

GOVERNANCE FROM THE GROUND UP: LAND, AUTHORITY, AND CONTESTATION IN IKN NUSANTARA

This book critically examines the development of Indonesia's new capital, IKN Nusantara, as both a national ambition and a deeply contested transformation. Initially celebrated as a solution to regional inequality and environmental degradation, IKN soon revealed complex challenges—delayed compensation, disrupted livelihoods, and cultural displacement. Indigenous and rural communities, especially the Balik and Paser, face exclusion amid top-down planning and environmental degradation. Land acquisition often ignores customary rights, while new economic opportunities remain unevenly distributed.

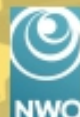
Despite these pressures, local communities show resilience. Customary systems like *tana ulen* are used to assert land claims, and kinship networks and *gotong royong* provide informal support. External actors—NGOs, corporations, and government campaigns—play mixed roles, sometimes amplifying voices, but often politicizing grievances or offering superficial engagement.

The book argues that IKN's sustainability depends not just on infrastructure, but on its responsiveness to local needs, indigenous knowledge, and participatory governance. It calls for a reconfiguration of authority that balances national planning with grassroots agency, ensuring development is equitable, accountable, and rooted in place-based resilience. By foregrounding lived experience and territorial claims, the book situates spatial politics at the heart of Indonesia's most ambitious urban project.

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PUSTAKA PELAJAR

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**Governance from the Ground Up:
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Preface

The development of Indonesia's new capital, IKN Nusantara, represents more than a large-scale infrastructure endeavour. It reflects a bold national aspiration, a political declaration, and a complex socio-economic transformation. This volume explores the layered dimensions of this shift, tracing the trajectory from initial national enthusiasm to the nuanced realities encountered by local communities. It highlights the tension between state-led promises of progress and the everyday resilience demonstrated at the grassroots level.

Adopting a human-centred lens, the book is derived from five years of empirical research conducted under the Forest City Research Consortium. This collaborative effort brings together Dutch institutions—Utrecht University, IHE Delft, and Royal Haskoning DHV—with Indonesian partners including Universitas Gadjah Mada, Universitas Lambung Mangkurat, Institut Teknologi Kalimantan, the Research and Innovation Board of East Kalimantan, and the Peatland and Mangrove Restoration Agency. The narrative juxtaposes those positioned to benefit from modernisation with those vulnerable to exclusion amid rapid change. It examines the friction between state ambition and local survival, between official narratives and lived experiences, and between top-down planning and indigenous knowledge systems, offering a grounded and balanced perspective on one of Indonesia's most ambitious urban projects.

The 2019 announcement of IKN was met with widespread national pride. The initiative was framed as a solution to environmental degradation, regional disparities, and the dominance of Java-centric governance. The proposed city was envisioned

as a “green, smart, and sustainable” urban centre, intended to promote greater equity across the archipelago. In the lead-up to Independence Day 2024, government messaging, media coverage, and public sentiment were marked by optimism and celebration. The project was embraced by many, particularly the urban middle class, as a symbol of technological progress and national unity.

However, following Independence Day 2024, signs of discontent began to surface. As construction accelerated, affected communities raised concerns about unmet promises, including delayed compensation, unclear resettlement arrangements, and the absence of expected economic benefits. Environmental challenges such as deforestation, increased flood risks, and water scarcity became more pronounced. Indigenous groups, particularly the Balik and Paser, expressed apprehension about cultural erasure in the context of urban planning processes that were largely top-down in nature. Chapter 2 explores this shift in public discourse and the growing sense of disillusionment that followed the initial wave of optimism.

Despite the official masterplan’s portrayal of eco-friendly government buildings and modern infrastructure, the realities on the ground reveal a more complex picture. Chapters 3 and 5 delve into the disruptions in land use, economic displacement, and social fragmentation. Communities reliant on forestry and agriculture have faced involuntary land acquisition, often accompanied by compensation schemes that fail to acknowledge customary land rights. Traditional livelihoods such as farming and fishing have become increasingly unstable, while new job opportunities in construction and services remain unevenly distributed. Resettlement programmes have led to the breakdown of kinship ties and the erosion of place-based cultural systems.

Environmental degradation has further exacerbated these challenges. Land clearing activities have disrupted hydrological systems, contributing to flooding and reduced access to clean water. Informal satellite settlements have emerged around the city's core, frequently lacking essential infrastructure and services, and resembling dispersed urban sprawl rather than the planned model neighbourhoods.

Importantly, the book underscores the agency of local communities in responding to these pressures. Rather than being passive recipients of change, Indigenous and rural populations have demonstrated resilience and adaptability based on their local knowledge. Chapter 7 illustrates how customary practices are reinterpreted to navigate shifting conditions. The 'tana ulen' forest management system is used to assert land claims, while kinship networks and communal labour (gotong royong) continue to serve as informal support mechanisms for families experiencing displacement.

Chapter 8 explores knowledge as a dynamic process shaped by people, communities, and socio-economic change. The chapter commences with local actors generating, sharing, and applying knowledge in response to shifting conditions. It then examines how traditions and practices are transmitted and adapted within communities. The discussion highlights the deliberate design of knowledge flows through buzzers and mediated networks, while positioning people as central agents in knowledge production. It emphasises the integration of local insights with external perspectives.

Chapter 9 evaluates the responses of various stakeholders, including government institutions, NGOs, corporate actors, and grassroots groups. While programmes for resettlement and vocational training are in place, they often face delays due to bureaucratic inefficiencies and misalignment with community needs.

NGOs have shown strength in advocacy, yet sustaining long-term engagement remains a challenge. Grassroots innovations are both responsive and contextually relevant, but they lack the institutional support required for broader implementation. Corporate initiatives may occasionally produce positive outcomes, though they are largely driven by profit motives rather than genuine collaboration with affected communities.

Chapter 10 highlights how well-intentioned interventions can give rise to new challenges. Compensation schemes have, in some cases, led to internal tensions within communities. Forced resettlement has disrupted cultural and spiritual ties that form the foundation of social cohesion. Vocational training has enabled access to new economic sectors, but these opportunities are not equally available to all groups. These examples underscore the importance of inclusive, participatory, and context-sensitive approaches in managing change.

The final chapter brings together these insights, emphasizing that the long-term success of IKN depends not only on physical infrastructure but also on its ability to harmonize national goals with the welfare of local populations. The meaningful integration of indigenous knowledge into planning processes is essential. Transparency and accountability must be prioritized to prevent elite capture of resources. Ongoing dialogue and monitoring are necessary to address unintended consequences and ensure that development remains responsive to community needs.

In conclusion, this book places the spatial politics of governance at the forefront of the IKN discourse by situating lived experience and territorial claims at its core. The argument is made that the sustainability of Indonesia's new capital is contingent not only on its capacity to actualise macro-level geopolitical ambitions, but also on its responsiveness to the socio-spatial entitlements of surrounding communities. The future of IKN is contin-

gent on the way governance structures negotiate authority across various scales, achieving a balance between national planning and local agency, formal institutions and customary systems, and infrastructural expansion and place-based resilience. This book calls for a reconfiguration of governance that is grounded, participatory, and attuned to the contested geographies of land, identity, and belonging.

List of Glossary of Terms and Abbreviations

GLOSSARY (QUOTED DEFINITION MEANS A DIRECT QUOTATION FROM THE RESOURCES)

- Adat : A set of shared traditions, customs, regulations, and values in a particular indigenous community.
- Arisan : A social and financial gathering held periodically where members contribute money that is then distributed through a lottery.
- Balik : A local community of Borneo living on Borneo Lands.
- Banjar : A South Kalimantan-originated community that resides on Borneo.
- Belian : A traditional ritual performed as a form of thanksgiving after a harvest or to honor forest spirits.
- Bugis : A Sulawesi-originated community that resides on Borneo.
- Buzzer : Actors or groups suspected of spreading certain narratives or information, often on social media, to shape public opinion.
- Conjuncture : Referring to Fernand Braudel's historical framework, these are the rhythmic cycles of economic ebb and flow that shape everyday life.
- Dayak : A local community of Borneo living on Borneo lands.

- Everydayness : Refers to the daily practices, perspectives, and routines of a community, seen as an arena where knowledge, resistance, and adaptation occur.
- Financial Capital : The financial resources people use to achieve their livelihood objectives, such as savings, credit, and income.
- Forest City : “a city whose ecosystem is dominated by forest vegetation and whose ecological constructions have achieved integrated urban and rural development” (Liao, et al., 2021).
- Gotong Royong : A traditional practice of mutual assistance and communal labour.
- Human Capital : The skills, knowledge, ability to labour, and good health that enable people to pursue different livelihood strategies.
- IKN Mangkrak : A narrative or issue circulating in the media regarding the stalling or slowing of the IKN development project.
- Inclusive city : “Inclusive city is a city which without prejudice to economic, status, gender, race, ethnicity, or religion provides equal access to social, economic, and political opportunities for a wide variety of urban residents” (Elias P, 2020).
- Indigenous communities/
people : “Distinct social and cultural groups that share collective ancestral ties to the lands and natural resources where they live, occupy or from which they have been displaced” (World Bank, 2022).

- Jathilan : A traditional Javanese art performance featuring a trance dance with flat, horse-shaped puppets.
- Jawa : A community originated from Java Island.
- Kelurahan : One of the smallest communities under law and government.
- Ketukeran : A disorder or illness believed to be caused by supernatural beings.
- Lati Burok : A relatively newer field, 3-5 years old, bordered by shrubs or other types of trees.
- Lati Tuo : An agricultural field that has recovered after being left fallow for 10-15 years, signifying wisdom in land regeneration.
- Longue Durée : Referring to Fernand Braudel's historical framework, this is the long-term structure like ideology, worldview, or geology that underlies social change.
- Natural Capital : The stock of natural resources (e.g., land, water, forests) from which resources and services for livelihoods are derived.
- Nondoï : A village cleansing ceremony of the Paser tribe.
- Nusantara : The name of the new capital city of Indonesia.
- Paser : One of the local communities of Borneo living on Borneo Lands.
- Pengajian : An Islamic religious study session conducted regularly by the community.

- Physical Capital : The basic infrastructure and producer goods needed to support livelihoods (e.g., housing, roads, water supply, tools).
- Political Imagination : The ability to envision and visualize a different political future or alternative to the existing reality, driving social change.
- Rewang/Suruhan : The tradition of helping neighbours during a celebration or event, as a form of communal work.
- Selamatan : A communal prayer ceremony to ask for safety or express gratitude, often held in Javanese cultural contexts.
- Social Capital : The networks, group memberships, trust, and exchanges that people have in society, which form the basis for cooperation for mutual benefit.
- Sponge City : An urban planning concept where a city is designed to naturally absorb and manage rainwater to prevent flooding.
- Tana' Ulen : A traditional forest management system by Dayak communities used to assert land rights and protect communal spaces.
- Technopolitic : The process by which physical and technological infrastructure shapes and redefines politics, identity, and socio-cultural life.
- Three-Cities Concept : A strategic development concept integrating three cities (IKN Nusantara, Samarinda, and Balikpapan) to create a stronger, complementary urban region.

Yasinan : A communal religious gathering, usually among Muslims, where participants collectively recite *Surah Yasin*—the 36th chapter of the Qur’an.

ABBREVIATIONS

ALKI	:	<i>Alur Laut Kepulauan Indonesia</i> (Indonesian Archipelago Sea Lane).
AMAN	:	<i>Aliansi Masyarakat Adat Nusantara</i> (The Indigenous Peoples Alliance of the Nusantara).
BAPPENAS	:	<i>Badan Perencanaan Pembangunan Nasional</i> (The Ministry of National Development Planning/National Development Planning Agency).
BPJN	:	<i>Badan Pertanahan Nasional</i> (National Land Agency).
BAPELITBANG	:	<i>Badan Perencanaan, Penelitian, dan Pengembangan</i> (Regional Planning, Research and Innovation Agency).
BAPPEDA	:	<i>Badan Perencanaan Pembangunan Daerah</i> (Regional Development Planning Agency)
BUMN	:	<i>Badan Usaha Milik Negara</i> (State-Owned Enterprises).
COBRA	:	Community-Based Resilience Analysis.
CSR	:	Corporate Social Responsibility.
FKMS	:	<i>Forum Komunikasi Masyarakat Sepaku</i> (Sepaku Community Communication Forum).
FKUB	:	<i>Forum Kerukunan Umat Beragama</i> (Forum for Religious Harmony).

GEPAK	:	<i>Gerakan Pemuda Asli Kalimantan</i> (Native Kalimantan Youth Movement).
HBE	:	Home-Based Enterprises.
HTI	:	<i>Hutan Tanaman Industri</i> (Industrial Plantation Forest).
IHM	:	<i>PT ITCI Hutani Manunggal</i> .
IKN	:	Ibu Kota Negara (National Capital City).
ITCI	:	PT International Timber Corporation Indonesia.
JATAM	:	<i>Jaringan Advokasi Tambang</i> (Mining Advocacy Network).
KIKN	:	<i>Kawasan Ibu Kota Nusantara</i> (IKN Area)
KIPP	:	<i>Kawasan Inti Pusat Pemerintahan</i> (KIPP or IKN Core Area)
KPIKN	:	<i>Kawasan Pengembangan IKN</i> (IKN Development Area).
KSN	:	<i>Kawasan Strategis Nasional</i> (National Strategic Area).
OIKN	:	<i>Otorita Ibu Kota Nusantara</i> (Nusantara Capital City Authority).
PKN	:	<i>Pusat Kegiatan Nasional</i> (National Activity Center).
PKK	:	<i>Pemberdayaan Kesejahteraan Keluarga</i> (Family Welfare Movement).
PPMAN	:	<i>Pembela Masyarakat Adat Nusantara</i> (Nusantara Indigenous Peoples Defenders).
PTSL	:	<i>Pendaftaran Tanah Sistematis Lengkap</i> (Complete Systematic Land Registration).
SLA	:	Sustainable Livelihood Analysis.
SPAM	:	<i>Sistem Penyediaan Air Minum</i> (Drinking Water Supply System).

WALHI : *Wahana Lingkungan Hidup Indonesia* (The Indonesian Forum for Environment).

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Chapter 1. IKN Nusantara: National Vision, Regional Realities

I.1 THE PROMISE AND THE REALITY OF IKN DEVELOPMENT

President Joko Widodo has announced his decision to relocate the capital city of Indonesia to the Penajam Paser Utara and Kutai Kartanegara regencies in East Kalimantan province. The occurrence of numerous disasters, particularly land subsidence and flooding, in addition to the exacerbation of environmental quality by high urbanisation and traffic congestion in Jakarta, are among the considerations that have led to this decision (The Telegraph, 2019). Furthermore, the aspiration to position the nation's capital more centrally within the Indonesian archipelago served as an additional rationale (Bappenas, 2019).

The new capital city has been designed to function as the administrative centre of government, while Jakarta will continue to serve as the primary economic and business hub. The IKN project is planned to be constructed on a total land area of 442,000 hectares. The objective of the project is twofold: firstly, to serve as the centre of government administration, and secondly, to provide settlements and facilities for basic needs and technology (Bappenas, 2019). The recently developed city of Nagara Rimba Nusa is founded on the concept of a forest city, as outlined in the masterplan (The Jakarta Post, 2019), and as such, extensive development is to be expected in and around forest areas.

The development of the Nusantara Capital City (IKN Nusantara) is accompanied by several expectations. The develop-

ment of IKN is centred on the objective of attaining the distinction of becoming the most sustainable city globally. A variety of development concepts are employed to realise this objective, including the concepts of forest city, sponge city, and smart city. In addition to being the most sustainable city, IKN also has a vision to be an inclusive city that creates a safe, comfortable, and affordable city for its residents, including children, women, the elderly, and people with disabilities. Moreover, the vision is to evolve into a Global City for All, underpinned by the concept of liveability and lovability, which is synonymous with comfort. The concept of a comfortable place encompasses a multitude of meticulously designed elements, each intended to address the multifaceted needs of individuals. A range of IKN development concepts have been formulated (IKN Master Plan) and are currently being implemented to achieve the various city development goals that have been envisaged for the future.

The conceptual framework underpinning IKN's development is predicated on the creation of a balanced, smart, and sustainable urban environment that promotes economic growth, environmental sustainability, and social inclusivity. This ambitious project has the objective of transforming the region and establishing a new paradigm for urban development in Indonesia.

The development of Ibu Kota Nusantara (IKN) is guided by a multifaceted set of objectives, addressing economic, technological, environmental, infrastructural, and social dimensions. A significant motivation behind IKN's establishment is the promotion of economic redistribution and inclusive growth, a subject that has been the focus of considerable academic discourse. The proposed plan entails the relocation of Indonesia's economic centre from Jakarta, situated on the island of Java, to Kalimantan Island. The primary objective of this relocation is to mitigate existing disparities between regions and to stimulate economic de-

velopment in less developed areas (Bappenas, 2019; Rosyadi et al., 2023). This relocation is intended to catalyse urban expansion and economic diversification through sectors such as industry and tourism, with the aim of driving employment and investment in infrastructure and industrial domains to bolster local and national economic vitality (Syaban & Appiah-Opoku, 2024; Gani et al., 2022; Nugrahaning et al., 2023).

IKN is conceptualised as a smart and sustainable city, leveraging advanced technologies and environmentally conscious practices. A fundamental aspect of this vision is the integration of smart city concepts, including the application of metaverse technology, to enhance urban management and promote sustainable development (Kusuma et al., 2022). This digital-forward approach is foundational to a modern urban ecosystem that supports innovative educational, professional and lifestyle experiences (Aprianti et al., 2023).

As is evident in the conceptual framework of IKN, environmental sustainability and social inclusiveness are also of central importance. The city has been designed with the objective of becoming a “green city,” with a focus on the conservation of open green spaces, whilst also incorporating local knowledge and resources into its growth model (Priyagus et al., 2024; Adisasmita et al., 2022). It is anticipated that such a design will foster a symbiotic relationship between urban expansion and the surrounding natural environment.

The realisation of IKN is contingent upon substantial investment in infrastructure development, with particular emphasis on logistics and transportation networks. Strategic initiatives encompass the construction of seaports and road systems, which are vital for efficient material supply and connectivity within the IKN region and its periphery (Aprianti et al., 2023; Adisasmita et al., 2022). The city’s physical development is scheduled to prog-

ress through five distinct stages from 2022 to 2045, encompassing an area of 256,000 hectares. This phased approach enables a gradual rollout that can adapt to evolving needs and contextual challenges (Aprianti et al., 2023).

Public engagement is a pivotal component in determining the future direction of IKN. The planning process is expected to involve community participation to ensure that the city reflects the aspirations and necessities of its residents. This inclusive model aims to deliver a technologically advanced metropolis that is deeply attuned to its social and cultural fabric (Priyagus et al., 2024).

The development of IKN Nusantara is also designed as an inclusive city. The government's concept of inclusiveness should not be regarded as a static end, but as a dynamic process. However, it is also imperative to implement this strategy during the development of new urban centres. The notion of an inclusive city should have been a fundamental consideration in the establishment of the IKN area. Consequently, it is imperative that all subsequent development is predicated on the principle of inclusiveness, with the objective of ensuring that vulnerable groups currently in the IKN area are not marginalised or excluded. The way the government conducts its operations has the capacity to serve as an indicator of whether development is being implemented in an inclusive manner or not.

President Joko Widodo is the central figure whose statements on IKN development have drawn significant public attention. His 2019 speech before the House of Representatives in Jakarta marked the official start of relocating Indonesia's capital to East Kalimantan, specifically to Penajam Paser Utara and Kutai Kartanegara. Since then, the public has closely followed his remarks to understand the direction of the project.

Throughout the IKN development, President Widodo has

addressed various aspects, including the reasons for relocation, the overarching vision, community empowerment, and strategies to attract domestic and foreign investment. He also outlined the project's timeline and specific goals.

The President stressed that the capital relocation is not merely about moving government offices. Instead, it represents a broader transformation—changing work culture, institutional systems, and the economic structure. He emphasized that all supporting systems must be in place before the move begins.

In a closed-door meeting on 16 December 2019 at the Presidential Office, President Widodo shared his vision for IKN as a symbol of national pride and identity. He stated that the city must uphold sustainability in social, economic, and environmental aspects, and should become a forest city, smart city, and modern city aligned with global standards (https://www.setneg.go.id/baca/index/presiden_pindah_ibu_kota_bukan_sekadar_pindah_kantor_pemerintahan, accessed on 3 June 2025).

In another statement during the Beranda Nusantara broadcast on Radio Republik Indonesia, he highlighted the need for equitable development. He pointed out that Java holds 58% of the national economy and 56% of the population, calling for a shift toward a more inclusive, Indonesia-centric model (https://setneg.go.id/baca/index/presiden_jokowi_pembangunan_ikn_nusantara_transformasi_menuju_indonesia_maju accessed on 3 June 2025).

President Widodo and other officials have also emphasized that IKN's construction should benefit both the environment and society, with special attention to Indigenous rights. This was reiterated during the 18th National Congress of Muhammadiyah Youth in 2023.

Beyond formal speeches, the President and senior officials have used site visits and community dialogues to address local

concerns and assure inclusion of Indigenous groups in the development process.

Alimuddin, Deputy for Social, Cultural, and Community Empowerment at OIKN, affirmed that the Authority is committed to protecting Indigenous communities. He rejected claims of forced evictions, labelling them as misinformation and hoaxes (<https://www.tempo.co/politik/tudingan-pengurusan-di-ikn-ini-5-tanggapan-soal-itu-77331> accessed on 3 June 2025).

These statements offer a glimmer of optimism that development initiatives will not result in the marginalisation or exclusion of local communities. However, not all communities possess the capacity to engage in compromise or participate in the development process. It is evident that several infrastructure development projects and KIPP initiatives have engendered a consciousness among certain communities of their limited capacity to resist governmental policies and plans. It has been asserted that the situation on the ground does not fully align with the statements issued by the President. Evictions of local communities have been recorded in various locations, and some residents have expressed dissatisfaction with the government's land acquisition process.

I.2 THE CONCEPT OF THREE-CITIES IN REGIONAL AND URBAN DEVELOPMENT

The concept of developing three cities is a key tenet of the IKN Nusantara development, situated within the broader context of regional advancement and the interplay between established and emerging urban centres, along with the new capital. The concept of “three-cities” in regional and urban development refers to the integration and strategic planning of a cluster of cities that are geographically close and functionally interconnected.

This approach is predicated on the leveraging of the collective strengths of multiple cities to create a more robust and sustainable urban region. The concept under discussion is that these cities are complementary in terms of their urban functions, infrastructure and resources. This, in turn, is said to enable them to achieve a critical mass equivalent to that of a larger monocentric city (see Meijers, 2008; Soja, 2017).

In the context of developing three-cities, enhancing functional interconnectivity between urban areas is imperative for effective governance and sustainable development (Gorochnaya & Mikhaylov, 2020). Integration is frequently evaluated by considering both urban interaction intensity and urban functional similarity. The symbiosis theory integrates these aspects to reflect the overall integrative condition of urban agglomerations. This approach involves the analysis of production, living, and ecological functions in conjunction with enhanced radiation models to assess urban interaction (Lin et al., 2024; Li et al., 2024).

As demonstrated in the research by Meijers (2008), cities within a given cluster have been shown to complement each other in terms of urban functions. This complementarity results in the establishment of a support base that is commensurate with that of a larger city. The development of all cities must be integrated and support each other. Integrated urban development strategies are characterised by multi-level policy mixes that aim to balance economic activities with social objectives, such as employment inclusion. It is imperative to acknowledge the significance of complementary functions between economic activities and employment skills, as they play a pivotal role in enhancing labour market inclusion and business density (Navarro-Yáñez, 2021). Moreover, the coordinated development of urban-rural systems is imperative to emphasise mutual promotion and equilibrium between urban and rural production and living functions. Comprehensive plan-

ning and coordinated promotion of new urbanisation and rural revitalisation strategies are prerequisites for the successful integration of these two key elements (Zhan et al., 2023).

Despite the implementation of policies aimed at fostering integration, urban centres frequently engage in a process of competition rather than cooperation, as evidenced by the Shantou-Chaozhou-Jieyang city-region. This disconnection underscores the difficulties in attaining genuine integration and coherence (Li et al., 2015).

The three-cities development concept in Indonesia is predicated on the strategic development and planning of three key cities. The overarching objective of this initiative is twofold: firstly, to promote balanced regional growth and, secondly, to reduce the concentration of development in Java. The approach delineated herein aims to address regional disparities and promote sustainable urban development.

The three-cities concept, involving IKN Nusantara, Samarinda, and Balikpapan, is a strategic urban development initiative that aims to foster regional growth and connectivity in East Kalimantan, Indonesia. This concept forms part of a broader plan to relocate Indonesia's capital from Jakarta to Nusantara, a move that is expected to trigger significant urbanisation and economic diversification in the region (Budiman et al., 2024; Syaban & Apiah-Opoku, 2024).

The relocation of the capital to Nusantara is expected to catalyse the development of peri-urban areas around Samarinda and Balikpapan. As Budiman et al. (2024) observe, these areas are distinguished by high levels of development, excellent accessibility, and proximity to the new capital. It is evident that peri-urban areas are poised to assume a pivotal function in the provision of green spaces and the facilitation of rural-urban linkages. These linkages are imperative for the ecological functions

of the new capital.

The development of IKN Nusantara has been meticulously designed to establish a new economic hub that will balance the economic gravity from Jakarta to Kalimantan. This transition is expected to stimulate equitable economic growth and innovative approaches to living, working, and learning (Aprianti et al., 2023). To ensure the efficient and uninterrupted provision of construction materials, it is imperative that significant infrastructure development is undertaken. This development must include the enhancement of existing seaports and the construction of new logistics facilities (Aprianti et al., 2023).

Table 1 Plan and Development of Kalimantan Economic Corridor: Nusantara Economic Superhub

Area	Plan and development
K-IKN	Research and Development and Innovation Centre for low-carbon energy, eco-tourism and health, medical tourism, urban tourism/MICE, agrotechnology, R&D and integrated pharmaceutical innovation centre
Samarinda City	Sustainable mining with low-carbon energy and coal gasification
Balikpapan City	Pharmaceuticals, petrochemicals
Kariangau	Sustainable chemistry: petrochemicals and pharmaceuticals
Buluminung	Sustainable agriculture, chemistry, and biofuels
Batulicin	Biofuel industry
Central Kalimantan Province	Upstream metal industry (sponge iron)
West Kalimantan Province	Downstream iron and steel industry and downstream industries based on plantations

(Source: Bappenas)

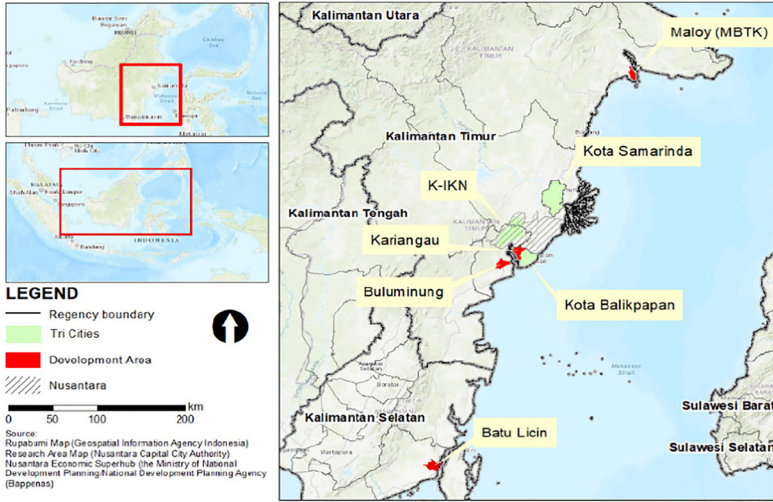


Figure 1 Kalimantan Economic Corridor: Superhub of the Nusantara (Source: Musthofa et al., 2025)

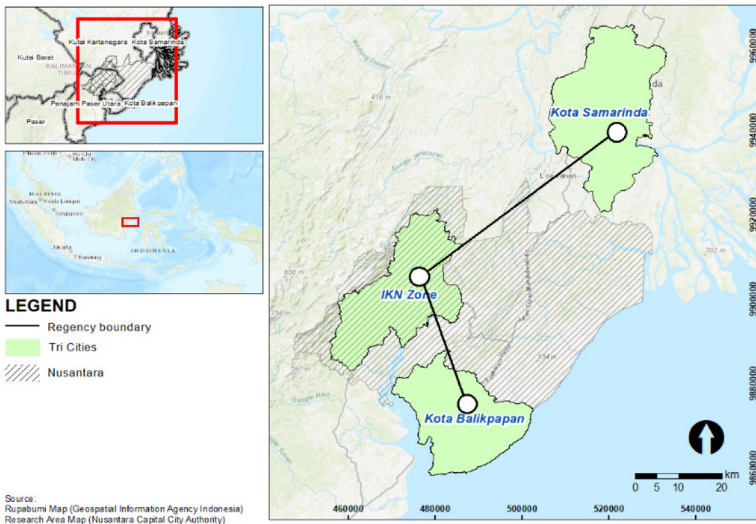


Figure 2 Map of Three-cities concept (Source: Authors, modified from IKN Authority)

Table 2 City Functions in Three-cities Concept

City	Functions
Nusantara	<ul style="list-style-type: none"> • New administrative centre • Green innovation centre serving as a base for new sectors, such as biosimilars and vaccines, plant-based proteins, nutraceuticals, and new and renewable energy (EBT) • Smart City and digital services, 21st century education, and urban tourism, business, and health
Balikpapan City	<ul style="list-style-type: none"> • An established logistics and shipping service centre for import and export-oriented sectors, strengthening the role of economic superhubs in inter- and intra-regional trade flows • Hosting petrochemical clusters and helping to drive product diversification from upstream oil and gas to various downstream petrochemical derivatives
Samarinda City	<ul style="list-style-type: none"> • Transforming the mining, oil and gas sectors into new, low-carbon and sustainable energy sectors

Source: IKN Authority

The development of IKN is not solely an inward-looking process; it is also built by engaging existing cities or regions in the vicinity. Samarinda and Balikpapan have been identified as the two cities that will provide support to IKN. It is anticipated that these cities will be developed in a comprehensive yet interconnected manner, thereby giving rise to the three-city concept that is integral to the functioning of IKN. It is predicted that Samarinda will undergo a transformation, evolving from a mining, oil and gas-based economy to a new, low-carbon and sustainable energy sector. Moreover, the city of Balikpapan is undergoing development as a logistics centre and a hub for import and export shipping services. The initiative has been meticulously crafted to cater to the specific needs of the petrochemical sector, with

a view to fostering the diversification of products from upstream oil and gas to a range of downstream petrochemical derivatives. The development of IKN, involving the two cities, is packaged within a three-city concept.

I.3 IKN NUSANTARA AND ITS PARTNER REGIONS

In addition to the three-city concept, the development of the areas surrounding IKN is informed by the identification of partner regions that are expected to contribute to the supply of IKN. It is anticipated that areas in the vicinity of IKN, which occupy a strategic position in the supply chain activities, will have the capacity to network with activities in IKN. It is hypothesised that the development of IKN will also benefit the surrounding areas, in a manner analogous to the role of the capital city's veranda.

Partner regions in urban development denote collaborative relationships between metropolitan (core) regions and their surrounding or more distant rural areas. The objective of these partnerships is to establish stable yet flexible cooperation structures that can support various development goals. The concept acknowledges the reciprocal relationship that exists between urban and rural regions, advocating for a collaborative approach to the planning and management of regional development (Knieling et al., 2017; Tacoli, 2023; Nilsson et al., 2014).

The integration of partner regions into new city development is a multifaceted process that requires careful attention to several foundational elements to ensure sustainable and equitable growth. A primary consideration is the strategic integration of urban areas through the establishment of inter-city collaboration. Such cooperation is imperative for the generation of synergies, particularly in the domains of labour market connectivity and technological exchange. The Yangtze River Delta region is a prime example of this phenomenon, demonstrating the pro-

found impact of coordinated urban efforts on labour market integration and broader economic dynamics (Liu et al., 2025; Luo & Shen, 2009).

It is imperative to emphasise the significance of local communities playing an active role in the planning and execution of developmental initiatives. The importance of meaningful participation in this context cannot be overstated. Indeed, it has been demonstrated that projects which are responsive to the actual needs of residents can foster a sense of ownership and strengthen social inclusion (Abbot, 2013; Arnstein, 1969). The establishment of collaborative frameworks that engage a range of stakeholders has been demonstrated to be an effective approach in adapting smart city programmes to local contexts. This inclusive approach enhances the relevance of urban development and contributes to its long-term sustainability (Affandi et al., 2024).

The development of new urban centres and their surrounding regions – which are commonly referred to as city-regions – has far-reaching implications for local populations. The expansion of infrastructure within these areas exerts a multifaceted influence on socio-economic integration and environmental sustainability. While such development can yield substantial benefits, it also presents challenges that must be carefully managed to avoid unintended negative consequences.

The development of new cities has been demonstrated to have considerable potential to positively influence economic growth, infrastructure expansion, and social cohesion. A significant benefit of this approach is the potential for generating economic opportunities. The integration of new urban centres with their surrounding regions has been demonstrated to enhance employment prospects, particularly through the establishment of regional clusters and interlocal cooperation. The existence of such collaborative arrangements has been demonstrated to re-

sult in the stimulation of job growth within inner-city clusters (Delgado & Zeuli, 2016). Furthermore, the establishment of new cities frequently functions as a catalyst for investment, which can propel economic growth and enhance living standards in the immediate vicinity. Case studies from cities such as Barcelona and Sydney illustrate how these developments can lead to heightened business activity and an overall enhancement in quality of life (Doroshenko et al., 2014).

The development of infrastructure constitutes a further pivotal facet of novel urban initiatives. These projects are often accompanied by the construction of essential facilities, including transportation networks, water supply systems, and drainage infrastructure. The implementation of such infrastructure has been demonstrated to enhance regional competitiveness and elevate the standard of living (Lall et al., 2010; Yasnitskaya et al., 2016). Moreover, regional integration initiatives have yielded favourable outcomes in the realm of environmental management, as evidenced by a decline in pollution levels and ecological degradation. For instance, China's success in reducing carbon emissions has been attributed to its strategic relocation of energy-intensive industries to less congested regions (Xiao et al., 2022).

Furthermore, social and cultural integration has been identified as a significant outcome of spatial transformation in newly developed urban areas. These changes frequently facilitate interactions between incoming populations and existing communities, thereby contributing to the formation of more diverse and dynamic social structures (Surya et al., 2020). Moreover, the integration of cultural traditions and regional identities into urban planning has been demonstrated to be an effective strategy for preserving a city's unique character while concurrently fostering a sense of belonging among residents (Li & Yang, 2016).

Whilst the development of new cities can yield numerous benefits, it also presents a range of adverse effects that require careful consideration. One such issue is that of resource polarisation. In the context of urban development, the phenomenon of new urban centres attracting a disproportionate concentration of resources, services and population has been well documented. This tendency is particularly evident in cases where such centres are developed in isolation. This uneven distribution has the potential to engender significant economic disparities between the core city and its peripheral areas (Parmar et al., 2018).

Another critical concern is that of social displacement. The arrival of new populations and capital investment has been shown to disrupt existing social and cultural dynamics, thereby placing local communities at risk of marginalisation. As external actors introduce novel cultural norms and economic priorities, indigenous groups may encounter difficulties in preserving their cultural expressions and social cohesion (Garfield-Abrams et al., 2024; Saputra et al., 2022).

The issue of ecological degradation is of pertinence in the context of rapid urbanisation, as it poses a significant challenge to environmental sustainability. Accelerated development has been demonstrated to have a detrimental effect on the environment, as evidenced by the occurrence of problems such as pollution and resource scarcity. To achieve genuine sustainability, it is essential to understand and address the complex interdependencies between urban centres and their surrounding hinterlands, particularly in terms of ecological and social systems (Rees & Wackernagel, 2008; Zhou et al., 2017).

1.4 IKN IN A REGIONAL DEVELOPMENT CONTEXT IN INDONESIA

From a regional economic perspective, the location of the IKN capital city represents a balance because of its central po-

sition within Indonesia, specifically on the island of Kalimantan rather than Java. It is hoped that a new development axis will be realised, thereby balancing development between the eastern and western parts of Indonesia. The IKN is expected to function as both the centre of government and a national superhub, given its central position and traversal by the Indonesian Archipelago Sea Route (ALKI) II. It is hypothesised that, in consideration of the geographical characteristics, IKN will be capable of reducing the development imbalance that occurs.

The IKN area has been designated as a National Strategic Area (or *Kawasan Strategis Nasional/KSN*) through the implementation of the KSN IKN Regional Spatial Plan (*Rencana Tata Ruang Kawasan Strategis Nasional IKN*). In response to the formulation of this regional spatial plan, the East Kalimantan Provincial Government conducted a review of the East Kalimantan Provincial Spatial Plan, resulting in the exclusion of the Nusantara area from the designated provincial area. This initiative subsequently served as a model for the regions under its jurisdiction, prompting a review of their respective spatial plans. This will undoubtedly result in the establishment of additional centres of activity of various hierarchies, particularly National Activity Centres (*Pusat Kegiatan Nasional/PKN*). The establishment of new growth centres is planned, with the intention of disseminating the benefits of IKN development to surrounding areas.

The development of IKN is expected to result in a shift in the spatial configuration of Kalimantan Island and its environs. The spatial structure is subject to alteration due to the construction of new roads and ports, which result in changes to the sea flow between islands. This will have consequences for the increased mobility of people and goods due to the high demand in IKN.

The correlation between urban and rural areas is anticipated to exert an influence on the economic growth of the region.

1.5 IKN: NATIONAL AND LOCAL EXPECTATION

The development of the IKN is not solely intended to have an impact on the surrounding area; rather, the IKN's vision of 'Towards a World City for All' offers the prospect of global benefits. This ambition is evidenced by the IKN's aspiration to become a sustainable city in the world. The Kalimantan region is recognised as the 'lungs of the world' due to its substantial forest cover, which performs a pivotal function in regulating the Earth's climate, carbon sequestration, oxygen production, biodiversity, and conservation. The relocation of Indonesia's capital to this location is projected to exert a considerable influence on the surrounding areas, as well as on the global landscape. It is anticipated that the impact of this initiative will extend beyond the immediate vicinity, resonating with the local community and the Indonesian nation.

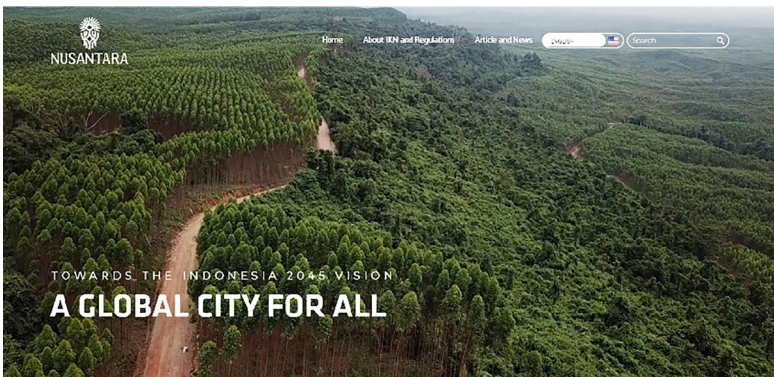


Figure 3 Website page oikn.go.id (Source: Nusantara Capital City Authority)

The relocation of the capital on a national scale demonstrates the geographical importance of the East Kalimantan Province

within Indonesia. The vision of IKN as a global city for all is twofold: firstly, to be a sustainable city on the world stage; and secondly, to serve as a driver of Indonesia's future economy. In addition, it is intended to act as a symbol of national identity, representing the diversity of the Indonesian nation, based on the five principles of the Indonesian Constitution and the 1945 Constitution of the Republic of Indonesia. The concept of national identity, as delineated in the Master Plan for the Nusantara Capital City, is predicated upon the notion of activities that serve as the nexus of the Indonesian nation's identity, social and cultural character, unity, and eminence. The IKN Development Plan has been meticulously designed to embody Indonesia as a unified entity, transcending the limitations of a mere segment of the nation's cultural identity. This is even though the IKN area is situated within Penajam Paser Utara, a region predominantly inhabited by the Paser tribe, and within KutaiKartanegara, which is primarily occupied by the Kutai and Dayak tribes.

From an economic perspective, the IKN's central location in Indonesia is expected to become a driver of economic growth in the future. The ongoing disparity in development levels between western and eastern Indonesia, a matter of long-standing concern regarding equitable development nationwide, is anticipated to be mitigated by the strategic relocation of the capital. The realisation of this vision is dependent on the transformation of the IKN into a national economic superhub. This initiative is further indicative of the government's optimism that capital relocation will not only result in the physical relocation of the seat of government, but also the development of a new national economic centre, achieved through collaboration with partner cities and regions in the surrounding areas.

The challenges posed to the government by the benefits of IKN development in the local context are unique. Instead of

striving to achieve the IKN's ambitious vision and goals, various processes during the initial planning phase and early stages of development have instead led to the potential marginalisation of local communities directly affected by the development (Susanti et al., 2022; Saputra et al., 2022; Saputra et al., 2023). Even though certain communities have also engaged in the exploitation of the IKN development, this issue remains the subject of debate due to the necessity of upholding the inclusivity envisioned throughout the process. Inclusivity is not the ultimate objective, but rather a process that must be executed from the planning stage to the implementation stage.

The decision to relocate the capital city was a policy enacted by the central government following meticulous deliberation and a protracted process. This notion has been previously expounded upon by numerous Indonesian presidents. In conclusion, the selection of the capital city location in East Kalimantan Province was undertaken by Bappenas and supported by various technical ministries with relevant expertise. The process was executed in a top-down manner by the central government.

In the context of local community involvement, it is imperative to acknowledge the long-standing presence of these communities in the area. It is incumbent upon the government to acknowledge the importance of engaging with these communities in a meaningful manner, given their pivotal role in the planning and implementation of development initiatives. While the government is legally entitled to proceed with development projects in accordance with the prevailing land ownership status and development regulations, it is imperative that the community, as the primary beneficiary and recipient of these developments, remains engaged throughout the process.

It is imperative that the government recognises and addresses several key aspects concerning community involvement in

the planning and development processes. In the context of urban planning and development, there have been endeavours to formalise community involvement and implement asymmetric policies for local communities and indigenous populations. These efforts have been articulated through two key documents: the Master Plan for the Capital City of Nusantara and the Detailed Plan for the Capital City. These plans have been formally established through Presidential Regulation, signifying a commitment to their implementation at the national level. Local communities are repeatedly identified as planning subjects in the IKN master plan and its details across various aspects, such as in the basic principles of urban forest area development and the basic principles of social development. However, this alone is clearly insufficient.

As IKN's development progresses, local communities face a heightened risk of conflict, both vertically (between communities and the government) and horizontally (between communities). It is evident that all parties involved perceive themselves as having an inherent right to land, resources, and influence. The probability of societal discord within this locale is elevated, primarily due to the heterogeneity of its population, comprising local ethnic groups (Paser and Balik), former transmigrants (Javanese and Sundanese), and migrants (Sulawesi and Banjar). The various communities possess differing backgrounds and capacities in dealing with the rapid development of the new city. Asymmetrical policies are imperative to limit the potential for marginalisation, a factor which has already been accommodated in the IKN development plan. It is hoped that its implementation will align with the envisaged goals.

It is imperative that the central government collaborates not only with local communities but also with local governments that continue to serve the population within the IKN area. The

local governments of Penajam Paser Utara and Kutai Kartanegara play a pivotal role in providing fundamental services and driving development in the IKN region. The IKN Authority requires information and data on the local conditions to ensure that development is targeted effectively and to prevent various issues from arising on the ground.

1.6 IKN THROUGH THEORETICAL LENSES

17 August 2024. For the first time in history, the national independence ceremony of Indonesia was hosted in Kalimantan Timur. On that morning, characterised by inclement weather, a significant number of national figures and local inhabitants assembled in a solemn manner to pay tribute to their cherished, independent nation. In his final term, President Joko Widodo presided over the ceremony himself. He stood proudly on the highest podium, observing Nusantara as one of his monumental legacies was on the verge of completion. The ceremony was observed and appreciated by the public. The ceremony is imbued with the spirit of celebration that characterises Indonesia's cultural diversity. The invitees were attired in traditional attire, thereby offering a tangible manifestation of the national slogan, "Bhinneka Tunggal Ika," which translates to "Unity in Diversity." The serene forest of Sepaku was finally subjected to the cacophony of cannon fire for the first time.

The national independence ceremony is arguably the most significant event in the Indonesian calendar. This event constitutes more than a mere commemoration. The concept under discussion is one which extends beyond the scope of a mere symbolic or ceremonial celebration of independence. The term is significantly more profound than those, denoting the century of violent struggles for independence. This ceremony is also a testament, an embodiment of Indonesia's constitution. Moreover, it consti-

tutes an integral facet of the nation's cultural identity, serving as a poignant reminder of Indonesia's historical and cultural pride. It is a symbol of the glory of the independent nation of Indonesia. For 79 years, hundreds of millions of Indonesians have participated in this momentous occasion. However, the 2024 ceremony is set to be a notable exception. The 2024 independence national ceremony, held in the newly established capital city of Nusantara, held particular significance due to its association with the inauguration of the capital, the presidential transition, and the commencement of the Golden Indonesia 2045 (Indonesia Emas 2045) initiative (BPMI Setpres, 2024a).



Figure 4 National Independence Ceremony was being held in Nusantara Capital City (Source: https://www.setneg.go.id/baca/index/pertama_kali_presiden_jokowi_pimpin_upacara_peringatan_detik_detik_proklamasi_hut_ke_79_ri_di_ikn, accessed on 4 June 2025)

The ceremony, a grandiose event, attracted a considerable amount of attention given the context of the project, which is a

grandiose undertaking aimed at establishing a new capital city. The government extended an invitation to 1,400 participants to attend the new capital city, including public figures, representatives of ministries, and construction workers from Nusantara. The government allocated a considerable sum for the ceremony, amounting to IDR 87 billion – a figure that exceeds the budget typically allocated for such events by a factor of two. Furthermore, a significant number of residents were also present at the ceremony, held at the recently constructed New Ceremonial Venue. The presidential office reported that the local people expressed feelings of pride and gratitude for the new capital city (BPMI Setpres, 2024b). This euphoric atmosphere represented the zenith of nearly seven years of elation surrounding the New Capital City project, which was initiated by President Joko Widodo in 2019. The construction of the new capital city, which had been the subject of much anticipation and speculation, has now been completed. It was in this location that the most significant celebration of Indonesia was hosted.

Since its inception, the Indonesian government has conceptualised the new capital city as a monumental symbol of Indonesia. Nusantara is widely regarded as a quintessence of Indonesian unity and cultural diversity. The architectural design of the presidential palace (see Figure 1) is unambiguous in its expression of this sentiment. Garuda, the national symbol, is emblematic of the presidential palace. This phenomenon serves to underscore the government's authority and power.

In a pioneering endeavour, thirty-three governors from across Indonesia collected soils and waters from their respective provinces. This monument serves as a symbol of the collective support from the entirety of Indonesia. Thus, beyond its economic importance as the catalyst for regional development, job creation, and revenue generator, Nusantara is, above all, a politi-

cal imagination. This political imagination is subsequently manifested through the medium of new urban development.

In the contemporary era, urbanisation is widely regarded as a primary catalyst for development. Urbanization can be considered as a rational and technical phenomenon. The infrastructure of the region is indicative of the conquest of nature. The phenomenon under discussion is not a natural occurrence; it is the result of human agency. The urban area under discussion functions as a nexus of capital accumulation, where its residents engage in labour in unison to pursue a shared objective. Urbanization is a process which engenders profound transformations in a region, giving rise to new values and meanings. Therefore, in addition to its physical infrastructures, such as skyscrapers, new roads and waterways, urbanisation can be considered as an ideology.

The concept of Nusantara has become deeply ingrained in the collective consciousness of the populace, permeating their minds and psyches. At the inception of the project, the government of the Republic of Indonesia proffered the assurance that Nusantara would materialise as a manifestation of its citizens' aspirations. The city will be characterised by the presence of technologically advanced features and systems, including self-driving vehicles, aerial transportation systems, and the Internet of Things (IoT). Nusantara also pledges to be the antithesis of the old capital city, Jakarta. The design incorporates a Sponge City concept, ensuring the structure's resilience against flooding. The commitment to preserving the area's lush green forestry is a testament to the commitment of the Forest City. The government subsequently fulfils its promises through various means, including the utilisation of visual media, news outlets, extensive social interaction, and focus group discussions. It is imperative to note that the acceptance of these promises by the local populace is a prerequisite for the initiation of the large-infrastructure project,

which has been met with great enthusiasm. Subsequent years witnessed the emergence of scepticism among the local populace concerning these assurances, leading to a dissipation of their initial exultation.

It is posited that inclusivity is the critical aspect to be invoked here, in view of the other factors. In our previous works (Saputra et al., 2022; Saputra et al., 2023), we highlighted the persistent marginalisation of the local community, particularly the Indigenous Paser-Balik people, within their own land. The acquisition of Indigenous land for the purpose of commercial exploitation has been a feature of both forestry and palm oil projects, as well as transmigration initiatives. These endeavours have resulted in the appropriation of the land and living space of the Indigenous population, with the objective of transforming it into a commodity for sale to the new capital city. Instead of facilitating the assertion of the rights of both indigenous and marginalised communities to their land, Nusantara effectively displaces these communities. The ongoing marginalisation of these communities by forestry and industrial agriculture has resulted in their marginalisation to the periphery of society. The sheer scale of Nusantara's development and the rapid infrastructural incoming evident during the national independence ceremony have prompted a new imagination for the future of the region.

The present volume seeks to explicate the concerns that have been voiced by members of the public regarding the direction in which Nusantara is being developed. To this end, it situates its analysis within the context of the Nusantara of the present day, and the preceding works of the author. The volume thus attempts to demonstrate how the euphoria experienced by local people can be used to articulate their perspective on the development of Nusantara. The question therefore arises as to how this euphoria can be leveraged to enhance the inclusivity of Nusan-

tara. To address the questions, the urban political imagination and sustainable livelihood framework will be utilised, respectively. In the subsequent section, the framework employed in this book will be expounded.

Nusantara as a political imagination

The euphoria and excitement that people express regarding Nusantara can be interpreted as an articulation of their political imagination. Such imagination is a space for people to breakthrough the realpolitik and dare to envisage the possible (Bottici & Challand, 2012). It is characterised as a means of transcending political reality, thereby challenging conformity. It can be used to visualise possible futures and to bring to life a real but distant past. This phenomenon can be regarded as both a conscious strategy and an unconscious process of desire (Duncombe & Harrebye, 2022, p. 1022). Conversely, politics is an imaginative concept, insofar as it demands ‘something ought to be’ (das sollen) as opposed to ‘something as it is’ (das sein) out of the realm of particularity (Bottici, 2014). In accordance with this definition, imagination is both ontology and epistemology. As an ontology, imagination has the capacity to conceptualise an enhanced situation, representing an improvement on the prevailing circumstances. As an epistemology, imagination functions dialectically, occupying the nexus of the constitutive, critical and creative elements (Schwartz, 2021). The constitutive element of political imagination bears resemblance to the social imagination insofar as it is constrained by the prevailing social context and projected to establish order and legitimation. This element may be considered a sort of phantasma insofar as it serves as the basis for collective action (see Bottici, 2019; Schwartz, 2024). Conversely, the creative element is associated with *dreampolitik*, or that which is not (yet) present. It has been demonstrated that this approach

fosters social innovation and engenders alternatives to the status quo, thereby generating novel possibilities. The final element, critical imagination, has been shown to establish a connection between scepticism and the ability to challenge authority and order (Schwartz, 2021).

The prevailing sentiment of euphoria among the local populace towards the new capital city is indicative of a significant degree of enthusiasm. In the wake of rapid changes and substantial physical infrastructure development, the local populace is compelled to contemplate a more optimal future. The dream is not the exclusive property of the local people. Concomitantly, other actors and stakeholders also expressed a fervent desire for Nusantara to be a beneficial entity, with the aim of fulfilling their own interests (Warsilah et al., 2023). This, in turn, has led to Nusantara being regarded as a theatre of political dreams and a city of imagination (Grimson & Segura, 2016; Jaffe, 2018; Simarmata et al., 2023). As Jaffe (2018) elucidates, the urban realm functions as a symbolic space wherein individuals can challenge authority through the medium of creative artistic expression. Murals, stencils and other art forms function as the medium through which people articulate their political imagination (Jaffe, 2018).

In the context of Nusantara, this phenomenon manifests as a symbolic form of violence, characterised by an overemphasis on technicalities and jargon. It serves as a symbolic representation of the class struggle that preceded the development of Nusantara (Ayu, 2022; Nugroho & Akbar, 2023; Saputra et al., 2022). This phenomenon is exemplified by a wide array of urban design concepts devised by the IKN Authority. The IKN Authority has set its sights on establishing an integrated metropolis comprising the elements of a forest city, a smart city, and a sponge city. Each concept is accompanied by a plethora of jargon and terminology, which has the effect of rendering Nusantara a technical dream

(Li, 2011). Furthermore, as Simarmata et al. (2023) have demonstrated, Nusantara exhibits an additional land-biased planning paradigm. The absence of archipelagic imagination in the concept of Nusantara, characterised by its substantial landlocked nature, has been a subject of critique. This further complicates the concept of 'Javacentric' development, which, ironically, is what the government attempted to dismantle by relocating the city to Kalimantan Timur (Amir, 2023; Simarmata et al., 2023). As a different conception of politics, Nusantara and the most recent national independence ceremony act as a monumental legacy from the Joko Widodo regime (Hudalah, 2024).

