POLICY AND INSTITUTIONAL REFORM OF INDONESIAN PLANNING SYSTEM: NEXUS TO METROPOLITAN AND LOCAL PLANNING EFFECTIVENESS

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Abstract

Started in 1999, Indonesia has embarked on a program of fiscal, administrative and political decentralization in the same time. With spatial planning no longer a main policy field for the central government, decentralization had shifted the country to the most decentralized side in term of planning governance and policy. Following the decentralization program, within the span of 10 years, Indonesian planning system undergoes rapid changes with issuance of new planning policies range from plan making to land use control, thus forcing all level of governments to adapt in the new system. In the same time, decentralization movement with its devolution of power transforms the relationship between central and local governments. However, only little known about how these changes affects the planning effectiveness in regional and local level.

The concern of this paper is to examine the implication of policy and institutional changes to the Indonesian tiered planning system while reviewing the cogency of planning institutions in region-wide comprehensive plan and municipal master plan toward rural-urban development. What it offered is an understanding about the process and effect of alteration power of the metropolitan region planning compare with the pre-decentralized time. As a case study, depth identification of land use changes and correspondent instruments in Surabaya peri-urban area was done to understand the consequences of the transformations in local land use planning and its effectiveness. Assuming decentralized planning shall be able to give positive feedbacks to the local planning system and land development process with a significant decreasing number of land use change deviation that did not comply with the plan, the study discuss alternative ways of understanding why decentralization in Indonesian planning system still has long way to go to achieve its stated aims in terms of promoting good governance.

Keywords: decentralization, planning policy, land use, peri-urban.

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1. Introduction

The study of decentralization has important policy implication for planning system as it related to many aspects of planning namely urban growth management, environmental conservation and property taxation. Decentralization gives local government power to regulate its planning within the general guidelines set by higher authorities. However, the transfer of power to local governments is nothing less than controversial. Precedent research claimed that decentralization will increase both efficiency and equity in the public sector because it allows customization of public services to local preferences, promotes scrutiny by citizens of government expenditures, and encourages innovation through inter-jurisdictional competition (Oates, 1972, 2006; Tiebout, 1956) while also raised problems due to lack of administrative capacity, potential corruption and the risk of raising elite (McLure, 1999; Sewell, 1996).

The importance and duality of the argument on decentralization provided the rationale for a number of studies to review decentralization in both developed and developing countries and to explore areas of consensus and disagreement among scholars on the opportunities and risk of decentralization. The evidence presented shows that results on the link between decentralization and effectiveness are vary significantly across cases (Ingram and Hong, 2007). Furthermore, the connections between decentralization and local policies appraise how decentralization is related to jurisdiction size, local environmental policy and urban economic development strategy (Fischel, 2007; Oates and Portney, 2001; Wallace, 2007).

Started in 1999, Indonesia has embarked on a program of fiscal, administrative and political decentralization (Law 22/1999 and Law 25/1999). With spatial planning is no longer a main policy field for the central government, decentralization had shifted the country to the most decentralized side in term of planning governance and policy. Following the decentralization program, within the span of 10 years, Indonesian planning system has been undergone rapid changes with issuance of new planning policies range from plan making to land use control, forcing all level of governments to adapt in the new system. In the same time, decentralization movement with its change of power transforms the relationship between central and local governments. The local government, including Provincial and Local (Regencies and Municipalities), will have a greater role in several important functions. Hence, the reform could potentially change the pattern of urban and regional development (Firman, 2003) and governance towards a pattern of spatial segregation and a fragmentation of regional development (Firman, 2009). However, only little known about how these changes affects the planning effectiveness in regional and local level. Thus, this study tried to raise questions: How does decentralization shape local governance? What are the implications of decentralization towards the policy and institutional changes?

The aim of this study is to examine the implication of policy and institutional changes to the Indonesian tiered planning system while reviewing the cogency of

planning institutions in region-wide comprehensive plan and municipal master plan toward rural-urban development. What it offered is an understanding about the process and effect of alteration power of the metropolitan region planning compare with the pre-decentralized time. The focus is on the particular case of land use change and the possible local government effectiveness on local level within the metropolitan region.

In the reminder of this paper, the relationship between the plans and the actual land use change in timely manner will be analyzed to identify the inconsistency of urban planning and urban area development will be addressed through the comparison between the planned areas as mentioned in the master plan and actual built up area, planned and actual land use structure, to highlight the difference between before and after the decentralization law was enacted. To compare the effectiveness, the disparity of building permit application and the number of incompliant land use change to draw the elasticity of local planning implementation. This elasticity is estimated using data assembled for the period from 1999 to 2009.

