

# Relocation of The Country's Capital: Effort to Achieve Equality Development and Decentralization

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**Abstract.** Moving the State Capital out of Jakarta has been discussed for a long time, starting with the Dutch East Indies government in the era of President Soekarno, President Suharto, up to President Soesilo Bambang Yudhoyono, and finally in the era of President Joko Widodo with various rational reasons that accompany it. The previous government requires firmness so that the goal of equitable development can be realized. In this study, the author uses a qualitative research method that seeks to view the object of research holistically. However, decentralization is a concept for IKN that should not conflict with the constitution.

**Keywords:** Capital Relocation, Decentralization

## 1. Introduction

The plan to move the state capital out of Jakarta has been discussed for a long time, starting with the Dutch East Indies government, the era of President Soekarno, President Soeharto, and President Soesilo Bambang Yudhoyono, and finally the era of President Joko Widodo. The reasons for equitable development, geographical strategic position, government security factors, Jakarta congestion, and natural disasters are the driving forces for the government to try to realize the relocation of the National Capital. President Sukarno initiated the relocation of the state capital to Palangkaraya during the inauguration of Palangkaraya as the Capital of Central Kalimantan Province in 1957. Even President Sukarno twice visited directly the potential of Palangkaraya to become the nation's capital.

The geographical position of Palangkaraya is considered unique because it is right in the middle of Indonesia. However, the plan to move the capital to Palangkaraya failed due to difficulties in providing building materials and pressure from several ambassadors who wanted Jakarta to remain as the nation's capital. After issuing the Decree of 5 July 1959, President Sukarno abandoned the idea of moving the capital and refocused on development in Jakarta, which later became a symbol of Indonesia's revival.

The plan to relocate the capital continues, during the New Order government period, President Suharto had also initiated the transfer of the state capital to Jonggol, West Java through Presidential Decree 1 of 1997 concerning the Coordination of Development of the Jonggol Area as an Independent City. This decision supports the plan to develop an independent township in Jonggol, West Java covering an area of 30,000 hectares which was initiated by one of Suharto's sons, Bambang Trihatmodjo. The plan to move the capital to Jonggol did not continue with the fall of the New Order government in May 1998.

In the era of President Soesilo Bambang Yudhoyono's administration, the plan for the relocation was carried out by forming a small team in September 2010. President SBY suggested the formation of a small team tasked with reviewing the idea of moving the nation's

capital. Then three scenarios emerged in the relocation of the state capital, namely: (1) maintaining Jakarta as the state capital and making improvements to all problems; (2) moving the center of government from Jakarta to a new location that remains on the island of Java; (3) move the national capital.

President Joko Widodo decided to move the capital city from Jakarta to outside Java. This decision was taken at a limited meeting held at the Presidential Office, Jakarta, Monday, April 29, 2019. The pros and cons of this plan are unavoidable. There are those who view the plan as a big and strategic idea for the progress of the nation, but there are those who view this plan as a crazy idea, a diversion of opinion, and thick political nuances, during Indonesia's economic condition which is still slumping because at the same time the Covid-19 pandemic is still ongoing. hit the Indonesian people. President Joko Widodo's persistence in realizing the move of the State Capital from Jakarta to Penajam Paser Utara, East Kalimantan is not a figment. His wish was welcomed by the House of Representatives with the ratification of Law no. 3 of 2022 concerning the State Capital.

Considerations for the establishment of Law no. 3 of 2022, it is stated that the governance of the State Capital is not only a means to meet the needs of the Indonesian people but also to create a safe, modern, sustainable and resilient State Capital, as well as being a reference for development and other regional arrangements in Indonesia. In contrast to the State Capital of Jakarta, the Capital of the Archipelago in North Penajam Paser is a special authority area led by a Head of the Special Region for the Capital of the Archipelago whose position is at the same level as the Minister. In his position as an Institution at the Ministerial level, the Head of the Authority is appointed, appointed, and dismissed by the President after consultation with the DPR.

