The Role of the City Government and the Private Sector in Shaping the Face of South Tangerang City in the Future: An Analysis of Scenario Planning

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ABSTRACT

Keywords: scenario planning, urban development, collaboration, government and private.

The city of South Tangerang, located in the south of DKI Jakarta, plays a role as a buffer city with a very strategic location. The city attracts many individuals and corporations to live, do business, and invest thanks to its potential and attractiveness. Tangerang has grown rapidly in less than two decades, much of which has also been supported by large private investors and developers such as Jaya, Sinar Mas, Lippo, and Ciputra. Therefore, synergy between the City Government and the private sector is very important in the development and development of the city. Amid change and uncertainty, scenario planning analysis methods are applied to formulate various public policies that support urban development goals by considering internal and external risks. This policy paper discusses the possibility of the future of Tangerang City based on efforts and harmony between the City Government and the private sector.

Introduction

South Tangerang City, which is located in Banten Province with an area of 147.19 km², has become an autonomous region since the end of 2008 with the issuance of Law Number 51 of 2008 (Kusumawanto & Astuti, 2018). This area is divided into 7 sub-districts and 54 sub-districts. The 2020 census data shows that the population is 1,365,688 people, consisting of 683,474 men and 682,214 women, with a density of 8,284 people per km² (BPS, 2020). The city is known as a strategic area for new settlements and businesses, given its proximity to DKI Jakarta to the north and east, making it an important buffer zone. The existence of modern infrastructure and complete facilities developed by private business people adds to the attractiveness of South Tangerang as a place to live and do business. This makes Tangerang City have the highest population growth rate when compared to other cities around Jakarta (Saifullah, Barus, & Rustiadi, 2017).

The geographical location of South Tangerang City, which borders DKI Jakarta Province to the north and east, provides an opportunity for South Tangerang City to become one of the buffer areas of DKI Jakarta. This is not without reason, having the
advantage of being located close to the capital city, the presence of large private developers in South Tangerang has presented modern infrastructure, complete facilities, and easy access to Jakarta which makes this area increasingly in demand (Wihadanto, Cahyadi, Prima, Permana, & Pamungkas, 2024).

From data taken from the Distribution of South Tangerang City GDP ADHB According to Business Fields in 2021-2023, economic development in South Tangerang has shown a prominent trend with the dominance of the tertiary sector which reaches 75.82% of its economic structure, followed by the secondary and primary sectors with proportions of 23.96% and 0.22%. In terms of contribution to Gross Regional Domestic Product (GDP) by the business sector in 2023, the real estate and trade sectors led the way with contributions of 17.42% and 16.70%, respectively. Meanwhile, the construction, information and communication, educational services, and processing industries also make a significant contribution to the economy, with a total contribution of 44.23% (BPS Tangsel City, 2024).

In terms of regional revenue in 2020, South Tangerang City recorded revenue of Rp 3.0 trillion. Regional Original Revenue (PAD) is the main support with a contribution of Rp 1.53 trillion or 51.21%, followed by a balanced fund from the central government which reaches Rp 907 billion (30.19%) and legitimate other revenues of Rp 558 billion (18.59%). In the PAD component, regional taxes accounted for the largest portion with Rp 1.34 trillion, or 87.42%. For the balance fund, the General Allocation Fund (DAU) is dominant with a contribution of IDR 558.08 billion or 61.52%. All of these data confirm the vital role of the tertiary sector and various sources of income for the economy of South Tangerang (Rambe, 2024).

The presence of large investors and developers such as Jaya, Sinar Mas, Lippo, and Ciputra is an undeniable fact that South Tangerang has become big because of the intervention of the private sector. In fact, as a large amount of land in the South Tangerang City area, currently, 70 per cent is under the management of the private sector (Radar Banten, 2022). The development of a fairly massive residential area also has an impact on the transfer of land use in the Tangerang City area (Danniswari, Honjo, & Furuya, 2020).

