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Small town urbanization and project experimentation in Pangandaran Region, Indonesia

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This article contributes to the debate of small centre urbanization and positions it amidst three emerging challenges: urban-rural transformation, economic experimentation, and disaster risk mitigation. To examine the entanglement of the three forces, we analysed the expansion of the Pangandaran urban area – a small urbanizing area in West Java. This expansion occurred as part of the Special Economic Zone (SEZ) project, in the form of a regional infrastructure plan including railway, airport, and harbour development to accommodate tourism flux. This study uses discursive and qualitative approaches to rural-urban transformation with data gathered through document analysis, mapping, and FGDs with local stakeholders. The results show that although urbanization was a complex process with promises of extensive infrastructure developments and national projects, little attention has been paid to the internal urban structure, utilities, and increasing vulnerability to natural disasters in Pangandaran. The study also addresses how urban theories and policies should deal with the complexities of small urban areas in Indonesia.

Key Words: ***small urban area, urbanization, Pangandaran, Indonesia***

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Introduction

In November 2018, Indonesia's Ministry of Tourism put forward developing a Special Economic Zone (SEZ) to boost tourism in Pangandaran. A myriad of infrastructure projects followed the plan of increasing its accessibility. As an urbanizing area, regional accessibility becomes a crucial issue to Pangandaran. Of course, that problem is not particular to this area – many small and medium urban areas generally lack regional accessibility. Still, as Pangandaran relies heavily on tourism, macro-accessibility is a profound detriment to its economic growth.

After consulting with the local government in drafting the spatial plan of the Pangandaran urban area, the authors reflect on the complexity and challenges those small urban areas have been encountering in the juxtaposition of global and national policies. Many researchers have primarily been paying attention to large and metropolitan urban areas, using them as the definition of city and non-city, thus locating smaller urban areas in an ambivalent position to both (Bell & Jayne, 2006, 2009; Ocejo et al., 2020). Perhaps there is even an awkwardness of joining the term "city" and "small" as Bell & Jayne (2006:5) argued, "the very idea of cities is to be big and to get bigger: shrinkage, even stasis, is a sign of failure." Scholars define cities based on population size, order, and global connection. Small cities are characterized by their smaller population size (Satterthwaite & Tacoli, 2003), lower hierarchy (Hinderink & Titus, 1988; Bell & Jayne, 2009), transitional economic structure from agrarian to service sector (Christiaensen & Todo, 2014; Agergaard et al., 2019), and less intensive transnational connection (Fahmi et al., 2014). Accordingly, research on small cities' urbanization in Indonesia made emphasize its rural-urban transformation and policy governance (Fahmi et al., 2014; Mardiansjah, 2020). However, little attention has been paid to the vulnerabilities and opportunities such small towns may face in welcoming large-scale project investment.

This article illustrates how Pangandaran, a small urban area in West Java, experiences urban-rural transformation through tourism and Special Economic Zone project experimentation. The term "small urban area" will be used following Satterthwaite & Tacoli (2003) to explain Pangandaran as the urban centre of a rural region to avoid confusion with the term "city" as an administrative unit. However, the theoretical framework uses literature on both small cities and small urban centres to better present the context of the study. However, the transformation is complicated as it has to cope with socio-environmental risks from natural disasters and inadequate basic infrastructure. Pangandaran Regency' (initially part of Ciamis Regency before 2012) urban area has been growing by the bay, mainly triggered by its maritime economy: tourism and fishery. As stated in the National Tourism Masterplan and West Java Spatial Plan 2030, Pangandaran is designated as a national priority for tourism development, highlighting its potential in ecotourism and its function as a regional activity centre. In its local spatial plan, Pangandaran envisions the urban area to be global-class tourism and urban fisheries centre. The urban area had a population of less than 50,000 in 2017, with average annual growth of 3.2%. However, this relatively

small and slow-growing urban centre was a destination to 2.2 million visitors in 2017, dominated mainly by local tourists (2.1 million in the same year) with an average annual growth of 9-12%. As an emerging urban centre, a trace of urban-rural transition is evident in the area where more than half of its population are still engaged in agricultural and fishery economies despite its growing tourism economy. It is also important to note that Pangandaran urban area is a tsunami-prone area whose tourism economies was devastated in 2006. The context of natural hazards adds to the specificity of Pangandaran as a small urban area whose urbanization is ambivalent in the nexus of tourism investment and disaster risk management.

