more promising place to visit; its pedestrian area are equipped by the varied choices of street vendors; from local delicacies to local souvenirs. The attractive eating places, as well as the vernacular architectures and its indigeneity are historically embedded.

⁵⁰ Communal cleaning work, usually involves the cleanse of the pedestrian, sewage system in the front of the house, public toilet and public space. Organized by the RT (Rukun Tetangga), and sometime is connected to teh further infrastructure upgrading programs (improving the street condition, public greening, etc).
At other opportunities during the empirical study, the researcher's gazing experiences in the Kampong Kapitan were narrated through the transfer of knowledge between the locals, tourist guides and herself. This transfer of narratives involved a complex process of attraction building to transform a site into a sight, which attracts regular and meaningful into somewhat contradictory tourist gaze. Ms. Ria was responsible for mediating the tourist demand and enhances local residents, whose primary interest is their own benefit from tourism. As it has been presented in the previous section, qualified tourist guides in Palembang, as members of HPI (Himpunan Pariwisata Indonesia/ Indonesian Tourism Association Board), are trained by governmental institutions and enforced by their employment situation to follow the official authorized narrative. To keep the job offer stable, they may stick to their assignment to keep tourists away from the "backstage" story that represents the undesirable aspects of the host society that should not be displayed. Further she narrated:

"Kampung Kapitan becomes one of the tourist attractions in the city. As a part of the Visit Musi 2008 Program, the city administration recently built a garden and decorated the front yard of the Kapitan's houses with lighting. This kampong is home to people from other ethnicities, including Arabs and Indians, who all live in harmony. People of various ethnicities and religion have been living side by side until today...”

(Author interview, December 2012)

The researcher has also encountered the inhabitants of Kampong Kapitan, the narrative of their neighbourhood is much different from what has been learned from the guide; many inhabitants remain largely skeptical to the planning approach. Although the inhabitants were still invited to live there so that they could also maintain the space, the imperative motive remains unclear. Mr. Feriadi claimed that:

“... I returned back here (after the 1998 riots) just recently since Mr. Mayor wants to renovate this house, even though it seems only a promise, until now,
there is no action, people (tourists) keep on coming and asking” why such a heritage building is not preserved?” Well, just like I told you, they (the municipality) kept on making promises, even invited the media to promote this Kampong as an authentic heritage, but the only thing they did until now was to renovate the park (public space in the front of the house)

(Author interview, December 2012)

The researcher came to learn that the “bad impression” of Kampong Kapitan was far beyond the fact of it as the area of slum, but also on how the cultural expression of this Kampong was selected. Paradoxically, during the New Order Regime (1965-1998), the form of Kampong tourism which expresses the cultural expression of specific ethnic groups was not eagerly promoted as a part of national identity; rather it was considered as a social opposition that could sabotage the national unity. This situation was investigated by Thung (2004:219), who has claimed that with the aim of assuring political stability and security during the New Order Regime, the plurality of Indonesian ethnicity was suppressed through the introduction of SARA in the 70s. SARA is an acronym that summarizes the sensitive issues of ethnicity (suku), religion (agama), race (ras), and interclass (antar golongan) difference. Under the slogan of securing the national stability, all public expression and discussion related to SARA was not allowed (Hoon, 2006).

According to the local leader of the Kampong Kapitan, during the New Order Regime, the expression of “Thionghoa” ethnicity was treated with such transgressive manner by the state (author Interview: Wahid, December 2012). This also occurred in Kampong Kapitan; under the threat of eradication. Chinese calligraphy was ordered to be destroyed and the ethnic ritual was withdrawn from public space. The rejection of this local identity was not only demonstrated in the political agenda: during the riots of Mei 1998, any sign of “ethnicity” was treated faultily, which was also demonstrated by the rioters (author interview: Budi, January 2013). Palembang has witnessed how this Riot constituted the power struggle between the natives, the Chinese ethnicity, and the rioters as the manifestation of antagonism to the Chinese's wealth. As it was narrated by Mr. Wahid- the leader of the Kampong:

“...The relation between Chinese community and native residents was to be tested during the riots. Tensions have occurred since the morning when people were already crowded on the road in the market of 10 Ulu. I wonder who gave the command; suddenly those rioters in the market began to loot the contents until it's all gone. The neighbors and I could only watch the rioters carry those groceries for free and destroy the stalls, even burned down some houses...tragically, I saw that people forced to open the car windows in the Ampera bridge area, when they found out there was a chinese, they hit them with stone”

(Author interview, December 2012)

51Indonesians of Chinese origin today constitute about three percent of the country’s two hundred million people, yet they are perceived as dominating the country’s economy (Kusno 2000). In Palembang itself, many Chinese rules the market economy and real estate agencies and own properties.
Following this, the leader of Kampung 18 Ilir confirmed that during the 1998 Riot, many retail shops along the main Sudirman street were destroyed. Protesters were taking over the streets and commercial buildings were the victim of anarchism. Several years afterwards, many buildings remained vacant and dilapidated (Author interview: Budi, January, 2013). This situation was agreed by Mr. Rangkuti, the archaeologist who sees the changing attitude of government in preserving Chinese’s local attribute in Palembang Kota Lama:

“You heard (from the media) that wong kito (trans: Palembang natives) were peaceful during the 1997 riots. It was (peaceful) in comparison to what happened to the Chinese ethnicity in the other cities. In reality they burned the ruko, burned the market, burned the cars in the Sudirman street…. All the chinese symbols were destroyed or taken down. Only these days, Kampong kapitan is being preserved (by the government)...”

(Author interview, January 2013)
The branding strategies employed are usually twofold (Jansson and Power, 2006): cities emphasize either material characteristics of the place such as buildings and events, or its immaterial aspects, for example, stories, slogans and logos. In this way, city hope to differentiate themselves from the market competition and thus attract more tourists. Moreover, Palembang tried to subdue its problematic relation with this area through the commercialization of its local resources as it is believed it will bring benefit.

Parallel to this, the urge of re-inventing what was obscured by the New Order regime re-emerged as means of city branding in competition with other "localities". With Palembang today intensely promoting itself as a destination for urban tourism, city marketing has taken on a new intensity and ubiquity as part of the post-decentralization competition between cities. The place branding of "Visit Musi 2008" was attempted to transform the city into a tourist destination by emphasizing the richness of ethnic heritage (and its harmonious culture) of the inner city and the Musi River that has been developed into a city attraction. To pursue the place branding of "Visit Musi 2008", relevant formal planning and administration were created not only through promoting and preserving such places but also managing the process of accumulation and the relationship between capital and labour and how they are situated in urban space. Within this current transformation, the local "Little China" is now promoted as one of the major tourist attractions. Despite of its dilapidated physical environment, a calendar full of events, sporting spectacles, and cultural festivals was made to draw the attention of both residents and tourists in the area 52.

An example is Cap Go Meh, the Chinese’s New Year’s Eve festival. The event has drawn a lot of attention including the visit of foreign tourists coming from Singapore and Taiwan to visit the most celebrated event in one of the oldest Vihara in Palembang that narrates the essential historical value for Chinese people. The Municipality uses this event as a marketing device to promote the cultural diversity of its locality.
Even if the Kampong kapitan is also inhabited from people from other ethnicities, the representation of particular Chinese expression remains the one strongly promoted. The expectation of its uniqueness perhaps difficult to compare to another ethnic representation. As it was argued by Senapan Budiono:

"Compare to other cultural city, Yogyakarta, Palembang seems inferior in terms of its cultural progression. When you are in Yogyakarta, you immediately receive the sensation of its local uniqueness; perhaps from its architecture, physical environment, its people (community) or the way we are using the space. Palembang does not have the nuances of Palembang as the heritage city. Musi River is a popular image of Palembang, I agree, but I think, identity should not be confused with attributes. Attributes are decaying over the time, it is not long lasting, because it is simply a value you imbue without actually living it. But you see that Palembang’s culture has rooted from many other culture; Malay, Arab, Chinese, Colonial, and Javanese. To say, Palembang’s culture per se also means we have to consider those cultural roots...”

(Author interview, January, 2013)

Interestingly, Minako Sakai, on the research of Palembang had discovered the strong sense of cultural inferiority of Palembang to the rest of Indonesia city. She has argued that until recently, Palembang is still unable to generate its symbolic icons of its past, especially to evoke the royal Malay past as their “true” identity. Furthermore, the political status of Palembang's native Malays (wong Palembang asli) had been the subject to regional identity politics and issues relating to Chinese-Indonesians relation (Sakai et.al, 2009: 68). Rosihan Arsyhad had raised the issue of native Malay in Palembang that had lost its unity and became scattered because of Western colonialism. Arsyad mentioned four crucial factors that will enhance the process of regional autonomy in Palembang: education and religion; culture and tourism; investment and trade; and information and transportation. Bukit Seguntang, for example, has been promoted as a tourist destination mostly to Malay tourist. In 2008, the Musi Tourism Board was established by the provincial government to promote tourism to South Sumatra and organize numerous cultural events throughout the year, with its executive board included native Malays from Palembang (Sakai, 2008:69-70).

Therefore, it seems problematic that the construction of branding of Kampung Kapitan was started with the concept of “cultural” tourism at the site, without considering that the “culture” belongs to these particular groups that have long been assimilated and nationalized. The refurbishment, repackaging and re-use quickly became the main attempt of the local branding. This justification derives from the empirical perspective of “collective memory” by Foucault (1969), which was described as place binding and expressed through the physical attributes of places. It is seen as a tangible link between past, present and future. Any disruption and rapid transformation in this tangible link causes loss of collective memories as it is known as “clinical amnesia”53.

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It must be noted that kampong Kapitan contains different layers of local patterns and social irony. Even though the branding of its historical sites can be used as the vehicle for expressing and passing on social values, the question still emerges, what values and meanings does the branding try to represent? Regardless the governmental program to establish a touristic image of the city, the process of establishing a tourism program involves the decisions “as which cultures to promote and which to hinder” (Stanley 1998:58). This approach is vexed since it artificially presents locality through the “packaging” of selected symbols of identity; it is encouraged by the political agenda at the local and national level experienced through the situated relation between the state and the tourist agency, which involves tailoring local products of representation to the tourist.

This researcher work’s author sees that the impression of urban branding is powerful since it reflects social and political relations in the urban landscape. Hence, the institution, rules and laws that govern tourism are constituted from the very scale of Kampong settlements. It serves as a vexed imaginary of the city’s cultural narrative and yet, demonstrates the blatant interventions by the municipality attempting to construct the Kampong morphology. The contemporary trend in urban branding can be perceived as a further step in the commoditization process, which is “filled with contradiction and power struggle among the selective representations of society” (Marx 1992), eliminating any other reference to its process. However, the attempt often ends up in the degradation of community connections and mutual coherence. It results to the exact opposite of self-organization within a complex system, a process, which builds internal networks via connectivity.

The features of kampong tourism such as selected cultural representation, shows that commoditization has become the key element in tourism strategies, which are undertaken in order to enhance the reputation of cities through the range of consumption opportunities they generate. The festivities of local culture, chinese new year’s eve “Cap Go Meh” have drawn a lot of attention including the visit of foreign tourists coming from Singapore and Taiwan who traveled to visit the most celebrated event in one of the oldest Vihara in Palembang that narrates the essential historical value for Chinese people (see figure 6.7). The Municipality uses this event as a marketing device to promote the cultural diversity of its locality. Palembang is increasingly using its cultural resources to improve its image, stimulate urban development and attract visitors as well as investors (see figure 6.8). Cultural consumption has a particular role as the most visible aspect of a largely service-based economy, in which tourism involves the consumption of signs, symbols, festivals and spectacle, the aestheticized space that has been created to address entertainment and pleasure (Miles, 2007; Zukin 1993; 1995; 1997).

A vibrant cultural life is seen as a prerequisite in branding a city to appeal to the creative class and several cities have taken the efforts to revitalize their cultural life in this respect (Chang, 2000). The concept of cultural branding has been applied to the branding of places by examining the ways in which a place brand can organize its many ‘sub-brands’ in a similar way to that in which corporations manage their portfolio of product or service brands (Cybriwsky, 1999). The key challenge for a city brand revolves around the issue of how to develop a strong “umbrella” brand that is coherent across a range of different areas of activities with different target audiences, whilst at the same time enabling sector-specific brand communications to be created.
6.3 Making a living from tourism

Tourism development that considers “people-impact” paradigm generates the opportunity for local community to be able to be equally benefitted from the industry. The researcher calls it as “community viability”, where tourism utilizes the community connection as an active actor for operating the tourism amenities and further spurs the growth of community.

As a pilot program initiated by stimulus grant provision, P2KP (Urban poverty mitigation projects) program aims to develop small and medium scale home business by lending 2.5 million Rupiah to potential local entrepreneurs. The program also worked continuously as a physical renewal, which serves as an asset for the tourism amenities in the inner city; the provision of funds of physical improvements such as renovation of roads, public space renovation of the heritage buildings, and sanitary cleaning. The program was funded by three sources: Regional Funding Sources, National Funding Sources and Asian Development Bank.
As it was claimed by the head of the community of Kampong 9/10 Ulu, Mr. Hermawan:

“...some Rumah rakt’s inhabitants started to offer services and accommodation as a part of P2KP funding from the government since 2006. They renovated the Rumah raktis and later was offered to participate in the “Visit Musi 2008” programs as the local business. It has been selected based on their social and economic capacity, so that they can manage and sustain the business without having to extend the funding.”

(Author interview, December 2012)

A second program is called PNPM as a continuous poverty reduction program. It started with a direct assistance to target groups of very poor households of as much as 3.9 million Rupiah per household. Then, a program of community capacity building followed by providing 2.5 million Rupiah grant to a business group and then, a strengthening program with the capital provision of micro credit of 5 million Rupiah to the micro businesses. The entire implementation process involved the active participation of communities based on common interests and needs. The community was supposed to be actively involved in activities ranging from planning, implementation, monitoring, maintenance and utilization. The participation of non-formal organizational sectors is crucial as actors involved in the program.
The program also worked as a physical renewal, which served as an asset for the tourism amenities in the inner city; the provision of funds for physical improvements such as renovation of roads and public space as well as boats renovations (see figure 6.10). The main managerial board was conducted by the BKM (Badan Keswadayaan Masyarakat), or so-called community representatives assisted by the governmental official body, mostly are part-time workers from the government office. According to Mr. Azis Kemis, the leader of NGO Cinta Musi, demolition and eviction of the floating house communities was in coordination with BKM and NGOs. He said:

"The aim (of cooperation) was to negotiate the alternative solution with the government through building renovation. These days, the price of wood materials for renovation is becoming more expensive, without subsidies, the community is no longer able to maintain the cost (so that) they had to move to the land to build permanent housing."

(Author Interview, December 2012)

Further step of this program was to allow the involvement of locals in the benefits of tourism in the recent recognition of many small-scale accommodations and restaurants as legitimate and legal business. To encourage the growth of local business, the act of determining the attributes of locality as the aesthetic code of expression, is usually enhanced by the further appropriation of urban landscape and local culture. Before this program, floating houses were simply only associated with river community living on the river side and working as a daily labor. Concern over the replacement of marginal group has arisen in regard to the beautification program in the inner city area. Most of the illegal street vendors were forced to leave and were replaced by the vendors who could afford renting stalls arranged and co-organized by the Municipality.

According to Mr. Harun, as the street vendor in 16 Ilir Market areas, the food stall is also rented and he has to pay annual taxes to the Municipality 12% of his income. He believed that:

"...Indeed we have to rent this official stall and pay annual taxes to the city. This is better than having our stalls destroyed by the Pamong Praja (trans: official workers responsible in clearing illegal vendors) because we were selling food in the forbidden area."

(Author interview, December 2012)

6.3.1 Residential Networks

The institutionalization of community in formal formations have been demonstrated. Through the establishment of local governance institutions, at the village level, the level of neighbourhoods, and the small-scale neighbourhood level. The formal institutions of governance accompanied by the supporting institutions in the control of development implementation, such BKM (Community Self-help Bureau), Koperasi (Community economy union), Karang Taruna (Youth clubs) and the PKK.
It can be said that these administrative agencies hold an active role. These institutions are constitutionally able to bridge up the various interests and government policy with the aspirations and needs of the community.

BKM's role in organizational effort in urban settlements of Kamponds 9/10 Ulu is very significant. The leaders are usually a public figure and respected by the community. In other organizations, in dealing directly with the community, the chairman of RTs in the Kamponds of Ulu have been able to communicate various levels of government interests and aspirations of urban residents. Associated with various efforts of the housing upgrading programs, the role of the chairman of RT as a community coordinator is expected to help the community in achieving the favorable result. In general, these institutions have become a strong fundament in the development implementation at district level through their social capacities.

The non-formal community-based organizations can be categorized as social organization of kinship and non-kinship. Kinship social organization would generally not appear at communities that have urban characteristics (see table 6.1). This is related to the level of complexity and specialization of labor and a high level of heterogeneity. A non-kinship social organization can be grouped by the cause of its formation (Herskovits 1952: 239-309). The first group is a social organization that is formed on the basic of a formal organizational assembly. The second group is a social organization that is formed on the basic of loyalty to each member in the community. The third group is a social organization that is formed on the basis of common interests and professions.

<table>
<thead>
<tr>
<th>Formal Organization</th>
<th>Management</th>
<th>Membership</th>
</tr>
</thead>
<tbody>
<tr>
<td>Kelurahan (Districts)</td>
<td>Local government</td>
<td>Inhabitants</td>
</tr>
<tr>
<td>Rukun warga (RW)</td>
<td>Village</td>
<td>Inhabitants of RW</td>
</tr>
<tr>
<td>Rukun tetangga (RT)</td>
<td>Village</td>
<td>Inhabitants of RT</td>
</tr>
<tr>
<td>BKM</td>
<td>Village</td>
<td>Community leaders</td>
</tr>
<tr>
<td>Koperasi</td>
<td>Village</td>
<td>Koperasi’s members</td>
</tr>
<tr>
<td>Karang taruna</td>
<td>Village</td>
<td>RW's representation</td>
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</tbody>
</table>

<table>
<thead>
<tr>
<th>Non formal organization</th>
<th>Management</th>
<th>Membership</th>
</tr>
</thead>
<tbody>
<tr>
<td>PKK (Family Welfare Movement)</td>
<td>RT</td>
<td>Neighborhood</td>
</tr>
<tr>
<td>Kinship society</td>
<td>Non-formal</td>
<td>Inhabitants of RT</td>
</tr>
<tr>
<td>Community association &quot;Masyarakat Cinta Musi&quot;</td>
<td>Fishermen and floating house society</td>
<td>Inhabitants</td>
</tr>
</tbody>
</table>

*Table 6.1. The structure of formal and informal organization in Kampong Kota Lama*

*Source: Master thesis Ammalia Podlaszewska, 2010 (unpublished)*
The researcher is particularly interested in the way the non-formal organizations were formed and regulated. While each member is following the rules derived from the cultural values of local communities and establishing a mutual relationship between each member of the organization, it is not obligatory for them to be always involved within particular activities that are not fulfilling their aspirations. Rather, mutual cooperation at the core philosophy of these non-formal organizations. These groups are really rooted in the community- they possess the enormous power in mobilizing the public support. From the observations and interviews, the community organization of kampong has specific characteristics:

a. Mutual relationships among members of community organizations, or with other community organizations, as well as with the official administrative staff, are the strength of the community organization that can be used in building the empowerment of community organizations.

b. Work productivity of community organizations is dependent upon the leader of the organization.

c. Relatively static composition of the board and the members shows the lack of community interest to become members of community organizations.

d. Communities are more likely to participate in an activity, which can give material and advantages results to the public.

e. Lack of direct access to government agencies and private sector, which could provide training, education or capital to improve the organization's ability to solve problems and gain know-how.