As an infrastructural project, whether physical or digital, Nusantara offers new technical imaginaries. For an extended period, infrastructure has been regarded as an amalgamation of politics and culture in Indonesia (Barker & Gibbings, 2018). The physical infrastructure of a society will eventually come to shape its political landscape and the imagination of its citizens through a discursive process of technopolitics (Barker & Gibbings, 2018; see also Saputra et al., 2025). For instance, the way power and governance shape the microcosm of social and cultural life is facilitated through engagement with the materiality of infrastructure (Enright, 2022; Knox, 2017). The construction of infrastructure, including roads, buildings and waterways, has been shown to have a disruptive effect on the establishment of socio-cultural institutions, albeit to a limited extent. This phenomenon consequently impacts the way individuals perceive the present, anticipate the future, and their capacity to envision possibilities.

Barker and Gibbings (2018) posit that this infrastructural technopolitical paradigm is inherently political in nature, as it is predicated on the process of citizenship, through which the identity of the populace is defined. In his thesis, Wicaksana (2023) examined the tendency of Nusantara to replicate this pro-

cess through the concept of Smart City and the discourses surrounding it. The advent of digital technologies and the Internet of Things (IoT) in the context of urban planning in Nusantara has given rise to a concept termed “digital citizenship”. The implementation of such a system would require a technologically advanced infrastructure, the cost of which would likely be prohibitive. This would result in a digital divide between the city and its inhabitants. Consequently, the local people are unable to access it with ease, as they are unaccustomed to being in this situation. This will further exacerbate the situation and result in a more pronounced sense of marginalisation. This process is an integral part of the people-census effort, which is a key component of nation-building for the imagined communities of Indonesia (Anderson, 2008). It is argued that Nusantara is in the future rather than in the present with the local community around it.

The corpus of extant works under consideration here collectively serve to underscore the commitment on the part of Nusantara to the principle of inclusivity in its urban development. The prospect of Nusantara as a future ideal city has generated a sense of euphoria among the local population, while also creating a sense of disconnection from its development. The concept of Nusantara as a political imagination is one that conveys hope and desire for the local people. Nevertheless, Nusantara does not appear to be aligning itself with the expectations of the local populace. The utilisation of political imagination serves as the medium for the formulation of alternative scenarios to that of Nusantara. Urbanisation, with its concomitant modernism, has been demonstrated to deplete the creative and critical faculties of the local populace (Salmenniemi et al., 2024). However, amidst the discursive pressures from the promises of Nusantara development, local communities have yet to coalesce and produce their own discourses. This phenomenon manifests in the

context of quotidian life, a setting that is frequently disregarded in academic discourse.

Everydayness as a manifestation of political imagination

Rather than establishing our fundamental arguments on the technicalities of urban policies or regional planning, we propose that the quotidian sphere is where the local community can congregate, articulate their competing discourses, and thereby mobilise their political might. The quotidian practices of the local community constitute an integral component within a broader discursive framework that is inextricably linked to the development of Nusantara. The concept of ‘everydayness’ is a sociological term denoting the ability of local communities to cope with external pressures from Nusantara. It functions as a space in which the local community can develop its resilience, adaptability, and resistance to authority. The concept of ‘everydayness’ is proposed as a suitable framework, with its repetitive nature being identified as a key factor. This framework is intricately woven into the fabric of the local community, where it is enacted and the dynamics of power are exercised. The notion of ‘everydayness’ is predicated on the idea of a continuous process which serves to integrate the multifarious facets of people’s lives. The concept of everydayness manifests itself in various forms, including utterances, words, perspectives, and daily practices. These reflections are indicative of the beliefs, values and imaginations of the populace. This is the site where truth is contested, disclosed, hidden and shown, or, in summary, where situated knowledge is produced and employed. Derived from situated knowledge, everydayness consists of the dreamt world, the real world, the observed environment, and the confessed awareness (Simandan, 2019).

The notion of everydayness is intriguing in the sense that it does not manifest spontaneously. Instead, it is a consequence of a spatio-temporal process that establishes a continuity across different scales and periods (Braudel, 1982). According to Braudel (1982), three principal historical periods have been distinguished based on their duration, and it is these periods which ultimately shape the structure of everyday life. These periods are referred to as the event, the conjuncture and the *longue durée*. As Braudel (1979) defined, a conjuncture can be defined as “a point in time at which different economic, social, and cultural phenomena intersect, and which may be characterised by parallels to the cyclical ebb and flow rhythms of economic cycles” (p. 80). The concept of everydayness is predicated on the notion of the economy as the fundamental material basis. However, the material basis in this historical conjuncture is linked to the *longue durée*. It is a world-scale phenomenon that prevails in a singular, unified realm (Lee, 2018). As Braudel demonstrates, the abstract, disorderly and situated quotidian experiences of the local people that will be examined in the subsequent chapters cannot be disassociated from the overarching structure of Nusantara. In this work, we will demonstrate that the rapid development of Nusantara has a significant impact on the materiality of the local population, particularly in relation to their economic cycle, and is interconnected with the ideology of urbanisation. In this context, Braudel offers a specific definition of the term “town”, characterising it as “like electric transformers”. They increase tension, accelerate the rhythm of exchange and constantly recharge human life.” (Braudel, 1982, p. 479).

There are parallels to be drawn between the ideology and the *longue durée*, and the urbanisation and the historical conjuncture of Nusantara. The everyday urban life is replete with political imagination and possible alternatives (Jaffe, 2018). Con-

sequently, it is pertinent to pose the following question: what factors contribute to the *longue durée* of Nusantara? The present study seeks to contribute to the existing body of knowledge by investigating the position of the concept within the historical context of urbanisation in Indonesia. In response to the query, Silver (2022) concurred that urban development and urban planning in Indonesia is predominantly a domain of private enterprise. The primary function of the government in this context is to harmonise the actions of the private sector and investors with the objectives of public policy and prevailing global discourses (Silver, 2022). Consequently, Nusantara is discursively constructed to be a smart, sustainable, and disaster-proof urban area as a part of the history of urban planning conjuncture in Indonesia. This conjuncture is then charted on a larger background of modernism-capitalism ideology (Harvey, 1989; Scott, 2020). This ideology has exerted a significant influence on urban planning in the Southern hemisphere over the past few decades (Schindler, 2017; Watson, 2009). Watson (2009) challenges the conventional approach to urban modern planning, which perceives urbanisation as a linear, structured, and regulated process. In contrast, he highlights the prevailing informal urban context, where a considerable proportion of the population resides in marginalised conditions. She thus characterises urbanisation as a ‘clash of rationalities’, namely the conflict between the static linear logic of global modernity and the disorder of local everyday life (Watson, 2009, p. 2259).

For each chapter of this book, we will present a fragment of everyday life through words, descriptions and photographs of the people in IKN Nusantara. It is proposed that the euphoria experienced by the subjects will be utilised for the national ceremony, frequently characterised by an idiosyncratic or ‘thick description’ fashion. This approach will elucidate how this frag-

ment of everyday life functions as a 'common denominator' within the prevailing system, as conceptualised by Lefebvre and Levich (1987, p. 9). It is expected that the theoretical contribution of this book will be in examining how the urbanisation process of Nusantara produces socio-economic impacts and how the local people respond to them.

Everyday resilience and sustainable livelihood

The employment of these frameworks of political imagination and urban everydayness is particularly deliberate, with the objective being to complement the Sustainable Livelihood Analysis (SLA) framework. The present study has demonstrated that the SLA has been effectively utilised as a tool for the evaluation and description of the coping mechanisms and adaptation strategies employed by communities. In the context of community analysis, the SLA model is employed to characterise communities in terms of five distinct forms of capital: human, natural, financial, social, and physical. These are further contextualised by institutions and policies that shape and govern these communities. The framework is then operationalised through the provision of context to the community in the form of external disruption, which is frequently termed 'vulnerability context'. This context consists of shock, seasonality and trend. This dialectic approach will engender livelihood outcomes and strategies that, in turn, will readjust the community's capital and its institutions and policies (Serrat, 2017).

This framework has been the subject of considerable criticism on account of its tendency to oversimplify. The restriction of the term 'flattening community' to a mere five capitals serves to diminish the recognition of both diversity and the agency capability required to cope with a vulnerability context. As demonstrated by Khudi and Dillon (2022) in their study of disaster manage-

ment in the Ternate urban area, resilience can and should be constructed from situated knowledge. This is because it is inherently flexible and ever-changing, shaped by people’s observations and imaginations. Carr (2015) contends that the SLA framework is an economic approach of a narrow nature, with an excessively localised focus. Frequently, it serves to obscure the underlying structural issues, such as marginality and vulnerability, by employing the concept of assets. Consequently, it is susceptible to capitalising on community contributions in problem formulation (Armitage & Tam, 2007).

It is from this standpoint that the structural lacuna in SLA is expanded upon, with the aim of achieving a more comprehensive perception of Nusantara and its impact as a continuity. The dissolution of the compartmentalisation of SLA can be facilitated by the concepts of everydayness and political imagination, which serve to contextualise the vulnerability of Nusantara’s urbanisation as a historical continuum. In this context, multi-space-time scales are theorised to function as a unifying entity, superseding the conventional discrete categorisation. This methodology can also be applied to the assets and institutions of communities. The objective is to establish a more holistic and comprehensive approach to assessing the socio-economic impacts of Nusantara, as illustrated in Figure 5.

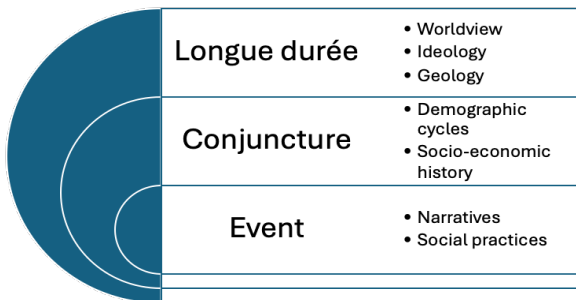


Figure 5 Conceptual Model of Nusantara's Continuity According to Fernand Braudel (after Bintliff [2017])

Sustainable Livelihood Analysis

The concept of livelihood encompasses capabilities, assets, and activities that serve as means of subsistence. Livelihood can also be interpreted as an effort to recover from pressure and maintain existing capabilities and assets, while simultaneously ensuring environmental integrity (Chambers & Conway, 1992). The capacity to implement diverse livelihood strategies is contingent on the material and social, tangible and intangible assets possessed by the individual. These livelihood resources can be regarded as the ‘capital’ base that can then be utilised to implement livelihoods (Scoones, 1998). The concept of livelihood assets encompasses a broad spectrum of economic resources, which can be categorised into five distinct types: human capital, social capital, natural capital, physical capital, and financial capital.

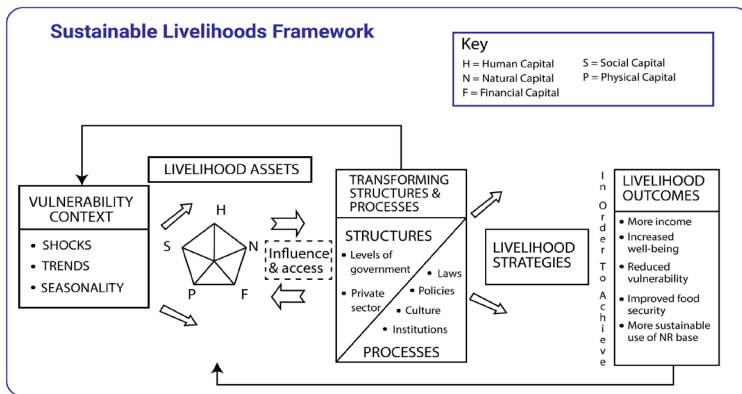


Figure 6 DIFD Sustainable Livelihood Framework (Source: DFID, 1999)

The Sustainable Livelihood Framework delineates the pivotal factors that influence people’s livelihoods, and the distinctive relationships between them. The framework can be employed in two distinct ways. Firstly, the methodology can be employed to facilitate the planning of new development activities. Second-

ly, it can be used to assess the contribution of existing activities to livelihood sustainability. The document provides a checklist of key issues and outlines how they are interrelated; draws attention to the core influences and processes; and emphasises the multiple interactions between the various factors that affect livelihoods, including critical trends, shocks and seasonality.

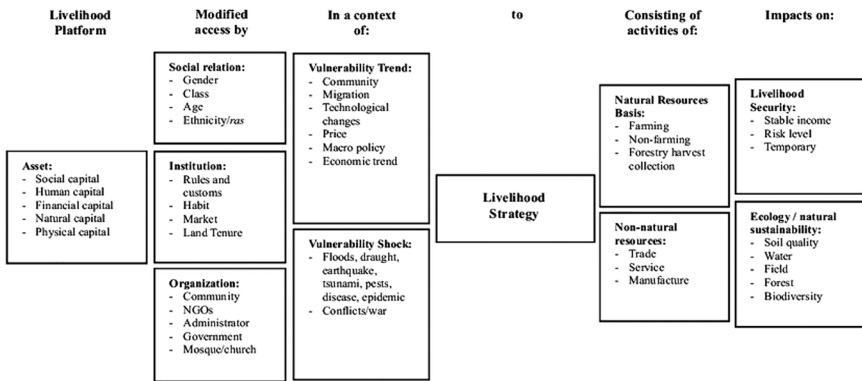


Figure 7 Ellis' Livelihood Analysis Framework (Source: Ellis, 1999)

As demonstrated in Figure 7, a given family unit or community sustains its life and livelihood by utilising its various assets. The access to these capitals is frequently modified by a variety of factors, including social relations (e.g. gender, economic class, age, ethnicity, and religion/race), institutional influences (rules, customs, habits, and markets) and organisations (e.g. NGOs/INGOs, administrators and government, religious institutions such as mosques and churches and religious organisations) in the context of vulnerability (shock, trend, seasonality) (Saragih et al., 2007).

Coping capacity, resilience, and adaptation

In the study of community livelihoods, analysis is not confined to asset ownership but also encompasses the utilisation of strategies to empower assets to sustain livelihoods. The develop-

ment of IKN in East Kalimantan has elicited a range of responses from the community. The responses exhibited by individuals to the challenges posed by the pandemic vary, influenced by the capacity of each household to accumulate assets, as well as external factors, including interventions from external entities and government policies. Coping capacity, in the context of sustainable livelihood, is defined as the direct ability of communities and individuals to recover and thrive in the face of identified changes by utilising livelihood assets (Thathsarani & Gunaratne, 2018). Coping capacity is strategies employed by households to ensure that basic daily needs, such as shelter, food, and income, can still be fulfilled despite conditions that result in changes to household or neighbourhood circumstances. Coping in the context of livelihood analysis is a reactive and short-term activity.

In the longer term, the sustainability of community livelihoods in the face of change can be assessed by analysing the resilience and adaptation levels of affected households. Within the domain of community livelihoods, resilience is conceptualised as the capacity of a community to withstand adverse future conditions that are inherently unpredictable and have the potential to engender vulnerabilities within the community (Greiving & Ubaura, 2016). This definition is further substantiated by the United Nations International Strategy for Disaster Reduction (UNISDR, 2010), which characterises resilience as the capacity of a community or system impacted by change to endure, adapt, and swiftly regain functionality. In the extant literature, Alexander et al. (2016) and Hegger et al. (2016) define resilience as the capacity to survive, the capacity to recover, and the capacity to adapt and learn from the conditions that occur (see also Smith et al., 2018). Consequently, as demonstrated by these definitions, resilience is regarded as both a process and an outcome, with adaptation constituting a pivotal component of resilience.

In this book, the identification of resilience and adaptation is conducted using the Community-Based Resilience Analysis (CoBRA) developed and established by UNDP (2016). The framework under discussion places emphasis on the comparison of conditions between the period preceding and the period following the occurrence of phenomena that result in changes in community livelihoods. The purpose of this comparison is to draw conclusions as to whether the community responds positively or negatively and whether community livelihoods after the occurrence of phenomena tend to be better (the community succeeds in utilising the momentum of existing changes) or vice versa. The state of the community is categorised into four distinct types: survival with stagnant conditions, survival with enhanced livelihood conditions, survival with conditions that are more vulnerable than before, and failure or collapse. The visualisation of the Framework can be identified through the following chart.

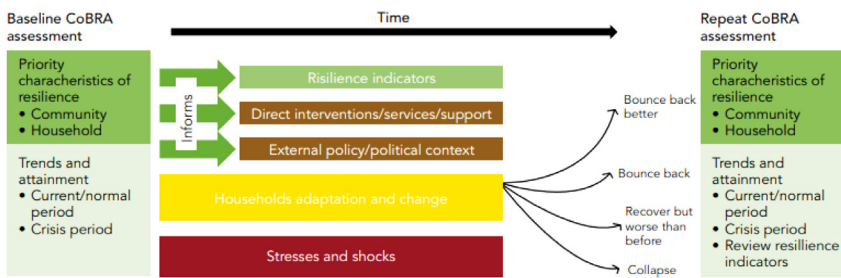


Figure 8 UNDP Community-Based Resilience Analysis (CoBRA) Framework (Source: UNDP, 2016)

According to Nsobya et al (2024), resilience is characterised by multiple criteria, which are divided into three distinct types. These include the capacity to survive, the capacity to recover, and the capacity to learn from phenomena that occur. The indicators employed to ascertain the community’s capacity encompass eco-

conomic, social, individual, institutional, natural, and physical assets, as delineated in the sustainable livelihood framework from DFID, which is further delineated in the subsequent chart.

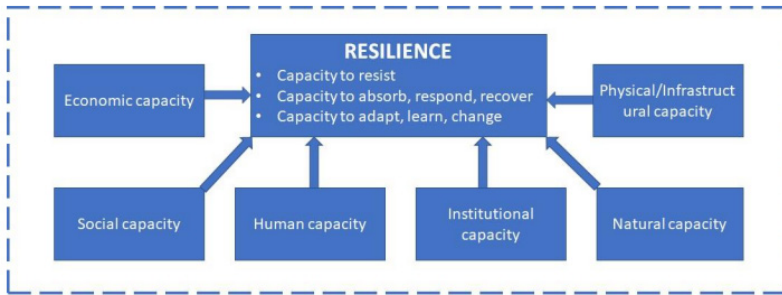


Figure 9 Community Resilience Conceptual Framework (Source: Nsobya et al., 2024)

1.7 UNDERSTANDING IKN NUSANTARA

The establishment of Nusantara as the new capital of Indonesia has engendered profound changes in nearby communities, impacting social relations, economic livelihoods, cultural practices, and environmental conditions. In order to capture the full scope of these developments, both numerical and narrative-based approaches were utilised. The investigation entailed the examination of socio-economic shifts through the utilisation of measurable indicators and spatial analysis. Furthermore, the exploration of community experiences was undertaken through personal accounts and contextual descriptions of how residents have responded and adapted to the transformation.

This process was initiated with the identification of quantifiable patterns, which was followed by a more in-depth exploration to interpret and enrich those initial findings. A comprehensive analysis was conducted to explore the broader trajectories of change that emerged alongside the specific responses exhibited by local populations in response to the emergence of IKN. This approach entailed the centralisation of the perspectives and

lived experiences of affected communities in the formulation of policy and the development of strategic recommendations. This ensured that their voices were an integral part of the direction of future development.

The book is grounded in a multi-year examination of three principal zones that illustrate the varied socio-economic and spatial dynamics linked to the development of IKN Nusantara. The designated zones encompass the IKN Area (KIKN), the IKN Development Area (KPIKN), and the region designated Beyond IKN. The selection of these zones was based on three key factors: their proximity to the capital site, the diversity of socio-economic conditions, and the projected impact of IKN development on surrounding communities. Each zone is characterised by a distinct environment, offering a unique perspective on the broader implications of capital relocation.

The IKN Area (KIKN) is comprised of the following villages: Sepaku Subdistrict, Sukaraja Village, Bukit Raya Village, and Bumi Harapan Village. This area is undergoing rapid transformation, driven by infrastructure expansion and urban planning efforts, positioning it as the central locus of IKN development.

The IKN Development Area (KPIKN) encompasses the following locations: Muara Jawa Ulu, Muara Jawa Pesisir, and Dongdang. The designated zone is intended to facilitate the expansion of IKN, with a particular emphasis on the fisheries and agriculture sectors. The primary exploration in this zone is to assess the capacity of Muara Jawa, designated as a buffer zone, to accommodate development pressures while maintaining the viability of its local economic activities.

The area extending beyond the IKN zone encompasses the Maridan and Riko subdistricts. Despite their geographical separation from IKN, these areas are nevertheless subject to indirect effects arising from the development. The incorporation of this

zone provides a comparative perspective, facilitating the comprehension of the broader socio-economic and environmental transformations occurring beyond the capital's formal boundaries.

A comprehensive understanding of the objectives was achieved through the integration of numerical and descriptive approaches. This methodological combination facilitated the gathering and interpretation of information from diverse sources and perspectives, allowing for a more refined and multidimensional analysis. By drawing on both measurable indicators and contextual insights, the approach enabled a deeper exploration of the subject matter and ensured that its complexities were addressed with clarity and precision.

The conceptual and operational framework was shaped through desk-based inquiry and literature review. This process involved an extensive examination of secondary data drawn from a wide range of materials, including academic publications, government policies and official reports, documents issued by non-governmental organisations, online platforms, and both print and digital media. These sources played a critical role in identifying key variables and offering contextual depth essential to the overall analysis.

Spatial analysis, employing maps and satellite imagery, proved to be an essential component in the examination of geographical patterns and relationships. Spatial data were obtained from a variety of sources and scales, thereby enabling the visualisation and interpretation of environmental and developmental changes within the surrounding area.

Each phase was initiated with direct observation activities, the objective of which was to capture the evolving conditions associated with the development of IKN. Specific locations deemed susceptible to development pressures were selected for

household-level documentation, enabling a close examination of the tangible effects experienced by residents.

To explore a more extensive range of social aspects, group dialogues were facilitated with a variety of community members and stakeholders. These gatherings provided a forum for individuals to share their experiences, express concerns, and deliberate on the strategies they adopted in response to the challenges engendered by the transformation process.

A more nuanced understanding of community dynamics was gained through individual conversations guided by a semi-structured format, which allowed for both adaptability and analytical depth. The information obtained offered detailed accounts of changes in land ownership, evolving livelihood patterns, and community-level responses to environmental shifts. These case-based narratives have been demonstrated to be of significant value in elucidating the multifaceted and intricate nature of the ongoing transition.

Chapter 2. Euphoria Around IKN: Before and After Independence Day 2024

2.1 EARLY EXCITEMENT AND OPTIMISM FOR IKN NUSANTARA

The development of IKN Nusantara has generated considerable enthusiasm among communities situated around the project area. This enthusiasm has been observed to manifest in a variety of responses, particularly during the initial phase of development. It is evident that communities near IKN, including those within the Sepaku subdistrict, have expressed a predominantly positive attitude towards the presence of this substantial national initiative. An exploration of the region revealed a pervasive optimism, attributable to expectations of enhanced socio-economic conditions and an increasing awareness of the strategic significance of the region.

Despite the paucity of detailed information at the project's inception, the anticipation of transformative change appeared to foster a collective sense of excitement. Residents expressed contentment with the continuous advancement of IKN, indicating an enhancement in the levels of activity and a concomitant increase in the vibrancy of their immediate environment. One of the locals from Bumi Harapan Village remarked that the early stages of IKN's construction were marked by the arrival of large trucks and an influx of newcomers, which contributed to a heightened sense of dynamism in the local environment.

A fundamental element of the prevailing optimism surrounding the development of IKN was the anticipation of en-

hancements to the regional economy. Local communities greeted the initiative with the conviction that it would engender immediate economic advantages. It has been hypothesised that factors such as the increased movement of project vehicles, the arrival of migrant workers from outside the region, and the construction of new road infrastructure have contributed to the growth of micro-economic activities. These include the expansion of food stalls, rental services, and logistics operations.

It is evident from the exploration that several residents have directly associated the presence of project workers with increased opportunities for income generation. The head of RT 07 Bukit Raya has observed that the impact of IKN has been both direct and substantial for his business. It was explained that the subject's stall had become noticeably busier since the onset of the development, with catering orders continuing to be received, including requests from various companies operating in the area.

In addition to the economic aspect, a social narrative has emerged that expresses a sense of pride in being part of a 'national strategic area'. This phenomenon is evidenced by the adoption of the term 'IKN' by residents in the designation of locations or informal directions, such as 'the road towards IKN' or 'the area around IKN'. This practice persists despite the absence of any administrative change. This demonstrates the emergence of novel spatial constructions in local perceptions, influenced by the visual and symbolic impact of the IKN project.

The visual and symbolic impact of the IKN development has contributed to a sense of euphoria among residents, reinforced by the tangible presence of the project in their immediate surroundings. This presence is manifested through widened roads, the frequent movement of heavy machinery, and the passage of project vehicles. These visual cues serve a dual function: they visibly demonstrate that development is actively underway, and

they reinforce local perceptions that the anticipated transformations are materialising.

The scale and visibility of the project have fostered a sense of inclusion in the broader national development agenda, even though community involvement remained largely passive during the initial stages of construction. The head of RT in Bukit Raya Village noted that when the IKN project commenced, there was a significant increase in road activity, with the transportation of heavy equipment and frequent passage of project vehicles through the area, indicating an escalation in development activity.

Preliminary exploration indicated that, during the initial phase of IKN development, community resistance was relatively minimal. It was asserted by several residents that there was a willingness on their part to comply with government directives, on the condition that the process was accompanied by clear communication and appropriate compensation. Within this context, the prevailing development narrative appeared to be accepted as both inevitable and irreversible.

As asserted by the head of RT 8 Bukit Raya Village, the local populace generally adheres to the prevailing regulations. It was emphasised by the person that clarity and fair remuneration are essential conditions. Furthermore, it was proposed that the measures being implemented were likely to represent the most optimal efforts that the government could offer in the given circumstances.

Notwithstanding the high level of enthusiasm expressed by residents, it was recognised that information about IKN was still very limited when the project first started. The process of socialisation had not yet permeated all levels of society, and most residents were dependent on informal sources of information such as word of mouth or daily observations. Despite the absence of pertinent information, the prevailing enthusiasm and optimism

persisted. The prevailing optimism was accompanied by the collective imagination of a future that was perceived as being more favourable.

The initial euphoria of the community towards the development of IKN Nusantara demonstrates the capacity for imagination and hope to serve as the foundation for social acceptance of large-scale development projects. Even though official information did not reach the community at the outset, the prevailing sentiment was one of optimism for the future. It is imperative to observe this phenomenon as a foundational element for the dynamics of relations between the state and local communities in subsequent phases, particularly when the reality of development begins to manifest more complex impacts.

2.2 NATIONAL PRIDE AND OPTIMISM BEFORE INDONESIA'S INDEPENDENCE DAY 2024

The 2024 Independence Day ceremony of the Republic of Indonesia signifies a notable deviation from the customary practices of previous years, which had been observed in DKI Jakarta. For the first time, the event will be held in IKN Nusantara, the newly designated capital city. This shift has engendered a profound sense of pride among residents in the IKN area, particularly due to the anticipated transformation of their surroundings.

The prevailing optimism within the community is inextricably linked to the imminent urban development project that is set to profoundly alter the geographical landscape of their immediate surroundings. The area, which was formerly a modest village, is now undergoing a transition into a major urban centre, driven by large-scale construction and infrastructure expansion. A local resident from the Sepaku Subdistrict offered an observation on this transformation, noting that the area, previously characterised by natural vegetation, has undergone a notable transi-

tion, exhibiting characteristics of urban development, including visible indications of urban life such as streetlights and increased human activity.

Furthermore, the condition of the IKN area and its environs prior to the formulation of a plan to transfer the national capital was that of a forest, which was utilised by indigenous peoples and subsequently became the destination area for the transmigration programme in 1976. Prior to this, the area had been characterised by a paucity of infrastructure, but in the intervening period, a significant expansion in infrastructure has been observed, with many new developments now facilitating community activities and supporting the development of IKN.

The ongoing infrastructure development within the IKN project has fostered a sense of optimism among local communities regarding the area's future trajectory and potential. This optimism is particularly evident in relation to the planned inaugural Indonesian Independence Day commemoration ceremony, which is scheduled to be held at IKN in 2024. In preparation for this national event, development activities have been accelerated to ensure that the necessary infrastructure and capacity are in place.

One of the village representatives from Sukaraja Village noted that, in the period leading up to 17 August, the development plans appeared to have reached a definitive stage, suggesting that preparations for the ceremony were being finalised.

Furthermore, it is imperative that the agenda for these activities be meticulously prepared, necessitating the allocation of substantial human resources to ensure its realisation. The necessity for human resources has resulted in a significant influx of migrants to the vicinity of IKN. These migrants are typically associated with the IKN development project, including construction workers, foremen, consultants, and field supervisors,

among others. Moreover, several migrants from academic backgrounds are conducting research and community empowerment activities. Investors from both small and large-scale enterprises are also present, as are several migrants pursuing other interests.

The significant influx of migrants has resulted in an escalation in demand for a range of necessities, including but not limited to housing, transportation, heavy machinery, sustenance, laundry services, and other essential amenities. Consequently, individuals seek commercial opportunities to meet existing demand. The demand for housing among migrants is particularly pronounced in the period leading up to the 2024 Indonesian Independence Day commemoration ceremony. Consequently, residents have become amenable to residing in kitchens or compact residential properties, with most dwellings, particularly the frontage, being leased to migrants. Alternatively, some individuals opt to construct houses or boarding houses to meet this demand. The impetus for the community's engagement in this initiative is the substantial financial incentive on offer, which has the effect of significantly augmenting their revenue, particularly for individuals who have completed their construction activities. This initiative presents a valuable opportunity for these entities to provide accommodation services to migrants without the necessity for substantial capital expenditure, a consequence of the IKN development project.



Figure 10 Small Stalls Found in Places like Kampung Sepaku (Source: Authors, 2025).

In response to the varied needs of incoming migrants, residents have actively pursued entrepreneurial opportunities by establishing food and beverage stalls. A significant number of these stallholders are women who, prior to engaging in such economic activities, were primarily involved in domestic responsibilities. The community has indicated that the influx of migrants associated with the IKN development has not undermined the sustainability of small-scale stalls within residential areas, as demand for their products remains consistent.

One of the locals in Sukaraja noted that earnings can reach up to IDR 2 million when customer traffic is high. He explained that some buyers have mentioned travelling from the IKN area, suggesting that the presence of migrants continues to support local economic activity.

Moreover, the IKN construction project gave rise to several businesses, including laundry services, which were established to

cater to the needs of migrants. As with stalls, although many also establish laundry businesses, the customers of each enterprise already exist thanks to the connections between residents and migrants. One of the locals in Bukit Raya Village stated that he initiated a laundry business due to the abundance of opportunities in IKN, which has resulted in a high level of competition in the area.



Figure 11 The laundry business of one of the residents in Sepaku Subdistrict (Source: Authors, 2025).

Furthermore, it is not infrequent for migrants to require vehicles for mobilisation in KIPP and its environs. This development presents a novel opportunity for the community to engage in the rental of private vehicles for the purpose of mobilising migrants. Furthermore, a proportion of individuals elect to purchase vehicles with the intention of subsequently renting them out. A number of these acquisitions are made using a credit payment system.

The necessity to load construction materials and tools to support the IKN development project also presents the community with the opportunity to rent out heavy equipment. The condition of heavy equipment that is rented out is comparable to that of vehicles that are rented out. Some individuals already possess and purchase equipment for the purpose of renting it out. The necessity for heavy machinery is twofold: firstly, to provide di-

rect support for the IKN development project, and secondly, to facilitate the construction of additional infrastructure as part of the project's expansion.

Concurrently, local communities who possess land adjacent to the roadside have the option of renting out their land for the purpose of constructing consultant offices, material warehouses, and business development initiatives by migrants. A significant proportion of the land under lease by local communities was formerly utilised for the purposes of yards, gardens, or rice fields. Local inhabitants demonstrate a preference for the rental of their land over its sale, as this approach ensures a consistent annual income. Moreover, the community expresses a preference for the receipt of compensation for development plans from the government, particularly in the event of a strategic location that can result in an increased selling price of the land.

2.3 GOVERNMENT NARRATIVES VERSUS LOCAL EXPECTATIONS

The government's narrative in the development of the capital city ensures various changes that lead to improved environmental conditions and community welfare. In the context of environmental concerns, the development of the capital city with the concept of forest city will result in the restoration of the forest area in IKN from industrial plantation forests to protected forest areas. The Nusantara capital city area and its environs are constituted of industrial plantation forests that have been developed over an extended period. It is evident that the process of reforestation in this region will inevitably engender a multitude of secondary ecological consequences, encompassing aspects such as the deterioration of groundwater quality, the alteration of flora and fauna habitats, and the modification of atmospheric conditions.

In terms of social integration, the government has historically prioritised inclusivity as a fundamental objective in the devel-

opment of the IKN. The narrated inclusiveness will ensure that local communities are granted the right to participate and are given equal opportunities. Local communities represent a pivotal narrative that the government consistently emphasises in its commitment to fostering inclusive development, thereby ensuring their inclusion as active participants in the decision-making process.

The government has announced its intention to operationalise KIPP by 2024, with the initial phase involving the relocation of select ministries. This objective is ambitious in nature, as it necessitates the establishment of operational capabilities within the IKN within a relatively brief timeframe, while concurrent infrastructure development initiatives are ongoing. The establishment of this target has the effect of accelerating the construction process, with the intention of enabling the government to commence operations with at least a select number of ministries. However, it should be noted that prior to May 2025, the IKN Authority was the sole entity to establish an office within KIPP. The agency was formerly located in Balikpapan City.

As President Jokowi's administration ended, there was a discernible decline in the intensity of development. The issue of the cessation of IKN construction was widely reported due to the ambiguity surrounding the plans for the continuation of construction at the beginning of President Prabowo's administration. Conversely, the funds that were not allocated for the construction of IKN further demonstrated the unsustainability of this mega project. This assertion is in stark contrast to the preceding administration's assertions that developmental processes would persist irrespective of any changes in government, a position that is exemplified by the ongoing construction of KIPP, an office complex. Moreover, the efficiency of the IKN development process has been impacted by budgetary constraints. However, a

substantial number of experts argue that IKN should be planned in the long term in accordance with the principles of urban and environmental development planning.

Following the election of a new President, concerns have emerged regarding the sustainability of the IKN capital city development. A noticeable shift in national development priorities—away from the continuation of IKN construction—has contributed to a growing sense of pessimism among local communities. This sentiment has been further exacerbated by the withholding of budget allocations, which rendered certain funds unusable and led to a temporary suspension of development activities.

Despite these setbacks, community members have expressed a strong preference for the continuation of the IKN project, particularly in support of the planned relocation of the capital from Jakarta to Sepaku. The head of RT 9 Bumi Harapan conveyed that they would deeply regret any interruption to the project, noting that substantial progress had already been made and expressing hope that the development would proceed as intended.

The development of infrastructure in support of IKN is currently underway, encompassing a range of infrastructure projects such as dams, intakes, toll roads, bypass roads, and various other physical infrastructure. The community has expressed its desire for various developments in the IKN area to demonstrate due consideration for the existence of local communities. The initial narrative promulgated by the government at the inception of development, which asserted that local communities would not be displaced, had engendered heightened expectations for the advancement of IKN. However, subsequent events did not align with the government's initial assertions concerning the acquisition of land in settlements within Bumi Harapan Village, RT 10 (Figure 12).



Figure 12 Settlement of RT 10 Bumi Harapan (Source: Authors, 2025).

Following the establishment of KIPP in the designated settlement area. Several additional infrastructure projects have also commenced, exerting an impact on the residential zones of local communities. These include the construction of river embankments, the development of city parks, sub-district parks and urban forests, and the implementation of various other spatial plans. Even though these plans are still in the socialisation stage, it is evident that some of these plans will indeed free up or move existing residential areas.

It is imperative to acknowledge the interconnection between the release of residential areas and the community's expectations, particularly regarding the valuation of compensation aligned with their assets. It is noteworthy that certain instances of early acquisition continue to be regarded by the community as deviating from their established expectations. It is evident that the compensation value for land acquisition for intake is not greater

than that of the land acquisition that is currently underway.

Furthermore, the land appraisal process, whose methods are not comprehensible to the community, often gives rise to questions and protests. Price variations between plots of land can result in the rejection of a particular offer, thereby causing delays in the land acquisition process. It is evident that the acquisition process of community lands has been subject to delays, primarily due to the presence of land legality issues that are not in alignment with administrative regulations. This is further compounded by the presence of community disagreement concerning compensation values and the unresolved process of inheritance distribution.

2.4 MEDIA PORTRAYALS, GOVERNMENT DISCOURSE, AND PUBLIC EXPECTATIONS

Media portrayals

The development of a new city, such as IKN Nusantara in Indonesia, is influenced by a complex interplay between media portrayals, government discourse, and public expectations. The interplay among these three elements is of paramount importance, as it ultimately determines the success and public perception of the project. Misalignment among these elements has the potential to engender scepticism, resistance, or disillusionment, while alignment can facilitate support and collaboration. It is therefore vital to ensure a balance between these factors if the legitimacy and long-term success of the project is to be assured.

The media plays a dual role in shaping public perceptions of new city developments, simultaneously capable of portraying such initiatives as either promising or problematic. This duality enables the media to function as both a source of optimism and a vehicle for critique, presenting divergent narratives about the

future of urban spaces (Pojani & Alidoust, 2023). Such contrasting portrayals exert a considerable influence on public sentiment and expectations.

The media is the principal channel for the dissemination of information, and as such exerts a significant influence on the perception of new city projects by both the public and policy elites. Pojani and Alidoust (2023) posit that media platforms possess the ability to amplify, challenge, or reframe the narratives surrounding urban development initiatives. This, in turn, has the capacity to shape discourse and influence stakeholder engagement.

Media representations have been demonstrated to exert a significant influence on public expectations and elite enthusiasm. When such projects are presented in a favourable light by news outlets, they have been shown to elicit a greater level of public enthusiasm and support. Conversely, critical or negative portrayals frequently result in heightened scepticism and resistance among audiences.

The Nusantara project is a pertinent exemplar of the dynamic relationship between media scrutiny and governmental response. The media's portrayal of Nusantara has been varied, with certain reports emphasising the ambitious vision of a "World City for All", while others have highlighted the absence of a distinct identity and the environmental and social challenges faced by the city (Basuki, 2023; Jati et al., 2023).

From the project's inception and throughout the planning stages, to the commencement of construction in advance of the 2024 Indonesian Independence Day ceremony, the IKN Nusantara project has been extensively covered by the media. It is evident that both national and international news outlets have chosen to present the development in a favourable light, with a view to disseminating official narratives and promoting the project's significance. These portrayals illustrate how media constructs

visual and symbolic representations of IKN, reinforcing public perceptions of progress and legitimacy.

As asserted by a representative of the IKN Authority, it is imperative to derive insights from Jakarta's urban experience. He emphasised the necessity to safeguard indigenous cultural practices whilst concurrently proposing inclusive community organisation strategies, explicitly stipulating that the utilisation of eviction should be eschewed during development. This initiative can be interpreted as an attempt to position the IKN project as culturally sensitive and socially responsible (<https://en.antaraneews.com/news/309216/new-capital-nusantara-to-preserve-local-wisdom-culture-oikn>. Accessed on 18 June 2025).

In another instance, Agus Yudhoyono, the coordinating minister for Infrastructure and Regional Development, addressed concerns regarding the potential discontinuation of the IKN initiative. He confirmed that the development would proceed as planned and stated that the President had committed to allocating approximately IDR 48.8 trillion to support the continuation of the project. The statements collectively illustrate how media narratives are used to counter scepticism and reinforce confidence in the project's future (<https://www.thejakartapost.com/indonesia/2025/02/05/budget-for-new-capital-remains-intact-basuki-had-imuljono-says.html>. Accessed on 18 June 2025).

These two statements exemplify the way government elites utilise the media to disseminate information to the public. The preponderance of government-controlled news media has been demonstrated to engender a state of news imbalance, as evidenced by the conspicuous absence of news pertaining to land acquisitions that contravene procedural norms within indigenous communities (Saputra et al., 2023). In this context, media portrayals have the capacity to emphasise the government's vision, highlight elite support, or focus on public concerns. For in-

stance, media outlets might portray IKN Nusantara as a “smart, sustainable city of the future”. The following example of the headline of a media publication demonstrates the way the government has sought to construct an image of IKN Nusantara as a promised city.

Government discourse

Moreover, effective communication on the part of the government is imperative for the effective management of public expectations and the mitigation of conflicts. The employment of models such as sender, channel, and receiver has been demonstrated to facilitate the development of communication strategies that are aligned with public perspectives (Takariani et al., 2023).

This approach was extensively adopted by the government of Indonesia. Regarding the dissemination of the concept to the public, the establishment of an image on IKN appears to be a successful endeavour. The government employs discourse as a medium for the articulation of its objectives, the justification of the project, and the mobilisation of support. Government discourse frequently encompasses promises regarding the advantages of the new city, including job creation, enhanced infrastructure, and environmental sustainability. These pledges have the capacity to influence public expectations and can garner support from elite groups.

Recent years have seen an increasing tendency amongst governments, from local to central government, in Indonesia to utilise media and social media as a medium for interacting with citizens. As demonstrated in certain nations, this responsive interactivity possesses the capacity to synchronise government actions with public expectations (Legard, 2022).

Public Expectations

The Indonesian government has promoted Nusantara as a sustainable and inclusive city. However, a discrepancy has been observed between the government's vision and the local population's tepid response, underscoring the necessity for enhanced communication and the active involvement of local communities (Jati et al., 2023; Warsilah, 2023). The absence of inclusive activities on the part of local people and local government in relation to the new city, from the planning stage to the development of IKN Nusantara, suggests that the use of media is not always an effective means of achieving inclusive development.

Public expectations frequently centre on inclusivity and participation in the development process. The absence of local participation in Nusantara's developmental planning has resulted in social exclusion and dissatisfaction among indigenous communities (Warsilah, 2023; Saputra et al.).

As has been documented by international news outlets, including SPIEGEL International, there has been a considerable degree of resistance on the part of local communities in response to the development of IKN. One individual who voiced strong opposition to the project is Syamsiah, a 49-year-old resident who is directly affected by it. She articulated a resolute opposition to displacement, asserting that under no circumstances would she relinquish her land. Her remarks reflect a profound sense of attachment and ownership, underscoring the emotional and cultural significance of the land to its inhabitants (<https://www.spiegel.de/international/world/indonesias-brand-new-capital-a-mega-project-raises-questions-in-borneo-a-5da53568-cf27-4b24-ac79-39f77a72af6c>. Accessed on 18 June 2025, accessed 18 June 2025).

Significant concerns have been raised regarding the environmental sustainability and social impact of the new capital. Ad-

dressing these issues is crucial for gaining public support (Jati et al., 2023). IKN Nusantara is evidently confronted with a multitude of challenges, including environmental issues, the social exclusion of local populations and the need to establish a distinct identity (see Basuki, 2023; Jati et al., 2023; Warsilah, 2023).

As Takariani et al. (2023) and Legard (2022) argue, the government has employed a variety of communication strategies to promote the project. Nevertheless, the argument is made that more inclusive and responsive approaches are necessary to address public concerns. The rapid development of IKN, which appears to have disregarded the aspirations of the populace, may indicate that the government is operating primarily for the benefit of the elite. The dissemination of information is frequently dependent on the media and a select few local elites.

Consequently, public response has been mixed: while some support the vision of a sustainable, inclusive city, sceptics remain concerned about the lack of local involvement and unresolved environmental issues (Jati et al., 2023; Warsilah, 2023; Saputra et al., 2023).

2.5 SHIFTING ATTITUDES AFTER THE INDEPENDENCE DAY: FROM OPTIMISM TO EMERGING CONCERNS

In the aftermath of the 2024 commemoration of Indonesia's Independence Day, marked disparities in the socio-economic conditions of communities surrounding the IKN development area became increasingly apparent. It is evident that economic activity underwent a significant decline across diverse sectors in the immediate aftermath of the national celebration. This downturn has persisted over time, albeit at a gradual pace. This phenomenon can be attributed to the completion of numerous infrastructure projects that had been expedited to meet the logistical and ceremonial requirements of the event, which was held in the

Central Government Core Area (KIPP).

In anticipation of the commemoration, contractors engaged in the IKN development mobilised a considerable workforce, precipitating an escalation in demand for residential accommodation and associated services. This surge resulted in opportunities for residents to provide accommodation and support services, which were actively utilised by communities in the vicinity.

The head of Bukit Raya Village reflected that the conditions at IKN had evolved based on the previous years' experience. It was observed that activity tended to diminish towards the close of the year and during the period leading up to Eid al-Fitr, a phenomenon that was ascribed to the presence of uncertainties in budgeting and project management. Another local from Sepaku Subdistrict acknowledged that while construction demands remained high, the temporary lull in activity before the fasting month and Eid was likely due to funding distribution. Nevertheless, he expressed optimism that development would continue.

It was observed by a local from Bukit Raya Village that, although a significant number of workers returned to their hometowns during the fasting month, a considerable number remained on-site. He elucidated that work recommenced after Eid, as contracts were still active and ongoing.

The community's sustained optimism is further evidenced by the construction of new residential infrastructure, including houses and boarding facilities, which are now available for rent in areas such as Bukit Raya and Pemaluan.



Figure 13 New boarding houses built by communities in Bukit Raya and Pemaluan Village (Photo by: Maulida Savira, 2025)

Local communities have hypothesised that following the fasting month and Eid al-Fitr, a substantial number of project workers will return to the IKN area, thereby increasing demand for accommodation services, particularly housing. As posited by the head of RT 2 from Pemaluan Subdistrict, residents in possession of substantial landholdings adjacent to the development zone may have the capacity to construct boarding houses to meet the demand. It was observed that opinions on this matter vary, but that many individuals have already begun establishing busi-

nesses in response to emerging opportunities. As another RT 1 head from the same subdistrict noted, the rise in wages has enabled workers to acquire goods and invest in the construction of additional housing units.

The prevailing optimism within the community has been further bolstered by their astonishment at the scale and pace of ongoing construction activities within IKN, particularly in the Central Government Core Area (KIPP), where the state palace and several government buildings are currently under development. A local from Sukaraja Village expressed a sense of disbelief and admiration upon visiting the site, describing the view at sunset near the palace as striking and surreal. He remarked that the relocation of the capital from Jakarta was both tangible and transformative, and that simply traversing the area evoked a sense of wonder.

The indigenous population, particularly members of the Balik tribe residing in RT 3 Sepaku, have demonstrated notable shifts in behaviour and perception both before and after Independence Day 2024. The IKN development project was initially met with considerable resistance. However, as the national celebration approached, community responses became more varied, with a growing degree of acceptance towards the ongoing infrastructure projects in their area.

This shift in attitude is closely associated with the tangible benefits received by the community. Among these measures is the government's recognition of property rights for land and buildings, although this recognition is currently limited to the sub-district level. After the construction of the sheet pile in 2024, flooding has ceased, and residents have been assured of continuous access to clean water. It has been communicated that plans are in place for the enhancement of road infrastructure within the locality.

It was asserted by a member of the Balik tribe that the provision of clean water has been promised that flooding has been mitigated through the construction of river walls, and that his land has received formal certification. These developments have contributed to a more favourable reception of the IKN project among residents.

Despite the apparent shift in community sentiment, it cannot be regarded as entirely spontaneous. It was revealed that security institutions, including the National Intelligence Agency (BIN), the Indonesian National Army (TNI), and the Indonesian National Police (POLRI), were actively engaged in communication with local leaders. These interactions included requests for the cessation of protest activities and the discouragement of further mass mobilisation in the lead-up to the 17 August Independence Day commemoration. According to the head of an indigenous community in Sepaku Subdistrict, a respected traditional leader within the Balik community in RT 3, prior to the national celebration, representatives from BIN, TNI, and POLRI approached the community, urging them to refrain from causing public disturbances or organising demonstrations.

Parallel to this, communities in areas such as Bumi Harapan and Bukit Raya continue to demonstrate a strong enthusiasm for the ongoing development of IKN. It is evident that the residents of these regions adhere to a steadfast conviction regarding the culmination of the capital project. They perceive the negative discourse that is propagating on social media as external narratives that do not accurately reflect the local realities.

The head of RT 13 in Bukit Raya expressed that claims suggesting the cessation of IKN development are largely confined to online discourse. He confirmed that, in contrast to such assertions, construction activities within the area remain active and ongoing.

While there is an evident sense of optimism surrounding the IKN development, this is accompanied by mounting concerns among residents. It has been expressed by several members of the community that they are disappointed that the government has not upheld its initial commitment to avoid encroaching on residential land. In RT 10 of Bumi Harapan Village, residents were reportedly displaced from their homes, and additional parcels of land have been incorporated into the designated development zone—a decision that remains poorly understood by the affected communities. Concerns have also been raised regarding prospective risks, including the potential expansion of the project, the influx of substantial private investment, and the threat of losing access to their living spaces. As asserted by the representative of RT from Bumi Harapan Village, despite prior assurances by government representatives that there would be no further evictions, these individuals have subsequently been observed entering residential properties. This has given rise to concerns regarding the integrity of these assurances.

Concerns have been raised regarding the potential social and economic ramifications of heightened immigration. The head of an RT from Bumi Harapan Village has expressed concerns that the increasing population density in the area may lead to an escalation in criminal activity, including theft and drug-related offences, as newcomers become increasingly integrated into the community. Furthermore, the economic ramifications of this inflow, encompassing rising commodity prices and the intensification of disparities in remuneration, have engendered a pervasive sense of disquietude within the community.

Therefore, the attitudes of the populace following the independence celebrations exhibited a transition from euphoria to a more cautious and reflective disposition. Citizens are beginning to reconsider the relationship between the benefits of develop-

ment and the social risks they face.

2.6 THE IMPACT OF EUPHORIA ON LOCAL EXPECTATIONS AND PERCEPTIONS OF IKN DEVELOPMENT

The establishment of Indonesian independence represented a pivotal moment in the nation's history, signifying the commencement of its journey towards self-reliance and the pursuit of its own development. In 2024, for the first time, the festivities commemorating Indonesia's Independence Day were held in a new location: the capital city of the Nusantara (IKN). The event in question occurred against the backdrop of the Presidential Palace, which was still under construction at the time. The introduction of a new spirit has been positively received by the local community, whose region is now the focus of development in Indonesia.

It is not erroneous for local communities to harbour elevated expectations regarding the impending development of the IKN mega project in their vicinity, particularly for those residing in the Sepaku District. Direct exposure to the development of the new capital city has been demonstrated to exert both positive and negative impacts that are immediately felt by the communities surrounding KIPP. Individuals residing in areas outside the IKN zone, which are in relatively proximity to the IKN development project, also report a sense of the spirit. This raises the question of whether the local population has been entirely consumed by the euphoria and enthusiasm that has been ignited by the spirit of Indonesian independence.

To date, the project to build the capital city of the Nusantara has caused a dualism of reactions in the community. This dualism has been demonstrated to instigate a contradictory condition within society, thereby engendering dynamics and complexity in its evolution. The validity of this assertion is reinforced by the

findings, particularly within the local community of Sepaku Sub-district. A diversity of responses was observed among the local community members regarding the construction of the Sepaku intake and the normalisation of the Sepaku River.



Figure 14 Construction of Tiles for Sepaku River Normalisation (Source: Authors, 2025)

The Sepaku Subdistrict is susceptible to flooding, given its proximity to the Sepaku River. It has been observed that during the rainy season and at times of high tide in the upstream area, the region is subject to flooding, precipitated by the overflow of water from the river. Normalisation was achieved through the construction of sheet piles along the river, thereby containing the overflowing water and preventing the occurrence of flooding. Nevertheless, this construction has elicited a variety of responses from the community.

According to one of the indigenous people in Sepaku, the presence of piles in the area has resulted in the containment of water, thereby preventing any overflow. Consequently, RT 3 is now considered to be safe, whereas RT 2 has not yet been verified as such. One of the residents of RT 3 Sepaku Subdistrict ar-

t articulated the efficacy of the construction of sheet piling along the river in mitigating the risk of flooding and engendering a sense of safety from the threat of flooding. The findings of the study indicated that the residents of RT 3 Sepaku Subdistrict demonstrated a greater degree of receptiveness to government development programmes. Following the completion of the construction of sheet piling in the designated area, it was evident that this had a positive impact on the rejuvenation of the river.



