

CAPITAL CITY OF THE ARCHIPELAGO: BETWEEN HOPE AND CONCERN IN REALIZING ECONOMIC REVIVAL

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Indonesia, with its geographic complexity and natural wealth, faces unique challenges in managing economic growth and infrastructure. Moving the capital from Jakarta to the island of Kalimantan is an ambitious initiative that aims not only to relocate the center of government but also to trigger more equitable economic growth. President Joko Widodo announced on August 26 2019 that the national capital (IKN) would move to the city of East Kalimantan Province. To begin with, the National Development Planning Agency (Bappenas) has conducted various research on stages other than IKN. This study looks at the economic impact, regional readiness, and the possibility of developing industrial areas.

Mr. Rudy S Prawiradinata, Deputy for Regional Development at the Ministry of National Development Planning/Bappenas and Responsible for the National Coordination Team for the Transfer of IKN to the Archipelago (In a Press Release, 2022) stated that the transfer of IKN helps encourage new economic growth through six economic clusters and two supporting clusters. Technology, pharmaceuticals, sustainable agriculture, ecotourism and health tourism, chemicals, and energy are the six economic clusters. Furthermore, the two supporting clusters are smart city and industry 4.0. So, that is an approach to share the growth portion.

Moving the capital city is not only an administrative relocation, but also an opportunity to redefine Indonesia's economic paradigm. It is hoped that the new capital will become a center of economic growth that attracts investment and opens up opportunities for infrastructure development and new jobs. However, this step must be balanced with caution in planning and implementing the project.

One of the main concerns is the environmental and social impact of large infrastructure developments. Large-scale construction can damage the natural environment and threaten habitats and ecosystem sustainability. In addition, the

relocation of local communities can also give rise to social tensions and conflicts that need to be addressed with a sustainable and inclusive approach.

In his official statement, Walhi said that the location of the IKN had been carried out politically without any clear legal basis. The choice of location is also seen as not taking into account the carrying capacity and capacity of the environment.

The results of the Strategic Environmental Study (KLHS) show that the forced removal of IKN will threaten the water system and the risk of climate change, flora and fauna, as well as pollution or other environmental damage. The threat to water management occurs due to the high number and area of mining concessions at the IKN location, which has an impact on the hydrological system. Meanwhile, threats to flora and fauna result from pressure on wildlife habitats.

To ensure the success of the development of the new capital city as a catalyst for economic growth, transparency and accountability in project planning and implementation are very important. The government must ensure that the economic benefits of this development are distributed equally to all levels of society and that sustainable environmental policies are implemented to protect the existing ecosystem.

Thus, concrete steps need to be taken to overcome the challenges faced. The development of a new capital city must be supported by a sustainable environmental protection plan and active participation from the community at every stage of development. In addition, policies oriented towards inclusivity and sustainability must be implemented to ensure that this development provides long-term benefits for future generations.

In this context, moving the capital city is a momentum for Indonesia to optimize its economic potential more broadly. With a careful and sustainable approach, and a commitment to addressing social, cultural and environmental challenges, Indonesia has great potential to realize its vision of inclusive and sustainable economic development across the archipelago.

However, to achieve this success, close cooperation between government, the private sector and civil society is needed. All parties must play an active role in

ensuring that development is carried out by taking into account common interests and maintaining a balance between economic growth, environmental protection and social welfare.

Additionally, it is important to remember that building a new capital city is not an endeavor that is completed overnight. A long-term commitment is needed to ensure that this project is successful and provides sustainable benefits for all Indonesian people. This requires careful planning, careful monitoring, and regular evaluation to adjust the strategy as needed.

Furthermore, to ensure that the construction of the new capital city has a positive impact on the entire archipelago, it is important to develop policies and programs that support inclusive economic growth throughout Indonesia. This includes investment in human resource development, increasing access to basic services, and building infrastructure that supports inter-regional connectivity.

Apart from that, the government also needs to ensure that existing policies and regulations support the growth of sustainable and environmentally friendly economic sectors. This includes incentives for investment in renewable energy, sustainable management of natural resources, and protection of the rights of indigenous peoples and cultural diversity.

With a sustainable approach, as well as active involvement from all parties involved, the archipelago's capital city has great potential to become the main driver for Indonesia's economic revival. However, these efforts must be accompanied by awareness of the social, cultural and environmental impacts, as well as a commitment to ensure that this development truly provides sustainable benefits for future generations.

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