The world-class tourism projection mobilized by state and local government policy gives birth to the experimentation of the economic zone in Pangandaran Bay. The future economic zone, currently marked as Grand Pangandaran, is proposed to be one of the national SEZs in tourism. The economic zone was devised in 2017 with a concept of integrating three main pillars: a marine centre, sustainable and resilient tourism, and a logistics platform. It is expected to raise local employment, tax revenue, and regional economic growth. The concept is coined along with the plan to reactivate railway transport and develop a new airport to ensure a direct connection with other large cities in Java. However, since its inception in 2017, the project has made little progress, particularly in gaining approval from the national government. Despite comprehensive scholars' attention in SEZ (Aritenang, 2009; Rothenberg et al., 2017; Adam, 2019; Rothenberg & Temenggung, 2019), little has linked such unbuilt and unfinished (Carse & Knease, 2019) projects with the urbanization of small centres.

This article researches small cities development in Indonesia as many national strategic projects are planned in small cities to make sure that development is equal in different regions. The research question is: how do small centre urban areas like Pangandaran deal with growing pressure from policy experimentation while undergoing a regional transformation from rural to urban areas? This article pushes the urgency to research the urbanization of small urban areas, especially as national-scale projects triggered new connectivity to its surrounding regions and global audiences. The authors argue that such development becomes more complicated as it is situated in an urban-rural transition context containing inadequate infrastructure, low local government capacity, and disaster risks.

Theoretical Framework

Emerging from the critiques of spotlighting only global cities (Sassen, 1991) and large cities in urban studies, researchers have sought to investigate small cities following Robinson (2006) in arguing that the city-making process is ordinary and non-hierarchical (Bell & Jayne, 2009). Despite being primarily understudied, researchers have begun to investigate the role of small cities and urban centres as an intermediary market responsible for local economic development and poverty alleviation (Hinderink & Titus, 1988; Satterthwaite & Tacoli, 2003). Small cities

are also characterized by their location in the local, regional policy nexus (Hinderink & Titus, 2002; Véron, 2010; Fahmi et al., 2014) of economic and environmental governance (Véron, 2010). Adding to that, Hinderink & Titus (2002) argued three factors that drive the development of small cities: the extent to which agriculture product is commercialized, rural-urban interactions, and state and local policies. The governance of small cities and centres is placed in the interplay between local and regional policies and its rural-urban interface (Hinderink & Titus, 2002; Véron, 2010), where the transformation of agricultural economies occurs (McGee, 1991).

Acknowledging its opportunity, UN Habitat (2012) compiled a series of small-town development successes in the United States. It highlighted the role of community development, capitalization of the community's competitive advantage, and local strategies in boosting its economic strategies. Similarly, Agergaard et al. (2019) suggested that although small-town economies are highly dependent on natural resources, reinvestment of added value locally and appropriate institutional support may assist small towns' economies in thriving. Livelihood diversification and increasing mobility due to a shift to the service sector offer vast benefits for the rural population. In terms of planning, small towns offer the possibility of crafting ideal density with open space preservation and sustainable community engagement (Friedman, 2018).