<table>
<thead>
<tr>
<th>Inhabitants resources</th>
<th>Number</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Pre-School Age 0-7 years old</td>
<td>3.636</td>
<td>19%</td>
</tr>
<tr>
<td>School Age 7-18 years old</td>
<td>4.257</td>
<td>22%</td>
</tr>
<tr>
<td>Productive Age 18-56 years old</td>
<td>9.018</td>
<td>48%</td>
</tr>
<tr>
<td>Elderly Age&gt;56 years old</td>
<td>1.794</td>
<td>11%</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Occupation</th>
<th>Number</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Formal sector</td>
<td>Corporate employee</td>
<td>87 people</td>
</tr>
<tr>
<td></td>
<td>Public officer</td>
<td>225 people</td>
</tr>
<tr>
<td></td>
<td>Army and police officer</td>
<td>35 people</td>
</tr>
<tr>
<td></td>
<td>Private employee (medium)</td>
<td>982 people</td>
</tr>
<tr>
<td></td>
<td>Shop employee</td>
<td>314 people</td>
</tr>
<tr>
<td></td>
<td>Factory workers</td>
<td>79 people</td>
</tr>
<tr>
<td>Informal sector</td>
<td>Street vendors</td>
<td>3.028 people</td>
</tr>
<tr>
<td></td>
<td>Daily labor</td>
<td>3.942 people</td>
</tr>
<tr>
<td></td>
<td>Fisherman</td>
<td>40 people</td>
</tr>
<tr>
<td></td>
<td>Household industry</td>
<td>237 people</td>
</tr>
<tr>
<td></td>
<td>Taxi/bus drivers</td>
<td>27 people</td>
</tr>
<tr>
<td></td>
<td>Tourist Guides</td>
<td>12 people</td>
</tr>
<tr>
<td>Unemployed</td>
<td>223 people</td>
<td>2.04%</td>
</tr>
</tbody>
</table>
Despite of its poor infrastructure condition, Kampong Kota Lama’s economic activity structured within the main street that can be accessed from the neighbouring areas. In the local economy, residents of Kampong Kota Lama are mostly working in the informal sector. Broadly speaking (see also Table 6.2), based on the typology of informal economy in Kampong 9/10 Ulu, it can be divided into the following classifications:

a. Traders; inhabitants who own shops, food outlets, home industries, vegetable and cigarettes stalls or automobile workshops.

b. Daily laborers; the people who work at factories, timber industry, traditional markets, domestic servants and others.

c. Entrepreneurs; people who do the living by renting the accommodation such as speedboats, floating house as hostel, textile business, Palembang’s culinary, part-time travel guard.

d. Public officers, the people who work in government offices or as teacher and others.

From the institutional perspective, the informal economy is resistant to the tax regulation by the state and conducting business transactions through which entrepreneurs leverage resources to exploit opportunities in resource-constrained environment. On the other hand, the informal vendors still have to pay some amount of money to the “person-in-charge” in the area to ensure them the continuity of their illegal economic activities. This “person-in-charge” is usually not assigned directly by the local authority, but the relationship between the two remain mutual.

The informal vendors and retail markets that occupy the street and public space in the city center are the most prominent manifestation of informality in Palembang. They mostly occupy the unplanned space. The informality is present in cities in the multitude of illegal economic activities and personal services provided by a vast number of self-employment jobs (Rojas, 2009:10). The rapid growth of the informal sector in economic activities as well as in settlement construction is due to the influx of non-permanent residents or circular migrants from rural areas of the Palembang region, accounting for up to 30 percent of the total population (BPS, 2000). The high rate of rural-urban migration in Palembang has been a major cause of the rapid expansion of slums and kampong settlements, which has pushed immigrants to build their homes in low-cost and informal type of settlements.
6.3.2 Local entrepreneurship

The home scale business of textiles in Palembang is considered as an informal business as a force in local economic in general or in tourism development in particular. The workforce of the sector have the flexibility to enter and exit of the market and usually have another second jobs somewhere else. This development of local petty commodity production gives a significant role from both the perspective of view of cultural change and of local economic development. It should be taken into account that it is often the lack of an official license and the withdrawal from the taxation system that classifies an economic activity as informal, not its scale, organization, or function (Drakakis-Smith, 1987:68; Evers, 1991:34; Dahles, 2001).

The particular Kampung 9/10 Ulu is punctuated by a large number of small businesses in specialized local production. Entrepreneurship is widespread among the district’s population. In 2005, there were only 8 production units of home-scale textile business with the total of 220 workers. In 2012, it reached 40 units with 1,842 workers. Funding assistances from public and private enterprises have boost the growth of this sectors. By 2014, home scale textile business reached 167 units with 3,356 workers (Palembang in Number, 2015).

Kampung 9/10 Ulu is also renowned as the “center” of the artisans producing traditional fabrics such as Songket, Jumputan, and Tajung. In the row of traditional wooden housing mixed with brick material, with most of the hall way just enough to be passed by the motorcycle, one could hear the looming machines (Lurik) spinning. It can be said that the traditional Palembang’s fabrics are originally produced in this dense area. On the sidelines of the limited open areas the newly produced Jumputan were extended for drying. For the traditional textile crafters, to pursue this business is not just a matter of surviving but is also based on the desire to continue what has been pioneered by their ancestors.

Nia (30), one of the artisans has claimed that she has lived in the neighborhood of textile crafters ever since her grandmother started the home business. She admitted that the drive to be a craftsman was great, not only as the matter of earning money but rather as her manifestation of preserving the local identity. At that time of her grandmother, there was barely no competition for traditional textile such as Jumputan in Palembang; there were only five artisans who produced the fabric from the same neighborhoods. The price was still relatively stable with the high quality of the product maintained.

Figure 6.11. Local entrepreneurship workshop selling Jumputan as a tourist product
Source: Field Documentation, December 2012
The Jumputan fabric has penetrated modern shopping centers to the boutiques and souvenir shops in Palembang. Based on the interview, this is because they do not have the ability to promote their products by their own, due to the lack of ready consumer who will buy it directly from them and the lack of marketing. The price of the fabric will be sold double (or even triple) in the Boutique due to the high competition from the other producers, but they only get a small portion of income in return.\footnote{Customer who buy directly from the artisan, pay 200,000 Rupiah per sheet with the size of three meters. Entering the bigger shops/boutiques, with the same quality and size, Jumputan Fabrics are sold 650,000 Rupiah per sheet.}

The presence of home scale business and entrepreneurs in this area implies the existence of a peculiar socio-cultural milieu that favors capital accumulation and allows for the combination of recourses to set up business. The artisans admitted that in 2013, they also received an injection of capital from a soft loan from community development partnership program of private entrepreneur of Semen Balfour. It was the low-interest loans they need for business development since borrowing money from the local banks became extremely difficult while banks regard this business as too risky or with little profit gain due to high competition in the market. Without personal property as collateral, a request for investment capital is unlikely to be granted.

In addition to selling to the local market, they also began exporting Jumputan fabric to neighboring countries such as Malaysia and Singapore in 2013. In order to be able to promote their products, the Department of Trade and Industry of Palembang, in cooperation with the Department of Culture and Tourism had established the community program of mentoring and training to develop the entrepreneurial skills of the artisans. This program also established the inter-regional cooperation allowing other artisans to learn the basic know-how in creating these traditional fabrics.

Apart from that, the two departments are developing an exhibition center in the neighbourhood to enable the artisans sell their own product without distributing it to the boutiques. In this way, it is believed that the distributors chains will be reduced so that the artisans will develop more managing skills and attain the knowledge on how to promote their own product without depending on the boutiques or shopping malls. The entrepreneurial skills also rely on the concept of network ties. That the social networks are relevant and may seem a platitude, yet the economy of the small scale business is entirely entangled within a specific local culture that highly regards the participation of the family in the work enterprise. From the social perspective, the program of local entrepreneurship seems to be the panacea in sustaining and regenerating the small local business enterprise, to be able to locate themselves as the producer and seller. However, the success of this program requires the collaboration from each stakeholder; municipality, private and the artisans' community itself.

The tourists, who mostly arrived as an organized group, are also motivated to stay in Rumah Limas in order to experience the daily life of the Musi riverbanks community. As for now, there are only two Kampongs selected for the newly introduced homestay program. The selected households are also connected to home-scale productions. Indeed, entrepreneurship activity has long occurred in people's home, but homestay programs depicts the commercial activity within a private sphere as hosting strangers in one's home. As an alternative form of accommodation that feature basic standards, homestay might appeal to a very small and specific niche of
tourist. In a 2013 survey of nearly 1.6 Million of tourists to Palembang, only 0.3% had stayed in the homestay.

Homestay program reflects the process of commoditization of one’s home in order to utilize residential space for profitable purposes. As a key feature of Community-Based Tourism, the opportunity for visitors to stay overnight with a host family is offered. The experience of homestay in Palembang’s traditional Rumah Limas will offer visitors to explore the surroundings; to try working at the Jumputan workshop, riverside fishing or making a Pempek (Palembang’s most renown traditional cuisine). The homestay program emphasises the interaction between the host and the tourist so that the it will enable the tourists in experiencing authentic Palembang.

However, the transaction or deal of payment occurs only between the host and agency, as it is stated by the Ms. Nia:

“(During the organization) I am in contact only with the HPI (trans: Tour Guides association) or ASITA (trans: Travel Agencies Association), not with the tourists... individual tourists rarely stay in this house, unless they have visited this place before and already in contact with the people here...It seems it’s not easy for them to have access here, maybe because there are not enough advertisements”.

(Author interview, December 2012)

The statement from Nia helps the researcher understand that as local entrepreneurs, they do not have the control over the management arrangement, nor the legacy to decide on how they would like to present the image of the Rumah Limas. In the future, Nia added that she would like to have more tourists staying at her house than only visiting, which would be impossible without government’s hands on approach.

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According to BPS Palembang (Statistic Central Bureau), in 2013, there were 1,660,000 domestic tourist and 6,300 international tourist.

These are mostly backpackers who are on their way to other tourist destinations near Palembang region (Bangka/Belitung). At other time, there were group of archaeologists and researchers. The site is also long-renewed as the location of Sriwijaya ancient remnants.

The Rumah Panggung own by Nia was inherited to her as the 7th generations.
However, Ms. Maulida argued that to be able to offer the full range of service and tourist initiary, the training and education for tourist agencies and operators are the most crucial element, in which Palembang Government has still not paid its attention to (Author interview, December, 2012). First, the number of tourists visiting the homestay are still very limited whilst the markets are still fluctuating and dependant on other tourist amenities (MICE Tourism). Although the growing trend in accommodation pattern of individual tourist arriving in Palembang shows the interest in the homestay programm. Second, the Municipality have to carefully select the Kampongs based on the guidelines regulation set by the Ministry of Tourism, Culture and Creative Economy Indonesia. Third, since homestay program depends largely on the competence of community leaders, it includes the ability of communities to avoid dependency on external actors. Ms Maulidia further stated that:

“Homestay program has been only introduced recently, the selection was based on the principles guidelines. It is a great opportunity for the community to earn additional income. Homestay program is different from Losmen (small hotel or B&B), because the guests are often participating in the daily activities of hosts, making homestay experiences even more interactive...not only establishing the good quality of infrastructure, the competence training for the host family to be in this program is also fundamental.”

(Author interview, December, 2012)

This standardization works more appropriate (see Table 6.3) in the Kampong which already had established its baseline of tourist market and infrastructure (such as Kampong Sosrowijayan in Yogyakarta). Palembang’s Kampong, in spite of its cultural values and authentic identity, are still suffering from the lack of public infrastructure thus are less explored to the potential value of tourism activity. Palembang’s homestay program in Kota Lama suffers from numerous problems, such as inadequate marketing, poor hospitality service standards, misunderstanding between guests and hosts of each other’s needs and motivations and lack of proper government regulation and planning. The homestay program in Palembang characterizes some community-based development effort, although there are numbers of dilemmas and challenges that remain.

<table>
<thead>
<tr>
<th>Standard</th>
<th>Indicators</th>
</tr>
</thead>
</table>
| **Products** | • Building is utilized as a Homestay, with the host family living in the building.  
• Building represents Palembang culture and architecture  
• Equipped with parking areas  
• Equipped with Homestay Board and identification sign  
• Accommodated with living room furnished with tables and chairs for the guests  
• Accommodated with first aid instruction and notification  
• Equipped with guest books and trash bins |

168
<table>
<thead>
<tr>
<th>Services</th>
</tr>
</thead>
<tbody>
<tr>
<td>Accommodated with indoor toilet and outside toilet</td>
</tr>
<tr>
<td>Equipped with standing shower or water containers</td>
</tr>
<tr>
<td>Equipped with clean closet</td>
</tr>
<tr>
<td>Equipped with lighting and air circulation</td>
</tr>
<tr>
<td>Equipped with sewage system</td>
</tr>
<tr>
<td>Accommodated with sleeping area, furnished with clean and comfortable bedding</td>
</tr>
<tr>
<td>Accommodated with clothing wardrobe</td>
</tr>
<tr>
<td>Doors and windows are equipped with security locks</td>
</tr>
<tr>
<td>Accommodated with eating area, furnished</td>
</tr>
<tr>
<td>Accommodated with clean pantry, furnished</td>
</tr>
<tr>
<td>Clean utensils and foods containers</td>
</tr>
<tr>
<td>Clean drinking water</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Management</th>
</tr>
</thead>
<tbody>
<tr>
<td>Availability of on-duty security guards</td>
</tr>
<tr>
<td>Availability to exchange information about community life</td>
</tr>
<tr>
<td>Availability of information on tourism activities</td>
</tr>
<tr>
<td>Welcoming setting aimed at creating familiarity</td>
</tr>
<tr>
<td>Availability to provide or arrange local guide service</td>
</tr>
<tr>
<td>Availability to provide food and beverages</td>
</tr>
<tr>
<td>Availability to clean guest facility</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Management</th>
</tr>
</thead>
<tbody>
<tr>
<td>Formation of executive homestay association</td>
</tr>
<tr>
<td>Establishment of working rules for executive members</td>
</tr>
<tr>
<td>System for advanced bookings and payments</td>
</tr>
<tr>
<td>Fair distribution of benefits</td>
</tr>
<tr>
<td>Participation in training program organized by government or private party</td>
</tr>
<tr>
<td>Participation in entrepreneurship certification program</td>
</tr>
<tr>
<td>Budgeting reports on fees for various services</td>
</tr>
<tr>
<td>Formulation of marketing plan organized by government with homestay association</td>
</tr>
</tbody>
</table>

**Table 6.6 The Guideline of Homestay standardization in Palembang**
*Source: Translated and based on “Pedoman penyelenggaraan Homestay in Palembang” from Tourism and Culture Board Department, 2011*

6.4 Making the space for tourism

The heterogeneous pattern of Kampong Kota Lama’s development is shown by the presence of organic and unplanned buildings; the eastern parts of the village have more organic pattern of buildings and most likely to follow the flow pattern of the Musi tributary. The buildings are composed in 80% of wooden materials and have the average height of two until three floors with each building built next to each other. This high density makes the area extremely vulnerable to fire hazards. However, this two-story building is a typical residential building in Palembang, a semi-permanent type of brick material combined on the first floor and wood on the second floor. In addition to serving as a place of residence, many of these houses are also utilized for small-scale
business activities, such as stalls, workshops, textile industries and food industries. The building typology in Kampong 9/10 Ulu follows the traditional system with an access to the front road from each building. The building blocks with a density of 100-units/sq km have irregular building’s orientation, meaning the façade of the buildings is facing road, river or other houses. According to the local municipality report, this Kampong is the poorest among the total of eighteen kampongs in Ulu area (Palembang in Numbers Report, 2010).

The relation of slum renewal to its image upgrading depends on the efforts of development activities that planned to change or renew a particular area which has been deteriorated in its functions in order to accommodate the new function for the city, in the form of tourism. Since tourism depends on the flow of tourists utilizing the touristic space, the renewal program in Kampong Kota Lama is supposed to enhance the quality of physical environment as a whole to accommodate tourism activities as well as to re-arrange the poor spatial organization of functional relationships. However, such re-organization requires the relocation of inhabitants into suburban residential housing (author interview, December 2012). This episode is justified by the mechanism that does not strengthen the economical aspect of the community, it just adds to their burden. Within the new residential location, they have to spend on additional transportation costs to work in the city. Some of the dwellers have to end their earning endeavour in the city since their income is reduced by the cost of public transport to enable them work every day (author interview, December 2012).

Two different sets of approaches have been undertaken in the aim of regulating and integrating the informality, namely demolition and beautification. Though each of which was not exclude the other, it is important to analyse their characteristics in order to illustrate the points that the researcher has mentioned above.

6.4.1 Kampong demolition

On October 11th 2010, only 10 months prior to the hosting of SEA Games, one of the most celebrated landmarks of Palembang close to Kampong 9/10 Ulu was devastated by massive fire (see figure 6.10). The cause of the flame was unknown yet it burned down 60 textile kiosks under the Ampera Bridge spanning over the Musi River (Sumatra Express, 2010). The site was a freshly renovated center to many street vendors: its wooden partitions were renewed and its roofs were refitted into the wall’s construction. The complex of kiosks was part of the city’s service industry, which allowed the very kampong people to work there.
The disorder of the Kampong was subject to modification and replacement by the authority in order to ensure the accomplishment of its branding as the packaged local expression. The neighbourhood of the Kampong whose building appearance could not maintain this local expression of Kampong suffered mass demolitions. Some of the inhabitants were no longer capable of maintaining the demanding price of renovation. Some were pressured into finally selling their land to private owners (author Interview: Mulyadi, December 2012).

Figure 6.13. The headline: “40 kiosks under the bridge were burnt down into ashes”
Source: in Sumatra Ekspress, 2011

Figure 6.14. The kiosks under the bridge before the fire (left) and after intervention (right)
Source: Fieldwork documentation, 2010 and 2012
In addition to that, the intervention caused by the imperative of acceleration and circulation of development was captured by an aesthetic detestation of poverty and disorder. Palembang’s beautification is best conveyed in the daily sweeping of warungs (street stalls), whitewashing of gutters and greening of riverbanks. The main physical elements of urban tourism such as hotels, plazas and museum across the city play their part by determining the street forms of the urban landscape that are obsolete for tourism. In the beginning of 2011, the municipality revitalized the site under the Ampera Bridge and transformed it into an open public space (see figure 6.14).

This neighbourhood has undergone two stages of eviction, first by the floating houses, the houses along the river and the houses 50 meters away from the riverbank. More than 150 houses along the Musi riverside in 2009 were eradicated and households were relocated into the suburban housing estate detached from the urban core58 (author interview: Yulis and Hidayat, December, 2012). Floating houses in 2010 had experienced the clearance for the construction of riverside pedestrian with the compensation of 200,000 Rupiah for every square meter. Each family was responsible to carry out the demolitions as they are allowed to reuse the building materials for their future needs59. The second stages of slum renewal included the development of riverside boulevard (Turap) and the renovation of sewage system to prevent the high tidal during the rainy season. Later, as the future third stage, several vacant sites in the similar slum neighbourhood were claimed to be privatized by international hotels in 2012, willing to transform the Musi riverside into the “Bangkok of the east” (Sumatra Express, 2014). According to Mr. Mamat, the governments are pro-investors especially in dealing with the slum upgrading in Kampong 9/10 Ulu:

“...I am talking about slum demolition in Kampong 9/10 Ulu. They evicted hundreds of families, first to build the turap (trans: riverside pedestrian), later there will be more housing gone, five stars hotels and accommodation. Those family are usually working in the city center, but they are now disconnected to the economic opportunities, they had to move out to find another house to live, and not receiving fair compensation. If they own the house, they have better condition, but the migrant workers are renting it to the other owners, it is more complicated for them...”

(Author interview, December 2012)

This approach where the municipal government shifts the poor from the sight and revokes their claims to the street was once discussed by Jahan Silas, Indonesian’s most influential urban planner. He introduced the controversial dispute of Indonesian’s urban development, which is called gusur (removal), in which he stated: “...If you

58 50 % of the land ownership and building certifications were attained after the free certification program from the Palembang Municipality in 2007. Before that, they had only a land certificate from the Dutch colonial era. The rest of the inhabitants rented the house and have no desire to purchase their own house since the rent fee is cheaper than 700.000 Rupiah annually.

59 Although the inhabitants did not against the eviction program, they demanded more suitable compensation and communication in the implementation. Some inhabitants already have alternative residence while the fate of the other dwellers remain unclear.
experience gusur, it means you have moved the location and someone or something has caused or instructed it to happen” (1996:528 in Peters, 2010). Gusur underpins the nature of urban renewal in Palembang in which it was initiated in 2005 in the slum neighbourhood. This instructed gusur, according to the major of the city, Eddy Santana (Sumatra Express, 2010), has been correspondent with the master plan of the site since 2008. It stipulated the zoning configuration intended to create the green pedestrian belt along Musi riverside. This official justification highlights the ignoble side of the new development, which has as its imperative the displacement of the poor. On the other hand, Mr. Anwar Arifa’I argued that the Municipality should be pro-people in stipulating any regulations. He stated:

“Palembang kampongs are the local resources. Kampong should not be seen merely as an urban problem tackled with gusur; if we think of it as our social and cultural asset, problems related to Kampong should be solved based on the premise of benefitting local people, not the investors...”