2. Decentralization and change of power in Indonesian governance

After experienced a nation wide reformation movement in mid 1998, the Indonesian National Assembly issued Law 22/1999 and 25/1999, regarding administration and fiscal decentralization in Indonesia. From local and regional planning point of view, both laws state clearly that the local government and local communities through local representative councils should have greater discretion in deciding what is best for the urban and regional development in their areas. However, after a decade, it remains a debate what kind of actual decentralization taken place in Indonesian governance and up to which extend the change of power from central to local government occurred.

Theoretically, decentralization leads to more power designated for local government to control its planning (Stiglizt, 1999), both preparation and implementation. It assumed that people will solve problems better at the local level, if they were allowed and can be considered an institutional arrangement that brings about participation and local decision making. Another scholar defined decentralization as transferring functions and responsibilities to lower levels of government or as leaving tasks to the market (Helmsing, 2000). Thus legislation is very important in the case of decentralization. It prescribes a planning procedure and specifies the level where the responsibilities are put, where central government has to delegate certain functions and responsibilities to lower levels of government.

While reviewing the type of decentralization and the transfer of power took place in other developed and developing countries, there are three common types acknowledged (ADB, 2008). The first is being deconcentration or the transfer of responsibility from central agencies and ministries to their regional or field units where some discretion is allowed but they are subordinate to the central authority. Second type is delegation described as moving functions from central government to semi-autonomous public authorities and corporations granted the authority of

planning and implementation. The last is devolution defined as transfer of decision-making power and authority to local governments which have the power and resources to perform relatively independently from central agency intervention. The exact meaning of Indonesian decentralization cannot be fitted into a single type aforementioned above but can be pointed between deconcentration and devolution. The essence of Indonesia's decentralisation policy reform is a shift of several government functions, responsibilities, and tasks which previously located in the central to local government (Firman, 2003). It is not intended to weaken the role of central government under the principle of as much as autonomy as possible and as much as central power as necessary (Koswara, 2000)

Before the law concerning regional autonomy and fiscal decentralisation in 1999, involvement of central government at local and regional level is very strong and at some extend there is competition within local agencies to prepare the plans due to own preference interests. After the decentralization act was enacted, all central government agencies previously located in its subordinate level were merged into its correspondent department under the authority of provincial and local government. Local and regional government planning office (Local and Provincial Development Planning Board) became the main agency responsible for planning as illustrated in Figure 1.

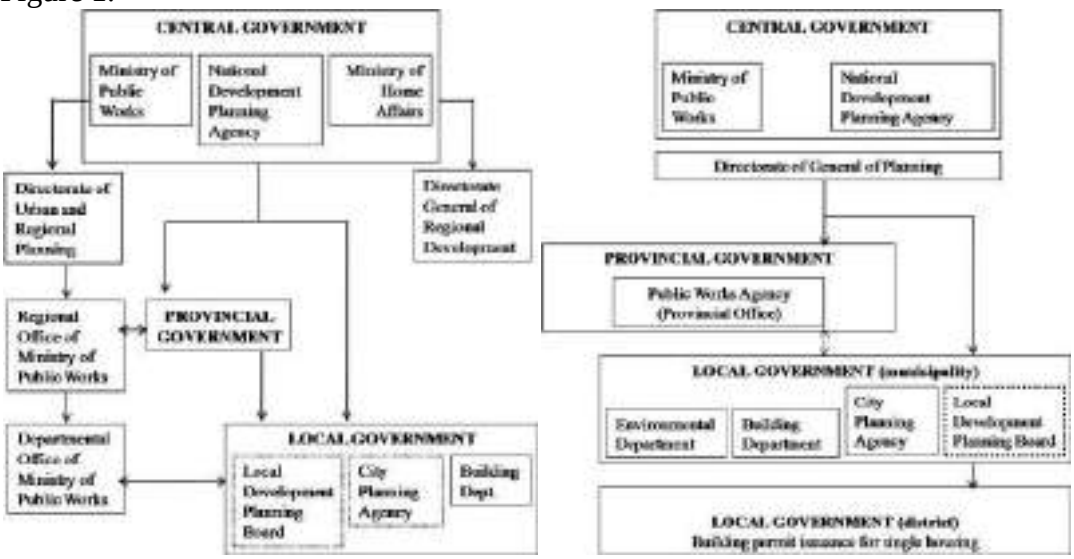

Figure 1. Indonesian Planning Administration before and after the decentralization.