Interestingly, the state capital in terms of administering regional government, the special region for the capital of the archipelago is given the authority to regulate and manage the administration of its own government. No. 3 the Year 2022. The restrictions imposed by the Central Government on the Regional Government of the Capital of the Archipelago are an interesting study to be described in this article. Where the policies contained in this country's legislation have different dimensions, in addition to the study literature related to this matter, there is still not much to find. From the description of the background above, the author would like to further analyze the efforts to move the national capital concerning two things: the concept of equitable development pursued by the Central Government. The concept of decentralization in the Special Capital Region of the Archipelago

## **2. Method**

This research activity uses the type of library research with qualitative research methods with descriptive research types. According to [1], the qualitative research method is a research procedure that produces descriptive data, namely written or spoken words from people and observed behavior.

Qualitative research looks at the object being studied holistically. So in this case, do not isolate individuals or organizations into variables or hypotheses but view them as part of a whole. While the type of descriptive research can be interpreted as research that seeks to describe the solution of existing problems based on existing data. So it also presents data, analyzes, and interprets.

### 3. Result & Discussion

The Special Capital Region of Jakarta (DKI Jakarta) is the nation's capital and the largest city in Indonesia. Since the era of colonialism began to come and stick its nails in the country, the city of Jakarta has been popular and has become the "center" of government and the business center of the entire group of islands in the archipelago. As the center of "everything", development seems to never stop in the city. This, starting when the name Jakarta was Batavia which was only limited to the ruins of the port city of Jayakarta, the fruit of the conquest of Jan Pieterszoon Coen on May 30, 1619, until now Jakarta continues to grow. All activities are located in Jakarta, ranging from politics, government, business, economics, and education, to various social activities, all of which are located and centered in this city.

After the Proclamation of Indonesian Independence on August 17, 1945, Jakarta remained the center of Indonesia's political and economic power, although during the independence era several times the capital had to move to Yogyakarta, Bukittinggi to Bireun (Aceh) because of the war situation. Indonesian sovereignty in 1949, the capital "back home" marked the return of the wheels of government to Jakarta. As things began to return to normal, Jakarta was polished in such a way as to become a world-class city with the construction of various infrastructures and various monuments depicting the modernization of this colonial heritage city. With its status as the center of the Indonesian government and the extraordinary attractiveness of Jakarta, massive urbanization occurred in various parts of Indonesia, especially at its peak during the era of President Suharto whose program was to strengthen Jakarta as the economic and political center of Indonesia.

Along with the development of the central government followed by the construction of skyscrapers, especially in commercial areas along Jalan MH Thamrin, Sudirman, and Kuningan, the population of Jakarta continues to increase significantly. According to data from the Central Statistics Agency (BPS), the population of Jakarta in 1971 reached 4.58 million people, but by 2010 it had more than doubled to 9.61 million. Even according to the latest data from the BPS Intercensus Population Survey (SUPAS) in 2015, the population of Jakarta has exceeded 10.2 million people and is projected to reach its peak in 2040 with 11.28 million people. With a population that is classified as very dense, the potential for stress, crime, and poverty is very high. The land that should have been used as a city park as a stress reliever for Jakarta residents has been exhausted due to misappropriation or land privatization.

The population is increasingly crowded, and the number of motorized vehicles soars, unable to be followed by road developments, causing Jakarta to have congestion problems which also make Jakarta's air quality unhealthy. Based on the Airvisual website, on March 15, 2022, Jakarta had the worst air quality in Indonesia with the Air Quality Index (AQI) at 155. AQI is an index that describes the severity of air quality in an area. The AQI is calculated based on six main types of pollutants, such as PM 2.5, PM 10, carbon monoxide, sulfuric acid, nitrogen dioxide, and ground-level ozone. The range of values for the AQI is 0 to 500. The higher the value, the higher the level of air pollution in the area. A score of 0-5 means good air quality, 51-100 means moderate, 101-150 is unhealthy for sensitive people, 151-200 is unhealthy, 201-203 is very unhealthy, and 301-500 and above means dangerous. Another thorny issue is the large population growth is also accompanied by uncontrolled development in the downstream area, irregularities in urban land use and land subsidence due to water exploitation by industry, causing a decrease in the water distribution capacity of the river system, which causes massive flooding in Jakarta.