Despite comprehensive research and documentation on its potentialities, research has also explored the vulnerabilities of small cities. Firstly, it is difficult to decentralize a system. In the aftermath of the structural adjustment and decentralization wave, the state's reluctance to finance local infrastructure hit local governments harder in small cities and centres (Hinderink & Titus, 2002; Satterthwaite & Tacoli, 2003). That approach had left them seeking their strategies and forming an alliance with private enterprises. In Indonesia, the relatively low capacity of local government in coordination with the national government and neighbouring cities adds to the complexity of driving the development of small cities (Fahmi et al., 2014). Secondly, with insufficient infrastructure and budgetary capacity because of decentralization policies, small cities also find it challenging to cope with devastating events like natural disasters. Besides that, small towns find it difficult to cope with disaster occurrences with low capacity or even the absence of local government (Manda, 2014). Rumbach (2015) also argued that small cities often grow faster than the environmental learning of disaster occurrence. Once a natural disaster hits the main infrastructure network, there is hardly any alternative as infrastructure is lacking. Elsewhere, researchers illustrated that burgeoning global forces and state intervention through infrastructure in advancing the urbanization of small cities had ramifications to residents' cosmopolitanism and ability to maintain social reciprocity (Simone, 2006).

Present neoliberal governance renders policy mobility and experimentation possible worldwide with the translation of ideas from one place to another (Peck et al., 2009; McCann & Ward, 2012; Peck & Theodore, 2015), including small cities and urban areas. In their account of policy assemblage, McCann & Ward

(2012) argued that policymaking is understood as globally relational but territorially embedded. It gains specificity as it involves a series of local actors in reshaping the practice of policymaking. Despite its pervasive spread, studies on policy mobilities have illustrated how policies (and projects, respectively) are often not adopted in their original model but somewhat mutated and translated in different contexts. In terms of place-based policy transfer, Zhang (2012) illustrated the crafting of Shenzhen SEZ as an experiment of duplicating and translating policy from Hong Kong rather than an adoption of a single-ready package model. In other research, Ward (2007) suggested the Business Improvement District model's mutation from its origin and entanglement to create a livable micro-city as a privately managed enclave.

Scholars have also investigated how policy models are not implemented and suggested that policy (im)mobility be the norm rather than an exception to policymaking (Müller, 2015). Colven (2020) suggested that rather than failing, productive events of suspension and disruptions are essential to acknowledge that policy mobility is not a smooth process. Such frictions are often visible in terms of unfinished infrastructure or project development. Despite being incomplete, speculative projects often raised anticipation of different actors. Carse & Kneas (2019:13), in their ethnographic study of infrastructure where "unbuilt" and "unfinished" – conflating terms for "proposed, planned, funded, underway, delayed, failed, abandoned, and so on" projects, offer an approach of seeing the alternative future of "shelved" planning and mode of anticipations mobilized to benefit from or mitigate the deleterious effects of the project's realization (Harvey & Knox, 2015; Appel et al., 2018).

By reflecting through the above literature on small centres challenges and policy experimentation, this article will delve into how the urbanization of small urban areas is challenged by the speculative and far-cry realization of a national project, disaster vulnerabilities, and rural-urban transformation.

Methodology

This article problematizes the urbanization of a small urban centre in the Pangandaran region. Its focus is on the proposed national project of SEZ, which has not been realized but raises anticipations in planning significant infrastructure developments amidst the complexity of socio-environmental precariousness and lacking local government capacity. It draws on research used in devising Pangandaran urban spatial plan from May 2019-January 2020 through archival research, observation, mapping, and discussion with local stakeholders. Secondary data, including population statistics and local government planning documents, were collected before the field survey to gain a broad understanding of the region. Narratives and images in the planning document are used as materials in discourse analysis to exhibit what kind of logic underpins the planning of the area.

Direct observations were made to document the existing condition of the area, including land use, property development, and infrastructure. In this paper, Google Satellite images in time series (2000, 2010, and 2020) were used to illustrate the spatial expansion and development trend of the Pangandaran urban area. Focus Group Discussions (FGDs) were also held to incorporate local people's aspirations and perspectives for the development plan of their region. FGDs were conducted twice in May and October with around 20-30 participants consisting of the local government of Pangandaran Regency, local authorities at the district and sub-district level, as well as local organizations and tourism actors.

