



Challenges and Obstacles of Relocating the Nation's Capital

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Abstract

President Joko Widodo accelerated the realisation of the capital city relocation and selected Penajam Paser Utara Regency and Kutai Kartanegara Regency in East Kalimantan as the location of the new capital city. On 15 February 2022, Law Number 3 of 2022 concerning the National Capital City (IKN Law) was passed and ratified. This paper uses a literature study method related to the IKN Nusantara. Through the literature study, information was obtained regarding the challenges and obstacles in relocating the capital. Relocating the capital requires a long process and is not easy. To realise the relocation of the IKN according to the targets that have been prepared, there are various challenges and obstacles including doubts about urgency, funding, environmental impacts, protection of the rights of local communities and indigenous peoples and the readiness of buffer zones.

Key words: Obstacles; Capital; Archipelago; Challenges.

INTRODUCTION

On 29 September 2021, President Joko Widodo sent a presidential letter regarding the discourse of moving the capital city to the House of Representatives of the Republic of Indonesia (DPR RI). On 7 December 2021, the House of Representatives formed a special committee to draft a law on the new capital city. On 3 January 2022, several members of the House of Representatives conducted a comparative study to Kazakhstan to gain insight into the complexities of moving the capital city. On 18 January 2022, the first version of the IKN Law was issued and continued to be 'drafted' by the special committee. On 15 February 2022, Law Number 3 of 2022 on the National Capital City (UU IKN) was passed and ratified (Aisyah, 2023).

BPS data (2021) shows that Jakarta in 2020 had a population of 10,562,088, with a population density of 14,555 people per square kilometre. This condition has exceeded the carrying capacity that Jakarta can support. Jakarta is considered no longer able to accommodate the burden of the centre of government, politics and business simultaneously with various problems such as flooding, congestion, infrastructure, increased crime (Wati & Toana, 2023) .

One of the crucial and main reasons for this relocation plan is the problem of economic inequality in Indonesia (Purnama & Chotib, 2023). This condition can be seen from the figure of Indonesia's Gross Domestic Product (GDP) on the island of Java touching the figure (58.75%), while on other islands none exceeds 25%. For example, GDP in Sumatra Island is only 21.36%, Kalimantan Island is 7.94%, Sulawesi Island is 6.66%, Bali and Nusa Tenggara Island is 2.94%, and Maluku and Papua are only 2.35%



(Gozali & Zuliansyah, 2024).

President Joko Widodo has accelerated the realisation of the capital city relocation and selected North Penajam Paser Regency and Kutai Kartanegara Regency in East Kalimantan as the location of the new capital city. Reporting from ikn.go.id, the new capital city is targeted to be the centre of six economic clusters, including the clean technology industry cluster, integrated pharmaceuticals, sustainable agriculture industry, ecotourism and health, chemicals and chemical derivative products, and low-carbon energy cluster (Amri & Lessy, 2024). The IKN development period starts in 2022 and in the long-term IKN planning period, it is projected until 2045. Broadly speaking, the development is divided into five stages, namely Phase I 2022-2024, Phase 2 2025-2029, Phase 3 2030-2034, Phase 4 2035-2039, and Phase 5 2040-2045. (Masitah & Dewi, 2022).

Public communication of the IKN transfer has several challenges. First, social communication with the local community including ensuring that the rights of local residents are not neglected or even evicted. Second, political communication with elites who are against (opposition) to the IKN policy (Puspitaningrum et al., 2023). Communication efforts are made to explain the rationalization of the capital city relocation comprehensively. Third, corruption communication between stakeholders. With a fairly large number of projects supported by the APBN scheme, government and business entity cooperation including direct investment from the private sector, there is a risk of budget misuse. Fourth, disaster communication is related to potential environmental risks (Hidayat, 2023). Infrastructure development in the new capital city certainly cannot be separated from the ecological consequences that accompany it. Fifth, integrated communication between the central and regional governments. The communication pattern cannot only be top-down, but bottom-up (Istamala et al., 2024).

