

PRIVATE INVOLVEMENT IN THE OLD CITY REVITALIZATION AND DEVELOPMENT
(Keterlibatan Swasta dalam Revitalisasi dan Pembangunan Kota Lama)

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ABSTRAK

Topik penelitian adalah tentang revitalisasi perkotaan pada salah satu daerah cagar budaya di Kota Semarang. Kota lama adalah cagar budaya terbesar di Semarang. Pemerintah Kota Semarang menyadari potensi Kota lama dari segi pariwisata. Telah dilakukan revitalisasi dan pembangunan Kota lama dengan meningkatkan lingkungan dan infrastruktur Kota lama. Walaupun kenyataannya apa yang telah dilakukan pemerintah tidak mampu menahan banjir dan memberikan infrastruktur yang mencukupi. Sementara itu, sektor swasta telah mengambil inisiatif untuk memperbaiki bangunan.

Dari situasi ini, peneliti mengajukan tujuan penelitian perama-tama untuk mengidentifikasi dan menganalisis keterlibatan sektor swasta dalam revitalisasi dan pembangunan Kota lama, dan kedua meneliti potensi stimulant inisiatif sektor swasta dalam pembangunan Kota lama. Untuk mencapai tujuan, peneliti merumuskan dua pertanyaan penelitian yang mencakup perluasan inisiatif sektor swasta dalam proyek revitalisasi dan pembangunan Kota lama dan bagaimana merangsang sektor swasta untuk terlibat dalam proyek. Penelitian ini adalah penelitian eksplorasi yang meneliti manajemen dan pembangunan Kota lama sebagai kawasan cagar budaya di Kota Semarang. Penelitian ini menggunakan pendekatan induktif yang dimulai dari observasi spesifik hingga penyusunan kesimpulan dan pembentukan teori.

Pada akhir penelitian, peneliti berkesimpulan bahwa sektor swasta sebenarnya tertarik untuk mengembangkan bisnis mereka di kawasan Kota Lama; hanya ketika penelitian dilakukan, mereka lebih suka menunggu inisiatif pemerintah untuk mengembangkan infrastruktur dan kebijakan yang berkaitan dengan Kota Lama.

Kata kunci: sektor swasta, pemerintah, keterlibatan, Kota lama, revitalisasi cagar budaya.

ABSTRACT

The research topic is about urban revitalization in one heritage area in the Semarang Municipality. The Old City is the biggest heritage area in Semarang. The Semarang Municipal government has been aware to the Old City's potential in this tourism affair. It has been working on the Old City's revitalization and development with improving the Old City's environment and infrastructure. However in fact, what government has done is less sufficient to overcome flood issue and provide adequate infrastructure. Meanwhile, the private sector has taken initiative for upgrading its building.

From this situation, the researchers sets the research objectives to firstly identify and analyse private sector involvement in the Old City revitalization and development, and secondly to investigate stimulating potential private sector initiative in the Old Cityscape development. To obtain the objectives, the researcher formulated two research questions that are including the extent of private sector initiatives to the Old City revitalization and development project and how to stimulate the private sector to involve in the project. The research is an exploratory research which investigates management and development of the Old City as a heritage area in the Semarang Municipality. This research applies inductive approach starting from specific observation to broader generalizations and theories.

By the end of the research, the researcher came across the conclusions that private sectors are actually interested in developing their business in the Old Cityscape; only that until this research was conducted, they prefer to wait for the government's initiatives in improving the infrastructure and the Old City's related policies.

Key words: private sector, government, involvement, the Old city, heritage revitalization

BACKGROUN OF PROBLEM

Semarang is the capital of Central Java province which had significant role in economic development in Java during the colonialism era. A particular thing that can prove its role is by an existence of one district where there are a huge number of old buildings that have historical and architectural values. That district has known as the Old City. In 2003, the Municipal Government has stated the Old City as an historical area (*Local regulation of the Semarang Municipal, no 8/ 2003*). Through the regulation the government aims to conserve, to manage and to revitalize this area. The government intends to develop the area as a site for economic, social culture and tourism activity.

Adopting from the ICOMOS charter for the protection and management of the archeological heritage (ICOMOS, 1990) a heritage site constitutes the basic record of past human activities. Hence, active participation by the general public is needed for the protection the heritage site. The important thing is that the local people are involved in that project.