Results

The authors reflected on how the local government projects aim for this area to be the next Bali. Bali is still embedded in Indonesia's local and state governments' imagination as a success story of tourism-driven local economic development (the ten priority locations for national tourism development are called 10 New Bali). The authors devised and consulted the city planning: imagining Pangandaran in the next 20 years and what can be learnt from Bali's experience to anticipate the rapid growth of tourism activity – particularly once all investments: airport, harbour, railway, and Special Economic Zone, are in place. The expansion of the Pangandaran urban area emerged from the narrow peninsula, where most tourism activity and services are centred, to the west – following the main arterial trunk connecting Pangandaran to Banjar (Figure 1).

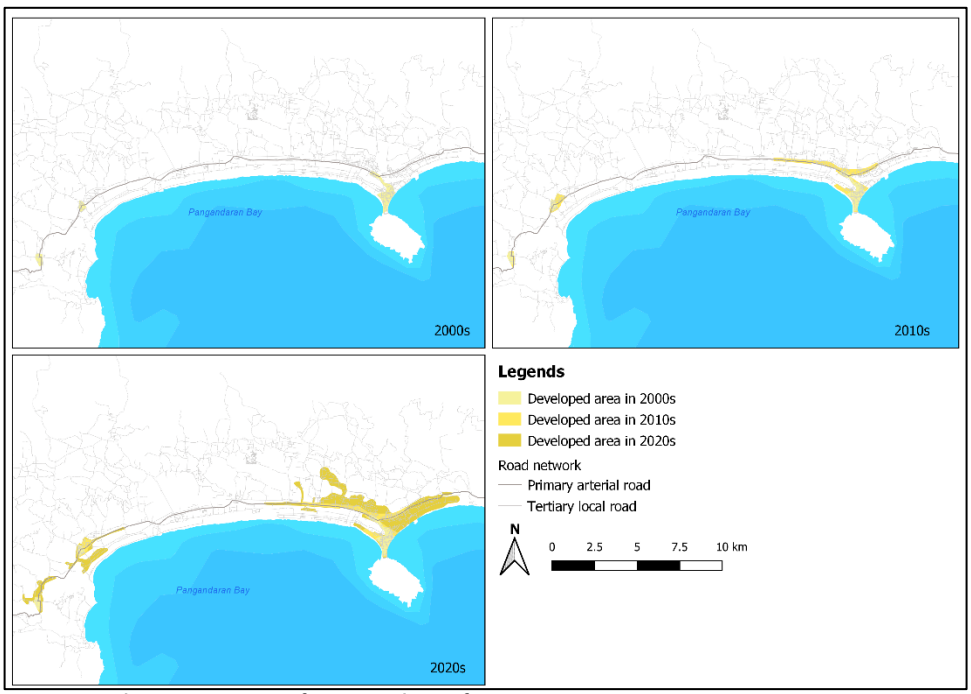

Figure 1. Urban expansion of Pangandaran from 2000-2020

The arterial road is the only regional connection serving the urban area. The region suffers from inwards heavy traffic congestion, and micro-mobility relies only on the arterial conduit without any secondary lines to divide the flow. A railway link is available, but land along the track has been occupied. It is estimated that 42,000 houses will have to be relocated for the railway reactivation from Banjar to Cijulang. Therefore, local people have been relying on the Banjar station, which is 3 hours away from Pangandaran. Pangandaran urban area is characterized by the meddling of local settlement, hostels, and middle-rise hotels on the edge of the Pangandaran peninsula.

The urban area is projected to continue expanding to the west, with an SEZ being devised in the middle of the current city centre to Parigi, where government offices and airports are located. In Bojong Selawe, Parigi, a small harbour is expected to grow as a regional harbour connecting Pangandaran to other beach-tourism destinations such as Cilacap and Banyuwangi. Despite its expansion to the west, the eastern part of the urban area has been subject to various government projects, including a maritime museum, fish port establishment, and fishery vocational school; thus, the east part can become a new activity centre. The new development reflects Bell & Jayne's (2006:2) argument on the characteristics of small city urbanization as it "was made to embody cityness, to behave in a city-like way, to aspire to heightened *cityfication*". Although arguably, the planning of the new centres and mega infrastructure is not done for the 50,000 people residing in the urban area but to expand the marketability of the regions and promote investment and economic growth. The intensive development of the Pangandaran peninsula was marked significantly with the development of accommodation services, particularly after the year 2000. What seemed to trigger the development in the first place was the number of tourists that increased significantly from 1998 to 2001, mainly domestic tourists. According to the Tourism Agency of Ciamis regency, the number of domestic tourists increased nearly 100% in 3 years, from 542,143 in 1998 to 1,036,252 by the end of 2001. Subsequently, adequate tourist facilities and infrastructure were necessary, such as accommodation services (Kamasan, 2002).