Figure 15 The Local Community of Sepaku Village Attitude Statement
(Source: Authors, 2025)

This is in marked contrast to the behaviour of RT 1 and RT 2 of Sepaku Subdistrict, which have been observed to demonstrate a resistance to the government's river works in their respective areas, as illustrated in figure 15. It is evident that the construction of sheet piling in RT 2 has not been completed, thus indicating a persistent risk of flooding in the area. The residents of the RT 2 in Sepaku subdistrict have articulated their opposition to the

river works in their area, citing the unresolved agreement on compensation for individuals whose land is affected by the river normalisation project. It has been observed that social jealousy amongst residents is a consequence of disparate compensation values when compared with those of neighbouring areas.

However, it is important to note that the findings have shown that prior to the acceptance of river normalisation work by the RT 3 community, there was also a rejection of river normalisation. This rejection by RT 3 residents increased in the period leading up to the Republic of Indonesia's Independence Day celebration in 2024. Consequently, to forestall any such rejection, there was a direct intervention on the part of the BIN (State Intelligence Agency) and the local military apparatus. The community was requested to cease resistance and discontinue opposition to the government-initiated development project. In summary, the government was averse to the prospect of a diminution in the levels of excitement and fervour that had been reported in anticipation of Indonesia's independence celebrations.

The residents of RT 3 ultimately came to accept the river normalisation and intake programme in their area, due to the numerous benefits that they finally perceived. In addition to the reduced threat of flooding previously mentioned, there were several other reasons for the residents to openly accept the programme. The following reasons have been identified: (1) individuals who previously possessed land with a legal SKT (Land Ownership Letter) have subsequently obtained a Certificate of Ownership (SHM); (2) the valuation of land acquisition compensation is determined in accordance with the community's expectations; (3) the community was assured access to clean water by the government; (4) the construction of a concrete road; and (5) individuals who previously relied on the river as a water source have been provided with bore wells.

In this particular instance, the community's acceptance of the Sepaku normalisation and intake project is closely related to the anticipated benefits they will receive in the future. The potential benefits for the subjects of this study are positive or negative, depending on their reception of the project. In the case of RT 3, the community has been more open because of the benefits they have received. This is in contrast to the observations made in RT 1 and RT 2, where the normalisation of the river and the Sepaku intake resulted in negative impacts.

The receptiveness of the community towards the development project can be influenced by the relationship between the local government and the community. The findings of the present exploration demonstrate that the relationship between the local government and the community in RT 3 is generally stronger, facilitating effective dissemination of government programmes. This is in contrast to the situation in RT 1 and RT 2, where it is believed that a discrepancy remains between the local government and the community.

The prevailing euphoria that characterised the early stages of IKN's development has had a significant impact on the expectations and perceptions of residents regarding the future of their area. The prevailing sentiment among the local populace was one of anticipation, fuelled by the imminent transformation of their area into a centre of state power, and by the concomitant hopes for economic transformation through employment, increased property prices and business opportunities (stall, lodging, catering). Discourses in the media surrounding IKN as the 'project of the century' have also influenced the community, engendering an imagination that their area will be on par with the metropolis. This phenomenon is exemplified by the substantial increase in land prices observed in the IKN area and its environs. This euphoria has also had a positive effect on people's confidence in the

realisation of the IKN project. It is evident that under the Jokowi administration, the development of IKN was significantly accelerated. In Bukit Raya, for instance, residents have observed first-hand the physical development of infrastructure, including the construction of a bypass road and drainage systems. In a similar vein, the residents of Bumi Harapan have personally observed the construction of a building project at KIPP. These conditions serve to reinforce the prevailing sentiment within the community that the project must not be subjected to further delays.

However, with the commencement of the administration of President Widodo, particularly in early 2025, there was a notable dissemination of the narrative of 'IKN Mangkrak' across various social media platforms. This narrative has persisted, particularly following a decline in development intensity and the return of some workers from the IKN area. In early 2025, the government led by President Widodo reduced the IKN budget by IDR 1.15 trillion (from an initial ceiling of IDR 6.395 trillion to IDR 5.042 trillion) (Tempo, 2025). Indeed, IDR 14 trillion of the IKN budget was blocked (CNN Indonesia, 2025). This policy constitutes a component of the national fiscal austerity initiative. Notwithstanding, the Head of OIKN stated that the IKN project is still ongoing and is currently entering the second phase (Antara Kaltim, 2025). However, budgetary constraints have reportedly led to a decline in the intensity of construction projects (Tempo, 2024) and the repatriation of workers in the last two months (January-February 2025).

The observed deceleration in the IKN development process can be attributed to budgetary constraints and efforts to enhance fiscal efficiency. This finding serves to reinforce prevailing media narratives that portray the project as 'stalled', thereby suggesting that such portrayals are not merely speculative but are grounded in actual government financial policy decisions. How-

ever, among residents living within the IKN development zone, this issue is often interpreted through a political lens. It has been asserted that certain members of the community have come to regard the narrative of stagnation as a strategic endeavour on the part of 'buzzers' or anti-IKN factions, with a view to undermining the legitimacy of the project. This perception is particularly prevalent when such claims diverge from observable realities on the ground.

Despite the limited pace of progress, local communities continue to express optimism, citing visible advancements in specific sectors. For instance, construction of key government buildings in the Central Government Core Area (KIPP) remains ongoing, and the bypass road in Bukit Raya is approaching completion. In RT 3 of Sepaku Subdistrict, residents have indicated that the ongoing development is evidenced by the active use of heavy machinery in the river normalisation project. The prevailing discourse on social media has largely characterised the 'IKN stalled' narrative as a form of propaganda intended to mislead the public and fabricate controversy. The hypothesis that such narratives are propagated by individuals opposed to the IKN initiative is one that merits further investigation.

Despite the absence of discernible progress, the development of IKN is unabated, as attested by a representative of the Balik indigenous community in RT 3. The speaker placed particular emphasis on the fact that those who claim to have observed the project coming to a halt are likely to have had no direct experience of the activities taking place on-site.

The budgetary efficiency policy implemented by President Prabowo Subianto serves to substantiate the prevailing narrative that the 'IKN is stalled' is indeed a verifiable fact, despite the tendency of media outlets to amplify its significance. The construction of IKN has undergone a reduction in pace, though

not to a complete cessation. Conversely, the perception of this issue as propaganda by residents is not unfounded. It has been observed that a significant number of social media accounts have deliberately chosen to overlook minor progressions, such as the construction of river walls in Sepaku, with the objective of fostering negative sentiments. The narratives of 'IKN Mangkrak' and budget efficiency policies are intertwined, yet they do not fully reflect the reality on the ground. The sluggish pace of development is an observable fact, yet optimism persists among the populace due to the tangible progress that is being witnessed.

The initial euphoria of the community towards the construction of IKN, which was formed from the promise of economic transformation and physical progress during the Jokowi era, triggered high expectations in the community that did not completely collapse even though it was tested by the 'IKN stalled' narrative. Nevertheless, the implementation of budget efficiency policies by President Widodo resulted in a divergence between anticipated outcomes and actual results. Even though the 'IKN Mangkrak' narrative is predominantly grounded in policy facts (budget efficiency that triggers slow development and repatriation of workers), people remain optimistic because they rely on local resilience and the limited physical evidence they see. This duality demonstrates that, on the one hand, initial euphoria is susceptible to macro policy changes, but on the other hand, individuals place greater trust in direct observation than in media narratives.

The prevailing sentiment of optimism within the community further compounded the perception that economic prosperity would be a by-product of development for those willing to capitalise on the emerging opportunities. The receipt of land acquisition compensation is not limited to its role as a form of

compensation; it also functions as capital that can be utilised to establish new business ventures or to acquire land in other locations. In Pemaluan, some residents have even openly expressed their desire for a new project, anticipating the prospect of further compensation.

Despite the initial optimism surrounding the development, such euphoria frequently engenders expectations that are susceptible to subsequent disillusionment. In instances where compensation is perceived as inadequate or payments are delayed, affected residents have, in some cases, responded through protest actions, including obstructing access to development sites. This has been observed in the SPAM and river normalisation projects in Sepaku.

In certain localities, disparities in remuneration have given rise to sentiments of animosity among the local populace. This perspective was articulated by a local in Sepaku, who raised the question of why the valuation of their neighbour's land was significantly higher despite its proximity, measured only in metres.

Another manifestation of euphoric anticipation is the belief that communities are actively involved in development processes rather than being passive recipients. However, this perception began to deteriorate when government communication proved inconsistent, community participation remained limited, and decisions were made without consultation. According to a local in Sepaku, awareness of the land's inclusion in the project first emerged with the arrival of a measuring officer, who noted that no prior invitation to a community meeting had been extended.

Consequently, the prevailing enthusiasm surrounding IKN's developmental endeavours has fostered an environment of heightened expectations among the general population. However, when expectations shaped by euphoria are not accompanied

by open communication and meaningful participation, community perceptions begin to shift from trust to caution.

Chapter 3. The Problems Emerging from IKN Development

Large-scale urban development is defined by the construction of buildings and supporting infrastructures on a considerable scale, frequently resulting in significant land transformation (Ramachandra et al., 2019; Syaban & Appiah-Opoku, 2024). The necessity for substantial funding is a key aspect of this paradigm, which also involves a diverse range of actors and leads to complex multi-actor relationships (Robinson et al., 2022; Sagalyn, 2011). In the context of large-scale projects, it is imperative to consider the diverse preferences of the actors involved in achieving common objectives, as well as the numerous potential impacts on the significance of these actors. This necessitates the establishment of responsibility and accountability frameworks to ensure the effective management of large-scale projects. The establishment of an urban centre by governments, investors or other development organisations has been demonstrated to lead to economic growth through ongoing investment, job creation and migrant workers employed on construction sites (Brunt & García-Peñalosa, 2022; Joshi, 2021; Mitra, 2023). Conversely, from the perspective of environmentalists and society, such development may also trigger negative externalities for ecosystems and community well-being (Liu et al., 2021).

The development of Ibu Kota Nusantara (IKN) serves as a pertinent case study for examining the intricate socio-economic and environmental challenges associated with ambitious urban projects. Even though the new capital is intended to be sustainable, modern and inclusive, it faces significant challenges in balancing regional economic ambitions with environmental and so-

cial considerations (Syaban & Appiah-Opoku, 2024). The concept has been described as a means of promoting more equal economic growth across Indonesia by shifting the growth centre to the middle of the archipelago, thereby reducing regional disparities and accelerating infrastructure development and investment in eastern Indonesia (Syaban & Appiah-Opoku, 2023). However, researchers have expressed concerns that the development of IKN could have adverse consequences for biodiversity conservation efforts, the livelihoods of existing rural and indigenous communities, and the cost of living in the area (Marzuki et al., 2024; Plamonia et al., 2025; Syaban & Appiah-Opoku, 2024).

Such concerns highlight the complexity of achieving a regional economic ambition, even in circumstances where development occurs on state-owned land from the outset. The externalities of urbanisation, such as displacement, gentrification, ecological losses and the negative effects of forced economic transition, are inevitable and not exclusively related to the development of IKN; they have occurred in many cases around the world. To illustrate this point, consider the example of urbanisation in Nanjing City, China. This process has had a considerable impact on ecosystem services such as food supply, carbon sequestration and habitat suitability (Li et al., 2016). The case study of Bangalore, India, is illustrative of this transition, as evidenced by the city's revitalisation of its lakes, a process that has concomitant social consequences, including gentrification and the displacement of the urban poor (Derkzen et al., 2017).

In view of the intricate circumstances pertaining to the establishment of the new capital of Indonesia, this section elucidates four pivotal issues in the developmental process. The categorisation of problems was conducted between 2021 and 2025. The categorisation process resulted in the identification of problems which were subsequently classified into the following categories:

environmental, social displacement, economic disruption and transition, and political governance. While each category will be described in more detail, it is important to note that this categorisation is not intended to oversimplify the complex problems, but rather to highlight spatial particularities in a thematic discussion.

3.1 LAND USE CHANGE

The development of IKN has caused significant changes in land use in the designated areas, as evidenced by the shrinking number of vegetated areas in the core and surrounding areas. Figure 16 presents a visual representation of the temporal shifts in land use proportions within the IKN area, with a particular focus on KIPP. The most substantial change is the transition from agricultural to urban areas, characterised by office buildings, residential districts, and the supporting infrastructure of IKN. The decrease in undeveloped land has resulted in a considerable increase in the debit and volume of runoff water, which has caused flooding in the area.

It is evident that the present development of IKN is predominantly characterised by the expansion of the KIPP area and the surrounding region, which is designated as the primary urban development area. Consequently, development in areas directly adjacent to the KIPP area, whether within the IKN development area or the area beyond IKN, is the one that is most adversely affected.

Conversely, areas that are located a considerable distance, but nevertheless within designated IKN areas, including three planning areas in the vicinity of Samboja and Muara Jawa, remain largely undeveloped, except for road infrastructure. To date, there has been no direct physical impact in the form of land conversion in the Muara Jawa area (Muara Jawa Ulu, Muara Jawa Pesisir, and Dondang) because of the IKN Nusantara develop-



Figure 16 Land use change in KIPP IKN from 2020 to 2025 (Source: Google Earth, accessed on 17 June 2025).

ment project. Notwithstanding the designation of Muara Jawa as an IKN development area, the focus of development remains concentrated in the KIPP in Sepaku District. This phenomenon elucidates the absence of physical interventions that modify land functions in Muara Jawa. Specifically, there are no testimonies

from residents reporting the conversion of farms, plantations, or other areas into IKN infrastructure, such as new roads, buildings, or other facilities in their area.

3.2. FLOOD AND CLEAN WATER SUPPLY SCARCITY

The transformation of land use in the context of IKN development has not been methodically incorporated into flood-control infrastructure or initiatives aimed at enhancing community resilience in the face of escalating flood volumes and increasing frequency. In the Riko and Maridan Subdistricts, for instance, the construction of a toll road through previously vegetated areas has resulted in alterations to the natural flow of surface runoff. In instances where a drainage system is inadequate, this shift in flow direction has resulted in water overflow, leading to flooding.

This outcome was not anticipated by residents, who had not experienced such flooding in the area for several decades. Consequently, the community exhibited a deficiency in preparedness and the absence of effective coping mechanisms. Local residents in Maridan have observed that the elevation of the road has undergone a change over time, indicating that it was previously lower and did not result in flooding. However, since the construction of the toll road, flooding has occurred, including an incident where their rental property was inundated, with water reaching the kitchen and sweeping away belongings—reportedly including over two thousand fish.

In a similar vein, another local person in Maridan stated that flooding was not a concern prior to the construction of the toll road. The hypothesis that soil erosion may have been a contributing factor to the problem was formulated, with the resultant flattening of the lower terrain and subsequent water accumulation in the area being the primary concern.



Figure 17 Flood marks on one of the walls of a community house (Photo by: Moh Syahrul Irfan Fahmi, 2025)

A comparable situation has emerged in Sepaku District, particularly within the administrative boundaries of Sepaku Subdistrict. The ongoing construction of the Sepaku Intake Dam and the embankment for river normalisation has contributed to flooding during episodes of intense rainfall, compounded by tidal runoff from the upstream river. The topographical characteristics of Sepaku village, namely its low-lying terrain, render the area particularly susceptible to flood events precipitated by substantial precipitation and riverine overflow. Historically, however, such floods have had minimal impact on residential areas, with floodwaters typically receding within a short timeframe.

It is evident that, consequent to the commencement of construction activities, the scale and duration of flooding have increased considerably. The incessant movement of construction vehicles, in conjunction with the accumulation of soil, has impeded the natural water flow, thereby exacerbating the flood conditions. This transition was observed by multiple locals in Sepaku Subdistrict, who emphasised the discrepancy between the pre- and post-construction flood dynamics.

A local resident of the Sepaku Subdistrict has stated that although flooding had previously been a regular occurrence in the area, it had previously abated within a time frame of one to two hours. In contrast, recent floods have persisted for up to three

days. It was also expressed that the local population was experiencing a high degree of frustration regarding the water management practices associated with the IKN development. It was asserted that while the upstream water levels were being regulated, the downstream communities were the ones most adversely affected by the flooding. Furthermore, they recounted having urged the Intake team, at times as early as 2 a.m., to open the gate to prevent overflow, warning that failure to do so could provoke community protest. The local authority also noted that culverts had been buried and blocked, and although the Intake team had initially requested one month to complete the work, the process extended to nearly three months, during which the community remained largely passive.

The issue of flooding in Maridan has become a matter of significant concern, with two primary factors contributing to its escalation. The initial issue pertains to runoff resulting from ongoing infrastructure development, while the subsequent concern is attributed to rising sea levels, leading to protracted inundation. This phenomenon is attributable to the confluence of surface runoff and tidal flooding. This phenomenon was documented through the exploration around the surrounding area.

Although tidal flooding in Maridan occurs once a year and persists for only a few hours, residents have observed a steady increase in water levels over time. The head of a RT (neighborhood) in Maridan provided a detailed account of the progressive escalation in the severity of flooding, noting that the water level, which initially reached the ankle, has gradually risen above the ankle and now reaches the knee. He articulated his concerns regarding the situation, particularly considering the presence of children engaging in play in floodwaters in proximity to residential areas. It was also noted that the term 'preti', which is defined as 'crocodile' in the local language, had been used as a caution-

ary measure to deter the children from entering the water.

In addition to the issue of flooding, concerns regarding access to clean water have also been raised. In Sepaku Village, residents continue to rely heavily on rainwater harvesting and the purchase of water tanks, with the cost of a 1,200-litre unit ranging from IDR 70,000 to IDR 80,000, to meet their domestic water needs. A comparable scenario is observable in the neighbouring village of Maridan, where households obtain potable water from surface water, rainfall, and on occasion, river water. In periods of prolonged drought, the purchase of water becomes imperative, with prices ranging from IDR 60,000 to IDR 70,000 per 1,200-litre tank.

It has been reported by one of the indigenous people in Sepaku Subdistrict that the construction of the Intake facility has resulted in residents being obliged to purchase all their water. Some individuals are said to be acquiring as many as four tanks per week. It was observed that there had been an influx of newcomers to the area, and it was noted that promises had been made regarding the provision of water through the local utility company (PDAM). However, despite these assurances, the promised provision of water had not materialised after a period of nearly three years. It was also noted that the water supply was interrupted following the establishment of the Intake, yet the community had refrained from voicing complaints.

In a similar vein, the head of a RT in Maridan elucidated that rainwater was sporadically utilised due to the absence of PDAM services in their locale. It was asserted that the PDAM network had only reached as far as Tanjung, and that the absence of coverage was attributable to the system's inability to accommodate downstream demand. It was further noted that lower-lying areas had not yet been incorporated into the expansion plans and that wells were ineffective due to competition with oil palm planta-

tions. It was also noted that the current cost of a water tank was IDR 70,000.



Figure 18 One of the People Selling Clean Water in Maridan (Photo by: Muhammad Yuda Aditya, 2025)

Despite the inadequacy of flood management in the region, the issue of clean water supply has been addressed through the construction of a water intake facility in the Riko River area, spanning approximately 65 hectares. The primary function of this intake was to supply raw water to the IKN VVIP Airport, which is in the Pantai Lango Subdistrict. The Riko River was selected as the source due to its abundance of freshwater, in contrast to the Pantai Lango river, which contains brackish water and was therefore excluded as a viable option.

In addition to the provision of services to the airport, plans include the allocation of a portion of the water from the reservoir to meet the clean water needs of the Riko community. A local resident from the Riko Subdistrict provided the following explanation: the intake facility, situated approximately 1.5 kilometres

from his office, currently supplies water to the airport. It was also requested that the provision of clean water from the same source be extended to the surrounding residential area.

In regions such as Muara Jawa and other designated development zones of IKN, the absence of direct physical intervention from IKN-related activities does not necessarily imply immunity from environmental and infrastructural challenges. Conversations with the local community across Muara Jawa revealed that flooding and the persistent lack of access to clean water remain the two most pressing concerns. It is imperative to acknowledge that these issues cannot be ascribed to the IKN development itself. Instead, these disparities are rooted in longstanding structural deficiencies that predate the national discourse on capital relocation. At the time of the exploration, these issues remained unresolved.

It was noted by one of the locals in Muara Jawa that, despite the village authorities having recently committed to excavating a drainage ditch within the week, the promised cleaning had yet to be carried out. Concurrently, another local from Muara Jawa recollected that a ditch of considerable size had been replaced with a smaller one. This alteration has precipitated the accumulation of water, which has subsequently overflowed into residential areas.

3.3 LAND ACQUISITION, RELOCATION STRUGGLES, AND CULTURAL DISRUPTIONS

In addition to the emergence of environmental concerns, social issues – particularly those related to land – have become increasingly prominent in the context of IKN. The acquisition of substantial landholdings to facilitate the development of the IKN core area has resulted in the direct displacement of local communities, primarily due to unresolved land ownership claims.

A significant proportion of the land acquisition surrounding the IKN development zone has been earmarked for the construction of supporting infrastructure, including the SPAM (drinking water supply system) pipeline, highway development (see Figure 19), the Sepaku Intake Dam, river normalisation works, and the proposed urban forest.

It has been confirmed by a local in Sepaku that the land in question is intended for the development of various types of public parks, including city, regency, and district-level parks. They further noted that specific areas had been impacted by the IKN development, particularly those designated for the SPAM pipeline leading to the Intake facility. It was explained that the location was in proximity and was a popular destination for residents seeking recreational activities such as jogging. Concerning the dam, it was stated that the water that is channelled through it flows directly towards the IKN area, passing overhead.

Land acquisition in the context of IKN development has generated a range of challenges for affected communities. In addition to the economic repercussions engendered by the diminution of agricultural income, consequent to the contraction of agricultural land, the process has engendered a pressing necessity for residents to seek alternative accommodations. During the construction phase, financial remuneration was provided to those whose properties were affected. Nevertheless, the absence of government assistance and direction during the relocation process considerably impeded residents' capacity to transition seamlessly.

It was observed by several individuals that the compensation received did not accurately reflect the market value of their land, particularly considering the rising property prices in the area. This discrepancy has made it increasingly difficult for them to secure comparable housing. As elucidated by a denizen of

Pemaluan Subdistrict, despite the proffered financial compensation for the demolition of his residence, the amount was deemed inadequate to procure a comparable property – particularly one of substantial size and roadside location. He articulated his apprehension that the financial resources allocated would not suffice to ensure the maintenance of his current standard of living in a new location.



Figure 19 The development of highways to support IKN (Photo by: Adji Saiddinullah, 2025)

The process of land acquisition in IKN buffer areas, specifically in Maridan and Riko subdistricts, has been fraught with challenges, including community rejection. These difficulties are largely attributable to inadequate public outreach and dissatisfaction with the compensation offered. It is evident that a considerable proportion of residents have not yet received the compensation that was promised to them.

One of the local residents of Maridan provided a detailed account of the initial informal discussions among residents, which took place at each other's homes, including a specific location beneath one of the houses. However, these informal meetings did not achieve a resolution to the issue, and consequently, residents were compelled to articulate their concerns at the subdistrict office on one or two occasions. The local asserts that decisions

regarding the land acquisition process were made during casual social interactions. However, due to a lack of clarity, the proposed arrangements were rejected by the community. The local authority also noted that residents had expressed dissatisfaction with the procedural mechanisms surrounding the project. Notwithstanding the initiation of construction activities, these were subject to oversight by government officials.

The compensation process related to land acquisition for the IKN development has revealed significant shortcomings. A significant issue is the discrepancy between the government's classification of land ownership and the community's understanding of their rights, leading to unresolved tensions. The protracted disbursement timeline has further exacerbated the prevailing uncertainty among residents, a significant proportion of whom remain uninformed about the status of their compensation.

In response to these challenges, community members have adopted a more proactive stance in their pursuit of clarification regarding the land designated for acquisition. As posited by an inhabitant of Maridan Subdistrict, endeavours have been undertaken over the preceding two months to advocate for those who have not yet received remuneration. It was observed that a significant number of individuals are still awaiting compensation, which has led to frequent visits to the National Land Agency (BPN) to obtain information and to advocate for a resolution. Despite these efforts, a significant number of cases remain unresolved.

Documentation has also been found which shows that several residents were forcibly removed from their homes prior to receiving compensation, ostensibly to facilitate development projects. The involvement of the police and army, which have been described as "repressive" by the locals, was noted in the land expropriation process, which was carried out to facilitate the construction of toll roads.

According to the testimony of a local inhabitant of Maridan, law enforcement officials paid two visits to their residence. During these visits, the community engaged in protest and issued warnings that they would involve the media if the situation continued. The individual who provided this information further noted that subsequent visits by the officers were characterised by reduced levels of violence, yet significant levels of tension persisted. The authorities asserted that the proposed development would proceed regardless of the lack of consensus amongst the local populace. The individual providing information asserted that the residents did not oppose the project; rather, they sought a process that was both equitable and transparent. It was asserted that deliberations pertaining to remuneration should be initiated prior to the commencement of any construction works. It was asserted that, in the event of the community adhering to the prescribed procedures, there would be a willingness on the part of the relevant parties to collaborate.

Despite the evident challenges associated with land acquisition, there is limited indication that these disruptions have negatively affected social relationships among residents in both the KIKN and IKN urban fringe areas. Indeed, the situation appears to have had a positive effect on communal bonds, particularly through collective decision-making processes in response to the development. The community exhibits strong and harmonious familial ties, with residents actively engaging in various social and religious activities. These include prayer gatherings (*pengajian*), rotating savings groups (*arisan*), and meetings organised by local institutions such as the PKK (Family Welfare Movement) and *Karang Taruna* (youth organisation at the village level).

However, participation in these activities is often limited to long-term residents, who are often referred to as the 'old community'. This term refers to individuals who have resided in

the area for an extended period. Newcomers are generally excluded from these social spaces due to concerns that differing values or perspectives might disrupt existing consensus and decision-making norms. A resident of Bukit Raya articulated that individuals deemed as non-affiliated to the prevailing community are generally not granted admission, citing concerns that their contributions might influence or modify the prevailing collective perspectives, particularly among younger demographics.

Muara Jawa, located within the broader IKN development zone, presents a distinct case when compared to other areas adjacent to the IKN core. In contrast to regions that have experienced direct impacts, including forced displacement, extensive land acquisition, and cultural disruption, Muara Jawa has remained largely unscathed by such interventions. This phenomenon can be attributed to the demographic composition of the area, which is characterised by the absence of an indigenous population. The preponderance of migrants among the local population, who are employed by the Company, serves to mitigate concerns pertaining to the erosion of local cultural identity.

A local resident of Muara Jawa has stated that they have no knowledge of any individuals born in the area. They have emphasised that all residents are migrants, each bringing their own cultural traditions with them. In a similar vein, other local inhabitants in Muara Jawa have elucidated that the population is predominantly comprised of individuals from outside the region, with no native inhabitants remaining. It was recalled that in the past, indigenous people had been invited to work for the Company but had declined the opportunity. It was only recently that a number of them began to express an interest in joining the workforce.

3.4 ECONOMIC DISRUPTIONS AND SHIFTS: JOB LOSS, CHANGES IN LOCAL MARKETS AND ACCESS TO NEW OPPORTUNITIES

The presence of IKN has also had a transformative effect on the economic conditions of communities within the IKN area. The population residing in the vicinity of the IKN development zone initially depended largely on the agrarian sector, encompassing activities such as rice farming and palm oil plantations, for the purpose of generating household income. The commencement of IKN construction activities has resulted in the local economy, which was formerly concentrated in agriculture, becoming more diversified. This shift presents both opportunities and challenges for the community. This is particularly pertinent for individuals with a background in agriculture, who previously utilised land as a means of production. These individuals are now confronted with the necessity of acquiring land to support the development of IKN.

In addition to the Sepaku District, the IKN development project has also had an impact on the economic conditions of communities in IKN's buffer zones, such as Riko and Maridan Subdistrict. The acquisition of community-owned land – particularly that which is productive and of an agricultural nature – for IKN development has had a detrimental effect on the income of residents, especially those engaged in the agricultural sector. The contraction around cultivated land has precipitated a decline in harvest yields, consequently engendering diminished incomes for the community.



Figure 20 Community businesses established due to the development of IKN (Photo by Maulidia Savira Chairani, 2025)

The influx of workers from outside the region, including those stationed in the IKN Area, as well as tourists and local investors, has resulted in the creation of new economic opportunities for residents. Since the inception of IKN’s development, a discernible shift has transpired in the local economic landscape, particularly within the trade and service sectors. This transition is evidenced by the emergence of diverse business activities, including catering services, laundry operations, vehicle rentals, food stalls, and workshops. Individuals who formerly relied exclusively on agricultural yields now benefit from multiple income streams to support their livelihoods.

It is evident that these opportunities are not confined to the IKN Area, but are also present in the surrounding zones, including the Riko and Maridan sub-districts. Notwithstanding the presence of geographical disparities, the economic activities

undertaken in these peripheral areas bear a strong resemblance to those observed in the core development zone. A resident of Sukaraja Village has observed that economic activity has become more vibrant since the arrival of IKN, noting that many locals who had not previously considered opening kiosks or constructing boarding houses now feel compelled to do so. It was also observed that rental prices have exhibited an upward trend, a development that can be attributed to the increasing demand for housing.

In a similar vein, an inhabitant of Bukit Raya Village elucidated that, notwithstanding the prior construction of a rental dwelling, it remained unoccupied until the initiation of the toll road project. Following the initiation of construction, individuals began to seek accommodation, prompting the proprietors to offer the property for rental purposes. He further elaborated that, given the size of his household, the establishment of a source of income became a practical necessity.

The development of IKN has generated notable business opportunities, but it has simultaneously raised concerns regarding long-term sustainability and its broader implications for local communities. The majority of non-agricultural economic activities have been oriented towards meeting the needs of workers and incoming populations associated with IKN. Consequently, the recent decline in workforce numbers has had a significant impact on the viability of local enterprises.

This tendency became especially evident following the change in central government administration, which was accompanied by a marked decline in new development initiatives. Since the beginning of 2025, the expiration of numerous employment contracts has resulted in a return to the places of origin of a significant number of workers. The resulting workforce reduction has precipitated the closure or financial insolvency of

numerous businesses, which have found it challenging to cover operational costs.

It was noted by a local resident of Sukaraja that a significant number of workers had either been repatriated or reassigned over the preceding two months, which had resulted in a substantial decline in local economic activity. In a similar vein, one of the locals in Maridan disclosed that they had established a guest house in anticipation of regional growth. However, a decline in demand was observed, with few individuals expressing interest in purchasing or renting the property.

Muara Jawa has been designated as a development area for IKN, with a particular emphasis on industrial areas in the agricultural and fishery sectors. Nevertheless, in contrast to other regions, the population of Muara Jawa, which is situated at a considerable distance from the primary IKN development area, has not experienced a significant impact from the development of IKN. Despite the absence of a discernible economic impact of IKN on Muara Jawa residents, the local community is confronted with its own set of economic challenges. The high rate of unemployment in this area is primarily attributable to the termination of projects or activities undertaken by local companies, which have historically served as the primary source of income for the local population. According to a key source, the rate of unemployment manifests a conspicuous increase in response to the termination or diminution in activity of a project within the company.

In this particular instance, the development of IKN was perceived by some individuals as a potential avenue for new employment, prompting migration to the Sepaku Subdistrict. However, this expectation was not realised as had been predicted. A number of residents ultimately opted to return to their places of origin, citing challenges in receiving regular wages and a lack of clarity regarding their employment status.

It has been reported by a local of Muara Jawa that individuals from the same district who have secured employment within the IKN development have encountered significant challenges, particularly regarding the issue of salary disbursement. It was observed that wages were disbursed in multiple instalments monthly, amounting to an inadequate sum. Consequently, a significant proportion of the workforce elected to depart from the IKN region and return to their place of origin.

3.5 ADMINISTRATIVE PROBLEMS AND THE ISSUE OF TRANSPARENCY

In addition to the environmental, social and economic issues, particular attention must also be given to political and governance aspects. Within the context of Indonesia's decentralised policy framework, there exists a paucity of clarity about the status of specific development areas in relation to the plans for the IKN. The location of IKN in the Sepaku District of the Penajam Paser Utara Regency raises questions regarding the implications for administrative boundaries. The establishment of IKN will result in the Penajam Paser Utara Regency being comprised of a mere three districts, a situation which no longer meets the minimum requirement for regency status as stipulated in Government Regulation (PP) No. 78 of 2007.

This situation caused a growing discourse surrounding the potential subdivision of districts and villages, particularly in areas outside IKN, such as Riko and Maridan Subdistrict. In the future, it is anticipated that Riko Subdistrict will become part of the newly formed Penajam II District, with its administrative centre located in Sotek Subdistrict. However, the proposal to relocate the district capital to Sotek Subdistrict has given rise to a number of protests from the residents of Riko, particularly local officials, who are in favour of Riko continuing to serve as the district capital. This demand is predicated on Riko's present level

of development and its strategic location at the intersection of access routes connecting Balikpapan, IKN, and Penajam.

Beyond the administrative challenges that have been documented, residents have also expressed concerns regarding their limited involvement in the IKN development process. A significant proportion of the information disseminated to the public has been conveyed through top-down channels, lacking participatory mechanisms that would facilitate meaningful community engagement. This approach has resulted in divergent interpretations among residents and, in certain instances, has precipitated local resistance. The issue is especially evident in relation to infrastructure development and land acquisition activities surrounding the IKN area.

A significant concern pertains to the absence of transparency in the determination of compensation amounts. Residents have observed discrepancies in the valuation of properties, with certain individuals receiving substantially lower amounts than others for assets of a similar nature. A local resident from the Sepaku Subdistrict elucidated that while adequate compensation was proffered in neighbouring areas, the amounts provided within his own community were disproportionately inadequate. It was further noted that the explanation of compensation was delivered through informal communication, a method which was considered inappropriate, and which served to exacerbate an already existing sense of mistrust.

To ascertain the compensation due for land acquisition, several factors must be given full consideration. These include the legal status of the land itself, its proximity to major roads, the size and structural condition of any buildings present on the land, the tax status of the parties involved, and other relevant considerations. It is imperative that these distinctions are communicated to the public in a clear and comprehensive manner, as

a lack of awareness regarding applicable regulations has resulted in resistance and calls for fairness.

A notable example of inadequate information dissemination occurred during the construction of the highway connecting Sukaraja Village and Bukit Raya Village. In this instance, several residential properties were either submerged or had their rooftops elevated to the same level as the newly constructed road. This was due to the contractor's failure to provide detailed communication regarding the project's design.

A local resident of Sukaraja recollected that the residents were not initially informed that the road would be constructed at a height equal to that of their rooftops. It was asserted that the consultations exclusively addressed the plans to widen the road and transform it into a primary thoroughfare. The precise dimensions of the expansion, including the length of the bridge, were specified; however, no additional details were provided.

It was further noted by a local of Sukaraja that, while no major complaints were registered by residents, it was anticipated that basic accessibility measures would be upheld. The proposal included the construction of a bridge to provide access for homes currently situated below road level, and the creation of a pathway to allow motorcycles to traverse the elevation change.

The issues surrounding IKN's development represent the complex dynamics of building a city from scratch—a process that is often assumed to be simpler than managing existing urbanisation. However, the findings demonstrate that externalities arising from changes in land use, displacement, economic shifts and governance gaps underscore that such projects inherit their own unique challenges. These issues are not merely transient; they foreshadow the more profound complexities that IKN will encounter upon full operationalisation. The IKN case study thus calls into question the assumption that greenfield development

is inherently easier, emphasising instead the need for continuous negotiation between national ambitions, including the sustainability discourse of IKN, and local realities, to avoid unsustainable outcomes.

To address these challenges, it is necessary to implement solutions that facilitate the integration of top-down planning with bottom-up necessities. It is imperative that policymakers acknowledge the current externalities – ranging from flooding to social inequities – as early indicators of systemic risks that, if left unmanaged, have the potential to escalate. It is imperative to strike a balance between national aspirations and local interests, ensuring that infrastructure development is complemented by community resilience, transparent governance, and inclusive economic policies. Achieving this balance is imperative to avert the pitfalls of urban expansion elsewhere and to serve as a paradigm for sustainable urban development.

Administrative challenges are increasingly being experienced by residents in the IKN development areas, particularly in Muara Jawa. While these issues have not yet escalated into open conflict, they manifest through unclear lines of authority, limited transparency, and jurisdictional ambiguity between the Kutai Kartanegara Regency government and the IKN Authority. Residents have reported experiencing difficulties when attempting to process land titles and certifications, even for minor transactions between private individuals. These transactions frequently serve urgent and essential purposes, such as funding education or settling debts related to religious obligations, including the Hajj pilgrimage.

This situation is especially pronounced in Muara Jawa, a region geographically distant from the IKN core, where the administrative status remains uncertain. The precise status of the area's legal jurisdiction, whether it remains under the purview of the

regency or has been absorbed into the IKN Authority's domain, remains ambiguous. Consequently, the processes of legalisation have encountered considerable delays.

A community leader articulated the concerns of local authorities regarding the approval of certificate name changes, citing concerns over large-scale land sales as the underlying reason for the withholding of approval. The speaker posited that such caution may be warranted for individuals divesting substantial landholdings; however, this prudence should not be applied to residents who manage minor plots for personal use. It was observed that even in instances where land is sold with the intention of supporting a child's education or financing a pilgrimage, the process often encounters significant impediments. He articulated his exasperation at the necessity of repeated visits to the relevant authority, which had not yet resulted in a resolution to the issue.

The situation is further complicated by the lack of clarity surrounding the governance and planning of the IKN buffer zone. Despite assertions by pertinent authorities of the execution of socialisation endeavours, numerous residents – including local officials – have attested to a paucity of both clarity and comprehensiveness in their grasp of the development policies impacting their respective regions.

It was stated by a local resident of Muara Jawa that, to the best of their knowledge, no formal instructions had been issued by the government to the urban village. The local meetings were restricted to the reporting of past activities, as opposed to the provision of forward-looking guidance. In a similar vein, another local in Muara Jawa disclosed that they had initiated socialisation endeavours autonomously for the first time. Furthermore, it was observed that government actors frequently cultivated close networks, a sentiment that had previously been encountered in

other sources.

This phenomenon can be interpreted as indicative of a more extensive disconnection between macro-level planning and local-level comprehension. Notwithstanding the designation of Muara Jawa as a buffer zone, residents have articulated concerns regarding the absence of legal certainty and the paucity of clearly defined policy directives.

Chapter 4. Roles of Actors: Shaping Problems or Igniting Conflicts?

The development of a new city is a complex process due to the involvement of various stakeholders, as is evidenced by the IKN project. A variety of actors, including the IKN Authority, local governments, private developers, NGOs, migrant communities and local community groups, play critical roles in shaping the dynamics and determining the direction of IKN's development. These actors possess distinct definitions of the issues that emerge during the development of IKN, encompassing the affected parties and the necessary resolutions. It is evident that each party has its own objectives to accomplish. It is evident that each actor interacts with the others, thereby exerting an influence on them and consequently enabling the achievement of the expected goals.

In order to comprehend the intricacies of the process, the complexities of the problems, and the solutions to each phenomenon that arise alongside the implementation of the IKN development process, it is crucial to understand the role of each stakeholder. This chapter will discuss the role of each actor, particularly in relation to the various problems that have emerged during the development of IKN Nusantara in East Kalimantan.

4.1. GOVERNMENTS' ACTIONS AND POLICIES: A DOUBLE-EDGED SWORD

The government is one of the primary actors in the development of IKN. This encompasses both the central government,

through the IKN Authority (OIKN), and the local village or sub-district government, which serves as an extension of the central government. The government is best placed to plan and pass development policies, mobilise resources and implement development, and initiate the overall development of IKN. The government has pursued its vision and mission of promoting equitable development in Indonesia by implementing a series of regulations, policies and plans. A key element of this strategy is the promotion of the concept of a Forest City, defined as a green, sustainable city. Nevertheless, the government's considerable capabilities can prove to be a double-edged sword. While the rules and policies formulated greatly influence how development is carried out, they can also give rise to new issues during the implementation process. The issues encompass community displacement, land acquisition, and alterations in community livelihoods. This phenomenon increases the involvement of other actors in the response to the issue.

National and regional policies in shaping urban transformation and affecting local livelihoods

In the process of developing the capital city of IKN, the government and its policies have a dual influence, akin to a double-edged sword. The development of IKN is guided by a commitment to equitable growth, the enhancement of surrounding regions, and the establishment of sustainable, autonomous urban centres. The objective of this initiative is to attract investors to facilitate the acceleration of developmental activities and to stimulate the regional economy. Nevertheless, if these policies are not executed with transparency and public participation, issues such as environmental degradation, the marginalisation of vulnerable groups and community resistance may ensue. Existing social problems also have a detrimental effect on various ac-

tivities, rendering IKN more vulnerable and resulting in lengthy resolution processes.

The development of IKN Nusantara is mandated by Law No. 21 of 2023, which amends Law No. 3 of 2022 concerning the National Capital. Law 21 of 2023 establishes the framework for the development of a safe, modern, sustainable and resilient capital city for the archipelago, whilst concurrently providing legal certainty with a view to accelerating the preparation, development and relocation process for the national capital city. These regulations should serve as a reference for development and changes in livelihoods. However, in practice, the law is not used as a reference when carrying out development projects. It has been posited that the execution of development projects is undertaken without the requisite thoroughness in terms of surveys and field research. This has been identified as a contributing factor to the various challenges experienced during the realisation and construction of the IKN project.

Notwithstanding the intricacies inherent in the planning process, the development of IKN in East Kalimantan exerts a substantial influence on the transformation of people's livelihoods and the socio-economic dynamics that occur in the areas affected by IKN development. It is imperative that both the community as an individual entity and the community as a collective entity adapt to the changes that occur in the surrounding environment. Communities that had initially placed considerable reliance on the agricultural and plantation sectors utilised the impetus of IKN development by commencing a transition to non-agricultural sectors, such as trade and services.

Concurrent with the economic transformations engendered by the IKN development, residents are increasingly confronted with a complex set of normative regulations governing land legality, development procedures, and administrative processes.

These conditions necessitate that individuals, particularly those with limited prior knowledge, become more informed, proactive, and engaged in monitoring the progress of development, especially when their privately owned land is subject to acquisition.

A resident of Bumi Harapan Village reflected on this shift, noting that the community has been compelled to adapt both intellectually and strategically. He elucidated that individuals who previously identified as average now face the imperative to enhance their understanding and situate themselves among more informed actors. Without such efforts, he added, individuals' risk being excluded from critical information and decision-making processes.

The government and third parties involved in the development process are confronted with the challenge of public ignorance regarding these normative rules. The failure to communicate effectively and to provide information to the community in an optimal manner gives rise to further issues that also have implications for the obstruction of the IKN supporting infrastructure development process.

As the IKN development progresses, it has become increasingly evident that administrative complexities are emerging in parallel with communication challenges with local communities. The ratification of Law Number 3 of 2022 signified the commencement of the planning phase, with the preparation of pivotal regulatory documentation such as the Spatial Planning (RTRW), Detailed Spatial Planning (RDTR), and master plans being initiated. The purpose of these documents is to provide a framework for the implementation of development activities in accordance with the planning frameworks that have been established previously.

Nevertheless, Part 3 of the book highlights the enduring challenges associated with administrative sustainability, most

notably regarding jurisdictional clarity. The IKN area, previously under the governance of Penajam Paser Utara Regency and Kutai Kartanegara Regency, now includes zones designated as the IKN Development Core Area and the IKN Buffer Area. This reclassification has engendered a certain degree of uncertainty regarding the administrative status of several villages, particularly regarding infrastructure funding applications. Village governments encounter challenges in identifying the appropriate authority to approach for budget allocations.

Furthermore, the issue of asset ownership within these villages remains unresolved. The question of whether regional assets will continue to be managed by the original district governments or be transferred to the IKN Authority remains unresolved. This ambiguity has resulted in delays and confusion in administrative procedures, affecting both planning and implementation at the local level.

To date, a series of meetings have been convened between the IKN Authority and the Penajam Paser Utara Regency Government to deliberate on asset ownership in Sepaku District, constituting a component of the ongoing efforts to address the issue. The meeting has also been publicised through the news of several online media outlets, such as the kaltimkita.com page.

Land Compensation and Bureaucratic challenges in responding to local needs

During the development of IKN, bureaucratic issues have been identified as a primary concern, manifesting as challenges between the government, the community, and the contractor company, with the latter acting as a third party. This bureaucratic problem mainly occurs during the land acquisition process and the construction of IKN supporting infrastructure. In determining the nominal land compensation, the central government,

through the appraisal team, has its own standardisation process, which is based on various criteria, including the status of land ownership and the presence or absence of ongoing businesses and crops. It is through the application of these criteria that the value of one land can be distinguished from that of another. In this process, the village government assumes a facilitative role in organising a meeting between the appraisal team and the affected community.

The land acquisition process within the IKN development is influenced by several factors, including variations in land ownership status, the presence of overlapping claims, and the completeness of supporting documentation. These elements have been shown to exert a significant influence on the pace and effectiveness of the process. Prolonged land acquisition has the potential to impede the overall progression of construction activities.

The central government, with the IKN Authority serving as the principal executor, is responsible for managing this process. Nevertheless, in certain cases, tensions within the community have complicated implementation. Disagreements over the matter of compensation have resulted in decisions that have been perceived as undemocratic, including the direct submission of compensation figures to the court without prior consensus. If the valuation proposed by the appraisal team was rejected by residents, they were instructed to resolve the matter directly with the court.

A local resident from the Sepaku Subdistrict conveyed their discontent regarding this approach, asserting that while the community was in opposition to the decision, they felt compelled to acquiesce to it. He articulated the experience as being both painful and disempowering, and he noted that pursuing legal action appeared to be a futile endeavour considering the evident

imbalance of power between the community, the court, and the government.

This decision is partly a consequence of the bureaucracy, which is often characterised by complexity, and the lack of awareness among the community regarding the legality of their land. The protracted steps involved in obtaining land legality, compounded by the demands of completing development projects within a constrained timeframe, has resulted in a top-down decision-making process.

Beyond the prevalence of top-down decision-making, the lack of transparency throughout the IKN development process remains a critical concern. Despite the advance preparation of planning documents, including detailed masterplans for each project, the onus remains with the central government to ensure the effective communication of these plans to both local communities and regional or sub-district administrations affected by the development, in a manner that is both clear and accountable.

Nevertheless, several cases have exposed deficiencies in transparency, which have contributed to a decline in public trust. A salient example of this phenomenon pertains to the implementation of the urban forest development plan, wherein consultants directly communicated the plan to specific neighbourhoods. This approach enabled only the affected landowners to observe the site and its surroundings, circumventing the customary practice of notifying the broader village community.

A further case under consideration pertains to the bypass road project, wherein the technical specifics, including the question of whether the road would be constructed to follow natural contours or be levelled, were not communicated with sufficient clarity. A local resident of Sukaraja Village has noted that, despite the absence of a formal declaration regarding the road's elevation, the community has been closely monitoring the con-

struction process since its inception. He emphasised that, at the very least, maintaining access to the motorbike road remained a priority for residents.

Economic-based activity initiatives

In order to address the evolving demands of the labour market, a range of training programmes have been initiated by both the government and the IKN Authority. These initiatives encompass a broad spectrum of disciplines, encompassing technical domains such as welding and operation of heavy machinery, in addition to creative and service-oriented fields including design and culinary arts. In certain instances, participants have been granted business capital assistance after the completion of the training programme.

Nevertheless, the absence of guaranteed employment opportunities following these programmes has given rise to concerns among participants. A significant proportion of residents in possession of competency certificates have expressed dissatisfaction with the training, citing its superficial nature and the absence of subsequent follow-up measures or tangible outcomes. A resident of Sukaraja Village articulated a degree of scepticism concerning the value of such gatherings, asserting that despite possessing a certificate of competence, there have been no discernible results or significant subsequent actions.

The establishment of Rumah Batik Sepaku Nusantara is a notable illustration of community empowerment in the vicinity of the new capital. This initiative was developed as an outcome of batik training programmes facilitated by the IKN Authority in collaboration with the Vocational and Productivity Training Centre (BPVP) during the 2022–2023 academic year. The fundamental objective of these programmes is to empower residents to meaningfully participate in the IKN development process, with a particu-

lar emphasis on the culture-based creative economy sector.

A local resident from Sukaraja Village has stated that the community is now prepared to produce batik in anticipation of future demand, particularly from civil servants (ASN) who are expected to purchase locally made batik once they relocate to the area.

The activity in question initially received support from various parties. KAGAMA (Alumni Family of Gadjah Mada University) provided a building that functioned as a gallery and production house, while PKT Bontang contributed funds and batik-making tools. However, the initial enthusiasm for the project was not entirely sustained.

4.2. NGOS AND CIVIL SOCIETY: BRIDGING THE GAP

It is evident that a number of other parties play a role in the dynamics of IKN development. These include non-governmental organisations (NGOs) and local communities. NGOs and communities have been identified as playing a crucial role in facilitating communication between local communities and the government. It is an unavoidable result of the IKN development process that land acquisition activities and socio-economic transformation of communities around the development area will occur. This development process often poses various challenges to local communities. At that time, the role of NGOs and local communities becomes important; both as facilitators in community communication, assisting in advocacy activities to voice community aspirations, as well as ensuring that community aspirations can be considered in the implementation of development in IKN. It is evident that with the implementation of community empowerment and participatory approaches, NGOs and communities assume a pivotal role in mitigating the information gap experienced by local communities.

The role of NGOs and communities is pivotal in ensuring that the development of IKN can accommodate the needs of the community, both in terms of environmental, social, economic, and cultural aspects. However, in certain instances, NGOs and communities can, in fact, be considered as contributing factors to the onset of conflict, because of their actions in accommodating the interests of specific groups within the community. In the context of IKN's development, the emergence of community conflicts is inextricably linked to the role of NGOs and community-based organisations, which are driven by the interests of specific groups. Consequently, NGOs and the communities represent two of the primary stakeholders involved in the IKN development process.

The NGO-Community Interface: Advocacy, Support, and Politicization

During the course of the IKN development process, non-governmental organisations (NGOs) and local communities have played a pivotal role in articulating and mediating community aspirations. A plethora of NGOs have been involved in this initiative, including the Indigenous Peoples Alliance of the Nusantara (AMAN), the Indonesian Forum for the Environment (WALHI), the Mining Advocacy Network (JATAM), and the Indigenous Peoples Defenders Association of the Nusantara (PPMAN). Each organisation contributes to this initiative through distinct areas of advocacy: AMAN and PPMAN are focused on representing the interests of indigenous communities, while JATAM and WALHI concentrate on environmental concerns and spatial planning issues.

A local resident of Sepaku Village has reported the presence of four organisations in the area and has recalled a previous instance of direct engagement between one local family and said organisations. This development is indicative of an expanding

involvement of civil society groups in facilitating dialogue between communities and development stakeholders.

In the aftermath of the enactment of Law No. 3 of 2022, several NGOs have articulated their concerns regarding the law's formulation and the initiation of legal proceedings. As stated on the AMAN website, a judicial review of the National Capital City Law was submitted to the Constitutional Court on 1 April 2022 by the People's Alliance for the Relocation of the National Capital (ARGUMEN). The alliance in question is comprised of two organisations, namely AMAN and WALHI, along with indigenous leaders, academics and other relevant parties. The lawsuit was filed for the primary reason of the irregularities in the process of formulating the National Capital City Law, which collided with all formal principles of law formulation, including the lack of public involvement in the formulation of the law.

In addition to the IKN Law lawsuit, another lawsuit was filed by JATAM in relation to seven documents and data that included information on the construction of IKN infrastructure in the form of the Intake Dam and the Water Supply System (SPAM) line on the Sepaku River in February 2023. The court ruled in favour of JATAM by granting the publication of five documents out of the seven requested. A perusal of the documentation reveals that it encompasses copies of administrative requirements for the identity of dam construction, copies of environmental impact assessment (AMDAL) documents for the Sepaku Semoi Dam and Sepaku Intake Dam, and copies of documents requesting permits for the use of water resources for the Sepaku Semoi Dam.

The provided examples illustrate the crucial function that NGOs fulfil in articulating the aspirations of affected communities and supervising the planning process up to the construction of IKN. This approach is intended to guarantee that development is accountable, transparent, and in accordance with the

1945 Constitution. These NGOs are also engaged in advocating for the IKN development through the publication of press release articles on their respective NGO websites and social media platforms. The press release articles include documentation that assists readers in visualizing the current conditions in IKN.

Advocacy efforts carried out by non-governmental organisations (NGOs) are closely linked to the risks that may arise from their public communications and activities. The use of assertive or provocative language in criticising government policies has been shown to significantly shape public perception. Beyond influencing broader public sentiment, NGOs also have the capacity to mobilise local communities by encouraging actions that reflect and support the organisation's underlying vision and objectives

NGOs and Political Interest: between advocacy and provocation

Non-governmental organisations (NGOs) operate based on distinct visions, missions, and objectives, which inherently shape their political stance and influence their responses to activities carried out by other actors, particularly the government. These positions can lead to tension, as local communities sometimes feel unsettled by the assertive and provocative approaches adopted by certain NGOs during the implementation of their programmes.

A representative of the indigenous community articulated concerns regarding these practices, asserting that if an organisation purports to advocate for the community, it should assume responsibility while ensuring the community's protection. He went on to critique situations in which NGOs prioritise the interests of the community over contentious actions, offering support only in the aftermath of emerging issues. Such an approach, he argued, is unseemly and ill-advised.