(Author interview, December 2012)

Kusno (2010) has argued that restoring urban order is usually demonstrated by “shock therapy”, which can be seen as a form of political communication by the state to the public in its efforts to overcome the crisis and restore power into the hands of the
government. During the New Order Regime in the period 1965-1998, the common denominator in this example was the sudden momentary spectacle of terror as means of social control (Elson, 2002: 17; Kusno, 2010; Peters, 2010). In the bigger capital city like Jakarta, the moments of urban decay is tackled by the concept of “development’ that referred to as “restoring order”. In this case, it is followed by state intervention to restore order and secure the interests of authority (Kusno 2010:54).

The intervention of urban renewal in the present time, shows more similarity to Suharto’s doctrine of development, or pembangunan (Peters, 2010). Repair and maintenance are inconspicuous and much unlike the “shock therapy” that General Suharto used as his method of urban management during periods of crisis (Elson 2002: 173). Rather than shock therapy, Pembangunan “is powerfully symbolized through the building or repair of infrastructure like roads, bridges, homes and kampong alleyways and is captured by the city’s new hotels, plazas and tourism branding. To obtain the effects of shock therapy, the projects are usually spectacular, attract public attention, have large impact on urban life, and are commonly controversial” (Kusno 2009:141).

<table>
<thead>
<tr>
<th>No.</th>
<th>Indicator</th>
<th>Scoring Indicator</th>
<th>Very high level (+++</th>
<th>High level (++)</th>
<th>Medium level (+)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.</td>
<td>Building density</td>
<td>&gt; 100 units/ha</td>
<td>80-100 units/ha</td>
<td>60-80 units/ha</td>
<td></td>
</tr>
<tr>
<td>2.</td>
<td>Temporary building</td>
<td>&gt; 60%</td>
<td>40 - 60%</td>
<td>30 - 40%</td>
<td></td>
</tr>
<tr>
<td>3.</td>
<td>Building coverage</td>
<td>&gt; 70%</td>
<td>70 - 50%</td>
<td>30 - 50%</td>
<td></td>
</tr>
<tr>
<td>4.</td>
<td>Space between building</td>
<td>&lt; 1,5 meter</td>
<td>1,5 - 3 meter</td>
<td>3 - 5 meter</td>
<td></td>
</tr>
<tr>
<td>5.</td>
<td>Demography density</td>
<td>&gt; 500 ppl/ha</td>
<td>400-500 ppl/ha</td>
<td>300-400 ppl/ha</td>
<td></td>
</tr>
<tr>
<td>6.</td>
<td>Demography development</td>
<td>&gt; 2,1%/year</td>
<td>1,7 - 2,1%/year</td>
<td>1,2 - 1,7%/year</td>
<td></td>
</tr>
<tr>
<td>7.</td>
<td>Street condition</td>
<td>&gt; 70% poor</td>
<td>50 - 70% poor</td>
<td>30 - 50% poor</td>
<td></td>
</tr>
<tr>
<td>8.</td>
<td>Drainage condition</td>
<td>&gt; 50%</td>
<td>25 - 50%</td>
<td>10 - 25%</td>
<td></td>
</tr>
<tr>
<td>9.</td>
<td>Clean water service</td>
<td>&lt; 30%</td>
<td>30 - 60%</td>
<td>60 - 80%</td>
<td></td>
</tr>
<tr>
<td>10.</td>
<td>Waste condition</td>
<td>&lt; 50%</td>
<td>50 - 70%</td>
<td>70 - 80%</td>
<td></td>
</tr>
</tbody>
</table>

Table 6.7 Slum Area Classification
Source: Based on BPS Indonesia (Statistic Central Bureau)

The desire of demolition and dispossession of the urban poor has been entangled in a politics of place identity and place branding. Several methods based on BPS concept may be used in criteria assessment including Analytical Hierarchical Process (AHP) and computer-based using Excel spread sheet programs or by weighing and rating method manually. Assessment activities with the scoring of each criterion are generally intended that each criterion have a scoring of different effects. Furthermore, in determining the criteria, values are relative and depend on the preferences of individuals or community groups to examine the effect of each criterion (see Table 6.7).

In practice, slum inhabitants are not marginal in terms of economic position since they serve the formal city where they are often offering cheap labor work. Their informal practice depends on the proximity to the street and axis network, embedded in the sociality and economic production. Particularly the capacity of domestic production would spread into public space with high density. The cumulative
construction process of informality has integrated with the spatial adaptation in which the practice of informality permits the exchange of information, goods, material and practices that produces daily income (Sara and Mesley, 2013:85).

Based on data analysis and identification from the study case area in Kampong Kota Lama, the several prominent problems and potentials of the locality are pertained:

### Physical aspects

<table>
<thead>
<tr>
<th>Potentials</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Kampung Kota Lama is centrally located and has a high historical, economical and cultural values. (BKB area and Market 16 Ilir is one of the city’s landmark).</td>
<td></td>
</tr>
<tr>
<td>A home production of local industries area (Textiles, Foods) supported with tourism facilities and accommodation.</td>
<td></td>
</tr>
<tr>
<td>Has architectural diversity that is influenced by ethnical backgrounds such as Malayu, Chinese, Arabic and Dutch. This diversity is considered as heritage buildings.</td>
<td></td>
</tr>
<tr>
<td>City events are usually held in the Kampong Kota lama (especially BKB area)</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Problems</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Despite of its strategic location, the area can not manifest its value in the acceptable image and representation due to its poor physical and infrastructure conditions.</td>
<td></td>
</tr>
<tr>
<td>Inappropiate and inaccessible streets leading to each home production areas reduce the possibility of attracting tourists and visitors (insuffecient number of bus stops, dense pedestrian movements without pedestrian infrastructures).</td>
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<tr>
<td>The heritage buildings are poorly maintained and can not facilitate a productive activities. The adaptive re-use can be recommended.</td>
<td></td>
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### Non- Physical aspects

<table>
<thead>
<tr>
<th>Potentials</th>
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<tbody>
<tr>
<td>The development of tourism and trade center as a pilot program has stimulated more funding. For example; textile exhibition center, floating restaurants and traditional houses homestay as a product diversivication.</td>
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<tr>
<td>Strong mutual cooperation as a community.</td>
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<tr>
<td>Land use status is still based on community ownership, giving it challenging for every family to decide its future land use development.</td>
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<th>Problems</th>
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<tr>
<td>With the high population density, the neighborhood has the lowest level of education and skills. 30 % of unemployment of the population while 20 % of population are working in the temporary, daily basis job.</td>
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<tr>
<td>The rapid growth of inner city’s population causes the declining quality of physical conditions, while the ability of its inhabitant to improve the environment quality is very low.</td>
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<tr>
<td>Lack of (green) public space in the inner city and proper access to the general infrastructure and transport system. The flagship development is aimed to help stimulating infrastructure of the city.</td>
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*Table 6.8 The Physical and Non-Physical aspects of Kampong Kota Lama Palembang.*  
*Source: Author, 2010/2012*
The features of Kampong demolition proved that cultural production and consumption have become key elements in such strategies, which are undertaken in order to enhance the reputation of cities through the range of consumption opportunities they generate. Cities are increasingly using cultural subs to improve their image, stimulate urban development and attract visitors and investment. In regard with symbolic economies of city, cultural consumption has a particular role as the most visible aspect of a largely invisible and service-based economy (Miles, 2007).

This state intervention is applicable to areas in which the arrangements of buildings are such that the area cannot provide satisfactory living conditions (Couch, 1990; Carley, 1990). Though the physical consequences of clearance and redevelopment have been the subject of criticism, it is their social impact, which has been the focus of most debate. For developers, redevelopment represents maximum profit through the sale of new centrally located units and for the local government, this approach represents maximum use of land, higher floor area ratio and has the advantages of introducing higher. Moreover, the economic crisis that occurred in the year 1997 in Indonesia has raised social impact in the community. The cities have to deal with unbalanced growth of population coming from the suburb and rapid extension of unemployment. The economic shift that has occurred during this period (from 1999 onwards) was demonstrated in economic disparities between urban and rural areas that influenced urban growth and urbanization in such a way that large cities are growing faster than small cities and rural area. However, most of the urban areas are lacking infrastructure and public facilities, leading to the development of slums and squatter settlements (Kuswatojo, 2005).

6.4.2 Kampong beautification

To compensate the “gusur” approach, Palembang government had realized that to deal with these major infrastructure problems, the suitable action was to improve the productivity and creativity effectively for the poor and the low-income urban development (Kuswatojo, 2005).
Figure 6.17 The local place-making in BKB as the attractive urban area

The place-making is especially apparent in the areas of urban attraction zones. The fact that the government has made an effort for local economy is a testimony that efforts are being made to provide opportunities for residents to benefit from tourism. The licensed vendors pay taxes to the local government and have been permitted to form cooperatives to assist them in financial matters and in negotiations with government agencies and suppliers (Timothy and Wall, 1997:322-340). Today, urban dwellers and tourist in retrospect can experience the ambience of living in floating houses and yet supporting the local economy. With the relevant localization approach, commoditization process, not only capitalizes on a local community's assets, inspiration, and potential but also facilitates the creative patterns of usage paying particular attention to the physical, cultural, and social identities that define a place.

Kampung Kota Lama in Palembang has become the main asset of Kampung beautification program. It was chosen mainly due to its physical aspects in the strategic area and as the greatest economic potential to be developed. The most prominent aspiration of city beautification is the importance of human scale in the built environment where the urban physical infrastructure gives priority to the people and public life so that it would lead to the inspiring visionary ideas providing an impetus for cultural change and social participation (Entrikin, 1991; Rotenberg and McDonogh, 1993; Lippard, 1997; Smith 2007).

The location factor has also become particularly important when viewed from the macro level of the urban development strategy allowing linkage and reciprocal influence between these locations with other areas within the city. Consequently, the economic social and cultural aspects associated with the behaviour of the inhabitants of the area are concerned. In the area where the most population is dominated by low income people, they usually require subsidies and are expecting to obtain a strategic location for their business continuity (Murphy, 1986).
The site is still undergoing a constant transition from more traditional exchange and land tenure-regimen to more market-driven concept, in which it was mainly associated with the land tenure institutions ranging from joint-family ownership to private tenure and to share and fixed-rent tenancy. Some of the property was based on traditional matrilineal inheritance system. However, the growth in population and increased in migration and consumption hasten the collapse of traditional common-property institutions and result in market-driven ownership (see Heryanto, 1988). The approach of kampong beautification in the inner city marks the changing power relationships between localities, developers and central authorities, which are followed by the recreation of Palembang’s landscape.

**Shopping Quarter**

While it is certain that most of Palembang’s development is experiencing the phase of economic reforms, such as expanding entrepreneurship, they have also led to the transformation of urban landscape through the inner-city renewal program. The creation of shopping and heritage zones is one of the manifestations of this transformation. Much of Palembang’s transformation is prompted by the deliberated decentralization practice of governmental authorities from central government to provinces and municipalities. The emerging of local expression in Palembang has caused to shift the substantial economic decision-making from the center to the local. Tourism commodity, primarily in the form of international hotels and shopping malls, was the first significant change to appear in Palembang's urban landscape in the 1980s. These early icons were inaugurated after the implementation of domestic investment policy in the early 1980s as an increase in the status of the hotel to the international level, which was officially activated as a symbol for the birth of a new spirit striving to further advance the tourism industry.

Traditional government-owned markets are somewhat still surviving in spite of the abundant development of the modern shopping malls. Particularly the emergence of cultural zoning in the city as a pedestrian shopping arena reflects the ubiquitous place promotion competition amongst cities to re-invent themselves as cultural destinations. It demonstrates the attempt of Palembang municipality to transfer the urban quality of live as an economic development and real estate marketing tool fostering the greater range of investment in leisure sectors. Pedestrian shopping area in the old town serves as a regional recreation destinations and is promoted as a significant tourist destination. The culture of strolling, window shopping and low-cost leisure activities is the essential feature of a pedestrian shopping area. The communal activity in the public space is mostly dominated by the marginalized people who tend to enjoy the crowdedness as the a of free entertainment.

The first endeavor of traditional market revitalization policy in Palembang emerged with the land reforms of the late 2000s during the decentralization and focused on traditional market beautification. The most recent manifestations have come about from the revitalization of the traditional 16 Ilir market (author interview: Tutur, January 2013). The market remains one of the tourist destinations of the city given its strong history and cultural identity. The pedestrians had to succumb to the precarious circulation of street vendors through the space, even though there have been already some spots prescribed for the street vendors by the municipality. The lack
of serious attention to the quality of the problematic space has generated a declining value and thus created more deteriorated area.

The main building of the 16 ilir market consists of 5 floors. Even though its structure is still acceptable, it cannot be further utilized due to insufficient functionality. This situation is aggravated by the high crime in the area and the lack of market management. The environment simply requires secondary function with new buildings as complementary elements to provide a positive stimulus and more mixed-use activities. The head of Palembang’s traditional market management claimed that to revitalize the 16 ilir market, his team had to relocate 260 street vendors, which had no legal permit for their trading activity (figure 6.15). The challenge is yet to reorganize the configuration and number of the vendors. The program aimed to transform the traditional markets into the best standard shopping center so that it could be visited by people from various regions. The international acknowledgment of this effort was announced by winning the “ASEAN sustainable environmental city” award in 2008 competing with some other international ASEAN cities such as Bangkok and Phnompenh (author Interview: Zulkifli, June 2010).

To meet the particular social trends of urban environment, the city reclaims the market place for people not only to be used on a daily basis, but also to be used as public space in leisure activities with large public and private investments. The transformation of both functional and the physical sides of the consumption place was supported and fostered by the means of urban development policy performed by the local authorities. The most recent development in the market revitalization was recreational shopping consisting of the so-called festival marketplace, in-town shopping center with an emphasis on foods, boutiques and entertainment. At the same time, from the economical point of view, the market revitalization was designated to be an established commonplace as an important piece of the image of the city (figure 6.16). It combines the social and economic purpose in which both social encounters and commercial exchange take place being not only a magnet for commodities but offering the function of social interaction. In addition to the highly mixed-use city center, the municipality actors wanted the space to be appropriated by consumers in particular while looking at shop windows, asking for information on tourist’s attraction sites, trying things and buying commodities. They wanted to promote urban
consumption by attracting inhabitants and visitors, along with their purchasing power. It was emphasized by Professor Hilda Zulkifli:

“Benteng Kuto Besak BKB was prone to pick pocketing and criminality, typical condition of dense urban area. After the riverside revitalization, Benteng Kuto Besak is now accessible for all Palembang’s inhabitant. It will be still improved with more accommodation and public infrastructure. The place also hosting cultural events, festivals, public tournaments, official ceremony…it becomes a safe public space”

(Author interview, January 2013)

The phenomenon of the informal economy in urban areas is not only a matter of insufficient city policy but also a matter of a structural problem. In other words, policies for handling short-term street vendors should be done in addition with the long-term reform of the fundamental issues (Timothy and Wall, 1997). The solution was tackled by the economic intervention in which it required the cooperation between the already established street vendors with other industries, such as restaurants and other home industries. However, to maintain the connection between the local restaurants and street vendors is not always solving the issue of informality, since the quality of merchandise cannot be controlled and the street vendors cannot earn consistently the amount of money to enable them the secure legality.

Heritage Quarter

Historic preservation in the historic quarter is based on an effort to maintain the architectural authenticity of the retail district. The authenticity in this case is referring to the expression of architectural style that is associated with an identified period in the past and which is perceived to be evident in the façade of the existing buildings in the neighborhood. The approaches to historic preservation and thematization of cultural zoning as pedestrian shopping also appear to be the common thread in those efforts. This cultural zoning put the emphasis on building heritage such as the old quarter (Richards and Wilson, 2006: 12-24). It is evident that the culture of place is intimately bound up with the history of the people living in that place as an attempt to promote historical ingenuity. The economic success of these efforts has been mixed, partly because of the great emphasis on preservation over the retail sector.
Pedestrian shopping streets that use the historic architecture as a theme appear in several forms in Palembang, depending on the degree to which the historic architecture maintains its original design motifs.

The area proposed for the pedestrian development in Palembang's inner city is also associated with the areas of home industry of textile and local culinary. The street atmosphere is already enriched by the existence of street vendors along the Musi River with small kiosks selling foods and beverages. The majority of informal workers, especially in the urban area were absorbed into the commercial sector, including street vendors. Street vendor has become an alternative job that is quite popular, especially among the urban poor. It is related to its flexible character (easy exit - entry), it requires small capital and it does not require cumbersome procedures. Regardless of the economic potential of the street vendor activity, the presence of the street vendors is often considered illegal because it occupies public space and does not comply with the vision of the city that gives the highest priority to the aspect of cleanliness, beauty and neatness of the city. Therefore, vendors are often the main target of the policies of the city government, such as eviction and relocation.

![Figure 6.20. The re-design of Heritage quarter in Kampong Kota Lama, market 16 Ilir](Image)

Source: Ikatan Arsitek Indonesia, 2008.

The example of this strategy is the promotion of Arab quarters in Kampung 9/10 Ulu. The neighborhood is located along a branch of Musi River, which also serves as the main access to this area. Most of the dwellers are immigrants who work in the informal sectors such as day laborers, service workers and culinary vendors. It is often associated with urban centers, especially those that have historically been the recipient of large number of immigrants attracted by jobs during the shift of decentralization policy. For decades, these spaces and their inhabitants were isolated from the larger community and served as a marginal sector of the dominant society (Novita, 2010). Today, due to the responsibility of maintaining tradition, Arab Quarters are not just traditional villages, but also religious tourist areas with various heritage architectures. During the public hearing in 2008 with the municipality representatives, residents of the village have agreed not to change the beauty of the village; the hundred years old houses are still in its original shape without the slightest renovation, as well as the direction of the main houses of the village are still facing the Musi River (author Interview: Rangkuti, December 2012).
The municipality has identified the area as a focal point and initiated marketing campaigns to upgrade its physical appearance. Leisure and tourism are closely bound to this Arabic district, giving locals an opportunity to financially benefit from the increased attention. Efforts to transform the neighborhood into a popular tourism district were focused on consumption in a way that raised the issue about legitimacy of both the environment and the experience. The most prominent accelerated marketing campaigns were vigorously demonstrated in the form of ethnic festivalization, usually in the mode of religious event in which it attracted international tourist flows mainly from Malaysia. To accommodate such event, the municipality renovated the entire Mosque complex and ornamented the neighborhood with ethnic amenities.

Leisure and tourism are connected to these reconstituted districts, giving locals an opportunity to financially benefit from the increased attention. Moreover, Spirou (2011:78) argues that ethnical quarter offers cultural diversity, which is to be celebrated, repackaged and presented as an asset in the quest for attracting visitors. Heritage, as an element of postmodern approach, is deployed to promote tourism to a variety of different destinations. Its main aim is the packaging of an identity into a commodity for tourists (see Palmer 1999: 313-321; Horne 1984:166). Thus, labels such as historic, nostalgia and heritage are frequently commoditized as tourism branding. In correlation with branding, the government has installed the provision of fund stimulant to enhance partnership between communities and local government especially in the implementation of beautification of the existing public space in the front of the historical mosque, which is one of the tourist attractions in the area. The aim of this initiative is the empowerment of the local community so that the area could evolve by becoming inextricably connected to the tourist economy (author Interview: Rangkuti, December 2012). By these means, tourism planning in local community could become more like other planning loci, being an on-going process based on research and evaluation seeking to optimize the potential contribution of tourism to human welfare (Getz, 1987:3; Getz and Jamal, 1995:108-204)

### 6.5 Tourism in Palembang: Commoditization of Locality?

Kampong Kota Lama as a local attribute is commoditized through the strategy in involving local entrepreneurship into urban tourism network. It is altered by the regulatory framework of informality, such as the institutionalization of informal economy in the city. Institutionalization refers to the process of making alternative forms of disputed resolution as a part of community’s formal system (Monroe, 1987). Even if the process of regularization is not as simple as transforming informal documentation into formal titles, the right to participate in tourism economy is the most significant aspect. In this study, the dynamic of social economic has also influenced the local dimension. The so-called pembangunan is often seen as an intermediary in which the local resources are conditioned as a destination experience, through the regulation of kampong informality. The experience as such creates an industry that is highly dependent on the goodwill and cooperation of the host community. Consequently, the development should refer to the orbit of social habitation, which involves communities and socio-cultural infrastructure and a suitable breadth of multiple stakeholders (Vickery, 2007). Otherwise, as it is strongly argued by
Roy (2004), such an emphasis only on physical environment is an "aestheticization of poverty". It does not only have these spaces to be considered as places of disorder, but also policies need to be introduced to integrate these spaces into the city (Modarres, 2003).

