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THE IMPACTS OF ECONOMIC RESTRUCTURING ON
SPATIAL INEQUALITY IN MAJOR URBAN CENTRES
IN AUSTRALIA AND INDONESIA

(URBAN SOCIOLOGY)

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CONTENT

Introduction	2
Inequality as a problem 'of' city	3
Inequality as a problem 'in' city	7
Case of Indonesia	11
Conclusion	14
Bibliography	16

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THE IMPACTS OF ECONOMIC RESTRUCTURING ON SPATIAL INEQUALITY IN MAJOR URBAN CENTRES IN AUSTRALIA AND INDONESIA

The 1950s and 1960s were a period of growing metropolitan dominance. The Australian economy, which had been traditionally based on primary production, became quickly diversified with a wide range of manufacturing activities. During the 1970s, there were major changes in Australia's demographic and economic growth patterns and this continued to influence the situation into the next decade. The changing pattern of the economy had a number of consequences, not only for issues of spatial equity but also producing social some 'problems'. One of the most obvious effect of the changing economy system in Australia has been the changing pattern of unemployment both in numbers and in regards to sector of jobs. The spatial distribution of unemployment shows that there is an uneven pattern which is often explained by either a spatial or non spatial model.

Like Australia Indonesia, as an industrialising country also has many problems related to urban development. While, the problems are different from those

facing Australia or other developed countries, the models for analysing urban inequality are likely to be useful. Rising employment in the manufacturing sector may not solve the problem of unemployment produced by decreasing of agricultural jobs, but it has created an internal migration of people from the rural to the urban centres. In addition, problems of urban redevelopment and the concentration of facilities and office space in urban area have invited problems relating to rapid urbanisation.

In this essay I will argue that social and economic inequality such as unemployment in urban centres in Australia needs to be viewed both as a problem 'of' cities (spatial model) and as a problem 'in' cities (non spatial model). This essay will be divided into two parts, firstly it will discuss, unemployment as a factor of social and economy inequality in Australia as it relates to the two models of urban inequality. The second section will discuss the relevance of these models to general urban problems in Indonesia as a developing country.

Inequality as a problem 'of' city

The model which sees inequality as a problem 'of' cities or in terms of spatial emergence is related to the use of space of a city, for example how a city has

developed. From this perspective the spatial structure of the city can be explained by looking at how components of the city such as housing area, manufacturing area, recreational area, centre of business and so on, are organised. Focus on the spatial model in urban area, means that the planning of urban development has an important role. Unsuitable policy decision relating to urban structures are likely to lead to spatial problems such as unemployment in certain areas. For example residential segregation can be seen to be a problem of accessing jobs related to unemployment. Vipond (1985:118) explains that transport availability and expenditure, and information flows which are unevenly distributed in cities will affect access to work, because the chance for workers to get jobs opportunities will be directly influenced by these factors.

Spatially, economic restructuring in Australia has brought about some changes. The vacation of office space in the inner city areas in the mid 1970s has led to business moving a little further out to the inner suburban ring. The process of 'gentrification' in inner city has also caused an acceleration of housing prices and rent in metropolitan cities of Australia. Hence, the pressure of increasing the standard and costs of living in inner cities has led the lower income groups to move to the outer suburb ring. Population growth is therefore

continuing to be focused on the outer suburban areas. Turning from urban areas to look at the broader side of the region, there seem to be continuing problems associated with the balance between metropolitan and suburban development.

The relationship between the problem of unemployment and spatial inequality can be highlighted by the fact that employment opportunities in the city highly centralised. Supposing that all workers prefer to work near their homes, to save on time and transport cost it would be assumed that labour markets in the outer areas will be more competitive than those in middle ring, while the inner-city the labour market will be the least competitive (Vipond, 1985:119). An example of the spatial unevenness of unemployment is given by Vipond where in Sydney in 1981 the percentage of jobs available in the outer ring of suburbs are disproportionately low compared with the percentage of the work-force and population in that area; while in the middle ring the composition of the three factors is balanced and in the inner-city the percentage of job much higher compare with percentage of workers and population. This means that people in the outer areas will find it more difficult to access opportunities in labour market.

Another disadvantage caused by decentralisation and the concern with the distance of homes from available jobs, is transportation. One effect is that many outer suburban residents face long commuting times. Many low-income workers cannot afford cars, therefore, an inadequate public transport system in suburban areas will act as a constraint on workers from getting benefit of the jobs available in this areas. Certain groups of workers that are particularly affected by this problem are youth, old people and women with small dependants.

