

THE NEW FACE OF JAKARTA AFTER THE CAPITAL RELOCATION TO EAST KALIMANTAN: TOWARD A GLOBAL CITYLeni Indrawati^{1*}, Faris Shafrullah²¹Universitas Mathla'ul Anwar Pandeglang, Banten, Indonesia²University of Padjadjaran, Bandung, Indonesia^{1*}Correspondence author: lenindra12@gmail.com**Abstract**

This study aims to analyze the transformation of governmental bureaucracy following the relocation of Indonesia's capital city from Jakarta to East Kalimantan and to examine the challenges, opportunities, and prospects of Jakarta's transformation into a global city. The study also compares the experiences of several countries in relocating their capital cities, namely Brazil, Malaysia, Nigeria, Kazakhstan, and Myanmar, particularly in terms of bureaucratic reform and governance systems. This research employs a qualitative approach using library research and a comparative case study method. The data were collected from international journals, academic books, policy reports, and official government documents, which were analyzed using a descriptive-qualitative approach.

The findings indicate that the success of capital relocation is strongly influenced by the quality of bureaucratic reform, institutional integration, and the effectiveness of governance systems. Malaysia, through the development of Putrajaya, is considered relatively successful due to its ability to integrate smart governance and digital bureaucracy into its state administrative system. In contrast, Nigeria and Myanmar encountered various problems caused by weak bureaucratic coordination, low social integration, and the dominance of political interests in the development of their new capitals. Meanwhile, Brazil and Kazakhstan demonstrated symbolic and administrative achievements but still faced challenges related to social inequality and centralized power.

This study further reveals that the relocation of Indonesia's capital city provides significant opportunities for bureaucratic reform toward a modern governance system based on digital governance and integrated public services. On the other hand, Jakarta, after losing its status as the national capital, has strategic potential to transform into a global city driven by service industries, technology, and international investment. Therefore, the relocation of the capital city should not merely be understood as a physical development project, but also as a momentum for restructuring bureaucracy and state governance toward a modern twenty-first-century government.

Keywords: Government Bureaucracy; Capital Relocation; Nusantara Capital City; Jakarta; Global City; Smart Governance; Bureaucratic Reform.

Background

The relocation of Indonesia's capital city from Jakarta to East Kalimantan represents one of the largest governance transformations in modern Indonesian history. This policy is not merely intended as an administrative relocation but also reflects the state's long-term strategy to address regional development inequality, urban ecological crises, and the need for bureaucratic reform toward a more adaptive and globally competitive metropolitan governance system.

Through the development of the Nusantara Capital City (IKN), the Indonesian government positions capital relocation as an instrument for promoting equitable national development while simultaneously reducing the burden on Jakarta, which for decades has experienced severe urban pressures such as congestion, flooding, land subsidence, over-urbanization, and the excessive concentration of economic and governmental activities.

From the perspective of public administration and governance studies, capital relocation is often understood as an effort to reconstruct a more efficient, modern, and integrated administrative center aligned with long-term national development goals. The experiences of countries such as Brazil with Brasília, Malaysia with Putrajaya, and Kazakhstan with Astana demonstrate that capital relocation is not only related to the transfer of governmental functions but also serves as a symbol of bureaucratic restructuring, national identity formation, and the creation of new economic growth centers. International studies indicate that capital relocation policies are generally motivated by the need to overcome urban overconcentration, improve administrative effectiveness, and create more sustainable spatial planning systems. As the former capital city, Jakarta faces increasingly complex urban problems that are difficult to solve through conventional approaches. As Indonesia's center of government, business, finance, and population concentration, Jakarta has experienced intense development pressures resulting in severe spatial and social inequality. Various international studies have identified Jakarta as one of the world's most congested and ecologically vulnerable cities.

Massive urbanization has contributed to environmental degradation, rising infrastructure demands, and an imbalance between urban spatial capacity and population growth. In this context, the relocation of the capital city is viewed as a structural solution to redistribute national growth centers while improving governmental bureaucratic effectiveness. On the other hand, the transfer of capital functions to East Kalimantan also creates new challenges regarding Jakarta's future. After no longer serving as the national capital, Jakarta faces the need to redefine its urban development identity. The government has therefore directed Jakarta's transformation toward becoming a global city oriented toward service industries, innovation, international finance, technology, and global economic networks.

According to Sassen's theory of the global city, global cities function as command centers of the world economy characterized by the concentration of financial services, international connectivity, modern infrastructure, and strong innovation capacity. Within this framework, Jakarta is expected to transform from an administrative-political city into a globally competitive economic city in Southeast Asia.

Government Bureaucracy and Capital Relocation

In the perspective of public administration, capital relocation is a process of bureaucratic reorganization involving institutional restructuring, redistribution of civil servants, the establishment of new administrative systems, and changes in governance patterns. Capital relocation is therefore not merely geographical movement but also an instrument for bureaucratic reform and national development.