From the case of Palembang, the paradigm of resolving the problem of urban decay appears as in other cities in which urban renewal and tourism became closely linked. The common characteristic of both, the tourism development, and the renewal process is that they seek to transform old spaces whilst creating the new ones. This often takes place in areas influenced by poorer housing, lower paid employment and settlement by migrants and other groups with less opportunities in the formal economy. The main reason for this correlation was the impossibility of the formal sector to provide sufficient jobs for the rapidly expanding population and the great influx of unskilled workers from the rural areas (Stobart and Ball, 1998:243-238; Law, 1991). The attempts of transforming dilapidated spaces into more touristic spaces in the case of Palembang enables the growing of secondary facilities to support the primary ones. The role of urban tourism is rather linked with the emphasis on public-private partnership and the global trend towards marketing cities as distinct entities, which are demonstrated in the beautification of cultural zones and development of pedestrian shopping zones. The contribution of the renewal to physical fabric, has given the direct and indirect effect on tourism including the increased attractiveness of the city, while the tourism infrastructure has benefitted more specifically through the construction of accommodations and entertainment facilities. The area of a mixed used development area that aims to provide attractions and facilities for locals and visitors, which may include entertainment facilities, retails, as well as cultural venues of attraction.

The performance of local government remains inextricably associated with the economic growth of the city, urban upgrading strategies become the mainstream for the local governments to develop policies optimizing and utilizing the economic potential of the region. This approach also includes the building of local economic base through the development of relevant knowledge and skills, and strengthening the organizational relationship between community organizations and supportive NGOs and local government structures. As Timothy retains his thesis that in the case of Indonesia, the involvement of local residents in the economic benefits of tourism is happening in theory and to a lesser extent in practice. He added that resident and other stakeholders' participation in decision-making has not been recognized as important in any planning documents (1999:383). To this extent, the role of community in practicing the economic benefit of tourism is merely limited to its function as a secondary participant of informal economic activity.

Palembang’s tourism strategy has demonstrated the attempt of public-private collaboration in which it has been used as a base of investment, especially in the area that is strongly giving advantages to the tourism development. In order to involve the community as a basis resources of city’s transformation, Palembang applied the program strategy which focuses on the transformation of management and technical capacity to the community. By facilitating community management, implementation of this strategy allowed the community to establish working planning and decision making. Thus it is expected to increase the capacity of human resources and social institutions and build economic capacity of the community. In order to place the
community as the primary actors of development, the organized community had a higher chance than individually. The challenge was that in actualizing the plan, community needed to organize opportunities and resources independently, which is still not the case in Palembang’s situation. In relation with this facilitation, the government provided stimulus funds for the community to realize these plans of re-arrangement of the slum area with the assistance of other parties.

It is crucial to consider to what degree the community’s participation is taken into consideration in enabling the implementation of decision making. The level of participation is not always determining the scale of public interest, while the motivation to participate is higher when the issue at stake is concrete and directly affects the living environment of the participants. Likewise, motivation is usually lower when the issue is more general or abstract. The key question to this discourse is how to incorporate concrete issues on the strategic level as a bridge to narrow the gap between abstract strategy and concrete local plans. A major issue is how city administrations can incorporate the ideas provided by an active civil society into administrative processes. Central to this point is the issue of how community can be advantaged for the search of a creative approach towards fostering citizen participation in the economic benefits of tourism development.

What should be avoided in the community based tourism planning in kampong tourism is a label of participation such as pseudo-participation, in which it only creates the feeling of participation. Since tourism is now an integral part of modern society, the active involvement of locals who are able to communicate the aspects of local culture to the development is essential (Murphy, 1985; Kneafsey, 2001). The growth of community tourism perspective is connected with a growing awareness of the need for more democratic participation in tourism decision making by grass-roots initiatives of a destination society (Dann, 1999). To achieve “real” participation efficiently, one should involve the community by directly addressing power and its distribution in society. Using the concept of power relation in tourism brings us to the regard of tourist destination site as an interactive space accommodating a continuous process where different social values meet and new meanings are created. The most fundamental objectives of tourism deal with its role in enhancing economic opportunity and achieving a desirable quality of life (Goodwin et al., 1998 in Rocharungsat, 2008: 61).

However, the extent to which tourism assists a community in accomplishing these goals may lead to a misallocation of human and financial resources. This argument is supported by the evidence of Palembang’s beautification project in the small-scale tourism using informal sector as economical predominance that has a greater potential for improving living standards, regenerating urban community and countering structural inequalities of income distribution.

The tourist activities in this Kampong are a community-based since they depend on the social networks as a relevant platitude, yet they are entirely entangled within a specific local culture that highly regards the participation of the milieu. From the economical perspective, the program of Kampong tourism seems to be the panacea in generating the cultural identity and maintaining local expression. However, the impact on the host community is often considered only when tourism development leads to the local opposition. It renders the vulnerability of Kampong enclaves to the rationalizing impetus of urban planning and development, as it was portrayed in the *gusur* approach. In this sense, commoditization of top-down tourism planning requires
not only urban branding, but also extend a prominent approach of “trimming down” of what was to be represented.

The way Palembang’s municipality tried to regulate the urban informality was by establishing the approach of Kampong tourism similar to the one in Yogyakarta. Despite of its current general remarks on tourism and local community (Taylor, 1995; Reed, 1997; Timothy, 1999; Hall, 2000;), Kampong tourism is considered as a new alternative altering the means of tourism in urban development with the aim of directly contributing to the benefit of the local community. Significantly, Kampong tourism is not solely profit oriented but rather driven by its capacity building in which community has to adopt the role of entrepreneurs. In this sense, most characteristics of informality in Kampong tourism are derived from the operative and advocacy planning traditions, wherein weak interest groups are defended and local residents are given more control over the social process that governs their welfare (Hudson, 1979; Timothy, 1999). Therefore, this approach views tourism as having value beyond the mere performance of the activities. Such value was demonstrated by the manifestation of the quality of life by Kampong beautification, involvement of community members in the city beautification strategy and benefits of tourism. The government program of Kampong upgrading also seems to have contributed to the urban development which addresses the particular conditions of informality in the city. It is based on the consideration of the spatial processes and the formulation of strategy to tackle the condition of slums. Informality thus addresses both institutional and socio-economic aspects of the processes of the production of goods, provision of services and formation of settlements.

Paradoxically, the existence of Kampong as tourist attraction does not necessarily provide the benefits to the community. According to Hermawan, the community figure of Kampong Kapitan:

“Especially since the cafes and restaurants on the banks of the Musi River are established, we can no longer see the Ampera Bridge clearly. All are covered by fence and the (café) building. Before the (slum) upgrading a lot of people played here to enjoy the Musi River and the Ampera Bridge. There were also street vendors selling cheap foods. Now there is no more, they are selling it somewhere else”

(Author interview, January 2013).

The experience as such creates an industry that is highly dependent on the goodwill and cooperation of host communities. Development of the new facilities requires public investment in infrastructure and shared facilities as well as the commercialization of local festivals and events; it is the citizens who must deal with the potential impacts of such developments and need to have a greater contribution into how the community is consumed as a tourist product. The riverside kampong in Palembang remains a “kampung” to their residents. This term refers not only to the location but also a way of life in close proximity within the community. It is needless to say that negotiations and power struggles over the making of space and living have always been present especially in the marginalized groups dynamic. In the cost of
progress and urban modernization, *pembangunan* is often seen as an intermediary in which image is overvalued as a destination experience.

The community as an asset and resource is shared by its inhabitants, visitors, public and private sector interests whose benefit maybe shared by numerous stakeholders in the local destination (Getz and Jamal, 1995: 186-204). However, the residents may be less willing to support additional tourism development through local revenue tax funds that could favor government control over the development. The role of local authorities hence is not limited only to mediate the private sector interest with local resident needs.

### 6.6 Summary

This chapter seeks to answer the question of how cultural embodiment in Kampong reflects a practice of commoditization, and the construction of authentic urbanism. The very idea that tourism in Kota Lama Palembang is institutionally constructed and is made available as development strategy for tourism industry is two-fold. First is that the government regulations allows the integration of kampong informality in serving the local economy, also in the form of tourist entrepreneurship. Second, that as the consequences, the kampong informality must meet the standard of regulations of the tourism demand while remaining limited to the function of a secondary participant of the main economic activity. During the time, it is evident that most of the tourist gaze and other activities are immersed within the historical quarter of the city; by the same token tourism also manifests itself in the midst of areas of relative deprivation.

Even if the existence is being tolerated, the temporal nature of Kampong Kota Lama is often solved by renewal for commercial projects in urban developments. This view actually contradicts the significance, role and position of Kampong Kota Lama. The diversity, distinctiveness and cultural resources in Kampong Kota Lama could serve a better development of its inhabitants. Only if its integration into the city's system also meant the recognition of the legitimate rights of the inhabitants as a part of the city. At the same time, the integration should also be pursued internally within the kampong network system to ensure the improvement of basic infrastructures for a better environment (clean water network system, waste management, sanitation). The renewal approach should be based on the utilization of natural resources and potential community resources. Although the program is basically a policy that comes from above, such efforts should reflect the community's desire to consider the local contextual aspects that existing in the renewal area. This is an attempt to prevent evictions in the buildings with historical value. The displacement of heritage buildings that have historical value, the disappearance of the physical elements, which had already become community life, and the loss of local culture such as rituals, is the failure of the addressed renewal efforts. Within specific characteristics of the existing exclusion, community based tourism becomes meaningless.

Economically, many opportunities can be created to further integrate kampong's dwellers with the city's economical pulse. For example, Kampong Kapitan serves as a center of local and regional economic activity as being a major tourist attraction. Through community-based tourism, there has been a shift of economic
emphasis from small-scale manufacturing to tourism in a number of areas in Kampong; a number of Kampongs have undergone both change in economic practice and in physical appearance. For instance, many residents had converted their dwellings into tourism facilities, including boarding houses, rental shops and small cafes. However, the unbalanced integration program that tended to be rather exploitative for its inhabitants reduced the reliability of government’s role as a mediator partner. On the other hand, the inhabitants of the Kampongs also need to organize the resources by themselves, with the assistance of other stakeholders.

Palembang has integrated the initiatives of preserving local attractions within the urban tourism policy during the decentralization era. One of the main approaches was to establish local branding for kampong tourism, which aim was not only allowing tourists to experience the authentic local culture but also to empower the aesthetic expression at the grassroots level. This local initiative required a set of animating devices for operating the complex relation between actors, structures and networks. The overall tourism-related activities were multidimensional as a manifestation of the needs of each stakeholder as well as the interaction between tourists and the local community. The agents of authentication were involved in tailoring local products of representation of heritage and culture; aesthetic and heritage networks aimed at maintaining the production of culture and traditions, and tourism and culture planning board increasingly adopted the style of entrepreneurial approach and place marketing.

The institutions and regulations that manage tourism in Kampong Kota Lama were constituted from the scale of its community. That also demonstrated the frequent interventions by the municipality attempting to better the quality of kampong’s life. Commoditization of local culture in Palembang is determined by its top-down urban branding, and mostly has resulted in the production of new urban attractions for tourist consumption. However, the involvement of grassroot initiatives is helpful in constructing the mediated understanding of the city as a type of commodity in order to revive its authenticity of place. Funding is the most affecting factor in designing the tourism-related program in Kota Lama of Palembang. The funding is a system that is organized by considering the source of funds, the form of fundings, cooperation between stakeholders and the procedure of reimbursement. One of the most common funding designs is a governmental subsidy that helps low-income community group by working together with private or governmental organizations.

The commoditization process reveals the localized setting of cultural legacy. It is a localized setting since the process is encouraged by the local political agenda at the national and local level. Within the shift of political authority from national to local, the city had to re-invent itself as a new destination by practicing eloquent place-branding to construct its “new” image. It has become cultural legacy since “gazing” is intermediated and negotiated between the tourists and the agency and its nostalgia is symbolized by kampong entrepreneurs selling the local souvenirs.

Kampong Kapitan illustrates how culture can be sightlessly commodified and extracted from its collective nostalgia; that culture is subject to a selected representation as an effort of capitalist aims. Such dilemma is exposed in the question beyond the matter of authenticity of place; that place becomes a commodity when the representation of loci serves merely as an economic opportunity (Philo and Kearns 1993). The danger of the process of commodification is its ability to turn local culture into a capital asset only for tourism industry, neglecting the fact that local culture was
the “other” culture at some point. In this way, the authenticity of Kampong Kapitan has been detached from the concurrent problems, conflict and struggles of the society as the different actors participate in narrative manipulation and deploy ideological arguments that emphasize the Kampong Kapitan's most idealized characterizations.

The nature of the urban renewal program in Palembang can be explained from an ontological point of view. Firstly, the author revisits urban renewal as an economical tool that was discussed by Sujarto in Indonesian’s urban development (1985). Sujarto once argued that urban renewal program in Indonesia was introduced to rejuvenate the productivity of an area. As the means of state intervention, the demand of productivity on space is also based on the fluctuating economy of the global scale. Each city is a subject of change and is supposed to adapt to the new state of circumstances and to tackle the new challenges. The consequences of the inability to adapt to the new situation lead to the economic and social ramifications, effecting in high unemployment rate, social exclusion, and the worsening of living conditions.

As a result, the urban structure of the city is prone to physical decay, out-dated premises and poor transport infrastructure. The cities suffering from urban decay have developed renewal policies to act against the decline of the areas. The typical policies may include land use regulations to promote new development and attract new economic activities or to reinforce the existing ones in the case of urban renewal program. Following that, to ameliorate the quality of deteriorated living environment, urban renewal also contains efforts to enhance the city’s carrying capacity to solve the expeditious population boom through mix land use intensification (Sujarto, 1985).

Secondly, as a concern of urban renewal, the issue of image-ability plays an important representation. It is explained by contemporary urban imaging or place branding strategies that are typically responsive to the social and economic problems associated with globalization and associated with issues of economic restructuring, urban renewal, multiculturalism, social integration and control (Page and Hall, 2003:307). Also fundamental to place branding is the construction and projection of an attractive image of the locality. In many cases there will be an attempt to replace a vague or unfavourable image with one that is conclusive to attract visitors and investment. Enhancing the image of the city is often integral to urban tourism development. Although stereotypical images of dirt and dereliction can represent a severe obstacle to tourism in post-industrial cities, tourism has an important image enhancement role. It is also important to note that an integrated approach to urban tourism development is essential; focusing on the salient aspects of the image of the city and the user’s experiences (Page and Hall, 2003).

Thirdly, urban renewal relates to the issue of the marginalized community, in which the attempts to improve the community involvement in the development need to be gradually revamped. By involving communities in the development process, the advantages and benefits of the development can be more assured in its preparation and execution, to enable community in achieving the better standard of living quality.

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60 Carrying capacity is a concept, which is used to measure the maximum number of people who can use a site or area without an unacceptable alteration in the physical environment and without an unacceptable decline in the quality of life (see Mathieson and Wall in Page and Hall, 2003). This concept is commonly discussed within the discourse of sustainable development in general.
(Midgley, 1986: 13). In addition, community involvement is intended to let the program be organized by the pattern of development in accordance with the demands and needs of the community as a way to minimize potential conflicts between planners and government and between planners and communities, or between government and society (Tosun, 2000). There have been many cases illustrating that direct central government, as top-down planning does not suit the needs and demands of society. As a result, many development results do not function well and are socially unacceptable (Milne and Ateljevic, 2010). “Community-based” approaches are central to many tourism development plans around the world and there is a growing recognition of localized cooperation. Tourism is seen as a key element than can enable communities devastated by economic restructuring to regain their economic foothold in regional and national economies (ibid: 347).
Chapter 7
Implication on Urban Planning

7.1 The Spatial Structure

To investigate the internal dynamics of urban development in a holistic way, it is important to see the integrative planning of “infrastructure of play” at different geographical settings. To extend the cluster of tourism infrastructure in the city, the appeal of place plays a solid role as relevant factor in the dynamics of the tourism economy. The consideration of international level policy in including international transportation service, joint tourism marketing and cooperation between sectors of member countries is crucial. The imperative for an international networking policy is among other things, based on the hard location factor parameters. Specifically in Palembang’s case, its geographical situation has given the access to the joint infrastructure establishment between the neighbourhood border countries. This condition had helped to define the market potential in order to strengthen the regional strategic planning, e.g. border tourism, free visa and opening direct flight connections.

Looking at the growth of populations and urban infrastructure, Palembang is progressing rapidly. However, little is known in regard to the consumption pattern of its inhabitant within these urban facilities that are also place of their daily earning (production). In order to accelerate and distribute the city’s activities to the potential area, the distribution of economic activity will be spread outside of the city center. This approach was settled to stimulate the growth of the strategic areas by developing trading, tourism and transport system facilitation. The extension of these facilities has reached until the East Sumatra trails, as well as the development of International port.

Figure 7.1 The spatial structure of Palembang
Source: Author, 2013

PALEMBANG

Inderalaya

Perabumulih

Kayu Agung

National Activity Centre
Regional Activity Centre
Local Activity Centre

Tanjung api-api

Sumatra Strait

Pangkalan Balai

National Activity Centre
Regional Activity Centre
Local Activity Centre
Tanjung api-api, international airport and the river channels. The development of these infrastructures has been conducted based on the SKAL priority—the measurements that have been performed using several parameters. For example, by improving the quality of urban infrastructure including the accessibility between the potential areas as well as the drainage system, waste management and sanitation.

Based on the spatial planning analysis of the city (see figure 7.1), the highest transportation interaction around the city occurs between Palembang with Inderalaya, the west-side extension of the city (Palembang in Number Report, 2012). Among others, the interactions on a regional basis occurs between Ogan Ilir and Musi Banyuasin. These interactions demonstrate the pattern of relationship intensity and the city’s functional hierarchy of social, cultural and economic activities. Comparing their economic development patterns, Musi Banyuasin and Ogan Ilir remain behind the others in regional development and cooperation. Unbalanced development and the gap between urban and rural development are the major issues needing more attention. Although regional development has been integrated in the national economic strategy, the previous and current urban planning have not addressed the spatial pattern on a regional scale. Under the circumstances of inefficient implementation policies and long bureaucracies for updating the plans, the municipality cannot response to the rapid development of the region.

The basic concept of development for the downtown area is mainly characterized by clarifying and strengthening the old structure in the inner city, utilizing the existing structures, expanding the new CBD and creating thematic areas. The structure of the city is composed by its framework that displays the functional characteristic of the city connected by the transportation system and supported by the availability of facilities and infrastructures of the city. The concept of urban spatial structure has focused the development in strategic places so that it is easy to access. The main activity has mainly developed around the service centers and sub-centers in residential areas by the inhabitants proceeding their daily economical activities.

The historic city core is being significantly transformed as a modern urban functions put pressure on preservation efforts. However, to generate the downtown activities, it also required to have the regulation setting and down-scaling of activities which “image” can be controlled. For the appearance setting of new buildings in this area, specific criteria are implemented and they include mass composition, orientation and shape of the base of the building. The CBD area serves as the space where the concentration of the primary activities reflects the vast image of the city, including office activities, trade and services and the provision of facilities in regional scale. Sudirman area is a forerunner to the heart of the city of Palembang, where the downtown area of Palembang thrives in the main axis of the south - north between the bridge and the Musi River. Observing the current conditions of the Sudirman area, it shows rapid development and a reduced ability to accommodate activities. Thus affecting the other urban-interrelated activities, e.g. traffic smoothness and comfort of residents in performing daily activities are affected. The historical core and CDB area are connected through the green open space as the integral part of the planning agenda.
The downtown areas are embedded within the spatial structure of the city in order to spread the load of the traffic out of the city center (see figure 7.2). The traffic ring consists of inside ring and outside ring. The inside ring is a primary collector of the road network and the outside ring is a secondary arterial road network. The ring is cleaved by the horizontal structure of the Musi River and by the main vertical line of the development of the city. The relationship between the transportation system and the urban form of Palembang reflected the emergence of new clusters expressing new urban activities and new relationships between elements of the urban systems. The concept of a ring and radial road system was initially introduced in 1980s and strengthened in the 1990s and 2000s comprehensive plans after the introduction of decentralization policy. The system was considered to be an ideal transportation model to support the planned urban pattern. The radial highways were planned to provide rapid access between the ring roads and to create traffic corridors between Palembang and other regions. When the market demand for automobiles began to increase in the mid-1990s, the municipal authorities decided to speed up construction for the planned highways and motorways. However the dependence on the inner-city highway network caused more traffic congestion and negative impacts on the central urban area and transportation planning without considering land use planning caused conflicts in the urban spatial structure.

