

## **DOES MOVING CAPITAL MATTER FOR REDUCING DEVELOPMENTAL COMPLEXITIES IN A STATE CAPITAL: JAKARTA CASE**

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*Dibandingkan 2 sampai 3 dekade, Jakarta telah berubah secara signifikan. Disamping perubahan positif, harus diakui bahwa saat ini muncul banyak sekali kompleksitas permasalahan yang tidak terjadi pada masa-masa sebelumnya. Diantara berbagai persoalan tadi, kondisi lalu lintas yang makin semrawut dan arus urbanisasi yang tidak terkendali, bisa ditunjuk sebagai masalah kronis yang dihadapi Jakarta. Itulah sebabnya, tulisan ini memfokuskan pada kedua permasalahan tadi, kemudian mengajukan satu solusi dengan cara memindahkan Ibukota ke wilayah lain. Perpindahan Ibukota ini secara teoritis akan mengurangi beban Jakarta sekaligus mendorong pertumbuhan ekonomi dan perkembangan fisik Ibukota yang baru, asal dilakukan dengan cermat dan bertahap*

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### **Preface**

Jakarta has substantially changed nowadays. In 1970's and 1980's, Jakarta was a friendly and comfortable city. Everyone could walk along the streets of the city safely and happily. With the facts that Jakarta had low air pollution, little traffic congestion, little crime and barely street vendors, it really became an ideal city for study, work and stay. But now, the ideal Jakarta has disappeared. Air pollution is getting worse as the traffic is becoming more crowded. At the same time, there are so many social problems, which are growing like mushrooms in winter. For example, there are lots of people under the poverty line who live in slum areas. Besides, we can also see many beggars and homeless people in every single crossroad in Jakarta.

And the other problems are the phenomenon of increasing street vendors and criminal cases. Thus, Jakarta is becoming more complicated than before, even compared to other metropolitan cities in the world.

Why has Jakarta changed negatively? What factors that caused the problems? Actually, we can't state one or more conditions as the certain factors that contribute to the complexity of the Indonesian Capital. The factors are interrelated to and interdependent each other. However, there are several major factors such as over-urbanization, corruption, city mismanagement and political disharmony. So, if we want to see Jakarta change positively, we have to handle all of these factors first.

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The next question is, who is responsible for those problems? Or, who is to be blame? Honestly, every body has his/her own roles on widening the problem, for which he/she has to take a part to overcome the complexity of Jakarta. Hence, talking about responsibility, we are discussing about the actors. Although all of us are responsible to make Jakarta better and more comfortable, there are at least three actors who have the biggest role; such as central and local government, businessmen and civil society, and international institutions especially in funding. We do know that their tasks are very difficult, but by working hard and seriously, we believe that someday the ideal Jakarta will be come again. All of things described above, could be simplified in the chart as seen in figure 1. However, this paper will try to focus on some specific issues, particularly on traffic congestion and urbanization problems.

### **Jakarta's Traffic**

One of the most crucial problems in Jakarta is its traffic. Day by day, Jakarta becomes more and more crowded with traffic. Of course, this condition will increase the level of people's stress. Actually, there are many efforts that local government and other institutions carried out to solve the problem. For example, some years ago the Governor of DKI implemented the 3 in 1 area policy for certain streets, such as MH. Thamrin, Sudirman, and Gatot Subroto. Unfortunately, every policy can't solve the problem; some even produce new problems. So, what is the real problem that Jakarta faces?

The problem of traffic jam in Jakarta actually is very complicated. It isn't only a matter of

technical constraints like the quality or quantity of cars, condition of roads, lack of public facilities (bus shelter, road bridges) and so on. It has very closed relation with human factors and governmental factors. At least, there are two human factors that contribute to the crowd of Jakarta.

Firstly, high growth population that caused by natural birth and urbanization. Secondly, driver's behaviour (especially public transportation driver) is not so comply with the regulations. Meanwhile, there are five governmental factors having impact on the problem. The five factors are: local government institutions, coordination among the institutions, policy formulation, law enforcement, and budget constraints.

By knowing the anatomy of the problem, then we can make several alternatives, and decide the best one, two or three. Among all of the policy alternatives, we can choose three points that have a big probability to solve the problem. Those points are: 1) restriction of car quantity, 2) developing subways or other modes of transportation, and 3) restructuring the local government organization. The most important thing we have to underline is that all of efforts or policy should be simultaneously done.

The framework thinking about the crowded of Jakarta told above can be simplified in the scheme as seen in figure 2.