He further elaborated that the coordination between customary leaders and NGO teams frequently exhibits a lack of clarity,

particularly regarding the information disseminated by government officials. Although customary leaders traditionally wield considerable influence over their respective communities, the dissemination of misleading information, particularly warnings concerning potential evictions and relocation, has elicited unwarranted apprehension. Following extensive consultation with government representatives, it became evident that the claims were without foundation. Consequently, he articulated a reluctance to persist in his involvement in development-related matters and declared his intention to abstain from the immediate implementation of any decisions henceforth.

Many communities are often guided to take certain actions or make particular choices, influenced by external directions. In this context, NGOs have been shown to play a role in shaping how people think and respond. The presence of third-party actors within the community can, on occasion, result in the dissemination of inaccurate or misleading information.

4.3. LOCAL PEOPLE: AGENTS OF CHANGE OR OBJECTS?

In the development of a new city such as IKN Nusantara, it is ideal for the local community to be portrayed as the beneficiaries of the development, with improvements to quality of life through better infrastructure, increased economic activity, and changes to people's lifestyles in a more modern direction. However, while there is a prevailing optimism regarding the future of the community's livelihoods, a pertinent question remains unaddressed: namely, whether the local community is regarded as agents of change or merely passive recipients of a government agenda imposed from above.

The IKN development process reveals that limited stages are carried out in a participatory manner. However, a significant number of projects continue to be managed in a top-down, unidi-

rectional manner, with the community being excluded from decision-making processes. This is despite the pressing necessity to expedite development activities to complete IKN as expeditiously as possible. Voices from local communities complaining about a lack of transparency and fairness are often overshadowed by political ambition, investor interest and preconceived planning agendas. For instance, land acquisition activities are undertaken in accordance with the national development agenda; however, the implementation stages are not accompanied by sufficiently transparent processes to enable the community to raise questions and express resistance. The historical and cultural attachments to the land are frequently disregarded, and local knowledge is often discredited as outdated and incompatible with the modernisation agenda. Local communities are not only marginalised in the decision-making process during the development process, but they also need to find solutions to make ends meet amidst massive change. It is acknowledged that communities possess the right to articulate their concerns, and this has been demonstrated through actions taken against numerous development initiatives that, from their perspective, are characterised by an absence of objective decision-making processes. This phenomenon manifested in various forms, including associations, representatives (RT-RW), and individual actions.

In response to the IKN development, the government has introduced a series of community empowerment initiatives, primarily through structured training programmes. These programmes have been meticulously devised to enhance the competencies of construction workers engaged in the IKN project, with the overarching objective of augmenting their income and equipping them with the requisite skills for long-term occupational sustainability. In addition to the development of skills, participants are also provided with financial assistance to support the

establishment or continuation of business ventures derived from the training outcomes.

A local resident from Sukaraja Village has provided an account of the training programme, which was initiated in 2022 and is still in progress. The training encompasses a range of subjects, including graphic design, sewing, operation of heavy machinery, and general labour support. It was also noted that he had recently participated in graphic design training, after which he received a capital grant of IDR 20 million and a complimentary laptop. It was also noted that current initiatives by the IKN Authority include urban farming, hydroponics, and food security programmes.

Despite the existence of training programmes, it has been observed that not all participants have been able to apply the skills acquired effectively within the IKN employment context. The challenge is twofold, extending beyond the mismatch between training content and job requirements to concerns over lower wage standards offered by IKN-related employment. The discrepancy in daily wages, with employment opportunities outside of IKN offering significantly higher remuneration and often accompanied by additional benefits such as refreshments, has resulted in a limited interest among residents in pursuing employment within the IKN project.

As elucidated by an inhabitant of Sukaraja Village, whilst a considerable number of individuals have engaged in various training sessions, encompassing those specialising in graphic design, sewing, and the operation of heavy machinery, the outcomes of these endeavours have not materialised in the form of employment opportunities. It was observed that the daily remuneration at IKN amounted to approximately IDR 120,000, whereas external employment opportunities, not affiliated with the project, offered compensation up to IDR 250,000, inclusive of coffee and refreshments. It is evident that the knowledge acquired through training

has not been fully assimilated or applied, primarily due to the perceived absence of adequate financial incentives.

Community-led initiatives for environmental protection, economic resilience, and cultural preservation

Within the discourse of sustainable development, local communities are frequently conceptualised as pivotal actors who are regarded as capable of maintaining a balance between ecological, economic and cultural imperatives. However, the reality of the situation reveals that their role is not as ideal as initially perceived. On the one hand, local communities have been shown to function as agents of change, encouraging positive bottom-up initiatives. Conversely, it is not uncommon for these entities to become complicit in the perpetuation of the problem, whether consciously or unconsciously, through practices that result in environmental degradation, economic instability, or the erosion of local cultural values. A close examination of a variety of community-led initiatives reveals that communities have only made a limited contribution to environmental protection, economic resilience and cultural preservation. For instance, in the Sukaraja area, the absence of a formal waste management system, such as TPS or garbage trucks, prior to the construction of IKN Nusantara, encouraged the community to assume responsibility for the management of their waste. The implementation of this objective was achieved through the utilisation of a multifaceted approach, which included the incineration of household waste. The rationale behind this practice was that, given the low population density at the time and the prevailing belief that the combustion of waste would not result in significant levels of pollution, it was a logical choice.

However, these conditions underwent a period of transition with the commencement of the IKN development project. The

influx of workers and migrants resulted in an increase in population density, which directly impacted the volume of waste generation. The situation is further complicated by the existence of differences between the backgrounds and habits of residents and those of migrants. Conversely, historically, residents exhibited a greater propensity to engage in the practice of burning waste. However, contemporary evidence indicates that many migrants now engage in the practice of littering or dumping waste without the benefit of management. A particularly salient example of this phenomenon is observed in the case of Gunung Mbah Badi, where the practice of uncontrolled waste disposal has begun to give rise to novel environmental challenges.



Figure 21 Sukaraja community and KKN PPM UGM working together to clean up rubbish at Gunung Mbah Badi (Photo by: Muhamad Rifki Rafida, 2023)

A community-based initiative was initiated with the objective of addressing the issue of waste, with the overarching aim of fostering harmonious relations between the local population and migrants. The initiative in question involved the installation

of a prohibition board. However, this initiative also resulted in an escalation of social friction, with the initiator being the subject of criticism from other residents on account of their perceived pretentiousness. A survey of environmental protection efforts at the community level reveals a consistent pattern: initiatives are reactive, small-scale and frequently unsuccessful due to internal conflicts.

The IKN Authority has made a concerted effort to construct an Integrated Waste Treatment Plant (TPST) facility. However, the facility has not yet been operational due to insufficient waste generation to facilitate the processing process. This is because the TPST's service coverage remains confined to the Government Centre Core Area (KIPP) and its immediate environs. Consequently, the volume of incoming waste is inadequate for the optimal operation of the facility.

Conversely, the community's initial economic response to the IKN development appeared to be a favourable one. The initial influx of construction workers precipitated an augmentation in demand for various services, most notably rental housing (boarding houses and rented accommodation) and food service provision (e.g. caterers). Many residents perceived this situation as a favourable opportunity and proactively initiated the development or expansion of their properties, a significant proportion of which involved the utilisation of bank loans.

The initial optimism surrounding the IKN construction phase was short-lived. Following a period of heightened activity, the project entered a phase of reduced activity, particularly in the wake of efficiency adjustments and the post-Eid return of many workers to their place of origin. This shift resulted in a substantial decline in demand for local services and accommodation. Consequently, numerous businesses that had previously anticipated sustained growth been now experiencing difficulties

in repaying loans and maintaining operations.

A local resident of Sukaraja Village provided a first-hand account of the initial absence of financial support. Subsequently, a deduction of IDR 1 million was imposed, which served to compound the complexity of the situation for those who had not received land compensation. Confronted with mounting financial obligations, a significant proportion of individuals resorted to seeking bank loans, a development that precipitated pervasive economic distress and psychological uncertainty within the community.

This demonstrates that economic initiatives founded upon short-term demand surges, absent risk planning and systemic support, engender novel vulnerabilities, namely debt and financial instability for communities.

The endeavours of residents to adapt economically, for instance by changing their occupations or engaging in informal food trading around the project site, have been found to be unstable. While some individuals experienced notable financial gains from their involvement in project-related activities, these improvements were not sustained. A local resident provided an account of an acquaintance who had temporarily benefited from the project, having left home at an early hour and returned by mid-morning, with an estimated gross income of approximately IDR 3 to 4 million. However, the combination of limited working hours and declining demand ultimately compelled him to revert to his previous occupation in the timber industry.

The group encountered significant challenges, particularly about financial administration and transparency. It was reported by members that they had been feeling excluded from fund management processes. Furthermore, they claimed that they had not been granted access to financial reports. The culmination of protracted internal discord was marked by an event documented

in the extant literature as the 'key case', which subsequently precipitated the dissolution of the central management structure. Notwithstanding this organisational breakdown, the cultural momentum surrounding batik production has persisted at the village level.

During the inquiry, a local resident from Bukit Raya village clarified that the dissolution was not initiated by the group in question, but rather by the broader community. It was explained that while the central system had become fragmented, the batik initiative known as Batik Sepaku Nusantara continued to evolve independently within each village.

Presently, several groups in villages such as Argo Mulyo, Tengin Baru, and Sukaraja have developed independently. This finding suggests that the efficacy of community empowerment programmes is not merely contingent upon the provision of training or facilities. To facilitate the sustainable growth of initiatives such as Batik Sepaku Nusantara, it is essential to implement continuous mentoring, robust group management, and a strong sense of social solidarity.

The anecdotal evidence suggests that the economic resilience of a community is diminished when more established and sustainable sources of livelihood are superseded by speculative and temporary economic opportunities. In the absence of well-considered mitigative policies to complement structural and social preparedness, development initiatives have the potential to inflict further economic hardship at the grassroots level.

Conversely, communities' endeavours to preserve their social and cultural order encounter comparable challenges. Instead of undergoing a process of preservation, cultural values and social cohesion are undergoing a process of erosion, while internal conflicts are being exacerbated. Cultural traditions that were introduced by migrants, notably those of Javanese origin,

have endured. The practice of *rewang*, which involves the assistance given by neighbours during a celebration. Furthermore, *selamatan* (communal prayer ceremony to ask for safety or express gratitude), *pawarto lelayu* (announcements of grief through the mosque), as well as *reog* and *jathilan* performances, are strong indications that these cultural roots have not been completely lost.

Recent studies have begun to document shifts in patterns of community participation. It is evident that traditional practices, including *rewang/suruhan* and *selamatan*, persist in being observed. However, it is noteworthy that attendance is now predominantly limited to long-standing residents. It has been observed that individuals who migrated to the area during the development of Ibu Kota Nusantara (IKN) have been noted to exercise a notable reluctance to engage in communal activities. This change is largely attributed to differences in cultural backgrounds and the constraints imposed by professional obligations, which often involve rigid and demanding work schedules.

A local resident of Sukaraja village has observed that while the fundamental customs of the tradition remain unaltered, participation in these events has become increasingly exclusive to residents. It was observed that migrants rarely engage in these practices, and that when they themselves attend such events, the attendees are typically those who have lived in the area for an extended period.

The influx of workers from diverse regions, while contributing to a sense of progress in the IKN development area, has also led to a gradual erosion of social cohesion among residents. Concerns have been raised regarding the behaviour and wellbeing of the younger generation, particularly in relation to limited interaction and insufficient social oversight. Changes in lifestyle, characterised by heightened consumption of luxury goods and the emergence of exploitative practices, have become salient is-

sues within the community.

A resident of Sukaraja Village has expressed concern over the vulnerability of junior and senior high school students, noting that parental supervision tends to be confined to the household. It was further noted that in Sepaku, there have been cases of concern where students have engaged in exploitative behaviour involving their peers. It was further noted that such occurrences are not unexpected, particularly when young individuals are observed in possession of high-end items such as the iPhone Pro Max. This may be indicative of underlying social and economic pressures.

This demonstrates that cultural preservation cannot be considered in isolation from the broader socio-political context. Culture must be considered not merely as the maintenance of rituals and symbols, but also as the preservation of social structures that underpin collective values, such as mutual assistance, respect for and the care of the younger generation. The development of IKN, with all its positive impacts, also demands social and cultural readiness that is no less important.

4.4. THE PRIVATE SECTOR AND CORPORATE INFLUENCE

Business interests in IKN development: land, infrastructure, and economy

In responding to the development of IKN, the private sector plays a significant role in altering the socio-economic conditions of the IKN development area. The presence of developmental initiatives has prompted the involvement of the private sector, leading to the emergence of novel commercial enterprises that have flourished independently of the local community's initiatives. The practice of land transaction is a fundamental aspect of these business activities.

Investor composition in the IKN development area is characterised by a preponderance of small-scale, local investors. These investors subsequently construct various trade and service facilities, including inns and restaurants. The process of buying and selling land by local investors and landowners has been identified as a problematic outcome of the influx of investors. This is due to the current moratorium on land buying and selling by the Ministry of ATR/BPN, which was implemented to prevent land speculation and to ensure land tenure is in accordance with spatial plans.

The socio-economic landscape of IKN is shaped not only by minor investors but also by the involvement of major stakeholders, particularly state-owned enterprises that operate through subsidiary companies tasked with infrastructure development. A notable example is PT Brantas, which has been assigned responsibility for the river normalisation initiative. The necessity to adhere to project deadlines frequently gives rise to tensions between third-party contractors and local communities, primarily due to inadequate communication and coordination. Such misalignment has the potential to escalate into disputes that disrupt the construction process and contribute to delays in project implementation.

In the case of the river normalisation project in Sukaraja Village, a local reported that the initiative had been halted following the expiration of the contractor's agreement. Notwithstanding the uncompleted status of the land acquisition procedures, construction activities had already commenced. The local expressed concern over the premature development, noting that a bridge had been erected without prior notification to residents regarding the compensation amount. This sequence of events was perceived as problematic, as the acquisition process should have preceded any physical construction.

The development of IKN has been shown to have a significant impact on both the public and private sectors, encouraging the involvement of the latter in socio-economic transformation processes within the IKN buffer zone. This substantial construction activity serves as a catalyst for attracting investors, both domestic and international, to participate in the economic opportunities that emerge within the development area.

In recent years, there has been a significant increase in investment activities and new businesses, particularly in the trade, services and logistics sectors. At various points around IKN, such as Maridan, Bukit Raya, and Riko, there has been an increase in the construction of business facilities by small-scale local investors. These facilities include lodging, food stalls, workshops, and transport services. This growth is frequently driven by the dynamics of intensive land buying and selling. It is evident that a significant proportion of land transactions are conducted informally (underhand), despite the government's imposition of a moratorium on land buying and selling since 2023. This moratorium was implemented by the Ministry of ATR/BPN with the objective of preventing speculation and maintaining spatial governance (Kompas, 2023). Nevertheless, in the surrounding areas, informal transaction processes persist, thereby accelerating land conversion and engendering inequality in access to productive resources, particularly among vulnerable groups.

This increase in economic activity has also been accompanied by a marked increase in land values. A report by CNBC Indonesia (2023) has indicated a tenfold increase in land prices in the area surrounding IKN over the past two years. This has had a beneficial effect on speculators and capital owners but simultaneously created pressure on local communities reliant on the land for their livelihoods. The rapid conversion of land has also resulted in a loss of agricultural production space and a reduc-

tion in the living space of indigenous peoples and small farmers.

Large-scale companies, particularly those associated with state-owned enterprises, have also emerged as dominant actors in the realm of basic infrastructure development projects. For instance, PT Brantas Abipraya was assigned the task of implementing river normalisation projects within the IKN core area, and multiple batching plants commenced operations to facilitate the concrete supply for these projects. This expansion accelerates the industrialisation of the core area but also brings environmental and social impacts that must be mitigated.

In the context of corporate social responsibility (CSR), the involvement of the private sector is crucial in mitigating the repercussions of development on local communities. However, the findings in the surrounding areas demonstrate that the implementation of CSR programmes remains geographically and substantively constrained. Many CSR programmes are concentrated in the IKN core area, which is the administrative region that functions as the centre of project activities and the location of key infrastructure. Conversely, neighbouring areas such as Maridan and Riko, which are similarly impacted by development flows, price escalations, and social pressures, exhibit limited access to CSR benefits.

CSR programmes are often characterised by a ceremonial nature and a short-term orientation, focusing on immediate outputs rather than being needs-based or sustainably empowering. One case study that reflects this is Dompet Dhuafa's renovation of a food court in Bukit Raya Village. While the initial objective was to enhance amenities for small businesses, the outcome has instead imposed a new set of challenges. As Katadata (2024) point out, the cost of renting kiosks increased following the renovation of the area, which has had a significant impact on the viability of the businesses of those vendors operating in the area. This case

demonstrates the necessity for a more inclusive, participatory and locally driven approach to CSR.

Furthermore, the development of IKN has also encouraged the establishment of a more organic micro-economy. In many neighbouring areas, there has been an increase in sales at grocery stores due to rising demand for staples such as rice, oil, eggs, and drinking water, both from local communities and migrants working on the IKN project. This initiative serves as a testament to the potential of infrastructure development to stimulate economic growth within a local context, if it is supported by an equitable and sustainable distribution of benefits over an extended period.

Corporate Social Responsibility (CSR) and sustainable business models

The pervasive presence of industrial forestry in the vicinity of the IKN area has contributed to the cultivation of a heightened level of familiarity among local communities with the notion of CSR as implemented by various corporate entities. In accordance with the accelerated growth of IKN, several recently established enterprises have commenced the allocation of CSR support to local communities, notably through the provision of financial assistance with the objective of fortifying micro, small, and medium enterprises (MSMEs). These funds function as a form of initial capital, thereby empowering community members to initiate and sustain business activities.

In Sukaraja Village, a local recounted that the batik production initiative was initially financed by PT Pupuk Kaltim (PKT), which provided several hundred million rupiahs for the establishment of a batik house. In addition to capital support, PKT also facilitated training sessions with the aim of equipping participants with batik-making skills.

The CSR programmes implemented by corporate actors have generally had a positive impact on the operational capacity of local communities, especially in enhancing the management of small-scale enterprises. Nevertheless, the absence of systematic oversight from the companies has resulted in challenges in ensuring the effective and accountable use of CSR funds. In the absence of adequate monitoring mechanisms, communities have encountered difficulties in optimising the benefits derived from the resources provided.

Concerns were raised by the same person regarding constrained access to essential materials, such as fabric, due to limitations in the disbursement of funds. It was further noted that financial transparency within the group was lacking, particularly on the part of the chairman, resulting in uncertainty about the allocation and remaining balance of the funds. This absence of clarity ultimately resulted in a standstill in the initiative, as members were unable to access the necessary capital to continue their operations.

The case study outlined above emphasises the vital necessity for consistent monitoring and guidance from companies to ensure that CSR funds are absorbed effectively and yield significant benefits for the community. In the contemporary business landscape, most of the corporate assistance is predominantly ceremonial and output-oriented, as opposed to being genuinely empowering.

A pertinent exemplification of this phenomenon is evidenced by Dompét Dhuafa's involvement in the renovation of the food court in Bukit Raya Village. Despite the renovation efforts aimed at enhancing infrastructure, a notable surge in rental fees for local traders was inadvertently precipitated. This development has precipitated an influx of grievances, notably from traders who had previously resumed their activities in accordance with con-

tractual agreements. The inflow of contract workers has further contributed to a decline in income for many existing traders.

One of the local residents of Bukit Raya clarified that the food court is owned by the village and that prior to the renovation, the rental fee was IDR 500,000. Following the enhancements facilitated by Dompet Dhuafa's assistance, the rental fee was elevated to approximately IDR 1.2 million. It was conceded that residents frequently appended their signatures to official letters without meticulously reviewing their contents, only subsequently discerning the substantial rent increase embedded within the agreement.

Tensions between business interests and local needs

In accordance with the IKN development agenda, it is imperative that the business sector engages in the development of various infrastructure and supporting facilities around IKN. In the context of IKN development, a distinction is posited between formal supply and informal demand. At the inception of the IKN development, the government possessed a distinct vision of rapidly constructing a 'city' with adequate infrastructure within a limited timeframe. This agenda then attracted the private sector to execute on site, such as with the construction of hotels (e.g. Swisshotel) and hospitals (e.g. Mayapada, Pratama, and Hermina). However, the existing local demand remains constrained to that of more temporary workers. This condition is a key factor in the jeopardy of business sustainability, attributable to the absence of demand for the facilities constructed around IKN in the present context.

The relationship between formal supply and informal demand is a pertinent one. The local government is the primary catalyst for urban development, with the private sector playing a facilitating and utilising role in the construction of urban in-

frastructure. However, it should be noted that the satisfaction of local needs is often constrained to the demands of workers or temporary residents. The viability of commercial enterprises in KIKN is contingent upon the existence of demand; in its absence, the sustainability of business operations is unattainable. This predicament gives rise to a dichotomy wherein the absence of demand engenders an inherent conflict. The government's actions give rise to the problem, with the private sector subsequently becoming the affected party.

The development of the IKN has revealed a significant discrepancy between the supply of formal facilities that have been designed in a top-down manner and the actual needs that have emerged from a bottom-up perspective from local communities and businesses. The government plays a pivotal role in facilitating the establishment of infrastructure and the creation of investment opportunities. These opportunities are then capitalised upon by the private sector, leading to the development of large-scale commercial facilities, including international hotels, hospitals, and other commercial infrastructure. However, the reality on the ground is that demand for these services is still very limited and temporary, as most consumers are project workers who only temporarily live in the core area. It is evident that more substantial local needs, such as the provision of basic services, affordable housing, and community economic centres, have not been adequately facilitated.

The absence of long-term demand in the IKN Area (KIKN) engenders uncertainty about the sustainability of private sector investment. A considerable number of businesses that have allocated capital and established business infrastructure encounter a state of stagnation when confronted with a market that does not evolve in accordance with initial projections. In other words, the government, which created the expectation of a modern urban

ecosystem, has not succeeded in creating a stable base of population and economic activity to sustain the private sector in the long term.

This predicament gives rise to a structural conflict: on the one hand, the government fosters and promotes supply in accordance with formal urban logic; on the other hand, the demand that is in existence is merely functional and temporary. In such circumstances, the private sector is the most adversely affected by the inconsistency between macro planning and on-the-ground dynamics. Consequently, a significant proportion of business models predicated on IKN are susceptible to failure, due to their lack of support from a sustainable socio-economic ecosystem.

4.5 INTERNALISING EXTERNAL DEVELOPMENT DISCOURSES

The designation of IKN as a modern and sustainable city has given rise to various external development discourses, which have been absorbed and internalised in diverse ways by the local community. Anticipation of substantial changes, particularly related to the potential for urban sprawl and land use transformation, has shaped perceptions, hopes and concerns among the community. The process of internalising these discourses, which frequently lacks comprehensive and transparent information, also plays a role in shaping or exacerbating various socio-economic issues and uncertainties at the local level.

Potential Evictions due to the Implementation of Phase 2 of the IKN Development

The development of the IKN has now reached Phase 2 (development for the 2025-2029 period) as planned in the IKN Master Plan. Subsequent to the inaugural phase of development, which concentrated on establishing fundamental infrastructure and

creating road access, the subsequent stage focused on further development of these elements. Construction has now reached the stage of development in the areas surrounding the KIPP. It is evident that the Phase I IKN construction project has had a significant impact on local communities, with some being displaced as a result. This has resulted in a range of responses, primarily due to the potential for similar issues to arise in future. Community responses are relatively diverse, ranging from acceptance to rejection. In Phase 2, several development projects are planned, including city parks, district parks and urban forests. Nevertheless, concerns have been raised within the community regarding the potential encroachment of such projects upon residential areas. The subsequent section will present several community responses, which have been categorised based on the geographical location of the affected villages in relation to KIPP.

The construction of KIPP in Bumi Harapan has resulted in the displacement of RT 10 settlements, with the community receiving compensation for land losses. Nevertheless, concerns persist regarding the potential consequences of further expansion, particularly if this will entail the dispossession of their settlements. In anticipation of potential eviction, the community is pragmatically preparing reserve land in Penajam and other areas.

In the aftermath of the establishment of KIPP, the local community has expressed apprehension regarding proposals for the development of green open spaces that may coincide with their residential districts. To date, two projects have necessitated the acquisition of community land: the KIPP construction and flood control measures. The community's position regarding the continuation of IKN development is unambiguous. In the event of the acquired land being used for agricultural purposes, the community remains willing to accept it, provided that the compensation value is aligned with prevailing market prices. However,

if the land being acquired is residential in nature, the community may encounter difficulties in purchasing and constructing homes in the same location, due to the substantial increase in land prices that has been precipitated by the IKN. It has been reported that several affected residents have already relocated due to financial constraints that preclude the purchase of land in the village where they reside.



Figure 22 KIPP and Flood Control Construction Project in Bumi Harapan Village (Source: Authors, 2025)

The Sepaku subdistrict has been selected as the location for the construction of the Intake in phase 1 of the IKN development. The construction of the Intake has met with various responses of rejection, especially from the local indigenous community, because the location of the intake construction will displace ancient/ancestral burial sites. It is evident that the construction of water infrastructure will not be adequate for the intake alone; this will be followed by the construction of a Drinking Water Supply System (SPAM) pipeline to KIPP. Conflicts have arisen in the construction of the SPAM pipeline to support KIPP, which has implications for land acquisition from residents. The issue pertains to delayed compensation payments resulting from the

absence of comprehensive land certificate documentation. It is evident that inadequate land management in bygone eras has resulted in contemporary challenges. For instance, certified land owned by transmigrants was subsequently sold. The absence of documentation pertaining to the sale process, coupled with the discrepancy between the land's ownership and its actual registration, has given rise to a series of administrative challenges. These challenges have, in turn, impeded the seamless execution of the expropriation process.

In response to the ongoing challenges, residents with incomplete land administration have adopted a protest tactic involving the obstruction of construction site access, namely by installing a gate. This has compelled the government to accelerate its compensation payments for a few residents. This predicament arises from the ongoing construction activities, which persist despite the land in question still being subject to the acquisition process. The community has expressed its opposition to this course of action, citing the ongoing construction as a violation of the principle of restitution, given that adequate compensation for the land has not been delivered. It is evident that a few landowners have not yet finalised the compensation payment process, despite the completion of the SPAM construction.



Figure 23 Inspection Road of SPAM (Source: Authors, 2025)

The KIPP and the IKN wastewater treatment plant (IPAL) are located in Pemaluan Village. This village was among the first to be impacted by the establishment of KIPP. In contradistinction to the difficulties experienced in Sepaku Village, the construction process in this location unfolded with relative ease, demonstrating minimal opposition from the local community. The government's facilitation of the administration of community-controlled land in the form of asset ownership certificates has resulted in a simplification of the land acquisition process. In the case of the communities affected by RT 5 and RT 6, the compensation received was deemed adequate by the recipients. This resulted in no significant resistance being encountered. This finding suggests that transparency and adherence to compensation agreements may serve to mitigate community resistance to development.

Demand for Urban Services and Economic Transformation to the Service Sector

The economic transformation towards the service sector was driven by the demand for construction workers. The significant increase in the workforce resulted in the provision of services by the local community and migrants who had chosen to invest in the area. The diversification of local community employment has led to a transformation from a community that was previously reliant on the palm oil and rice farming sectors to one that now also has additional employment opportunities, such as managing lodgings and preparing food (catering). This transformation is occurring informally and temporarily due to the fluctuating intensity of IKN development, influenced by budget allocation dynamics, political conditions, and government development priorities. The Indonesian central government, which has other development priorities, has led to a decline in development intensity compared to the period before the 2024 Indonesian Independence Day celebrations.

The IKN spatial plan has historically facilitated the accommodation of diverse urban service requirements, which have been distributed across multiple planning areas. However, the ongoing development process is not designed to accommodate all of them simultaneously. The development process is being carried out in stages, commencing with the establishment of fundamental infrastructure and the KIPP development. Consequently, the urban services currently available in the KIPP area and its environs include various facilities, including hospitals, accommodation, banking offices and other facilities that support the trade and service sectors.

The demand for migrants engaged in construction projects has been a key factor in the emergence of various urban services. It is evident that the present impact cannot be attributed to the functioning of the urban system; rather, it is a consequence of the

large-scale development process. The advent of urban services is evidenced by the presence of accommodation rentals along the National Road, as demonstrated in Sukaraja, Bukit Raya, and Bumi Harapan Village. During the period of peak construction, residents in Bumi Harapan and Sukaraja were able to rent out houses or rooms for IDR 4 to 5 million per month, with some cases reaching IDR 150 million per year for annual contracts. A proportion of residents elected to construct accommodation, utilising funds obtained from either compensation or bank loans. A variety of catering services are available to meet diverse requirements. Furthermore, the provision of laundry services by residents and investors is complementary, thereby addressing the exceptionally high demand.



Figure 24 Community-owned (a) and investor-owned (b) laundry services (Source: Authors, 2025)

Big Investors, Marginalisation, and Economic Competition

The development of IKN as both a national and international initiative has inevitably prompted discourse surrounding the influence of major investors. At the local level, this discourse frequently focuses on concerns regarding the potential marginalisation or displacement of existing communities and small-scale enterprises.

A former employee of PT IHM expressed concerns regarding the future, citing uncertainty surrounding the impact of IKN on

their livelihoods. He further reflected on the role of PT. IHM has previously acknowledged that, despite its limitations, the company has facilitated essential employment opportunities for individuals lacking formal education or specialised skills. According to the source, even those lacking proficiency in literacy were able to secure livelihoods and meet their basic needs through employment at the company.

Concerns regarding the potential marginalisation of local communities in the context of the development of IKN are not confined to a specific geographical area. Residents of villages such as Bumi Harapan and Bukit Raya have expressed concerns regarding the potential displacement caused by large-scale external businesses. These concerns extend beyond immediate economic impacts, touching on the long-term prospects for future generations. Some members of the community have initiated the preparation of alternative land as a precautionary measure, reflecting an escalating sense of insecurity and a concomitant diminution in optimism regarding their capacity to compete with well-funded investors and government-backed initiatives.

This sentiment is echoed at the local government level, particularly in regions whose territories are directly affected or partially absorbed into the IKN development zone. Delegates from BAPELITBANG Penajam Paser Utara (PPU) and Bappeda Kutai Kartanegara have engaged in an open dialogue concerning the challenges they face and the expectations they hold. The statements made by the representatives emphasised a desire for equitable participation and benefits, underscoring the notion that their respective regions should not merely serve as supporting areas, but rather should be recognised as active partners in the IKN project. In the absence of clearly defined policies and inclusive partnership strategies from the central government or the IKN Authority, the risk of marginalisation remains a pressing concern.

A primary concern expressed by both local governments relates to the administrative reallocation of territory for the IKN development, which has led to a reduction in potential regional revenue and an increased burden in the provision of basic public services. As stated by a representative from BAPELITBANG Penajam Paser Utara, Penajam Paser Utara (PPU) has undergone a territorial reduction of approximately 90,000 hectares, predominantly comprising plantation and forestry land. Conversely, the area that was allocated to Samboja Subdistrict (Samboja) from Kutai Kartanegara (Kukar) was characterised as being of significant economic importance, akin to the regency's financial resources. This is because the coastal zone of Samboja Subdistrict is a pivotal location for oil and gas extraction.

They further noted that this significant territorial reduction had not been matched by compensatory policies or fiscal support from the central government. It was emphasised that there were no affirmative measures in place to promote or sustain development within the IKN buffer zones, such as through the reallocation or reorientation of Penajam Paser Utara's existing budget.

The burden on local governments has increased considerably, as they remain constitutionally obligated to deliver essential public services – including education, healthcare and infrastructure – even in areas currently classified as transitional or administratively ambiguous due to the IKN development.

As was explained by a representative from BAPELITBANG Penajam Paser Utara, despite reductions in both regional budget allocations and territorial jurisdiction, the government is still required to allocate funding for core services at the sub-district level. These provisions encompass the domains of education, healthcare, and the allocation of funds designated for the Village Fund. They emphasised that withholding such allocations is not a viable option under current governance responsibilities.

Concurrently, the local government is unable to collect contributions from major economic activities within the IKN area, such as hotels and restaurants, due to a letter from the IKN Authority prohibiting the collection of such taxes during the construction period. This has resulted in fiscal injustice being experienced by the local government.

The standpoint presented by Bappeda Kutai Kartanegara accentuates the pressing necessity to elucidate the roles and delineation of authority between the IKN Authority (OIKN) and local governments. The notion of 'partner regions', a concept frequently cited by OIKN, must be translated into clear operational terms to prevent it from becoming a rhetorical device devoid of practical substance.

One of the officers in BAPPEDA Kutai Kartanegara emphasised that for local governments, it is essential for OIKN to articulate a precise definition of partnership. It was noted that the concept of 'partner region' requires further elaboration to ensure mutual understanding and effective collaboration.

Concerns have been raised that, in the absence of concrete definitions and mechanisms for partnership, regions such as Kutai Kartanegara (Kukar) and Penajam Paser Utara (PPU) risk being relegated to the role of passive supporters in the IKN development process. In response to this phenomenon, both local governments have initiated the formulation of knowledge frameworks and counterstrategies. One such initiative is the proposal of the 'Pancakota' model, comprising Samarinda, Balikpapan, Nusantara, Penajam Paser Utara, and Kutai Kartanegara, as a more inclusive alternative to the 'Trikota' concept (Samarinda, Balikpapan, and Nusantara) previously proposed by Bappenas.

A representative of the BAPELITBANG Penajam Paser Utara also expressed concerns regarding the exclusion of Penajam

Paser Utara and Kutai Kartanegara from the core development framework. The representative emphasised that these regions had previously contributed land for the IKN project. It was contended that the provision of development assistance should not be confined to Samarinda and Balikpapan alone, in view of the strategic function performed by Penajam Paser Utara and Kutai Kartanegara within the wider regional context.

The initiation of joint research projects and the formulation of policy briefs represent strategies employed by local governments to assimilate the discourse on IKN development. These endeavours are undertaken with the objective of safeguarding their position and interests, thereby ensuring that they do not become marginalised within the emergent geopolitical landscape precipitated by the presence of the national capital.

Discourse on Development and Variations in Internalisation at the Local Level

The government, through IKN Authority and various ministries, disseminates the discourse on the development of IKN as a green, smart, and sustainable forest city, with the aim of achieving economic equality and national progress. However, the internalisation of this official discourse at the community level varies significantly and is often negotiated in relation to their experiences, interests, and the information they receive.

It is evident that certain members of the community have adopted this discourse in a favourable manner, perceiving it as a potential avenue for advancement. The head of Sukaraja Village has expressed support for the modernisation of the Sepaku market corridor, while the hydroponic farmer in Sukaraja village has expressed enthusiasm for developing hydroponics as part of the vision for food security. Moreover, the community in RT 3 Sepaku, who had initially expressed reluctance, have now adopted

a favourable stance towards the development, having directly benefited from enhancements such as improved road infrastructure, assistance with borehole construction, and the establishment of a flood-free residential area through the construction of retaining walls. The head of a neighbourhood in Bumi Harapan also stated that the positive impact of the IKN is clearly visible from the economic improvement of residents whose homes were once shanties but have now undergone drastic changes after receiving compensation.

Despite widespread anticipation surrounding the development of IKN, a significant portion of the population has voiced scepticism and, in some cases, outright resistance. This sentiment stems from a perceived discrepancy between the government's initial assurances and the realities experienced on the ground. Residents of Bumi Harapan and Bukit Raya, for example, have expressed disappointment over the government's commitment that the construction process would not interfere with residents' land—an assurance that, according to their accounts, has not been upheld.

In Sukaraja Village, a local resident highlighted the direct consequences of road construction activities carried out by IKN contractors, noting that these developments had disrupted previously accessible routes used by the community. He described the arrival of contractors as resembling the presence of dominant external forces, whose authority appeared to be concentrated solely within the project area. The residents reflected on the contrast between the pre-construction period, when they lived peacefully and enjoyed well-maintained roads, and the current situation, which they viewed as a deterioration of local infrastructure and community well-being.

The existing disparity in the degree of internalisation among community members is further compounded by the way information dissemination and socialisation efforts have been

undertaken. One of the village's officers from Bumi Harapan expressed criticism regarding the absence of community involvement during the early stages of IKN planning. According to the officials, there had been no initial coordination with local authorities or residents. The project's starting point was reportedly designated in an area presumed to be unclaimed or without ownership. However, subsequent analysis revealed that the land in question was, in fact, owned and utilised by the community. This misidentification of land status is indicative of a more extensive issue, namely the inadequate engagement and consultation with affected populations during the planning process.

This discrepancy between information and participation has been identified as a contributing factor to the limited internalisation of the external development discourse within the institution, which has, in turn, given rise to resistance or apathy. According to a local source in Sepaku, the initial stance adopted was one of scepticism, a position informed by the information received from traditional leaders and AMAN. However, following the receipt of direct clarification from the Authority, a shift in perspective occurred, thus illustrating the significant impact of access to accurate information on the internalisation process.

The anticipation of urban sprawl and its attendant consequences have become evident in the discourse surrounding the future of buffer zones. Concerns pertaining to the loss of productive agricultural land, rising living costs (for example, soaring rice prices), and changes in the socio-cultural landscape (for example, the potential for increased crime) are problems created by the internalisation of the discourse on new urban development. Consequently, a profound comprehension of how local communities receive, interpret, and respond to various development narratives is imperative for the formulation of more inclusive policies and the mitigation of potential future problems.

Chapter 5. Understanding Livelihoods of Communities within and Beyond IKN

The notion of sustainable livelihoods constitutes a pivotal foundation for comprehending the socio-economic dynamics of communities in the face of substantial changes, such as the development of the IKN in East Kalimantan. The Sustainable Livelihood Framework approach (DFID, 1999) posits that sustainable livelihoods are built on five key dimensions: human capital, natural capital, physical capital, financial capital, and social capital. Each dimension plays a role in exploring the conditions of individuals and communities in accessing resources, coping with pressures, and creating long-term well-being.

In the IKN area and its environs, regional transformation exerts divergent impacts on these five dimensions. Natural capital, encompassing elements such as forests, land, and water resources, is of pivotal significance to the livelihoods of local communities, particularly those reliant on the forestry and agricultural sectors. However, with the influx of large-scale investments and infrastructure development, physical and financial capital have become increasingly crucial, particularly for businesses and newcomers. Concomitantly, the strength of social capital and the quality of human resources are pivotal in addressing rapid socio-cultural changes. It is imperative to comprehend the circumstances pertaining to each livelihood dimension within the IKN area and its environs, as this forms the foundational basis for the

formulation of inclusive development policies that are not solely oriented towards economic growth but also ensure the sustainability of local communities' livelihoods.

5.1 NATURAL CAPITAL: ACCESS TO LAND, WATER, AND NATURAL RESOURCES

IKN Area

The natural capital of the IKN Area is notable for its considerable variety. Firstly, regarding access to land resources. Prior to the initiation of the IKN development project, community activities exhibited a considerable degree of reliance on land for the satisfaction of requirements arising from agricultural and plantation activities. It is evident that, to this day, several communities continue to subsist through the means of agriculture and horticulture. Agricultural commodities include rice, while plantations include palm oil and rubber.



Figure 25 Main activities of the community in the palm oil plantation sector in the IKN area (Photo by: Maulidia Savira Chairani, 2025)

The government's initiative to establish green open spaces (RTH) in the form of city parks and urban forests has introduced a new dynamic to land use planning in the IKN area. While these plans are framed as efforts to enhance environmental sustainability and urban aesthetics, they have also sparked concern among

segments of the local population. Several of the designated RTH zones currently serve as agricultural or plantation land, which has long been cultivated by community members for subsistence and livelihood purposes.

For individuals whose daily needs are met primarily through farming and plantation activities, the reallocation of these lands represents a significant disruption. The anticipated reduction in available agricultural land is not merely a logistical challenge—it touches on deeper issues of economic security and identity. Many residents have expressed apprehension about their ability to adapt, citing a lack of alternative skills outside the agricultural domain. This sense of vulnerability is particularly acute among those who have never engaged in non-agricultural occupations and who feel unprepared to transition into unfamiliar sectors.

In addition to skill limitations, there is a psychological and emotional dimension to the potential displacement. Community members who have cultivated their land over extended periods feel a strong attachment to it, not only because of its economic value but also due to the accumulated knowledge and care invested in its upkeep. The prospect of relocating to new plots—where cultivation must begin anew—evokes a sense of loss and disadvantage, as it entails starting from the ground up without the benefit of established soil conditions or crop cycles.

A local resident from Sepaku Subdistrict disclosed that, despite having contemplated the prospect of initiating an entrepreneurial endeavour, she predominantly favoured the continuation of agricultural pursuits. She elucidated that agriculture represented the sole skill with which she and her peers had become proficient, and that they lacked training in other domains. Her profound affection for her farm was rooted in an intimate understanding of its needs, including water, sunlight, and specific care routines. She feared that these needs would be difficult

to replicate in a new profession. She acknowledged that acquiring a new skill would require starting from scratch, a prospect she found daunting.

Despite the heterogeneity of opinion within the community, it is imperative to acknowledge that not all residents are in opposition to the anticipated consequences of the IKN development plans on their agricultural holdings. Indeed, there are indications that some individuals appear to accept, or even welcome, the transformation of their farmland and plantations, if compensation is aligned with prevailing market rates within the IKN region. This position is indicative of a pragmatic approach, whereby landowners recognise the potential for asset enhancement, both in terms of value and diversification, through strategic relocation or reinvestment.

For these community members, the prospect of selling land at competitive prices opens opportunities to acquire property in other areas where land remains relatively affordable. Such a move is seen not only as a financial gain but also to adapt to changing circumstances brought about by national development priorities.

A local resident from the Sepaku Subdistrict has stated that she is currently employed at a local canteen, and consequently, her palm oil plantation has been left unattended. It was explained that the trees had not been harvested for a period of several months and had begun to show signs of deterioration because of the lack of maintenance. Fertilization had been halted, as she and others in the area believed it was no longer worthwhile given the expectation that the land would soon be cleared. According to her, there was a consensus among the residents regarding this course of action.

From an alternative standpoint, the legality of land ownership cultivated by the community has not been fulfilled, par-

ticularly in relation to land cultivated by indigenous peoples. Concurrently, land cultivated by former transmigrants has predominantly or even exclusively obtained legal land ownership. This scenario has the potential to engender several challenges, particularly in the context of plans for development and land acquisition from the community as part of the IKN development project.

Consequently, the community has been and is currently addressing the legal status of land ownership to facilitate the land acquisition process with appropriate compensation. This initiative represents a concerted endeavour on the part of the community to address changes in the urbanisation process in the IKN area and its environments. Within the context of the urbanisation process, a range of systems will be established, including legal obligations to engage with the urbanisation system and its associated processes.

Water is one of the vital natural resources required to fulfil daily needs. Access to potable water for individuals lacking wells is typically facilitated through collection of rainwater, purchase of water from water supply companies (water sourced from springs), and utilisation of PDAM (Regional Drinking Water Company) services. The IKN area is in relatively proximity to Intake Sepaku and is also passed by the SPAM (Drinking Water Supply System) line from the intake. However, access to clean water is channelled directly to KIPP, thereby rendering it inaccessible to the surrounding community.

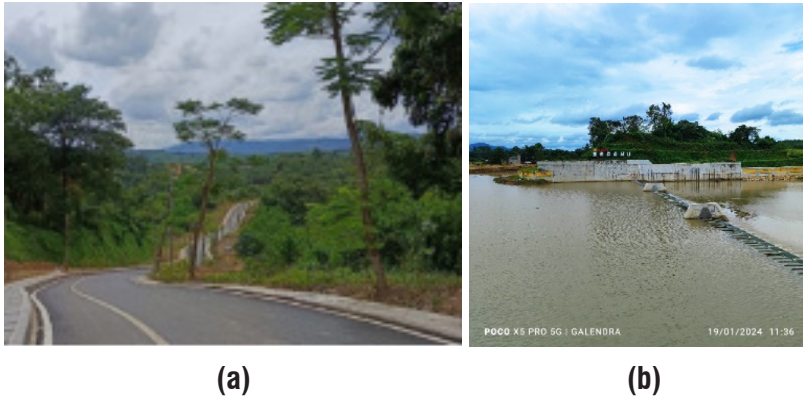


Figure 26 (a) SPAM pipeline connecting Intake Sepaku to KIPP (Photo by Maulidia Savira Chairani, 2025); (b) Intake Sepaku (Photo by Edwardus Iwantri Goma, 2024)

The distribution of potable water from wells is not uniform across the community surrounding the IKN area, with some individuals depending on the collection of rainwater and the purchase of water from springs. Access to potable water is typically facilitated through the collection of rainwater, which is often the case in local community houses, as well as in instances where well water may be inadequate during certain periods. Moreover, the procurement of water from springs constitutes a customary practice among the population in the IKN area, where it is utilised to meet their water requirements. The water distribution network planned by PDAM was intended to reach all community residences by March 2025. However, it is important to note that only a limited number of settlements have been successfully connected to this network. It has been reported by various communities that the access to potable water provided by the PDAM is more cost-effective than the alternative of purchasing water from springs. However, other communities have reported that water from the PDAM is less convenient because they feel that too much medicine is used.

IKN Development Area

Muara Jawa, situated within the IKN development area, is distinguished by its abundant natural resources, including land, water, and potential for oil and gas, coal, agriculture, and fisheries. These resources have the potential to underpin the community's sustainable livelihoods. To date, the development of the IKN has not had a direct impact on the community's access to land, water, and other natural resources in Muara Jawa. Evidently, a proportion of the local population, specifically those not engaged in formal industrial employment, continue to depend on domestic resources for their subsistence.

In various communities, especially among non-company workers, land remains a critical necessity for daily life. Access to land is restricted to those who possess or control it, while those lacking land frequently engage in land cultivation through social connections. Agricultural activities such as rain-fed rice farming continue to be practised in accordance with traditional methods. A significant proportion of the local population engage in the cultivation of their own land; however, a considerable number of individuals only borrow land without having entered into a formal agreement.

As is well documented, a significant number of settlements in Muara Jawa were established on peat swamp land that was subsequently filled in by the local community. One resident offered the following testimony: One of the locals in Muara Jawa asserts that the area under discussion is characterised by peat swamps, and that the land is undergoing a process of infilling. Despite the abundance of energy resources, including oil, gas and coal, in Muara Jawa, access to these resources remains constrained for the general population. The management of these assets is typically undertaken by prominent corporations or influential

individuals with substantial political and economic clout. The public is only permitted to observe the extraction process from a distance.

Conversely, Muara Jawa is confronted with substantial challenges concerning the quality of its groundwater. The water in this area is characterised by a yellowish hue and a turbid appearance, indicative of elevated levels of particulate matter and heavy metals. Consequently, the water is deemed unsuitable for consumption due to its high concentrations of these substances. Residents have expressed concerns that the contamination may be associated with oil and gas operations in the vicinity of the Mahakam River. As stated by the head of Muara Kembang from Muara Jawa Ulu, the water has become discoloured, and its quality is so poor that it is no longer suitable for bathing.

Consequently, households are compelled to rely on purchased water, either in tanks or bottled form, to meet their daily needs, placing considerable strain on household finances. It was observed by a local resident of Muara Jawa that the cost of a single water tank is IDR 60,000, with an estimated lifespan of only two to three days. This practice was characterised as being extremely frugal, given the limited duration and recurring expense.

Concurrently, residents in several locations in Muara Ulu and Dondang, which are relatively distant from industrial sites, continue to depend on well water for their personal hygiene needs. However, in the context of domestic kitchens, there remains a preference for bottled water, driven by concerns regarding the quality of groundwater.

Beyond IKN Area

Maridan is one of the buffer zones for the IKN in the southern part, located outside IKN zone. Administratively, it falls

within the jurisdiction of Sepaku District, encompassing an area of over 37 km². The district is further subdivided into 23 RT (BPS, 2024). For a considerable period, this area has been recognised as the operational centre of PT ITCI Kartika Utama (PT ITCI KU), a forestry company that is part of the Arsari Group. Most of the land in Maridan remains under the company's control through a Right to Cultivate (Hak Guna Usaha or HGU), which covers 3.4 million m² and has a validity period of 20 years, as indicated by the HGB certificate issued by the East Kalimantan Land Agency on 18 May 2017. Previously, PT ITCI KU had obtained a land use permit since 7th July 1994, covering an area of over 4.2 million square metres, which expired in 2016. The company's primary activity is the exploitation of forest products, principally timber (logging), which has seen a steady decline in scale over the past few years. Presently, PT ITCI KU has repurposed a portion of its land for sengon cultivation and is implementing conservation measures through the establishment of the Orangutan Sanctuary Centre (PSO) since 2019.

Outside the designated concession area, the local population of Maridan uses the land for settlements and agricultural activities. Despite the absence of formal legal recognition for a significant portion of the territory, the community persists in utilising it in accordance with customary practices that have been handed down through generations. The social structure of the Maridan community is characterised by significant diversity, which has emerged because of a historical process of labour mobilisation since the 1940s, initiated by PT ITCI KU. This migration process gave rise to social interactions with local ethnic groups, such as the Paser and Balik, through work relationships, marriage, and land purchases. Consequently, the formation of mixed indigenous communities occurred, dispersed across various neighbourhood units (RTs). It is also notable that some residential areas are

located on the banks of waterways, such as around Maridan Port in RT 1, RT 2, and RT 3. It is important to note that these areas do not have official land certificates to this day.

The impact of land use changes resulting from IKN development on Maridan is relatively limited. The primary infrastructure traversing this region is the Balikpapan–IKN toll road, which utilizes the Pulau Balang Bridge. The construction of this toll road is currently underway on the Maridan–Riko border, necessitating the acquisition of land owned by residents. The land acquisition scheme includes provisions for compensation for land and productive crops. However, in practice, challenges persist, including the inadequacy of compensation values and repressive approaches in field execution processes, such as direct intervention by security personnel into residents' homes.

Regarding access to clean water, some areas of Maridan have been supplied by PDAM since 2023. Previously, the community relied on local water sources such as wells, rivers, and rainwater. On the provision of drinking water, residents have been observed to utilise bottled water, with a cost ranging from IDR 5,000 to IDR 6,000 per gallon. However, it should be noted that the reach of PDAM services has not yet been extended to all areas, particularly in port-adjacent zones and border regions between Maridan and Riko, such as RT 17, where there are still limitations in accessing piped water infrastructure.



Figure 27 Maridan Village Water Supply Company (Photo by: Moh. Syahrul Irfan Fahmi, 2023)

Another noteworthy location in the vicinity of IKN is Riko Village. Riko is an area that is adjacent to Maridan and is part of the Penajam District. Riko is the largest village in this district, covering more than 347 km², which is divided into six RT (BPS, 2024). Most of the land in this village is used for oil palm and rubber plantations. It is evident that several substantial corporate entities exercise control over land in Riko, a fact exemplified by the presence of corporate entities. The development known as Alam Permai Makmur Raya comprises a CPO processing plant and a residential area for oil palm workers and labourers. A preliminary investigation into the geographical area in question has revealed several instances of congruence in land ownership between corporate entities and the local community.

Riko plays a pivotal role in the spatial planning system and supporting infrastructure of the IKN. From a geographical perspective, Riko functions as the primary land corridor connecting the Pemaluan core area with the regional transportation network. This includes direct access to the toll road and the Pulau

Balang Bridge, which is a vital connection to Balikpapan City. In addition to its transport functions, Riko also serves as a logistics distribution hub and food supply chain from the agricultural areas in Sepan and other hinterland regions. These regions are of pivotal importance in ensuring food security and the sustainability of the urban system in the new capital city.

The development of IKN has had direct implications for spatial and socio-economic dynamics in the Riko region. In terms of infrastructure, the region has been impacted by the construction of a toll road that traverses the border with Maridan Village, as well as the development of an airport, with a portion of the latter situated within the Riko and Gersik areas of Penajam District. Nevertheless, the process of land acquisition has been shown to be intricate. A substantial area of land that was formerly subject to corporate concessions has been appropriated by the Land Bank Agency without adhering to a land acquisition process that acknowledges the ownership claims of local communities. Consequently, communities have received compensation solely for existing crops, not for the land they claim to have traditionally controlled.

Riko Village has now been identified as a pivotal locale for the advancement of supporting infrastructure for the IKN. One such project is the planned construction of the Riko River intake, which is intended to meet the raw water needs for the operational requirements of Nusantara Airport and provide clean water for the residents of Riko, who have yet to be served by the public water utility (PDAM). The community's current water supply is comprised of river water, wells, rainwater, and bottled water. In the context of social mitigation efforts, the village administration has initiated a socialisation process and mapping of affected areas. The objective of this initiative is twofold: firstly, to ensure transparency and, secondly, to prevent conflicts related to land acquisition.

5.2 HUMAN CAPITAL: EDUCATION, SKILL, AND HEALTH

IKN Area

The sustainability and productive use of natural capital – including, but not limited to, land, forests and water resources – are closely tied to the availability and strength of human capital. In the absence of the requisite knowledge, skills and capacity to manage and utilise these resources effectively, their potential remains underdeveloped. In this context, human capital is most visibly manifested through access to education, which plays a pivotal role in shaping individuals' ability to engage with development processes and adapt to change.