Referring to the Semarang Municipal government's program for the Old Cityscape, public is aware that it is valuable. Some institutions have taken into account issues related to its development. Besides that the government itself has established an institution that has responsibility to manage the Old city (*Suara Merdeka, August, 7, 2007*). The government through the institution creates a 'City Walk' program which is applied in one part of the Old City. However, the program is considered less sufficient for promoting the image of the Old Cityscape. (*Wawasan, August, 15, 2007*)

If the government intends to develop the area, it should think about the environment problem of the area.

(*Kompas, November, 19, 2007*) There has been environment degradation because of the regular flood caused by seawater overflow and descent of soil level. Some spot of the area are overwhelmed. This situation has made physical condition, both infrastructure and buildings decay. Besides that the puddle creates unpleasant smell that can diminish amenity aspect.



Figure1: Construction activity for building renovation by private sector (2008). This building is a gallery (2014). (Source: survey 2008 and 2014).

Meanwhile, what is happening in the field that the owner or the private sector to renovate or upgrade their building independently. The situation has indicated that there is awareness from the private sector so that there should be collaboration between the government and the private sector to revitalize the Old Cityscape.



Figure 2: A building located in *Heerenstraat* has been renovated and becomes a restaurant. (Source:survey, 2014)

Description of Research Area

Semarang is a city which has number of population 1.739.989 people (2013). The city consists of three areas; coastal area, low plain and mountainous area. The ground elevation of the city is 0

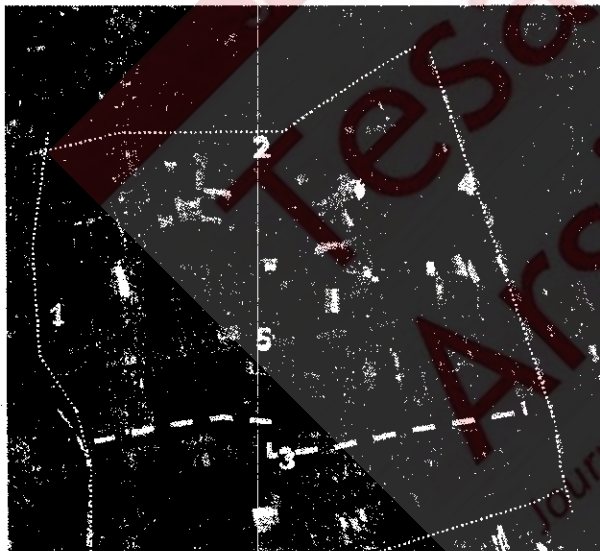


Figure 3: Research area

– 200 m from mean sea level. (<http://www.semarang.go.id>).

In the mid of 18th century Semarang had developed rapidly. Many roads and economic facilities were built by the Dutch colonial authority. At that time, the Old city was as a centre of the economic activity and as a settlement area for Dutch or European. For the security reason, the area was bordered by a fortress, the *Vijhoek* fortress. (Purwanto, 2005. <http://www.petra.ac.id/~puslit/journals/articles.php>). Because of the fortress the area seemly separated from the surrounding, and within the city development, several new central economic activities have been grown and developed by the local government. Hence the area is called as the Old City.

Since in the beginning when the area was created there have been four main streets. Their names were *Westerwalstraat*, *Zuiderwalstraat*, *Oosterwalstraat* and *Noordewalstraat* (Temminck Groll, 2002). Nowadays they are Jl. MpuTantular, Jl. Sendowo, Jl. Cendrawasih and Jl. Merak. Besides those streets, the most important street in the district is Jl. Letjen. Suprpto, it was *Heerenstraat*.

1. Jl. Mpu Tantular (*Westerwalstraat*)
2. Jl. Merak (*Noordewalstraat*)
3. Jl. Sendowo (*Zuidewalstraat*)
4. Jl. Cendrawasih (*Oosterwalstraat*)
5. Jl. Letjen. Suprpto (*Heerenstraat*)

Majority researches related to the Old City are about the buildings and the physical conditions as well as the social conditions. It is rare to talk about how to manage and develop it. So this research is the first which focus on the private involvement in the Old City of Semarang Municipal.