The city's spatial layout changes frequently, causing air pollution and flooding to be difficult to control. Although the government has designated the southern area of Jakarta as a water catchment area, this provision is often violated by continuing to build new housing and business centers. Some areas are designated for settlements, many of which have been converted into commercial areas.

### 3.1 Equitable development

The concept of equitable development between regions is not directed towards a situation where every province has the same level of income. However, equity means that every relevant component in the economy can employ all the economic resources it has. The conception of regional development is that the development process is not just a unilinear process and one field, but is multidimensional. Indicators of the success of this development process are not enough only with economic measures. More than that, it is necessary for both the central government and regional governments to understand that their role in regional development will be more demanded in the future in the context of realizing the implementation of regional autonomy more broadly [2].

Efforts to move the nation's capital city from Jakarta to East Kalimantan can be seen from a glass half-filled with water, failure is probable if you look at it from the side of an empty glass, but it can also be seen from a full glass for the probability of success. It depends on who and how to carry out the plans that have been prepared with existing studies. The goal is to eliminate the gap between reality and planning so that whatever choice is chosen, it is the best and will succeed later. [3–5]. Usually, the relocation of capital cities in several countries is caused by several factors such as the basis of efficiency, disasters, politics, and so on. The displacement in the capital city of Indonesia can be identified by some factors:

1. Regarding effectiveness and efficiency, where Jakarta is considered ineffective and efficient as the capital city, due to chronic congestion in Jakarta, both inland, air (airport) or sea (port) traffic<sup>7</sup>. Therefore, based on effectiveness and efficiency, the President of the Republic of Indonesia has determined that the relocation of the capital city will be carried out in stages starting in 2024. (This determination was carried out before the COVID-19 Pandemic in Indonesia, and there has been no further decision regarding whether or not the transfer will be canceled. capital).
2. Related to economic equity. Development in Indonesia since independence in 1945 has tended to be centralized on the island of Java. So that the island of Java is far more advanced than other regions in Indonesia. Various institutional centers are located on the island of Java. 54 percent of Indonesia's total population (150 million people) and 58 percent of Indonesia's economic GDP are located on the island of Java. <sup>8</sup> It is hoped that with the relocation of the capital city, the economic cycle will no longer be concentrated on the island of Java.

When associated with concepts in Economics, this is in line with location theory which is related to location decisions, namely decisions about how companies decide where to locate their factories or production facilities optimally.<sup>9</sup> Moving the center of government will certainly be followed by some Many companies, or at least SOEs in Indonesia will move to Kalimantan. Because the production location, especially SOEs, should be close to the center of government [6].

DPD RI member, Fahira Idris stated that the development of the new IKN must prioritize aspects of transparency, participation, and accountability. To maximize IKN Nusantara, the government must be faithful to the IKN development goals stated in the National Medium-Term Development Plan (RPJMN) 2020–2024 which includes economic diversification and increasing non-traditional economic output. With the achievement of these goals, there will be further benefits, such as increasing the distribution of welfare in Indonesia, especially in the eastern region, changing the orientation of development from Java-centric to Indonesia-centric, as well as reducing the burden on the island of Java. The President's statement at the TNI-Polri leadership meeting at TNI Headquarters, Jakarta regarding the reasons for moving the State Capital was quite clear. According to him, various studies on moving the state capital (IKN) that have been carried out for a long time must be executed immediately. According to him, it takes courage even though there are risks in moving, but we know we want equality. Not Java centric but Indonesia centric.