In the environs of IKN, access to higher education remains constrained. A significant number of families encounter structural and economic impediments that hinder their children from pursuing tertiary education. Notwithstanding these constraints, there is an emergent awareness among community members of the long-term value of education. Parents and guardians are increasingly cognizant of the significance of ensuring that their children complete at least senior high school, if not continue to tertiary education. This acknowledgement is indicative of a more extensive comprehension that education furnishes individuals with the instruments necessary to navigate future challenges and capitalise on emerging opportunities.

One of the local residents of the Sepaku Subdistrict expressed the conviction that education exerts a substantial influence on an individual's prospects. It was observed that university education furnishes individuals with a more extensive knowledge base and a more profound understanding of a range of subjects, which can be applied to various aspects of life. She emphasised that individuals who pursue higher education tend to possess a greater quantity of information and insight, which can enhance their

ability to make informed decisions and contribute meaningfully to their communities.

Furthermore, the IKN development project facilitates access to training with the objective of enhancing the skills of the community. This initiative involves several institutions, including the government and universities. This access is manifested in the form of training that the community can engage with and adapt to align with their individual interests. The acquisition of skills, the expansion of employment opportunities and the augmentation of income are all possible outcomes of community development, which can be facilitated by training. However, the competencies acquired during training are seldom directly applied due to the perceived inadequacy of the potential financial rewards. The community has expressed a preference for the initiation of alternative commercial enterprises, including the provision of residential and boarding facilities, the establishment of stalls, the rental of vehicles and heavy machinery, and the rental of land to meet the needs of migrants. These enterprises require a comparatively modest amount of capital and have the potential to generate substantial profits, which, however, are less substantial when compared to the profits from the training, which are themselves comparatively modest.

The health sector within the IKN development area is currently facing a significant challenge related to waste management practices. Prior to the implementation of the survey, it was observed that several residents had adopted the method of burning household waste, either in their gardens or near their homes. This practice, while pervasive, has given rise to significant concerns due to its deleterious effect on air quality. The smoke produced from the incineration of waste contributes to environmental pollution and poses health risks, particularly respiratory tract infections.

As elucidated by one of the residents in Sepaku Subdistrict, a number of individuals residing within the community had been disposing of refuse by burning it in the vicinity of their dwellings. It was observed that the absence of a designated landfill site in Sepaku Village had served to compound the issue. Previously, waste disposal was permitted in Bukit Raya; however, this option is no longer available. Consequently, the local population has adopted the practice of waste management through the process of incineration. She emphasised that this situation has exerted a particularly deleterious effect on young children. It has been asserted that infants who are frequently exposed to smoke during inhalation are more prone to respiratory complications. This emphasises the urgent need for enhanced waste management systems and public health safeguards.

Furthermore, the mobilisation of materials and heavy equipment has been identified as a significant contributor to air pollution, resulting in substantial vehicle pollution and construction dust. It has been requested by several members of the community that compensation be provided for the watering of roads when vehicles transporting construction materials pass through, with a particular emphasis on vehicles traversing residential areas.

This is one of the compensations provided by the project implementer. Furthermore, it is imperative to note that the project's implementation may encounter significant delays or be impeded if this compensation is not met. One of the obstacles to be overcome is the potential reluctance of residents to grant access to the project mobilisation, due to their concerns regarding the dust emanating from the mobilisation of project material vehicles.

IKN Development Area

The human capital development in the IKN Development Area of Muara Jawa is indicative of a trajectory of gradual prog-

ress. However, this advancement is consistently overshadowed by deep-rooted structural limitations. The community continues to strive towards improving educational attainment, cultivating vocational competencies, and addressing fundamental health needs. However, an analysis of regional development strategies and major projects – particularly the IKN initiative – reveals that these three pillars have not yet been fully integrated into a cohesive framework. Access to services remains uneven, and the quality of delivery is inconsistent. Furthermore, the tangible outcomes of various training programmes and assistance initiatives have yet to be felt at the grassroots level.

Education, a cornerstone of societal development, has gained increasing recognition among Muara Jawa's residents. Parents are progressively prioritising schooling, as evidenced by the growing availability of primary and secondary institutions across the region. Many families now aspire to send their children to university, even if this requires relocating to cities such as Samarinda or Balikpapan due to the absence of higher education facilities in Muara Jawa.

Despite encouraging developments in certain sectors, persistent challenges remain in the realm of early childhood education (PAUD) and inclusive education for marginalised populations. The low enrolment rate in PAUD is largely attributed to insufficient financial resources. A local educator remarked that the expansion of PAUD access is constrained by a lack of adequate funding.

Furthermore, the availability of senior high schools and vocational institutions is inadequate when compared to the growing number of junior high school graduates. It was noted by a school principal in Muara Jawa Subdistrict that the area currently has only one public senior high school and two vocational schools— one public and one private—while the number of school-age

children continues to rise.

The alignment of curricula with local skill demands and the strategic direction of IKN development poses a significant challenge, as existing programmes have yet to fully reflect these elements. In response to the emergence of IKN, the Kutai Kartanegara Regency Government, the Labour Ministry, and the IKN Authority launched several skill training programmes. These included covered carpentry, product packaging, digital marketing and fisheries cultivation, with the objective of enhancing community competitiveness in the evolving labour market.

Despite the existence of a variety of training programmes, their overall effectiveness remains limited. A significant number of participants encounter challenges in applying the skills they have acquired, primarily due to the brief duration of the training, the superficial coverage of the material, and the absence of post-training support mechanisms such as access to capital or markets.

A school principal in Muara Jawa has noted that, despite the existence of training opportunities – with the principal citing their own participation in packaging and digital marketing sessions – the lack of financial assistance following the training has hindered the continuation of business activities. It was asserted that training in isolation is inadequate for ensuring the long-term success of entrepreneurial endeavours, with the necessity of complementary support mechanisms being emphasised.

A number of individuals who had successfully completed a carpentry training programme endeavoured to participate in the IKN project workforce. However, due to the ambiguity surrounding the project's future, these individuals ultimately returned to their previous roles.

Moreover, the issue of healthcare access in Muara Jawa remains a critical concern. The region's infrastructure is character-

ised by a paucity of medical facilities, with only a small number of community health centres (Puskesmas) and small clinics available. Large hospitals and specialist services are not present in the region. This dearth of comprehensive healthcare facilities continues to impede the community's overall well-being and resilience.

Beyond IKN Area

The Maridan Subdistrict has been found to have relatively adequate educational infrastructure to meet the needs of basic to upper secondary education (12 years), both through public and private institutions. Most of these educational facilities are concentrated in the central area of PT ITCI KU, which was previously constructed as part of the company's employee housing facilities. The area was designed as an integrated environment with various public facilities, including educational, health, and religious services. However, following the operational decline of PT ITCI KU and the mass layoffs in 2006–2007, the residential area began to be abandoned by its residents. Notwithstanding this, educational facilities such as ITCI High School and several public schools located within the ITCI area remain operational and continue to serve students from Maridan Village and surrounding areas like Telemow Village. Beyond the confines of the ITCI area, a plethora of educational institutions, including SMP (Junior High School) 12 Penajam Paser Utara and numerous kindergartens, are also present.



Figure 28 SMPN 12 Penajam Paser Utara in Maridan Village (Photo by: Moh. Syahrul Irfan Fahmi, 2023)

In Maridan Village, a notable initiative that has been implemented is the INOVASI Program, a collaborative effort between the Australia-Indonesia Partnership (KIAT), the Ministry of Education, the Ministry of Religious Affairs, and Bappenas. The programme's initial focus encompassed regions such as West Nusa Tenggara, East Nusa Tenggara, North Kalimantan, and East Java. However, following instructions from the Deputy for Social, Cultural, and Community Empowerment of the IKN Authority, the programme was expanded to include the Gugus 1 sub-district of Sepaku, which includes the Maridan sub-district.

INOVASI's overarching objective is to ensure that all primary school students in Indonesia attain mastery of fundamental skills. The programme has now entered Phase 3, which will run from January 2024 to December 2027. The implementation of the programme at SDN 21 Sepaku is centred on the enhancement of literacy, with a focus on classroom renovations, teacher training, the establishment of reading corners, and the development of a literacy curriculum that is grounded in local culture. The reading

materials employed in this programme have been meticulously curated with the active participation of local authors, specifically for sixth-grade students. This ensures that the content is pertinent and closely aligned with the daily lives of the children. The programme was first introduced at Maridan in the 2025 academic year and has been running for one semester. The response from teachers, students, and education stakeholders has been very positive so far. In the future, the programme is planned to be expanded to include numeracy skills.

With respect to healthcare services, Maridan Village previously had access to ITCI Hospital, which was strategically located and had been the community's main referral hospital. However, the hospital has ceased to operate due to a fire that was caused by negligence in infrastructure maintenance. The limited availability of local healthcare facilities has resulted in the majority of Maridan residents opting to access healthcare services in Balikpapan City via sea route using speedboats. The selection of this option is primarily influenced by two key factors: the reduced travel duration and the enhanced quality of healthcare services in Balikpapan when compared to other proximate facilities.

The Maridan Health Centre building is currently under construction and has been designed to serve two administrative areas: Telemow Village and Maridan Subdistrict. Conversely, the construction of Mayapada Hospital in the central area of the capital city, specifically in Sepaku District, offers an additional healthcare option accessible via land routes. Nevertheless, access to the area is still impeded by the intensity of ongoing construction activities, the utilisation of heavy machinery, and dust pollution resulting from accelerated infrastructure development. These factors are the primary obstacles for Maridan residents in utilising the healthcare services available in Sepaku.

Evidence suggests that the Maridan Subdistrict generally exhibits characteristics of a relatively healthy residential environment, characterised by minimal levels of air pollution. This assertion is reinforced by two fundamental factors. Firstly, the area experiences minimal motor vehicle traffic, which is indicative of a low level of urbanisation. Secondly, the residential area's geographical location is quite distant from major construction activities, such as the construction of toll roads, which are located on the periphery of the subdistrict. These conditions contribute to the maintenance of clean air quality and a relatively quiet environment.

With respect to environmental quality, Maridan exhibits sufficient water resources. While not all regions are equipped with a piped water system, the community typically fulfils its water requirements through a variety of alternative sources, including rainwater, reservoirs, and wells. This pattern of water use is characterised by its adaptive nature, representing a component of local practices in the independent management of water resources. The combination of low urbanisation pressure and accessible alternative water sources positions Maridan as a region with relatively stable environmental conditions and a high carrying capacity, despite the dynamic development occurring in the surrounding areas.

The Riko area is distinguished by a comparatively deficient provision of educational facilities in contrast to the Maridan area. Presently, merely two formal educational institutions have been established in the region. These are SD (Elementary School) Negeri 33 Penajam and SMP (Junior High School) Negeri 14 Penajam Paser Utara. To access upper secondary education, students from Riko are required to travel outside the immediate area. For instance, they may enrol at SMA (Senior High School) Negeri 6 Penajam Paser Utara, located in Sotek Village, or SMA owned by PT ITCI KU, situated in Maridan Village.

Regarding healthcare facilities in Riko, it is evident that their scope is extremely limited, with the provision of services being confined to basic amenities such as Posyandu (integrated health service posts focusing on maternal and child healthcare) and Puskesmas Pembantu (auxiliary community health clinics offering minimal medical services). To access advanced healthcare services, residents are required to travel to the Sepan area or to Balikpapan. The most efficient route to the latter is by sea through the Maridan neighbourhood, which provides the most efficient access to the city.



Figure 29 PAUD in Riko Subdistrict (Photo by: Moh. Syahrul Irfan Fahmi, 2023)

With regard to the spatial distribution of settlements in Riko, a significant proportion are situated along the primary thoroughfare leading to Pemaluan. This thoroughfare functions as the nucleus of the KIPP. The location is subject to the presence of high volumes of heavy vehicles, particularly those employed in construction, which results in an increased risk of accidents. The consequences of the project are twofold: firstly, an increase in noise and dust pollution; secondly, an increase in pollutants.

However, these increases are less pronounced than those observed in the Pemaluan and Sepaku regions. Furthermore, the enhancement of road infrastructure has resulted in an escalation in traffic accidents, attributable to the elevated velocities at which vehicles traverse residential zones, compounded by the absence of adequate traffic control systems.

5.3 SOCIAL CAPITAL: COMMUNITY NETWORK AND COLLECTIVE ACTION

IKN Area

The social capital present within the IKN area, stemming from community networks and collective action, is chiefly driven by economic motivations. The establishment of community networks in the IKN area has been successful in terms of the provision of information on accommodation rental needs. The substantial number of migrants engaged in labour to support the IKN development project has resulted in an augmentation of accommodation rental requirements, consequently giving rise to a demand for information on this subject. Technological advancements have emerged as a pivotal conduit through which communities can access prospective consumers. Furthermore, the importance of community networking in addressing the accommodation, goods, and service needs of migrants has become paramount. This scenario presents an economic opportunity for the community.

Community networking has been identified as playing a vital role in the broader process of community development. It functions as a conduit through which individuals and groups can establish connections, disseminate information, and collectively discern and pursue opportunities that contribute to local growth and resilience. The ideal function of such networks is to

facilitate collaboration, resource mobilisation and strategic planning among community members.

However, within the IKN development area, the nature of community networking has become more complex and problematic. The situation in the surrounding areas indicate that these networks are often intertwined with the activities of brokers and land speculators who seek to extract excessive profits from land transactions. Instead of facilitating equitable development, these actors have exploited their positions to influence land negotiations and rental arrangements in ways that benefit themselves disproportionately.

A local resident of the Sepaku Subdistrict has stated that there is a pervasive presence of brokers and individuals associated with land mafias. She asserted that it was unrealistic to expect their absence, given that many were actively involved in current land dealings. It was further elucidated that there were generally two categories of brokers operating in the area. One such category was that of rental brokers, who typically amassed profits amounting to approximately IDR 20 million per transaction. This finding emphasises the necessity for enhanced oversight and transparency in land-related community interactions within the IKN region.

Concurrently, the phenomenon of collective action was identified in small groups within the context of specific projects that were related to community demands due to dissatisfaction with the price of land affected by the SPAM dan river normalisation projects. The SPAM construction project and river normalisation with the construction of river embankments have been executed in the Sepaku subdistrict to date.

Regarding the river normalisation project, which involves the construction of river embankments, the community has expressed concerns that the compensation provided for affected

land is inadequate, particularly in RT 2. Furthermore, concerns have been raised regarding the transparency surrounding the determination of compensation rates. Moreover, the community has articulated apprehensions concerning the perceived absence of support from the village office about the acquisition of land affected by the construction of river embankments.

The community has collaborated to undertake various initiatives aimed at securing a land acquisition price that they deem to be commensurate with the value. The acquisition of land has been demonstrated to be a problematic process, which has exerted a detrimental effect on the construction of river embankments. It is evident that these embankments fulfil a pivotal function in reducing the likelihood of flooding. Consequently, during periods of rising river water levels, the residential areas located along the riverbank are susceptible to inundation. This has resulted in demonstrations by residents, who have constructed banners like the one depicted in Figure 30 (a).

It is noteworthy that the statement on the protest banner in Figure 30 (a) is at odds with the statement on the banner in Figure 30 (b). The two banners were discovered in the same administrative area, specifically the Sepaku neighbourhood, albeit in different RTs. A salient reason for the discrepancy between the two banners is the absence of transparency regarding the receipt of compensation, which has given rise to social envy and divergent preferences among community groups.



Figure 30 (a) Protest banner by residents of RT 02, Sepaku Village, against development on the Sepaku River (Photo by: Azis Musthofa, 2025); (b) Banner expressing support by residents of RT 03, Sepaku Village, for development related to the Sepaku Intake (Photo by: Agung Jauhari, 2025)

During the implementation of the SPAM pipeline project in the KIPP, the local community initiated a collective protest in response to the ongoing construction activities and the closure of access routes required for the project. This protest emerged as a form of resistance against the perceived lack of resolution regarding outstanding issues, particularly in relation to land use and compensation. The action was notably carried out in the Sepaku Subdistrict, where tensions had escalated due to unresolved grievances.

One of the residents in the Sepaku Subdistrict elucidated that the community had deliberately impeded access to the construction site as a protective measure for residents. She stated that approximately three kilometres of work remained unpaid and, as such, should not be disturbed until a formal solution was in place. It was made clear that any consideration of reopening the access route would be dependent on the provision of clear resolutions. The local resident posed several questions of pertinence, including the scheduling of a meeting, the location of the Nation-

al Land Agency (BPN), and the identification of the responsible party for the current situation. She articulated her frustration that water was already being utilised at the palace via a road for which compensation had not yet been received. Her remarks reflected a demand for accountability and clarity, as she urged the establishment of a timeline and the identification of responsible parties to address the issue. In conclusion, the necessity to document the matter formally was suggested, with the option of doing so through meeting minutes.

The community's objections were primarily due to the incomplete land acquisition payment process, despite the commencement of project work. It was observed that several plots of community land had not been paid for because the administrative requirements for land acquisition had not been fulfilled. This was one of the obstacles to the disbursement of land acquisition funds. In the context of the SPAM route, where construction activities were undertaken, collective action was observed and documented. However, this collective action was exclusively observed in Sepaku Village. Concurrently, in other regions similarly impacted by the SPAM route construction, there was an absence of collective actions, such as protests or refusals, related to the land acquisition process. This may be since the land acquisition process was characterised by enhanced transparency, meticulous preparation, and clearly defined procedures, thereby ensuring that the community did not perceive any disadvantage.

IKN Development Area

The social capital of Muara Jawa is characterised by the prevalence of community networks centred on informal religious-based activities. These networks function as conduits for dialogue and social cohesion, transcending the boundaries of identities. An illustrative example of this phenomenon is *maje-*

lis taklim, which translates to ‘religious gatherings’. It has been stated by one of the local inhabitants that the congregation of the local community takes place monthly with the objective of fostering a sense of fraternity and solidarity amongst the residents. Moreover, the existence of a fishing community fosters shared livelihoods, thereby enabling fishermen to establish economic solidarity and facilitate information exchange, including the sharing of tools and knowledge regarding fishing seasons and catches.

Examples of collective action in the development area of IKN can be found almost in areas, including Muara Jawa Pesisir and Dondang. The collective action in Muara Jawa Pesisir is known as the Muara Jawa Bersih movement. This activity is conducted monthly by the community with the aim of maintaining environmental cleanliness. It was observed that the RT chairman has played a pivotal role in encouraging community participation in the collective maintenance of the village environs. This objective has been pursued through the implementation of various initiatives, including road sweeping, the removal of roadside vegetation that impedes pedestrian access, and the repair of village roads. The form of social capital observed in Muara Jawa at present is not a direct result of IKN development, as IKN development is still focused on the core zone (KIPP). This finding suggests that there has been a lack of a substantial response to this issue.

Beyond IKN Area

A salient social characteristic of Maridan Village, in comparison to other areas within the vicinity of the capital city of Nusantara, is its pronounced level of social differentiation and cohesion. Maridan is an area that was formed organically through corporate activities, particularly the presence of PT ITCI KU, which from the

outset brought in workers from various ethnic and religious backgrounds, ranging from Kalimantan, Sulawesi, to Java. This pattern of labour migration has resulted in the establishment of a highly diverse yet cohesive social configuration, which now forms a significant foundation for community life in Maridan.

This diversity is not merely a demographic fact but is manifested in functional social organisational structures. The formation of official legal entities by ethnic and religious groups is an established phenomenon. For instance, the Dayak Paser Customary Council and the Lio Utara Lepembusu Extended Family have established secretariats. These organisations serve a dual function: as institutions for social and economic empowerment on one hand, and as channels for representing community voices in strategic forums related to IKN development on the other. The presence of clearly defined managerial structures, interconnected across multiple levels ranging from local to national, has been observed to facilitate more systematic advocacy processes and enhance bargaining power. It is evident that, through this structure, indigenous communities can preserve their cultural values and practices. Moreover, they are also able to engage actively in development discourse, such as advocating for the rights of indigenous communities and land management in the IKN buffer zone.

In this context, the role of local institutions, and particularly the head of RT, is of great strategic importance. In Maridan, the RT fulfils a dual role, serving both administrative functions and as an effective social communication hub between the sub-district government and the community. It is evident that RT chairpersons, due to their intimate and personal relationships, function as pivotal agents in the dissemination of information, the management of aspirations, and the distribution of development programmes. It has been demonstrated that a significant proportion of residents find it easier to understand and accept

change through informal communication facilitated by the RT than through the official bureaucratic channels, which are often perceived as distant or non-transparent.

The role of religious institutions in the promotion of social harmony is also crucial. It is evident that places of religious worship such as mosques and churches fulfil a dual role as sites for spiritual devotion and as pivotal centres for social activity, educational endeavours, and the promotion of community cohesion. The multifaceted role of these institutions extends to Islamic boarding schools, which function not only as places of religious instruction but also as pivotal centres for social activity, education, and community solidarity. The Maridan community has been found to utilise religious activities as a means of establishing networks of moral, economic, and psychosocial support. The efficacy of these networks in reducing vulnerability and enhancing cohesion among groups has been demonstrated. This religious role is also pivotal to the acceptance of information related to regional transformation, including sensitive issues such as relocation, land use changes, and infrastructure development.

These social portals, whether in the form of traditional organisations, neighbourhood structures, or religious institutions, serve as conduits for disseminating information between the community and IKN development. Despite the absence of comprehensive and transparent information, the existence of these channels facilitates the comprehension of the developmental trajectory by the community. The construction of a basilica as a centre for Catholic worship in the IKN area is a topic that is currently being discussed. This proposal is indicative of the government's endeavours to address religious diversity in both symbolic and functional terms. Nevertheless, public participation in the planning and design process remains limited.

A salient distinction emerges when comparing the social conditions in Riko Village to those in Maridan, particularly with regard to the dynamics of community networks and collective action. Notwithstanding the persistent importance of the RT in enabling interaction between the community and the government, the social structure in Riko is distinguished by a heightened degree of homogeneity, with the Paser, Bugis, Javanese, and Dayak ethnic groups predominating. In contradistinction to the robust and legally legitimised traditional organisational structure that characterises Maridan, the role of traditional ethnic groups in Riko is comparatively less pronounced. This issue is further compounded by the community's limited awareness of the significance of collective bonds founded upon social identity, as evidenced by their underrepresentation in the revitalisation of customary leadership structures. A salient example of this phenomenon is the stagnation of the election process for the Paser chief, which failed to elicit any response from the community members.

Nevertheless, the role of RTs in local-level strategy remains significant, particularly in the advocacy of agrarian conflict cases between communities and corporations. In Riko, land conflicts are a structural issue that continues to arise, particularly in relation to unilateral claims by companies over land that has been managed by residents for decades. The community has been deprived of access to its primary source of subsistence, namely oil palm and rubber plantations, due to the absence of formal recognition of its ownership rights. In such circumstances, RTs frequently become the sole representation to which the community is exposed, despite their limited authority and absence from formal dispute resolution processes.

The limited responsiveness of the local government has had a detrimental effect on the situation. A salient example of this phenomenon is evident in the issue of land acquisition for

the construction of Nusantara Airport. The village of Riko has been subject to close examination following the replacement of the previous village head by the Penajam Paser Utara Regency Government through a process of rotation. This course of action was initiated on the basis that the former village head had been unresponsive and had not fulfilled a strategic role in mediating between the interests of the community and external actors. Evidence from the current situation suggests that the village has merely functioned as a conduit for policies emanating from the regency, provincial, or national government, without assuming the role of a forum for the articulation of the aspirations and advocacy of affected residents.

Beyond cultural and governmental aspects, the role of religious organisations in Riko has not developed as strongly as in Maridan. Despite the involvement of certain religious groups in social empowerment activities, these functions are largely confined to ceremonial activities and routine meetings. There appears to be a lack of emphasis on fostering community solidarity or policy advocacy. Religious institutions in Riko function more as spiritual hubs than as strategic actors in social development.

5.4 PHYSICAL CAPITAL: SOCIAL INFRASTRUCTURE AND HOUSING

IKN Area

The concept of physical capital pertains to infrastructure that facilitates the day-to-day activities of the community, with a particular emphasis on residential areas. One of the problematic educational infrastructures surrounding the IKN has been the focus of special attention. One such institution is the SDN 020 Sepaku, which was repeatedly affected by flooding until it was finally relocated and rebuilt.

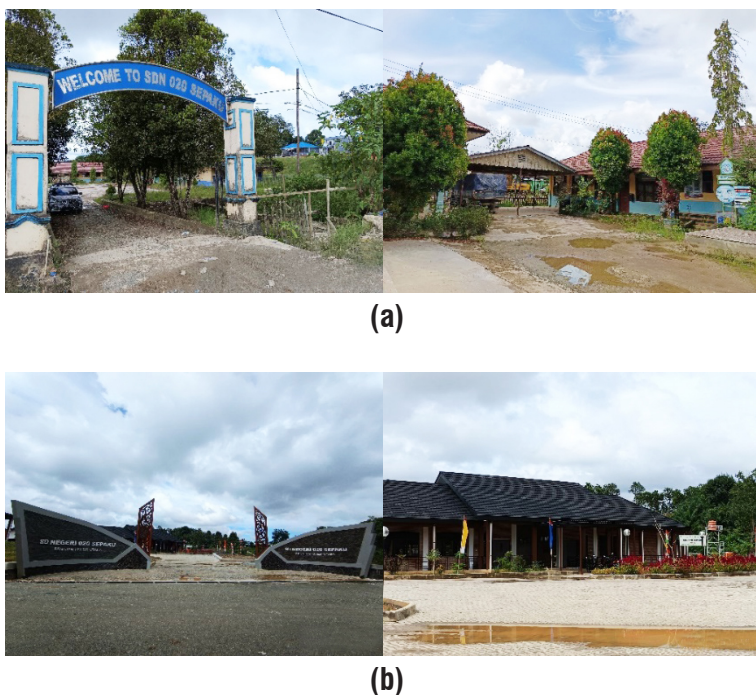


Figure 31 (a) SDN 020 Sepaku old location and building; (b) SDN 020 Sepaku new location and building (Photo by: Maulidia Savira Chairani, 2025)

The relocation of SD 020 within Bumi Harapan Village signifies a substantial enhancement in educational infrastructure within the IKN region. This initiative, which is partially funded through Astra's CSR programme, involves not just the relocation of the school, but its reconstruction with upgraded facilities. It has been posited that SD 020 is undergoing a developmental process that aims to transform it into an elementary school that adheres to international standards, with a particular emphasis on English-language instruction. A resident from Sepaku Sub-district has stated that the school is not merely being relocated to a roadside location but is undergoing a complete reconstruction to meet international standards.

Concurrent with the enhancement of educational provisions, the healthcare sector within the IKN area has also undergone substantial progress. There has been a marked increase in both the number and quality of health facilities, particularly hospitals. Existing health centres have undergone substantial upgrades, particularly regarding the visual and structural quality of their buildings. These upgrades have resulted in a marked enhancement in the appearance of the centres, which now present a significantly more refined aesthetic compared to their previous state.



Figure 32 New health facility in the form of a hospital in the IKN area (Photo by: Maulidia Savira Chairani, 2025)

Moreover, from an economic activity perspective, the IKN area already boasts a functional market that has emerged as a significant economic hub within the Sepaku region and its environs. The area surrounding the market has been equipped

with banking facilities, albeit in a limited capacity. The advent of IKN has precipitated a marked diversification of banking facilities. Several banking institutions operating under the aegis of the State-Owned Enterprises (BUMN) have established branches within the IKN region. The buildings have also been emblazoned with the IKN logo.



(a)



(b)

Figure 33 (a) Pasar Rebo, Sukaraja, Sepaku District; (b) New banking facilities in the IKN area (Photo by: Maulidia Savira Chairani, 2025)

Infrastructure development, particularly the expansion of road networks, has been identified as a strategic priority in the IKN region. A notable initiative involves the construction of a

bypass road designed to connect Sukaraja Village with Bukit Raya Village. The objective of this project is to enhance regional connectivity and reduce travel time for residents. Nevertheless, the implementation of the road construction project has had direct implications for both private and public landholders.

It is evident that the construction process had an impact on several plots of land belonging to residents, resulting in alterations to property boundaries and land use. In addition to the impact on private land, public facilities were also affected, with a school located along the planned route being particularly impacted. The school received financial compensation for the portion of land that was appropriated. This compensation was subsequently utilised as supplementary funding to support various developmental initiatives within the institution, contributing to improvements in its infrastructure and educational services.

One of the local inhabitants of Bukit Raya Village has stated that the recently constructed road has had a substantial impact on accessibility to the area. It was hypothesised that travel had become a more efficient and convenient endeavour. Previously, she was obliged to take a longer route through the market, which often entailed delays due to traffic congestion. Subsequent to the completion of the bypass, it was noted that the route from the subject's place of residence, which is in the vicinity of the recently constructed road, to the educational institution no longer necessitated detours. This development has been shown to enhance the efficiency of daily commutes.

The construction of the bypass road has facilitated community access, especially between Sukaraja Village and Bukit Raya Village. Furthermore, prior to the construction of the bypass road, a single access route had to traverse the market, which frequently resulted in congestion. The new road, however, has the advantage of being a shorter distance, thereby facilitating

more efficient community mobilisation and reducing congestion.



Figure 34 The bypass road connecting Sukaraja Village and Bukit Raya Village (Photo by: Maulidia Savira Chairani, 2025)

In addition to the bypass road, other toll roads are also under construction. In the IKN area, construction of toll roads is still ongoing. The toll road, now complete, connects Balikpapan City and Penajam Utara Regency via Pulau Balang. Concurrently, construction is underway on the toll road that will link Balikpapan to KIPP.



Figure 35 Toll Road construction project connecting Balikpapan City and KIPP (Photo by: Maulidia Savira Chairani, 2025)

Another network infrastructure development is the water supply system (SPAM) network. The network forms a path that will help to maintain the SPAM network along Intake Sepaku to the KIPP. The network is a clean water network that will supply water needs in KIPP.



Figure 36 SPAM Line in Sepaku Subdistrict (Photo by: Maulidia Savira Chairani, 2025)

Despite the completion and connection of the SPAM network to KIPP, there remain unresolved issues pertaining to land acquisition. The crux of the issue pertains to the concurrent existence of legitimate and illegitimate domains of land ownership within the community. Consequently, the SPAM network development team entrusted the land acquisition funds to the court, due to the problematic legality of the situation. It is incumbent upon the landowner to first address the legal administration related to the land in question, thus enabling the disbursement of funds through various court processes. It is widely acknowledged that these issues are of significant detriment to the community. Consequently, the community has engaged in a series of demonstrations while constructing the spam line on multiple occasions.

This is still related to the advanced development project of the Sepaku Intake, namely river normalisation. The process of river normalisation is facilitated by the construction of river walls. The construction of river walls has been carried out in most areas of Sepaku Village. A proportion of the site has not yet been constructed due to issues with the land acquisition process.

The community has articulated concerns regarding the cost of the acquired land, perceiving it to be disproportionate in comparison to analogous land acquisitions.



(a)



(b)

Figure 37 (a) River with sheet piling in Sepaku Subdistrict; (b) River with sheet piling on only one side in Sepaku Subdistrict (Photo by: Maulidia Savira Chairani, 2025)

IKN Development Area

Infrastructure is a physical capital of development, and this term refers not only to tangible assets but also to its functional capabilities in supporting the lives and economic activities of the Muara Jawa community. The development of the area as a

densely populated settlement, resulting from industrialisation, has resulted in the presence of infrastructure in good condition, including connectivity infrastructure, particularly the road network that serves as the lifeline for residents; environmental infrastructure, encompassing waste management systems; and basic service infrastructure, such as electricity access, as well as housing and land conditions that form the foundation of social life.

Notwithstanding the ongoing development efforts in the IKN region, there are infrastructure conditions that require urgent attention, particularly in Muara Jawa. It is evident that a number of road segments within the designated area are still in substandard condition. It is evident that these roads are not showing signs of improvement; indeed, they appear to be deteriorating. It is evident that the structure has been subjected to a lack of maintenance and care, as evidenced by visible indications of neglect.

A local resident from Muara Jawa articulated concerns that the implementation of developmental initiatives had not yielded favourable outcomes within her locality. It was noted that the condition of the roads had deteriorated, contradicting the anticipated improvement. It is her contention that the efforts expended on maintenance were inadequate, and that the presence of mining activities had further contributed to the degradation of road infrastructure. She emphasised that the situation had engendered a sense of stagnation, as the anticipated benefits of development had yet to materialise in tangible improvements to local transportation routes.

In addition to issues concerning road infrastructure, the most critical physical capital problem faced by Muara Jawa residents is that of the drainage system, a problem that has been exacerbated by poorly planned development and environmental changes

due to population growth. This has resulted in frequent flooding or high tides that are difficult to recede due to the reduction in the size of the drainage system. Historically, the drainage system in this area has functioned effectively.

In response to this threat, residents have been compelled to adopt adaptation strategies, including raising the foundations and floors of their homes. The traditional stilt houses, which were originally constructed for cultural and climatic reasons, have undergone a process of conversion into ordinary houses. However, these structures have been raised again due to the pressure of disasters.

The infrastructure development in Muara Jawa has remained largely unaffected by the construction of IKN up to the present. Many development initiatives are spearheaded by the local government or arise from the initiative of the local community. The Kutai Kartanegara Regency Government has initiated construction of a new health facility, namely an emergency room, and is undertaking repairs to the community health centre in Muara Jawa Ulu. Concurrently, an initiative has been undertaken to repair an irrigation canal in RT 32 Muara Jawa Pesisir, a project initiated by the RT head with financial backing from the party. Furthermore, it has been observed that several RTs, including RT 17 and RT 22, have initiated repairs to their irrigation channels due to the lack of attention from the local government regarding these conditions. In the absence of immediate remediation, the residences are vulnerable to inundation during periods of intense rainfall.

Beyond IKN Area

The primary settlement in Maridan Subdistrict underwent development from an extant spatial structure shaped by the corporate activities of PT ITCI KU, a forestry company that was

once the centre of local economic activity. The area under discussion constitutes a planned settlement that has been equipped with public facilities such as employee housing, schools, health services and places of worship. This typology is indicative of an integrated industrial environment.

In addition to the presence of centralised settlements, Maridan also exhibits a linear settlement pattern that has developed along the Maridan-Riko road corridor. This development was precipitated by enhanced accessibility and community mobility, particularly following the enhancement of road infrastructure in 2023 to facilitate the connectivity of toll road construction along the border of Maridan and Riko. The existing settlement types encompass permanent houses, wooden houses, and floating settlements around Maridan Harbour.

Floating settlements are confronted with the challenge of flooding caused by periodic sea tides, with inundation periods ranging from 30 minutes to one hour. Sea levels have been observed to demonstrate an upward trend on an annual basis. Moreover, flooding was reported in residential areas proximate to the IKN toll road construction project, precipitated by inadequate drainage capacity.

In terms of infrastructure, the majority of Maridan is connected to the PLN electricity grid and has adequate internet access. However, certain regions, notably along the Maridan-Riko route, only received electricity connections in 2024, having previously relied on solar panels that only covered basic needs for half a day. The absence of public land transport necessitates reliance on private vehicles.

The presence of Maridan Harbour on the western side of the region provides a strategic conduit for maritime access to Balikpapan via high-speed vessels. Recent data from the Penajam Paser Utara Regency Transportation Office has indicated a

substantial increase in the intensity of community movement through this port between 2023 and 2024. This phenomenon is concomitant with an escalating demand for logistics and labour to various development sites in the IKN.

The urban settlement in Riko Subdistrict is predominantly concentrated on the eastern side of the area, following the primary route of Jalan Ahmad Yani and the Simpang Riko area. The emergence of this linear settlement pattern can be attributed to the presence of national road infrastructure, which facilitated mobility and economic access. In addition to these primary areas, settlements are also dispersed at several other locations, including in RT 4, which is adjacent to Bukit Subur Village, and within the oil palm plantation area, which is inhabited by labourers.

Settlements within plantation areas are distinguished by administrative isolation and a dearth of connections. A considerable proportion of the local population is not officially recorded in the local neighbourhood population data. This, in turn, makes it difficult to update information and plan for public services. The variety of housing types in Riko is notable. The built environment encompasses both permanent dwellings situated along primary thoroughfares and modest wooden residences located in secluded regions and within plantations.



Figure 38 Settlement of farm workers in Riko Subdistrict (Photo by: Moh. Syahrul Irfan Fahmi, 2023)

From a geographical perspective, the Riko River is significant within the region, as it serves as the primary source of raw water for the community. However, during the rainy season, the riparian area is subject to flooding due to rising water levels. Although the inundation is generally temporary, it still causes disruption to neighbouring residential activities.

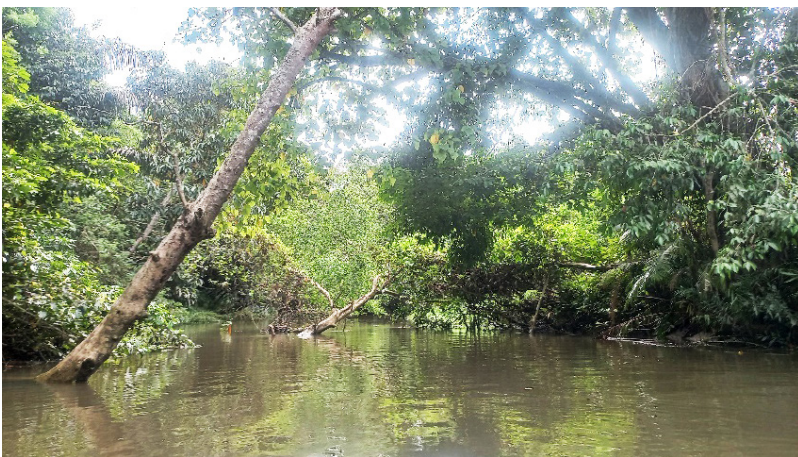


Figure 39 The condition of the Riko River in Riko Subdistrict (Photo by: Moh. Syahrul Irfan Fahmi, 2023)

In terms of fundamental infrastructure, significant advancements have been witnessed in Riko in recent years. The national road improvements initiated in 2022 have had a significant impact on connectivity and mobility and have served to strengthen access to IKN. Repairs have been completed on roads that were previously damaged in several locations. Nevertheless, public transport services remain suspended. As is the case in Maridan, the population of Riko is entirely reliant on private vehicles for daily mobility.

The accessibility and stability of electricity supply in Riko have been generally consistent since the initiation of national road construction. However, certain remote regions, including RT 04 and settlements within plantation areas, continue to encounter limitations such as restricted signal strength and inconsistent internet connectivity. In addition, Riko has been designated as one of the strategic corridors in the construction of high-voltage transmission lines to support energy supply to IKN. The project will necessitate a land acquisition process at several locations, which underscores the imperative for meticulous governance and the safeguarding of the rights of affected communities.

The development of IKN has brought about significant spatial and social transformation in Rico. A significant infrastructure project that will directly impact the region is the construction of Nusantara VVIP Airport, as outlined in Presidential Regulation No. 31 of 2023. The project encompasses the construction of a 3-kilometre runway, a 0.29-kilometre taxiway, a 0.47-kilometre apron, and a 4-kilometre relocation road, with a ceiling value of IDR 4.286 trillion.

The construction of this airport has been demonstrated to encourage a shift in the structure of land use, recognition of land rights, and resilience of community livelihoods. The land in question was formerly held under concession by an oil palm

company, which was subsequently designated as state reserve land and is now managed by the Land Bank Agency through the HPL mechanism. In accordance with the stipulations outlined in Presidential Regulation No. 62/2018, the process of data collection and verification of land tenure by the community constitutes the foundation for the provision of compensation, whether in the form of financial remuneration, relocation, or legal recognition.

However, the practice on the ground shows inequality. The residents of Riko and Pantai Lango, who prior to the establishment of the HGU agreement in 1998 were engaged in agricultural activities on the land, have not been included in the official register of crop verification. The presence of names with which the local population was not acquainted gave rise to suspicions of administrative irregularities or the involvement of land mafia activities. A request for re-verification was submitted; however, prior to its completion, the land was cleared using heavy machinery in February 2024. This finding suggests a discrepancy between the alignment of social policy and the execution of national projects.

This transformation also has consequences for people's livelihoods. For farmers and planters, the uncertainty surrounding land status engenders feelings of insecurity about their livelihoods. The loss of access to land and the consequent failure of crops results in direct economic losses. For these communities, land possesses an economic value as well as a symbolic value, representing collective labour and local knowledge. Consequently, pressures on social resilience increase, including risks of economic migration, changes in profession, and dependence on state assistance.

Conversely, the substantial increase in land value after the IKN project has prompted the Riko and Maridan communities to divest land in the form of smaller plots, predominantly for res-

idential development. This approach diverges from the preceding paradigm of large-scale land acquisitions for productive endeavours. This phenomenon can be interpreted as indicative of the emergence of speculation-based urbanisation, wherein land began to be regarded as an investment commodity. This change accelerated the transition from an agrarian to a semi-urban society, with long-term impacts on the structure of work, spatial culture and inequality of land access.



Figure 40 Land plot business in response to the presence of IKN (Photo by: Moh. Syahrul Irfan Fahmi, 2023)

It is noteworthy that concurrent with these developments, communities have begun to demonstrate an enhanced awareness of issues pertaining to land legality and governance. There is growing awareness among residents regarding the legal status of the land they own or cultivate, and the significance of community legal documents in comprehending land rights as integral components of basic rights and welfare instruments. Furthermore, there has been an increase in the involvement of residents in the processes of verification and redistribution.

5.5 FINANCIAL CAPITAL: INCOME SOURCES AND ECONOMIC OPPORTUNITIES

IKN Area

The procurement of economic resources is of paramount importance in ensuring the fulfilment of daily needs. Regarding the sources of income in the IKN area, the community is predominantly reliant on agricultural and plantation activities. Furthermore, several individuals are also employed by industrial timber plantation (HTI) companies, including PT IHM.



Figure 41 Community activities in the plantation sector in Sepaku Subdistrict (Photo by: Maulidia Savira Chairani, 2025)

The advent of IKN development has engendered a situation in which a considerable number of migrants find themselves in need of basic amenities such as clothing, sustenance, and accommodation. This constitutes a business opportunity for individuals residing in the IKN area and its environs to commence the provision of a diverse range of goods and services. It is particularly noteworthy that the development target for 2024 is substantial, with KIPP development activities scheduled to continue uninterrupted for a duration of 24 hours. It is evident that there is an increasing demand for various forms of accommodation, transportation, and other essential services. This has resulted in the diversification of the community's commercial activities.



(a)



(b)

Figure 42 (a) Houses rented out to IKN workers; (b) Homestays/boarding houses offered to migrants/workers of the construction project for IKN (Photo by: Maulidia Savira Chairani, 2025)

A strategic business diversification of note for the community is the decision to rent out houses to migrants, or to construct new buildings for the purpose of rent, with a view to accommodating those migrants who are related to the construction of IKN. In addition to the necessity for accommodation, there has been an increase in the demand for mobilisation. Consequently, certain individuals opt to pursue business opportunities by establishing vehicle rental services, offering a range of vehicles including motorbikes, minibuses and pickup trucks. Moreover, the requirement for materials and tools in IKN construction is contingent upon the utilisation of heavy machinery. The demand for vehicle rentals to facilitate the mobilisation of workers to IKN

construction materials has resulted in numerous offers from the local community. Moreover, the financial remuneration offered is comparatively generous, thereby providing the community with an additional revenue stream.



(a)



(b)

Figure 43 (a) Banner offering to rent heavy equipment; (b) One of the heavy equipment used to support the construction project at IKN (Photo by: Maulidia Savira Chairani, 2025).

To support the development projects in the IKN area, land that is strategically located (on the edge of the axis road) is widely rented, with one such location being used for material warehouses and heavy equipment, which is often known as a plant.

Moreover, the location's strategic positioning at the periphery of the highway has contributed to its extensive utilisation for the establishment of commercial enterprises, catering to the demand for fundamental daily consumption requirements and providing services for migrants, including those engaged in employment within IKN.



Figure 44 (a) Board offering land for rent in Pemaluan Village; (b) Batching Plant utilising marginal land in Bukit Raya Village; (c) Warung in Pemaluan Village; (d) Warung and laundry in Bukit Raya Village (Photo by: Maulidia Savira Chairani, 2025).

The presence of financial capital within the IKN region is not only linked to the emergence of commercial enterprise opportunities, but also closely associated with the allocation of land acquisition funds for the IKN development project. This financial dynamic has led to perceptions among certain individuals that

the acquisition of their land, affected by the development process, has yielded tangible benefits. It is evident that such perceptions are predominantly influenced by the substantial financial incentives associated with these transactions.

The head of a RT in Pemaluan Subdistrict has noted that a portion of land in the PPB area has recently been impacted by the project. She elaborated that while the acquisition of land in other regions might entail divergent pricing structures, individuals who received compensation for more extensive landholdings were often in a more advantageous position to invest in alternative locations. Her statement reflects a broader sentiment that land acquisition, when accompanied by substantial financial returns, can create pathways for asset reallocation and economic repositioning.

For individuals who retain possession of additional land suitable for habitation and horticultural pursuits, a proportion of the proceeds from land acquisitions are allocated towards the acquisition of additional land in regions where property values remain comparatively more accessible.

In addition to the financial compensation received through land acquisition processes, there are individuals who have proactively secured land outside the IKN development zone for investment purposes. This behaviour is indicative of strategic planning and can be categorised into two distinct investor profiles. The initial group comprises individuals who initiated land investments prior to the formal commencement of the IKN development, anticipating future value appreciation. The second group comprises those who pursued asset expansion following the onset of development activities, in response to emerging opportunities and shifting land dynamics.

This investment behaviour may be interpreted as a risk mitigation strategy, particularly among community members con-

cerned about the potential adverse effects of the IKN project on their residential stability and livelihood security. By diversifying their land holdings beyond the immediate development area, these individuals aim to safeguard their assets and ensure continuity in the face of spatial and economic transformation.

The head of an RT in Bukit Raya Village has indicated that she had taken the initiative to acquire land not only prior to the IKN development but also in the ensuing period. She stated that she had obtained a plot in the Petung area, known locally as a “kaplingan”, indicating her intention to sustain the investment momentum across diverse phases of the development timeline.

IKN Development Area

The community surrounding the IKN development area, notably in Muara Jawa, predominantly engages in employment within local private enterprises. Furthermore, a significant number of individuals have established commercial enterprises, such as food stalls and grocery stores, along Jalan Negara and Jalan Ahmad Yani. Conversely, a notable demographic of agriculturalists and fishermen is present, particularly in Muara Jawa Pesisir. It has been reported by one of the local people that the community’s primary motivation for engaging in agricultural practices is the satisfaction of daily rice requirements, rather than the generation of revenue.

Beyond IKN Area

The development of the IKN, which is geographically proximate to the Maridan and Riko areas, has had a negligible economic impact on the surrounding communities. In Maridan, for instance, the emergence of construction projects has engendered new employment opportunities, particularly in the field of daily labourers at various IKN development vendors. The nature of

the work is generally physical, with daily wages typically ranging from IDR 100,000 to IDR 150,000. The recruitment process is frequently conducted through informal channels, including information disseminated by the local authorities, RT (neighbourhood committee), or family and friendship networks.

In the early stages, individuals, particularly those in the younger demographic, expressed considerable enthusiasm for this opportunity. However, this interest has declined over time. The factors influencing this decline are manifold, including but not limited to low wages in comparison to the cost of commuting to work, the absence of housing facilities for local workers, and delays in payment from vendors. The daily work system also engenders income uncertainty, as the number of effective working days is contingent on the physical condition and health of workers. Considering these circumstances, the community perceives employment opportunities in alternative sectors, such as plantations, to be more conducive to stability and income.

It is evident that the two primary sectors of choice for the Maridan community are plantations and transport. In the plantation sector, the presence of new palm oil companies in the Maridan and Balikpapan Bay areas is attractive due to the closer location and more competitive wage offers. Concurrently, the transport sector, notably the speed boat service at Maridan Harbour that operates on the route to Balikpapan, presents a favourable alternative. It is evident that revenue generation from this service, particularly through the implementation of a daily rental system, is regarded as a more lucrative endeavour in comparison to construction work.

Furthermore, the development of IKN has been demonstrated to encourage the growth of micro-economic activities at the local level. A substantial surge in turnover was observed among grocery stores and stalls, attributable to the augmented daily

requirements of workers and migrants. The demand for staples such as rice, cooking oil, eggs, and drinking water increased in proportion to the increase in the number of temporary residents and logistical activities in the area. In response to this increased demand, some local businesses have augmented their stock and diversified their product range. This phenomenon demonstrates that the development of IKN not only generates direct employment opportunities but also stimulates a broader local economic turnover.



Figure 45 Grocery stores along the street in Riko Subdistrict (Photo by: Moh. Syahrul Irfan Fahmi, 2025)

Analogous conditions were also observed in the Riko region. Evidence suggests that certain communities participated in construction projects related to the toll road and Nusantara Airport, which are located on the Riko-Maridan border. However, majority of local people revealed that the income from construction work was not comparable to the income from the plantation sector, which had previously been the mainstay. Nevertheless, several individuals have successfully identified economic opportunities in the supporting sectors of IKN development, includ-

ing catering businesses and rental housing. In response to the economic challenges faced by the construction sector, a small number of housewives elected to pursue entrepreneurial opportunities by establishing food businesses catering to the needs of construction workers. Concurrently, homeowners elected to rent out their residences, subsequently moving into temporary shelters with a view to generating supplementary income. Indeed, some residents even constructed tenements or semi-permanent dwellings with the specific intention of renting them out.

In addition to these key sectors, a small number of individuals have secured employment in the formal sector, including roles as cleaning staff at the new hospital, which is scheduled to commence operations in 2024, and as landscape managers at Nusantara Airport. Nevertheless, local communities' participation in these formal sectors remains comparatively low in relation to their involvement in the plantation sector.

However, since 2025, particularly following the change of government, there has been a substantial decline in many of the economic opportunities that had previously been experiencing growth. It has been observed that a significant proportion of contractors have ceased collaboration with local workers, either due to the completion or discontinuation of projects. Documentation has also been found which reports instances of delayed remuneration and unilateral termination of employment. These reports have led to a decline in the community's inclination to resume participation in IKN projects, resulting in a sense of disappointment.

The economic downturn had a detrimental effect on supporting businesses, including those in the catering and residential rental sectors. The number of caterers decreased significantly, and many workers from outside the area were sent home. This perception is attributable to the prevailing uncertainty sur-

rounding the continuation of the IKN project in the context of the change in government. The prevailing uncertainty surrounding the IKN budget, which is predominantly attributed to the new administration's fiscal efficiency agenda, is regarded as a significant contributing factor to this decline in activity. Despite the assumption that the decline in construction activity was merely a seasonal phenomenon coinciding with the Hari Raya holiday, a return to normal levels of activity after the holiday period did not occur.

Chapter 6. Livelihood Strategy of Communities in Responding to Changes due to IKN Development

The development of the IKN has had a profound impact on the surrounding community. As the requirements of the community in the IKN area have evolved, survival strategies have undergone a gradual transition in accordance with these changing needs. Livelihood strategies can be defined as the various alternative efforts that are undertaken by households to meet their needs for sustainable living. Livelihood strategies are defined as the various efforts made by communities to achieve an adequate standard of living. Consequently, livelihood strategies are closely related to the way communities manage available livelihood assets to respond to changes and maintain or improve their livelihoods (Scoones, 1998). The changes occurring are due to the decision to relocate the capital city, so the livelihood strategies of communities in this context are in response to the ongoing development of the IKN.

Scoones (1998) proposes a classification system for livelihood strategies, which he terms “intensification and extensification; diversification; and migration.” Diversification has been identified as the predominant strategy employed by communities in the IKN region. Furthermore, the evolution of the IKN has encouraged migration from multiple regions. This necessitates innovative responses and adaptation from communities in the IKN region.

6.1 DIVERSIFICATION OF INCOME SOURCES

A fundamental approach to ensuring livelihoods in the face of IKN development is the promotion of income diversification. Communities that previously placed significant reliance on agriculture are now diversifying into commercial and service-oriented sectors. According to Ellis (2000), the process of rural livelihood diversification can be defined as the engagement of households in a variety of economic activities, alongside the establishment of social support systems, with a view to enhancing their resilience and improving their quality of life.

To achieve a more prosperous standard of living, it is essential that rural households can generate revenue, accumulate assets, and establish multiple income streams from a combination of agricultural and non-agricultural activities (Ellis & Freeman 2004).

IKN Area

In Sepaku, a significant proportion of the population has already transitioned away from the agricultural sector. This phenomenon can be attributed to the fact that individuals have identified employment or entrepreneurial opportunities that provide more expeditious outcomes in comparison to agricultural pursuits. Nevertheless, a proportion of the population remains reliant on the agricultural sector for their subsistence, for instance in the management of oil palm plantations.