Research Objectives

- To identify and analyse private sector involvement in the Old City revitalization and development
- To investigate stimulating potential private sector initiative in the Old Cityscape development

Conceptual Framework

Obviously, there are national and local legislations on heritage conservation and preservation. However what government has been doing is insufficient to promote the potential of the Old City. At the other hand, public has been aware that the area has historical and architectural values.

Choice of the Case Study

The case study methodology entails both, the choice of a single case study or multiple cases (Yin, 1994).

- A single case study may be chosen on the bases of finding a case that meet all the conditions for testing the theory or if the case proved to be unique or extreme one.

- A multiple case study approach is used when the study requires comparison, or the theory needs to be tested on more than one case to give it stronger validity.

For the sake of this research, a multiple case study approach is chosen. Three cases are compared to get an understanding towards the actual issues of heritage management. Melaka (Malaysia), Singapore and Semarang (Indonesia) cases are chosen based on the same factors, as a follows:

- Three of them have similar background, ever been colonized by European. Hence, there are comparable heritage buildings or sites.
- They are multicultural countries which consist of Malay, Chinese, Indian and Arabic cultures.
- There is involvement of the government and private/local community in the heritage management

Table 1: Comparison of three case studies

<i>Melaka, Malaysia</i>	<i>Singapore</i>	<i>Semarang, Indonesia</i>
Number of visiting tourist per year: 6 million people (2007) In the first of 2008 the number of tourist are 3 million people	Number of visiting tourist per year: 9.7 million people (2006)	Number of visiting tourist per year: 1.255.005 people (2006)
Number of heritage building : 11 buildings Built heritage assets: Malay; Indian; Chinese; Dutch; British	Number of heritage building: 100 terrace houses, 20 houses with shops, restaurants and offices. Built heritage assets: European; Chinese	Number of heritage building : at least 105 buildings listed by the government, parks/ open space Built heritage assets : Dutch / European/ Chinese
Building permit: The owner is prohibited to make any alteration, demolition and reconstruction to his buildings/property which has been declared as cultural heritage, without permission of the State Authority.	Building permit: There is a legal framework for conservation as well as documents/ materials to guide owners and professional in their conservation works including construction works.	Building permit: The local regulation of the OldCity controls the area management generally. However, there is lack of the implementation

(to be continued to page 74)

Heritage conservation:

- Legislation : state and federal level
- Management :
 - Melaka Historical City Council
 - Melaka Museum Cooperation
 - Department of Museum and Antiques
 - Public Work Department
- Action : government institutions and non-government institutions (local community)

Heritage conservation :

- Legislation : national level
- Management :
 - Urban Redevelopment Authority (URA) has role in planning and research, facilitating and coordinating, regulatory, consulting and promoting for heritage conservation
- Action
 - One authority in charge has acquisition power
 - In recreating urban centre strict guidelines on visual appearance and use of buildings

Heritage conservation :

- Legislation : national, regional/local level
- Management:
 - An institution established by the local government is the Old City Management Agency (BPK2L)
- Action
 - Private is more active in renovation upgrade facilities

Funding :

State and federal fund is in place both for public and private sector.

Fund provides 100% financing for selected private restoration projects.

Public sector initiatives

Some of the larger buildings are renovated by the state, and then private sector follows it. Private sector does renovation for shop houses, temples and mosque.

Funding:

Public investment first, then private investment follow

Funding:

Private investment in a few buildings

(Source : Developed by Author, 2008))

Research Questions

- What does private sector take initiatives making impact the Old City revitalization and development project?
- How to stimulate the private sector to involve in the revitalization and development project?

Type and Strategy of Research

The research is exploratory research which investigates management and development of the Old City as a heritage area in the Semarang Municipality. This research applies inductive approach starting from specific observation to broader generalizations and theories. Preliminary case study is conducted through observation and measurement, and then detecting patterns and regularities to get understanding toward specific issues in the heritage conservation. Based on the understanding some questions can be formulated and explored. For analysis it uses a qualitative assessment, survey and in depth

interview. Finally, some general conclusions and recommendation end up this research.