### **The Problem of Urbanisation**

Urbanisation, especially in developing countries, is one of the most crucial problems. However, it could become a big factor that



causes another problems. Therefore, urbanisation can be seen both as a cause and as an effect.

From the “effect” point of view, it is caused by the gap of providing public utilities. As we all know, many facilities such as education, health, leisure, industry, and communication / information are available in cities. In contrast, rural areas generally are lack of these. In social terms, the gap is called push factors or pulls factors, depend on which perspective we deal with.

From the “cause” point of view, it causes both advantages and disadvantages, both in rural area and in urban area. The advantages for the rural people are decreasing asymmetric information and increasing citizen’s right to public service while for the urban people is supplying labour market. On the contrary, there are many disadvantages for the rural area such as decreasing number of people engaged in agricultural fields because of depopulation. As a result, the production of food and the supply of it to whole country will decrease.

On the other side, urbanisation effects negatively to the urban area in terms of increasing unemployment, poor housing and poverty due to over population or excess of labour supply. These conditions often lead to both decreasing domestic productivity and increasing inflation. All of those disadvantages will produce another consequences, that is, both raising goods price and decreasing purchase power parity (PPP). Finally, it gives the biggest impact, that is, decreasing people’s welfare.

Unfortunately, constructing some public utilities in the rural area only can’t solve this problem. The conditions are going to be better if only the problems of urban and rural area have already finished. In other words, mistakes that the government has done in the past need bigger cost in the last.

Now, everything has happened. Urbanisation and its complexities are realities that our country face. Therefore, the most important thing is looking for the solutions. Considering the cause-effect of the problems, at least we can recommend three efforts that have to be done by the government. The first is providing some public utilities or social services in rural area, the second is returning migrants to the region they come from, the third is giving both financial assistance to agriculture and training unskilled labour force. By doing these efforts, we do hope that our government isn’t going to make the same mistakes in the future.

The framework thinking about the problems of urbanisation told above can be simplified in the scheme as seen in figure 3.

### **Moving The Capital: Is It Possible?**

Considering all of problems that Jakarta faces, there are two main ideas for carrying the problems out. The first is rearranging the city, and the second is preparing other region as a new capital. Rearranging Jakarta is difficult enough to be done now due to the old city space planning (RTRK – Rencana Tata Ruang Kota) has been implemented. That’s why rebuilding the city’s infrastructure will destroy some existing infrastructures.

In addition, the condition of Jakarta is fed up, especially its environment that has very limited carrying capacity. As the result, if we enforce to build Jakarta again and again, we need a huge cost to recover the negative impacts. In social science, the development processes that produce many negative impacts are called development pain. Therefore, exploitation over Jakarta must be stopped.

By all of those descriptions, we have to think the second way seriously. In this way, moving capital is absolutely a giant project. That's why everyone who involve in this project must prepare everything completely and accurately. At least, there are three major aspects that should be considered in moving the capital those are choosing of new area, using of methods, and exploring of budget sources.

Concerning the first aspect, there are four regions that have strong probability to be chosen such as Sumatra island, Kalimantan island, other city of Java, and eastern Indonesia. At the same time, there are four additional requirements that have to be attached to every region those are metropolitan city, big city, small city, and rural area. By combining the city requirements and the regions, then we have 16 possibility or alternatives as follows:

1. Metropolitan city in Sumatra
2. Metropolitan city in Kalimantan
3. Metropolitan city in other area of Java
4. Metropolitan city in eastern Indonesia
5. Big city in Sumatra
6. Big city in Kalimantan
7. Big city in other area of Java

8. Big city in eastern Indonesia
9. Small city in Sumatra
10. Small city in Kalimantan
11. Small city in other area of Java
12. Small city in eastern Indonesia
13. Rural area city in Sumatra
14. Rural area city in Kalimantan
15. Rural area city in other area of Java
16. Rural area city in eastern Indonesia

Alternative number 1, 2, and 4 are automatically invalid because there aren't metropolitan city in Sumatra, Kalimantan and Indonesia. The third alternative is also unsuggested because Bandung and Surabaya have had similar problems as Jakarta faces before. Meanwhile, alternative number 9, 10, and 12 to 16 will probably fail to be built as a capital because they don't have sufficient city infrastructures yet. In other words, they need much more money than the other bigger regions.

