Chapter 8

Urban Transformation in Indonesia, the SDGs, and Habitat III: Political Will, Capacity Building, and Knowledge Production

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1 Introduction

Urban transformation\(^1\) in Indonesia is facing unprecedented challenges in the next 20 years. The transformation is occurring not only in terms of demographic and spatial changes, but also along more complex social, economic, and cultural dimensions. Given a number of factors including the anticipated demographic dividend,\(^2\) ongoing democratic consolidation and decentralization, the strengthening of community capacity, social capital, and civil society, and the prospect of economic growth in the future, Indonesia is expected to become a country that is not only prosperous and just, but also has the ability to compete and to play a more positive role in the global arena. Urbanization and city transformation will be important in driving the growth, development, and future of Indonesia.

In 2015, the Sustainable Development Goals (SDGs) were agreed by the global community in an attempt to realize the shared vision of development and the ‘global village’. The SDGs comprise 17 objectives that are elaborated through detailed indicators of performance. There is much optimism surrounding the SDGs, strengthened by the experience of implementing and localizing the previous development agenda — the Millennium Development Goals (MDGs). This chapter focuses on SDG 11, which aims to “make cities and human settlements inclusive, safe, resilient and sustainable”. In this context, delegates to the United Nations Conference on Housing and Sustainable Urban Development in Quito, Ecuador, in October 2016, known as Habitat III, adopted the New Urban Agenda (the NUA) — a new framework that lays out how cities should

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1 In this chapter, urban transformation is defined in general as the growth, development, conservation, and regeneration of a given urban area; it covers spatial/physical, economic, social, and cultural dimensions.

2 Also known as the demographic bonus, this refers to a shift in the age structure of a nation’s population, so that a high percentage are of working/productive age, relative to those of non-productive age.
be planned and managed to best promote sustainable urbanization. The NUA is a roadmap for building cities that can serve as engines of prosperity and centres of cultural and social well-being while protecting the environment. It also offers guidance for achieving the Sustainable Development Goals and provides the underpinning for actions to address climate change (UN, 2017a). Although Indonesia has a long history as a UN member state which has participated actively and positively in many UN commitments and agreements, it faces challenges in adopting, elaborating, implementing, and localizing all the points contained in the UN agreements. There are many complex dynamics to be taken into account, as well as internal social, economic, and political factors within Indonesia: these will contribute, directly and indirectly, to the implementation and localization of the SDGs and the NUA in the country.

1.1 Research Question
This chapter thus assesses Indonesia’s prospects of successfully implementing the international agenda at national and local levels, through a review of its adoption and implementation of the NUA. It examines how Indonesia views, perceives, and responds to the NUA, and argues that without a clear, strong, and consistent political commitment, along with comprehensive and systematic capacity building and knowledge production, it will be difficult to effectively and successfully implement and localize the NUA. It also demonstrates that coordination is required within the framework of multi-level governance to ensure the implementation and localization of the international agenda at national and subnational levels.

1.2 Scientific and Social Significance of the Research
The particular scientific relevance of the chapter is to enhance our understanding of the relationship between global and local forces, which has been perceived as a process by which global forces will determine and dictate the activities of local actors and agencies. This perspective sees local parties as passive agents that simply follow global influences and directives. This chapter examines the role of local actors and agencies in Indonesia, and concludes that — in contrast to previous assumptions — they in fact represent an active and sovereign body which assesses, filters, and integrates global influences and

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3 It is clearly stated in paragraph 9 of the NUA that “The implementation of the New Urban Agenda contributes to the implementation and localization of the 2030 Agenda for Sustainable Development in an integrated manner and to the achievement of the Sustainable Development Goals and targets, including Goal 11 of making cities and human settlements inclusive, safe, resilient, and sustainable” (UN, 2017a, p. 4).