Unit of Analysis

- The activities by private in the Old City revitalization focused along the *Letjen. Suprpto* street (formerly *Heerenstraat*)
- Role of the Semarang municipal government
- Physical condition of the *Suprpto* street (*Heerenstraat*) corridor

Limitations

The Old Cityscape is too big in width, and within the time that has been allocated for the research as a part of master course, it is impossible to cover all the area. This thesis focuses on the main street of the Old City, along the corridor Jl. *Letjen. Suprpto (Heerenstraat)*. Besides that there has been private initiative already along that street.

Furthermore this research tries to investigate the private involvement in the

Old city development. However there are many actors and issues related to the development for instance economic, institutional, social, and legislation issues, but the research still studies the private sector. The private sector is regarded to the middle class, because this group that has initiative to conduct self-development.

Operational variable

Table 2. Variable and operational definition

Variable	Operational definition
ownership	The state of fact of exclusive rights and control over property such as heritage buildings, land located in the heritage sites and the other facilities.
image of city (area)	The image of the city supported the concept of legibility meaning a term used to describe the ease with which people can understand the layout of a place. (www.anglefire.com/ar/corei/hbe1/lunch1.htm)
property value in the area	There has nearly always been a time-lag between public appreciation of the values of historic city and the legislative recognition of such opinions (Ashworth, 2000)
economic activities and services in the area	The most numerically important local economic heritage producers are not the monuments and museums, but the traders in heritage goods and services. (Ashworth, 2000)
role of all actors involved	The variety of goals and objectives, and this diversity of functions, introduces a multiplicity of organizations with an interest in, and responsibility for, the shaping and operation of the tourist-historic city. (Ashworth, 2000) The private sector includes not only formal private firms but also informal enterprises, community organizations and non-governmental organizations; equally the 'public sector' may include government departments, agencies at different levels of government and perhaps also, more informal institutions of self-governance by communities and user-groups.(Battley, R, 1996)

(Source: Developed by Author, 2008)

Variables and Indicators

Table 3. Summary of variables and indicators

Sub Question	Variable	Indicator	Data Source
Whose are those properties in the site belongs to?	ownership status	private, public ownership	interview Agency for Regional Development of the Semarang Municipality
How is physical quality of the existing condition?	image of city (area)	paths, edges, districts, nodes, landmarks	survey
<ul style="list-style-type: none"> How much the property value for the historic buildings? Is there difference between new building and old building? 	property value in the area	price of building both for sale and rent	interview
What kinds of activities and service provided within the area?	economic activities and services in the area	number of shop, restaurant, hotel, office and the other facilities, and the activity frequency	Survey
<ul style="list-style-type: none"> How many actors involve and their roles in the Old City revitalization and development project? In what has the government been doing a significant role on the revitalization and development project? 	role of all actors involved	government institution, non-government institution, stakeholders	survey interview Agency for Regional Development of the Semarang Municipality The Old City Management Agency (BPK2L)

(Source: Developed by Author, 2008)

The existing condition of the Suprpto Street (*Heerenstraat*)

The *Suprpto (Heerenstraat)* street is bordered by the "*mBerok*" bridge at the west side, a part of the Old Cityscape at the north side, the "*Johar*" market at the

south side and the "*Cendrawasih*" street at the east side.

The street is the busiest area in the Old Cityscape. Along the corridor majority buildings are for the commercial use.

A railway station namely "Tawang" railway station¹ located in the Old Cityscape. The station is not only as one of the heritage buildings, but also as an entryway to the Old Cityscape as well as the city centre. Intercity trains which have direction to Semarang stop at the Tawang station. This situation makes people from outside the Semarang city which visit to the city and continue their trip by car, taxi or the other public transport will pass the Supraptostreet (*Heerenstraat*). Thus, the buildings along the street are located at a strategic location since the area attaches to the city centre as central economic activity.

The buildings along *Heerenstraat* corridor are grouped in three main groups based on the usage aspect. They are group of building partly in use, group of building fully in use and group of vacant buildings.

Table 4. Table of group and number of the buildings

number of buildings partly in use	3 buildings
number of buildings fully in use	23 buildings
number of vacant building	7 buildings
▪ unused plot	1 plot

(Source: Developed by Author, 2008)

The table shows that the biggest number is building fully in use. It indicates that actually the activity along corridor is quite full of life. However since the buildings has been offices that has certain working hours; the area is lively during morning – afternoon. And the rest time there is hardly activity only the activity from the restaurant which has longer working hours, until 9 p.m.