In terms to solve the problem of the spatial inequality like unemployment, it is important to create an urban regulation or policy. One thing that possibly can be done by urban planners, create unemployment opportunities in certain areas. By that, people who cannot be able to get jobs, because they live far from the work places or have not enough money to sustain transportation costs, will easier to find jobs near their homes or places.

Other alternatives to reduce problem of spatial inequality in cities in Australia are the improving the access and services, therefore the certain people will have chances to get jobs. For example, enhancing transportation facilities will help people get access on

working. People who have no cars can go to their work places easily.

Inequality as a problem 'in' city

Economic restructuring, however, is not only seen as a spatial effect, or 'of' city problem, but it also can be seen as an 'in' city problem or non-spatial model of urban problems. Analysing the problem as one that is 'in' cities, shifts the focus to problems that are produced by the socio-economic system within society, but which have effects in spatial terms. Analyses of unemployment is undertaken in the context of redistribution of capital in the global economic and the impact of technology and flexible work practices in the work-force. One view within the non-spatial model locates social factors as the cause of unemployment. Focusing on the differences in work-force participation according to age, family status, ethnicity, or stage of the life-cycle (Hovarth&Tait, 1986:198-204).

Vipond (1985:117) in her article mentions that the high rate of unemployment in urban areas as analysed by the non-spatial model is not related to location. Inequality in the distribution of unemployment from the 'in' city perspective merely reflects differences of the level of unemployment among some types of labour related

to others, and variations occur according to the characteristics of the resident labour force. Furthermore, Vipond recognises some non-spatial problems of unemployment such as those related to sex, level of skills and education, duration of participation in workforce, marriage status and race or ethnicity.

For western countries such as Australia, economic restructuring in the late twentieth century has meant rapid growth in service sector jobs and decline in manufacturing employment. Hovarth and Tait (1986:193) for example, show that between 1971 and 1981 manufacturing jobs in Sydney decreased 18 percent or about 60 000 jobs were lost. Another industry sector that decline the jobs is construction, while other occupational categories that lost over 20 000 jobs were trades, process workers, and labourers. In contrast, there has been essential growth of employment in community services and finance industries in Sydney, which together added plenty of jobs during this time. As a result of growth in these two kinds of jobs, there were acceleration of some kind of jobs such as professional and technical workers, and administration and clerical jobs.

Consequences of the change is unevenness of unemployment within society. The high demand on service sector jobs has absorbed many skilled workers such as

professionals and technical workers or administrative and clerical workers. Furthermore, the high demand in these jobs possibly will result in increasing income for those workers. In contrast, the decline of manufacturing jobs meant many people lost their jobs and unemployment in this sector increased. In other words, the change of economic structure in Australia has brought about unevenness of unemployment among the sectors of work. The fact that unemployment is higher among some types of workers, this will produce a greater spatial inequality within society.

Despite inequality that can be recognised as spatial or non-spatial problem, actually these problems relate to one another. Sometimes, it is difficult to separate the two perspectives on analysing spatial inequality within society. It can be seen by looking at the problems that are faced by some migrants that are spread out in Australian cities.

Migrants have played an important role in industrialisation of Australia, and have made a distinctive contribution to the character of Australia's cities. The migrant will continue to present particular problems and challenges to social and urban planners and policy makers, and the issue of inequality will continue to have an ethnic dimension. Hovarth and Tait (1986:199)

conclude in their research that migrants from non-English-speaking countries are in general disadvantaged compare to other ethnic groups in Sydney society. By looking at indicators of income and occupation, the migrants are more likely to be worse off compared to 'second generation Australian born'. Because of their role in boosting Australia's manufacturing sector migrants have tended to be blue collar workers, with fewer white collar workers. Furthermore, Hovarth and Tait have found that among migrant groups unemployment rates are higher, fewer households have cars, houses tend to be smaller and fewer people are home owners.

One aspect that support inequalities among migrants neighbourhood identified by Hovarth and Tait (1986:201) is the language and tendency to live together and concentrate geographically. They identified that at individual level, unemployment rates for Vietnamese and Lebanese running at twice the rate of that for the Australian-born. This inequality has a very clear spatial dimension, which become evident when migrants neighbourhoods are compare with neighbourhoods with high concentrations of Australian-born people with Australian parents.

In sum, some migrant groups in Australia face many problems spatial inequalities that cannot easily merely

be determine as spatial or non-spatial inequalities. Because of the language obstruction they tend to live together with their own ethnic groups and difficult to find better jobs. As a result, their income tends to be lower compare to the Australian-born. Their low income is likely cause they do not be able to get long distance jobs, and they are trapped in these spatial problems.