Following the enactment of Law Number 3 of 2022 concerning the National Capital City called Nusantara and hereinafter referred to as the Nusantara Capital City (IKN) on February 15 2022, Article 6 Paragraph (2) states that the scope of the IKN area is in Penajam Paser Utara Regency, East Kalimantan Province, of course making Penajam the center of the country's government and the area where the national capital is located, which is the center of gravity of Indonesia, which has so far been in Jakarta (Wahidah et al., 2024). This means that the concept of developing national defense must be given serious attention and careful planning, both in terms of physical and non-physical development, because the defense situation of the nation's IKN is very important in determining the smooth running of government which is centered in the nation's capital city (Yusuf et al., 2024). One aspect that needs to be highlighted is the defense and security aspect of the new National Capital. Given the strategic location of the IKN, it is inseparable from defense threats and security disturbances, whether carried out by state actors, non-state actors, and hybrids (Dewi et al., 2024). The relocation of the IKN requires a long and not easy process. To realize the relocation of the capital city according to the targets that have been set, there are various challenges and obstacles. Anticipation of challenges and obstacles can minimize the risk of failure of the IKN relocation program (Ramadhan & Annisa, n.d.).

RESEARCH METHODS

The method used in writing this paper is descriptive analysis. The author collects data through literature studies of various sources of books, journals, and the internet related to the research theme. This literature study is carried out by reading relevant sources to obtain the necessary data. Information and data obtained from sources such



as documents, books, articles, magazines, news, and so on. In this study, researchers prioritize research articles published in journals within the last 2 years. The articles used as sources in this study are related to the IKN Nusantara.

RESULTS AND DISCUSSION

The IKN area is located in the north of Balikpapan City and south of Samarinda City with a land area of approximately 256,142 hectares and a sea area of approximately 68,189 hectares. Administratively, the IKN area is currently located between two regencies, namely Penajam Paser Utara Regency (Penajam and Sepaku Districts) and Kutai Kartanegara Regency (Loa Kulu, Loa Janan, Muara Jawa, and Samboja Districts) and is bordered by:

- Northern part: Loa Kulu District, Loa Janan District, and Sanga-Sanga District, Kutai Kartanegara Regency;
- Southern part: Penajam District, Penajam Paser Utara Regency, Balikpapan Bay, West Balikpapan District, North Balikpapan District, and East Balikpapan District, Balikpapan City;
- Eastern part: Makassar Strait; and
- Western part: Loa Kulu District, Kutai Kartanegara Regency and Sepaku District, North Penajam Paser Regency.

The IKN planning is divided into three planning areas, namely:

- IKN Development Area (KPIKN) with an area of approximately 199,962 hectares;
- IKN Area (KIKN) with an area of approximately 56,180 hectares; and
- The Core Government Center Area (KIPP) which is part of KIKN with an area of approximately 6,671 hectares.

The IKN area is a catalyst for Kalimantan by utilizing the advantages of Balikpapan City and Samarinda City. The IKN area is approximately 256,142 hectares, consisting of 51 administrative areas at the village or sub-district level, the majority of which are within the IKN area with details of 15 villages/sub-districts in Sepaku District, 21 villages/sub-districts in Samboja District, 5 villages/sub-districts in Loa Janan District, 2 villages/sub-districts in Loa Kulu District, 7 villages/sub-districts in Muara Jawa District, and 1 village/sub-district in Penajam District.

The IKN area with an area of approximately 56,180 hectares is located in two districts, namely Penajam Paser Utara Regency and Kutai Kartanegara Regency. The IKN area intersects with two sub-districts, namely Sepaku District and Loa Kulu District. There are six existing villages, some or all of which are delineated in the IKN, namely Sukaraja Village, Tengin Baru, Karang Jinawi, Argomulyo, Sukomulyo, and Semoi Dua.

IKN is the driving force of the economy for Kalimantan and is a trigger for strengthening the domestic value chain throughout Eastern Indonesia. Development places Indonesia in a more strategic position in world trade routes, investment flows, and technological innovation. In addition, IKN is also a model for the development of green and sustainable cities driven by the application of the latest technology. The vision of "World City for All" not only describes the people living in the IKN in the future, but also the environmental conditions that are restored and maintained.

The vision is broken down into three main objectives, namely as:

- a symbol of national identity: a city that embodies the unity and greatness of a nation; identity, social character,
- a sustainable city in the world: a city that manages resources efficiently and provides services effectively with efficient utilization of water and energy



resources, waste management, integrated transportation modes, a livable and healthy environment, synergy between the natural environment and the built environment; and

- c) a driver of Indonesia's economy in the future, progressive, innovative, and competitive in terms of technology, architecture, urban planning, and social. The superhub economic strategy approach to ensure the most productive synergy between workforce, infrastructure, resources, and networks and to maximize opportunities for all.