In detail, there are at least six reasons underlying the relocation of the national capital. The six reasons include on it. First, the main reason for moving to the capital city of this country is that the burden of Jakarta and Java is too heavy. The Intercensus Population Survey (SUPAS) in 2015 stated that 56.56 percent of Indonesia's population or 150.18 million people was concentrated on the island of Java. While on other islands, the percentage of the Indonesian population is less than 10 percent. Except for the island of Sumatra, which is 22.1 percent or 58.45 million people. In Kalimantan, the percentage of Indonesia's population is only 6.1 percent or 16.23 million people. In Sulawesi, the percentage of Indonesia's population is 7.4 percent or 19.56 million people. Then in Bali and Nusa Tenggara, the population is 14.90 million people or 5.6 percent of the Indonesian population. Meanwhile, Maluku and Papua have the smallest percentage, namely 2.8 percent or 7.32 million people. See Photos Some of the reasons why the nation's capital moved from Jakarta to Penajam Paser Utara, East Kalimantan

Second, the reason for moving the country's capital city is that the economic contribution of the island of Java to Indonesia's economic growth, or Gross Domestic Product (GDP), is very dominant. While other islands are far behind. Jokowi wants to abolish the term "Java-centric" so that the economic contribution of other islands must also be boosted. Based on data from the Central Statistics Agency (BPS) 2020, the economic contribution to GDP in Java is 59 percent. Meanwhile, economic growth in Java was 5.52 percent. In Sumatra, the economic contribution is 21.31 percent. As for Kalimantan, the economic contribution is 8.05 percent with economic growth of 4.99 percent. As for Sulawesi, the contribution is 6.33 percent with economic growth of 6.65 percent. Then in Bali and Nusa Tenggara, the contribution was 3.06 percent with economic growth of 5.07 percent. Then in Maluku and Papua, they contributed 2.24 percent with economic growth of 7.40 percent.

Third, The availability of clean water. Based on 2016 data from the Ministry of Public Works and Public Housing (PUPR), Java and Bali experienced a severe water crisis. The worst conditions are in the Greater Jakarta area and East Java. Only a small part of the island of Java has green indicators or the availability of water is still healthy, namely in the area of Mount Salak to Ujung Kulon. Forth, The largest land conversion occurred on the island of Java. In the last few decades, the island of Java experienced the largest land conversion among other island groups in Indonesia. This trend is expected to continue for the next few years. The proportion of consumption of built-up land on the island of Java dominates, even reaching five times that of Kalimantan. It is predicted that the built-up land in Java in 2030 will be 42.79 percent. In Kalimantan, land development was 9.29 percent in 2010. The proportion of developed land in Kalimantan is predicted to increase in 2030 to 11.08 percent.

Fifth, Very high urbanization growth, In addition, the reason for moving to the capital city is the very high urbanization growth, with the largest population concentration in Jakarta and Jabodetabekpunjur. In 2013, Jakarta was ranked as the 10th most populous city in the world (UN, 2013). Then in 2017, it was ranked as the 9th most populous city in the world. Sixth, The threat of flooding, earthquakes, and landslides in Jakarta The increasing burden on Jakarta causes a decrease in the carrying capacity of the environment and large economic losses. Such things as prone to flooding, land subsidence, and sea-level rise, and river water quality is heavily polluted. About 50 percent of the Jakarta area has a flood safety level below 10 years (ideal for a big city with a minimum of 50 years). Read also: OJK Explains Causes of Proliferation of Illegal Pinjol The Jakarta area is threatened by volcanic activity (Krakatau, Gunung Gede) and the potential for earthquakes-tsunami, South Megathrust, West Java and the Sunda Strait and land earthquakes of the Baribis Fault, Lembang Fault, and Cimandiri Fault. In addition, the soil decreased by 35-50 cm during the period 2007-2017.

### **3.2 Decentralization**

Democratic decentralization processes often involve intensive political bargaining and coalition-building among elites from various levels of government. From a central government perspective, the basis of decentralization includes two important things. First, in terms of bureaucratic efficiency, strengthening local government stems from the belief that community needs can be more efficiently implemented by bringing government closer to local constituents; with sufficient knowledge of the conditions and Local authorities to manage local affairs, and district governments can improve people's quality of life. Second, community participation is easier and more effective at lower levels than at higher levels because more authority is given to districts than to provinces. Therefore, decentralization is expected to increase not only bureaucratic efficiency but also government accountability [5].