In the process of city development, the Tangerang City Government should be able to provide optimal and adequate development for its citizens, because 70% of Tangerang City has been built and managed by private developers, which means that the rest is built by the Regional Government.

Media Survey Indonesia (MSI) conducted survey activities on November 10-15, 2022 in the form of face-to-face interviews and questionnaires. The survey, entitled "Year-End Evaluation of the Mayor and Deputy Mayor of South Tangerang (South Tangerang)" involved as many as 500 respondents from seven sub-districts in South Tangerang who were interviewed using a multistage random sampling method. The survey results show that several Tangsel City Government programs are still below 50% satisfaction. These include problems in overcoming congestion (34.6%), providing jobs (39.4%), problems in overcoming floods (45.6%), and waste problems (44.6%).
Residents of South Tangerang hope that the City Government can more intensively overcome the main problems such as congestion, flooding, waste management, and job creation. There are many criticisms from the public who consider the performance of the Tangerang City Government to be only a formality in a government that still depends on capital owners since it became an autonomous region in 2008 (Kompas, 2020). In this regard, the Ombudsman of the Republic of Indonesia Representative of Banten Province has also highlighted the low quality of public services, with the highest number of complaints in Indonesia during the pandemic, especially regarding the distribution of social assistance (Ombudsman RI, 2020).

The current conditions should be a whip for the Tangerang City Government to immediately improve. If we do not immediately improve and immediately follow the development of the existing situation, the City of Tangerang may be faced with the worst scenario conditions. So that the Tangerang City Government must be able to synergize steps together with private developers to be able to develop strategies to achieve their goals amid a situation that is overwhelmed by uncertainty and need to develop an effective strategy so that they can continue to move to achieve their goals and at the same time adapt to change.

In the face of uncertainty and risks that come from various sources, both external and internal, a comprehensive approach is needed to plan for the future of the city of South Tangerang. Scenario planning, as a method that allows the creation of various alternatives to achieve goals, is the right candidate to face this challenge.

The main question that is the focus of this study is, "What is the condition of South Tangerang City in the future?" The scenario planning approach will lead to several possible scenarios (Wijayanto & Sunitiyoso, 2019). This approach will help in visualizing various possible future conditions of South Tangerang City. Through this analysis, it will be able to identify and explore various possibilities, ranging from optimal situations to challenges that may arise, with the main goal of developing effective and adaptive strategies to achieve the desired situation for the City of South Tangerang.

The research will play an important role in strategic planning, by guiding stakeholders, including municipalities, the private sector, and communities, in making informed decisions and preparing interventions that address risks and capitalize on future opportunities.

The geographical location of South Tangerang City, which borders DKI Jakarta Province to the north and east, provides an opportunity for South Tangerang City to become one of the buffer areas of DKI Jakarta. This is by the Concentric Zone Theory put forward by an American sociologist, Ernest W. Burgess, in 1920. The growth of the population and the rapid development of the city of Jakarta has an impact that is increasingly expanding to the suburbs so it has a direct effect on the development of the city of Tangerang (Al Karim, M., et. al., 2019). Infrastructure development and increasing residential development in Tangerang are needed in line with the increasing population of Tangerang City. The development of residential areas and business centres has led to an increase in the area of built land in urban areas (Lamidi, et. al., 2018).
To ensure the sustainable development of South Tangerang City, careful planning must consider the need for housing while reducing negative impacts on the environment (Fitri, Fauzi, Sanders, & Danniswari, 2023). Not only that, integrated infrastructure development is also necessary. Economic growth followed by urban sprawl requires adequate infrastructure to improve the quality of life of the community and support sustainable economic growth (AREA, 2019). Last but not least, community empowerment and public involvement are key elements in successful city development. By involving communities, the private sector, and local governments in the planning and decision-making process, urban development can run more efficiently and sustainably, while ensuring that the interests of the community are fairly considered. By integrating these concepts, sustainable urban development can be realized, taking into account ecological, economic, and social aspects.