International experiences demonstrate that successful capital relocation depends heavily on the state's ability to build adaptive, coordinated, and efficient governance systems. Countries that failed to implement institutional reform often experienced administrative dualism, budget inefficiency, weak coordination, and governance fragmentation. Brazil's relocation from Rio de Janeiro to Brasília in 1960 is often cited as a successful example of administrative modernization. Brasília succeeded in centralizing and organizing governmental institutions within a modern administrative complex. However, studies also reveal social segregation, bureaucratic costs, and inequality between the administrative center and surrounding communities.

Malaysia's Putrajaya represents a relatively successful model of digital bureaucratic reform and smart governance. The Malaysian government integrated electronic government systems, digital public services, and inter-ministerial coordination through advanced technological infrastructure. Putrajaya demonstrates how institutional planning and digital governance can significantly improve bureaucratic efficiency.

In contrast, Nigeria's relocation from Lagos to Abuja faced numerous bureaucratic challenges, including slow institutional transfer, administrative inefficiency, budget inflation, and governance fragmentation. Similarly, Myanmar's Naypyidaw became an example of a politically driven administrative city lacking social and economic integration. Kazakhstan's Astana illustrates another important lesson. Although Astana successfully symbolized national modernization and strengthened state identity, governance remained highly centralized with limited public participation.

These international experiences suggest that the success of capital relocation cannot be measured solely through physical infrastructure development. Instead, it depends on the quality of governance reform, bureaucratic integration, social inclusion, and institutional effectiveness.

Challenges and Opportunities for Indonesia

The relocation of Indonesia's capital city presents significant bureaucratic challenges, including institutional restructuring, redistribution of civil servants, coordination between Jakarta and IKN, and the development of a modern governance system based on digital technology.

One major challenge is the potential emergence of dualism between Jakarta as the national economic center and IKN as the administrative center. International experiences, particularly from Nigeria, demonstrate that separating economic and administrative centers may create governance fragmentation if not supported by strong institutional coordination. Another challenge concerns the transformation of bureaucratic culture. Indonesia's bureaucracy still faces classical administrative problems such as overlapping authority, slow decision-making processes, hierarchical organizational culture, and limited adaptability to innovation.

Nevertheless, capital relocation also opens substantial opportunities for bureaucratic reform. IKN can function as a laboratory for modern governance based on smart city concepts, artificial intelligence governance, integrated digital services, and sustainable administration. Malaysia's experience with Putrajaya illustrates how capital relocation can serve as a catalyst for digital governance reform and bureaucratic modernization. Indonesia similarly has the opportunity to establish a more transparent, efficient, and technology-driven administrative system from the early stages of IKN development. At the same time, Jakarta has strategic potential to evolve into a global city focused on financial services, technology, innovation, creative industries, and international investment. Without the burden of national administrative functions, Jakarta may strengthen its competitiveness as a metropolitan economic hub comparable to Singapore, Tokyo, or New York.

Literature Review

Bureaucracy and Capital Relocation

From the perspective of public administration, capital relocation represents a process of bureaucratic reorganization involving institutional restructuring, redistribution of state apparatus, the establishment of new administrative systems, and changes in governance patterns. Capital relocation is therefore not merely understood as a geographical transfer of government functions, but also as an instrument for bureaucratic reform and national development.

Pierre (2011) argues that modern urban governance requires a flexible, collaborative, and adaptive bureaucracy capable of responding to globalization and urbanization. Consequently, the success of capital relocation largely depends on the capacity of governmental institutions to manage administrative transition effectively. Various international studies reveal that capital relocation is generally intended to reduce development concentration, improve state administrative effectiveness, create new growth centers, and strengthen national identity. Nevertheless, many countries have also faced challenges such as bureaucratic inefficiency, weak inter-institutional coordination, social inequality, and administrative dualism between the old and new capitals.

Brasilia, Brazil: Administrative Modernization and Social Challenges

Brazil relocated its capital from Rio de Janeiro to Brasília in 1960 to encourage inland development and establish a modern administrative center. Holston (1989) explains that Brasília succeeded in centralizing governmental bureaucracy and improving administrative coordination through integrated institutional planning. However, Brasília also experienced social segregation, high administrative costs, and inequality between the governmental center and peripheral communities. These findings demonstrate that successful administrative relocation does not automatically guarantee social inclusiveness.

Putrajaya, Malaysia: Digital Bureaucratic Reform and Smart Governance

Malaysia relocated its administrative center from Kuala Lumpur to Putrajaya as part of a strategy to reduce urban congestion and modernize governmental bureaucracy. Putrajaya was designed as an intelligent city integrating digital bureaucracy, electronic government, and smart governance.