The structural framework of the downtown area defined the growth core in the city. Seven urban growth centers spread radially in the strategic areas in the Palembang city center. These urban growth centers have become a distinct precincts with surrounding land use. For example the growth center in Simpang Polisi intersection has become the new development center after the development radial
transport system, as well as the sub-center in UNSRI as an education area. The new areas emerged in 1 ilir kampong as the center for industrial zone, as well as the emerge of Seberang Ulu 1 as the center for regional trading and new services.

The movement pattern of the population activity is centered on CBD area, which is Sudirman street and Ampera bridge corridor that have served as urban service center along the Musi River corridor (see figure 7.3). The population mobilization heavily relies on public transportation depends on both the extent of the transit network and the proximity of transit stops to housing and work locations. The pattern of population movement tends to fill the empty space along the ring road in the city and concentrated in the main corridor of the city axis where the trading, service and tourism activities are mainly located. Meanwhile the pattern of settlement's movement tends to fill the historical area's structure, expanding the slum areas around the Musi River. This movement has particularly extended to the north, east and west direction from the city center, but has not been followed by the adequate infrastructure and facility development.

The hierarchy of Palembang service areas is often associated with the center-sub center relationship, which consists of commercial and service area around the street corridor of Sudirman street extended to Basuki Rahmat street. This area will be connected with the linear corridor of Palembang’s inner city, which specializing in trading and tourism industry; new local entrepreneurship center of tourism product in the settlement of 5 ilir Kampong located near the existing of Pertamina, housing complex, equipped with a golf field and sport stadium.
7.1.1 Regional: Planning for increasing mobility and accessibility

The rise of transnational corporations as major economic forces may give the appearances of the process of globalization. The IMT-GT\textsuperscript{61} (the Indonesia, Malaysia, Thailand Growth triangle) was mainly an economic corridor framework of cooperation focusing in the cooperation beyond infrastructure projects. The project was initiated in 1993 with 10 pilot provinces at beginning and has grown into a total of 26 provinces of those countries. As the main funding source, Asian Development Bank (ADB) supported the IMG-GT co-operation program, which eventually has become the most prominent integrated planning between countries: the economic corridor has been serving as highways of commerce, so that the he areas within the corridor could become dynamic towns that link the major economic centers to other remote destinations through advanced investment options.

The main characteristic of its cooperation is the integration of physical infrastructure (road, electricity and telecommunication) in order to improve the performance of production, trade, mobility and investment by minimizing the non-physical borders. The approach has proved to be useful in achieving low-cost connection into the hinterlands by connecting three linear networks (Sumatran, Malaysia and Thailand). This merging of these networks is a mean to direct limited resources to areas with the highest economic potential. This connectivity is further supported by the internationalization of business such as airlines, hotel chains and tour operators that have facilitated the growth in the long term period of time (Meethan, 2001:35). For instance the expansion of the airport in Palembang included new facilities for cold storage, a relocated passenger terminal and an extension to the runway. These airport projects were funded by JBI (Japan Bank for International Cooperation).

\textsuperscript{61} The present study was initiated by the Asian Development Bank (ADB) as a first step in the development of the IMT-GT economic connectivity corridors, with a view to undertake a preliminary assessment of the opportunities, as well as of the constraints and challenges to enhancing the growth potential of these corridors, with a focus on the status of physical transport connectivity (Research report ADB, 2003).
Palembang urban area has become the hub of the urban regional network, consisting of several economic centers. The place that used to be the city now determined the quality of the entire region. As resident, companies and visitors have become more mobile through technological, social and political developments, which increased the competition between locations to an ever-higher scale. Therefore, the status of a region depends so much on the image of the city as a spatial consequences of the urbanization process. It seems apparent that to become a competitive international destinations, Palembang enhances not only the quality of its air travel, but also enhancing its port network towards Singapore and Malaysia as its number one tourism market (Author interview, Mr Hidayat, December 2012).

The scope of planning area is differentiated between macro scale and micro scale area. Macro scale area covers the western part of Palembang region, from Lubuklinggau, Sekayu, Palembang city to Bangka strait. While micro scale area focuses on the tourism development along the Musi River corridor from Pulo Kerto until Pulo Kemaro.

7.1.2 City scale: Thematic zone

The municipality of Palembang has generated a master plan particularly for tourism scenarios. Only over the past five years, the plan to develop the tourism sector has had become one of the main allures for the tourists to visit the city; Visit Musi 2008 was one of the pilot programs to achieve this goal. Basic policies in stipulating the
tourism master plan was the imagination of Palembang as a city of thousand rivers in 5 eras: Sriwijaya era, Palembang Darussalam Sultanate era, Colonial Era, Early independence era and modern Palembang era. The latter approach is based on the statement declared by the former Indonesian President, Susilo Bambang Yudhoyono who inaugurated Palembang as a “River City” on 27 September 2005, which then was applied in the establishment of the city as tourism city based on river amenities.

- **The main development area.** Zone 1: Tourism Development Center, Zone 3: Development of Ulu Tourism.
- **The second development area.** Zone 7: Historical Development of Cultural Tourism in Kemaro Island, Zone 8: Tourism Development in Kerto Island, Zone 2: Development of Ethnic Settlement and Crafts in Ilir area, Zone 4: Development of Cultural Tourism of Sriwijaya remnants, Zone 5: Development of Tourism History Sultanate Palembang, Zone 10: Jaka Baring Tourism Development.
- **Third Development Zone.** Zone 9: Development of Triangle Keramasan Tourism. Meanwhile, there is also a planned special interest tourism development area located in Zone 6: Development of textile Industry tourism, Zone 11: Tourism Development of Nature and Culture, Youth Retention Pool as Public Spaces for Recreation City.

![Figure 7.5. Thematic tourist zones in Palembang.](image)

*Source: interpretation from Palembang master plan, 2008 by author 2013*

Based on the city’s tourism master plan, there are three development areas which are distributed in 11 development zones inside the inner city area (see figure 7.5). The master plan is constantly revised by the government of Palembang to fulfill the relevant demand of urban infrastructures. Until now there are only few urban precinct development, which have been completed such as regional development of 16 Ilir, Kuto Besak and the area under the Ampera Bridge, and across the Ulu and Ilir area, as well as the effort of restructuring the used to be chaotic raft houses on the outskirts of the Musi River.
Thematic zone includes the future development of attraction management, amenities improvement, accessibility and infrastructure development, especially in connecting main attractions from South Sumatra linkage to the tourism corridor of Musi River and the capacity building of local inhabitants. In the implementation, thematic zone prioritizes the budgeting program, stakeholders cooperation and institutional management. Thematic zone is not the only strategy applied in Palembang, but rather it is being replicated worldwide, thus this replication is associated with a resultant ‘evolutionary sameness’, where it is increasingly difficult to differentiate one urban space from another in the eye of the visitors (Echtner and Ritchie, 1991; Dietvorst and Ashworth, 1995). However, this replication of precinct must be reluctant to the context of the city, since it should come together in a way that marks each precinct as unique. Tourism has an influencing role in shaping the spatial characteristic of the cities since it has driven precincts development toward the needs of tourists (Thorns, 2002). According to Mr. Hidayat, thematic zone in Palembang helps to document and sort out the facilities and accommodations related to the activities in each zone, which is connected with the road networks. Importantly, since the inauguration of Trans Musi 2009 (following the Visit Musi 2008 event), Palembang has become a national city model in integration of land, air and water transportation (Author interview, December 2012).

<table>
<thead>
<tr>
<th>Parameters</th>
<th>Items</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Environment</td>
<td>Safety; cleanliness; public spaces; interesting architecture; historic appeal; interesting local culture; walkable pedestrian</td>
</tr>
<tr>
<td>2. Experience</td>
<td>Friendly environment, opportunity to meet local people, vibrant urban atmosphere, no language barriers</td>
</tr>
<tr>
<td>3. Range of attractions</td>
<td>Shopping facilities, special events, unique heritage sites, museums and galleries, unique natural landscape</td>
</tr>
<tr>
<td>4. Services</td>
<td>Reliable local transport, good availability of tourist information and tourist guides, easy to find attractions and services</td>
</tr>
<tr>
<td>5. Accommodations</td>
<td>Reasonable prices, friendly workers, good location</td>
</tr>
</tbody>
</table>

*Table 7.1 Categories of city destination attributes.*

Savage, et.al (2004) have reviewed the policy of thematic zone development based on Singapore case as a means of diversifying the city’s economy and enhancing its competitiveness as a tourist destination (see table 7.1). Based on this parameter, the researcher has further elaborated a set of categorization of urban attraction for the interviews (see table 7.2).
<table>
<thead>
<tr>
<th>Urban attraction</th>
<th>Parameter</th>
</tr>
</thead>
<tbody>
<tr>
<td>Zone 1: Inner city area</td>
<td>I</td>
</tr>
<tr>
<td>Public space, historical appeal</td>
<td>Vibrant urban atmosphere</td>
</tr>
<tr>
<td>Zone 2: Ethnic settlement</td>
<td>Architecture, heritage sites</td>
</tr>
<tr>
<td>Zone 3: Ulu Neighbourhood</td>
<td>Architecture, heritage sites</td>
</tr>
<tr>
<td>Zone 4: Swiwijaya cultural tourism</td>
<td>Historical appeal</td>
</tr>
<tr>
<td>Zone 5: Sultanate Darussallam historical tourism</td>
<td>Historical appeal</td>
</tr>
<tr>
<td>Zone 6: Local industry area</td>
<td>Interesting local culture, heritage buildings</td>
</tr>
<tr>
<td>Zone 7: Kemaro island tourism</td>
<td>Cleanness, interesting architecture, historic appeal</td>
</tr>
<tr>
<td>Zone 8: Kerto island agro-tourism</td>
<td>Walkable pedestrian</td>
</tr>
<tr>
<td>Zone 9: Segitiga keramasan</td>
<td>Walkable pedestrian, safety</td>
</tr>
<tr>
<td>Zone 10: Jakabaring Sport tourism</td>
<td>Cleanness, walkable pedestrian</td>
</tr>
<tr>
<td>Zone 11: Nature and cultural tourism</td>
<td>Cleanness, walkable pedestrian</td>
</tr>
</tbody>
</table>

I= Environment, II=Experience, III=Range of attractions, IV=Services, V=Accommodations

Table 7.2 Evaluation of keywords of urban attraction
Source: elaborated from the Author’s interviews (2013)

In the evaluation of urban attractions, the researcher conducted the open-structured interview (with the multiple responses) with the key respondents of “Tourism from above” and “Tourism from below”. The researcher has showed them the zoning area on the map with brief explanations. And based on the parameters, the respondents were asked to comment the areas with the multiple responses of items and to estimate what is the most profound quality of these areas. Thus, the most profound qualities represent each zone in the table.
The urban attractions of the city are conceptualized based on their distinctive characteristics giving shape to the zoning areas. For the structure of “Tourism from below”, the residential respondents are mostly not familiar with this thematic zoning, they could locate the specific attraction but are not aware about the surrounding environment in contrast with the stakeholders of “Tourism from above” who are relatively familiar with the thematic zoning. This is due to the difference of the level of information they have received. It is intriguing to find out that from the structure of “Tourism from below” of mainly NGO, local grassroots and University representatives, although of being aware of the thematic zoning, they considered some of the zonings as interrelated to each other because of their proximity (for instance, ethnic settlement and Ulu neighbourhood zonings).

For most of the respondents, Zone 1 of the inner city is clearly considered as the most representative and attractive. Zone 1 is considered as the historical landmark of the city. It hosted several opening ceremony of national events and is equipped by tourism amenities. The convenience of this zone is also shown by its proximity to other services and infrastructures of accommodations. It contains almost all of the items of the parameters. On the other hand, since the location is also an intersection between tourism activity and local economic activity, 12 respondents from “Tourism from below” and 10 respondents from “Tourism from above” perceive Zone 1 as the less safe area, and as lacking of environmental quality. Even though the city has already provided some open space area in the location, the lack of greenery is considered as one of the main reasons in determining the timing of the people using/strolling/gathering around the place. The location is the most attractive before the sunset, between 16:00 - 20:00.

Zone 2, Zone 3 and Zone 6 are evaluated as a more specific offer for the tourists, since some of the respondents believed that it is rather hard to access these areas without the company of the locals or tourist guides. It offers an ambience of ethnic settlement and home-scale entrepreneurships. The area is renown of its heritage buildings of Chinese- Malay architecture. The vibrant cultural diversity is considered as typical attraction of this area. In Kampong Kapitan, for example, there has been already water port as the crucial tourism infrastructure. However, the lack of map/sign system is not helping tourists in navigating the area.

Zone 4, Zone 5, and Zone 7 are attractions connected to the cultural and historical value of the city. It is represented by man-made cultural venues such as museum; heritage buildings such as the 18th century mosque, vihara and ancient tombs along the Musi riverside. These zoning areas are the most recommended and advertised places to visit as soon as tourists enter the city through the airport. The city has always been associated its identity with this particular cultural heritage, which is well recognized nationally and internationally. However, this zoning areas are inadequate of the services and accommodation’s qualities, for example they are less integrated from the network of the local restaurants and the information infrastructure gives the impression of badly maintained.

Zone 8 and Zone 9 are urban greening-related attraction needed by the city. Plenty of events are held in these zones (gardening workshop events, farming activities, etc). These thematic zones are in accordance with the law stipulated by the ministry of Agriculture that emphasizes the development of green neighborhood (green area specifically for education and exhibition). Further development of these areas will be
funded by the central government through the Ministry of Public Work. However, the management is handed over to the private sector therefore, it is now still lacking services, accommodation and integrated node of transportation has made the area only specific for weekend visitors.

Zone 10 is considered as event-related amenities. It is used by the city to host international and national sport events and is rather not spatially connected to the main zone of urban attraction. The isolation itself already makes this zone inaccessible. Moreover, the locals rarely use this facility on a daily basis, unless there were temporary events being held. Zone 11, on the other hand, being relatively distant from the main tourist zone, is still integrated to the overall urban transport network, thus it is quite manageable to navigate the zones.

From the result of the analysis, what can be assured is that new developments of public attractions need to fit into the existing pattern of tourist’s space in Palembang. The issue of spatial integration understood as the spatial and functional connection between the historical city and the modern city that needs to be taken into account as a priority. The spatial pattern of the tourist attraction of its core elements and the supporting facilities are to a large extent heritage of the past. Therefore, the components of a tourism complex as a system include the tangible entities such as the tourist and the hotels, market places, shops and museum visited by them. To enrich the tourist experience, the city has tried to provide a series of trips that cater for the diversity of the tours. The more diversity of tourist destinations a city could offer, the more evenly the travel opportunities will be distributed and conditioned according to interests and travel patterns. Existing tourist offers should be supported by the ease of transportation system to enable an easy accessibility of the attractions in Palembang.
The logical spatial analysis would be the clear clusters and zones. First, River tourism has two alternative linkages through the water and land area of which have a relatively easy access, except for a few objects that have not been built. Some of the objects that have not realized, are located on the main route through which public transports are utilized in a relatively narrow road. The spatial structure of the city are associated with the space around the Ampera Bridge, that is composed by the road configuration and the open space as the framework and axis buffer of the city (see figure 7.6). The main city axis is used to strengthen the linkage between tourist zones, hereinafter referred to as the main corridor of tourist movement (see figure 7.7). The second linkage is a ring road connecting all linear linkages. The third linkages serves as
the linear road system attached to many services and accommodation sectors in parallel to the water linkage. The waterway transport network connects the city activity with tourism Zone along the Musi River (from East-West).

Moreover, the implementation of linkage integration system serves as a solution to increase the public transportation service, which connects the land, air and water transport system. The main aim would be to enhance the user mobility from one transport mode to another as well as to reduce the usage of private vehicles in the city. In 2012, the municipality of Palembang initiated the construction of linkage integration system from the SMD II airport in order to enable the user to move conveniently to the land transportation called “Trans-Musi”. The project was funded by the regional infrastructure allocation and was carried out in cooperation with the foreign urban consultants, GIZ (Die Deutsche Gesellschaft für internationale Zusammenarbeit)

7.1.3 Site scale: Urban precincts

Waterfront Development and River Tourism

The common element in all waterfront development projects is the fact that nowadays the interface between the port and the city has changed dramatically (Jansen-Verbeke and Van de Wiel, 1995). In many river cities in Indonesia, there was a close relationship between city and port in terms of both spatial urban structure, and functional association. The urbanization of the city (in the beginning of 20th century) brought an expansion of the river activities, with a considerable spatial impact and to some extent a functional disassociation between the city and port activities. In some cases of traditional waterfront areas, Bruttomesso (2006) has claimed that the space gradually lost its function in favor of new development areas and became urban areas with less distinct structure and function. Obviously the way the development process is managed and implemented is unique, with the consideration of location, economic, social and cultural context, the national and local policies in the account of urban redevelopment and the cooperation of public private partners. Waterfront development projects seem to be the current answer to a common set of urban unattractiveness.

The urban restructuring of Palembang is inseparable from the concept of the riverbank development. Most of the heritage remnants are located on its riverbank which includes Benteng Kuto Besak (fortification walls), the Great Mosque, the Ampera Bridge, Museum of Sultan Mahmud Badaruddin, and Monpera Monument, as well as the vernacular style architectures. Obviously, the riverbank is the most representative area of Palembang’s cultural identity; it is the main icon for the image of the city. In the previous years, this area was subject to an influx of informal economy from the rural area thus it has accelerated the rapid decay of its environment. After some solids intervention from the state, the area was gradually being regulated so that it provides public land that can be safely accessed by the inhabitants. With the proactive corporation between municipality and local enterprises agency, the traditional merchants were organized to occupy the more expanded area of Musi riverbank. Such relocation has awakened Benteng Kuto Besak as an extensive tourist attraction coupled with the cultural exhibitions and performances.
The uniqueness of the Musi riverside is emphasized particularly by its strong association with the rich historical values. Musi riverside is the area with a high population density with the average of over 3,500 person/km². Morphologically, this density can be examined from the settlement pattern of the area. Like many other contemporary cities in the global south, the cities in the developing world manifest social inequality. This inequality as argued by Thorns (2002) is generally associated with spatial segregation, poverty, unemployment and lack of skills. The integration or exclusion of distinct group of society can be determined in using the settlement pattern, from enclave residential estate to increasingly dispersed new settlement configuration (Judd, 2003).

The slum settlement in many development countries has been long known due to the conventional land registration system, which does not provide the use of a plot with any security of tenure. The pace of urban expansion has outraged the capacities of planning authorities to cope with the need for developable land. It is argued that the spatial dynamic can be seen in the process where the existing settlements are being consolidated and becoming much denser. One pattern of informal settlement is spontaneous, either with or without sufficient functional infrastructure and organizational capacity. Another residential pattern demonstrates how a new facility such as a university campus, government office center, and shopping mall or recreation area creates economic strength and drives the urbanization process, eventually generating a new growth center (Agergaard, et al 2009).

In regards with the development of the infrastructure of waterfront tourism, the integration project between riverfront culture and economy activity was put into a deliberate scheme of development. It has been rendered in space how the construction of urban tourist precinct is composed by architectural design, layout of attractions and the overall configuration of the physical elements that then encourage forging a particular experience. The experience of gazing in Palembang city is very much dependent on its riverside amenities, where the attractions are spread throughout the waterfront area. The importance of its vernacular building streetscape and physical elements is endowed with the particular atmosphere and sociocultural attributes of the locality which generate a sense of place that forms the focal point of tourist attention. The focus in these development, as it is appeared in Palembang, is the revealing of the visual and material consumption embedded in and designed to constitute an integral and often central part of those spaces.
Musi riverside’s neighborhood is enriched by the multi-ethnic background in which its society had witnessed the development of the city from the Sriwijaya Kingdom in 7th – 12th century through the reign of Darussalam Sultanate era in 15th, the occupation of Dutch colonialization starting from 17th century, the post-independence era up until today. Musi riverbank area has been instrumental in the development of the social culture of Palembang city. Physically, it can be seen from the typology and morphology of vernacular architecture and built environments that exist in the region, such as Limas house, Gadang house, Raft house, and other historical remnants that are indicated by the presence of various royal heritage sites, monuments as well as the existing fortifications walls of the Musi riverbanks.