Research Methods

In this study, the scenario planning method was adopted as the main approach to improve innovation strategies related to sustainability and development of the South Tangerang City (Tangerang) area. The application of the scenario planning method itself is very appropriate to face high uncertainty in the future. Therefore, a scenario planning method is needed to prevent unwanted conditions (Wijayanto & Sunitiyoso, 2019). Scenario planning can also be used to improve innovation strategies related to sustainability (Larsson & Holmberg, 2018). In this context, it is the development and development of the South Tangerang City area.

According to Edgar (2013), there are five main challenges in the use of scenario planning for regional development. First, there is a profound need to understand the driving forces of social, economic, and political conditions that influence decision-making. Second, the importance of understanding the various roles and motivations of stakeholders that sometimes contradict each other, requires planners to have a comprehensive understanding. Third, effective coordination between stakeholders is essential, given their often contradictory influence on scenario outcomes. Fourth, planners must be able to understand and resolve conflicts of interest between different parties to develop a clear strategy for dealing with conflicting interests. Fifth, the final challenge is the ability to produce effective and adequate policy recommendations to achieve the desired results in situations of uncertainty.

In addition to these challenges, scenario planning also requires complex data and information support, requiring sophisticated data management. In this context, the term 'internetisation management', introduced by Abouzeedan and Busler (2007), has become important as a way to utilize the internet in managing and presenting data in scenario planning.

Prediction and development of alternative development strategies for the South Tangerang City area with this scenario planning method is carried out with systematic and structured steps as shown in Figure 1:
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Figure 1. Steps for Scenario Planning in South Tangerang City
Source: Compiled by researchers

Figure 1. is a scenario planning process for the City of South Tangerang, the initial stage involves formulating a focal question to determine the strategic direction and scope, as well as identifying relevant opportunities, challenges, and risks to create synergy between the City Government and the private sector. Then, the main driving forces were identified through literature studies and related data to influence this key question. Furthermore, critical uncertainties are determined by grouping driving forces that have a significant impact and a high level of uncertainty on the focal question. Based on this uncertainty, a scenario matrix was formed that resulted in four potential scenarios. Each of these scenarios is then developed into a scenario narrative that describes possible future conditions, taking into account the elements of driving forces. Finally, the implications that may arise from each existing scenario are identified, so that it can provide a comprehensive overview of strategic steps for the development of South Tangerang City.

Results and Discussion
Scenario Framework for the Condition of South Tangerang City in the Future

The scenario framework that maps four pictures of conditions that may occur in South Tangerang City in the future is shown as follows:
Figure 2. Scenario Framework
Mapping Four Conditions That May Occur in South Tangerang City in the Future

Figure 2. is a mapping of four conditions that may occur in South Tangerang City in the Future. There are two main uncertainties (critical uncertainties) that will be the axis of the matrix. The first axis (x-axis) is "Performance of the South Tangerang City Government", with effective and ineffective poles as shown in the figure above. The performance of the South Tangerang City Government is measured based on: (1) providing investment facilities; (2) the provision of fiscal incentives to attract investment; (3) regional infrastructure development; and (4) building an investment climate.

The second axis (y-axis) is "Development of Private Investment Interest in the City of Tangerang", with the poles increasing and decreasing as shown in Figure 2. The development of private investment interest in Tangsel City is measured based on: (1) investment growth figures; (2) Gross Regional Domestic Product (GDP) produced; (3) unemployment and poverty rates; (4) Regional Original Revenue (PAD) figures from the private sector. The two main uncertainties will be used to analyze the condition of the city of Tangerang in the future.

According to (Sugianto, Kurniawati, & Abbas, 2020) Investment from the private sector aims to improve the economy of local communities and increase regional income. In this case, it is related to the future of South Tangerang City (Sugianto et al., 2020) because investment is a relevant modernization theory concept when used to see or analyze the existence of regional bond policies or policies to bring in foreign investors or domestic investors (Pratiwi & Wahyono, 2023).
In table 1. Below is an explanation of the two main uncertain factors that shape the face of South Tangerang in the future, namely in terms of the performance of the South Tangerang City Government and the development of private investment interest in Tangerang City.