A considerable number of residents are capitalising on the opportunities arising from the IKN development by establishing new businesses, such as renting out houses or rooms. Local residents have been observed to be capitalising on the influx of labourers by offering temporary accommodation. The rental fees for residential properties range from IDR 2.5 million to IDR 5 million per month, with the highest annual rates ranging from

IDR 100 to IDR 130 million. A proportion of residents who rent out houses or rooms to workers also prepare meals for them. Consequently, numerous catering enterprises have emerged. One business proprietor in Bukit Raya has stated that the financial yield from establishing a new catering enterprise can be realised within a 12-month period, with an estimated revenue of approximately IDR 50 million.

In addition to residential rentals and contractual agreements, several commercial enterprises have emerged in the wake of the IKN's construction, notably lodgings and hotels of various categories, particularly those catering to workers, researchers, and general visitors. Lodgings and hotels have become a significant type of accommodation, playing a crucial role in meeting the needs of temporary migrants and tourists arriving at IKN.

In parallel with the increase in residential rentals and lodging establishments, a proliferation of food stalls, ice cream and coffee stalls, snack stalls, general stores and similar commercial entities has been observed. It has been demonstrated that these commercial entities have achieved considerable financial gains, a phenomenon that can be attributed in large part to the substantial number of clientele comprising project workers.

In addition to its impact on livelihoods, the development of the IKN has also led to a shift in the orientation of home use (HUO), transforming homes that were originally intended solely for rest and familial gatherings into spaces conducive to business activities, thereby becoming home-based enterprises (HBEs). HBEs represent a subset of the informal economy. As defined by Strassmann (1986), HBEs are businesses that are conducted within or near the residential environment, excluding commercial or industrial buildings or areas. A plethora of literature suggests that HBEs emerge within impoverished and economically disadvantaged communities with the objective of enhancing house-

hold income. However, in this case, the proliferation of HBEs is more closely associated with the community's response to IKN development, which the community utilises to increase household income.

IKN Development Area

In Muara Jawa, there were significant disparities in the economic resources of the populace. Muara Jawa is an urban-rural area in which there is a plethora of resources available to the local population, which in turn means that there are many opportunities for earning an income.

The population of Muara Jawa is engaged in the extraction of vital minerals and the operation of local businesses, thus ensuring their subsistence. Extraction mining is predominantly present in the western and eastern regions of Muara Jawa, such as Pertamina Hulu Mahakam. Pertamina Hulu Mahakam endorses the government's policy on oil extraction. In contrast, the coal mining industry is distinguished by the presence of numerous corporate entities. Many coal mining operations are under private ownership. A considerable number of private enterprises are engaged in the mining of coal. The proprietors of the coal mines are also the proprietors of the roads, and the nomenclature of the roads is derived from the names of the coal mining companies. Pertamina Hulu Mahakam and the coal mining companies also support local businesses, including small shops and laundries for mining workers.

In this area, there is also a provision of lodgings for workers. The accommodation is typically procured by a company on a long-term basis, often in the form of a hotel. The establishment provides a range of amenities for guests, including accommodation, sustenance, and laundry facilities. In addition to breakfast, it offers a variety of ancillary services. In the context of traditional

lodging arrangements, individuals offer their personal residences for habitation. The facilitation of such arrangements is often the responsibility of various forms of local support, including provisions such as laundry and dry-cleaning services, small retail outlets, and religious institutions such as churches and mosques.

The nature of small business in Muara Jawa was intricate, with the potential to provide a wide range of support to both residents and newcomers. The term 'small business' is not limited to small shops that provide local workers with groceries; it also encompasses support for living and company, such as food and documentation support, including photocopy shops. Furthermore, several clothing retailers can be found in small business sectors and local market areas, thus constituting a further source of support for primary sectors. The nature of small business in Muara Jawa was such that it was inherently multifaceted and interdependent across various sectors.

A significant proportion of new migrants in Muara Jawa were proprietors of small commercial enterprises. It is evident that small shops have been instrumental in facilitating diversification of income resources. The newcomers arrived in a community and established numerous small commercial enterprises, including food stalls. It has been observed that a significant proportion of the food stalls are owned by individuals of the same ethnic origin. The subjects arrived at Muara Jawa with the objective of identifying a commercial opportunity to provide sustenance for the local population. The opportunity for the procurement of sustenance constitutes a fundamental human need that engenders variation in dietary choices. The presence of a wide variety of ethnicities, cognitive abilities and preferences has led to a demand for income opportunities in the food sector. The advent of opportunities in the food industry has prompted individuals to pursue diversification within their familial enterprises.



Figure 46 Food stalls in Muara Jawa (Photo by: Muhamad Rifki, 2025)

The rationale behind households' diversification as a livelihood strategy can be distilled into two overarching considerations: choice and necessity. The concept of choice pertains to the voluntary and proactive motivations that underpin the decision-making process in the context of diversification. For instance, seeking opportunities to earn seasonal wages or traveling to remote locations to find work. The concept of necessity is predicated on the existence of involuntary and even desperate reasons for diversifying. Examples of such practices include, but are not limited to, land grabbing, environmental degradation, or changes in land use that result in reduced crop yields (Ellis, 2000).

The two aforementioned factors appear to underpin the diversification undertaken by communities affected by IKN development. It is evident that communities which elect to capitalise on the prospects engendered by IKN development, for instance by establishing guesthouses or commercial enterprises, are achieving diversification through deliberate choice. Concurrently, communities whose land has been appropriated or rendered

unproductive due to IKN development are seeking to diversify, driven by the imperative to adapt and survive.

Beyond IKN Area

As buffer zones for the IKN, Riko and Maridan Subdistrict are in proximity to the KIPP and have also experienced significant economic impacts. Prior to the establishment of the IKN, most residents in these two villages were employed in the agricultural sector, either on their own farms or for plantation companies in the area. This phenomenon bears a striking resemblance to the circumstances that transpired within the KIPP framework.

However, during and following the construction of the KIPP, a significant number of residents from Riko and Maridan began to capitalise on emerging economic opportunities by establishing various commercial enterprises, including those that were formerly uncommon or non-existent in the area. These enterprises engaged in a broad spectrum of activities, encompassing house and room rentals, encompassing both existing properties and those constructed from the ground up. The presence of workers from outside the region involved in the IKN construction project has led to a growing demand for temporary housing. Local residents are taking advantage of this situation by offering their homes or rooms to these workers at a rental rate. In certain instances, individuals elect to lease their primary residences to workers, while continuing to reside in more basic structures. Rental rates for residential properties are subject to significant variation. The determination of the rental value is influenced by several factors, including the property's condition, size, facilities, materials, and occupancy level. The rental price of residential properties within the city can be divided into bands, with the most expensive properties commanding rental fees ranging from IDR 5 to 10 million per month. The rental fees for these rooms

range from IDR 500,000 to IDR 1.5 million per month. A limited number of residential properties are available to rent on an annual basis, with rental prices ranging from IDR 100 to IDR 150 million per annum.

In addition to the establishment of enterprises to cater for the residential requirements of IKN workers, communities in the villages of Riko and Maridan have also initiated measures to address their sustenance needs by inaugurating catering services and food stalls. Concurrent with this development, a range of other commercial enterprises have emerged, including grocery stores, laundry services and water refill services. For instance, the head of RT 6 Riko asserts that the provision of a water refill service has been in operation for a period of twelve months, a development that has been necessitated by the high demand that has been observed in the locality.

6.2 MIGRATION AND MOBILITY AS COPING MECHANISMS

Migration is a movement of people in pursuit of greater economic opportunities in other locations. The concept of migration can be categorised into two distinct classifications: voluntary and involuntary. The former category encompasses the act of reinvestment in the place of origin or movement to or from a different geographical location.

The pace and severity of environmental degradation have been demonstrated to influence migration decisions, with individuals moving to adapt to new conditions and maintain their livelihoods (Renaud et al., 2011; Tacoli, 2009). The development of IKN has been demonstrated to encourage community mobility as a form of adaptation to the environmental and socio-economic changes that occur. The emergence of new sectors within IKN has implications for the community's capacity to achieve survival.

IKN Area

Changes to people's living spaces and mobility have become apparent following the development of the IKN. The acquisition of land represents a pivotal component within the framework of various IKN development programmes. A consequence of the IKN is the requirement for land to facilitate major infrastructure development projects, in addition to supporting infrastructure projects such as road construction and river normalisation. The acquisition of land is an inherent aspect of these activities, which can consequently result in the displacement of certain communities as a coping mechanism, whether it be the relocation of their place of residence or their livelihood.

It is evident that displacement, manifesting in an observable form, is associated with the implementation of the river normalisation programme in the IKN development context. The stated objective of this initiative is to enhance hydrological infrastructure. However, it has necessitated the acquisition of residential land, thereby compelling affected individuals to relocate. The relocation process has had direct consequences for residents whose properties have been fully absorbed by the project.

One local resident of Sukaraja Village reported that his entire house, including the rear section, had been removed as a result of the land acquisition. It was observed that only a limited number of structures were present, including a cattle shed and a small number of oil palm trees located at the rear of the property. In response to the displacement, he had considered relocating either to higher ground or to an adjacent area with a lower risk of flooding. He expressed relief that a small parcel of land was still available elsewhere, which could serve as the basis for resettlement.

Conversely, the Sepaku District, as the core area of the IKN mega-project, necessitates the involvement of a substantial num-

ber of human resources. The high demand for human resources and the limited availability of such resources in the KIPP area have driven the influx of people from outside the region. This phenomenon is regarded as an opportunity for individuals to enhance their quality of life in comparison to that experienced in their original areas of residence. Consequently, a significant number of migrant workers have been recruited for the IKN construction project.

In addition to the influx of migrant workers, the local community has also begun to view the development of the IKN as a strategic market for entrepreneurial activity. It is evident that individuals from outside the region have actively sought to establish themselves through various commercial ventures. These include the sale of food items, the operation of small stalls, and other informal business undertakings. These efforts are indicative of a more generalised recognition of the economic potential that is emerging in the wake of large-scale infrastructure development.

The other local inhabitants of Sukaraja (who are originally from Tanah Grogot) have reported that they relocated to the IKN area during the early stages of construction, which commenced around 2021. The decision to migrate is hypothesised to have been primarily driven by economic hardship experienced in her place of origin. Confronted by mounting financial pressures, she opted to explore livelihood opportunities in the IKN region, guided by information provided by relatives who had resided in Sepaku for an extended period. The relatives had hypothesised that demand for food vendors was high, while the number of suppliers remained limited.

In reflecting on her experience, she noted that the economic conditions in IKN were significantly different from those in Tanah Grogot. It was asserted that daily earnings were consid-

erably higher (two to three times greater) and that savings of over IDR 1 million per day in net profit had been achieved. This financial outcome served to reinforce her perception of IKN as a viable and lucrative environment for small-scale enterprise.

IKN Development Area

The phenomenon of migration and mobility was evident, albeit to a lesser extent, in the absence of substantial development in Muara Jawa. Most of the population of Muara Jawa are not indigenous to the area. The subjects of this study are living through the years, having family and working in the local resources. A considerable segment of the population is supported financially by informal sectors.

The population of Muara Jawa is comprised of individuals of Bugis, Jawa and Banjar descent. The subjects of this work have been alive since the 1990s. The population of Muara Jawa is engaged in the provision of livelihoods. The community has been inhabiting the area for many years, fostering a sense of communal living and neighbourly support. This results in a community that is characterised by a high degree of cultural diversity.

The migration of people to Muara Jawa is facilitated by the presence of available land, which individuals from outside Muara Jawa can purchase and retain as a form of future investment. It has been observed that individuals residing in Muara Jawa are also procuring land in areas that are in closer proximity to IKN. An exemplification of this phenomenon can be observed in Samboja.

Beyond IKN Area

Several supporting projects have been initiated to facilitate IKN access, including the VVIP Airport and the toll road that traverses the Riko and Maridan neighbourhoods. The execution of these projects demands a considerable workforce. However, it

should be noted that the human resources available in both areas are quite limited, both in terms of quality and quantity. Analogous to the developments observed in the KIPP area, the scarcity of human resources in the Riko and Maridan neighbourhoods has resulted in migrants from beyond the region being drawn to participate in the IKN project. The IKN project is perceived by migrant workers as a means of achieving a better life than that available in their home regions. Consequently, a significant number of migrant workers have been recruited to participate in the IKN project.

In addition to migrants engaged in the IKN project, a proportion of migrants arriving in the Maridan and Riko neighbourhoods are entrepreneurs who establish businesses to cater to the IKN workforce. Examples of such enterprises include food stalls, grocery stores, laundromats, and other commercial entities.

The migrants originate from diverse regions across Indonesia. It is noteworthy that migrants from Aceh, a province of Indonesia located at the westernmost point of the nation, have also established food stalls in Riko Village. The parties involved have asserted that the IKN project signifies a significant opportunity for the enhancement of revenue. In the event of a substantial workforce, it is inevitable that a corresponding increase in the population will ensue. This, in turn, will result in a greater demand for sustenance. The decision to migrate and establish a food stall in Riko Village was motivated by the observation that the existing suppliers of food in this village are still very limited.

In addition to the migration and mobility of outsiders, the existence of the IKN development project also has an impact on the mobilisation of local communities, both in terms of residence and work. Communities experiencing residential mobilisation are defined as those who rent out their homes as workers' houses/messes for the IKN, as well as those whose residences are affected by the

IKN development project, forcing them to relocate. Concurrently, certain communities have witnessed heightened mobility due to employment opportunities within the IKN, particularly within the KIPP region, leading to daily commuting between IKN-Maridan or IKN-Riko. It is evident that most of these communities initially operated within the vicinity of their respective residences. However, it is noteworthy that their daily mobility has undergone an enhancement since their engagement with the IKN.

6.3 TRADITIONAL AND INDIGENOUS PRACTICES IN RESOURCE MANAGEMENT.

IKN Area

The establishment of the Ibu Kota Nusantara (IKN) has prompted a notable shift in the way the Sepaku community manages its natural resources. Historically, the local population relied heavily on agricultural land as a primary source of livelihood. However, recent developments have resulted in a marked decline in farming activities, with many residents transitioning away from agriculture in response to changing economic and spatial dynamics.

Notwithstanding this broader trend, a small number of individuals have elected to maintain their involvement in agricultural practices. This decision is indicative of a preference for autonomy and a sustained connection to traditional livelihood systems. One local people in Sukaraja village stated that he had elected to pursue a career in farming after previously working in the private sector. He elucidated that he derived minimal satisfaction from working under others and instead preferred the independence that farming afforded him. The primary agricultural activities of the population under investigation primarily involve the cultivation and trade of rice, rubber, rubber trees,

and palm oil. This indicates a continued reliance on diverse crop production as a means of economic sustenance.

In the aftermath of the land acquisition, the affected communities were provided with compensation, which was utilised for the establishment of commercial enterprises, the acquisition of additional land, and the purchase of vehicles. The construction of lodgings was financed by communities, with capital obtained from compensation for land acquisition for KIPP and flood normalisation. It is evident that several proprietors obtained capital from banking institutions or alternatively entered into leasing agreements for their land. This enabled investors to construct lodgings or other commercial enterprises.

In addition, the community is capitalising on opportunities by renting out land in front of their homes for commercial purposes. It has been observed that several new business owners, perceiving their income to be satisfactory, have opted to expand their enterprises. To illustrate this point, consider a scenario in which an individual has applied for a loan with the explicit intention of acquiring a vehicle for the purpose of conducting rental operations.

IKN Development Area

Unlike other areas in Kalimantan that rely on customary law and traditional ecological knowledge for resource management, Muara Jawa stands out due to its lack of an indigenous population and absence of traditional governance systems. It serves as a cultural and social hub, bringing together migrants from across Indonesia. The region's economy and environment have long been influenced by the growth of extractive industries such as oil, gas, and mining—developments that predate the IKN initiative. The shared identity of being 'newcomers' has become a unifying narrative among residents, bridging differences in ethnicity and

tribal affiliation. This perspective is supported by several locals, including one of the residents in Muara Jawa who noted that, because everyone in the area is a migrant, there are no expectations tied to specific tribal roles or obligations.

Consequently, there is an absence of customary rules or traditional methods for the management of land, water, or marine resources. Agricultural activities and other businesses are more practical and adapted to current conditions. In contrast, the resource management practices observed in Muara Jawa represent an adaptation to an industrial landscape dominated by oil and gas extraction and mining activities. For instance, one resident cultivates another's rice field without charging rent, merely helping and sharing the harvest as a gesture of gratitude.

It is therefore vital to emphasise that the absence of traditional management practices in Muara Jawa should not be regarded as a shortcoming; rather, it should be considered a significant finding. Muara Jawa is not a region that has evolved from traditional to modern, but rather one that has been directly shaped by the history of industrialisation.

Beyond IKN Area

The management of resources in the Maridan and Riko regions has undergone significant changes following the development of the IKN. Despite their exclusion from the IKN area, the proximity of these two regions, coupled with the presence of IKN-supporting infrastructure, has precipitated alterations in resource management, particularly regarding land use.

Prior to the establishment of the IKN, the communities in Riko and Maridan utilised their land for the purpose of gardening, cultivating a variety of crops. Following the establishment of the IKN, several residents have initiated the development of commercial enterprises on their land, including the construction

of rental properties and housing clusters. The land that has undergone a change in function is strategically located (along major roads) and is sold at varying prices.

6.4 SOCIAL NETWORKS AND INFORMAL SAFETY NETS

IKN Area

The presence of the IKN development has been demonstrated to exert a negligible effect on the social life of the community surrounding KIPP. It is evident that the affected communities in the Sepaku area continue to exhibit a social structure that is intimately intertwined with informal safety nets. A recurrent activity within the programme is the convening of regular meetings, which are generally overseen by each RT. This is still being carried out without being affected by major changes in the surrounding environment due to the IKN development. It is evident that one of the activities that is still regularly conducted is the enhancement of religious capacity. The objective is realised through the implementation of weekly religious study sessions and *Yasinan* gatherings (communal prayer gatherings where participants recite Surah Yasin and offer collective prayers), which are scheduled at designated times. It is customary for these activities to be conducted separately for women and men. In addition to its function as a medium for the cultivation of religious values, these meetings also serve as a forum for the dissemination of information and the strengthening of social bonds within the community.

Arisan continues to serve as a vital local safety net within the community, preserving its role as both a social and financial support system. The practice entails regular gatherings, typically hosted at the residences of local women participants, where financial contributions are made by attendees. These contributions are subsequently disbursed through a lottery system among trusted

friends or relatives. Beyond its social function, *arisan* provides members with rotating access to funds, which can be used for various purposes, including household expenses, the initiation of small businesses, or other planned objectives. One of the residents in Sepaku Subdistrict elucidated that the original intention behind a specific *arisan* was to purchase a motorbike; however, the recipient, who received the final payout just before entering university, ultimately utilised the funds for tuition instead. The resident also mentioned that, because both individuals had two children, she decided to include them in the *arisan* group.

One issue that has given rise to a degree of concern within the community is the increase in crime. The increase in the number of migrants, concomitant with rapid socio-economic changes being experienced by the community, has created new challenges for the maintenance of neighbourhood security. It has been reported that since the construction of the IKN, there have been many incidents of theft, including theft of goods from shops and theft of vehicles. This situation has resulted in heightened vigilance among residents in safeguarding their possessions. A considerable proportion of residents have adopted a more cautious approach when it comes to the storage of their vehicles, with many opting for additional locking mechanisms or even parking their vehicles inside their homes.

IKN Development Area

The social structure in Muara Jawa is indicative of the presence of a relatively robust informal social network, despite the heterogeneity of the community and the fact that many of its members are migrants. The community has developed social networks based on kinship, economic and religious activity groups as an informal safety net. For instance, the MSME community and women's farmer groups have emerged as significant

platforms for women to establish mutual support networks by sharing the results among active members.

The profit-sharing arrangement observed within the community is characterised by collective participation and mutual engagement. This arrangement serves as a form of economic safety net for its members. This system not only facilitates income distribution but also reinforces social cohesion through shared responsibilities. The establishment and maintenance of social relationships within this framework are largely dependent on mutual trust and cooperative behaviour among participants.

As previously discussed, a segment of the population manages agricultural land through informal agreements rather than formal contracts. It is important to note that such arrangements frequently depend on verbal consent and long-standing interpersonal relationships. A local resident of Muara Jawa provided an account of a common occurrence in which members of the community engage in the cultivation of land that does not belong to them. It was explained that the landowners have been granted permission to cultivate crops on the land, and in instances where the landowner does not require a share of the harvest, the cultivators voluntarily offer a symbolic contribution (such as 20 kilograms of rice) as a gesture of appreciation. This practice is indicative of the informal yet functional nature of land tenure and resource-sharing within the local context.

This phenomenon can be interpreted as indicative of the presence of social norms that prioritise mutual assistance over purely economic transactions. In the economic sector, social solidarity is also manifest in the form of herbal medicine resellers who distribute products to fellow residents, as well as group-based activities facilitated by external parties. However, it is important to note that the informal social networks and mutual aid systems observed here are not direct adaptations to the impacts

of IKN development but have been part of the socio-economic dynamics of Muara Jawa society prior to the project. In summary, the system developed organically as a response to local structural conditions. The conditions encompassed, but were not limited to, constrained access to formal services, the static nature of most of the population, and the daily economic requirements of the population.

Beyond IKN Area

Prior to the establishment of the IKN, the Riko and Maridan neighbourhoods constituted multi-ethnic areas. The development of the IKN has not had a significant impact on the social networks that have been built by the communities in these two neighbourhoods. The presence of various indigenous groups in Maridan is indicative of the area's ethnic diversity, which plays a crucial role in shaping the social and cultural character of the local community. Maridan Village is inhabited by a variety of indigenous groups, including Paser, Banjar, Bugis, Toraja, Dayak, Flores, and Batak.

It is evident that traditional groups within the IKN region function not only as social networks but also as informal safety nets, a phenomenon that is particularly salient in the context of indigenous communities originating from outside Kalimantan Island. These groups provide a foundational structure through which members experience a sense of belonging and protection within their adopted homelands. The security provided by such groups extends beyond emotional support, encompassing both economic assistance and mechanisms for resolving interpersonal or communal conflicts.

Within these conventional structures, members frequently adopt roles that facilitate mediation and problem-solving when individuals encounter difficulties. This function is of particular importance for individuals navigating unfamiliar social or legal

environments. It has been confirmed by an indigenous community leader from Maridan Subdistrict that in cases where problems arise – such as legal disputes or individuals becoming disoriented or wishing to return to their place of origin – the group provides necessary support. It was elucidated that assistance may be provided in the form of legal aid, logistical support and even the escorting of individuals back to their homes. This commitment is indicative of a collective care and responsibility ethos that the group adheres to.

In addition to conventional social structures, the Riko and Maridan neighbourhoods have also witnessed the emergence of alternative forms of social organisation, characterised by religious-based activities and gatherings. In addition to engaging in religious rituals and other such activities, these groups also play a significant role in strengthening social networks, particularly among their members. A variety of religious activities and gatherings have been observed in these areas, including religious study sessions, congregational gatherings, and church community events. The presence of the IKN has had no discernible impact on the bonds established and the activities of these groups.

In addition to activities or gatherings based on customs/ethnicity and religion, community-based gatherings are also present in Riko and Maridan neighbourhoods. RT associations represent a specific type of community-based social gathering, with the capacity to establish social networks and informal safety nets within residential areas. The role of the RT chairperson in protecting the community is significant and is profoundly felt by the community in Riko and Maridan. It has been observed that some members of the community affected by the IKN, especially those whose land and/or homes have been displaced due to the IKN development project, utilise the RT as a party that helps them resolve issues together with the village government.

6.5 POLITICAL ENGAGEMENT AND ADVOCACY FOR RIGHTS

IKN Area

The IKN development process also encourages communities to defend their access to land, natural resources, and household economic sustainability. One strategy employed in the realm of political engagement and advocacy for rights can be observed in the context of land conflicts within communities in the Pemaluan region, which are associated with land acquisition for the construction of toll roads. The compensation provided to the community for land acquisition was initially based solely on the value of the land and the crops growing on it, without consideration of the land's intrinsic value. This has resulted in a perception of injustice among the local community, which has historically depended on the land for its subsistence. The community has expressed concerns that their rights to the land are being disregarded and not adequately recognised by the government.

To draw the government's attention to these issues, the people of Pemaluan began to employ various strategies, including political engagement and advocacy. The community, with the assistance of non-governmental organisations, organised community meetings, held discussions, and staged several demonstrations in Penajam to express their opposition. These activities demonstrate that the community is actively involved in the fight for its rights, as it seeks to negotiate its position within the power structure and policy-making process. The dispute was ultimately resolved through the provision of compensation, which encompassed the valuation of the land.

IKN Development Area

Despite the existence of collective efforts and growing social awareness, particularly regarding environmental rights, access

to development, and economic training, the level of political engagement and advocacy for community rights in Muara Jawa remains limited. A proportion of residents engage in training programmes as a means of self-empowerment; however, direct involvement in policy advocacy remains negligible.

In terms of politics, the community has been observed to adopt a passive stance when confronted with strategic matters. A local resident of Muara Jawa Pesisir observed that the populace tended to acquiesce to prevailing circumstances without resorting to public protest, thereby indicating a limited propensity for civil disobedience in Java. Concurrently, another local drew attention to an absence of lucid communication regarding the area's development plans and the policies underpinning its advancement. Consequently, residents encounter difficulties in anticipating future events.

It has been posited by several residents that the distribution of development opportunities within the local area is not uniform. The most common complaints are related to the poor maintenance of roads, the inadequate management of drainage systems, and the absence of effective flood control measures. These infrastructural deficiencies have resulted in pervasive discontent within the community. Nevertheless, due to a paucity of political clout and an imbalanced power dynamic, local protests seldom gain traction or receive meaningful attention.

One local informant in Muara Jawa explained that improvements are often piecemeal and left incomplete. It was observed that when residents sought assistance from the neighbourhood head (RT), the RT frequently lacked the necessary direction or resources, leading to only marginal progress and the absence of comprehensive solutions. Another Muara Jawa resident has indicated that the decision-making process is dominated by certain influential actors who have privileged access to government

and corporate programmes. Concerns have been raised that even young individuals born in Kalimantan (despite not being indigenous) deserve prioritisation, yet those from outside the region are more frequently favoured.

A few residents expressed a desire for a political transformation that was characterised by enhanced participation. There is an increasing awareness of the necessity for governments to allocate greater resources to the needs of children and young people, with a view to ensuring equitable access to education and training as a means of promoting social and economic rights. The dynamics of political engagement and advocacy awareness described in this section are the result of social processes that have taken place prior to the IKN development project. Consequently, community responses to issues of development, inequality and access to fundamental rights are more indicative of prevailing structural conditions than a direct consequence of the IKN policy. Nevertheless, the context of IKN development could emerge as a new factor that strengthens or changes these patterns of engagement in the future.

Beyond IKN Area

The development of the new capital city has given rise to several issues in Maridan and Riko villages, particularly regarding land acquisition. The prevailing tension surrounding the resolution of these issues pertains to the question of fairness in the fulfilment of the community's rights to land. The rights under discussion are those associated with the compensation received by the community. This is since, until now, there have been a multitude of practices that the community perceives to be both unfair and unclear in the process of determining the compensation amount for the acquisition of community land. In addition to the absence of clarity in determining the value, there is

also uncertainty regarding the schedule for the government to provide compensation to the community. One of the strategies employed by the communities of Riko and Maridan to advocate for their rights is through protests and engagement with relevant parties, including the Local Government, the Land and Spatial Planning Office/National Land Agency, and the Regional People's Representative Council (DPRD).

When expressing their aspirations, the community often designates or turns to a respected individual to act as their spokesperson—someone considered capable of effectively conveying their concerns. This role is usually filled by a community or traditional leader who holds considerable influence and maintains strong connections within the IKN region and its surrounding areas. Because of the spokesperson's authority and broad network, there is hope that land-related challenges faced by the community will be addressed more promptly and receive the attention they deserve.

One representative of the indigenous population from Maridan Subdistrict disclosed that residents typically approach him when issues arise, such as youth unemployment or road conditions. It was also noted that when problems related to land purchases arise, the community often seeks his assistance, and he collaborates with government officials to find solutions.

6.6 MOVING OR LOSING RESOURCES

One of the responses adopted by the affected communities is to replace the affected land with other land located at a distance from IKN. This strategy is referred to as a creative compensation strategy, whereby the compensation funds are utilised to acquire land in remote areas, such as the Sotek, Petung, and Penajam regions, serving as collateral in the event of an emergency requiring relocation. Furthermore, capital acquired

from land compensation is allocated towards the construction of accommodation or for the purpose of borrowing from banking institutions. This phenomenon is indicative of the process of transformation of traditional resources, specifically land, into urban economic capital.

IKN Area

The changes occurring within the IKN are encouraging the community to generate new ideas and identify novel methods of generating revenue. One such strategy employed by the community to enhance its adaptability is to engage in skills development programmes facilitated by governmental entities and non-governmental organisations. The objective is to ensure that local communities possess the capacity to adapt to the evolving landscape of employment and commercial prospects that are concomitant with IKN development. The training programmes encompass a diverse range of disciplines, including technical skills in carpentry, culinary training, batik-making, and community-based infrastructure development activities, such as rainwater management.



Figure 47 Training on the Process of Making Nusantara Batik by KKN-PPM UGM Students 2023 (Source: KKN-PPM UGM in Sepaku Subdistrict, 2023)

In addition to the training, other innovations are evident in the community's efforts to utilise digital technology. It is evident

that a growing number of community groups are utilising digital platforms as a means of promoting their products and conducting their business operations.

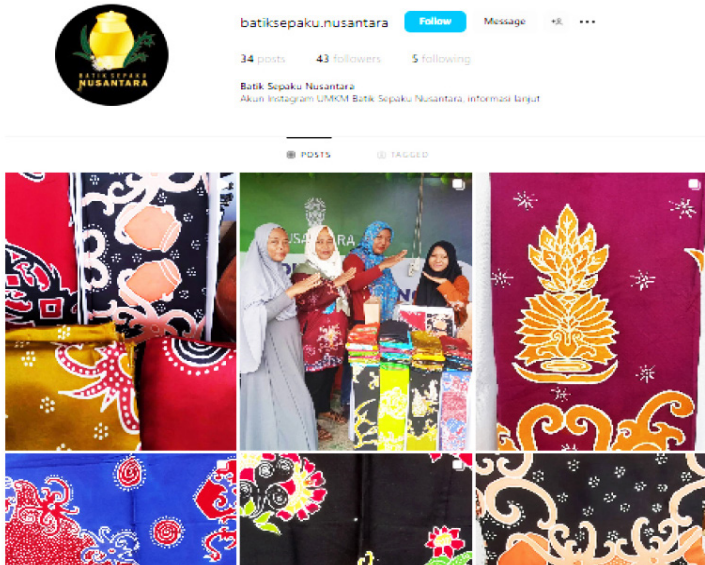


Figure 48 One of the businesses promoted through Instagram social media (Source: Batik Sepaku Nusantara Instagram Account)

IKN Development Area

To address the novel challenges confronting the populace of Muara Jawa, a series of educational initiatives have been initiated by the local government and private sector. The opportunity was seized to seek certification for work in the IKN zone development. It has been established that a significant number of courses are held at this location.

Despite the alterations, adaptation occurs, albeit to a limited extent, in Muara Jawa. Notwithstanding the fact that Muara Jawa is a common destination for newcomers and is characterised by a high degree of ethnic diversity, this environment facilitates a high level of adaptability to change. It is evident that the populace of Muara is more inclined to exhibit adaptability in the face

of diversity. The possession of diverse passive and active income streams is contingent upon the availability of resources.

Beyond IKN Area

The advent of IKN has compelled the community to adapt to the prevailing changes. Moreover, it is imperative to acknowledge the necessity for individuals to adopt a more innovative mindset to facilitate the process of adaptation. The establishment of IKN has the potential to engender both opportunities and challenges for the community. It is anticipated that the provision of training activities, both by governmental and private sector entities, will serve to enhance the level of innovation in the surrounding area. The training provided is designed to equip the community with the skills that are expected to be useful once the IKN is fully operational. This is with the aim of ensuring that the community does not feel afraid or at a disadvantage when competing with the influx of newcomers expected to flood the IKN after it begins operations.

A notable innovation that has been adopted by the community in Maridan is the introduction of hydroponic farming activities. This method of cultivation involves the utilisation of water as the medium for plant growth. Nutrient provision to the plants is facilitated through a water solution, while their roots are cultivated in a supportive medium, such as rockwool or sponges. Hydroponics is not a novel concept; however, for the residents of Maridan, it is a novel practice with which they are unacquainted. The residents of Maridan have been the beneficiaries of training in hydroponic practices, delivered by OIKN in collaboration with the Ministry of Labour. The training programme has been meticulously designed to impart the requisite knowledge and practical skills to ensure the competent execution of hydroponic practices. It is anticipated that the products derived from

hydroponics will serve as a supplementary revenue stream for the community, thereby contributing to the fulfilment of its food requirements.



Figure 49 Hydroponic innovation in Maridan Subdistrict (Photo by Adji Saiddinullah, 2025)

Chapter 7. Local Knowledge and Adaptation to New City Development

The development of IKN has precipitated substantial physical and socio-cultural transformations for local communities in Sepaku and its environs. This chapter explores how local knowledge and traditional practices of the community, particularly the Paser and Balik tribes, confront, adapt to, and respond to the environmental and social changes brought about by the development of this new city. The comprehension of these communities, which is informed by both hereditary knowledge and contemporary experiences, is pivotal to the exploration of their resilience and adaptability.

7.1 INDIGENOUS AND LOCAL KNOWLEDGE IN RESPONDING TO ENVIRONMENTAL AND SOCIAL CHANGE

The indigenous communities surrounding the IKN area have historically relied on their traditional knowledge to navigate and adapt to various environmental and social changes, even prior to the announcement of the IKN mega-project. An in-depth comprehension of natural cycles, soil characteristics, sustainable resource utilisation, and social dynamics has been transmitted across generations. Nevertheless, it is currently confronted with novel and intricate challenges and adaptations.

A fundamental aspect of the Paser tribe's traditional knowledge pertains to their practice of shifting cultivation, which functions not only as a means of agricultural production but also as a method of managing and sustaining the ecosystem. In Maridan

Subdistrict, a senior figure who is a traditional leader has articulated that this approach is firmly embedded in the tribe's spiritual and ecological philosophy, reflecting a deep connection with the natural environment. The agricultural practices of the Paser people are not merely limited to the clearance of land; rather, they are meticulously designed to maintain ecological equilibrium. One of their practices involves the cultivation of fruit trees, including cempedak, which serve two purposes: as indicators of land ownership and as a strategy for promoting sustainability.

It was also explained that the Paser tribe's relationship with nature is closely tied to their cultural traditions, which have been passed down through generations. During his gardening activities, he frequently experienced a sense of sorrow when large logs were utilised for the purpose of land clearance. He perceived this as a disruption to the natural harmony that he believed to be in place. This notion is central to the Belian ritual, a ceremony performed after harvest. In this ritual, a Belian child, who plays a pivotal role in spiritual ceremonies, is invited to offer symbolic nourishment to forest spirits or supernatural entities as a gesture of respect.

As previously stated, following the harvest and the completion of the Belian ritual, the garden is deliberately left fallow to allow the soil to regenerate. In order to distinguish the land as having been previously cultivated, cempedak trees are planted in select locations. It was observed that the presence of a cempedak tree in the rear garden of the property is a visible indication of its former state.

It has been determined that a select number of large trees are not to be completely felled; rather, they are to be preserved for the purpose of future utilisation, such as in the fabrication of boats. A Paser Pemaluan traditional leader characterises this shifting cultivation system as involving a process of 'pioneering,

drying the land, burning it, and then cleaning it again so that you can exchange rice'. The former is designated *Lati Tuo*, signifying an aged garden that has undergone a period of recovery spanning approximately 10-15 years. The latter is categorised as *Lati Burok*, denoting a recently established garden, with an age ranging from 1-6 years. This system can be regarded as a form of wisdom in the regeneration of land, ensuring the maintenance of soil fertility. A traditional leader from the Balik community in Sepaku Subdistrict confirmed that the customary land-use practices within the group closely resemble those of the Paser tribe. The leader elucidated that the classification of land types – specifically *Lati Burok* and *Lati Tuwo* – exhibits a similar pattern. In accordance with the provided information, *Lati Burok* is generally designated for horticultural purposes, while *Lati Tuwo*, following a period of rest or regeneration, is once again suitable for cultivation. This alignment in land-use customs underscores the shared cultural frameworks between indigenous groups in the region regarding the cyclical management of agricultural land.

Furthermore, the determination of the optimal planting season for mountain rice is also based on natural readings. The harvesting of this crop is typically undertaken during the dry season, which extends from June to August, and is conducted on an annual basis.

Local ecological knowledge is critical in shaping community-level understanding of natural phenomena, including recurrent flooding. In Ibu Harapan Village, residents have long been cognizant of the perennial nature of flooding, irrespective of recent development activities associated with the Ibu Kota Nusantara (IKN) project. This observation emphasises the necessity to discern between pre-existing environmental conditions and those that are potentially influenced by newly constructed infrastructure.

Local inhabitants of Bumi Harapan have explained that flooding in the area has occurred for an extended period and is primarily attributed to the low-lying nature of the land. It was observed that in instances where high tides coincide with periods of rainfall, the likelihood of flooding is significantly increased. It was emphasised that the flooding experienced in the village is not a consequence of IKN construction, but rather a long-standing environmental characteristic of the region.

An official from Bumi Harapan village concurred with this assessment, stating that flooding constitutes a persistent issue in his area. In a similar vein, in Maridan, a respected elder and customary leader asserted that the area is prone to flooding following precipitation, a phenomenon attributable to the inadequacy of the drainage system (culverts) constructed by the company, which is insufficient to accommodate the expanse of the river. This knowledge is important in addressing the narratives that have emerged regarding IKN's environmental impact.

In addition to its hydrological ramifications, the recurring phenomenon of flooding in the Sepaku region is profoundly intertwined with the indigenous cosmology of the Balik community. A particular mythos has evolved around a sacred tree located in the upper reaches of the Sepaku River, which is believed to be central to the spiritual and environmental dynamics of the area. This belief system is indicative of the community's interpretation of extreme natural events through a cultural and historical lens.

A traditional leader from the Balik community in the Sepaku Subdistrict provided a detailed account of a significant flood event that occurred in 1987. According to the leader, the flood was of such severity that only the rooftops of houses remained visible. When questioned on the gravity of the flood, he cited ancestral chronicles suggesting that such events have transpired over centuries and are associated with supernatural phenome-

na. It was explained that within the community there is a prevalent belief that certain beings – referred to in children’s terms as “mangoes” – emerge during such times. In this locale, these entities are recognised as ‘modern’, a designation that denotes a particular type of supernatural being. It was further noted that when the spiritual threshold, or *tapanya*, is deemed sufficient, these beings are compelled to manifest. This account illustrates how environmental occurrences are interpreted through indigenous belief systems, reinforcing the cultural significance of natural landmarks and events.

Local folklore centres around a large tree situated at the headwaters of the Sepaku River. As per this belief system, the tree is believed to metamorphose into a supernatural being if it remains unseen by humans for a protracted period. A traditional leader from the Balik community in Sepaku Subdistrict provided further details on the subject, stating that the tree, which is initially ordinary in appearance, is believed to undergo a metamorphosis into a creature if left unobserved. He further elaborated that the act of encountering the tree disrupts the process of meditation, thereby rendering it ineffective. It has been hypothesised by some members of the community that the catastrophic floods of 1987 were caused by entities emerging from this tree. This suggests that such transformations occur in cycles spanning several centuries. This perspective is indicative of a cosmological framework through which natural disasters are interpreted, existing alongside more scientific understandings of the region’s geographical vulnerabilities.

In terms of healthcare, prior to the advent of modern medical services, the community placed considerable reliance on traditional knowledge of medicinal plants. A Paser Pemaaluan traditional leader observed that in earlier times, their parents had to travel long distances to reach hospitals. Fortunately, they pos-

sessed knowledge of natural remedies, including which plants to use for ailments such as headaches or stomach pain. Notwithstanding this decline, traditional medicinal knowledge remains a vital component of the community's approach to health and well-being.

Community responses to social change within the IKN region are deeply embedded in adat knowledge systems and traditional governance structures. These customary frameworks continue to play a pivotal role in mediating inter-tribal conflicts and addressing the socio-cultural impacts of development. As asserted by a representative of the Paser community in Pematuan, the significance of coordination and collective deliberation in the management of such challenges was further emphasised. Furthermore, he acknowledged the continued relevance of customary law, particularly in cases involving serious offences, thereby reinforcing the authority of adat institutions in maintaining social order.

The historical presence of corporate entities, such as PT ITCI since the 1970s, has introduced significant transformations to the local landscape. A salient change that has been observed is the construction of road infrastructure in areas that previously lacked formal access routes. A Paser Pematuan traditional leader, who also occupies a traditional leadership role within the Paser Pematuan community, recalled that prior to the arrival of such companies, earlier generations relied exclusively on sea and river transport. It was observed that the initiation of road development was led by corporate entities rather than by the IKN project itself. This observation underscores the enduring impact of private sector involvement in shaping regional connectivity.

Nevertheless, the company's establishment has also exerted detrimental effects, including community land claims and restrictions on forest access imposed by security personnel. From

this standpoint, an elder from the Paser community in Maridan expounds on the deleterious consequences of corporate initiatives. The loss of land without adequate compensation and the exacerbation of environmental concerns, including flooding precipitated by substandard culvert infrastructure, are emphasised.

The awareness of sacred sites and customary ritual practices represents a fundamental aspect of community responses to socio-environmental change in the IKN region. In particular, the communities of Maridan and Riko uphold a strong belief in the sanctity of three banyan trees. These are regarded not only as spiritual landmarks but also as territorial markers with cultural significance. These trees are embedded within local cosmologies and serve as reference points for ancestral identity and spatial orientation.

According to an account provided by an elder from the Paser community in Maridan Subdistrict, one of the three sacred banyan trees had been uprooted during the construction of a toll road. The speaker elaborated that the incident in question was perceived by the community as a profoundly spiritual disturbance, extending beyond the immediate physical implications. Local belief asserts that the removal of the tree precipitated a sequence of supernatural disturbances, encompassing incidents of possession among construction workers. It was emphasised that such events are interpreted within the community as manifestations of disrupted spiritual balance, reinforcing the importance of respecting sacred ecological features during development interventions.

The trance-like state experienced by the project workers subsequently necessitated the implementation of a customary ritual, performed by a handler from Riko, to restore calm to the situation. The experience of encountering this sacred tree serves as a case in point, illustrating how infrastructure development

can intersect directly with the spiritual realm of the community, thereby eliciting a customary response.

Beyond the reverence for sacred trees, the Balik community in Sepaku also demonstrates profound respect for other culturally significant sites believed to possess spiritual power. In the context of the investigation, a traditional leader from the Balik community in the Sepaku Subdistrict was identified as having knowledge of several individuals who had been directly affected by infrastructure development. The investigation focused on the impact of the river normalisation project on these individuals. Among the most prominent sacred sites is Batu Badok, a large stone regarded as the embodiment of the king of pigs, with historical roots that extend to the Dutch colonial period. It is widely held that Batu Badok is imbued with mystical properties, and it has historically served as a site for ritual offerings and vows, particularly in contexts involving the healing of children's illnesses.

It is the contention of the aforementioned traditional leader that the demolition of Batu Badok, which was executed as a component of the river regulation initiative, has exerted a profound impact on the community. In addition to *Batu Badok*, two other spiritually significant sites—*Pesan* and *Tukar Tondo*i—have also been affected. The term *Pesan* refers to a landform distinguished by its unique appearance, which is said to resemble a stream of gold. In contrast, *Tukar Tondo*i denotes a cave situated within a water body that has since become submerged due to the river normalisation process.

The development project has had a direct impact on all three sites – *Batu Badok*, *Pesan* and *Tukar Tondo*i. It is evident that endeavours to conserve these hallowed grounds have encountered considerable challenges, chiefly attributable to their location within the delineated construction area. The traditional leader from the Balik community in Sepaku Subdistrict articulated that

while the community would prefer to protect these sites, the feasibility of doing so is limited. The leader observed that unless alternative measures (for example, the creation of an artificial island) are implemented to ensure the conservation of the sites, their preservation remains uncertain given the limitations of the project's trajectory.

Furthermore, the case of 'Bakau Kuning' (alternatively referred to as 'Bakau Lemit' by a traditional leader from the Balik community in Sepaku Subdistrict), which was cultivated for IKN's logistics port without the requisite customary permission, resulted in the imposition of a fine and the initiation of a customary ritual. The chief then proceeded to elaborate on the significance of the customary procedures that ought to have been implemented. It is asserted that such actions should have been preceded by appropriate rituals and respectful gestures. Such gestures may include seeking permission, offering farewells, or conducting traditional ceremonies involving offerings such as chickens. However, the leader noted that in this case, the eviction was carried out abruptly and without any of these customary practices.

A traditional leader from the Balik community in Sepaku Subdistrict also drew attention to the situation at *Bakau Kuning*, emphasising that the site holds sacred significance and should not be disturbed without due care. The leader expressed uncertainty regarding the identity of the individual or individuals responsible for orchestrating the eviction, and speculated that even members of the indigenous community might have been involved. The individual explained that the process had been executed without consultation or prior notice, raising concerns about the disregard for cultural protocols.

The Bakau Kuning case is also suspected of being a source of land claim disputes between various parties who wish to exercise control over it due to its strategic location for IKN logistics.

The 'Belian' ritual, as referenced by An elder from the Paser community in Maridan, is also an integral component of the respect for nature and its elements when undertaking the process of land clearance. Meanwhile, ancestral graves such as that of *Panglima Jagadual*, an important figure of the Balik Tribe appointed by the Kutai Sultanate, are also sites that are respected and guarded, even holding a grand haul by the family and once inviting representatives of the IKN Authority. The loss or damage to these sacred places is of concern for two reasons. Firstly, the loss of the physical site is inevitable. Secondly, it disrupts the spiritual order and the knowledge attached to it.

The history of territorial control and inter-tribal relations constitutes an additional facet of local knowledge. The 'Belian' ritual, as referenced by an elder from the Paser community in Maridan, is also an integral component of the respect for nature and its elements when undertaking the process of land clearance. Meanwhile, the Paser tribe in Maridan, according to the head of the indigenous community in Pernaluan, follows the Paser Kingdom in Grogot. It is customary for the chief of this area to be of royal lineage, specifically from the Paser Kingdom. The community's assertions regarding its identity and territorial rights are founded upon a profound understanding of genealogy and history.

It is evident that social change is also responded to through *adat* institutions and their leadership dynamics. An elder from the Paser community in Maridan emphasised the significance of the role of a customary head who genuinely nurtures the community and coordinates with the government, rather than a position of mere formality. He recollected his tenure as a traditional leader who had been instrumental in fostering the community and fighting for their aspirations, including the initiation of the establishment of the GEPAK (Native Kalimantan Youth Move-

ment) organisation. However, he also expressed criticism of the proliferation of traditional leaders who had not undergone the requisite processes and lacked a full understanding of their responsibilities. This phenomenon was also alluded to by a traditional leader from the Balik community in Sepaku Subdistrict, who stated that there are several customary chiefs in her area whose appointments were not made through community elections. This phenomenon exemplifies the way social structures and customary leadership endeavour to ascertain their form amid transformative processes.

It is evident that the indigenous communities surrounding IKN possess a wealth of local knowledge, encompassing practices such as the 'Lati Tuo' and 'Lati Burok' systems, which underscore their proficiency in sustainable natural resource management. These communities have been shown to have a profound comprehension of natural phenomena, including cosmological interpretations of flooding, and a mastery of traditional medicine. Furthermore, they demonstrate a profound respect for sacred sites and the performance of customary rituals. Collectively, these elements form the foundation for effective responses to environmental and social dynamics. The advent of external entities, such as companies, and the subsequent evolution of IKN, have subjected these practices to scrutiny and, in certain instances, have led to their displacement. Nevertheless, this knowledge endures and remains pertinent, as evidenced by endeavours to negotiate space (for example, in the context of the Bakau Kuning land dispute, the eviction of the *Batu Badok* site, or the mediation undertaken by traditional leaders concerning land impacted by the toll road project), the preservation of identity through customary structures and history (such as the reaffirmation of connections to past sultanates by the Paser and Balik tribes. The role of traditional leaders

in maintaining social order is demonstrated, as are the performances of rituals in response to disturbances to sacred places or modifications to livelihoods while maintaining local values. This is indicative of the resilience of communities in the face of large-scale transformation in their territories.

7.2 REINTERPRETING AND MODIFYING TRADITIONAL PRACTICES TO COPE WITH URBAN TRANSFORMATION

The transition towards urbanisation that IKN engendered compelled local communities to reinterpret and modify their traditional practices. It is evident that certain practices have been streamlined or even discontinued because of various factors, including policy modifications, evolving values and economic pressures. Conversely, other practices have been sustained with select modifications as a means of adapting to the prevailing social environment.

Shifting cultivation, once a central subsistence strategy for the Paser and Balik tribes, has experienced a marked decline in recent years. A significant contributing factor to this shift is the implementation of government regulations prohibiting the use of fire in land preparation. This policy change has had direct implications for traditional agricultural practices, particularly those involving the cultivation of mountain rice.

It was explained by a traditional leader from the Paser Pematuan community that the natural fertility of mountain rice is inherently dependent on the process of land burning. It was observed that the prohibition on field burning has resulted in significant challenges to the sustainability of this agricultural practice. As posited by the local farmer, the cultivation of mountain rice is rendered unfeasible in the absence of fire, and consequently, this practice has been largely abandoned by local farmers. This statement reflects the broader tension between environmental regula-

tion and the preservation of indigenous agricultural knowledge systems.

Furthermore, the introduction of commodity crop programmes such as palm oil and rubber since the 2000s (palm oil in 2007 according to a traditional leader from the Balik community in Sepaku Subdistrict) has also changed the agricultural landscape and economic choices of the community. The limitation of land ownership due to the influence of corporations represents a substantial constraint. Despite the decline of traditional subsistence farming practices, there remains a degree of optimism within local communities regarding their potential revival through adaptive and innovative strategies. It has been noted by a traditional leader from the Balik community that initiatives are in progress with a view to the reclaiming of cultivated land by means of the establishment of farmer group schemes. She elaborated that although shifting cultivation is no longer being practised, discussions have been initiated with the IKN Authority to explore mechanisms for returning community land under a more organised framework. This phenomenon is indicative of a more extensive reinterpretation of customary agricultural practices, which are currently undergoing a process of restructuring with a view to aligning with formal regulatory frameworks and institutional support.

In alignment with this transition, Maridan Subdistrict has devised a strategy to reintroduce the cultivation of staple and commercial crops, including rice, corn, and coffee. These initiatives have been devised to be consistent with the principles of sustainable development and environmental stewardship, indicating a shift toward ecologically responsible land use.

Concurrent with shifts in agricultural practices, traditional rituals have also undergone simplification. It has been observed by a traditional leader from the Paser community in Pemalu-

an that the customary wedding ceremony, which historically spanned a period of seven days, has undergone significant compression in duration. The leader elucidated that contemporary preferences are inclined towards simplicity, with only the most essential elements of the ritual being retained. In current practice, traditional attire is still worn, and the Ronggeng dance is performed either at the beginning or conclusion of the event. These modifications illustrate a pragmatic adaptation of cultural traditions in response to evolving social expectations and time constraints.

Despite the simplification observed at the individual or family level, certain communal traditions, such as Nondoï (the Paser tribe's village cleansing ceremony), persist. However, it should be noted that the current focus of these traditions is at the district level, specifically in Penajam or Grogot, as opposed to the former village-based practices. This suggests an effort to uphold core traditions while adapting their implementation. The practice of 'Belian', a ritual of thanksgiving following the harvest or the fulfilment of a wish, which was once of great significance, is now rarely performed due to the lack of younger generations or shamans who have mastered the knowledge.

Concurrently, more personal rituals, such as the offering of sacrifices to the sea for healing due to 'ketukeran' (disturbances caused by supernatural beings), as recounted by traditional leaders from the Paser Pemaluan community, are still practised by some members of the community who believe in them.

The use of regional languages, such as Paser and Balik, has also undergone interesting changes in response to social and identity shifts. While it is not possible to assert that these transformations commenced with the advent of the IKN, the existence of the IKN and the rising number of migrants may potentially expedite these shifts. A traditional leader from the Balik commu-

nity in Sepaku Subdistrict provided an account of the historical reluctance of the Balik people to utilise their native language, opting instead to employ Indonesian or even Javanese. However, with the IKN bringing increased attention to local tribes, there has been a resurgence of pride in using the Balik language. The following explanation was provided:

“Now that IKN has (a programme) to promote Balik (culture), (people) don’t want to (hide their identity). Anyway, even in the middle of a thousand people, they will use Balik language.”

This phenomenon may be interpreted as a re-evaluation of identity, in which the emergence of the ‘new city’ has precipitated a revitalisation of the mother tongue. In contrast, a traditional leader from the Paser Pemasuan community observed that the local language, Paser, persists in everyday interactions among the local population. However, when engaging with external parties or in formal contexts, Indonesian is the preferred language. One of the school principals in Bumi Harapan also stated that the use of Indonesian is more prevalent in schools and communities due to the heterogeneous nature of the population. However, it should be noted that local content is incorporated into the curriculum in Paser.