According to the newest Law on Regional Administration (32/2004) amended Law 22/1999 that further defined the transfer of responsibility, decision-making and authority from central to local government, spatial planning is no longer a main policy field for the central government. It encouraged most of policy fields to be transferred to the provincial and local level with exception of foreign policy, defense, security, judicial, monetary and fiscal, and religion. At present, the process of transforming governance ideology experiencing in Indonesia already has been taken place for more than ten years but as many would agree that this kind of process result

only can be recognized in long run. When the new planning law was enacted in 2007 to replace the old one in 1992 it shifted some responsibility from master plan to district plan and introducing several new set of development control, a question was raised regarding this shift whether the new system will give more benefit to more sustainable urban development or will contribute to more negative impacts.

After the issuance of the Presidential Decree regarding spatial planning implementation, the making of regulation and management of urban planning especially those related to land use in Indonesia became even more inconsistent and confusing. Planning law still accommodate the role of central government in all planning policy aspects characterized in rigid hierarchical plan making, land cultivation, land cultivation control (Hudalah and Woltjer, 2007). While planning system still shows centralized direction, the gap caused by the centralization has been reduced since all the coordination was concentrated on the local government level but the existence of intergovernmental conflicts between local-provincial and local-central became more evident, as well as the movement of the planning practice towards informal, discretionary approach due to strong influence of private sector (Hudalah et al, 2009). Nonetheless, the central government should focus on the broad planning policy framework and cede the planning implementation such as urban land development to the local authorities. Moreover, the current Regional Administration Law in 2004 validates the decentralization principle in the spatial planning act. The importance of local citizen aspirations is applied later in spatial planning, carried out by government by involving community participation and conducted at least through a public consultation through a forum created by local authority. This means the decentralization has improved citizen participation in spatial planning from the level of informing to the level of consultation.

3. Institutional context of metropolitan and local planning system

Post issuance of the Spatial Planning Law (26/2007), metropolitan planning in Indonesia is becoming more and more complex, not less, with the changes in its planning policy. Under the same law (update from Law 24/1992) metropolitan planning policy was put into more rigid position and interconnected with other planning levels while before only as a mere acknowledgement. Subsequence to Law 26/2007, Government Regulation 26/2008 on national spatial planning specified the definition of metropolitan areas according to Indonesian context. Metropolitan is defined as an urban area covered a minimum one million inhabitants which consist of single city or urban core with its surrounding area functionally linked to each other and connected to integrated infrastructure system. Metropolitan is included in National Strategic Area, an area with a priority spatial planning due to national importance, if qualified as National Core Centre *(Pusat Kegiatan Nasional/PKN).* PKN is an urban area functioned to serve activities in international, national or several provinces level (economically). The boundary of metropolitan included in National Strategic Area is decided by Central Government through each Government Regulation in Metropolitan Spatial Planning. Boundary is based on administrative

boundary but not always according to municipality/regency boundary but can be down to district boundary.