The basic principles of regional development in the IKN are based on eight principles of IKN development that prioritize nature, technology, and environmental sustainability. IKN planning is woven with a sustainable concept to balance natural ecology, built environment, and social systems harmoniously. In addition, the basic principles of IKN development also maintain the possibility of bad impacts of urbanization and extreme weather that can increase the risk of disasters, such as floods and shortages of raw water. Therefore, the basic principles of IKN Area development combine three urban concepts, namely IKN as a forest city, sponge city, and smart city. The development of the IKN Area and the three urban concepts cannot be separated from the partner cities around the IKN and will not be successful without the support of the surrounding cities.

Thus, the implementation of IKN as a forest city, sponge city, and smart city must prioritize harmonious cooperation with the surrounding partner cities. The smart city concept has been considered as a comprehensive element in emphasizing the development of IKN as the new Capital City of Indonesia that is dynamic, inclusive, supported by the community, and ready to face the future. The smart city component in the IKN Master Plan identifies digital or technological value-added elements to provide greater benefits to the IKN as a whole. The IKN Master Plan focuses on three main areas to support the IKN vision, namely:

a. IKN Smart City Strategy

A framework for understanding what outcomes are being sought and how disruptive technologies can be applied to achieve them. A smart city strategy consists of 3 main elements, namely:

- a) vision and outcomes that are aligned with the overall strategic framework of IKN;
- b) smart areas and strategies that outline key digital opportunities for IKN; and
- c) a long list of smart initiatives that provide various possibilities for actualized development.

b. Smart Initiatives that must be prioritized in IKN

The following are smart initiatives that must be prioritized in IKN:

- a) access and mobility;
- b) environment and climate;
- c) security and safety;
- d) public sector;
- e) urban systems; and
- f) livability and dynamism.

Based on Presidential Regulation Number 63 of 2022 concerning Details of the Main Capital City of the Archipelago, a number of things are emphasized. First, the system and strategy as a whole are universal in nature involving all citizens, regions, and national resources, and organizing the development of the state defense posture, the development of the state defense system, and institutional development. Second, the defense of the



IKN is organized with a layered defense system and strategy that is pursued with smart defense, namely the synergy between hard defense in the form of military defense and soft defense in the form of non-military defense. This smart defense is synergized with total diplomacy as a form of dual synergy of the defense system.

In the Appendix to Law Number 3 of 2022 concerning the Indonesian Capital City, it is explained about the preparations that have been made by the government to ensure the smooth process of moving the nation's capital city is not a joke. One of the preparations that has become the focus of the move is the creation of a master plan or main plan for the defense and security system of Indonesia's newest capital city, namely Nusantara. Indonesia cannot underestimate the defense system for the new capital city. This is considering the various types of threats that greet this move, namely the capital city which borders Malaysia by land for 2,062 km, the capital city which is within the radius of the intercontinental ballistic missile or ICBM, to being within the radius of hypersonic missiles belonging to certain countries. Therefore, the Government together with its supporting apparatus has formed the architecture of the defense and security system of the nation's capital city using four main components, namely intelligence, defense, security, and cyber components. The government uses these four main components as pillars of Indonesia's defense and security system.

1. Urgency of Moving the National Capital

The discussion of the IKN Law only took 43 days and was even considered the fastest record for the DPR in discussing and ratifying a draft law. Moreover, the discussion of the IKN Bill has not involved various levels of society, especially those who will be directly affected by the development of the IKN, such as farmers and indigenous peoples. This lack of public participation clearly contradicts the element of participation in the concept of good governance. The urgency of moving the capital city has also been widely questioned because the public considers that only the elite are actively voicing this issue, so it is considered less participatory and accountable. This is reinforced by the decision to move the IKN which was made while still in the COVID-19 pandemic situation when the Indonesian economy was unstable, while financing the IKN would certainly require a large budget.

2. Funding for the Relocation of the Capital

The funds for the relocation of the capital city are certainly not a small amount. There are three sources of funding for the construction of the new capital city, namely from government investment of USD 4,560 million or around (50.7%), private sector of USD 2,970 million (33%), and foreign investment of USD 1,470 million (16.3%). The government focuses these funds on public facilities and basic infrastructure based on non-profit, while private sector and foreign investment are more directed at development that is profit seeking such as shopping centers, office buildings, commercial (Sari & SH, 2024).

The development of a new capital city requires commitment in long-term planning and budgeting. This certainly requires a strong political commitment because the construction phase can take decades to complete. Planning also needs to be mature in order to attract private parties and foreign investors to be involved in the development of the new capital city.

3. Environmental Impact of Capital City Relocation

Environmental observers are concerned about the impacts not only on the



preservation of local biodiversity, but also on socio-demographic issues. For example, according to Kylili & Fokaides (2015), there are several urban development issues that need to be watched out for, including the development of the IKN, because it will have various impacts on the environment, including global warming (Ramadhani & Djuyandi, 2022).