Meanwhile, the building fully in use group is consisted of various functions. The table below give description their number and their function.

Table 5. Function and number of the building fully in use

building partly in use	
office	2
house	1
building fully in use	
office	8
bank	3
church	1
restaurant	2
shop/garage	5
hotel	1
police office	2(different division)
police barrack	1
Other	
Park	1

(Source : Developed by Author, 2008)

The image of the Suprpto street (*Heerenstraat*) corridor

There are five elements from the image of city theory applied for assessing the situation along the Suprpto corridor. These elements are namely:

1. Path

Heerenstraatis occupied by offices especially the area at the west side. These mentioned activities are extended activities from the nearby district which is a central economic activity.

2. Edges

As edges of this street, there are two lines consist of old buildings at the both sides. Those show character of the area as a heritage site. They present a serial vista of façade however their conditions are various, from well-maintained until dilapidated construction.

3. District

Heerenstraat is occupied by offices especially the area at the west side. These mentioned activities are extended activities from the nearby district which is a central economic activity.

4. Nodes

There are two nodes in this area. During the peak hours, 8 a.m. – 5 p.m., traffic in these nodes is quite busy, especially in the western node where three main streets are connected and those streets are passed by the public transport.

¹ The *Tawang* railway station is owned by a private company, the Indonesian Railway Company (PT Kereta Api Indonesia)

5. Landmark

The church is the landmark of the Old Cityscape as the church has been existed since in the mid-18th century. The well-known roof-designed church has been attracting people to visit the area; therefore the entrepreneurs tend to locate their business close to the church

The current picture of private involvement

The government's limited budget in revitalization and development program, specifically for the Semarang municipal government, is one of the causes why it spends a lot of efforts to get the private investors' involvement into the program. From the result of the interviews, the researcher is aware to the fact that private investors have been appreciating the value of the Old City. Nevertheless, the private investor's interest mostly highlights the economic value compared to the architectural and historical values. This type of private investors further on will be grouped into passive involvement group. The opposite of passive involvement group is the active involvement group. The private investors in the active involvement group have more awareness in revitalization and development program; they also tend to be more aware to the

architectural and historical value of the Old City.

To evaluate the involvement of the private investors, the researcher utilized a set of theory from *Bussink* (involving eight levels of cooperation. The theory stated that eight levels of cooperation consist of:

1. Mutual awareness
2. Possibility of communication/common understanding
3. Discussions about activities
4. Consultation about activities and plans
5. Common participation in decision making
6. Declaration of mutual intent
7. Collaboration contract
8. Establishment of joint company

From the analysis of the research, the participants (private investors) showed the level of cooperation in the second stage level. There is still long way for the full involvement from private investors.

Aside from all the description about private investors before, there has been external fund to finance the revitalization and development program of the Old City. For the objective of this thesis research, this particular issue will not be discussed further.