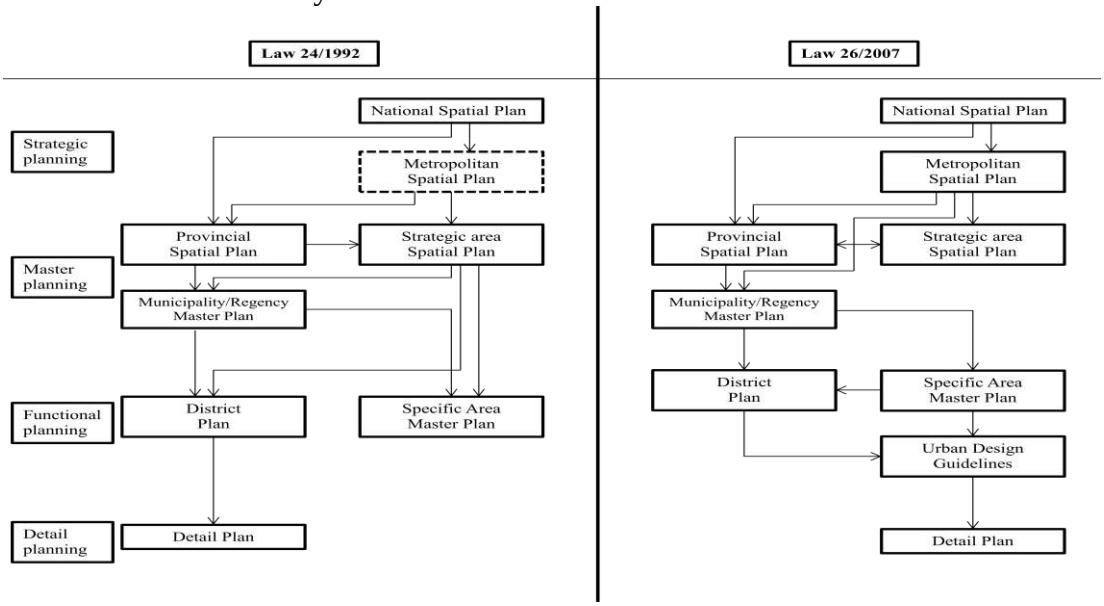

Figure 2. Indonesian Spatial Planning System before and after the decentralization.

According to the spatial planning law, metropolitan area is defined as a national strategic area and is put on the spatial plan hierarchy (same planning level as island-wide and national border area planning) and under the responsibility of central government. The spatial law also regulated the scope of planning and coordinating agency for each level of planning including metropolitan spatial plan and introduced zoning system attached to spatial plan as a planning control measurement. Zoning system shall be based on its correspondence spatial plan and refer to higher level of plan. In local level, zoning regulation was made based on detail plan and then translated into urban design guidelines. Before zoning regulation was implemented, development control on local level was done through technical plan. Since there is no fixed administration government body for metropolitan area, spatial planning documents are prepared by central government (Ministry of Public Works, Directorate General of Spatial Planning). In some cases there are development plans (transportation, settlements) but in general there is no specific long-term and medium term development plans for metropolitan area. Before 2007, some of metropolitan spatial plans were prepared by provincial government which different with strategic program prepared by central government.

As for 2008, central government has acknowledged 7 metropolitan areas categorized as the National Strategic Area in Indonesia. The first and most populated metropolitan is Jakarta the capital, served as home for 26.6 million inhabitants as per 2010, followed by Gerbangkertasusila, a metropolitan area enclosed Surabaya, the second biggest city of the country. 4 out of 7 metropolitan located in Java island, making the island as the most populated and conurbated region in Indonesia. Those four metropolitan areas spread from east to west, creating a continuous urban

corridor. Jakarta Metropolitan Area was the first declared as metropolitan area in early 1970s, translated into a regional plan created in 1975 by the Ministry of Public Works making JMA as the first metropolitan region planned by the central government. On the other hand, Gerbangkertasusila was originally planned by the regional government around the same time when JMA was introduced, making the metropolitan approach can be seen as more a bottom-up planning. Its first spatial plan was created in 1980s as a joint works of provincial and central agency. Among 7 metropolitan areas, the government initiating the planning varies among central and regional level government. At some metropolitan area, spatial plans were made by provincial government, but after the implementation of Law 26/2007 and Government Regulation 26/2008 regarding national spatial planning, it should be done by central government through Ministry of Public Works. Assessing these issues raised question whether this movement shift back the metropolitan planning to the top down planning and from decentralized to centralized planning approach.

Table 1. Metropolitan area planning in Indonesia.

Metropolitan area	Year started	Pop.	Spatial and Development Planning
JMA	1969-central	26.6	Regional Plan (1975 - MoPW) Development Plan (1980s - MoPW) Structure Plan (1985 - MoPW) Development Plan (2005 - MoPW) Jabodetabekpunjur Spatial Plan (2008 - MoPW)
GKS	1970s	9.1	Spatial Plan (1980-MoPW - Prov. Public Works Agency) Spatial Plan GKS+ (2007 - Prov. Public Works Agency) Spatial Plan (2010 - JICA, PDPA)
BMA	1980s-central	7.0	Spatial Framework Plan (1984 – MoPW) Urban Development Plan (1993 – PDPA) Under Provincial Master Plan (2001 - PDPA) Spatial Structure Plan (2005 - MoPW)
SMA	1984	5.9	Spatial Plan (1984 – PDPA) Spatial Plan (1988 – MoPW)
Mebidang	1985-provincial 2011-central	4.5	Spatial Plan (1985 – MoPW) Spatial Plan (1996 – PDPA)
Mamminasata	2003-provincial 2008-central	2.5	Spatial Plan (2001 – PDPA) Mid-Term Development Plan (2005 - PDPA)
Sarbagita	2008-central	2.2	Spatial Plan (2008 - MoPW)

Note: MoPW: Ministry of Public Works; PDPA: Provincial Development Planning Agency; BMA: Bandung Metropolitan Area; SMA: Semarang Metropolitan Area; Mebidang is metropolitan area surrounding Medan; Mamminasata is metropolitan surrounding Makassar and Sarbagita is metropolitan region enclosed Denpasar.
Statistics are from 2010 (in million inhabitants).