As the result, we have only five best alternatives those are big city in Sumatra, Kalimantan, Java, eastern Indonesia, and small city in Java. Although they have the same opportunity to be chosen as substitute for Jakarta, Java's areas aren't recommended in order to accelerate the development of other Indonesia region. Lastly, we have just three alternatives. Among these alternatives, big city in Sumatra could be the best choice since Kalimantan and eastern Indonesia has relatively longer distance from Jakarta that would produce high-cost economy.

On the other hand, there are two methods in moving capital. Moving government institution only is rather better than moving all of institution gradually. We can learn from



Australian's experience when they moved their capital from Sidney to Canberra. Therefore, Jakarta is maintained as a business and education centres while centre of government is moved.

Finally, the last important aspect is budgeting or financing. There are four sources that could be spent for the project such as annual budget, loan, result of selling assets, and private investment. However, the project must be held incrementally.

A crucial question related to the project is: "What advantages that we can reach by moving the capital, and what disadvantages that may appear?" From the positive perspective, this project will give us some advantages such as avoiding exploitation over Jakarta, accelerating economic growth (especially for certain area), decreasing regional disparity, stimulating spread effect / trickle down effect, and so on. On the contrary, there are four disadvantages such as increasing instability among transition years, requiring huge investment, possibly in repeating the same mistakes, and possibly in emerging a new KKN (corruption, collusion, nepotism) practise.

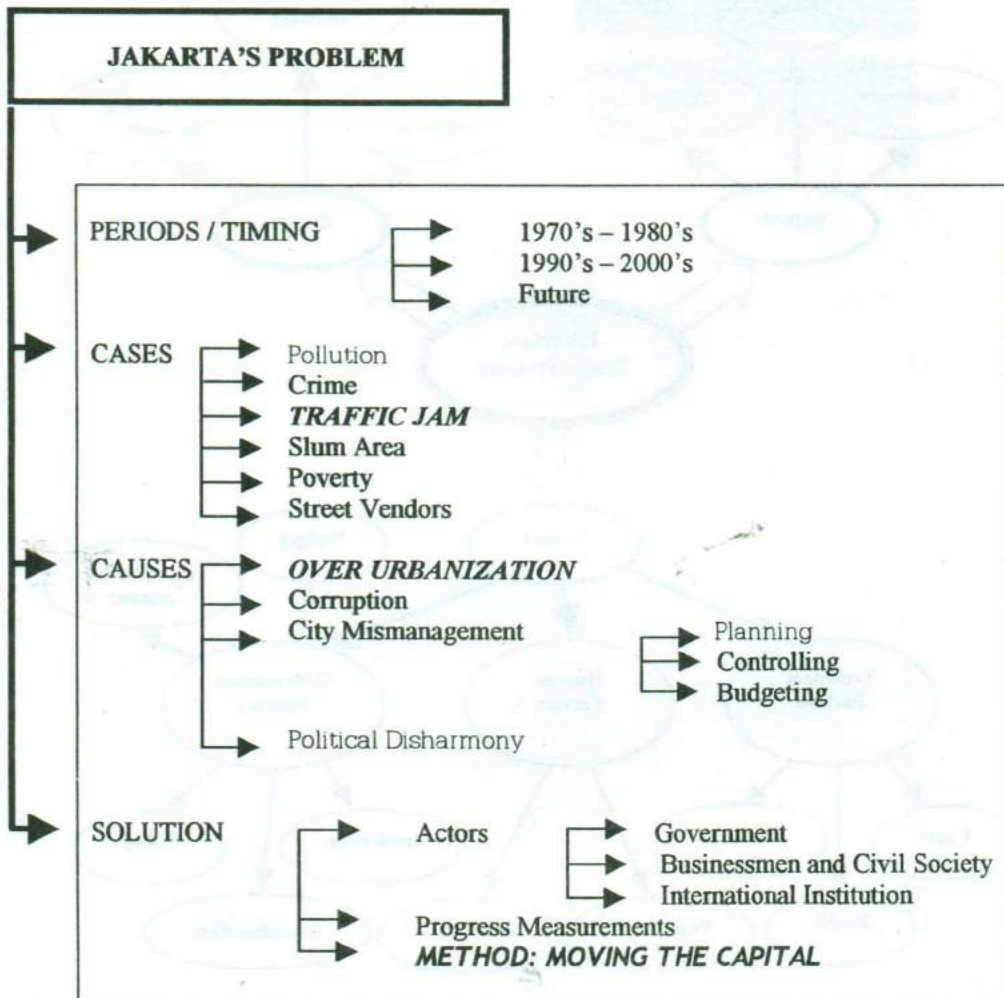
Comparing between the positive and the negative impacts, we do believe that the first one is more meaningful than the other side. Therefore, moving Jakarta as capital is relatively the best choice in order to handle all of the problems.