Although there were no valid data on the numbers of accommodations constructed from 2000 to 2004, Damatra (2012) stated that in 2005 there were 171 accommodations on the Pangandaran peninsula alone. However, the 2006 tsunami has destroyed most buildings in the Pangandaran peninsula and alongside the west coast. By the end of the year, there were only 57 accommodations left, according to the Indonesian Association of Hotels and Restaurants (Perhimpunan Hotel dan Restauran Indonesia/PHRI). In the aftermath of the tsunami, it took at least seven months for Pangandaran to recover and operate normally. However, many accommodations have not been renovated and remain abandoned, especially along the west coast area. Pangandaran is slowly redeveloping thanks to the cooperation between local government and local entrepreneurs. By the end of 2007, 110 accommodation buildings had been operating, and the number kept growing over the years. Over the last ten years, accommodation services have been reopening even more intensively, in line with

the growing number of local and international tourists. Today, Pangandaran has more than 300 accommodation buildings spread throughout its urban area, albeit still concentrated in the middle of the two bays (Figure 2).

Pangandaran peninsula has been an exotic yet strategic location for tourism services and activities. It is sandwiched between two beaches with Pangandaran Natural Reserve Park at the end of it. It is also the centre of commercial activities. Thus it only makes sense if hotel management wanted to build accommodations in this area. As of 2019, there are 311 accommodations registered in PHRI's database of Pangandaran. The type of these accommodations is divided into hotel and non-hotel, with hotels are further divided into two categories: star hotels and non-star hotels. Among the hotels in Pangandaran, 38% of them are star hotels, with the highest classification being 3-star hotels such as Horison Palma Hotel and the Arnawa. Horison Palma is the only hotel chain managed by Horison Group that is currently operating in Pangandaran. In 2015, Aston Hotels, an international hotel chain, built an 11,000 sqm 4-star hotel at the western edge of SEZ area, located near the riverbank leading to the sea. However, its construction stopped before because the local community contested that the development would only harm the environment.

Meanwhile, non-hotels consist of cottages, guest houses, and hostels, making up 77% of the total accommodations in Pangandaran. PHRI stated that Pangandaran entrepreneurs own almost 99% of non-hotels as most of them leased their properties as tourist accommodation.