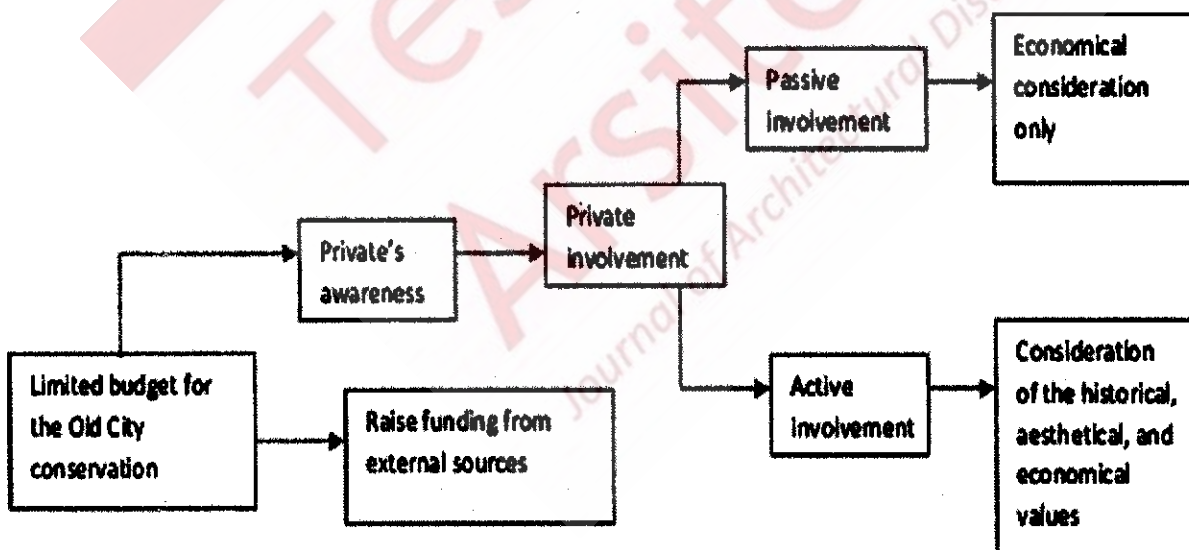


Figure 4: Private sector involvement's scheme (Source: Author Field Work, 2008)

To achieve the ideal condition for mutual cooperation between government and private in the revitalization and development program of the Old Cityscape, according to Ashworth (1990) there are some required conditions must be met, namely:

1. Relational conditions

a. Good social contacts between parties

There are three actor groups that are involved in the Old City conservation and development program. They are Semarang municipal government, the BPK2L (Badan Pengelola Kawasan Kota Lama) and private sector. In this cooperation, BPK2L is the facilitator which connects the private sector and the municipal government. However, the communication between government and the BPK2L is far from intensive.²

The result of the research shows that the municipal government and the BPK2L both have different opinions about this issue. The municipal government considers that BPK2L still could not deliver its service due to the agency's time maturity. In the other hand, board of the BPK2L considers that the municipal government does not put confidence to the agency in executing its tasks.

Therefore, both of the municipal government and the agency need to have formal discussion about this issue. And since the municipal government is responsible for the Old City's sustainability, it is therefore their responsibility to actively approach the agencies in scheduling this formal discussion.

b. Mutual trust

During the interview with the private sector who is not involved with the BPK2L³, the researcher found that this particular private party assumes that the municipal government is not serious in dealing with the Old City's development such as the infrastructure, the drainage and etc. Also,

²Based on the interview with the head of BPK2L : Bp. Rahman, one of the advisors of BPK2L : Bp. Kriswandono, and one of the member of BPK2L : Bp. BudhiPranoto

³ Bp. Chandra. He is the owner of the restaurant "Sate danGuleKambing 29"

the awareness of BPK2L's existence remains low for the particular party.

c. Sufficient flexibility of approach

Since the municipal government and the agency still do not have intensive communication, private parties could easily fall into confusion in executing their activities regarding to the Old City. Thus, both municipal government and the agency still could not maximally approach the private parties to integrate the conservation policy into their activities.

2. Governmental-political conditions

During the research, the researcher found out that the national government has not been giving serious attention to heritage site issues. It is proven by the time the researcher interviewed the BAPPEDA, it revealed that Semarang municipal government has been proposing to the national government about financial support⁴. Until the time this thesis was written, there is no positive affirmation that the financial proposal has been granted.

3. Legal conditions

In this legal condition, explicit information of concerned parties' rights and duties should be described properly. In fact the municipal government had already arranged the regulations for both BPK2L and private sector. Further information about BPK2L related regulations will be described on the next sub chapter. This particular part will describe about private sector related regulation.

Private sector's rights and duties in the Old City's revitalization and development have been legalized on Chapter X *Perda* no 8/ 2003. In implementing this regulation, private parties found the regulation to be vague and hence unattainable for them.⁵ For instance is the regulation about award for people or institutions who implement the regulation inside *Perda* no: 8/ 2003

⁴Based on the interview with Bp. Farchan, the head of Planning Division, the Agency for Regional Development of the Semarang Municipality (BAPPEDA Kota Semarang)

⁵Based on the interview with Bp. Chandra, the owner of the restaurant "Sate danGuleKambing 29" at the Suprpto street, the Old Cityscape

Chapter XI Article 58. This particular regulation is vague because there is no further detail about what kind of award and from the result of the research there has been any award given.

The fourth and the fifth required conditions (referring to organizational conditions and financial-economic conditions) could not be described in this thesis because there have not been direct cooperation between private party and BPK2L to be evaluated.