The framework thinking about the possibility of moving Jakarta as capital told above can be simplified in the scheme as seen in figure 4.

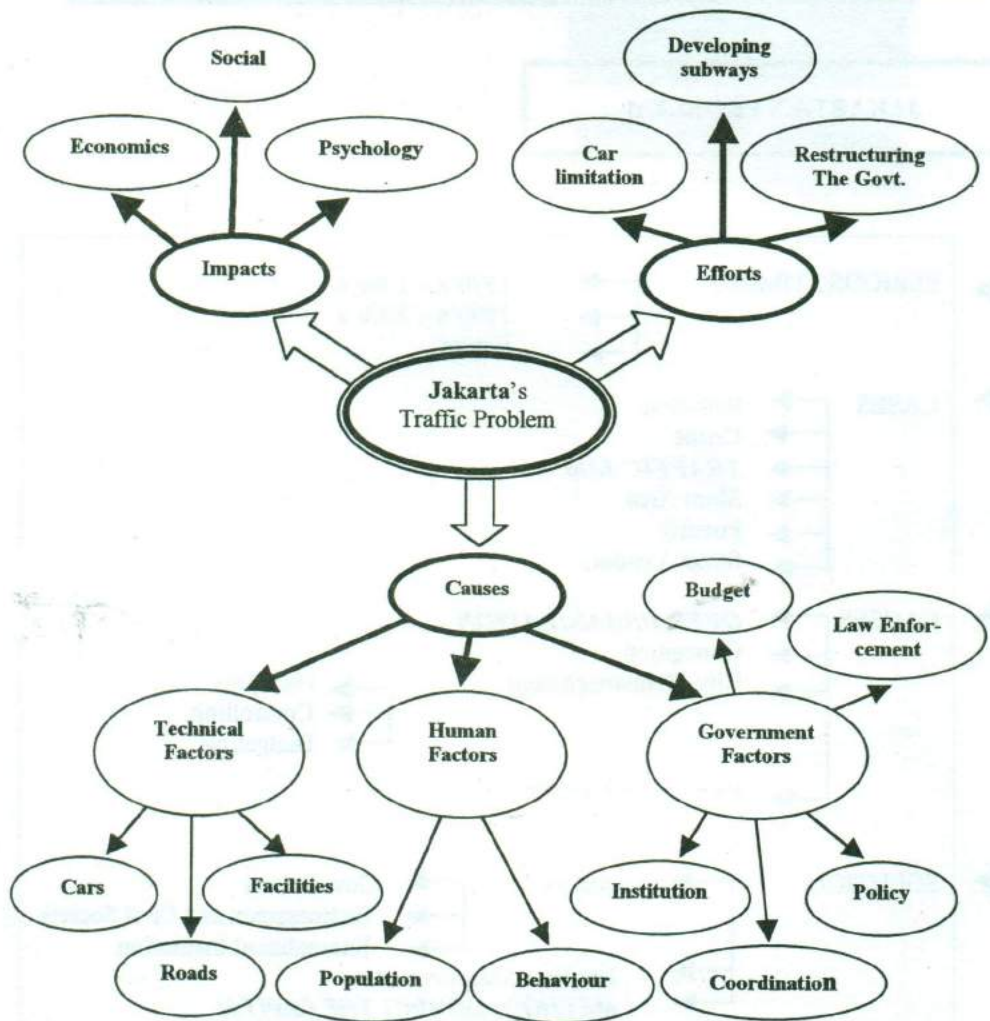
### Concluding Remarks

Moving capital is only a potential option to reduce the developmental complexities in a metropolitan city like Jakarta. The most important thing is to study the feasibility of doing so carefully. In the district level, movement of capital is quite common. Similarly, cross-countries experiences such as Australia, Sri Lanka, and Pakistan, show that moving capital may produce significant progress both for the new and the old capital. In this sense, moving Jakarta to other cities in or outside Java Island would only promising if it is comprehensively well-planned and gradually well-implemented.

**Figure 1. JAKARTA'S PROBLEMS IN CHART**



**Figure 2**  
**JAKARTA CROWD: CAUSES, IMPACTS AND EFFORTS**





**Figure 3. The CauseEffect Problems of Urbanisation**