The influence of central government in planning extended through planning preparation, implementation as well as conflict resolution. Any spatial planning issue and dispute regarding spatial planning are handled through discussion in the central level, handled by the National Planning Coordination Board. The outputs resulted from the discussion are in the form of policy recommendation. Moreover, provincial

government has no control over local spatial planning issues handling process and only acts as facilitator for planning taking places in two or more municipalities/regencies under its jurisdiction. During technical substance consultation local government can challenge development substance from central, provincial government and vice versa as long as it is not violating zoning system. Conflicts between local and provincial government usually occurred during process of obtaining governor recommendation.

After 2009, metropolitan region coordinating scheme is conducted in provincial level in lieu with Local Planning Coordination Board (Ministry of Home Affairs Decree 50/2009) Nonetheless, the regional coordinating agency has remained left with no commanding power upon local governments to impose the metropolitan planning in their local planning. Each municipality and regency has statutory power for planning implementation but none at metropolitan level. Since coordinating between governments related to regional administration law, the agency is regulated under Ministry of Home Affairs, instead of under Ministry of Public Works which in charge of preparing the metropolitan spatial plan, making a scheme of multi departmental stakeholders maintaining the responsibility of metropolitan planning together with other ministerial agency such as transportation, environment, etc. Furthermore, central government also retained the responsibility for coordinating all planning level. This contradictive stipulation appeared due to the position of the metropolitan region as a national strategic area (according the spatial planning law), making central government to become a more prominent figure in coordinating its planning even though it supposed to be the responsibility of provincial government. Due to its importance toward national development, most of the discussions regarding metropolitan planning are conducted under the platform prepared by the National Development Planning Board and attended by correlated ministries and departments. Thus the spatial planning law marked the change of coordinating board of metropolitan area from regional level to more centralistic coordination.

In contrast with centralized direction of metropolitan coordinating system, local level planning actually demonstrated decentralization practice in Indonesian planning through change of distribution of the tasks between the different government institutions and coordinating institutions, including planning implementation. According to the responsibility shift from central to the local government, the decentralization law takes effects on the planning adoption and approval process in local and provincial level. Despite that the plans continue requiring to be adopted by law but the institutions involved no longer spread in every level from central to provincial to local level. Under the new system, the Master Plan prepared by the local goverment (Municipal and Regency) will need to get recommendation from the Governor before presented to central government approval. The appointed institution to coordinate in the central level is the Planning Coordination Board which is under the Ministry of Public Works. The Master Plan also no longer need adoption and approval from the Provincial level. The same manner applied for the Detail and Technical Plan, which only need local adoption before it is ready to be implemented.

The change of the adoption and approval check list for all plans is shown in the following table.

Table 2. Plan adoption and approval, before and after the decentralization.

BEFORE					
Type of Urban Plans	LOCAL	PROVINCIAL			CENTRAL
	Local Adoption	Governor Recommendation	Provincial Adoption	Governor Approval	MHA Approval
Master Plan	Yes	Yes	Yes	Yes	Yes
Specific Plan	Yes	Yes	Yes	some cases	Yes
Detail Plan	Yes	Yes	Yes	some cases	Yes
Technical Plan	Yes	-	-	-	-
AFTER					
Type of Urban Plans	LOCAL	PROVINCIAL			CENTRAL
	Local Adoption	Governor Recommendation	Provincial Adoption	Governor Approval	MoPW Approval
Master Plan	Yes	Yes	-	-	Yes
Specific Plan	Yes	-	-	-	-
Detail Plan	Yes	-	-	-	-
Urban Design Guidelines	Yes	-	-	-	-

Note: MHA is Ministry of Home Affairs; MoPW is Ministry of Public Works.
Source: Analysis from Law 24/1992, Government Regulation 69/1996 and Government Regulation 15/2010.