The legal and regulatory framework of the Old City conservation and development

The national level of culture preserve regulation no 5/ 1992 (Undang-Undang no 5 tahun 1992 tentang Benda Cagar Budaya) covers the regulations which deal with the Old City issues. Those regulations are:

- Local regulation no : 8/ 2003 about spatial and building planning of the Old City (*Perda no 8 thn 2003 Rencana Tata BangunandanLingkungan Kota Lama*)
- Letter of the Mayor Instruction no: 12/ 2007, about the Old City Management

The Old City has been stated as one of the heritage areas in the Semarang city. Because of the possessed potential which is historical, architectural and cultural values the government has intended to develop the area regulated by the local regulation no: 8/ 2003. It regulates conservation and development programs of the Old Cityscape, however its stipulations for the programs are difficult for the application, since they are too general statement; therefore it needs further explanation. For instance to conserve physical condition of the buildings, this rule mentions some conditions such as preserving original designs of those buildings. The rule includes requirements such as the sanctions towards each infraction, private participation in the facility maintenance, restriction for heavy vehicle passing the Old Cityscape.

Referring some points of the rule mentioned above it only contains general regulations; therefore these regulations require further upgrades. In case of repressive action, the given sanctions on these infractions are unclear. To iterate this statement one example

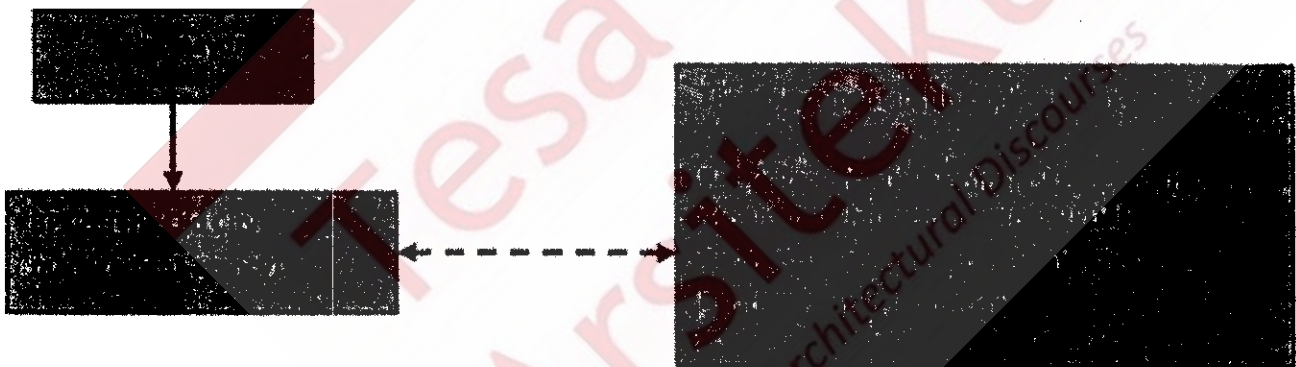


Figure 5: The organizational structure in the Old City management (Source: Author Field Work, 2008)

Agency formation (*SuratKeputusanWali Kota tentangpembentukan BPK2L: PeraturanWalikota no 12 thn 2007 BPK2L*)

- Mayor decree about appointment of the Old city management agency period 3/ 2007 no. 646.05/223/2007 (*Keputusanwalikotapengangkatananggota BPK2L periode 3 tahun 2007 – 2010 no. 646.05/223/2007*)

would be presented in this research:

The owner is obligated to propose a building permit before starting the renovation activity. However in practice the owner usually has started the renovation before the renovation permit has been issued. Thus, if there is an infraction in the design, it will be difficult to make some adjustments. In the other hand, according to the regulation the owner has to change the original design, reimburse maximum 5 million

*IDR or about 362.32 EUR as fine, or the permit will not be issued. This situation will cease the construction activity.*⁶

Due to the small fine, the owner of the building prefers to pay the fine for continuing the construction activity rather than to change the original design. It is obvious the preservation activities will be difficult to execute in this situation.

The infraction may be caused by unawareness of the owner to the conservation regulation or the owner does not know that there is an institution which can give assistance for the design process.