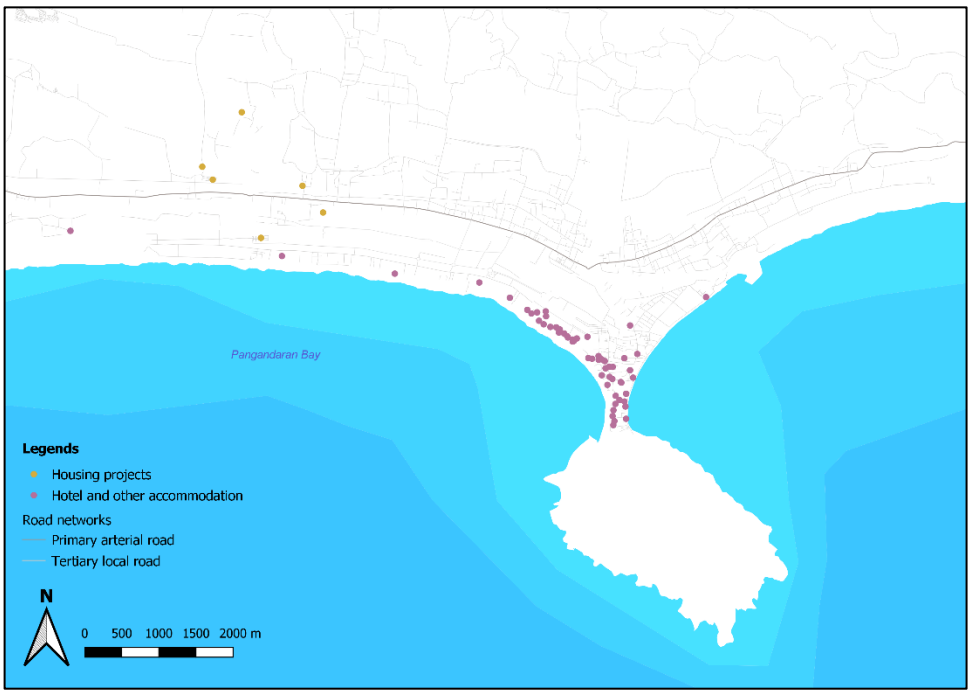

Figure 2. Identified accommodation buildings centred between the two bays and the development of new housing clusters.

People comprehend the increasing number of tourists as a business opportunity, and more and more of them run a lodging service. The rising number of accommodation network orchestrators such as Airbnb, OYO, and RedDoorz allows people to easily apply for their homes to be rented out for tourists. Therefore, non-hotel accommodations in Pangandaran are usually located along the small alleys as most are local people's residences. On the other hand, most hotels are purposely built adjacent to the beach or on the arterial road to have the best accessibility.

Aside from the accommodation services, the development of housing clusters is scarce but expected to grow significantly in the coming years. Though the location is not on the peninsula but the west side of the Pangandaran urban area, they are situated among the rural residential area. Most of these housings are subsidized housing targeting middle to low-income citizens. It also marks the increasing need for housing in the Pangandaran area as the population grows. Pangandaran's notable development over the years shows that the urban area has attracted stakeholders to invest, including the government and private sector, in supporting the area to become an urban centre.

With increasing regional accessibility and property development in and around the peninsula, basic infrastructure for the residents and tourists becomes crucial. In its context as an urbanizing small-town centre, basic urban infrastructure, particularly in dealing with urban-scale problems, including traffic congestion, disaster management, waste management, and flood mitigation, has been largely absent. From a geographical point of view, the urbanization of Pangandaran is characterized by vulnerability to natural disasters, particularly tsunami. With its growth centred along the coastal line, the urban centre becomes the first layer exposed to any hazards coming from the sea. Even its prominent facilities, including bus stations, local markets, schools, and electricity plants, are in the tsunami red zone. After being hit by 21-meter-tsunami in 2006, local government and people have been planning evacuation routes and building along the coastal area. However, such mitigation has been ambiguous as the evacuation route has no discernible orientation. The street is sporadically laid out, urban settlement centred in the red zone of danger, and high-rise buildings in the first layer of the coast are not disaster-proofed. The only barrier to high tide is a natural forest at the end of the peninsula, which has protected a small part of the bay from the tsunami in 2006.

Apart from tsunamis, high-level tides flowing inward to the mainland through the Cikidang river have often been flooded the settlement, especially during heavy rains. Under flood mitigation discourse, the Cikidang river has been subject to normalization projects of widening and dredging the river, primarily mobilized and contested in large cities like Jakarta (Padawangi & Douglass, 2015) as it leads to the displacement of residents living alongside the river. The unavailability of a wastewater treatment plan has led to household and tourism waste disposal through drainage, which pollutes the beach at the end of the conduits. Sludge subsequently has been removed manually to an open site. Therefore, it is argued

that burgeoning socio-environmental vulnerability becomes a specific issue to address in the urbanization of Pangandaran.

Discussions

Studies have shown how project experimentations in small urban areas are intertwined with state policy aiming at global economic competitiveness while being used by local government to climb the urban hierarchy (He et al., 2018). The success story of replicating policies has triggered local governments to be entrepreneurial, allowing private investment to boost the small cities' economic growth. However, what if the project goes unsuccessful? What kind of implication does it carry and how does it influence the urbanization of small cities? This article critically contributes to research about project experimentation and small cities' urbanization by addressing how speculative projects deal with the transformation and convolution of urban-rural spatialities.