The growing economic activities in the Musi riverside depend on trade and service sector activities as well as the industry sector. The growing industry is classified into three scales: large industry (oil processing industry and fertilizer industry); medium industry (wood processing industry, oil palm and rubber industry); and small industry of home-based entrepreneurship; especially handicrafts, textiles and food. The local oriented trading and consumption activities are mainly taking place in the small shops as well as another service industry such as hotels, restaurants and transportation in the area of the Musi riverside, which provide a substantial contribution to the economic growth of the city in general.

The dynamics of economic activity along the Musi River are associated with the presence of the river as a source of earning. Residents are running small-scale entrepreneurship such as café, food stalls, boat rental and automobile workshops. Accessibility to these facilities is mainly supported by the river line, in which economic transactions take place in the raft house. The direction of land use policy in the commercial area is strongly determined by the economic objectives and the trends of economic growth. Musi waterfront area displays the starting point of the economic growth of the city. The spatial distribution of supporting facilities spread over to the main access road. In accordance with the development vision, transportation plays an important role, thus the water transport will remain significant in the future, with the emphasis on regional and international transportation network. The Musi River has a strategic role in supporting the economic sector of the city, which could culvert the current economic and social activities throughout the region. The economic potential in the area also depends on its function to support the diversification of the regional. It is assumed that the diversification of economic activities will provide a positive influence on the development of job opportunities.

The engagement with the social and cultural tradition is still maintained within the current land use arrangement. Settlements are generally related to the working place, thus the location, accessibility and the life style of a neighborhood determine the dynamic of their economic condition. The existence of life style of the inhabitants living on the riverbank is represented in the abundance of rafting houses. Residents perform daily activities around the house such as bathing and washing as well as working in the area to earn money; for instance selling, fishing, making boats and others. The social structures eventually shape the difference in land use based on to various economic activity such as:
1. Historical settlements (see figure 7.9) located on the Musi riverbanks have grown over the time into a city village (kampons) and have a very high density. Some of the areas are attached to the trading and industrial activities. Most of the land areas along the Musi riverbank are vacant and still undeveloped. Open spaces that have been developed are defined to serve as a city public space, either as park or city plaza. Some green spaces were planned as buffer zones around the industrial areas.

2. Water activity as simple merchants (in the floating market, and floating kiosks) or riverside transportation service (see figure 7.10). These activities are mostly occupying the residential area. Small-scale entrepreneurship with orientation to riverside, called wooden house of raft house serves as trade and services, which forms an economic agglomeration in the region, which serves for the provincial scale. The activities of trading and service are traditional markets, accommodations, local restaurants, etc.

3. Trade and service activity on the land are likely attached to the main road of residential settlement (see figure 7.11). The land use is divided into large, medium and small industrial activities. The large land use for the industrial activity is mainly utilized by Fertilizer Industry (Pusri) and Oil refining industry (Pertamina). The land use for medium-scale industry spreads from rubber processing industry, wood processing industry and as well as shipbuilding industry. The small-scale industry includes food and culinary industry, merchandise and textile industry on the Musi riverbank. Small scale industry is usually intermingled with the settlement area.
From the overall image of the land use pattern in the Musi riverbank area, it can be concluded that the image of the city cannot be separated from the existence of the river. The presence of the Musi River in Palembang gives image ability to the city as a whole and in which it provides the city with a potential ability to compete with other regions in Indonesia. The presence of image ability, which is based on its geographical advantages, was strongly argued by Lynch (1960) through his city observation. To define this, Lynch has argued that visual quality of the environment produces “mental images” held by the users. The images which are generated by the city and its Musi River are portrayed and directed on the framework of the City River destination. To be successful for this agenda, the municipality capitalizes the potential of the River starting from the utilization of water transportation and water tourism.

The potential presence of the River City is further developed for the Waterfront Cultural Zoning that accommodates cultural activities, education and science. Given this, the municipality is planning to commoditize the river as a cultural object or by orienting the development of science in the area to accommodate the cultural activities. There are two different approaches; first by developing the river area as an environmental riverfront that relies on the efforts to improve the quality of degraded environments, to make use of the potential of the environment that grows naturally. By utilizing this approach, the development of the area will be focusing on the preservation and conservation of the natural environment, as well as to use it as a city's natural park. Secondly, by increasing the efforts in conservation and historic building restoration in the area of the river bank, the city could gain more image ability. The historical context can be also developed with in the form of Riverfront Mixed-Use aimed at merging the functions of trade, recreation, housing development, and offices. Application of a mixed-use concept is an effort to unite the various interests, which generally become dilemma in developing urban areas in the riverbank.

The river is further developed as a part of an integral system with the city road network. This function is expected to reinforce Palembang as the “City of water”. The existence of the river border can be utilized by applying the concept of “waterfront”. At the present, the riverside area does not only serves the local users as a transport route and septic drainage system, but it is also becoming an increasingly important tourist attraction. Several ancient mosques, temple and rafting houses were built on the riverside. Transportation, commerce, government and tourism have all evolved along its riverbank, but as the city is becoming more modernized, the river gradually gave way to contemporary demands as mass transit infrastructure, in which new
developments have to follow. Even if over the past few decades the activity has slightly moved away from the river due to the expansion of the street network, the river still maintains its role as a transportation artery and its natural endowments have brought renewed interest, with redevelopment starting to emerge along the river banks.

The optimization and the development of heritage tourism by empowering the element of historical landscape allows the integration of local entity into the framework of Waterfront Cultural Zoning. Here I suggest a process of local commoditization, as one the the most profound ways of cultural preservation accelerates the meaning making of local powers, not only in determining its roles, but also in maintaining its assets. However until recently, the potential of Musi River related to its cultural tourism has not been used strategically in improving the welfare of the people.

Recent research conducted by Subadyo (2012), has justified the argument through the feasibility of the area as a sustainable cultural tourism precinct under the assumption that the cultural identity of the people living on the riverside has created image ability and identity associated to local authenticity. The research presented the availability and ratings of heritage artefacts and attractions assessed based on socio-cultural aspects of social and economic method by McKintosh and Goeldner (1986). The nature of her research is to gather the opinions and preferences of the public based on the results of interviews.

*Diagram 7.1  The framework of Sustainable cultural tourism in Musi Riverside
Source: Adapted from Subadyo (2012).*

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Subadyo (2012) has argued that it is important to obtain and select the cultural artefacts that exist along the corridor of the Musi River into landscape units supporting the development of the region. The touring system is proceeded as a form of spatial layout, which is easy to use by the users. This method is called the delineation of tourism precinct (Inskeep, 1991). The delineation of tourism precinct is interpreted as the form of cultural tourism development also to enhance public knowledge of indigenous culture stored in the corridor along the Musi River in Palembang. The result of the research provides an explanation that the condition of the corridor of the Musi River in Palembang gives a high potential to be developed as a cultural tourism area, mostly in the form of vernacular architectures and the cultural landscape.

According to Gunn (1994), the community's role in supporting tourist activity is an essential capital for both subjects and objects of tourism services such as a food vendors and tourist guides. The livelihood of people dominated by trade and services have the potential to support the development of cultural tourism area in Musi River corridor. Preferences, expectations and perceptions of the existence of Palembang Musi River are relatively homogeneous (Subadyo, 2012). These conditions demonstrate the degree of public support to preserve the landscape of cultural artefacts in the corridor of the Musi River and to develop it into a cultural tourism area. In order to do so, better accessibility is needed as well as more diverse tours need to be offered. The quality of the biophysical environment of the river (which is related to hygiene and environmental pollution) should be corrected by engaging and involving local communities into the planning, implementation and utilization.

Sport Stadium Jakabaring

In building the tourism space, Palembang city has to retrofit their built environment on a massive scale involving a complex mixture of transformation, preservation and construction. In Palembang, the urban redevelopment programs of the early 2003 had financed the clearance of massive dilapidated slum neighbourhood in the city center. The program had eventually facilitated the redevelopments of downtown districts and paved the way for later development of all kinds, including tourism. As the case study had revealed, the construction of infrastructure for tourism was often translated into the construction of a defended space that tourists could safely populate. In such context, the infrastructure of tourism should merge with the local spatial and cultural fabric rather than be clustered into well-defined tourism zones (tourist bubble). In recent years, planning for mega events has been demonstrated with the parallel rapid development of physical infrastructure. The building of tourist cities is translated into development of hotel buildings, improved transportation, and the renovation of historic facades, convention centers, sport venues and other entertainment centers.
One of the biggest tourist infrastructure developments in Palembang was the construction of a sport venue in Jakabaring. Indonesia hosted the biggest SEA Games event in Southeast Asia for four times; 1979, 1987, 1997 and 2011. The 2011 edition of the aforementioned sport event was hosted by Palembang. Prior to the event, the city has rapidly developed some of the services connected to the event. The funding of SEA games depended on regional budget for construction and accommodation with a total of 674 billion Rupiah (57.29 million U.S dollars) and 690 billion rupiah (58.65 million U.S dollars) from the state. The area of Ulu, known specifically as Jakabaring Sport city, is currently the largest sport complex in Indonesia. Jakabaring used to be a 410 hectares of swampy area before it was transformed into a spectacular sport complex following international standards. The facility serves 22 sport venues accompanied by athlete accommodations.

Jakabaring region is now an area of new development, built over the implications of the expansion of sorting and trading activities of local and regional scales, as in anticipation of the development in the central region this city. It has been developed as a new orientation for residents in fulfilling the needs with the aim of spreading the concentration of activities from the "old" downtown into a new service center filled with such regional functions such as hospitals, convention centers (Sriwijaya Promotion Centre, Dekranasda), a large-scale housing (OPI, TOP), sports center (Jakabaring Stadium), central market, government office (DPRD, District Police, Commission, the State attorney, BKN, etc.).

The development of infrastructure for the SEA games also triggered the overall economic development of the South Sumatra province. Due to its rapid physical construction prior to the event, the hiring of large-scale labor economic growth of the province has increased to 6.4 %. In. The construction projects such as newly built hotels had employed at least 4,000 workers for construction sites. Additionally, the activity in centers for the manufacture of souvenirs has increased (BPS Palembang, 2013). South Sumatra former Governor Alex Noerdin confirmed that the government engaged funds
for the construction of venues SEA Games in 2011 amounted to 1.7 trillion rupiah (144.5 million U.S dollars). When coupled with the Ministry of Public Works (PU), the total cost has reached 3 trillion rupiah (255 million U.S dollars). The construction of the sport venues was all third-party assistance from private and state-owned enterprises without the use of budget funds. One example is the construction of an athletic stadium where the funds came from the Pertamina Company, which figure is estimated to be roughly 80 billion rupiah (6.8 million U.S dollar). Regardless their scarce resources, corporate interests have substantially contributed to the public private urban growth coalitions. Governor Alex reassured the public that the budget allocation from central state will continue following the annual budget provision (Sumatra Express, 2011). Infrastructure development indeed can generate short-term employment, particularly through the construction phase, and may generate some employment in the longer-term though in the case of event employment much of it will be part-time or casual and low-skilled. The successful contribution of such facilities to job recreation will depend on the policy of training and employing human resources within the target area (Hall, 2006).

The implementation of SEA Games XXVI in Palembang, South Sumatra, was expected to boost long-term investment in the region. Increased local investment climate is also supported by the improvement and upgrading of infrastructure to welcome the Southeast Asian level sporting events, such as a widening of the main road, expansion of the airport, railway station improvements, and the addition of rapid transit bus (Sumatra Express, 2010).

**MICE (Meeting, Incentives, Conference, and Exhibition) centers**

Just as cities try to re-invent themselves as the sport venues, they also seek to become meeting centers for conventions for outside visitors. Meetings, incentives, conferences and exhibitions (MICE) are a highly promising area of Indonesia's tourism industry that the government is keen to develop further through the Wonderful Indonesia on-going campaign. It is not only known as a service industry but also as one of the fastest growing sectors of the tourism industry (Dwyer and Forsyth, 1997). Visitors are the key to revenue sources to finance and operate the convention center by their occupancy of hotels, their place at restaurants tables and so forth. For the local economy, the MICE tourism industry has a major role to play as such tourists spend on average 5 times more than leisure tourists however its role in developing the regional economies outside the major cities will be limited until transport links make day trips for business travelers a viable option.

MICE tourist arrivals to Indonesia represent about 1.34 percent of the total arrivals, and carry 181.29 million U.S. dollars, or about four percent of total tourism revenue in 2005. MICE tourism market share increased to 3.37 per cent in 2010, and tourism revenues has contributed by 27 percent. The multiple effect of this industry lies on its dependency upon different sectors such as trade, transport, travel, leisure, accommodation, food and beverage, venues, information technology and finance as it is described as a multifaceted industry (Dwyer and Mistilis, 2000).
Table 7.1 Indonesian MICE Tourist
Source: Indonesian Ministry of Creative Industry and Tourism Annual report, 2012

The Ministry of Tourism and Creative Economy has further launched a strategic plan, which sees further development of MICE destinations as a key factor. Other priorities are boosting destination marketing through government and private sector initiatives, special interest tourism, cruise and marine, spa and wellbeing, shopping and culinary. The plan will realize the special economic zones created to foster international and domestic tourism. Then prime MICE destinations are targeted for further infrastructure development: Medan, Palembang, Batam, Jakarta, Bandung, Surabaya, Jogjakarta, Bali, Makasar and Manado. Four further destinations have been identified for smaller scale development: Palembang, Balikpapan, Lombok and Solo. The Government’s decision to amalgamate tourism and the creative economy in one ministry associates tourism development with the networking of IT, communications, design and other creative industries. However, the most critical factor in receiving more number of MICE number is determined by its MICE infrastructure. Most of the MICE destination apart from Jakarta and Denpasar do not have a dedicated Convention and Visitors Bureau despite of the promises from the authorities to tackle the issue (Indonesian Ministry of Tourism and Creative Industry, Progress Report, 2012).

A simple concept of MICE can be interpreted as an effort to develop adequate infrastructures of meeting international standards, so it could be used to organize large events such as conventions and international exhibitions. Though the impact of MICE development for the regional economy and the increased length of stay of MICE travelers need to be studied in greater depth, it is clear that the presence of MICE will boost the local economy. An indication of the importance of the development of MICE can be actually perceived from the lack of meeting place in Palembang. Development of Palembang as a MICE destination city is already in line with regional structuring efforts that have been undertaken. As their result, Palembang was awarded as a sustainable city model by the Minister of Public Works, for example by the program of retaining water supply and slum upgrading. The implementation of Visit Musi 2008 should also
be used as the inauguration of Palembang as a MICE destination. According to Clark (2004), the main prerequisites of the development of MICE are; infrastructure (the availability of venues that can accommodate various activities in a variety of scales); environment (clean, organized and comfortable for organized activities nationally and internationally); security as the deciding factor on tourist arrivals; culture, as the main supporting factor that should be the hallmark of the city; leisure, as a support infrastructure for participants to spend more; Human Resources, with international service standards (fluency in foreign languages).

The secretary of South Sumatra tourism office, Arifin (Quoted in Sriwijaya post, September 2012) has claimed that half of the tourist arrivals to Palembang in 2011 came from the MICE sector. Similarly, the Central Statistics Agency (BPS) data reported that 3.2 million tourists arrived in the province in 2011, the last year for which statistics were available. The number of foreign tourists to the province was 42,953 in 2011, which has increased from 30,003 in 2010. The largest number of foreign tourists coming to the province is from Malaysia, followed by Singapore and China, mainly due to the opening of direct flights from the three countries to Palembang (Palembang in number, tourist statistics, 2012).

For the purpose of directing Palembang to become a tourist destination in MICE sector, Berman Lubis, the director of MICE of the Ministry of Tourism and Creative Economy has prepared some MICE supporting development programs enabling the city to become one of the potential destinations. With the support of the government, the MICE sector can contribute significantly in the development of infrastructure in the destination (quoted in Sriwijaya Post, September 2012). In most destinations, the private sector alone is reluctant to be part of the development of MICE as infrastructure developments such as roads, bilateral agreements, land acquisition and building permits, and development of convention centers rest on the decisions and financial support of governments. Investors would be more likely to invest in the development of the MICE sector if they have government support. However, there should be an anticipation in regulating the involvement of investors. National wide, investment in the tourism sector were currently 70 percent controlled by foreigners. Local investors, in the other hand, could only compete in the small to medium class sector (Wiryanti Sukamdani, head of the Indonesian Tourism Promotion Board /BPPI, quoted in Jakarta Post, January 2015).

Local sectors that are considered as the most impacted by the MICE tourism are the sectors related to investment such as construction and trade, hotels and restaurants, plus the supporting sectors, namely transport and transportation. Attendees of MICE activities are known as high spenders that meet the needs of yield driven tourism strategies (Braun, 1992). Business tourists spend more, not only on hotels and restaurants but even on leisure activities such as visits to retail and local attractions such as museums and theaters (Clark, 2004). In fact they have been found to spend three times more than an average leisure tourist (Campirano and Arcodia, 2008). Therefore, the growing of MICE industry usually generates the increasing of hotels development. MICE concept in this context is not merely to develop the hospitality sector as a "place to stay", but rather as an integral unit of services aimed at supporting the implementation of major events of exhibitions, conventions, trainings and meetings. The role of the industry is now positioned as the main driving motor of tourism in many developed and developing countries.
7.2 Economic implication

Central to the tourism policy is to encourage business investments and activities, which aim is to promote the positive city image. Large-scale projects which are often referred to as real estate development reflect two dichotomy of urban planners versus urban scholars: flagship development as panacea to revive the city on the contrary to flagship as an oblivious solution of urban revitalization since the development is spatially specific and based on profit potential. Tourism and Culture Planning Board and the legal framework carry on their own related issues and have increasingly adopted the style of entrepreneurial approach and place marketing.

7.2.1 Tourist Arrivals

Since the New Order, government’s tourism industry was one of the sources of foreign exchange for the country. Indonesia ranked only 4th in ASEAN with regards to foreign tourists in 2006, after Malaysia (17.5 million), Thailand (13.882 million) and Singapore (7.588 million). Foreign tourists visiting Indonesia in 2007 were estimated to be 5.5 million with a foreign exchange value of USD 5.3 billion, and it increased to 13% compared to 2006 by $ 4.8 million with foreign exchange value of USD 4.448 billion (Indonesian Tourism Statistic Bureau, 2012). Compared to other neighboring countries in ASEAN, Indonesia is facing a dead-end strategy in terms of tourism (Indonesian Ministry of Tourism and Economy Report, 2012). The issues are varied from the accessibility to tourist destinations, image of the country, land, air and sea transportation, immigration, lack of coordination across functions and sectors, issues of marketing, decentralization, human resources (HR), standardization of hotels and restaurants, weak stakeholder support, and so on.

In 2000, the number of foreign tourists visiting Indonesia has reached 698 million people and was able to create a revenue of USD 476 billion (WTO, 2012). As an illustration in the number of domestic tourists (domestic tourists) in 2010, it has reached 7 million by spending USD 7.7 billion. This number will increase with the development of accessibility to the tourist destinations. On the basis of these figures, tourism is categorized into the world’s largest industrial group, approximately 8 percent of exports of goods and services, in general comes from tourism. Tourism has become the largest contributor in the international trade of services sector, with approximately 37 % including 5-top exports categories in 83% of the countries of the WTO. It is the main source of foreign exchange in Southeast Asia tourism, which contributes to 10 -12 % of GDP and 7-8 % of the total employment (WTO, 2012).