4. The background of the study area and the rising of local planning power

Surabaya is the second biggest city in Indonesia. Surabaya and its surrounding adjacent regencies and municipalities formed the metropolitan area of Gerbangkertasusila, an abbreviation of Gresik, Bangkalan, Mojokerto, Surabaya, Sidoarjo and Lamongan which are the municipalities and regencies formed the metropolitan region. Gerbangkertasusila is the second prominent metropolitan area after Jakarta Metropolitan Area. According to the regional development concept by the Ministry of Public works, the city of Surabaya is situated as the primary central core covering the whole region of East Java Province and the primary economic core for East Indonesia Region. The total population as per 2010 is 2.7 million inhabitants, occupied an area for about 333 sq km. However, as one of the most important city in Indonesia, Surabaya was considered lack in planning as unfortunately the city has no master plan until 1978. Due to lack of planning and its control measurement, in the fringes of Surabaya, during 1990-1995, sizeable areas of agricultural land had been converted into residential and commercial areas (Firman, 2000). The first master plan clearly sought to segregate industry from the settlement as industrial land use areas were planned to be concentrated in several places with most of them developed in the peri-urban area.

In case of Surabaya, the local government agencies that responsible for planning are: (1) Local Development Planning Board; (2) City Planning Agency, and (3) Building

Department (Public Works). However, before the passing of two pieces of decentralization legislation, Law 22/1999 and Law 25/1999, in practice, most decisions affecting Surabaya were made at the provincial if not the national level, while municipal government functioned simply as the bureaucratic institution. This quasi-centralized power was taken advantaged by the developers where the development permits process to control local land uses so as to accommodate the developer needs. Although the government considers this regulation as a form of bottom-up planning in regional development, local priorities were inevitably lost in the process of developing the national program. In terms of participation by the local stakeholders, there was a wide gap between what the regulation prescribed and what happened on the field.

For the first time since decentralization law was enacted, the master plan issued after the decentralization law, Master Plan 2003-2013, identified the consistency level of hierarchical planning in local level. It identified both consistency and inconsistency between master plan and detail plan, master plan and technical plan, and between detail plan and technical plan. Total area with inconsistent development reached 2.879,59 Ha (see Table 3). This identification shows that somehow even though it is clearly mentioned in the spatial planning act that district plan should follow the master plan but the reality shows differences.

Table 3. Identification of inconsistency between Master Plan 1995-2005 and District Plans.

Land use allocation		Area (Ha)
Detail Plan	Master Plan	
Residential	Open Green Space	203.06
Residential	Mixed use	810.06
Residential	Public Facilities/Service	52.00
Residential	Commercial	171.70
Residential	Industry	63.50
Industry	Port	184.82
Open Green Space	Industry	14.00
Open Green Space	Public Facilities/Service	221.00
Embankment/Conservation	Mixed use	289.00
Embankment/Conservation	Residential	535.70
Commercial	Residential	57.70
Public Facilities/Service	Commercial	147.25
Mixed use	Commercial	10.00
Industry	Commercial	18.70
Industry	Mixed use	13.00
Mixed use	Industry	88.10
Total Area (Ha)		2879.59

Source: Surabaya Master Plan 2003-2013.

In the local context, the passing of Spatial Planning Law in 2007 made municipal authorities responsible for designating land uses and approving new development, and effectively recognized the municipality as the main planning entity. Greater

authority was given to the lower levels of government, thus weakening the central government's control over provinces and municipalities. The zoning system is officially introduced in the new spatial planning act. In addition to the long-established permit system, the new law required the government to prepare zoning regulation supported by environmental and building codes as key instruments for controlling land development. Following the renewal of master plan in nationwide, central government declared the minimum requirement for open green space land use allocation as mentioned in the Spatial Planning Law, however, Surabaya already tried to increase their greenery since Master Plan 2003-2013 which gave means local government put attention to the importance of this greeneries to the urban environment.

Table 4. Total area allocated for conservation area in Surabaya Master Plan 1978-2009.

Year	Total Area (Ha)
1978	7434.89
1984	5979.01
1991	2494.41
1996	2489.93
2003	4035.46
2007	4745.69
2009	7026.00

Source: compiled from Surabaya Master Plan 1978, 1984, 1991, 1996, 2003, 2007 and 2009.

5. Inconsistency between plan and reality: Planning effectiveness and development control

It is identified that large scale of deviation from the master plan happened in the peri-urban of Surabaya. It followed the development pattern of the built up area but occurred in places with close proximity to wide open space. In 1990s, the development that did not comply with the plan took place in the outskirts of the city, preferably in the borders close with neighboring regencies. This pattern continued in 2000s but the development no longer in large scale development but merely small scale and scattered developments.

The number of development that did not follow the master plan is reduced after the master plan was updated. However some developments that already occurred which found to be in accordance with master plan of 2003 becomes in disagreement with the new master plan 2007, especially those took place in the open green space and conservation area. This happened because the local government changed the delineation for the open green space and conservation area since based on the Spatial Planning Law 26/2007 the total area of those two land uses should be increased into at least 20% of the total urban land area.