Based on the letter of the Mayor Instruction no: 12/ 2007, about the Old City Management Agency formation and Mayor decree about appointment of the Old City management agency period 3/ 2007 no. 646.05/223/2007 the municipal government formed an agency which has objective to salvage the Old City either through putting function to the buildings or through building conservations. Thus, the function and the authority of the agency is to manage the Old City

The outline of the organizational structure is:

According to *Ashworth's* theory (1990) about working practices-based organizations, BPK2L belongs to agency category. The agency category is defined by "*the agency, whether public or private, operating as competitive promotional organizations for certain activities, with limited responsibilities, detached from, but related to, public authorities with wider interests*" (Ashworth, 1990)

The agency cooperates with the related work units of the municipal government. At the present time, the institution's program concerns with sustainability of the programs by conducting research in gaining clear understanding to the Old City's values. Due to the time maturity of the agency, which is less than one year, there has not been a real annual evaluation towards its programs; thus the evaluation has been

limited to review the strong points and the weak points per activity.

Regarding to private initiative issue, BPK2L has been facing some problems in implementing its activities. Those problems consist of:

- Inefficient organizational system

As describe before, the time maturity of BPK2L still leaves a room of doubt for private investors. From there, those private investors tend to organize their activities directly to the Dinas Tata Kota (City planning office) and/or BAPPEDA (The Regional Development Agency of the Semarang Municipality). Thus, there has been double conducts between BPK2L and the governments. The agency itself has been struggling to improve its performance in collaborating with the municipal government so to have more efficient organizational policies. In this particular case, the municipal government needs to really implement the regulation that the private investors should organize their activities through BPK2L rather than directly the government institution.]

- building ownership status

All of the ownership status is private and some of the owners are absent due to their nationality. The ownership issue will create several for BPK2L such as:

- getting the owners' deeper involvement in the conservation program
- improving the owners' understanding to their valuable asset

In the end, the government's role to implement the regulations especially promoting the activities of BPK2L to private investors is crucial regarding to the development of the Old Cityscape.

CONCLUSION

In what extent do private initiatives make impact on the Old City revitalization and development project?

Until this research was conducted, private initiatives in the Old City revitalization and development project are including:

- The restaurant "Ikan Bakar"
- The gallery "Semarang Gallery"

⁶Chapter XIV article 61 (1) *Perdano* 8/ 2003 the Semarang Municipality

- The renovation of the "Locomotive" building
- The Dome ("Blenduk") church

Based on the interview, more private investors are interested in sharing the investment but prefer to wait for the municipal government to take initiative in the development. They expect the municipal government to take into consideration about the flood and traffic management issues, and some renovations toward the public buildings.

Semarang has more heritage than Melaka (see table 1) but it does not see this as an economic asset. BPK2L can take up a catalyst role toward private sector but it is at present weak.

How to stimulate the private sector to involve in the revitalization and development project?

Thus far private sector assumes that the government has not performed to manage the Old City properly, for instance providing adequate drainage referring flood issue, infrastructure issues and managing the open space. So far, the property tax of those private investors remains the same regardless to their efforts in maintaining the buildings.

Besides that, the private sector has less awareness about the Old City conservation and development policy. Some of them have not known yet the existence and the function of the BPK2L as a facilitator dealing with the Old City conservation and development issues. Therefore to stimulate the private involvement in this conservation and development program, based on the issues which have been mentioned above, some recommendations will be pointed out then.

Recommendations

There are some points as recommendation to stimulate private parties become more involved in the Old City

- The Semarang Municipal Government should take the lead in transportation management which is no through traffic in the Old Cityscape and should create pedestrian area, control flood and improve the drainage system.

- There has to be public awareness improvement for the related policy for the private parties
- The government must develop a guideline to implement the regulation for revitalizing and developing the Old Cityscape, including setting up incentive system and property tax deduction
- The government must intensify the support and communicate with BPK2L in promoting the agency

Based on the research, private sector can be involved in the Old City revitalization and development project through several categories:

1. individual basis
2. as a group
3. in a form of "StadsHerstel" (buying-renovation-selling)

In the end the Semarang Municipal government holds the key to the sustainability of this particular program. Since the government's function is to accommodate the interests of every party, heritage buildings/sites should belong to the government to avoid private sector domination. In this case, general public will be able to benefit from the buildings/sites as the public goods. Nevertheless private sector's involvement will be continuously required to support the revitalization and development program of the Old City.

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