The dominating tourist destinations also began to change. In 1950, 15 major tourist destinations in the world were mainly concentrated in Western Europe and North America, which has brought 97% international tourists all over the world, by 1999, this number has decreased to 62%. The rest top destinations spread out in various parts of the world like East Asia, Eastern Europe, and Latin America. Together in East Asia and the Pacific, 122 million tourist arrivals was recorded with the highest tourist arrival achieved by China with 31.29 million visitors with foreign exchange earnings of USD 16.231 billion. While the lowest is Japanese with 4.757 million arrivals and with foreign exchange of USD. 3.374 billion. Indonesia is ranked as the eight most visited country by 8.064 million USD earned in foreign exchange of USD 9 billion (in
The future of tourism industry is promising especially if it is linked with the number of international tourists (inbound tourism) estimated by WTO that out of 1.046 billion people (in 2010) and 1,602 billion people (2020), 231 million and 438 million people of which are visiting East Asia and the Pacific, which means the tourist destinations will be able to create a revenue of USD 2 trillion by 2020. (WTO, 2012).

The three subsectors of trade, hotel and restaurants contribute significantly to the GDP growth in Indonesian economy. In the year 2005 and 2006, the subsector's growth has reached 8.4% and 6.1%. Between 1997 and 2006, trade sector has reached the highest growth. Subsector restaurant was in the second place with 5.7% growth in 1997 and slowly increasing in 2005 with 5.8% growth only to be decreased in 2006 with 5.4% growth. Hotel subsector was also facing the similar trend; it has increased in 2005 to 6.7% from 3.0% in 1997 and again it has decreased into 2.9% in 2006. The number of tourist arrivals in Indonesia continued to increase since 2006. A total of 8.8 million foreign tourists visited Indonesia in 2013 and then it grew to 9.4% in comparison with 2012 (Indonesian Tourism Statistic Bureau, 2012). Currently, the number of tourist visits in Indonesia is ranked third in Asia in the hospitality sector. Indonesia will build another 149 hotels with a total of 23,778 rooms or 7.7% of the total of 2,063 hotels in the Asia Pacific region. The number of hotel development in Indonesia is the third largest after China and India (STR Global, 2014).

The hotel subsector is influenced by the tourism climate in Indonesia. The average growth of foreign tourists per year was 17.6% (1988-1995) and it has significantly decreased to -16.6% in 1997 due to the economic crisis in Indonesia. Tourism industry is the sector, which is strongly linked with the community and political life, thus the tourism development strategy has to include the social development approach along the tourism sites. According to Soekadijo (1997) the tourism industry's development in Indonesia has to pay attention to several important aspects; to improve the community's welfare by opening the entrepreneurship opportunity and job opportunity; to realise the sustainable tourism industry so that it brings advantages to the social culture value of the society; to improve the market opportunity; in general to create a productive climate for the tourism industry.

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62 Signs of the crisis began to appear in July 1997, following the rupiah exchange rate against the dollar, regional currencies began to experience the depreciative pressure and continue to fluctuate due to political issues in Indonesia that triggered the negative sentiment.
Diagram 7.2  International Tourist arrival in Palembang year 2011-2014 through Air Gate, SMB II Palembang Airport
Source: Beaureu of Statistic Palembang, 2012

Palembang received the highest amount of international tourist arrival in 2011 when the city hosted the SEA Games event. November 2011 was the peak month since the event was held for 12 days from 11 until 22 November 2011. Sixty (60) % of Palembang international tourist came from Malaysia, followed by 20% of Singaporean tourist (See Diagram 7.1). Malaysian tourists are generally familiar with Indonesia’s culture because of the geographical proximity. Malaysian market is interested with the luxurious lifestyle products such as spa, playing golf and food festivals. Malaysian market tends to demand the clear informations in regard with tourism inititiary package through the travel agencies as well as demand of high quality travel accommodations. Singaporean market uses Palembang as a “short haul” destination. Singaporeans are more attracted to cultural activities, and specific interest on nightlife events. They could accept modest accommodation standard (as well as Losmen or Homestay) and are interested with local products.
Diagram 7.3 Tourist Arrival in Palembang

Source: numbers from Palembang’s statistic book of 2011, data compiled by author, 2013

The trends during the years 2005-2012 show the sign of subtle growth by the improvement of expenditure rate in hotels, restaurants and trade. The growth in expenditure increased by 7.76% per year and was showing a positive trend every year. The increasing number of foreign tourist is accommodated with the supply of rooms for overnight staying. The number of five-star hotels in South Sumatra province during the last 5 years has doubled; there were 31 units of stars hotel in 2010 that increased into 68 stars hotel in 2014. The five-star hotels are located mainly in Palembang, while others are scattered in six sub-municipalities (BPS Palembang, 2015). Room occupancy rate of star hotels in South Sumatra Province for five years from 2010 to 2014 had been fluctuated. Star hotels in 2010 have room occupancy rate of 55.59 percent, and reached its peak of 56.58 percent in 2011.

In total there are 12 hotels of 5 and 4 stars and over 63 night accommodations in Palembang with the total of 2,336 rooms. The number of rooms is the highest in the downtown. Several other large hotels spread across the area attached to the linkage network. For the expansion outside of the city center, the problem of its accessibility needs to be considered. If the transport infrastructure is limited, the destination may be at a disadvantage compared to major global chains (Dwyer and Mistilis, 1999). Using the existing infrastructure for an increasing demand in the tourism sector can add burden to the same infrastructure (McCartney, 2008). Having an inadequate venue infrastructure could lead to poor quality of product and service, if no new facilities are built and the existing ones not upgraded. In general it is concluded that the development of hotels in Palembang still follows the traditional development pattern without any bold innovation.
7.2.2 Tourism Investment

As it has been exposed in the previous chapters, Palembang has introduced and promoted international mega-events in recent years, starting from the Visit Musi in 2008 and SEA Games in 2011. The branding of the city contains the process of commercialization of tourism products to geographical attractive locations, which is conveyed in the effort to advertise the selective image branding. In the context of economic diversification and market revitalization, tourism industry is undertaken jointly by tourism associations and other collaborative bodies that have developed a representation of institutional structures. It consists of small-medium sized entrepreneurs, who are actively engaged in public relations, participation in fairs and exhibitions. Such efforts are made as a way to reduce the costs connected with spatial and cultural distance and also result in significant economies of scale (Mckinsey, 2003).

The impact of regional autonomy policy has conveyed in the state budget in order to implement the regional development and government programs. Each region must have an independent business that can prosper for the people to raise the economy of their own country. Sources of funding can rely on crops, small businesses and one of the largest sources of tourism industry.

As the fifth largest province in Indonesia by land area (from 1986, it has 104,000 sq km), South Sumatra’s population has grown at about the same rate as the average for all Sumatra but considerably faster than that of Indonesia (Evans and Hasibuan, 1991: 455). This high growth is explained by the fact that it has been a destination for trans-migrants since the 1930s, even if the social infrastructure in the province has at times been unable to meet demands of this population growth (ibid). Palembang is one area that gives a major contribution to the economy of South Sumatra province. It has number of potentials that supports the accelerated growth and development in region due to several reasons: 1) Palembang is located on the main network of highway, which connects Java with other provinces in Sumatra; 2) The development of the port in Palembang, which serves as the main containers
distributions connecting Java, Malaysia, and Singapore; 3) The development of the railway network in Kertapati to Lubuk linggau and the possibility of the development of the railway network from Kertapati to Jambi in order to expand the power circuit of between Sumatra and Java and to improve the intermodal transport of travellers and goods.

These three factors altogether provide locational advantages for the city in giving the solid accessibility on trade and service industry as well as the marketing of products that are produced by the city. The economic structure illustrates the contribution of each sector in the formation of Gross Domestic Product. The economic activities are related to the production and consumption that are affected by the amount of the distribution of dominant economic sector (as much as 10%). The economic growth is influenced by the number of productive inhabitants, the amount of capital stock, the natural recourses and the level of technology that is being used. The economic resources in Palembang is categorized into three main sectors; the primary sector (agriculture and mining), the secondary sector (manufacturing, electricity and building), and the tertiary sector (trade, finance, service and tourism). The cumulative evaluation from the last five years indicates that the tertiary sector gave the greater contribution than the secondary sector. It indicates the tendency of the dominance of the tertiary sector in the future.

The structure of the economy in the early 1970s was conditioned by the provincial resource base, particularly its oil and tin deposits and associated processing activities. Oil refining and tin processing had been established before the independence, while the country's first fertilizer plant was constructed at the provincial capital, Palembang, in 1964. Similarly, the agricultural sector was more outward looking than elsewhere in Indonesia, with export commodities such as rubber, coffee, pepper, and timber compromising a much higher proportion of total agricultural output than in other provinces (BPS Indonesia, 2012). The manufacturing industry in the 1980s, for example has contributed to the economic revenue in Palembang. The strong mining base initially fostered manufacturing growth because of the forward linkages in processing activities. The growth of manufacturing has also stimulated other industries, most notably construction in the region. Important examples include Pusri’s extension, the Baturaja cement plant and Pertamina’s aromatic plant in 1985. Trade, banking, and transport sectors have also benefitted from the last decade of manufacturing growth, although their most rapid growth occurred after 1990, a period coinciding with a slowdown in manufacturing.

Before the decentralization, the profits of the export earnings were repatriated to, and their losses absorbed by the Jakarta municipality. Nevertheless, the performance of the province non-agricultural exports had an indirect impact on the local economy since they affect central government revenues. Consequently, while South Sumatra has been a significant net contributor to the central government, its economy has to some extent been insulated from sharp fluctuations in international commodity markets (Evans and Hasibuan, 1991:457).

Tourism itself has witnessed spectacular growth since the mid-1980s. While Indonesia has always been famous for the resort tourism in Bali and many other cultural attractions, tourism flourished in the 1990s as the consequence of declining oil prices. For the decade as a whole, Indonesia recorded the highest rate of growth in inbound tourism out of any other ASEAN countries. Tourism emerged as a major source
of economic growth alongside that of manufactures. Visa-free entry for nationals from many countries was introduced, and points of entry for international airlines extended. The infrastructure investment of international airport in Palembang, has followed this trend of the “growth triangle”. One of the significant developments of the industry is its amenities, including a range of accommodation facilities, as well as a proliferation of training programs and institutes augmented the skills of the industry’s workforce.

Palembang’s economy is dominated by the tertiary and secondary sector (trading and service), contributing to city’s GDP by more than 98% (BPS Palembang, 2012). It states that these sectors are capable of inducing the high multiplier effect on the other sectors as a basis compared with the other sectors in the region. The manufacturing industry cannot be separated from the role of oil and gas industry sub-sectors, fertilizer industry and rubber products. On the other hand, trade, hotels and restaurants sub-sectors are supported by the retail industry. Modern retail in Palembang is expected to continue to grow strongly over the next few years. While growing steadily, the modern retail landscape remains increasingly fragmented as consumers rely on multiple channels, such as convenience stores, hypermarkets, supermarkets, department stores and shopping malls. It is expected that the traditional retailers should continue to invest in improving customer experience and distribution quality including better product assortment and availability (Palembang in Number Report, 2010).

The investment climate in Palembang nowadays is getting boosted in comparison to the conditions before the decentralization. Local autonomy stimulated the investment through various development programs which are attractive for the potential investors. Following that, the property developers will influence the transformation of the Palembang urban landscape as they began to be in charge in establishing more detailed visions on the city center for the economical, physical and supporting facilities. For example, the investment in tourism industry have been recently encouraged the cultural heritage preservation and the policy in allowing private enterprises in full managerial position (Palembang Tourism Development Planning Report, 2005).

One indicator of the success of the recent investment policy is the growth of tourist infrastructures. Within the last years, the investment policy has influenced the institutions that serves as promotional tools for a regional economy development. However, it is not just the local authorities trying to attract the capital of private investors, but also property developers competing for development projects in city center at the same time. The property actors in general have interest in upgrading projects because their main goal is to achieve a profitable return on investment in tourism infrastructures (e.g. the maintenance of tourism supporting facilities are mostly given to the private stakeholders).
A significant impact in the investment trend is the rapid growth of nearly 60% from 2005 to 2010. It renders the promising performance of attracting investors through the provision of credible local regulation and annual budgeting that is seen as a solid indicator of the local governance's collaborative approach. The investment of complementary infrastructure that improves the accessibility and provision for tourism, has contributed to the city's attractiveness. Following this, the municipality has opted for optimum allocations that would allow the investment contributes to the well-being of the community. Local enterprises in general have a positive interest in upgrading the city centers, since their main goal is to earn a satisfactory income during the process. The challenge is in generating sufficient employment for the labor market in demand for low skill workers in the simple services enterprises.
In regard to the cooperation of strategic actors in urban development process in general, local entrepreneurs rather than multinational businesses are the main collaborators. However, the local private actors often give pressure towards a progressive investment by deciding themselves where to invest and are consequently reluctant to invest in deteriorated areas lacking urban infrastructure. According to BPM in Palembang (Badan Penanaman Modal / Investment Regulatory Body) the investment agendas aligned with this program are the modernization of under privileged neighbourhood in city center through riverside revitalization. The local authority puts more efforts in providing access to capital for small and medium enterprises that is subsidized as the most investment focus see table 7.7

Considering the possible reinforcing, supporting as well as contradicting interests, their input might synergize as well. By cooperating in the plan-making process, the groups of strategic actors are acting on behalf of their interest to reinvent the city center as a space for contemporary consumerism. The combination of commerce and recreation in city center has inspired the municipal government to embark on some other ambitious projects. Two (2) km of land in the riverside area to create waterfront are to be created, even if it means the need to relocate the riverside community. On this area, mainly tourist facilities are projected, such as hotels, parks, tourism facilities and shopping centers. The municipal government has expressly opted in favour of land acquisition, which increased construction costs and delayed to the realization of the project.

7.2.3 Retribution of tourism development

The potential of tourism in Palembang attracts many tourists to visit the international and well-marketed events. For sport tourism, it was demonstrated through the redevelopment of Jakabaring area and the continuity of its sustainable usage. The first advantage of such development is its ability to create jobs and revenue. The implementation of sports competitions requires large amounts of committee boards to oversee the implementation of the competition in order to succeed in both the competition arena and events outside of the competition arena. Each participating country must be accompanied by a Liaison Officer (LO) to ensure that the participants’ needs are fulfilled during the competition of a visit to the tourist attractions. According to Daniels, et al (2004) LO is one of the types of jobs that provide maximum services to the needs of the competition.

<table>
<thead>
<tr>
<th>Detail</th>
<th>Development of Tourism Business Revenue</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>2009</td>
</tr>
<tr>
<td>Target</td>
<td>163,491,000</td>
</tr>
<tr>
<td>Realisation</td>
<td>117,044,000</td>
</tr>
<tr>
<td>%</td>
<td>71.59%</td>
</tr>
</tbody>
</table>

Table 7.8 Target and Actual Revenue of Tourism Business Development in Palembang, 2009-2011
Source: Dinas Pendapatan Daerah Kota Palembang, 2012

63 The two major local investors who will build in the industrial area in Gandus and Indonesia Tourism Development Corporation (ITDC), for the investment of hotels in the banks of Musi River (Antara Sumsel, Palembang 28 Augustus 2015).
The second advantage is the profit for local companies based on services/service economy. Hospitality requires for instance good transportation services by air, land and water. Based on the arrival of the tourists, hotel occupancy rate will increase to a maximum. The third advantage is the increase of the tax revenues through the local companies involved in sport tourism. In calculating the amount of revenue, the development of tourism business service components was taken into account based on the number of retribution from tourism development. From the analysis, the revenue from the construction of tourism business services, both targets, and realization of revenue showed a positive trend with the increasing nominal, only if the target for the upcoming year remains the same to meet the increased realization (the target of 2010 and 2011, see table 7.8).

The fourth advantage is the multiplier effect of the increase of amount of investment in infrastructure and sports facilities. From the number of physical development in the city of Palembang especially when preparing the SEA Games 2011, many new hotels were built. Also the JSC (Jakabaring Sport Center) is being reused as Palembang Sport and Convention Center (PSCC) for indoor volleyball or event such as music concerts.

Whether the development directly improved the welfare of the inhabitants in South Sumatra, poverty and unemployment reduction is still unclear in South Sumatra. However, the estimation of the impact can be studied through the data of social welfare on poverty, unemployment and economic growth. The data is selected within the period of 2010-2014, where the major events are hosted in Palembang.

![Diagram 7.9 Poverty and Unemployment Rate Condition in South Sumatra Province in 2010 through 2014.](source: BPS Province South Sumatra, 2015)

Based on the above diagram, it can be seen that the level of unemployment and poverty in South Sumatra province within this period is decreasing. From the year of 2010, the rate of declination was by 0.65 percent for the poverty and was 0.76 percent for the unemployment. With the assumption that all other variables are fixed as in the
period 2010-2014, it will require more involvement of major events in the province of South Sumatra in order to accelerate significant developmental improvement.

In the following year, the survey carried out by BPS of South Sumatra (BPS of South Sumatra, 2013) revealed the direct implication of SEA games to the inhabitant of Palembang city. With the sampling of 1,500 respondents from all the districts, the study suggested the importance of cultural dimension related to the place-making this event has created. The SEA Games received a very positive response as 97.5% by adolescents, adults and the elderly, men and women with diverse types of works. As much as 57.2% respondents claimed that they have benefitted from hosting the SEA Games, while 14.3% claimed to be involved indirectly to the implementation of the event. The highest engagement rate was from the respondents who work as Army/Police (54.5%), then students (25.5%), civil servants (18.3%), daily laborers (12.8%), and private sector (5.6%).

7.3 Summary

Although through the past few decades tourism has become increasingly essential for the economy, the shift on political climate remains the main challenge in tourism development. The implementation of regional autonomy has created the vast possibilities of various scenarios for the regional development; localities have been assigned with a new responsibility to govern and manage their affairs but consequently, tourism became a state ministry rather than a department, which led to the reduction of funding and human resources. One of the weak points in the tourism industry is the ability of the bureaucracy that is far from adequate resulting to the deficient planning of tourism programs, regulations and failing to establish the cross-sectoral coordination.

To extend the cluster of tourism infrastructure in the city, the appeal of place is a relevant factor in the dynamics of the tourism economy. After investigating the concept of tourism planning at the different levels (regional, local and site planning), the consideration of international level policy in including international transportation service, the joint tourism marketing and cooperation between sectors of member countries proved to be crucial. The imperative for an international networking policy is among other things, based on the hard location factor parameters. Specifically in Palembang's case, its geographical situation has given the access to the joint infrastructure establishment between the neighbouring countries. This condition had helped to define the market potential in order to strengthen the regional strategic planning, e.g. border tourism, free visa and new direct flight connections.

The physical setting of tourism destination in the local level determines the context for urban experience as a part of the local context. Thematic zone in Palembang is used as an excessive method for the authorities to sort out, distribute, regulate the differences in market segmentations and to inventory the tourist movement connected to the network system of internal flows and external linkages. Thematization is not only reflected on the theme park, but thematization of urban space is also a consequence of it. The meaning of the traditional public space is substituted by the relaxes and vibrant atmosphere created by the people's movement and activities in
shopping centers, inner city attractions, restaurants, stadium and also theme parks. Thematization of urban space is what particularly symbolizes the “tourism bubble” concept, however without trying to detach it from the cultural local setting. Having that said, a cultural thematic zone in Palembang involves various actors trying to renegotiate power within local, national and global context and gain access to the future development projects. What is clear is that thematization reflects the way authority deal with the diverse cultural identity as it tries to compensate its legitimation under the prescribed representation (of territory and urban stereotypes).

In the recent development of Palembang’s urban planning, several urban projects include tourism and leisure facilities. If it is viewed from the existing potential, Palembang has social, cultural and natural resources that can be utilized as tourist attractions. At the same time, many urban development projects and strategies in Palembang are gradually formulated in order for leisure, to be produced, packaged, marketed and eventually consumed. A key aspect of this motivation is the assumption that such development will have a cumulative effect as a catalyst for further business activities and of other initiatives.

“Tourist bubble” in Palembang context, paradoxically depicts the counteraction against the “de-territorialisation” of attraction from its local context, since social activities and tourism cannot be separated from each other. The element of visitor movements (also known as mental maps), as one form of spatial interaction within a tourist precinct suggests the relationship among these tangible entities is occurring between visitors, space and social practice. The spatial configuration of specific site planning represented in their physical structure (e.g river tourism in waterfront area) forms an arena for the experience of visitors.

Creating diverse tourism spaces that are unique and multidimensional is required in order to avoid the over-represented, homogenous and commoditized tourist city. The potential of tourism in Palembang can attract many tourists to attend of such integrated international and well-marketed events. The suggested pathways for improving the planning process of tourism infrastructure also involve the adoption of strategies that benefit and broaden the community’s role in the tourism development. Planners should be aware of ways to increase the size of local multipliers by raising the indirect effects of the tourist expenditure. Local entrepreneurs who have access to the local supply chains can stimulate the local community. And moreover, they may be able to increase the financial impact by encouraging the development and the use of support industries. The idea of using supply chains to stimulate regional economic growth is one of the most significant ways of ensuring that tourism contributes to sustainable socio-economic development (Tapper, 2001:360 in Mascardo, 2008).