In the present era of socio-political transformation, traditional leadership structures are being reinterpreted and subjected to scrutiny regarding their legitimacy. A former traditional leader from Maridan Subdistrict, expressed concern over the emerging trend of individuals assuming traditional leadership positions without adhering to established protocols or demonstrating the requisite competencies to effectively represent and protect community interests.

The former leader posits that the legitimacy of a traditional leader is derived from two primary sources: formal recognition

by the sultanate and democratic endorsement through community elections. The speaker placed particular emphasis on the notion that legitimacy should not be derived from unilateral self-appointment or selection by other traditional leaders alone. The former leader contended that such practices compromise the integrity of customary governance.

It was further elaborated that the appointment of a customary head must occur under the authority of the Sultanate's Customary Minister. This ensures procedural accountability and prevents arbitrary designation. Furthermore, he acknowledged that community-based electoral processes serve as an equally valid mechanism for conferring legitimacy upon traditional leaders.

A traditional leader from the Balik community in Sepaku Subdistrict also highlighted a similar issue in her region, where several individuals claim to be traditional leaders without having been officially elected by the community. This phenomenon indicates a shift in the mechanisms and competition for the legitimacy of traditional leaders' roles in addressing social changes and opportunities arising from the development of the IKN. Despite having been officially appointed by the Traditional Council of the *Kutai Kertanegara ing Martadipura Sultanate* as the Traditional Leader of Balik, she elected not to widely publicise this fact, due to various internal community considerations.

Customary law has historically been regarded as a foundational mechanism for resolving disputes within indigenous communities. However, it has undergone notable transformations in its application and scope. As emphasised by a traditional leader from the Paser Pемaluan community, the enforcement of Paser customary law remains pertinent, particularly in cases involving grave violations such as homicide. In such instances, traditional mechanisms are still considered appropriate and effective.

However, a traditional leader from the Paser Pemaluan community emphasised the significance of prioritising familial consultation and coordination in instances of minor infractions, particularly those pertaining to youth misconduct. He explained that such cases are typically addressed through dialogue within the family unit, reflecting a preference for restorative approaches over formal adjudication. In instances where such negotiations prove unsuccessful in achieving a resolution, the matter is escalated to formal state institutions, most notably the police.

In response to the observations made, a traditional leader from the Paser Pemaluan community elucidated that this transition does not denote a repudiation of established customs. Instead, it can be argued that this is a pragmatic response to contemporary social dynamics. It was further noted that trivial cases, such as juvenile delinquency, should be resolved through appropriate and proportionate means, whereas grave offences necessitate the invocation of customary law.

One of the traditional leaders, a former traditional leader from Maridan Subdistrict also provided a detailed account of his experience of resolving conflicts between residents with traditional fines prior to the involvement of law enforcement. This demonstrates endeavours to preserve the existence and relevance of customary law within a constantly evolving social milieu.

Overall, local communities around the IKN demonstrate complex dynamics of adaptation in the face of urban transformation. The reinterpretation and modification of traditional practices is not uniform; some practices are abandoned due to external pressures and internal shifts, while others are simplified or even find new momentum for revitalisation as an affirmation of identity. This process is indicative of the community's efforts to find a balance between preserving their ancestral heritage and the demands of contemporary times. Local knowledge is continuously

tested, negotiated and reshaped in response to the presence of the new, monumental city.

7.3 INNOVATIONS IN SUSTAINABLE RESOURCE USE

In the face of urban transformation and shifts in the economic landscape precipitated by the development of the new capital city, local communities have exhibited various forms of innovation in the utilisation of resources. These initiatives, whether rooted in modifications to traditional practices or the adoption of new knowledge and technology, reflect efforts to adapt for sustainable living amid change.

A significant development in the diversification of local livelihoods has been the emergence of small-scale modern agricultural enterprises, particularly hydroponic farming. This innovation is indicative of a more extensive transition towards sustainable and space-efficient cultivation practices, a subject that has been extensively explored in the domain of agricultural development literature. These practices are regarded as viable alternatives for communities with restricted access to arable land.

As demonstrated by the actions of one of the hydroponic farmers residing in the area, there is a clear trend of individuals opting to utilise unoccupied pond areas in close proximity to their dwellings for the purpose of hydroponic vegetable cultivation. Her engagement with hydroponics followed participation in a training programme facilitated by the IKN Authority, which introduced practical techniques for small-scale farming. The decision to cultivate mustard greens and lettuce was informed by a pragmatic approach, underpinned by a keen understanding of the prevailing market conditions and opportunities in the local context.

The hydroponic farmer elucidated that the pond adjacent to her residence had been left unused for an extended period, and

alternative livelihood options, such as baking or tailoring, were either saturated or personally unfeasible. It was noted that the husband had previously proposed hydroponics as a viable option, which subsequently led to the decision to pursue this method. Her narrative illustrates how local actors integrate institutional training with household-level decision-making to adapt to evolving economic conditions.

Notwithstanding the challenges encountered, including supply continuity issues for major markets such as IKN and infestations necessitating the utilisation of natural pesticides such as pepper powder and garlic, this enterprise functions as an ancillary income source and a productive activity. The water utilised in this process is sourced from the public water supply (PDAM), and the nutrients are procured from external suppliers, signifying the adoption of external inputs. This hydroponic innovation is not only practised by the hydroponic farmers, but training provided by OIKN was also attended by several residents of Maridan, although only a small number of these participated in the programme on a regular basis. Evidence of support for this initiative is also evident in the form of CSR programmes, such as those initiated by Bank Indonesia and Pertamina. These programmes provide capital and equipment assistance to other hydroponic groups operating within the Sepaku area, thereby signifying external efforts to promote this alternative farming practice. One of the hydroponic farmers in Maridan emphasised the significance of establishing and cultivating professional networks among hydroponic farmers, with a view to facilitating the exchange of information and supplies.

In addition to the practice of hydroponic vegetable farming, there have also been efforts to diversify businesses in the fisheries sector. In Maridan Village, for instance, an initiative has been launched with a view to cultivating soka crabs and fresh-

water fish. The establishment of this enterprise is attributed to the implementation of training initiatives, with the distribution of seeds and feed serving as a crucial support mechanism. This signifies the dissemination of novel technology and knowledge that has been adopted by the community for the purpose of utilising water resources in a productive manner.

Within the paradigm of community environmental management, a school principal at Bumi Harapan initiated a programme that prioritises environmental sustainability. The educational establishment has a programme in place for the active production of compost from organic waste, and there is an encouragement of the use of tumblers with a view to reducing plastic waste. The necessity of comprehensive waste management solutions, which extend beyond the mere provision of waste bins, was emphasised. As the keyperson has posited, it is imperative to consider solutions to the problem of waste, lest there be a proliferation of refuse. This statement emphasises the necessity of sustainable waste management at the community level, underscoring the urgency of addressing this issue.

In the context of the transition away from conventional shifting cultivation practices, precipitated by the prohibition of land burning and the transition to oil palm or rubber plantations, there is a discernible aspiration among certain communities to reinvigorate food agriculture through a novel approach. As stated by one of the indigenous community members of the Balik tribe, measures are being taken to request authorisation from the IKN Authority, with a view to facilitating the re-cultivation of community land through the implementation of a farmer group scheme. A comparable initiative has been proposed by the Maridan Village Administration, with the objective of rejuvenating the cultivation of mountain rice, corn, and coffee. This initiative is indicative of a reinterpretation of traditional practices, with

the objective of implementing them in a more organised manner while aligning with existing regulations and maintaining local food security.

The advent of migrant labourers involved in the IKN development project has precipitated a paradigm shift in the economic landscape, thereby engendering a state of innovation within the local service sector. One of the village officials in Bumi Harapan perceives this transformation as a strategic opportunity for community-based economic advancement. He then proceeded to recount his personal experience in establishing a guesthouse, which was designed to accommodate the growing demand for temporary lodging among incoming workers.

Subsequent to the initiation of this programme, other members of the community began to replicate and diversify similar service-oriented ventures, including the operation of food stalls and the sale of clean water. These responses are indicative of a form of economic adaptation, whereby local actors demonstrate the capacity to identify and respond to emerging market needs. According to the village official in Bumi Harapan, the provision of services tailored to the needs of migrant workers has contributed to increased economic circulation within the village.

It was observed that the guesthouse attracted a significant number of visitors, which in turn encouraged others to observe and respond to the evolving demands of the labour force. The speaker emphasised that by supplying the requirements of workers, the local economy experiences turnover and growth, describing the outcome as remarkable. This case demonstrates how grassroots entrepreneurship can emerge in response to infrastructural shifts, thereby reinforcing the importance of adaptive capacity in the context of rural economic development.

Additionally, innovation manifests in the form of social institutions, thereby fortifying collective economic capacity. In the

Sepaku Region, the Sepaku Community Communication Forum (*FKMS-Forum Komunikasi Masyarakat Sepaku*) has been established, which, according to the head of Sepaku Subdistrict, encompasses a diverse range of societal elements, including MSME entrepreneurs and village representatives. This forum functions as a conduit for disseminating information regarding business opportunities, including catering services for IKN workers, job vacancy information, scholarships, and advocacy for infrastructure needs to relevant parties. FKMS has also been proactive in its collaboration with companies with a view to improving public facilities, including roads.

OIKN has facilitated a range of training programmes designed to cultivate skills in areas such as coding (website creation, graphic design using Canva, and video editing with CapCut), barista skills, sewing, and digital printing. These programmes have been identified as catalysts for innovation in livelihood opportunities, particularly among female participants and the younger people.

Despite the difficulties encountered in the mastery of novel technologies, the enthusiasm for learning, and the potential for utilising technology and information technology for the promotion of digital business, there is an indication of a shift towards a creative economy.

The diversity of emergent innovations, encompassing the adoption of contemporary agricultural technologies such as hydroponics, the diversification of enterprises within the fisheries and services sectors, and the augmentation of socio-economic institutions including FKMS and community-based environmental management initiatives, attests to the adaptive capacity of local communities. Notwithstanding the challenges related to sustainability, market access and continuous support that have persisted, these efforts indicate a transition from reliance on con-

ventional subsistence practices towards a more diversified model of resource utilisation with a focus on emergent economic opportunities concomitant with the development of the IKN. These innovations are pivotal for communities not only to survive but also to potentially achieve prosperity amid a rapidly changing landscape.

Chapter 8. Knowledge Production Processes

The generation of knowledge in emerging metropolitan areas is a multifaceted process that entails the utilisation of technological resources, the cultivation of stakeholder collaboration, and the execution of strategic urban planning. By prioritising knowledge-based urban development, the implementation of smart city initiatives, and the establishment of knowledge precincts, cities can stimulate innovation, promote economic growth, and enhance social welfare.

The generation of knowledge represents an extensive undertaking that extends beyond the conventional framework of scientific research, encompassing a wide array of social, economic, and technological innovations. This phenomenon is indicative of the interconnectedness and reflexivity inherent in the generation of knowledge (Nowotny et al., 2003). The generation of knowledge is an iterative process that encompasses diverse domains, including scientific research, technological development, and societal application. This process is characterised by both interactive and non-interactive methodologies, as outlined in the seminal work by Tsao et al. (2008). The concept is influenced by human capital, research and development expenditure, spillovers, and the innovative environment (Caicedo-Asprilla, 2020).

In the context of urban development, local knowledge has been demonstrated to be a pivotal factor in the success of these projects, particularly in areas inhabited by local and indigenous communities. Indigenous knowledge is defined as the skills, philosophies, and practices developed by local communities through their inter-

actions with the environment over time (Menon et al., 2023; Kwan-ya & Kiplang'at, 2016). The concept of knowledge co-production entails collaborative endeavors between local communities and external researchers or institutions, with the objective of generating knowledge that is pertinent and advantageous to all involved parties (Latulippe & Klenk, 2020; Weaver, 2023).

The generation of knowledge is of paramount importance to effectively adapt to the consequences of urban development. This adaptation necessitates the integration of knowledge from various stakeholders, including scientists, policymakers, and civil society, to address complex urban challenges such as climate change (Muccione et al., 2019). As illustrated by the example of climate change, the generation of knowledge necessitates a sophisticated process. The co-production of knowledge, wherein various actors collaborate, is imperative for the creation of solution-oriented knowledge that supports sustainable urban development (Muccione et al., 2019; Twalo, 2019).

The involvement of a broad range of stakeholders is imperative for the effective production and application of knowledge. This includes the active involvement of local communities, businesses, and academic institutions in the planning and development processes (Adelfio, 2019; Romein et al., 2011).

The involvement of a broad range of stakeholders, in conjunction with the implementation of effective governance mechanisms, is of paramount importance. The implementation of effective governance and policy frameworks is imperative to facilitate knowledge production and its subsequent application in the realm of urban development. This includes fostering environments that encourage innovation and knowledge sharing (Andersen & Atkinson, 2013; Driouchi, 2008).

Local communities frequently generate and employ knowledge to adapt to the impacts of new city development through

various strategies. This process involves the utilisation of indigenous knowledge, community collaboration, and participatory planning to address the challenges posed by urbanisation and new city development.

The production of local knowledge is a dynamic process that involves the integration of indigenous practices, community collaboration, and participatory planning. In Indonesia, examples from Bandar Lampung (Ilmi et al., 2025), North Jakarta (Prana et al., 2024), and East Kalimantan (Rijanta et al., 2024) illustrate how communities adapt to new city developments by leveraging their unique knowledge and social networks. To achieve sustainable and inclusive urban development, it is essential to recognise and support local initiatives, ensuring that policies are context-specific and community-driven.

The development of the IKN has the potential to effect profound changes to both the physical and social landscape of the region. Furthermore, it has been argued that the development will also trigger dynamic processes of knowledge production, transmission, and integration at the local level. This chapter explores how indigenous peoples and local communities around the IKN generate, share, and apply knowledge to respond to emerging challenges and opportunities, as well as how external knowledge interacts with existing local wisdom.

8.1 LOCAL PEOPLE: GENERATING, SHARING, AND APPLYING KNOWLEDGE TO RESPOND TO SOCIO-ECONOMIC SHIFTS

Local communities around the IKN have demonstrated adaptive capabilities in generating, sharing, and applying new knowledge to respond to significant socio-economic shifts. This process is frequently organic in nature, arising from observation, direct experience, and the need to survive and capitalise on opportunities.

It is evident that economic challenges and emerging employment opportunities frequently function as pivotal catalysts for the generation of novel knowledge and adaptive practices within local communities. In Bumi Harapan Village, this dynamic was illustrated through the experience of one of the village officials in Bumi Harapan, who identified a business opportunity in the hospitality sector. This initiative was prompted by observations of an increasing number of workers arriving in the area due to the IKN development project.

It was explained that, at the outset, many residents were sceptical about the viability of establishing a guesthouse in a location considered to be on the margins of the village. The proprietors of the site in question believed it lacked strategic value and would not attract custom. However, he held a divergent perspective, anticipating that the influx of workers over the following one to two years would generate significant demand for lodging. The accuracy of the prediction is evidenced by the eventual development of the area into a densely populated district of workers seeking accommodation.

As time passed, the guesthouse became increasingly visible and well-known, leading to a consistent increase in the number of guests. This success encouraged other residents to recognise the potential of the hospitality sector and to establish similar businesses, such as additional lodging facilities. His experience demonstrates how individual entrepreneurial action, informed by local observation and foresight, can become a model for broader community engagement and economic adaptation.

The dissemination of knowledge pertaining to emerging market opportunities is frequently facilitated through informal observation and interpersonal exchanges within the community. This process plays a crucial role in encouraging residents to initiate similar ventures, such as operating food stalls or supplying

clean water. A village official in Bumi Harapan explained that he had initially advised fellow residents to pursue manageable business activities, including the establishment of simple food stalls on their home terraces. It was observed that such endeavours yielded substantial effectiveness, as the influx of demand from incoming workers resulted in expeditious sales and consistent turnover.

In addition to economic considerations, knowledge sharing also occurs in response to shared challenges, particularly land disputes. One of the indigenous community members in Maridan, a respected elder of the Paser Maridan tribe, is frequently approached by community members seeking mediation and guidance in resolving land-related conflicts, especially those involving corporate claims or interventions by the Land Bank. Even though he no longer occupies a formal leadership position within the customary organisational structure, his considerable experience continues to position him as a trusted source of strategic insight.

It was also noted that community members frequently request assistance from the relevant authorities when land issues arise, prompting him to engage with village authorities, company representatives, and district-level officials. This knowledge, which is firmly embedded within the local community, is subsequently employed by residents in their dealings with external actors. It serves to secure support and to assert their interests.

In contrast, a hydroponics activist in Maridan demonstrated the practical application of the recently acquired hydroponics technical knowledge, which she had obtained from OIKN training, within her community. Despite the marketing constraints with which she was confronted, she disseminated information to fellow training participants and other interested parties. It was revealed that in the event of an absence of vegetables in stock,

the subject would inform fellow hydroponic farmers. As demonstrated by one of the hydroponic farmers in Maridan, novel knowledge from external sources is applied and disseminated through informal networks to overcome economic challenges.

The social challenges experienced by the community, particularly those arising from conflicting narratives about the implications of IKN development, have prompted residents to actively pursue more reliable sources of information. One of the indigenous community members in Sepaku Subdistrict, in collaboration with her husband, who both hold traditional leadership roles in Balik, has articulated concerns regarding the veracity of information disseminated by other customary leaders and non-governmental organisations. In response to this uncertainty, they proactively sought direct clarification from the OIKN.

It was elucidated that prior to engagement with the IKN Authority, the information circulating within the community had been unclear and inconsistent. It was only subsequent to the receipt of a formal invitation and consultation by the OIKN that a more precise comprehension of the situation became possible. It was observed that, subsequent to this interaction, the participants exhibited a heightened sense of confidence in their comprehension of the issues at hand, and that external perspectives concerning the IKN project no longer exerted an influence on their viewpoint.

The knowledge acquired through this process has since been applied to address concerns within the community and has also been shared with researchers and other interested parties. This case demonstrates that the generation, dissemination and utilisation of knowledge at the local level is inherently dynamic, often shaped by immediate needs and facilitated through informal networks, collective engagement and individual initiative in navigating periods of change.

8.2 TRANSMISSION OF KNOWLEDGE WITHIN COMMUNITIES

The dissemination of knowledge within communities surrounding IKN occurs via a variety of interconnected channels, encompassing both established mechanisms that have become firmly established and novel channels that emerge in response to shifting times and external interventions. Each channel has its own role and effectiveness in the transmission of traditional knowledge, the dissemination of practical information, and the shaping of perceptions of change.

The transmission of indigenous knowledge, local history and traditional wisdom on the environment is fundamentally an oral process, with older generations (elders) passing on this knowledge to younger generations. One of the indigenous community members in Maridan, an elder of Paser Maridan, occupies a central role in this transmission. He has amassed a substantial body of knowledge on a plethora of subjects, encompassing the history of Maridan, the etymology of place names, the significance of the Belian ritual, the philosophy of shifting cultivation, and the intricacies of complex customary leadership. This information is retained for personal use and disseminated to researchers, community members, and any individual who requests it, thereby ensuring the continuity of knowledge. It is evident that other traditional leaders also acknowledge the significance of tribe figures such as the figure. The Paser customary chief in Pemaluan, for instance, acknowledges and cites the person in Maridan (his older cousin) as a more profound authority on Maridan's history.

Furthermore, transmission within the family unit is of paramount importance. A Balik traditional leader in Sepaku Subdistrict gained knowledge about the history of the Balik tribe, i.e. the story of Panglima Jagadual, and the meaning of sacred sites from her ancestors. This process is typically observed in the context of

daily interactions and engagement in family traditions, thereby fostering stronger bonds between generations and reinforcing cultural identity. Nevertheless, the transmission of this cultural paradigm does not invariably occur in a seamless manner to the most recent generation. They articulated a sense of concern regarding the linguistic proficiency of her children, particularly the younger ones, in Balik, attributing this decline to their social environment and exposure to the predominant Indonesian language. This demonstrates the challenges associated with the inheritance of the mother tongue in the context of globalisation and societal heterogeneity.

Informal networks between residents, through daily interaction and observation, are also effective channels of knowledge transmission, especially for practical and adaptive knowledge. The establishment of an inn and food stall in Bumi Harapan by one of the village officials in Bumi Harapan has served as a source of inspiration and a learning model for his neighbours, who have emulated his success. In a similar vein, an informal group of OIKN training alumni has been established among hydroponic farmers. This group plays an active role in the dissemination of information regarding vegetable availability, cultivation techniques and small-scale marketing strategies, utilising both WhatsApp groups and direct meetings for this purpose.

Community leaders, encompassing both formal (Lurah/ Head of Village, Head of RT (neighborhood)) and informal (recognised traditional leaders) roles, assume a pivotal function as conduits and disseminators of information. The head of Maridan Subdistrict and his staff have been found to play an instrumental role in the dissemination of information regarding government programmes, training opportunities from OIKN (including hydroponic and coding training), job vacancies, and scholarships. In order to communicate with the residents of Maridan Subdis-

trict, the head of the subdistrict and his staff have been found to utilise the RT structure. The incumbent head of Maridan's neighbourhood association (RT 16) plays a pivotal role in the dissemination of information at the community level and vice versa, serving as a conduit for the articulation of residents' aspirations and perspectives.

Nevertheless, the role of traditional leaders in knowledge transmission can be multifaceted and, at times, problematic. On the one hand, credible customary figures such as the traditional elder in Maridan and the head of indigenous community in Pemaluan are authentic sources of historical and customary knowledge. Conversely, one of the indigenous community members in Sepaku has asserted that certain traditional leaders have been accused of either withholding information from the IKN Authority or disseminating inaccurate information to the community, which has the potential to engender misunderstanding or conflict. This underscores the significance of integrity and accountability in the role of traditional leaders as conduits of knowledge.

Local institutions, including schools, also make contributions, albeit to a more limited extent. As stated by the principal of a school in Bumi Harapan, the Paser language is being used as a formal means of transmitting cultural and linguistic knowledge to the younger generation. Furthermore, one of the indigenous community members in Sepaku Subdistrict confirmed that her child is learning Paser language at school, where the curriculum has been developed with the involvement of community leaders. As one of the indigenous community members in Pemaluan elucidated in the context of meetings to address conflicts with companies, customary meetings or village forums function as pivotal conduits for the dissemination of collective knowledge, deliberation, and collaborative decision-making. Furthermore, it

has been observed that mosques have been utilised as venues for the socialisation of government programmes. However, one of the indigenous community members in Pemaluan has expressed concerns regarding the appropriateness of utilising places of worship for such agendas, citing time constraints and the potential for bias as key considerations.

Informal learning through observation, direct participation and interaction with outsiders is also the dominant knowledge transmission mechanism. The local's success in developing a hydroponic business after the training is a clear example that other residents can see and learn from. Community involvement in student community service activities, as described by the principal of a school in Bumi Harapan and one of the elders of indigenous community in Pemaluan, also facilitates dialogue and knowledge exchange between local communities and academics or young people from outside the region.

Concurrent with the evolution of IKN, indigenous institutions have emerged that function as conduits for knowledge transmission. The Sepaku Community Communication Forum (FKMS) has been identified as a pivotal platform for the dissemination of information pertaining to economic opportunities, including catering, employment opportunities, scholarship programmes, advocacy for infrastructure needs, and the coordination of residents from diverse villages. This assertion is supported by the testimonies of the head of Maridan Subdistrict and his staff. FKMS has been observed to employ contemporary communication technologies, including WhatsApp groups, to expedite the dissemination of information. This demonstrates the community's capacity for adaptability in leveraging novel platforms for knowledge dissemination in the digital era. Furthermore, training programmes initiated by OIKN or corporate CSR, including hydroponic training, coding, and barista training, serve

as conduits for the dissemination of novel knowledge and skills from external sources to the community.

Through these various channels, knowledge continues to flow, be interpreted and adapted by the community in their efforts to understand and respond to the changes brought by IKN. The intricacies of these interactions, along with the possibilities for distortion or amplification, are pivotal in comprehending the social dynamics within the region.

8.3 BUZZERS-INDUCED KNOWLEDGE BY DESIGN

In the context of rapid and massive social change, such as the development of IKN, where information is of the essence, there is also the phenomenon of the spread of knowledge or narratives that appear to have been designed or spread by certain parties. Local communities frequently perceive such actions as an attempt to influence public opinion, occasionally with a less transparent agenda. This phenomenon is not limited solely to anonymous actors, often referred to as 'buzzers'; it can also involve various entities that utilise both the digital and traditional information landscapes. Local communities have expressed concerns regarding the veracity of the information provided, citing the presence of what they perceive as inaccuracies, provocations, and hidden agendas. It was determined that these were incongruent with both official information and factual evidence.

The most compelling evidence on this matter was provided by an indigenous figure from Balik regarding the activities of the AMAN. In her testimony, she stated that AMAN and the existing traditional leader frequently disseminate narratives that tend to provoke and alarm the community regarding the impact of IKN. A frequently raised issue is the threat of involuntary displacement without adequate compensation. This issue has also been brought to the fore in the media, as reported on the AMAN

website (see Figure 49).

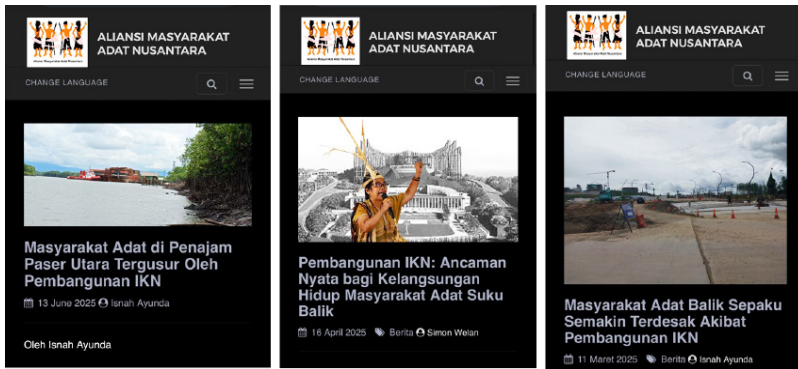


Figure 50 Issue of Relocation Threat as Reported on the AMAN Website (Source: AMAN (2025))

The account presented by the community deviates considerably from the initial assurances made by the IKN Authority (OIKN), which had committed to avoiding arbitrary evictions and to prioritising dialogue with affected residents. This commitment was formally articulated and visually represented in Figures 50 and 51.

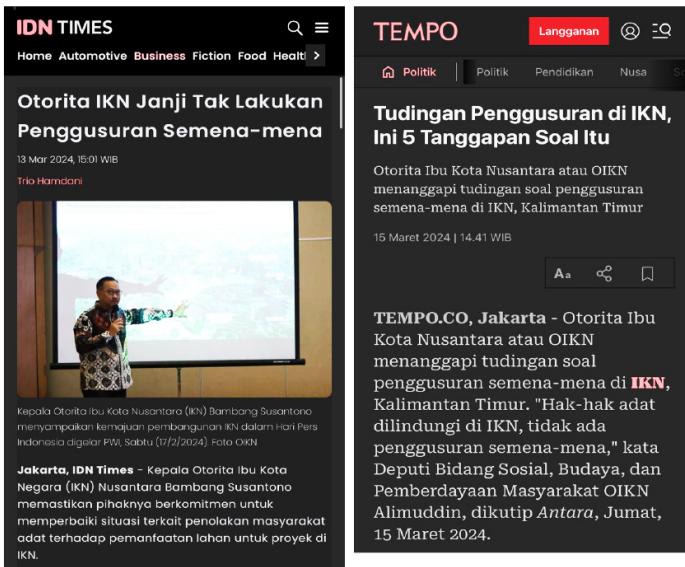


Figure 51 The IKN Authority's promise not to carry out arbitrary evictions

One of the Balik people recounted that it was the AMAN team who had informed the community about impending relocation and eviction. It was explained that the message received by residents conveyed that they would be relocated without any form of compensation or clarity regarding alternative housing arrangements. This resulted in a pervasive perception among the community that the government's objective was merely to forcibly remove them without adhering to the principles of due process. However, she noted that this troubling information sharply contrasted with the explanations and reassurances she later obtained after actively seeking clarification from both the OIKN and the Provincial Government. It is the contention of the aforementioned source that the IKN Authority has conducted a series of meetings and consultations with traditional leaders in Sepaku. The purpose of these meetings and consultations was to explain the development plans and to emphasise that forced relocation was not a component of the agenda.

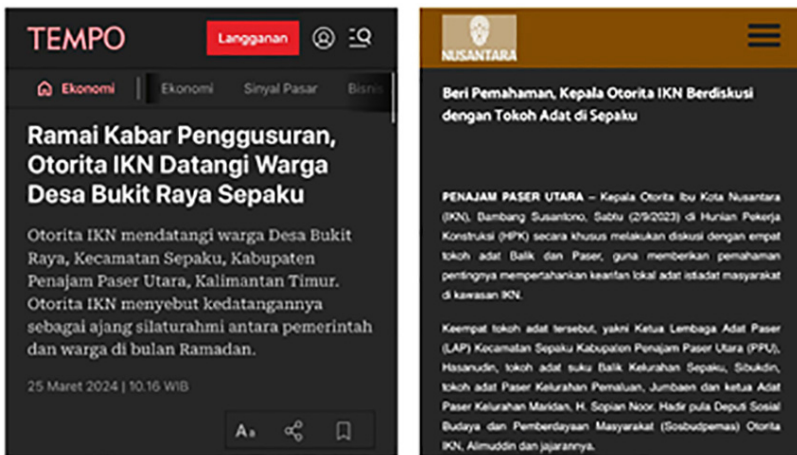


Figure 52 OIKN engages with residents to address eviction issues.

Furthermore, the Balik community has identified a range of methods employed in the dissemination of this designed narra-

tive, including the manipulation of citizen participation in meetings. She then provided a detailed account of how signatures on the attendance list at a meeting organised by an existing traditional leader were subsequently alleged to have been misused by AMAN as evidence of community support for resisting development. This was subsequently exhibited on a billboard. In March 2023, the Balik Tribe residents initiated the installation of banners and billboards that expressed opposition to the development of the IKN. These demands, which were reportedly endorsed by an indigenous figure from Balik, encompassed a range of demands.

One of the indigenous community members in Sepaku Sub-district explained that there had been no explicit refusal to sign any documents. She recollected mentioning during a mosque meeting that while there were expressions of dissent within the community, the timing of the government's actions remained unclear. The sole information that had been received by the community had been provided by the incumbent traditional leader, who had indicated that the community would likely be adversely affected.

In a subsequent statement, the Balik figure expressed astonishment upon ascertaining that the signatures collected during the existing traditional leader's meeting were identical to those on the attendance list. She further questioned the AMAN team's interpretation of these signatures as indicative of public disapproval of the development plan. This misrepresentation resulted in both her and her husband being contacted by the police, despite their conviction that they had never granted permission for their names to be used on billboards suggesting opposition to the project. Furthermore, she and her husband have expressed concerns that the objectives of AMAN at the local level are not aligned with the organisation's overarching mission of promoting the dignity and customs of indigenous peoples. At a national

level, AMAN has persistently advocated for the observance of Indigenous Peoples' rights, while concurrently denouncing the IKN Law as a model characterised by inadequate public participation and the potential for displacing Indigenous populations (see Figure 53).



Figure 53 AMAN demands respect for the rights of indigenous peoples and critiques the IKN Law (Source: AMAN [2024])

At the local level, AMAN is perceived as a driving force behind community resistance to various government initiatives associated with the IKN project. The husband of the aforementioned individual expressed a traditional viewpoint, suggesting that the activities of AMAN appeared to be aimed at stirring unrest among residents. It was his conviction that the community had not experienced any tangible benefits from AMAN's involvement. Furthermore, it was hypothesised that the presence of the AMAN team had encouraged residents to adopt an active opposition stance towards the government's ongoing development efforts.

As a strategy to attract sympathy and participation, AMAN often uses strategies like inviting members of the local commu-

nity to join meetings or events—particularly mothers who may have limited understanding of the issues—to attend meetings or activities held outside the area, including visits to tourist destinations, with all expenses covered and, in some cases, additional pocket money provided.

A traditional leader of Paser Pemasuan also identified the phenomenon of the dissemination of questionable information. He cited the ‘discordant language’ or issues such as IKN being stalled, which he often saw being circulated on mass media platforms and social media. The probability of the stalled IKN was indeed one of the issues that had been extensively discussed in both social media and mass media (see Figure 54). However, this issue was considered a hoax and has been clarified on several occasions by the authorities (see Figure 55). The study also indicates how social media platforms and mass media have become arenas for the dissemination of information and disinformation related to the IKN.



Figure 54 The issue of the stalled IKN is widely circulated on social media and mass media.



Figure 55 Clarification of the IKN Mangkrak issue by the government

A traditional leader of Paser Peraluan also expressed concern regarding the reliability of the information that was circulating about the IKN development. It was observed that negative commentary, including claims that the project might be delayed or that the area would be undesirable for future residents, is frequently encountered on platforms such as YouTube. The speaker then proceeded to interrogate the provenance of such narratives, underscoring the fact that, despite the community's exposure to these claims, there remains an element of uncertainty concerning their validity. His remarks reflect a pervasive sense of caution within the community, where hearsay and online speculation contribute to confusion and hesitation in interpreting the actual progress of the IKN initiative.

Local residents in Bumi Harapan are also actively endeavouring to counteract misinformation that is circulating within the community regarding IKN. He provided an example of how flooding issues are often directly linked to IKN development and deforestation, even though flooding has been a historical problem in the area. As reported in the news, there were several flooding incidents in Sepaku. However, the OIKN and associated officials clarified that these were not invariably directly associated with the construction of the IKN KIPP. In their analysis, the research-

ers cited several additional factors, including elevated precipitation levels and the implementation of mitigation strategies. The OIKN has even accused several circulating IKN flood issues of being hoaxes (see Figure 57).

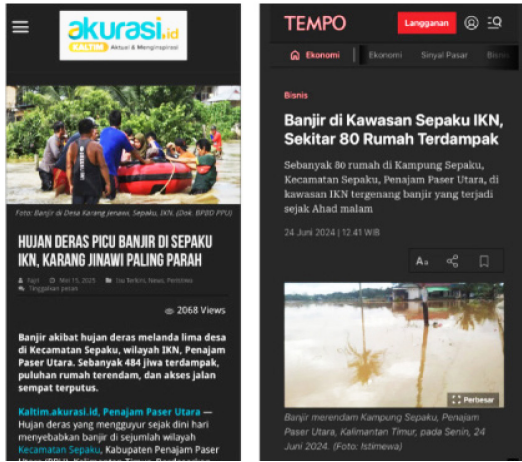


Figure 56 News related to flooding in the IKN area and its surroundings.

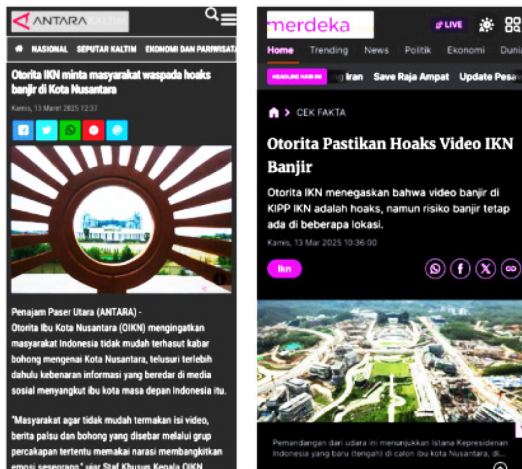


Figure 57 Clarification of flood issue by government.

The acceleration of the IKN development has intensified public discourse surrounding its environmental impact, particularly in relation to flooding. A response was received from a resident

of Bumi Harapan Village, in which the allegations were refuted. He further elaborated that certain individuals on social media had attributed the recent flooding to deforestation caused by the IKN project, asserting that forested areas had been cleared to facilitate construction. In response, he clarified that such statements lacked factual grounding. He had urged commentators to verify the situation firsthand before drawing conclusions, emphasising that the area developed within the IKN zone was not a natural forest, but an Industrial Forest Plantation (HTI) previously managed by PT. IHM. His remarks reflect a broader concern about misinformation and the importance of accurate understanding in discussions related to environmental change and development.

The claim made by a local people in Bumi Harapan regarding the designation of the land as HTI is supported by a report by Forest Watch Indonesia (FWI), which states that most of the land within the IKN area is under the control of various corporations, including those holding HTI concessions (FWI, 2022). However, it is crucial to acknowledge that development on HTI land continues to exert ecological pressures, thereby underscoring the relevance of broader environmental concerns.

This phenomenon of the propagation of ‘designed knowledge’ demonstrates the vulnerability of local communities to external narratives with specific agendas. This frequently engenders confusion, trepidation, and rifts within communities, impeding constructive engagement in the development process. In such circumstances, the capacity of communities to filter, verify and critically evaluate information is of paramount importance.

8.4 KNOWLEDGE PRODUCTION: PEOPLE AS A PART OF KNOWLEDGE PRODUCTION

Local communities around IKN are not merely passive recipients of information or objects of change, but rather active par-

ticipants in the process of knowledge production. Through daily experiences, social interactions, critical reflections on the dynamics that occur, as well as collective and individual actions, they continuously build their own understanding, interpretation and evaluation. The knowledge produced thereby constitutes a vital foundation the way they respond, adapt, and negotiate their position amidst the development of IKN.

A fundamental component of knowledge production is the critical evaluation of extant narratives, with the objective of formulating alternative interpretations. This approach was exemplified by one of the indigenous community members in Sepaku Subdistrict, who is a member of the Balik tribe. This individual encountered troubling accounts from AMAN and certain indigenous leaders regarding the potential negative impacts of IKN. Verification of the veracity of the accounts was deemed necessary, as opposed to unquestioningly accepting the information provided. To this end, direct engagement with official sources was initiated, including the OIKN and the Provincial Government. Subsequently, the speaker outlined the manner in which the outcomes of meetings between traditional leaders and government representatives were not thoroughly disseminated to the wider community. Instead, only a limited selection of information was disseminated, primarily content that was designed to provoke fear and opposition. She explained that she and her husband had deliberately refrained from accepting such accounts at face value. Instead, they initiated an independent verification process to ascertain the veracity of the claims prior to formulating their own conclusions.

The knowledge they subsequently derive from this fact-finding process then becomes the basis for their actions, such as the creation of billboards thanking the government for the construction of the sheet piling. This concrete action exemplifies a diver-

gent interpretation and attitude towards the impact of development, predicated on the knowledge they produce themselves.

The generation of knowledge is also achieved through experimentation, learning from experience (a process of trial and error), and the adaptation of new practices. A female figure hailing from Maridan is actively engaged in the generation of practical knowledge through her hydroponic enterprise. She acquired knowledge from OIKN training (external knowledge) but then developed this through practical experience. This included the identification of suitable and marketable vegetable types, the attempt to produce her own seeds (although with no success thus far), and the devising of small-scale marketing strategies in her local area. Failures or obstacles, such as infestations of pests, can act as catalysts for the generation of solutions and the accrual of new knowledge for the purpose of future improvements. Furthermore, a thorough evaluation of the experiences of other distinguished hydroponic farmers is conducted, while acknowledging the constraints and difficulties encountered by the author, including the absence of continuous guidance following his training.

Similarly, a village officer of Bumi Harapan, through meticulous observation of shifts in the socio-economic environment and proactive action, has engendered novel insights regarding emergent market opportunities. Through an analysis of the migratory patterns of IKN workers, he was able to identify a demand for lodging and ancillary support services, which he subsequently transformed into a commercial enterprise. The success of this initiative had a dual impact: it benefited the individual and became practical 'knowledge' for other residents, who were then inspired to follow in his footsteps. This phenomenon exemplifies the process through which individual innovations can evolve into communal knowledge.

Traditional leaders and elders, through their extensive experience in leadership roles, mediation, and interaction with various stakeholders (government, companies, communities), continue to generate analytical and strategic knowledge. A critical analysis provided by a local in Maridan which examines the Land Bank's tactic of labeling community land as 'idle' and the rise of 'customary chiefs' with questionable legitimacy constitutes a form of knowledge production grounded in deep reflection on complex socio-political realities. His comprehension of the historical progression of land tenure, coupled with his profound insight into the Paser tribe's philosophical stance towards nature, serves as a foundation for his discourse with external interlocutors.

In a similar vein, the head of the Pemaluan indigenous tribe's comprehension of the intricacies involved in land compensation, particularly in the context of interactions between contractors and individuals of questionable repute, stands in contrast to the misinformation disseminated by IKN, which attributes the cause of flooding in its surrounding area. Indeed, the interaction between researchers and the local population constitutes an integral component of the knowledge production process. Through the act of responding to questions, recounting experiences, articulating complaints and aspirations, and providing analyses of the situations they face, the locals actively engage in the construction and articulation of their knowledge. Each narrative is considered a primary source of information. Collectively, these accounts contribute to a more profound and nuanced comprehension of how local individuals evolve into active proponents of knowledge production amidst the tumultuous backdrop of profound transformation. It is evident that these entities are not merely the objects of research; they also function as co-producers of knowledge concerning local resilience and adaptation in the era of IKN development.

8.5 INTEGRATING LOCAL AND EXTERNAL KNOWLEDGE

The IKN development process, in conjunction with its mentoring programmes, facilitates the integration of a diverse array of external knowledge within local communities. This knowledge encompasses new technologies, formal regulatory systems, programmatic approaches from government and non-governmental organisations (NGOs), modern economic models and skills. The interaction between these new knowledge flows and long-established local wisdom, practices and knowledge systems gives rise to various forms of dynamics. These range from positive integration and adaptation, negotiation, to conflict, resistance or incompatibility. This is because external knowledge is not always aligned with the local context, and at times appears to be imposed upon it.

One of the most evident instances of the integration of local and external knowledge can be observed in the domains of alternative agriculture and MSME development. The hydroponic training programme administered by OIKN incorporated contemporary farming methodologies (external knowledge). A hydroponic farmer in Maridan then proceeded to synthesise this knowledge with her local resources and conditions. The process involved the exploitation of unused pond land and PDAM water. However, she also encountered difficulties in acquiring superior seeds (external specific knowledge that was challenging to obtain) and adaptively relied on natural pesticides, such as a concoction of pepper and onion powder (local/adaptive knowledge), to deal with pests on her crops.

OIKN's training programmes in coding and digital marketing can be understood as an endeavour to facilitate external knowledge transfer. The overarching objective of these programmes is to enhance the capacity of local MSMEs. During the

programme, participants from Maridan Subdistrict received instruction on the creation of a website and the utilisation of social media for promotional purposes. Nevertheless, the sustainability of this new knowledge is frequently constrained by a paucity of follow-up mentoring and resources. One of the participants noted that alumni of the coding training programme in Tengin Baru had taken the initiative to establish subsequent training for young people. This serves to illustrate how external knowledge is disseminated and further adapted independently by the community.

However, it should be noted that this interaction does not always proceed in an optimal manner. It is evident that external knowledge or programmes frequently fail to acknowledge or align with local contexts and knowledge. In the context of natural resource management, local knowledge concerning shifting cultivation practices (Lati Tuo or Lati Burok), which the community deems sustainable, is now subject to government regulations (external or formal knowledge) that prohibit land burning. It has been confirmed by a traditional leader of Paser Pemaaluan that the land on which mountain rice is cultivated must be burned; cultivation without burning is not an option. Consequently, the practice of cultivating mountain rice has become redundant.

This ban compelled communities to discontinue the practice and transition to alternative commodities, such as palm oil and rubber, which were introduced through government-sponsored programmes (external knowledge). While the economic impacts of palm oil have been demonstrated to be positive, there is also an awareness of its detrimental environmental consequences, including soil degradation and water scarcity, as articulated by a member of the Balik Tribe. The community's aspiration to resume the cultivation of mountain rice through farmer group schemes can be interpreted as an endeavour to

achieve a harmonious balance between economic imperatives, food security (informed by local knowledge), and prevailing regulatory frameworks.

The experience of one of the elders of the Paser Maridan community provides a clear illustration of the incongruity between externally designed programmes and the realities of local capacities. He articulated a critique of the government's palm oil seedling assistance initiative, particularly its failure to provide adequate technical guidance. He explained that community members had enthusiastically participated in the planting of the distributed seedlings; however, the absence of regular visits from the Indonesian Agricultural Extension Service (PPI) – which, according to him, had not occurred even once a year – left them without the necessary knowledge to implement proper planting techniques. Consequently, the planting of seedlings was undertaken without adequate consideration for factors such as spacing or soil conditions, primarily driven by a desire to comply with government directives and to avoid potential sanctions. He emphasised that while the community was willing to follow instructions, the lack of support from responsible agencies had left them to rely on guesswork.

This incongruity between programme design and local realities was also highlighted by a Balik Tribe member in Sepaku, who expressed concerns regarding the GPS training provided by AMAN. It was observed that most participants lacked formal education yet were expected to operate GPS devices and undertake the training independently. The most pressing challenge, she explained, lay in the assumption that technical tools could be effectively used without first addressing basic literacy barriers. These accounts demonstrate the limitations of well-intentioned interventions that fail to consider the fundamental needs and capacities of the communities they seek to assist.

In the domain of law and dispute resolution, tensions often arise between customary understandings of communal land ownership and the requirements of formal legal systems. Customary knowledge, which is typically rooted in long-standing practices of cultivation and oral agreements, contrasts with formal procedures that demand written documentation and certified proof of ownership. According to a member of the Balik Tribe residing in the Pemaluan Subdistrict, prior to the advent of contemporary mapping techniques, land transactions were predominantly predicated on oral testimony and physical boundary markers. It was observed that this conventional approach has resulted in the proliferation of numerous disputes, particularly as external actors increasingly rely on formal legal standards.

In response to these challenges, the community gradually acknowledged the importance of formal documentation and participated in the Complete Systematic Land Registration (PTSL) programme initiated by the National Land Agency (BPN). The initiative was conceived with the objective of achieving a harmonisation between informal customary claims and formal state recognition. However, a member of the A Balik Tribe residing in the Pemaluan Subdistrict has articulated a degree of dissatisfaction with the outcome, particularly with regard to the issuance of Hak Pakai (Right of Use) certificates. It was contended that such certificates do not offer the same level of long-term security as Hak Milik (Freehold Title), despite many residents having occupied and cultivated the land for decades. The speaker placed particular emphasis on the community's right to more robust legal recognition and posed the question of why those responsible for facilitating such support were not present.

A Paser tribe member in Maridan exemplifies this role, demonstrating expertise that encompasses both legal and customary land tenure systems. This dual engagement is indicative

of a deliberate and nuanced effort to integrate distinct knowledge systems in resolving community-level conflicts. His involvement demonstrates how traditional authority figures navigate complex legal terrains to support local claims and maintain social cohesion.

Moreover, a Paser tribe member in Maridan has articulated substantial criticism regarding the Land Bank's categorisation of community-held land as 'idle'. The speaker contended that this designation does not take into account the actual experience and historical context of land use within the community. Notwithstanding the absence of formal legal documentation, he emphasised that the land in question is actively cultivated, particularly for palm oil, and is not abandoned or unused. The speaker expressed scepticism regarding the legitimacy of designating productive land as idle solely on the basis of the absence of formal ownership documentation. They contended that the presence of crops and long-term occupation should be recognised as legitimate indicators of land stewardship.

In the domain of health, traditional knowledge concerning medicinal plants, as recounted by a Balik Tribe member in Pematuan, who learned from his parents' experience, now coexists with or is even superseded by readily available external knowledge, such as that obtained from pharmacies and health facilities. However, for certain conditions that are considered 'ketukeran' (supernatural disorders), ritual practices and traditional medicine are still maintained by some communities, as recounted by a Balik Tribe member in Sepaku. This finding suggests that knowledge is selected or complemented based on perceptions of the disease type.

The integration of disparate forms of knowledge is frequently accompanied by considerable challenges, a significant proportion of which emanate from underlying power asymmetries. It is

evident that knowledge emanating from governmental and corporate institutions often assumes a predominant status, exerting a substantial influence on, and at times overriding, local practices. This imbalance is especially evident in the context of infrastructure development, where projects such as the construction of toll roads or the regulation of rivers often proceed without adequate consideration of sacred sites or community-based spatial understandings. Examples of such sites include the sacred banyan tree in Maridan and Batu Badok in Sepaku, both of which hold significant cultural value yet are frequently overlooked in formal planning processes.

Concerns have been raised by a resident of the Maridan Sub-district regarding the apparent lack of consideration for indigenous ecological knowledge in the execution of these projects. He criticised contractors for constructing undersized culverts along newly built roads, despite awareness of the river's length and flow characteristics. He elucidated that the obstruction of small culverts by sediment or waste accumulation can result in a disruption of water flow to the estuary, ultimately precipitating flooding. The account under scrutiny highlights the consequences of neglecting community insights, particularly those related to environmental dynamics and long-standing land use practices.

Conversely, there is also resistance or scepticism from the community towards external programmes that are considered inappropriate or detrimental. A member of the Balik Tribe in Sepaku provided an account of how several residents initially rejected the PTSL certificate programme due to the actions of AMAN, which sought to discredit the programme by spreading the narrative that it was a form of 'fooling' by the government.

The successful integration of external knowledge is contingent upon the manner of its introduction, the extent to which it addresses needs and respects the local context, and the way

it is negotiated with the community's existing knowledge systems and values. The process demands dialogue, participation and mutual recognition between local knowledge holders and external knowledge carriers.

Chapter 9. Roles of Actors in Providing Solutions

9.1 GOVERNMENT: RESETTLEMENT PROGRAMS, COMPENSATION, AND INFRASTRUCTURE DEVELOPMENT

The government, in both its central and local capacities, assumes a pivotal role in formulating and implementing various solutions to address the impacts of the development of the IKN and to promote the welfare of local communities. The government's primary focus in implementing these solutions encompasses land compensation and realignment programmes, pivotal infrastructure development, along with economic empowerment initiatives and human resource capacity building. Notwithstanding the challenges and criticisms that have been reviewed in Section 3, the government has made and continues to make concrete efforts to provide solutions to the transformation.

Compensation and Land Arrangement Solution

One of the most crucial solutions provided by the government is a compensation mechanism for communities whose land is affected by IKN infrastructure development, such as toll roads and river normalisation. This process involves various government agencies, including the National Land Agency (BPN), an independent appraisal team, and facilitation from the village government. As elucidated by a member of the Paser Tribe in Maridan, there are two primary categories of land acquisition. Firstly, the focus should be on land owned by residents that poses no problems. Secondly, the Land Bank claim encompasses ad-

ditional land. In the context of land ownership, compensation is typically determined by the valuation of the land itself, along with the crops cultivated on the land and any structures present on the property.

In order to address the issue of land classified under the Land Bank and affected by the IKN development project, the government has introduced a solution through the Agrarian Reform programme. The Head of Maridan Subdistrict elucidated that individuals who have cultivated land for an extended period, and which is now designated as part of the Land Bank, will receive compensation exclusively for the crops or structures present on the land, and not for the land itself. He subsequently clarified that the land would instead be incorporated into the Agrarian Reform scheme.

Under this programme, residents are provided with substitute land along with Hak Pakai (Right of Use) certificates. Maridan, the head of Maridan Subdistrict, noted that these certificates could potentially be upgraded to Hak Milik (Right of Ownership) status after a period of ten years, provided the land continues to be actively cultivated. Additionally, the programme includes assistance for residents in completing the necessary documentation required for the compensation process. At the same time, Sukaraja Village plays a facilitative role by offering administrative support through organized meetings.

The negotiation process surrounding compensation values enables residents to articulate their objections in instances where they perceive the appraisal team's offer to be inadequate. Notwithstanding the fact that this process is occasionally protracted and accompanied by bureaucratic delays – as observed by a resident in Sukaraja about the protracted resolution of village treasury and waqf land cases – it nevertheless provides a tangible form of redress from the government.

A resident of Pemaluan Subdistrict whose land was also affected, conveyed his appreciation upon receiving compensation that he regarded as exceeding the actual value of the land. It was explained that, notwithstanding the difficulties encountered during the process, the government ultimately acknowledged the rights of the parties concerned and provided a financial settlement that surpassed expectations.

Infrastructure Development as an Expected Solution for Basic Needs and Connectivity

The government is currently engaged in a major programme of infrastructure development initiatives. The overarching objective of this programme is twofold: firstly, to enhance community welfare, and secondly, to strengthen connectivity between IKN and its surrounding areas. In the context of these initiatives, the construction of toll roads has been identified as a central priority, with the resulting benefits being directly experienced by residents, as noted by the Head of Maridan Subdistrict.

In addition to the toll road, the Intake and river normalisation project—designated as a National Strategic Project—has been implemented in RT 3 of Sepaku Subdistrict. This intervention has effectively resolved the longstanding issue of flooding that had affected the area. One member of the Balik Tribe in Sepaku has posited that the installation of sheet piling serves a dual purpose. Firstly, the property has the capacity to mitigate the risk of flooding. Secondly, it provides protection for children from potential threats posed by crocodiles in the river.

It was conveyed by a member of the Balik Tribe in Sepaku that the improvements have been met with approval. It was stated that flooding and water overflow no longer occur, and that residential areas are now secure and free from related problems.