The doubt about Grand Pangandaran ever becoming a Special Economic Zone was raised during a conversation with the local government of Pangandaran. The ambivalence was raised because the planning document was unable to be located; the authorities seemed clueless about how SEZ application was processed and, physically, where the planning and environmental risk analysis documents are. As the leading tourism actors in Pangandaran, the local government and local residents have little idea about the project itself while also having to prepare and anticipate (Novianti, 2019). Perhaps because the provincial government crafted the plan and idea, little is transmitted to local government and people. Governor Ridwan Kamil has been promoting three SEZs to investors in West Java Investment Summit (WJIS) 2019, where Pangandaran is one of them (Lukihardianti, 2019a). However, for it to be acknowledged as an SEZ, the National SEZ Board must approve the proposal and, therefore, grant the ease of business and investment, like in other SEZs in Indonesia. However, to date, the proposal has been disapproved due to administration failure (Lukihardianti, 2019b).

SEZ has gained popularity since the success of SEZ in East Asia in the 1980s and 1990s, and the number has increased sixfold worldwide (Alexianu et al., 2019). Historically, SEZ in Indonesia was initially crafted in 1970 as Free-Trade and Port Zone in Batam (Kawasan Perdagangan Bebas dan Pelabuhan Bebas/KPBPB) which was then reinvented in 1996 as Integrated Economic Development Zone (Kawasan Pengembangan Ekonomi Terpadu/KAPET) before becoming SEZ in mid-2000. Learning from KAPET's failure of a centralized approach without local government's support, SEZ was designed as a bottom-up initiative from local government to the state to increase the economic growth of their regions following the decentralization wave in 1998 (Rothenberg & Temenggung, 2019). In the aftermath of decentralization, local governments seek to increase their global competitiveness by inviting the private sector to develop their regions.

Subsequently, SEZ development becomes a tool in achieving this goal. Both KAPET and SEZ aim to foster growth through Indonesia's periphery to decenter and distribute growth from Java, where 53% of Indonesia's population resides. In its initial effort, KAPET and SEZs were designed as export- and import-industrial activities centres. However, in 2019, tourism potential was added to take advantage of Indonesia's natural and cultural resources. Like other SEZ policies in other countries, the National SEZ Board under the Coordinating Ministry of Economic Affairs incentivizes development in SEZ through taxation, customs, employment, migration, and land policies. Per mid-2020, six tourism SEZs were designated, namely Tanjung Kelayang, Tanjung Lesung, Mandalika, Morotai, as well as recently, Singhasari and Likupang. In his evaluation of Mandalika and Tanjung Kelayang, Adam (2019) suggests that tourism SEZs lack infrastructure and accessibility and face several difficulties in management coordination and land acquisition. While SEZ in Indonesia was historically crafted to mimic the "success" of Batam, it has now been mobilized mainly as a solution to propel local economic growth, particularly outside of Java.

Pangandaran has received wide attention from the provincial to the national government as an important site for regional and national economic growth. In accelerating tourism development, the West Java provincial government has invested 40 billion Rupiah (approx. 2.4 million Euros) in revitalizing its west and east coastal area through hard-scape projects, including skywalks, coastal pedestrian way, and public toilets. Besides urban beautification projects, Pangandaran SEZ has also been pushed as a priority agenda for West Java's southern coast development. The delineated area is only west of the city centre. It is planned to accommodate two main functions: tourism and fishery industry with diverse land uses including accommodation, commercial centre, mixed-use function, entertainment, research centres, and facilities.

Despite its grandiose vision of a water-front city, the preliminary conceptual masterplan of Pangandaran SEZ seemed to neglect the socio-environmental vulnerability of the urban area. This is mainly due to the document lacking to address fundamental regional issues related to its urbanization challenges, including disaster vulnerability, environmental pollution, waste management, and flooding. The designated area of SEZ, currently known as Grand Pangandaran, is situated in the tsunami-red zone severely hit by a tsunami in 2006. Such condition has also pushed PHRI in identifying the potential of high-rise hotels located in the peninsula for vertical evacuation, which is arguably faster than horizontal evacuation given the undiscernible street layout and orientation.