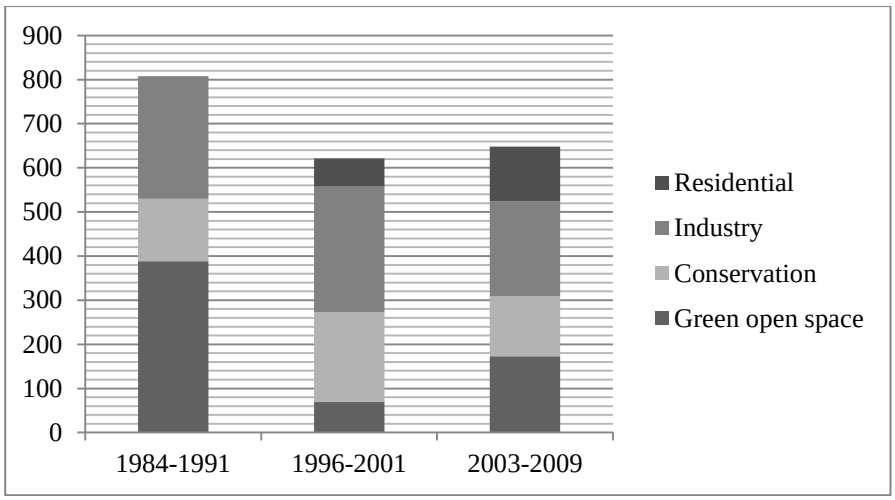

Figure 3. Proportions of the source of land being deviated.

In each period, development of residential, industrial, public facilities and service did not comply with the plans. During 1984-1991, residential development was the highest cause for deviation from master plans. The residential use constantly took place on land intended for industrial land use and vice versa. Surabaya is a regional core city with high urbanization rate from neighboring regencies. Thus, land for residential is always in high demands, especially for cheap settlements. The number of workers and the need for settlements near with working places may the reason this deviation.

Table 5. Total area of Residential land use change that did not comply with the plan.

Year	Land being converted based on Master Plan (Ha)		
	Conservation	Open Green Space	Industrial
1984-1991	141.71	388.03	277.54
1996-2001	146.82	47.19	251.31
2003-2009	121.87	140.66	189.26
2007-2009	3.50	79.20	149.33

Furthermore, what does the record say about the functions of local authorities before and after the decentralization planning was applied? And what general conclusions can we draw from the record? In Indonesia, according to building permit status, urban development could be classified as four types: planned with permit, planned without permit, informal with permit and informal without permit. Table 6 shows the total number of permit issued in Surabaya. 1996 record shows the highest number of permit issuance in one year. The following years from 1991-2001 showed the declining trend. However, in 2002, one year after the promulgation of Presidential Decree 10/2001 regarding decentralization in Land Affairs, the number of permit issued increased again.

Table 6. Number of permit issued in Surabaya 1996-2008.

	Year								
	1996	1997	1998	1999	2000	2001	2002	2003	2004
No. of permit	12490	10700	9963	9964	7537	6042	9543	9007	7090
	2005	2006	2007	2008					
No. of permit	6446	5469	4486	5181					

Source: Building Department, Surabaya Municipal Government.

In Indonesia, in prior to be able to build residential clusters, developers should acquire location permit, issued by National Land Agency (before decentralization) or local government (after decentralization). Figure 4 show the comparison of built-up formal residential and location permit to check the coherence within the two of them.

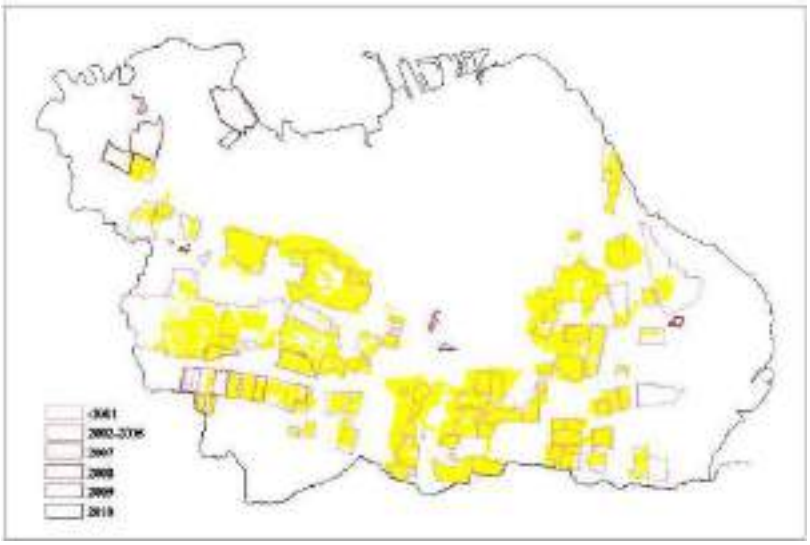

Figure 4. Comparison of number of formal residential based on location permit in Surabaya 2001-2010.