Table 1

<table>
<thead>
<tr>
<th>Performance of the South Tangerang City Government</th>
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<tr>
<td><strong>Effective</strong></td>
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<tr>
<td>a. The South Tangerang City Government makes it easier for new investments to enter.</td>
</tr>
<tr>
<td>b. The South Tangerang City Government is increasingly effective in providing fiscal incentives to attract investment.</td>
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<tr>
<td>c. Effective regional infrastructure development to attract and support new investments.</td>
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<tr>
<td>d. The Tangerang City Government can build a conducive investment climate so that it will be able to attract investment interest.</td>
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<table>
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<tr>
<th>Development of Private Investment Interest in Tangerang City</th>
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<tr>
<td><strong>Increased</strong></td>
</tr>
<tr>
<td>a. The growth rate of private investment is increasing.</td>
</tr>
<tr>
<td>b. The resulting Gross Regional Domestic Product (GDP) is increasing.</td>
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c. The decline in unemployment and poverty in the city of Tangerang.
d. The declining Regional Original Revenue (PAD) of Tangerang City is contributed by the private sector.

d. The increase in the Regional Original Revenue (PAD) figure of Tangerang City was contributed by the private sector.

Scenario 1
The first scenario is the Ineffective Performance of the Tangerang City Government and Increased Interest in Private Investment. A brief overview of the City of Tangerang in scenario 1 is as follows:

a) The Tangerang City Government shows excellent and cooperative government performance, attracting investors.
b) Infrastructure is improving in line with increasing population growth, economy, and investment. The face of the Tangsel area does not show inequality between areas managed by the private sector and those managed by the Tangsel City Government.
c) The increase in regional original income (PAD) is due to economic growth and an attractive investment climate, coupled with better regional financial transparency and accountability.

At the heart of this scenario is the creation of a city that is prospective for life and business, demonstrating the efficient performance of the city government and the active participation of private investors.

Scenario 2
Effective Performance Scenario of the Tangerang City Government but Declining Interest in Private Investment. A brief overview of the City of Tangerang in scenario 2 is as follows:

a) The Tangerang City Government has experienced a significant increase in performance, with improved public services and sustainable infrastructure development.
b) Despite substantial improvements in various sectors by local governments, interest from private investors in investment remains low, likely due to sluggish national economic conditions or competition with other regions that are more attractive to investors.
c) South Tangerang, as a residential area, offers comfort and tranquillity, but the lack of private investment makes economic growth relatively slow and the dynamics of business life not developing.

In this scenario, the absence of economic stimulation from the private sector causes South Tangerang to continue to be in a "long sleep", waiting for a catalyst that can awaken its economic potential.
Scenario 3

In the Performance Scenario, the Tangerang City Government is not effective even though private investment interest is increasing. A brief overview of the City of Tangerang in scenario 3 is as follows:

a) The performance of the Tangerang City Government is unsatisfactory: Although investment interest from the private sector has increased, the performance of the Tangerang City Government looks sluggish and ineffective, causing various problems to not be solved properly.

b) Geographical Location is an Advantage: The strategic geographical position makes South Tangerang attractive to investors, even though the city government does not contribute significantly to the increase.

c) Progress in Private Hands: Some areas of South Tangerang, especially those managed by the private sector, show good infrastructure development compared to areas directly under government management.

d) Social and Economic Inequality: Development focused on the middle to upper economic class by the private sector can widen social disparities in South Tangerang.

e) Government 'Comfort Zone': The Tangerang City Government is considered to be in a 'comfort zone,' with little innovation or effort to improve performance, so much of its work depends on the private sector.

f) Low Public Satisfaction: The existence of the public perception of the Tangerang City Government as an ineffective and innovative institution results in a low level of trust and public satisfaction.

g) Gaps in the Education Sector: Quality disparities between private and public education create gaps in access to quality education, which is part of a broader problem of social inequality.