Moser (2010) notes that Putrajaya's success was strongly supported by the Malaysian government's ability to integrate bureaucratic reform with digital infrastructure development. The implementation of technology-based governance systems significantly improved public service efficiency and inter-ministerial coordination.

Abuja, Nigeria: Administrative Inefficiency and Governance Fragmentation

Nigeria relocated its capital from Lagos to Abuja with the aim of establishing a more neutral political and administrative center. However, Mabogunje (1990) explains that the process encountered serious bureaucratic obstacles, including slow institutional relocation, administrative inefficiency, budget inflation, and governance fragmentation.

The Nigerian experience demonstrates that physical infrastructure development alone is insufficient without institutional reform and strong administrative capacity.

Astana, Kazakhstan: Centralized Power and Symbolic Modernization

Kazakhstan moved its capital from Almaty to Astana in 1997 as part of a geopolitical strategy and national identity-building process. Astana successfully strengthened state symbolism and administrative centralization.

Nevertheless, studies also indicate that governance in Astana remained highly centralized with limited public participation. This case illustrates that physical modernization does not necessarily result in democratic and participatory governance.

Naypyidaw, Myanmar: Failure of Social and Administrative Integration

Myanmar relocated its capital from Yangon to Naypyidaw in 2005 primarily for political and security reasons. Naypyidaw was developed as a highly controlled administrative city with limited economic and social integration.

International studies reveal that Naypyidaw faced serious governance problems, including weak bureaucratic coordination, limited social interaction, and poor economic dynamism. This case demonstrates that capital relocation without public participation and institutional reform may result in an ineffective administrative city.

Relevance to Jakarta and the Nusantara Capital City (IKN)

The experiences of Brazil, Malaysia, Nigeria, Kazakhstan, and Myanmar provide important lessons for Indonesia. International literature consistently shows that the success of capital relocation depends on bureaucratic reform quality, institutional readiness, digital governance integration, and administrative capacity.

In the Indonesian context, the development of IKN presents opportunities for bureaucratic modernization through smart governance, digital public administration, and sustainable urban management. However, the success of IKN will depend on whether governance reform is implemented comprehensively and inclusively.

Research Methodology

Research Approach and Design

This study employs a qualitative research approach using library research and comparative case study methods. The qualitative approach is considered appropriate because the study aims to explore deeply the dynamics of governmental bureaucracy following the relocation of Indonesia's capital city and to analyze the challenges, opportunities, and prospects of Jakarta's transformation into a global city.

According to Creswell (2014), qualitative research seeks to understand and interpret social phenomena through comprehensive exploration of human and institutional experiences.

The library research method was conducted through the examination of international journal articles, academic books, policy reports, and official government documents related to capital relocation and bureaucratic reform.

In addition, this study applies a comparative case study approach by comparing the experiences of Brazil (Brasília), Malaysia (Putrajaya), Nigeria (Abuja), Kazakhstan (Astana), and Myanmar (Naypyidaw). George and Bennett (2005) explain that comparative case studies are effective for understanding the relationship between public policy, bureaucratic institutions, and socio-political contexts across countries.

Data Sources and Data Collection Techniques

This study uses secondary data obtained from several scientific and institutional sources, including:

1. International journal articles indexed in Scopus and Web of Science discussing capital relocation, urban governance, and bureaucratic reform;
2. Academic books related to public administration, urban governance, and global city theory;
3. Official Indonesian government documents concerning the development of the Nusantara Capital City (IKN);
4. Reports from international institutions and previous studies relevant to the research topic.

Data collection was conducted through systematic documentation and literature review. Snyder (2019) states that literature review is a research method used to identify, evaluate, and synthesize previous studies in order to develop comprehensive conceptual understanding.

Data Analysis Technique

This study uses descriptive qualitative analysis combined with content analysis. The analysis process follows the framework proposed by Miles, Huberman, and Saldaña (2014), consisting of three stages:

1. Data Condensation
Relevant literature was selected and categorized into themes such as bureaucratic reform, smart governance, urban governance, and international experiences of capital relocation.
2. Data Display
The classified data were presented in comparative narrative form to examine similarities and differences among the selected countries.
3. Conclusion Drawing and Verification
The final stage involved interpreting the findings to identify patterns, challenges, opportunities, and prospects related to Indonesia's bureaucratic transformation and Jakarta's transition toward becoming a global city.

Validity of Data

To ensure research validity, this study applies source triangulation by comparing international academic literature, policy reports, and official governmental documents. Yin (2018) argues that the validity of qualitative case studies can be strengthened through the integration of multiple supporting sources.

Results and Discussion

Capital Relocation as a Transformation of State Bureaucratic Structure

The findings demonstrate that capital relocation is not merely an administrative transfer but a comprehensive transformation of the state bureaucratic structure. In Indonesia's case, the development of IKN represents an effort to establish a more efficient, modern, and digitally integrated governance system.