In the field of education, there has been a demonstrable com-

mitment to enhancing infrastructure through the construction of new schools and the refurbishment of existing facilities. The establishment of SDN 020 Sepaku was facilitated through Astra's corporate social responsibility initiative, while the Ministry of Public Works and Housing (PUPR) assumed responsibility for the rehabilitation of multiple elementary schools, including SDN 09, SDN 012, and SDN 013. These developments are indicative of a broader governmental commitment to enhancing educational access and quality.

Local governments, represented by BAPELITBANG Penajam Paser Utara and Bappeda Kutai Kartanegara, have also developed a long-term strategic plan (RPJPD) with the aim of addressing foundational infrastructure needs. This includes the planned development of hospitals, improved access to clean water, and the construction of local roads. The head of BAPELITBANG Penajam Paser Utara has stated that the Regent is now in possession of the necessary data to propose infrastructure projects such as roads, bridges, and water access systems. It was observed that infrastructure continues to be a pressing concern in Penajam Paser Utara, with road quality remaining below 50 percent and only 37 percent of the population having access to clean water, as indicated by the most recent data.

Furthermore, the OIKN has unveiled a proposal for the restructuring of the Sepaku market corridor. The objective of this initiative is to establish a more structured and contemporary economic environment for local traders, as articulated by the head of Sukaraja Village.

Economic Empowerment and Human Resource Improvement Programme as Livelihood Solution

To respond to the shifting nature of livelihoods and strengthen the competitiveness of local communities, the government –

through the IKN Authority (OIKN) and various ministries and agencies – has launched a series of training and empowerment initiatives. The objective of these programmes is to furnish participants with the technical skills and financial support required to establish their own businesses. Hydroponic farmers from Maridan and Sukaraja serve as exemplars of individuals who successfully established hydroponic ventures after participating in training sessions organized by OIKN and the Ministry of Manpower.

A resident hydroponic farmer in Sukaraja Village recalled that he had been part of the first cohort to undergo training administered by the Ministry of Manpower in collaboration with the IKN Authority. It has been asserted that the training was undertaken in Balikpapan and played a pivotal role in the initiation of his hydroponic enterprise.

As revealed by the Head of Sukaraja Village and a hydroponic farmer in Maridan, other training programmes that have been implemented include coding and digital marketing for MS-MEs, barista training, tailoring, and heavy equipment operator and builder training. The Head of Maridan Subdistrict also actively encourages his residents to participate in these training sessions and oversees the process to ensure its smooth execution.

It is evident that local governments have previously implemented programmes with the objective of economic diversification. This assertion is further substantiated by the utilisation of palm oil seedlings and heavy machinery during the Yusran Regent period for the construction of farm roads, a fact recalled by a Balik Tribe member in Peraluan and a Paser Tribe member in Maridan. Notwithstanding the challenges encountered in the implementation and sustainability of these programmes, including the absence of post-training counselling or mentoring, they constitute a tangible form of government efforts to provide solutions for improving community welfare and economic adaptation.

Strategic Planning and Intergovernmental Coordination Efforts

At the regional level, the formulation of Regional Long-Term Development Plans (RPJPD) by institutions such as Bappeda Kutai Kartanegara and BAPELITBANG Penajam Paser Utara has been undertaken, with the objective of integrating local potential with the presence of IKN. For instance, the Bappeda Kutai Kartanegara has proposed the zoning of its region into a food and tourism centre, an industrial centre, and a handicraft centre, with the aim of achieving a synergistic effect with IKN. Moreover, a joint study was conducted with state-owned enterprises concerning land utilisation. Concurrently, BAPELITBANG Penajam Paser Utara is prioritising the enhancement of the Human Development Index (HDI) through the improvement of educational and health services, in addition to fundamental infrastructure such as clean water and roads. However, both local governments have expressed difficulties in coordinating with OIKN and the central government, particularly regarding the distribution of authority, budget allocation, and the absence of affirmative policies for buffer zones whose areas have been reduced or whose incomes have decreased due to the incorporation of parts of the region into IKN. The efforts to sustain continuous dialogue and promote regional interests are components of the solutions pursued by local governments.

Despite the implementation of various solutions, challenges pertaining to the assurance of their effectiveness, fairness and sustainability persist. The success of the government's various solutions in the face of the new era of IKN development is contingent on the presence of bureaucratic complexity, synchronisation between levels of government, and active community participation.

9.2 INTERVENTIONS OF NGOS AND CSOS: COMMUNITY EMPOWERMENT AND ADVOCACY

Amidst the dynamic evolution of the IKN, which engenders multifaceted transformations, a multitude of NGOs have been established to furnish alternative solutions, particularly in the domains of community empowerment and local rights advocacy. While the section addresses the potential for conflict and the role of NGOs as conduits for critical aspirations, it focuses more on how NGOs concretely seek to offer solutions. These solutions may take the form of economic empowerment programmes, capacity building, or advocacy efforts geared towards protecting and championing the interests of local communities.

One of the most tangible forms of solutions offered by CSOs is through the economic empowerment of micro, small, and medium enterprises (MSMEs). Dompot Dhuafa, for instance, has been observed to provide direct support to MSME players in the affected areas. As asserted by a local in Sukaraja which also a merchant operating a stall in Sukaraja, the refurbishment of his business premises was facilitated by Dompot Dhuafa.

It has been documented that an activist involved in the Batik Sepaku Nusantara MSME in Bukit Raya Village received a level of support that was similar to that previously mentioned. She went on to describe how Dompot Dhuafa had contributed to the decoration of her gallery, “Ruang Rindu.” It is asserted that the assistance encompassed the provision of a nameplate, a substantial carpet, and a pair of shelves. These items were furnished with the specific intention of enhancing the gallery’s interior.

As elucidated by an activist involved in the Batik Sepaku Nusantara MSME in Bukit Raya Village, Dompot Dhuafa had identified six micro, small, and medium enterprises (MSMEs) in Bukit Raya as beneficiaries of targeted assistance, with support customised to their operational requirements. The forms of as-

sistance provided included the provision of building materials such as cement and sand for stall renovations, as well as hydroponic equipment for those interested in agricultural innovation.

It was noted that the requirements of small-scale stalls, particularly those selling fried food, differ significantly from other types of commercial enterprises. In instances where the spatial capacity of the stall is constrained, it becomes imperative to plaster the floor, a process that necessitates the utilisation of fundamental construction materials such as cement and sand.

Furthermore, an informal system of reciprocity has emerged within the programme, whereby beneficiaries voluntarily contribute back to Dompét Dhuafa. This practice has played a role in supporting the continuity and sustainability of the initiative.

For the programme operated by Dompét Dhuafa to continue, it is suggested that those who have been assisted by the programme should consider making a further contribution in the form of a donation. This constitutes the agreement between the parties, with no instructions provided by Dompét Dhuafa. It is evident that these strategies embody an empowerment model that proffers concrete solutions and confers direct benefits to local MSMEs.

In addition to Dompét Dhuafa, a number of international NGOs have expressed their willingness to contribute to the local economic empowerment initiative. One individual involved in the Batik Sepaku Nusantara MSME in Bukit Raya Village recounted a visit from Habitat for Humanity Indonesia, which had previously carried out activities in the area. During the visit, the organisation expressed a willingness to support the development of a more suitable batik production facility. According to the account, foreign representatives were present and shared their views on the potential of the batik initiative, suggesting it could evolve into an industrial-scale operation. It was hypothe-

sised that the intention was for a more formal and well-equipped production site.

Even though this initiative did not ultimately materialise, given that the batik group had already received support from other entities, this interest indicated a possible solution from international NGOs for the enhancement of the production capacity of local MSMEs.

The role of non-governmental organisations (NGOs) in promoting the rights of indigenous communities and safeguarding their cultural heritage remains a central concern. However, the implementation and reception of such initiatives often differ across local contexts. AMAN, an organisation operating at both national and provincial levels, has outlined its mission to include the revitalisation of traditional customs and the protection of indigenous rights.

A traditional leader from the Balik community in the Sepaku Subdistrict offered his perspective on the ideal role of AMAN. He proposed that the organisation should prioritise the upholding of cultural dignity. The leader elaborated that AMAN, as the Indigenous Peoples Alliance of the Nusantara, is expected to promote and restore customs that have been either forgotten or marginalised. It was emphasised that local traditions vary across different regions and that such efforts to advocate for their active support and preservation are therefore essential.

The 'Balik Indigenous Cultural Art Performance' event, initiated by AMAN, signifies a substantial advancement in the domain of cultural preservation. In the context of land rights, AMAN also conducted data collection by collecting community-owned land seals, which may have been intended as a first step in land tenure advocacy. The primary concerns voiced by the leaders of the Balik community regarding AMAN's advocacy methods pertained to its perceived lack of transparency and the

potential for manipulation. Nevertheless, from the standpoint of 'providing solutions', AMAN's efforts can be regarded as an endeavour to offer solutions to cultural and agrarian issues, despite the variability in their effectiveness and acceptance.

In addition, other external entities, including KAGAMA (Alumni Family of Gadjah Mada University), have been instrumental in providing substantial support for the advancement of Batik Sepaku Nusantara. The fund provides support in a variety of forms, including training, capital, equipment, and gallery construction. Although not an NGO in the general sense, KAGAMA's role in providing economic empowerment solutions is very real and directly felt by the batik group.

The role of NGOs and other external actors in providing solutions in the IKN area is multifaceted. A range of initiatives have been implemented, encompassing direct assistance to MS-MEs, cultural preservation efforts, and the facilitation of skill upgrading. Nevertheless, the efficacy of the proposed 'solutions' is contingent upon three factors. Firstly, it is imperative that the solutions under consideration are aligned with the genuine needs of the community. Secondly, there is a necessity for transparency in implementation. Thirdly, it is imperative that the local community possesses the capacity to assimilate and further evolve the knowledge or assistance received in a sustainable manner.

9.3 LOCAL COMMUNITIES: GRASSROOTS INITIATIVES

The evolution of IKN over recent years has precipitated alterations in the livelihoods of local communities. In response to these changes, local communities have demonstrated resilience through the implementation of economic initiatives and collective responses. It is evident that certain communities possess the capacity to discern and capitalise on emergent opportunities

by means of proactive development of a diverse range of service-based enterprises. In regions such as Bumi Harapan and Bukit Raya, there has been a transition among the local population from conventional agricultural practices to alternative economic activities. These include the rental of properties, with rental values ranging from IDR 48 to IDR 150 million per year, catering services, and coffee shops. The financial resources necessary for these transitions have been procured through land compensation or bank loans. In Sukaraja, women have historically dominated the room rental and catering businesses, capitalising on the influx of IKN project workers. This initiative is indicative of the local community's endeavours to harness its inherent potential for development.

In accordance with training programmes designed to enhance community capacity, it is imperative that the community is not left behind by the rapid development in IKN and the presence of migrants, thereby ensuring their ability to compete. Nevertheless, there are still many challenges to be addressed. At the conclusion of the working day at IKN, the workforce disperses to their respective areas, thereby reducing the demand for accommodation. Concurrently, the price of rice has increased, reaching approximately IDR 470,000 per 25 kg, a trend that is particularly evident in Sukaraja. This condition has implications for the sustainability of local community businesses related to these two aspects.

The diversification of economic activities within the IKN area is indicative of a significant transition in community livelihoods, with a shift from traditional agricultural practices towards trade and service-oriented enterprises. This transformation can be interpreted as a locally driven response to environmental and socio-economic changes, enabled by the community's ability to identify and act upon emerging opportunities.

Local inhabitants in Sukaraja have elucidated that the development of IKN has resulted in an influx of migrants, which has created a new consumer base with greater purchasing power. In response to this, he established a corn dog business, noting that sales have been successful primarily due to demand from migrant workers. It was observed that prior to the IKN initiative, such products were regarded as expensive and were not widely purchased by residents. While corn dogs are now purchased by a segment of the local population, many customers continue to be migrants.

In a similar vein, another local resident of Sukaraja provided a detailed account of the rapid emergence of new commercial enterprises along the bypass road. This area had previously been unoccupied. It was observed that the majority of commercial establishments in the vicinity represent recent developments, and that the imminent completion of the project has prompted residents to consider the launch of their own ventures. These accounts highlight the community's adaptive engagement with the evolving economic landscape surrounding IKN.

It is evident that communities have exhibited a wide range of responses to the substantial changes that have transpired. The consequences of these alterations extend beyond the immediate physical environment of the region, encompassing the social, economic and cultural fabric of local communities. The development of IKN has been demonstrated to engender change within the community environment, thus giving rise to a variety of reactions from the community members themselves. The community's response is indicative of both a response to development and a form of community participation in its implementation.

In several locations, including RT 6 Bukit Raya, the community has shown a constructive and engaged response to the development projects occurring in their vicinity. Residents of

RT 6 Bukit Raya have played an active role in discussions and monitoring related to the construction of the spam lane. A formal meeting was held between the local community and the company PT Brantas to address concerns regarding damage to the asphalt road caused by project vehicles passing through the neighbourhood. The meeting aimed to establish a mutual agreement concerning compensation and the repair of the damaged infrastructure.

As elucidated by an inhabitant of Sukaraja village, the initiative, designated as the Cast Road project, was founded upon an accord with PT Brantas. It was noted that local residents expressed support for the continuation of the project, with the proviso that any existing damage be addressed in advance. It was emphasised that repairs should precede any further construction activities, and that once the casting was completed, the community requested the area be formalised as a road. Furthermore, it was asserted that in the event of residual damage remaining, construction should be subject to a temporary halt until the implementation of appropriate remediation measures.

The RT 8 Sukaraja community, which was impacted by the Bypass Project, exhibited an additional form of response. The project, which is intended to function as an alternative route to reduce congestion on the road around the Sepaku Market, involves the acquisition of community land. In the context of Waqaf land constraints, a parcel of land within the community's jurisdiction has remained unacquired, due to financial issues. Consequently, the Head of RT 8, in collaboration with the local community, has erected a sign that reads 'Unpaid Land' (see Figure 57), thereby prohibiting any construction activities on the land in question, despite the surrounding land having been utilised for developmental purposes.



Figure 58 The unpaid land in IKN (Photo by: Zahra Nur Afifah, 2025)

In response to the prevailing discontent amongst the local populace of Pemaluan regarding the process of compensation for land acquisition related to the toll road project, public demonstrations were organised. A segment of the community has expressed concerns that the existing compensation formula prioritises the valuation of crops, such as palm oil, while disregarding the valuation of the land itself. This perceived imbalance subsequently prompted several individuals to visit the government office in Penajam Paser Utara to formally express their grievances.

Local residents from Pemaluan Subdistrict have reported that there were three or four demonstrations at the time. The fundamental issue was identified as the government's decision to provide compensation exclusively for palm oil plantations, without acknowledging the value of the land. It was observed that while many residents were amenable to receiving compensation, they expressed a preference for its disbursement to be contingent upon the allocation of replacement land. However, he empha-

sised that the community was not in agreement with the separation of the compensation for crops from that of the land, insisting that both issues should be addressed together.

The communities are expressing their desire to engage in negotiations with the government, as demonstrated by various forms of protest, including the closure of the SPAM line in Sepaku, the installation of signs, and community demonstrations.

Participation in the planning process is also a critical issue. Sepaku residents have articulated their discontent regarding their exclusion from the preliminary consultations concerning the development of the city park. Furthermore, the OIKN's skills training programme has elicited varied responses, with some participants expressing enthusiasm, while others demonstrate a lack of awareness. A considerable number of residents have attested to the fact that information regarding skills training, organised by various parties, has been well received. The training programmes encompass a range of disciplines, including carpentry, sewing, culinary arts, and other vocational skills. However, some residents conceded that their interest in participating in the training was diminished by the perception that the materials provided were elementary, even though many residents had already attained a high level of proficiency in these areas.

In anticipation of the worst-case scenario, the community has prepared alternative land in Penajam or Sotek as a strategic measure to mitigate the risk of eviction. However, the aforementioned factors (namely social envy due to disparities in compensation between communities, particularly between transmigrant and indigenous communities lacking sufficient land tenure at district level, and concerns about the dominance of large investors) continue to cast a shadow over these communities' resilience narratives.

9.4 BUSINESS SECTORS: SUSTAINABLE PRACTICES AND COMMUNITY ENGAGEMENT

The business sectors comprising prominent corporations that have historically operated in the vicinity of IKN, along with contractors and investors directly involved in developing the new city, are set to contribute substantially to providing solutions through sustainable practices and community engagement. While their operations can occasionally have adverse effects on communities and the environment, it is important to acknowledge the various initiatives and contributions of the private sector. These initiatives are aimed at providing solutions in the form of economic empowerment, infrastructure provision, and community programme support.

Economic Empowerment and Community Engagement through corporate social responsibility and partnerships

One of the most tangible contributions from the private sector has come in the form of Corporate Social Responsibility (CSR) initiatives and strategic collaborations with local communities. PT Astra has played a pivotal role in the education sector, fully funding the reconstruction of SDN 020 Sepaku — a school that had long struggled with recurrent flooding. A principal school from Bumi Harapan Village explained that PT Astra financed the entire construction project, including all necessary facilities. He noted that Astra had expressed deep concern over the school's troubled history and current challenges. He described the company as highly committed and capable of supporting a wide range of needs, from constructing buildings to providing furniture. According to him, Astra was the only entity to intervene, with no involvement from other parties. He also said that Astra continues to provide coaching for teachers and students and actively supports environmentally friendly school programmes.

He emphasised that Astra is responsive to the diverse needs of educational institutions, regardless of their nature.

In a similar manner, other companies proffered support, including PT Pupuk Kaltim (PKT) Bontang and KAGAMA, who furnished substantial assistance for the development of Batik Sepaku Nusantara MSMEs. The assistance provided encompasses training, capital, equipment, and gallery construction.

State-Owned Enterprises (BUMN) and Bank Indonesia (BI) have provided support for the initiative through their corporate social responsibility programmes, with a particular emphasis on the promotion of hydroponic farming. A hydroponic pioneer in Sepaku has stated that her group has received significant support from Pertamina and Bank Indonesia. She elaborated that numerous groups in Telemow had derived benefit from Pertamina's assistance, including hers, namely Bumi Harapan and Semoi Tiga. Her account indicated that the distribution of support was disseminated across a number of community groups engaged in hydroponic activities.

Pertamina has allocated IDR 200 million for a group of 12 people, with the aim of utilising these funds for the construction of greenhouses and associated supporting infrastructure. It is evident that a significant proportion of individuals within the hydroponic farmers group in Sukaraja have adopted an autonomous approach to fund management, with the objective of optimising outcomes. Concurrently, Bank Indonesia (BI) provided CSR assistance for hydroponic development in other locations, including Sepaku village, which is also part of the hydroponic farmers group in Sukaraja. In contradistinction to Pertamina, the assistance provided by BI is overseen by a third party.

The assistance provided encompassed the construction of a greenhouse, the provision of a planting table, seeds, and rock-wool for the initial planting stage. One of the hydroponic activ-

ists in Maridan is also aware of a significant donation from BI for hydroponics in Sepaku, overseen by one of the hydroponic farmers, amounting to 200 million. It was also noted that, despite not having received CSR funding directly from BI or Pertamina, the author's own group had received initial capital assistance of IDR 20 million for a group of 10 individuals from the OIKN training programme. This capital was subsequently utilised to procure hydroponic equipment. The hydroponic farmer in Sepaku asserts that the primary prerequisite for obtaining this CSR assistance is the legality of the officially registered group.

PT IHM has demonstrated its commitment to community engagement through a variety of approaches. The oversight of the company is managed by an individual referred to as local worker in PT IHM from Sepaku. According to the company's CSR and Public Relations division, several community empowerment initiatives have been implemented across different sectors. The local worker elucidated that, in accordance with PT IHM's internal standards, the presence of a single unfertilised plant within a compartment would result in a failed audit. The speaker placed particular emphasis on the company's structured operational framework, highlighting its identification of five core areas for its CSR activities. These areas encompass education, health, and infrastructure development. One of the ongoing programmes in Karang Jinawi is the cultivation of papaya and chilli on land situated beneath the electricity network. The spatial constraints of this area render it unsuitable for the cultivation of tall crops.

In addition, PT IHM demonstrates a commitment to the utilisation of local labour, with approximately 80% of its workforce reportedly sourced from Penajam Paser Utara (PPU) and the broader East Kalimantan region. The company has been recognised for offering additional incentives to plantation workers

who consistently demonstrate discipline and commitment in their roles. These incentives include rice, cooking oil and sugar.

Infrastructure and Operational Support

Beyond the contributions made through corporate social responsibility (CSR) programmes, the business sector has also played a role in providing infrastructure that indirectly benefits local communities. One such example was provided by a traditional leader from the Paser Pemaluan community, who recollected that in the 1970s, PT ITCI undertook road construction projects that resulted in a substantial enhancement of land access in the region. It was noted that, prior to this development, earlier generations had relied solely on sea and river routes for transportation. The roads constructed by PT ITCI were not part of the current IKN infrastructure; rather, they constituted the company's own network, which was developed during its market entry in that decade.

In a similar vein, an elder from the Paser Maridan community, acknowledged the positive impact of these roads, emphasising that they had facilitated various community activities and improved mobility within the area.

Within the paradigm of IKN development, contractors assume a role that extends beyond mere construction, often facilitating employment opportunities within the local community. However, the utilisation of local labour remains a subject of discourse. The village head of Sukaraja has stated that contractors have been engaged in the development and widening of roads within his jurisdiction. Furthermore, companies have made contributions to public facilities, as revealed by an activist involved in the Batik Sepaku Nusantara MSME in Bukit Raya Village, who stated that PKT Bontang and KAGAMA constructed a gallery for her batik group.

Sustainable Practices and Environmental Management

From the perspective of PT IHM, sustainability is embedded within its operational framework, largely driven by the need to comply with international certification standards. A local worker in PT IHM from Sepaku expounded that the company had successfully fulfilled the requirements for several key certifications, including the Forest Stewardship Council (FSC), the Programme for the Endorsement of Forest Certification (PEFC), and Sustainable Production Forest Management (PHPL).

In addition to meeting these standards, PT IHM carries out initiatives to reforest and re-vegetate as part of its broader responsibilities in managing production forest areas. During the development phase of IKN, the company allocated a portion of its concession land for use without seeking compensation, as the area remained under an active permit. The local worker interpreted this gesture as a voluntary contribution to the progress of IKN.

It was also noted that PT IHM enforces a rigorous internal audit system concerning fertiliser application, designed to prevent any irregularities and ensure compliance with operational protocols.

Nevertheless, a discrepancy exists between the company's sustainable practices and the perceptions held by the community. For instance, an elder from the Paser community in Maridan expressed disapproval regarding the contractor's use of undersized cultivators, citing this as a contributing factor to the flooding experienced in Maridan. A former IHM worker from Sukaraja village also highlighted how the Trunen area, which was previously a water catchment area or forest, has now been transformed and the land taken over by IKN. In a similar vein, a local worker in PT IHM from Sepaku has expressed concerns

regarding the Ministry of Environment and Forestry's reforestation initiative in the IKN region, asserting that it has been ineffective and a futile expenditure of resources, given the suboptimal success rate of the planting endeavours.

The Challenge of Business Sector Engagement in Providing Solutions

Notwithstanding these positive contributions, the involvement of the business sector in the provision of solutions is also subject to challenges. A significant challenge confronting the programme is the assurance of its sustainability following the conclusion of the initial assistance. A hydroponic farmer from Maridan subdistrict emphasised the absence of mentoring following the CSR hydroponic training.

Conflicts of interest over land between communities and companies also persist, as an elder from the Paser community in Maridan expressed regarding HGU or Land Bank claims over land that has long been cultivated by communities. Community perceptions of companies vary; some see them as providers of employment and access, such as PT IHM, or PT ITCI in the past, but others feel the negative impacts of company operations, such as flooding problems or loss of access to forest resources.

It is evident that the business sector in question possesses considerable potential. Indeed, it has already demonstrated a commitment to delivering solutions to communities surrounding IKN through a variety of means. These include, but are not limited to, the implementation of CSR programmes, the establishment of partnerships, the provision of infrastructure, and the adoption of sustainable operational practices. However, to optimise the positive impact of these measures, it is essential to enhance collaboration with the government and local communities, ensure greater transparency, and demonstrate long-term commitment. This approach will ensure that the solutions of-

ferred genuinely empower and enhance the welfare of local communities in a fair and sustainable manner.

Chapter 10. Do the Responses Effective?

The development of IKN has brought about significant changes to the physical environment and the hustle and bustle of local socio-economic activities, triggering diverse responses from the community. It is widely acknowledged that the development of IKN represents a significant opportunity for communities to enhance their household livelihoods and increase household welfare. In response, the community has diversified its economic base, transitioning from an initial focus on agriculture to a more balanced approach encompassing both agricultural and non-agricultural sectors. This strategic shift has enabled the community to obtain multiple income sources, thereby ensuring a more robust economic foundation for their households. The community's response to the development of IKN in the form of diversification can have both positive and negative impacts. The positive impacts of diversification have been identified as including seasonality, risk, credit, assets, environment and gender (Ellis, 1999).

Reduce the adverse impact of seasonality on the agricultural sector

The agricultural sector continues to be the primary means by which local communities meet their daily needs, with rice and palm oil being the most widely cultivated commodities in the IKN development area. Nevertheless, the heavy reliance on agriculture has resulted in numerous challenges, most notably in relation to food insecurity. This vulnerability is attributable to the sector's sensitivity to natural conditions, including environ-

mental factors, seasonal changes, and pest infestations. Consequently, demand for labour within the agricultural sector exhibits seasonal fluctuations, with periods of high and low activity depending on the season.

Diversification has been identified as a viable strategy to mitigate the adverse effects of agricultural seasonality. The creation of alternative sources of income during off-peak periods has been demonstrated to be a strategy employed by communities to maintain economic stability. The evolution of IKN has engendered an opportunity for residents to adapt to evolving circumstances and augment their income by catering to the requirements of incoming migrant populations. Even individuals who do not possess land ownership have identified methods to profit from this development, generating revenue through small-scale enterprises that require a modest amount of capital.

This shift towards economic diversification was confirmed by local people in Sukaraja, who stated that they continue to depend on their palm garden for daily sustenance. It was observed that individuals lacking land tenure have resorted to the sale of fried snacks as a means of generating income. Since the establishment of IKN, he has also engaged in batik sales, which have enabled him to meet his household needs. In addition, he operates a rental property, which he leases to workers for IDR 5 million per month, thereby augmenting his revenue.

As illustrated by the statement, the decisions pertaining to economic diversification are influenced by the necessity of providing goods and/or services by migrant communities, comprising construction workers, tourists, and migrants.

Reducing potential risks

In response to the emergence of IKN, the community engages in a variety of activities, contingent on the asset ownership,

accessibility, and capabilities of individuals and households. Each livelihood activity carries a different set of risks. The development of IKN has been demonstrated to engender a sense of optimism within the community, with members motivated to optimise their assets to maximise their benefit from the IKN development. For instance, prior to the development of IKN, one of the residents was engaged in the catering industry. However, following the construction of IKN, in addition to catering, he diversified his economic activities by renting out a house and establishing a vehicle rental service, thereby catering to the needs of the construction workers. In the event of a decline in one of his livelihoods, it is hoped that he will still be able to generate income from other sources. This is indicative of a positive outcome. However, it would be preferable for occupational diversification not to rely on activities that are correlated. The presence of a greater number of livelihood activities that are uncorrelated with one another will serve to minimise the impact that may be occasioned by the risk associated with a single activity. For instance, one of the local community members has established a boarding house to provide accommodation for workers involved in the development of IKN. Prior to the establishment of IKN, this local community member had multiple sources of income, including oil palm plantations, swiftlet nest farming, operating a food stall, and working as an agent for Umrah and Hajj travel services. These income generating activities were largely independent and minimally influenced by the dynamics of IKN development. One observable impact, however, is the increase in the number of residents undertaking pilgrimages after receiving compensation payments for land acquired for IKN development projects.

Enhancing income of (local) communities

The development of IKN has brought about significant changes in the physical, social and economic landscape of the surrounding area. A significant impact of this phenomenon is the considerable influx of migrants, both as project workers and visitors, which has resulted in the emergence of new economic opportunities, particularly for local residents who possess sufficient assets, relevant skills, and strong social networks. It has been hypothesised that individuals capable of leveraging this momentum have experienced a substantial increase in income since the early stages of IKN's development.

This phenomenon is corroborated by testimonies from members of the community. One of the community members residing in Sukaraja Village provided a first-hand account of a period of financial hardship that the community experienced, during which time the total amount of money available to them was IDR 400,000. Faced with an uncertain future, they sought to ensure the economic well-being of their family by initiating communication with drivers operating within the IKN region. Through perseverance, they gradually established a food business, eventually selling 200 packets of rice, 300 to 400 packets of side dishes, and up to 1,000 fried snacks daily, all of which were consistently sold out. It was emphasised that the culinary activities in question were conducted continuously from 6 a.m. to 11 a.m., thereby reflecting both the intensity of the efforts expended and the demand engendered by the development.

In a similar vein, one of the community members from the Riko Subdistrict revealed that prior to the relocation of their business to the side of the highway, their mean daily earnings were approximately IDR 500,000. However, following the relocation, income has increased almost fivefold, thereby underscoring the

economic potential created by strategic positioning in proximity to IKN-related activity.

The increase in income is of particular relevance to local communities that have diversified their sources of livelihood, especially in meeting basic needs. The nature of the enterprise pursued is inextricably linked to the demand for goods and services within the local area, encompassing both migrant and resident populations.

As asserted by a local resident of Sukaraja village, the economic opportunities in the area have been augmented by the development of IKN. It was stated that a transition from catering services to operating a rental business was initiated in 2024. The rental arrangements encompass a spectrum of durations, ranging from brief stays of up to ten days to extended monthly contracts. It was observed that the clientele comprises both residents and migrants, particularly those seeking access to the airport. He expressed optimism that the economic environment would continue to improve, making it easier to sustain a livelihood through such ventures.

Asset enhancement

In addition to the enhancement of household income, diversification strategies have been shown to facilitate the accumulation of household assets. The additional revenue generated through such initiatives is often reinvested, enabling families to acquire productive assets that can serve both economic and strategic purposes. A common example of this is the purchase of a vehicle, which may be leased out or used as a form of savings or investment.

This approach was illustrated by a resident in Bukit Raya Village, who stated that the car they purchased was intended not only for personal errands such as shopping, but also for deliv-

ering food to the police station and to locations within the IKN development area. It was noted that the vehicle played a crucial role in supporting the catering business, allowing operations to run more efficiently alongside accommodation services.

The capacity to transform income into valuable investments and enhance asset ownership is inextricably linked to an individual's comprehension of capital management. In many cases, a significant portion of income is directed towards immediate consumption, with limited consideration given to long-term financial risks. For instance, a proportion of individuals opt to allocate their income towards car or housing loans with nominal values that exceed their realistic repayment capacity. In the event of a decline in income, frequently attributable to diminished market demand, such financial obligations may become unsustainable, resulting in defaults and, in certain instances, the closure of businesses.

This issue was highlighted by a migrant in Sukaraja Village, who observed that while some entrepreneurs manage to sustain their operations, others do not. He provided examples of instances in which individuals, encouraged by their daily earnings, decided to purchase vehicles and land on credit, believing they could meet the payments. Nevertheless, as their income underwent a gradual decline, they found themselves incapable of meeting their financial obligations, which resulted in significant financial hardship and numerous complaints.

Environmental benefits: generation of resources and reduction of exploitation

Diversification has the potential to provide environmental benefits in two ways. The initial approach entails the generation of resources, which are subsequently utilised to enhance the quality of the natural resource base. The second approach

involves the reduction of exploitation of natural resources, with the time available being utilised for other activities. In the past, the primary means of subsistence for the community were palm oil plantations and mining, which involved significant exploitation of the land. However, following the development of IKN, the community diversified into non-extractive employment opportunities, such as operating food stalls or renting out properties.

More opportunities for women

The diversification of livelihoods has yielded positive outcomes, particularly in enhancing women's capacity to earn income independently. This observation is consistent with the hypothesis that the quality of child development is positively associated with the amount of disposable income managed by women, as such income is predominantly directed towards household needs and family welfare. Since the establishment of IKN, there has been an increase in the participation of women in various productive sectors, including small-scale retail, hydroponic agriculture, and other entrepreneurial activities.

A hydroponic farmer from Maridan Subdistrict reflected on this shift, noting that prior to engaging in hydroponic farming, she had no economic activity and spent most of her time at home. It was further noted that this phenomenon was prevalent in the given area, where a significant proportion of mothers traditionally occupied themselves within the confines of the domestic sphere.

Evidence suggests that diversification of activities has a beneficial effect on human well-being. However, Ellis (1999) discovered through empirical investigation that diversification can also have detrimental consequences.

Income distribution gap

The development of the IKN is influenced by differences in asset ownership, knowledge, skills, and access, resulting in varied responses. In communities with adequate assets, the ability to leverage market conditions and public demand to generate additional income is enhanced. Conversely, communities with limited assets and skills encounter challenges due to disproportionate increases in living costs relative to their daily earnings. Consequently, there is a substantial discrepancy between communities that have undergone diversification and effectively capitalised on opportunities, and local communities that have remained reliant on traditional methods and have not undergone any changes during IKN development. This finding suggests that diversification tends to amplify income disparities. Residents with greater asset wealth are better positioned to diversify into more lucrative labour markets than those with fewer assets.

Decline in agricultural production

Diversification can result in stagnation within the agricultural sector, as farmers may prioritise activities that yield higher returns. For instance, a significant number of individuals subsequently neglect or sell their palm oil plantations. The decline in agricultural yields was also attributed to the impact of the IKN development project on community-managed farmland, resulting in local residents facing a lack of land for agricultural production activities.

Detrimental gender impact: Women's double burden

The advent of economic diversification prospects has engendered gender-specific dynamics within the KIKN region. A considerable proportion of non-agricultural diversification initiatives are spearheaded by women, many of whom perceive the arrival of

migrants as a promising opportunity for business development. In response, they proactively seek to establish commercial ventures with the objective of enhancing household income. Conversely, men often continue to be engaged in conventional occupations that predate the advent of IKN, such as palm oil cultivation and carpentry, within the immediate vicinity.

This pattern was illustrated by a local people in Sukaraja Village, who described how her daily activities had become increasingly demanding since the establishment of IKN. It was noted that the subject now manages room rentals in addition to catering and equipment rental services, whilst her husband continues to work as a builder, a profession he has maintained throughout the transition.

The tendency for male labour to remain concentrated in agriculture and carpentry, even as households diversify into non-agricultural sectors, has resulted in a dual burden for women. Those entrusted with the management of domestic affairs are also expected to assume responsibilities pertaining to the procurement and delivery of goods or services. A substantial proportion of this work is driven by demand, influenced by both the needs of migrants and local consumers. In periods of high demand, women are often required to invest additional time and energy, despite operating with limited resources.

This challenge is especially pronounced in the catering sector. In instances where orders exceed 100 portions, households with constrained capacity may encounter challenges in meeting the necessary demands. One of the locals in Sukaraja Village recounted an instance when she received a catering order of that magnitude, which prompted her to commence culinary activities at dawn. She articulated that the experience was overwhelming, as she was required to manage the workload independently. Furthermore, she expounded on the fact that her child had

been assisting her in the preparation of cakes, working alongside her without interruption. Despite experiencing exhaustion, they proceeded to fulfil the orders, driven by a sense of obligation and the desire to avoid disappointing their customers.

10.1 RESPONDING TO PROMISE AND ITS REALITY

The development of IKN will have far-reaching consequences for the region, with widespread changes to the physical landscape and various hopes and promises of widespread change at various levels, from the regional to the household. At the level of the household, the local community has greeted the IKN project with the hope of new job opportunities, improved living standards, and easier access to modern facilities that have long been desired. At the regional level, stakeholders anticipate the emergence of new economic growth, an increase in population, and the transformation of rural areas into advanced urban regions. However, as time progresses, it becomes evident that the intricacies of the situation and the interconnected nature of its various aspects result in certain families lacking access to the promised economic benefits. Furthermore, certain regions encounter environmental and social pressures, and the realisation of development promises has been uneven.

The conceptual foundation of Ibu Kota Nusantara (IKN) is anchored in three core principles: the forest city, the sponge city, and the smart city. The smart city concept is of particular significance in the context of IKN's development, especially given the area's historical underdevelopment in terms of telecommunications and internet connectivity. At the regional level, aspirations for IKN extend beyond physical infrastructure and economic growth to encompass digital transformation. This transformation, embodied in the smart city vision, is regarded as a critical juncture for advancing digital technologies in East Kalimantan.

This ambition is not solely driven by the central government; it is also actively supported by local governments and stakeholders within the IKN region. Collectively, they envisage IKN as a catalyst for both digital transformation and economic development across East Kalimantan and the wider central-eastern corridor of Indonesia. Even during the initial phase of IKN's physical construction in 2022, officials from East Kalimantan Province conveyed optimism regarding the region's digital future. It was anticipated that, due to IKN's presence, East Kalimantan would be free of telecommunications blank spots by 2024.

The Head of East Kalimantan's Communication and Information Department, Muhammad Faisal, has stated that the majority of telecommunications towers are expected to be operational by 2023, and he is confident that the connectivity gaps will be addressed by 2024. It is evident that his statements have contributed to the broader assumption that infrastructure designed to facilitate digital transformation has the potential to drive progress across various sectors. Observations of contemporary developments lend support to this perspective, with evidence of advancements in telecommunications, enhanced urban and rural connectivity, the expansion of the creative economy, and the more efficient delivery of public services through the utilisation of advanced digital technologies.

However, in 2025, it became evident that these expectations had not been fully realised. In specific regions of the IKN and its surrounding areas, there is a persistent presence of blank spots. Notwithstanding the advances witnessed in the domain of telecommunications technology, a considerable proportion of the population residing in IKN and its outlying villages continue to encounter difficulties in accessing reliable communication and internet networks. It is evident that conditions such as precipitation and power outages have a detrimental effect on the stability of the

internet network in the IKN area. The primary impediment to the community's capacity to engage in activities necessitating internet connectivity, such as long-distance communication, access to digital services, and online education, is the presence of slow and inconsistent internet speeds. This scenario has the capacity to hinder digital transformation at the community level. Conversely, the availability of telecommunications and internet networks is pivotal for the implementation of smart city concepts or systems. In the absence of adequate connectivity, the core smart city dimensions are rendered inoperable.

The incongruity between the discourse surrounding development and the prevailing circumstance on the ground suggests that the extensively publicised and pledged digital transformation maintains an elitist character. This is evidenced by its perception among specific groups and its absence from all regions and societal segments. In other circumstances, the failure to provide digital infrastructure and implement comprehensive transformation could risk creating deeper gaps – social, economic and spatial – between the core IKN area and its surrounding regions. Consequently, the development of digital infrastructure and comprehensive digital transformation in the IKN development process as a smart city should not be regarded as merely a symbol of modernity. It is imperative that the foundation of this initiative is anchored in a commitment to equitable development, which serves as the overarching guiding principle of IKN development. This commitment ensures that all segments of society in IKN and its surrounding areas have fair access to and benefit from digital technology.

At the household level, communities surrounding the IKN development are experiencing a growing disparity between initial expectations and current realities. At the inception of the IKN initiative, residents expressed enthusiasm for the opportunity to diversify their livelihoods, particularly in the trade and

service sectors. This diversification was driven by the arrival of newcomers who required various services, including accommodation, dining, laundry, and souvenirs related to IKN. During the initial one to two-year period, the local economy underwent rapid expansion, leading to a substantial increase in household income. Nevertheless, this economic growth was accompanied by rising living costs and rental prices.

In the preceding twelve-month period, there has been a significant decrease in the number of workers, which can be attributed to the termination of employment contracts and the absence of subsequent renewals. Communities that had anticipated a continued upward trend in income are now facing a downturn, with the impact felt most severely by households with limited assets that are difficult to mobilise or convert into productive use.

One of the local inhabitants of Bukit Raya Village elucidated that income levels were previously stable, even if modest, as daily sales were consistent and primarily supported by local customers. It was observed that during periods of high worker presence, demand increased significantly due to an influx of people from outside the area. However, a decline in sales has been observed in the context of the reduction in workforce numbers.

While a significant proportion of residents continue to hold out hope that workers will return once contracts are renewed, the absence of certainty is proving to be a considerable challenge. This uncertainty has the effect of complicating efforts to recover economically and hindering the community's ability to identify and pursue alternative income-generating strategies.

10.2 THE SUSTAINABILITY AND SCALABILITY OF LOCAL COPING STRATEGIES

To ascertain the sustainability of the community's response, this book employs the Saragih (2007) framework for sustainable

livelihoods, which is predicated on the following criteria: The entity in question has been demonstrated to exhibit resilience in the face of unexpected events and external pressures. Moreover, it is evident that the entity is not dependent on external assistance and support. In the event of dependency, the assistance itself must be economically and institutionally sustainable. The overarching objective is to ensure the long-term productivity of natural resources. It is imperative that the entity does not harm the livelihoods of others or sacrifice the livelihood options available to others.

In consideration of the criteria, it is posited that the public response is deemed to be elastic if the public can adapt expeditiously and utilise the generated momentum to augment household income. An analysis of the community's responses to the development of the IKN discloses a considerable degree of variability in these responses. The community has successfully leveraged the IKN development's momentum to diversify, offering facilities in the domains of accommodation, services, and daily essentials such as laundry. The community has demonstrated a cognisance of the significant opportunities presented by the influx of newcomers, meticulously capitalising on these opportunities. Despite the influx of local investors from outside the region to invest and conduct business, the community is considered sufficiently resilient in facing unexpected events and external pressures resulting from the IKN development.

Community responses to the development of Ibu Kota Nusantara (IKN) have been characterised by the strategic utilisation of existing assets and skills, with minimal reliance on external aid or institutional support. An illustrative example of this phenomenon is the proprietor of the local guesthouse 'Kapon Jaya', who previously served as a village official. In response to the opportunities presented by the IKN development, this individual

took full initiative in designing and constructing the guesthouse independently.

In order to secure the necessary funding for the project, a portion of land that had been acquired from a transmigrant in 2017 was sold in 2023. The financial resources obtained were allocated in part to the laying of the foundation of the guesthouse and in part to the procurement of a vehicle, both of which were regarded as investment assets. The proprietor also established a catering service, leveraging their personal networks to serve police personnel, district office staff, and visitors associated with the IKN project. Presently, the revenue generated from these enterprises is being allocated towards the acquisition of gold, a strategy that the proprietor perceives as a form of long-term investment.

One of the villagers in Bukit Raya explained that the guesthouse was constructed in 2022 entirely through self-initiated efforts—designed, built, and conceptualised without external assistance. It was observed that the land in question had initially been acquired in 2017, with a portion being sold in 2023 to provide financial support for both the vehicle and the guesthouse foundation. Subsequent to the recovery of the initial investment, he declared that any surplus income would henceforth be allocated to the purchase of gold.

It is important to note that these community-led responses did not result in adverse impacts or the exclusion of other groups. The individuals who diversified their livelihoods were not large-scale investors with substantial capital and therefore did not monopolise opportunities or displace others. Instead, the responses demonstrated household-level initiatives, undertaken with limited resources and grounded in local capacities.

Despite the arrival of a significant number of newcomers having had a profound effect on the local landscape, the com-

munity's positive response – particularly in terms of livelihood diversification – has been primarily observed among individuals with sufficient asset ownership. These assets may encompass material resources, social connections, or relevant skills. This uneven distribution of capacity has contributed to the limited sustainability of such responses.

In circumstances where employment contracts reach the end of their duration or temporary redundancies take place, it is evident that not all members of the community possess the capacity to adapt to these transitions in an effective manner, or to maintain income levels that can be considered stable. A significant proportion of the population has assumed financial obligations without meticulously contemplating the long-term ramifications for their income security. Consequently, when confronted with a significant decline in earnings due to workforce reductions, many individuals have voiced their discontent and chosen to discontinue their business activities.

It has been reported by a local resident of Sukaraja that a number of acquaintances had recently purchased vehicles on credit. This action was motivated by the perception that their daily income was sufficient to cover the costs of purchasing land or cars. However, as business activity experienced a decline, these individuals began to express mounting frustration regarding their financial obligations. Another businessman in Sukaraja provided a further account of a former farm labourer at IHM who had opened a shop in the village. Consequently, a considerable proportion of the workforce, including the individual in question, were compelled to seek loans due to delayed or unpaid wages. Despite his initial willingness to assume debt in order to establish his business, the enterprise ultimately ceased operations, and he did not resume his former position at IHM. Consequently, he is currently unemployed.

These accounts serve to reinforce the conclusion that community responses to IKN-related development cannot yet be regarded as sustainable. A significant proportion of the local population are confronted with a paucity of options regarding the generation of new revenue streams or the resumption of former occupations. The capacity to diversify livelihoods and secure alternative sources of revenue is constrained by inadequate asset ownership, restricted access to opportunities, and insufficient skills. These constraints assume particular significance in circumstances where business performance is declining, or economic conditions are deteriorating.

Chapter 11. Grounding Governance: Reflections and Local Imperatives

II.1 INTEGRATIVE REFLECTIONS

The relocation of the national capital to East Kalimantan signifies a significant milestone in the development of the Indonesian nation, giving rise to both euphoria and various disruptions for local communities. The relocation of the national capital to East Kalimantan signifies more than merely an infrastructure project; it is a manifestation of the national ambition to build a more equitable, advanced, and sustainable future for Indonesia. The prevailing discourse on development has given rise to various forms of disruption to the lives of local communities, ecological challenges, and profound questions concerning spatial and social justice. The present work puts forward a series of key lessons that function as a reflective foundation for future policymakers, development practitioners, local communities, and academics.

The fundamental lesson to be derived from this analysis is that the relocation of the capital city must prioritise the principles of sustainable development. It is imperative to comprehend these principles not solely in terms of environmental aspects, but also in terms of social sustainability and the values of the local community. The development approach adopted in this mega-project has been a technocratic one, characterised by top-down decision-making and a tendency to overlook local cultural

diversity. In the context of East Kalimantan, the development of the IKN has given rise to a dilemma between the urgency to accelerate national development at all costs and the needs of local communities, which are often disregarded in the pursuit of national interests. Inclusive urban development that takes into consideration all existing and potential impacts due to the development plan is imperative in all stages of the development process.

The second lesson is that participatory practices intended to strengthen the democratic process in IKN development planning have been revealed to be no more than a narrative designed to fulfil the obligation to involve the community. Community involvement was limited to the socialisation stage, with no extension to the decision-making stage. This situation gave rise to a pervasive sense of alienation among the local population. In this regard, it is imperative for policymakers to undertake a thorough review of the existing participatory approach, with a view to providing a more extensive deliberative space and acknowledging the significant local knowledge capacity. In the event of the development of IKN being intended to increase the wealth of the nation, it is vital that an inclusive process of development is initiated. To ensure the success of this endeavour, it is essential that all potential stakeholders are engaged from the outset of the planning of the city through to the conclusion of the development process. It is asserted that this process will guarantee the incorporation of the voice of the local population, whilst concomitantly increasing the degree of democratisation of the development.

The third lesson is that it is imperative that the recognition of informal sectors and vulnerable communities is accorded a position of priority within the context of development projects. The publication revealed that the demographic groups most impacted by IKN development are those who are often marginalised and overlooked in decision-making processes. The enhancement

of local capacity is of paramount importance in establishing a conduit between these groups and ensuring their effective integration into developmental processes. The enhancement of local capacity has been identified as a pivotal factor in ensuring the percolation of the enthusiasm engendered by IKN development to all relevant parties, with local communities being of particular significance in this regard.

In this regard, it is evident that the decision has been taken to designate IKN development as a mega-infrastructure project, a concept that has been conceptualised by the elites at various levels. The development of IKN has had a profound impact on the environment and the socio-economic conditions of the community since its inception. The government and its affiliated entities, including the media and various interest groups, have consistently promoted the development of IKN as a positive endeavour with a focus on its potential benefits for the community. The euphoria that has been sustained since the primary resolution to transfer IKN, the erection of the new city of IKN, until its culmination on Independence Day in 2024, is gradually diminishing. It is evident that the construction of this new city has had a positive impact; however, it is imperative to acknowledge the potential negative consequences that may arise as a result. The development process is already in progress, and there is a significant level of euphoria and community anticipation. Concurrently, social transformations have occurred, both inadvertently and deliberately, in response to the development. The present moment is optimal for reflection on the most efficacious means of establishing a new city that is both prosperous and inclusive.

II.2 A CALL TO INTEGRATE LOCAL VOICES INTO DECISION-MAKING

The relocation of Indonesia's capital to Nusantara in East Kalimantan signifies a transformative phase in the nation's de-

velopment, which presents both opportunities and challenges. While the government emphasises modernisation and infrastructure growth, the success of this megaproject hinges on the meaningful integration of local voices. Research by Arnstein (1969) emphasises that the exclusion of communities from the decision-making process can result in disenfranchisement and unsustainable outcomes. In the context of IKN Nusantara, the indigenous Paser and Balik communities, in addition to other residents, possess a wealth of knowledge pertaining to the region's ecology, social structures, and cultural heritage (Saputra et al., 2023). It is imperative to recognise these perspectives, as disregarding them entails the risk of perpetuating past failures in the domain of urban development. As demonstrated in the preceding research, top-down approaches have been shown to have a history of marginalising local populations, thereby fuelling environmental degradation and resentment (Saputra et al., 2022).

This book demonstrates that local indigenous knowledge offers critical insights that are often overlooked by technocratic planning. In the past, scholars such as Escobar (2011) and Agrawal (1995) emphasised the role of indigenous practices in land use, resource management, and disaster mitigation in achieving sustainable development (Escobar, 1995; Agrawal, 1995). In East Kalimantan, indigenous communities have historically employed traditional methodologies to impede deforestation and preserve biodiversity. This accumulated knowledge could serve as a valuable source of insights to inform the green city vision of IKN Nusantara. However, in the absence of institutional mechanisms to incorporate local indigenous knowledge into policy, there is a risk that elite-driven planning may prioritize economic growth over ecological and social sustainability. It is imperative to adopt a balanced approach that incorporates scientific expertise in conjunction with indigenous wisdom, to circumvent the

shortcomings that have been observed in previous projects, such as Brasília, where a rigid modernist planning approach failed to address human-scale requirements.

Moreover, studies have demonstrated that development projects are susceptible to failure when local needs are not given due consideration, resulting in displacement, cultural erosion and economic exclusion (Saputra et al., 2023; Rijanta et al., 2023). As Scott (2020) observed in *Seeing Like a State*, state-led initiatives frequently entail the imposition of standardized solutions that are incongruent with local realities. In the IKN Nusantara areas, it is imperative to ensure that infrastructure development is aligned with the livelihoods of farmers and small traders to prevent social unrest and injustice. The case of Jakarta's forced evictions demonstrates how neglecting community input can engender distrust. In contrast, Friedmann's (2020) participatory planning approach has the potential to mitigate such conflicts by ensuring that resettlement programmes, job creation, and public services reflect genuine local demands rather than the priorities of elite groups.

A sense of ownership among local communities is vital for the longevity of urban development projects. As Ostrom's (1990) seminal studies on collective governance demonstrate, communities that are actively involved in the decision-making process are more likely to protect and maintain public resources. In the IKN Nusantara context, the cultivation of community ownership necessitates more than superficial consultations, a practice that is currently absent. The incorporation of co-design processes is imperative, wherein residents are encouraged to contribute to housing policies, transportation networks, and cultural preservation strategies. The efficacy of participatory models in urban contexts demonstrates the capacity of inclusive governance to enhance project legitimacy and sustainability. In the absence of

such engagement, Nusantara risks becoming an exclusive haven for political and economic elites, rather than a city that caters to the needs of all Indonesians.

In conclusion, the IKN Nusantara project offers a valuable opportunity to redefine Indonesia's approach to urban development by integrating elite expertise with grassroots participation. Evidence from the experience of other new capital cities suggests that failure to integrate the local population can result in social fragmentation. In contrast, the analysis of successful cases revealed that incorporating stakeholder feedback was instrumental in the creation of a more liveable city. For Nusantara to genuinely embody a "smart, green, and inclusive" vision, it is essential that policymakers establish participatory frameworks that elevate local voices in conjunction with technical expertise. It is only through such synergy that the new capital can avoid the recurring injustices of displacement and cultural erasure, thereby ensuring equitable and sustainable growth for generations to come.

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His passionate interest in issues of human geography, development, and planning means that working only on campus is not enough for him, so in 2005, he co-founded a development NGO: the Institute for Regional Development Studies (IReDS). This organization has allowed him to combine theoretical perspectives mostly developed in the academic environment, with empirical work in the field. His interest continues to grow in line with several issues he came across during his research on tourism geography. Thus, in 2012 he co-founded a tourism-based NGO, namely Indonesia Tourism Watch (ITW). The combination of his position as a lecturer, his growing interests, and his activities in NGOs has led to many opportunities to work in projects and on research with, for instance, the central and local governments of Indonesia, private sectors in development and resources exploration fields, international, national, and local NGOs, and local communities. His research has been published in several peer-re-

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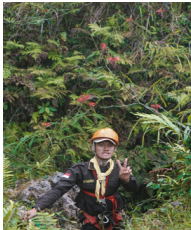
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