With the enactment of Law no. 3 of 2022 concerning the State Capital on January 18, 2022, the debate and the pros and cons of relocating the State Capital Jakarta shifted towards other, more substantial contents related to policies imposed on the special area of the capital of the Archipelago. Referring to article 36 of the IKN Law, it is stated that the Archipelago Capital Authority will start operating no later than the end of 2022. Although it does not automatically change the State Capital, Jakarta, considering the transfer of the position, function, and role of the State capital from DKI Jakarta Province to the Nusantara Capital is stipulated. by Presidential Decree. This means that President Joko Widodo and his successor have the authority to determine when the official transfer of the State Capital is to East Kalimantan, as well as to replace Jakarta as the State Capital.

As a regional authority, the head of the regional authority for the Special Capital Region of the Archipelago is responsible for the preparation, development, and transfer of the National Capital, as well as the administration of the Regional Government for the Special Capital Region of the Archipelago. The position of the head of the authority is also different from the position of the head of the Special Capital Region of Jakarta, which is held by a governor who is directly elected by the people of Jakarta. The Head of the Archipelago Capital Authority is the Head of the Special Regional Government regulated by the IKN Law. Together with the Deputy Head of the Authority, he holds a position for 5 (five) years from the date of the inauguration and thereafter can be appointed and reappointed for the same term of office.

In terms of authorities and regional government affairs, the authority of the Capital of the Archipelago according to Article 12 of the IKN Law, is given special powers, including the authority to grant investment licensing, ease of doing business, as well as providing special facilities to parties that support financing in the context of preparation, development and transfer activities. the capital of the State, as well as the development of the Capital of the Archipelago and other regions. Referring to the existence of Article 18, 18A paragraph (1), and 18B paragraph (1) of the 1945 Constitution which states the types of regional government in the government system, including provinces and districts/cities, each of which is headed by a Governor, Regent or Mayor. There is no regional government other than the province and district/city in the regulation of these articles. Article 18B of the 1945 Constitution does recognize the existence of special regional governments, but the regulations are still in the form of provinces and districts/cities. This specificity is practically like the regulation of the Special Capital Region (DKI) Jakarta, the Special Region of Yogyakarta (DIY), Papua, and Nanggroe Aceh Darussalam.

In the regional government system, it is known that authority is a form of the special area. However, the form of authority as a special area does not carry out regional government affairs. Its authority is limited to the linkage of the interests of the specially managed areas. Such as port areas and free trade; protected forest areas; marine park areas; etc. Conceptually, the regulation of the Authority system in the IKN Law is also not under the concept in the regional government system. This is because the position of the head of the Authority is at the ministerial level, but his role is related to the administration of regional government. The regulation of special regional government authority for the authority of the capital of the archipelago which is considered contrary to the provisions of the constitution can have a broad impact on the implementation of regional government. Considering that other laws and regulations that are more technical have not been made as to the basis for legal certainty in the implementation of regional autonomy authority.

#### **4. Conclusion**

From the results and discussion above, the author concludes in 2 things related to the concept of equitable development and the concept of decentralization in the policy of moving the State Capital, namely:

1. The policy of relocating the State Capital which has been initiated for a long time by the Dutch East Indies government, the Old Order, and the New Order to the reform order requires firmness from the central government, in this case, the President so that efforts to distribute development can be carried out by paying attention to other regions so that they are not Javanese centric. The urgency of moving to the capital city of Jakarta also provides positive benefits considering the condition of Jakarta, which is currently undergoing quite rapid urbanization. The economic contribution of the island of Java, which is quite dominant, the impact of air pollution in Jakarta, the availability of clean water, the conversion of a large area of land, and the threat of flooding, earthquakes, and landfall are rational reasons that are deemed appropriate for the government of Joko Widodo's policy to move the capital city of Jakarta to Penajam. Paser Utara, East Kalimantan.
2. The concept of decentralization in the Regional Government of the Special Autonomy of the Archipelago can lead to constitutional juridical confusion, considering that the concept of the Special Regional Government contained in the 1945 Constitution Article 18 does not regulate the Special Regional Government in the form of an Authority

Region. The Regional Government in question is only known in the form of Provinces and Regencies headed by a Governor and a Regent/Mayor.

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