Comparative analysis reveals that countries successfully implementing capital relocation generally use the process as momentum for bureaucratic reform and governance restructuring. In contrast, countries that focus solely on physical infrastructure development often fail to achieve substantive governance transformation. Malaysia's Putrajaya illustrates how digital bureaucracy and smart governance can improve administrative efficiency through integrated information systems and inter-ministerial coordination.

In Indonesia, IKN has the potential to accelerate bureaucratic reform through digital bureaucracy, artificial intelligence governance, and integrated public services. However, digital transformation alone will not be effective without changes in organizational culture and institutional mentality.

Dualism Between Jakarta and IKN

The findings also reveal the potential emergence of dualism between Jakarta as Indonesia's economic center and IKN as the administrative center. Similar experiences in Nigeria demonstrate that separating economic and governmental centers may create governance fragmentation if institutional coordination remains weak. Jakarta is expected to remain Indonesia's primary business and investment hub, while IKN functions as the center of political administration. Without effective governance integration, this situation may produce overlapping authority, policy fragmentation, and administrative inefficiency.

Therefore, Indonesia requires a network governance model capable of integrating Jakarta and IKN through digital coordination systems, synchronized policies, and clear institutional authority.

Failure of Capital Relocation Due to Weak Bureaucratic Reform

The study further indicates that many failures of capital relocation are associated with weak bureaucratic reform. Myanmar's Naypyidaw serves as an example of how an administratively planned city may fail socially and economically due to weak governance integration.

Similarly, Brasília demonstrates that administrative modernization does not automatically create social equality. Despite its success as a modern governmental center, Brasília experienced social segregation and urban inequality.

These findings suggest that capital relocation must incorporate social inclusion, environmental sustainability, and participatory governance rather than focusing exclusively on symbolic infrastructure development.

Smart Governance and Opportunities for Administrative Reform

Despite various challenges, the study reveals that capital relocation creates major opportunities for bureaucratic modernization. Meijer and Bolívar (2016) argue that smart governance enables governments to improve efficiency, transparency, and public participation through digital technologies.

Indonesia therefore has the opportunity to establish integrated governance systems based on artificial intelligence, big data governance, and digital public administration from the beginning of IKN development. However, the success of smart governance depends not only on technology but also on the quality of bureaucratic human resources, institutional transparency, and accountability.

Jakarta's Transformation Toward a Global City

The findings further demonstrate that Jakarta's transition away from its status as the national capital provides strategic opportunities for transformation into a global city. According to Sassen (2001), global cities function as command centers of the world economy characterized by finance, international trade, technology, and innovation.

Jakarta possesses strong potential to become a major global city in Southeast Asia if supported by comprehensive urban governance reform, public service improvement, transportation modernization, environmental sustainability, and digital infrastructure development.

This transformation requires Jakarta's bureaucracy to shift from a traditional administrative model toward entrepreneurial governance capable of attracting global investment and enhancing international competitiveness.

Conclusion

The relocation of Indonesia's capital city from Jakarta to East Kalimantan represents not only an administrative transition but also a fundamental transformation of the country's bureaucratic and governance systems. This study demonstrates that capital relocation serves as a strategic instrument for public administration restructuring, bureaucratic reform, and the development of a more adaptive, modern, and globally competitive governance model.

Comparative analysis of Brazil, Malaysia, Nigeria, Kazakhstan, and Myanmar reveals that the success or failure of capital relocation is strongly influenced by bureaucratic reform quality, institutional integration, governance effectiveness, and public participation.

Malaysia's Putrajaya demonstrates relative success through the integration of digital governance and smart bureaucracy, whereas Nigeria and Myanmar illustrate how weak institutional readiness and poor coordination can generate administrative inefficiency and governance fragmentation. Brazil and Kazakhstan further indicate that symbolic and physical modernization does not automatically guarantee inclusive and democratic bureaucratic reform.

For Indonesia, the development of IKN creates major opportunities for bureaucratic modernization through smart governance, digital public administration, integrated public services, and sustainable urban management. However, these opportunities require comprehensive institutional reform, human resource development, transparency, accountability, and collaborative governance.

At the same time, Jakarta possesses significant potential to transform into a global city driven by service industries, technology, innovation, creative economy, and international investment. Nevertheless, the success of this transformation depends largely on the ability of local government institutions to reform urban governance systems, improve public services, strengthen metropolitan infrastructure, and develop flexible and globally oriented bureaucracy.

Therefore, the relocation of Indonesia's capital city should not merely be viewed as a physical relocation project, but rather as a historic momentum to transform Indonesia's governance system toward a modern, inclusive, adaptive, and globally competitive model of public administration.

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