Case of Indonesia

Indonesia as an industrialising country has different urban problems from Australia or other developed countries. Because Indonesia has had a high population growth which has not been followed by rapid economic growth has carried out many social and economical inequalities have been created in both rural and urban areas. In many rural areas which the economy usually based on agriculture have changed. Mechanisation and efficiency in agriculture, and declining availability agricultural land have caused decrease in employment in farming. Consequently, unemployment in the agricultural sector has arisen rapidly.

As a result of these changes, many people who can not get jobs in the agricultural sector move to cities, to try to seek work. Hence, urbanisation is related to the rapid growth of population in cities. The imbalance of the rate of increase in the urban population, with the availability of jobs and social services has produced

many social problems such as crime, drug abuse, homelessness and so on. The high level of urbanisation is likely to increase the rates of unemployment within cities, because people who move from rural areas are usually unskilled and uneducated. The imbalance between urban migrant who are seeking jobs and the number of jobs available cause many of them to accept inadequate jobs or even fail to get a job. Subsequently, they find difficult to have a minimal standard of living or facilities such as adequate housing.

In the city itself, particularly Jakarta, the housing market has recently grown rapidly in suburb areas. Furthermore, the developing city has forced the low income people to move from the inner city. As a result the main housing areas have gradually moved to the outer suburban ring. The government has also tried to spread out the business, trade and industrial areas to the suburban and fringe areas. However, labour markets are still concentrated in the inner city. People who are working as civil services have to commute everyday from their homes to the places of work available, and still many private corporations place their office in inner-city. This situation has exacerbated both the spatial and non-spatial aspects of inequalities such as unemployment.

Inadequate transportation and the high costs of commuting everyday to the work place has been a factor in

the increase of unemployment in the suburban areas, especially for part time and unskilled workers. Their wages cannot sustain the cost of living and transportation. Consequently once they have lost the chance to get jobs in inner city, they have to seek job in suburb areas. Unfortunately there are not many opportunities for them to get work in the suburban areas. Therefore, unemployment in the city of Jakarta has become greater because of spatial inequalities. However, the problem of unemployment is also a result non-spatial inequalities such as economic restructuring which has had an effect on how the city is structured.

The pattern of non spatial inequality in Jakarta probably different compare to the cities in Australia. Although there are not many residents who come from different races, the population in Jakarta consists of people who are from different ethnic groups or tribes. However the differences do not cause a significant pattern of inequality in the city. The only race that is likely to be separate from others is the community Chinese. In Indonesia, Chinese people tend to dominate in trading sector, in which they usually form an exclusive community and often use their own language. Because the jobs related to their business are usually only spread out among themselves , it is not easy for other original

Indonesian ethnics such as Javanese or Sundanese to get job from them.

Another non-spatial aspect of inequality related to unemployment in Jakarta is the uneven opportunities to get a job related to sex difference. Industrialisation has provided some alternatives some to traditional jobs among workers, including jobs for women. Many women in suburban areas are working in industries such as textile, clothes and some other kind of manufacturing. However, the chance for women to get work in this sector is lower in comparison on to men. There are some evidences that women are disadvantaged in competing for these jobs. Sometimes, a woman cannot work because she has dependant children. Child care services are not yet common in Jakarta. If child care is available, usually the women will not use the service because of the cost. Normally child care is only available in specific areas and for specific working groups.

The examples of spatial inequality problems presented above are only a little part of problems faced by Indonesian government. The actual problems are likely to be much more complicated. To decrease the problem such as unemployment, it needs to evaluate all aspect, as spatial or/and non spatial problems. Because there are

many problems link each other that form complex problem like unemployment.

Conclusion

In conclusion, economic restructuring has brought about many changes in Australia. Declining on manufacturing, shifting to service sector and arising unemployment have produced some spatial inequality within the Australian society. To solve or at least to reduce these problems such as unemployment, this needs to be viewed both as a problem 'of' cities (spatial model) and as a problem 'in' cities (non-spatial model). However, there are some problem that cannot analyse merely as a problem 'in' cities or only as a problem 'of' cities. Inequality in terms of migration in Australia is one of the example how difficult it is to separate out the two perspectives. Although on different problems and different level, Indonesia as developing countries has also many kinds of problem spatial inequalities. Unemployment is the most important spatial problem that is faced by Indonesia. Like in Australia to resolve the problem this needs to be seen as spatial and non-spatial problem.

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