Given the future SEZ's vulnerable geography, the master plan shows little attention to this disaster risk. It instead exhibits a portrayal of two- and three-story buildings, which are argued to be incompatible with tsunami-red zones, without any meaningful mitigation and evacuation scheme. Employment dormitories and public facilities like schools are also planned to be within the designated area. Such planning contrasts with the local government's plans to relocate public facilities and hinder the growth of residential functions in the red zone as a mitigation effort, as shown by the Focus Group Discussion with local

government and authorities on May 23rd, 2019. The developer disagreed with the proposed plan of building a wave breaker in the coastal line as it would hinder the direct view to the beach, as shown by Focus Group Discussion with local government and authorities on October 22nd, 2019.

Results confirm Rumbach's findings (2015) that rural-urban spatial structure poses higher vulnerabilities to small cities. Besides that, the planning was devised without contextual disaster risk, with insufficient basic urban infrastructures such as waste management and flood mitigation as demonstrated before, the development of SEZ will add socio-environmental pressure in Pangandaran. This condition is also exacerbated by the low capacity of local government in infrastructure spending as a recent autonomous region. Among other cities and regions in West Java, Pangandaran had the lowest revenue in 2014-2016 (BPS Jawa Barat, 2016). It heavily relies on fiscal balance transfer from the national government. From the data the authors gathered from Pangandaran Bureau of Regional Revenue, Finance, and Asset Management, the region's own revenue remains the minor proportion of the income source. On the other hand, with most local people working in the agriculture and fishery and the unavailability of high-skilled labour in tourism and hospitality, it remains ambiguous whether significant investments such as SEZ will absorb local labourers.

Conclusions

The urbanization of small urban centres like Pangandaran remains relevant as they embrace different challenges and narratives to large and metropolitan cities (Bell & Jayne, 2006, 2009; Ocejo et al., 2020). Urbanization becomes a constant reflection of anticipation and is highly contested for small cities in the decentralization era. As every small city's government aspires to be globally competitive, they also face problems of regional accessibility, insufficient infrastructure, and burgeoning socio-environmental risks along with the physical transformation of the rural area. This paper has illustrated the ambivalent urbanization process in Pangandaran by demonstrating the ambition of devising an SEZ in the urban area. The unbuilt and unfinished project has propelled anticipatory actions in planning and infrastructure development where airport, harbour, and railway will be constructed to facilitate the future SEZ. With such infrastructure development, the expansion of the urban area is projected to grow along the coastal line where another vulnerability awaits: tsunami hazard.

Relying on local economic development on the promise of a speculative project like SEZ is problematic as there are many possibilities it fails to deliver its aim in generating economic growth. According to Rothenberg et al. (2017), incentive policies, including tax reduction in place-based strategies, have not invited large firms or generated productivity and value increase in KAPET. While the migration rate has not increased in the designated districts, economic growth has been absent. In addition, there have been unresolved problems about market threshold and agglomeration economies, which are the significant factors of

failure in Indonesia's place-based policies. In another case like Batam, the development of KPBPB successfully fostered the economies of small (island) cities through significant mobilization of low-skilled labourers. However, with insufficient infrastructure and housing for the workers, problems including underserviced urban settlement have arisen in past decades. Natural disasters also pose other challenges as many designated SEZs, i.e., Palu and Tanjung Lesung, were devastated by natural disasters (Tanjung Lesung tsunami in 2018, Palu earthquake and tsunami in 2019). These SEZs are located in a hazard-prone area, but little has been done to mitigate disaster risks.

Lastly, to reflect on the findings, policy experimentation has put small urban areas like Pangandaran in a more complex situation, particularly with the low capacity of local government in financing infrastructure. Characteristics such as its vulnerability to natural hazards and its rural-urban transition context need to be given attention in urban planning policy as a solution that works, not just any model adopted elsewhere.

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