This scenario highlights the problems that arise when a city grows on autopilot based on private intervention without strong leadership from its city government, causing significant disparities and divisions within society.

Scenario 4

The worst scenario that may occur in the future is when the performance of the Tangerang City Government is less effective and private investment interest is also declining. A brief overview of the City of Tangerang in scenario 4 is as follows:

a) Poor Performance of the Tangerang City Government: The Tangerang City Government is faced with low performance, which includes sluggish services, unclear regulations, and convoluted bureaucracy. This situation is the main obstacle in attracting new investors to the city.

b) Loss of Investors: With conditions that are not conducive to investing, more and more investors are leaving Tangerang City and switching to other areas. The reluctance of new investors to come adds to the dilemma for the city.

c) Socio-Economic Impact: As a result of declining investment, the city faces increasingly deep socio-economic problems, especially the increasing unemployment rate and poverty in the community.
d) Decline in Regional Original Revenue: The lack of significant economic activity has a direct impact on the reduction of regional original revenue, which comes from taxes and levies.

e) Low Level of Public Trust: The deteriorating condition leads to a decrease in the level of public trust and satisfaction with the city government.

f) Declining Public Services: The quality of public services in critical sectors such as education, health, and public facilities is deteriorating, making it increasingly difficult for citizens to access quality basic services.

This scenario explains the critical condition faced by the City of Tangerang, where problems overlap with each other creating a vicious circle that further worsens the condition of the community and the city as a whole. Without significant and effective intervention from the government and other stakeholders, the city is at risk of being further left behind, marginalized, and regressed.

Identifying Opportunities, Challenges, and Risks to Be Able to Realize the Progress of South Tangerang City Development

Amid a situation full of uncertainty, the government needs to take strategic steps and implement policies based on the conditions in each scenario. Each scenario can have different implications, so it is necessary to have the right and resilient action strategy in each scenario. The South Tangerang City Government needs to identify all opportunities and challenges to be able to formulate the right policies to take advantage of the opportunities that arise in each scenario. Meanwhile, with the ability to identify challenges, the South Tangerang City Government can identify elements of challenges or problems from the beginning, so that they can mitigate them before they become major problems.

With the SWOT analysis, it can be known various opportunities and challenges that the South Tangerang City Government may face for each scenario, as follows:

**Scenario 1: Potential for Economic Growth and Investment**

**Strength:**
1. Large market potential and market accessibility are important to attract investment.
2. Economic growth is driven by population growth.
3. Stable and investment-friendly political and legal conditions.

**Weaknesses:**
1. Prediction of future market needs is dynamic and depends on trends
2. Investment growth must accelerate economic growth and population growth.

**Chance:**
1. Increasing competitiveness against other regions to attract private investment.
2. Simplification of the licensing and bureaucratic process to attract private investors.
3. Infrastructure development to attract private investment.

**Threat:**
1. Political instability or inconsistent policies.
2. Saturation in the market.
3. High population growth can create new social problems.
4. Disruption of national political stability that affects the regions and overlaps policies.

**Scenario 2: Inter-Regional Competition and Government Coordination**

**Strength:**
1. Increasing competitiveness against other regions to attract private investment.
2. Simplification of the licensing and bureaucratic process to attract private investors.
3. Infrastructure development to attract private investment.

**Weaknesses:**
1. Competition with other regions is getting tighter.
2. Coordination between agencies or government levels in the licensing and bureaucratic process.
3. Limited financial resources for regional infrastructure development.

**Chance:**
1. The development of the private sector encourages the performance of the Tangerang City Government to continue to improve for the better.
2. Privately managed areas will continue to develop.