In the process of developing the IKN Nusantara, it is estimated that several environmental problems will arise. Some of these problems include threats to water management and the risk of climate change, threats to flora and fauna, and threats to pollution and environmental damage. To overcome these environmental problems, the government in developing the IKN Nusantara is planned to implement the concept of smart city and forest city. This concept is intended to unite nature and technology side by side, so that a good and environmentally friendly city can be created. The implementation of the forest city concept will be based on: 1) management of River Basin Areas (DAS), 2) structured green space networks, 3) protection of animal habitats covering key wildlife habitats and roaming areas, 4) good land cover quality and revitalization of the "Tropical Rainforest" landscape (Insani & Zamzamy, 2023).

4. Protection of the Rights of Local Communities and Indigenous Peoples

The IKN area which includes Kutai Kartanegara Regency and Penajam Paser Utara Regency is inhabited by five ethnic groups in the East Kalimantan region with the presence of immigrants of around 73.2% consisting of the Bugis Tribe, Banjar Tribe, and various other ethnic groups. Some of the immigrant tribes have also been acculturated through inter-tribal intermarriage, including with native tribes such as the Paser Tribe, Kutai Tribe, and various other Dayak Tribes. The identification of native tribes in the IKN Nusantara area includes seven tribes, namely the Paser Tribe, Kutai Tribe, Bajau Tribe, Basap Dayak Tribe, Kenyah Dayak Tribe, Benuaq Dayak Tribe, and Tunjung Dayak Tribe. The IKN area covers four sub-districts and two regencies. Sepaku District which is within the administrative scope of Penajam Paser Utara Regency, while Samboja District, Muara Jawa District, and Loa Kulu District are within the administrative scope of Kutai Kartanegara Regency. With an area of approximately 262,814 hectares in the IKN, there are 26 villages or sub-districts that are part of the IKN area. Approximately 31% of the 75,968 land blocks in the IKN are owned by people who have official certificates. Meanwhile, the other 66% are controlled by the community but do not have ownership rights. The government needs to protect the rights and provide legal certainty to local communities and indigenous peoples who live in the IKN area. For this reason, regulations are needed that guarantee the rights of indigenous peoples so that development in the IKN area does not disrupt and damage the existence of indigenous peoples who have long lived in the IKN area, and provide justice, benefits, and legal certainty to indigenous peoples who will later be affected by the development of the IKN (Wahyu & Frinaldi, 2024)

5. Buffer Areas and Integrated Development

Another challenge faced in the development of the IKN is preparing buffer areas to be able to support the existence of the IKN. The development of the Indonesian Capital City has direct and indirect impacts on the surrounding cities and provinces, both positive and negative. The existence of the nation's capital with the concept of a smart city requires support from the surrounding buffer areas. This is like Jakarta with its Bogor, Tangerang and Bekasi areas. Therefore, the development of the IKN should be accompanied by the preparation and development of the capital's buffer areas in the future. So far, East



Kalimantan Province as the location of the Indonesian Capital City has received resource supplies from several surrounding provinces (Tasya, 2024). The relocation of the capital city will encourage massive population migration both to the capital city and to the surrounding buffer cities. The buffer areas of the new capital city include Balikpapan, Samarinda, the border of Penajam Paser Utara and Kutai Kertanegara. So far, these areas are areas that often face flooding (Amila et al., 2023).

The improvement of the buffer areas of the prospective new capital city can be done through integrated development. The integration referred to includes integration of various levels of government, spatial planning and between functions and sectors. Integrated development between non-bank financial industry and its buffer areas requires communication, coordination and cooperation between various sectors at various levels of government. Therefore, an effective coordination strategy is needed for the integration of development between non-bank financial industry and buffer areas (Fitria & Rochim, 2025).

CONCLUSION

The relocation of the capital city requires a long and difficult process. To realize the relocation of the capital city according to the targets that have been set, there are various challenges and obstacles. Many parties are still questioning the urgency of relocating the capital city, especially in the midst of the Covid-19 pandemic situation which requires large costs for recovery. The relocation of the capital city certainly requires a lot of funds where clear funding sources are needed to realize it according to the predetermined time target. Kalimantan is a very important lung of the world. Don't let the IKN project not anticipate its environmental impact. Development must also provide protection to local communities in East Kalimantan in particular so that there is no gap later. The development of the IKN also needs to be supported by the surrounding buffer areas.

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