Whether the development directly improved the welfare of the people in South Sumatra or not, the issue about reducing poverty and unemployment remains unsettled. However, the survey carried out by BPS of South Sumatra in the following year revealed the social implication, if not economic, of SEA games to the inhabitant of Palembang city; the study suggested the importance of cultural dimension related to the place-making this event has generated.
Chapter 8.
Conclusion and Discussion

8.1 Revisiting the state-of the art: Tourism as a tool for place-making

Xavier Antich, a Catalan philosopher, in his lecture entitled “Tourism, City and Identity”\(^{64}\) has expostulated tourism and its relationship with the city. He emphasized the importance of thinking the model of the city before asking what model of tourism it should have. Antich believes it is inadequate to investigate whether tourism is damaging or enriching the city, and therefore, to overlook the real important question: what kind of city do we want? The researcher has come up to the interpretation that in its definition, tourism in the city retains a relationship between space and human experiences within a specific local context. Tourism place-making involves the reciprocity of urban dynamics: cities take on tourism as a reference model of development, and tourist areas adopt the proliferation of cultural lifestyle to meet the industry's demands.

That cities take on tourism as a reference model of development is reflected by the substantial growth of tourism-related infrastructure. The growth of tourism depends on the interconnected flows of goods, services and financial capital brought by globalization and activities related to urbanization. The “central place” theory suggests that cities, which are exhibiting a major urban hierarchy within global interconnectedness are benefitted to attract more industries based on their ability to supply a wide range of services and higher concentration of talent and resources. This tertiarization of economy, or the growth of services, has consequently impacted on spatial configuration, where places are defined as an effective heuristic framework of packaged local cultures and natures of everyday life. The diversification of consumption activities enhancing the tourism experience in urban landscape is also referred to as “consumption of leisure”. People often see it as the elicit product of postmodern cities, where urban destinations provide the context for a diverse range of social, cultural and economic.

That tourist areas adopt urban dynamics to fulfil consumer demands is explained through the desired objective in urban restructuring to provide more tourist attractions. The supply side of tourism production (leisure-products) has raised the conceptual issue of transformation of cities, public space and the process of creating specific forms of urban consumption for tourism. In other words, tourism tends to appropriate the spatial outcome of global standardization in the local level and the spatial configuration brought by urbanization understood as an inherently uneven process leading to geographic disparities between urban and rural areas, center and periphery, and between cities.

Now, the question is whether tourism, as a tool for place-making, has also exacerbated existing forms of social and spatial equality or provided new capital opportunities for marginalized areas? The researcher posits the critiques of urban geographers, sociologists and economists (McChannell, 1973, Urry, 1990; Harvey 1994; Zukin 1991,1995; Page and Hall 2003) in exploring the fundamental consequences for populations whose living areas and local culture have been commoditized into a place

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\(^{64}\) Lecture on 25 April 2015, translated by Julie Wark in Publicspace.org
of attraction. However, the reversed opinion by other scholars (Sassen, 1991; Hoffman, et.al, 2003; Cvetkovich and Kellner et.al, 1997), suggested that tourism development, on the other hand, is giving rise to the new forms of cultural capital by and to the community in presenting the authentic local life. This was described by Jacobs (1984) as authentic urbanism. In this research, tourism place-making is interpreted as a niche marketing represented by the innovations and creative ways that value human capital and strengthen local economy.

The ways such opportunity is negotiated by the local community to enhance the value of previously non-marketable places were explored within the process of localization. Following that, the commoditization process depends largely on the set of regulations, which allow an active contribution of the local community into the planning mechanism. Since local communities have been subject to the proliferation of global tourism, it was crucial to explore the interrelation of global dynamic with local nuances (Sofield, 2001; Cvetkovich and Kellner et.al, 1997; Castells, 1983). Implicit to this argument is the assumption that globalization will eventually result in cultural standardization, thus materialize the locality as a cultural property. However, depending on the collaboration of the social collectives and regulatory bodies, cultural globalization is more likely to emanate in generating and endorsing authentic heterogeneity as an attribute as much inherent in its logic of standardization.

The process of commoditization was explored within the regulatory framework of tourism in Palembang. The regulatory background, e.g. decentralization policy, serves as the legal basis of the tourism development and its implementation in local action. The culture of the city is considered as the authentic “soft factor” for the promotion of the city. Cultural consumption concept has become one of the most prominent branding tools in competitive national/global structures. The branding of destination extends the commoditization and localization process as two mutually reinforcing entities, which are conveyed in the selective image-branding.

Palembang has integrated the initiatives of preserving local culture into the urban tourism policy during the decentralization era. Within the urban scale, thematic zone is one of the main approaches created, which aim is not only to allow tourists to experience the authentic local culture but also to empower the aesthetic expression of the community. This local initiative requires a set of animating devices for operating the complex relation between actors, structures and networks. The overall tourism-related activities have proven to be multidimensional as a manifestation of the needs of each stakeholder: the agents of authentication were involved in tailoring local products of representation of heritage and culture; aesthetic and heritage networks were maintaining the production of culture and traditions, and the Tourism and Culture Planning Board has increasingly adopted the style of entrepreneurial approach and place branding.
8.2 Reflection on the Research design

Methodology

In this research, in keeping a holistic approach, the proposed research has utilized multiple methods, which is a combination of quantitative and qualitative research, i.e.; case studies, open-ended questions, and structured or semi-structured interviews. This combination was done in order to understand the macro and micro politics of meaning making. The research is based on case study, which is a method focused on particular characteristic of specific area (Denzin and Lincoln, 1994). In case studies, the type of knowledge that can be obtained are; a) describing the object or phenomenon—not only its external appearance but also its internal structure and its earlier phases of development, b) explaining the reasons why the object is as it is, c) predicting the future of the object and, d) planning improvements to the object or to other similar objects or gathering opinions about related object. Based on these frameworks, this research is conducted by performing the combination between interpretive and descriptive case studies to be able to tackle the limitation of case studies.

Framework

As the contextual base of this research, the localization is explored in order to understand the construction of local images, where places have been transformed by the development of service occupations and tourism industry as the consequence of globalization (Urry 1995; Castells 1996; Harvey 1989). The localization is commonly represented by its particular pattern that invokes a sense of familiarity, uniqueness and authenticity. The notion of localization entails the spatial eclectism in post-modern society, where patchwork of cultural symbols and properties are commoditized as tourism property. The researcher elaborates her understanding of place-making and localization by illustrating the expression of local aesthetic where local activities and values transcribed in urban space made use for tourism such as; community connection, image and identity, and informality. Tourism from below puts the emphasis on the participation of local people and groups in creating the “framing strategies, symbols, aesthetic codes of expression” to stimulate cultural intervention and promote tourism at a grassroots level. Localization can be also defined as a process by which local actors and organizations appropriate “global” trends and symbol to reinforce “local” attitudes and inscribe “local” meaning into cultural production.

Commoditization process illustrates the valorisation of places and local attributes that are restructured as a mean of consumption. Especially where people can actually experiencing the social relation (both visitors and locals) to obtain goods and service. Being a form of service industry, tourism retains the idea of trade with the objective of revenues. The products provided for tourists by a city has constructed what we call “urban experience”. Urry (1995) has considered how places have been transformed by the development of service occupations and tourism industries. The cultural commoditization becomes the main scheme for the development of urban tourism, that is the alibi for the local authorities to promote projects that combine the allocation of cultural resources with physical and environmental renewal (Mir, 1986; Evans, 2001; Evans and Shaw, 2004, Murayama, 2007). Tourism from above is responsible for regulating the capital flows, communication and transportation
technologies, and legal modes of governance and regulation that have evolved over time to encourage travel and coordinate different forms of tourism and entertainment. In this research, globalization implies the agglomeration of social and geographical interconnectedness and an accelerated mobility of people, capital, information and cultural symbols.

8.3 Relevance of the study to the urban discourse

Cities have become significant part of tourism industry and it is recognized within the study of tourism (Ashworth, 1986; Shaw and William, 1994; Page, 1995; Page and Hall, 2003). The long established model of the destination is probably an affluent part of historical heritage in the city, developed together with the place for recreation and consumption (Ashworth, 1989; Ashworth and Turnbridge, 1990). With the reference to the concept of global city, the cities are usually rich, multi-functional, are located in global circuits of money and people, with substantial historical assets and iconic buildings designed by famous world architects (Zukin, 1996; Spiro, 2011). Since the privileged global city had already established the basis of tourism infrastructure and recognition, its tourism place-making are distinctive to that those of developing destinations. Therefore, the research intends to establish research ground for the developing urban destinations.

<table>
<thead>
<tr>
<th>Theory Relevance</th>
<th>Tourist-Historic city</th>
<th>Postmodern playscape</th>
<th>Community based tourism</th>
</tr>
</thead>
<tbody>
<tr>
<td>Critical theory of mass-tourism and collective tourist gaze</td>
<td>Relational theory in emphasizing the humanization of tourism service</td>
<td>Hyper-tourist theory</td>
<td></td>
</tr>
<tr>
<td>Collaboration tourism planning theory emphasizes on community capacity and empowerment</td>
<td></td>
<td>(see Murphy, 1985)</td>
<td></td>
</tr>
</tbody>
</table>

Table 8.1 Theory Relevance
Source: Composed by author, 2015

Studies in urban tourism have been established as a distinct research field (Ashworth, 1989; Ashworth and Tunbridge, 1990; Law, 1993; Mullins, 1991; Shaw and William, 1994; Page, 1995; Zukin, 1996; Gladstone, 1998, Pearce, 2001; Page and Hall, 2003; Edwards, Griffin and Hallyar, 2008; Spiro, 2011). These studies embarked from diverse disciplines such as cultural studies, sociology, geography and urban studies, in which the outcomes retain a set of consequences for the tourist, the host community and the industry. How much change for the locality still needs to be put into the focus of the discussion on the nature of urban tourism.
Looking at the model of tourist city that is known, it specifically concerns with the organized spaces and is related to the established theory of tourism sociology. This theory has come to the front since the rise of social movements in the 1960s, and thus has been developing into four major theoretical categories: critical theory, relational theory, hyper tourist (postmodern) theory and collaboration theory. Critical theory's main argument is based on the criticism over the concept of mass tourism, emphasizing the opposition of the standardized recreation activities that hinder the authentic urban experience, usually in the form of tourist-historic city. Meanwhile, the relational theory emphasizes the importance on the humanization of service during the transition from Fordism to post-Fordism in the opposition of hetero-directed nature of mass tourism. The postmodern play-scape suggests the individualization of consumption preferences by offering diverse ranges of urban attraction and entertainment and thus, service industry. In accordance with the hyper tourist theory, that suggests that the city is the original site of production of all the consumption flows connected through the dynamic of urban activities. For the main discussed theories, it was rather the perspective of the tourist and tourism that counted, and not from the perspective of the local community.

The recent classification in tourism planning emerged in 1990s, emphasizing the discussion of collaboration theory (also as theory of sustainable tourism). It connects the commoditization of mass tourism in specific targets of sustainably motivated tourism, also called "sustainable authenticity" (Cohen, 1995) to outline the situation where demand is intertwined with the expression of local culture.

In the pursuit of urban planning that contributes to the quality of the built environment, the main challenge is to focus on (re)inventing the identity. The "soft" aspect of the local identity extends beyond the presence of physical characteristic alone, but also to its historic significance, community life, lifestyle and cultural traits. The articulation of local identity is therefore, not exchangeable. Tourism development that works for the benefit of the community requires careful and integrative urban planning.

The pathways for improving the planning process of the tourism infrastructure lay in the adoption of strategies that broaden the community's role in the tourism development as reflected in the study case of Palembang. The idea of using local entrepreneurs having access to the supply chains is one of the most significant ways of ensuring that tourism contributes to a sustainable socio-economic development (Tapper, 2001:360 in Mascardo, 2008). Planners should be aware of ways to increase the size of local multipliers by raising the indirect effects of the tourist expenditure. The local entrepreneurs that have access to the local supply chains can stimulate the local community and may be able to increase the financial impact by encouraging the development and the use of support industries.

8.4 Critical findings

The approach to understand the effect of tourism is constructed through recognizing that tourism is governed by regulatory frameworks constituted at different geographic scales: national, regional and local. Throughout this research, the principal concern is the way in which the city is conditioned to accommodate tourism with long-term benefit for the community. The findings of the research are meant to comprehend
the mechanism of tourism place-making. By depicting the conditions of the commoditization and localization process, the base line of its realization within the symbolic economy is established.

Within the place-making discourse, what should be the root of its growth is the local community: it emphasizes the community planning approach as its imperative. On the other hand, collaborative planning has been repeatedly criticized as pseudo-community participation due to the dominant intervention of the government in the decision process. In tourism place-making, however, the institutionalization of local culture is conceptualized within top-down planning approach. It is mediated through the state (or through the autonomous city) and the tourist agency, which involves tailoring local products of representation to the tourist, often resulting in the exclusion of some local communities not complying with the new branding.

While the top-down approach is understood as the main driving force of tourism development, “tourism from below” should be seen as an optimization of authority and responsibility in the communities. In Palembang, the role of “tourism from below” actors in establishing the aesthetic code of local expression is still hindered and dictated by the political agenda of the local government. This is not only due to the lack of human capacity at the community level, but also due to the need of the local government to direct what works the best for the community. On the other hand, the Tourism and Cultural Planning Board still emphasizes the importance of public private partnership as the quick aid to the mismanagement of tourist facilities by the municipality. The case study illustrates that the municipality finds itself in need to capitalize its natural resources and vernacular aesthetic. As a result, tourism development has become intensified, producing communities catering for the tourism demand by manufacturing local identity, leading to the consumption of tradition in the urban environment.

The question of how the local conditions can be represented in branding and negotiate the demand of global standardization was explored within the concept of Kampong tourism. It illustrates the process of localization, which is defined by local actors and organizations in appropriating “global” trends and symbols to reinforce “local” attitudes and inscribe “local” meaning into cultural production. Interestingly, the term “Kampong” represents the nostalgia in a “deprived urban area”. Hence, Kampong tourism is defined as the opposite of government-supported “quality” tourism such as small scale, low budget, unorganized, “uncontrolled”, informal, and low quality (Guinness, 1989).

The very idea that community-based tourism is institutionally constructed and is made available for the tourism industry is two-folded. First is that the government regulations allow the integration of Kampong informality in serving the local economy, also in the form of tourist entrepreneurship. Second, as the consequence, the Kampong informality must meet the standard of regulations to the tourism demand while remaining limited to the function of a secondary participant of the main economic activity. This position hinders the potential tourist areas from alleviating their state of relative deprivation.

The Kampong renewal approach was based on the utilization of natural resources and potential community resources. Although the program was basically a policy that came from above, it was an effort to reflect the community initiative to capitalize the local contextual aspects. This was an attempt to prevent evictions in
buildings with historical value. The displacement of inhabitants of the heritage buildings, the disappearance of the physical elements, which had already become community life, and the loss of local culture, was the failure of the addressed renewal efforts. Within the specific characteristics of the existing exclusion, community based tourism became meaningless. The impact on the host community renders the vulnerability of Kampong enclaves to the rationalizing impetus of urban planning and development, as it was portrayed in the gusur approach.

Economic opportunities can be created to further integrate Kampong's dwellers with the city's economical pulse. Kota Lama in Palembang serves as the center of local cultural heritage. The Kampong renewal introduced a shift in the economical emphasis from small-scale manufacturing to tourism in a number of neighborhoods. Although small in number, some of the residents of Kampong had started to convert their dwellings into tourism facilities, including boarding houses, rental shops, small cafes and floating restaurants. Targeting initiatives at the neighbourhood level proved the advantages of the neighborhood as the most appropriate area for fostering community identity, involvement and neighborhood management. The tourist activities in Kampong depend on the social networks as a relevant platitude, yet they are entirely entangled within a specific local culture that highly regards the participation of the milieu.

Palembang's tourism strategy is influenced by the investment climate in the region. It renders the promising performance of stable local regulation and public facilities in the effort of attracting investors. This availability of supporting infrastructures in the city is seen as a solid indicator of local power. The development of the international airport in Palembang has followed the trend of the "growth triangle" strategy involving a range of accommodation facilities and the integration of urban structure in the downtown area to the regional agglomeration. The concept of Kampong tourism was institutionalized through the creation of thematic zone areas.

The physical setting of tourism destination in the local level determines the context for urban experience as a part of the local context. Thematic zone in Palembang is used as an excessive method for the authorities to sort out, distribute, regulate the differences in market segmentations and to inventory the tourist movement connected to the network system of internal flows and external linkages. Thematization is not only reflected on the theme park, but thematization of urban space is also a consequence of it. The meaning of the traditional public space is substituted by the relaxed and vibrant atmosphere created by the people's movement and activities in shopping centres, inner city attractions, restaurants, stadium and also theme parks. Thematization of urban space is thus an effort to contextualize the "tourism bubble" within its local cultural setting. Thematization in tourism development depicts the counteraction against the "de-territorialisation" of attraction from its local context, since social activities have become the part of tourist gaze itself.
8.5 Conclusion: Urban Tourism in the Changing Cities

Commoditization of local attributes is influenced by global tourism trends that provide logic and incentives to the local intermediaries who obtain power to transform places into tourism commodity. The approach to tourism from the perspective of social construction of the locality can be seen as the negotiation of local modes of production and tradition. Attempts have been made to explore the use of qualitative and constructive paradigm in the fields of urban planning and tourism research. A qualitative case study is adopted as an alternative approach to the assessment of tourism impacts in the city constituted by the people impact, the economical impact and the spatial impact.

Tourism place-making in developing destination involves the reciprocity of urban dynamics that is pertinent to a “people-impact” paradigm. Tourism takes advantages of the community connection as the main motor in operating, maintaining and organizing its local resources. The people impact considers the degree of community viability in playing the pivotal role as “the agent of authentification” by initiating, expressing and translating the new cultural meaning and consumption patterns. At the same time, the city acknowledges the presence of the tourism industry as the panacea in tackling the urban problems. The implementation of local autonomy has generated vast possibilities of various scenarios for project-led tourism development.

The economical impacts of tourism depend on the length of time tourists stay in a destination, the rate of tourism growth, the number of expenditures and the number of visitors. It is also reflected through the development of tourism industry both in formal and informal sectors. While symbolic economy portrays the local culture as serving merely as an economic opportunity, community initiatives remain a meaningful apparatus in constructing the mediated understanding of the city as commodity. It is important not to detach the tourism industry from the concurrent problems, conflict and struggles of the society in deploying ideological arguments that emphasize the most idealized local characterizations. Even though within the bigger picture it could be seen that the city as the only representation of power exerted by a political agenda over the people. It is necessary to address the reasons for it grounded the ability of the bureaucracy that is far from adequate resulting in the deficient planning of tourism programs, regulations and establishing the cross-sectorial coordination.

The spatial impact of tourism portrays the fragmented sectors that are incorporated as a basis for tourism infrastructure (transportation network, accommodations, real estate and other related services). The industry is interconnected with the other factors of urban dynamics, all of which have considerable influence on lifestyle of the inhabitants. It would be exaggerated to suggest that tourism is the sole cause of change in the society without overlooking its role and ramifications. As multilayered, complex global phenomenon, tourism deserves a more nuanced analysis than that of the familiar binary division can provide. By incorporating a place-making concept into the framework, the critical understanding and relationship between tourism, industry and community is structurally developed. Urban planners and tourism planners can effectively incorporate and integrate strategies to celebrate and enhance community life and build place attachment into tourism development policies.
A number of questions emerge as we think about a city that utilizes tourism. How can the development of urban tourism assist the marginalized? How can people ensure that this sector leads to a promising cycle that is not only economically prospective but also socially responsive? When looking at the future, the developing destinations will diversify and intensify their pursuit of tourism activities in an effort to upgrade the quality of urban development. Within a symbolic economy, physical environment is altered and therefore further growth in leisure, commerce and culture is set. The nature of local leadership and initiative appears to be necessary in generating community viability, that is prerequisite to ensure the equitable rewards for community. The tourism industry and cities that regard this sector as a tool for urban development must deal with possible changes.