As can be seen from Figure 4, the development of formal residential is in accordance with the location permit issuance which means no developer builds without the permit. Most of large scale residential development occurred before 2001. The period after 2001 characterized with smaller scale residential projects.

6. Concluding remarks

Decentralization is clearly a complex process, and the various reform efforts intended to create an appropriate intergovernmental system and to empower local citizen will require time to take root interact and produce broader improvements in governance. The findings that can be drawn from this study are as follows:

1. *Decentralization has little influence towards metropolitan planning since it show no further effectiveness differences*
   After the decentralization the local governments have greater discretion in deciding what is best for the urban and regional development in their areas. However, planning system still shows centralized direction especially in

metropolitan planning thus creating intergovernmental conflicts. Planning law also still accommodate the role of central government in all planning policy aspects.

2. *Metropolitan planning remains less effective before and after the decentralization*
   The absence of authoritative coordinating board makes difficult to implement the plan. However since the setting up of another hierarchical governmental structure at a supra-local level may not fit into the Indonesian decentralization principles which valued the decentralized power of local government, metropolitan governance through inter local government collaboration in the near future is more likely become possible preferred action rather than setting up new metropolitan government entities.
3. *Decentralization give positive feedback to planning system but unable to restrain from development pressure yet.*
   Aside from those legal transfer of administration and planning arrangement, from the analysis it was found that there is increasing total area allocated for conservation and open green space in Master Plan after decentralization planning was applied. The number of encroachment of residential and industrial land development on the open green space and conservation as deviation from master plan is also reduced.
4. *Master plans and the subsequent land use plans were not effective in both controlling the urban expansion and managing land use change.*
   In Surabaya case, the deviations of built up area between the plan and actual development were wide enough to demonstrate the drawbacks in local planning systems. It is found that there is inconsistency between planning and reality. Master plans changes rapidly and have tendency to follow the current development as shown in the analysis result.
5. *The pattern of land use change basically did not change much after decentralization but it is getting better.*
   Regarding green space, there is change in land use allocation before and after 1999 decentralization. Total area allocated for conservation increase significantly after local government has been given more power to arrange their master plan. Overall, development which did not comply with the plan reduced compare to during centralized planning system.

Sustainable urban development requires efficient urban development planning. As affected by the decentralization and power transition, planning in transitional cities has faced unprecedented challenges. After decentralization reform in late 1990s, Indonesian cities had to develop in a climate of great uncertainty not previously experienced while problems emerged in the rapid urbanization process challenged the planning system. In this research, the overspread unplanned land use change reflects the weak land use control, cheap land, while attracted illegal activity around unclear planning.

Continuing the administrative institutions reforms shall be highly encouraged in Indonesia. Over centralized had been proofed as a major cause of delay, inefficiency and increasing the likelihood of noncompliance. The main objective is to avoid

bureaucratic delays and lengthy approval processes. An efficiency audit should be established to set performance standards for regulating agencies, monitor performance against these standards, and develop incentives and penalties for meeting or not meeting the standards. In the other hand, transparency in planning control is very much needed. During the centralized system, any planning decision made in arbitrary and even when decentralized system required more transparency however there is still no mechanism in reviewing planning through an independent system. Therefore, independent organization outside the government system is needed; such as independent planning inspector (in USA case), planning commission (in Japan case), or local council (European case).

Regarding deviation from master plan, further legal status of urban planning and efficient planning control are recommended. The prosperity of unplanned land use change reflects that rules regulating the land uses had not been taken seriously by land users and land administrators. There is no supervision mechanism to regulate the government activities in changing the master plan. Furthermore, currently there are no efficient and effective instruments for monitoring the unplanned land development. GIS and remote sensing technology should provide an efficient and economical measure to monitor the unplanned and illegal land use change. Not only gives evidence of the unplanned land use change, it provides information about the distribution characteristics of those lands. The adoption of those techniques can lead to a more operative and efficient planning control system.

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