**Threat:**
1. Other regions are strong competitors.
2. Weak coordination between institutions or government levels in the licensing and bureaucratic process.
3. Regional infrastructure is not developed at all due to the absence of financing.

**Scenario 3: Development Inequality and Private Engagement**

**Strength:**
1. The development of the private sector encourages the performance of the Tangerang City Government to continue to improve for the better.
2. Privately managed areas will continue to develop.

**Weaknesses:**
1. Inequality in development can cause new social problems.

**Chance:**
1. Improving the performance of the South Tangerang City Government by increasing the capacity of human resources and evaluating the apparatus of regional employees.
2. The South Tangerang City Government must address this inequality so that development can run in harmony and comprehensively.

**Threat:**
1. Local government officials are in the comfort zone due to the many private interventions in the South Tangerang area.
2. Inequality in development can cause new social problems.

**Scenario 4: Efforts to Improve Performance and Development Financing**

**Strength:**
1. Infrastructure development to attract private investment.
2. Improving the performance of the South Tangerang City Government to make it even better.
3. Exploring alternative sources of financing to finance development.
Weaknesses:
1. Limited financial resources for regional infrastructure development.
2. Improving the performance of the South Tangerang City Government by increasing the capacity of human resources and evaluating the apparatus of regional employees.
3. Limitations on the ability of local governments to be able to borrow or take loans from external parties.

Chance:
1. The development of the private sector encourages the performance of the Tangerang City Government to continue to improve for the better.
2. Privately managed areas will continue to develop.

Threat:
1. The performance of local government apparatus is difficult to improve.
2. Regional infrastructure is not developed at all due to the absence of financing.
3. Dependence on funding from the central government or external grants.

The SWOT analysis above shows that there is great potential for economic growth and investment in the city of Tangerang. However, several challenges and threats need to be overcome. To maximize potential and minimize risk, a comprehensive strategy that engages all stakeholders is needed. Some of the key points to consider in the strategy include:
1. Increase regional competitiveness to attract private investment.
2. Improving the performance of the South Tangerang City Government through increasing the capacity of human resources and evaluating regional employee apparatus.
3. Building strong coordination between institutions and levels of government.
4. Develop infrastructure sustainably by optimizing available financial resources.
5. Exploring alternative sources of financing for development.
6. Addressing development inequality to create justice and equity.
7. Ensure responsible and sustainable private involvement.

Conclusion
The research analyzes the relationship and role between the performance of the South Tangerang City Government (Tangerang City Government) and private investment interest in urban development. Analyzing four performance parameters of the South Tangerang City Government: ease of investment, fiscal incentives, infrastructure development, and investment climate development. This study also considers four elements of the development of private investment interest: investment growth, GDP, unemployment and poverty rates, and Regional Original Revenue (PAD) from the private sector.

This study underscores the importance of strategic planning methods in the form of scenario planning to regulate potential cooperation between the government and the private sector. This methodology is expected to overcome obstacles such as conflicts of interest and enable stakeholders to develop a resilient and resilient strategy in the face of
uncertainty and risk, to create sustainable development that is in line with the aspirations of the citizens of South Tangerang. This research also identifies various opportunities, challenges, and risks related to the four scenarios faced by the Tangerang City Government.

The first scenario offers opportunities with large market potential and stable political conditions but also faces challenges such as dynamic market predictions and investment growth that must be in line with economic growth. The second scenario highlights efforts to increase regional competitiveness in attracting private investment but also faces the risk of regional infrastructure inadequacy due to financing limitations. Meanwhile, the third scenario emphasizes the need to improve the performance of the Tangerang City Government through increasing human resource capacity, but risks related to the tendency of local government comfort zones are also a concern. Finally, the fourth scenario underlines the importance of infrastructure development and the search for alternative sources of financing but also pays attention to the risk of dependence on funds from the central government.

By understanding these dynamics, this study aims to provide in-depth insights for decision-makers in facing challenges and optimizing development opportunities in the city of Tangerang.
Bibliography


