The Influence of Economic Conditions and Psychological Conditions of the Community on Government Readiness in the Development of the National Capital

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ABSTRACT

The determination to move the capital city to Eastern Indonesia is expected to reduce inequality and realize sustainable development in Indonesia, as well as create a new capital city that is in accordance with the nation's identity. This study aims to determine the effect of the economic condition and the psychological condition of the community on the government's readiness for the development of the National Capital City (IKN). To achieve the research objectives used associative quantitative research. The population in this research is the people on the island of Kalimantan. The selected sample is 100 respondents. Analysis of the data used is multiple linear regression analysis. The results showed that simultaneously the economic and psychological conditions of the community had a positive and significant effect on the government's readiness to develop IKN. Meanwhile, simultaneously only economic conditions have a positive and significant impact on the government's readiness to develop IKN. This research is a new thing with a new discussion that relates to the economic condition and the psychological condition of the community, especially regarding what is currently a trending topic in the community, namely the development of the nation's capital city.

Keywords: New public service, economic condition, psychological condition, government, the national capital

INTRODUCTION

Over the years, the role of public administration has evolved and changed substantially, and administrative systems have existed in many forms (Akib, 2012)(Rahman et al., 2022). The main reason for the changing form of public administration is the influence of ideas and theories from other fields, thus requiring the study of the history of administration to take a multidisciplinary approach(Aucoin, 1990; Kuhn, 2002).

The development of public administration began in the period before the birth of the concept of the State until the birth of the modern science of Public Administration which has undergone several paradigm shifts, starting from the classical model that developed in the period 1855/1887 until the late 1980s. New Public Management developed from the late 1980s to the mid-1990s, to Good Governance which has developed from the mid-1990s to the present.

The success of the emergence of a new paradigm lies in its ability to solve problems that are considered important, and which other theories cannot (Arhas et al., 2022). In the field of

public administration, the development of public administration has undergone many changes ranging from old public administration to new public management and new public service.

The new public service perspective begins with the recognition of citizens and their very important position in democratic governance (Lajas & Macário, 2020; Shareef et al., 2019). The identity of citizens is not only seen as a matter of personal interest (self-interest) but also involves values, beliefs, and concern for others. Citizens are positioned as owners of Government Readiness and are able to act together to achieve something better. The public interest is no longer seen as an aggregation of private interests but as a result of dialogue and public involvement in seeking shared values and common interests (Denhardt & Denhardt, 2000).

The new public service perspective requires the role of public administrators to involve the community in government and have the duty to serve the community. In carrying out this task, public administrators are aware that there are several complex layers of responsibility, ethics, and accountability in a democratic system. Responsible administrators should involve the community not only in planning but also in implementing programs to achieve community goals. This must be done not only to create a better government but also in accordance with democratic values. Thus the work of public administrators according to Denhardt is no longer directing or manipulating incentives but services to the community (Denhardt & Denhardt, 2000).

As one of the service efforts to the community, the government is trying to carry out equitable development from Sabang to Merauke, one of which is the relocation of the State Capital (IKN). The relocation of the national capital is not a new thing in Indonesia, previously there has been a relocation of the capital city from Yogyakarta to the city of Jakarta. The government plans to gradually move the State Capital from Jakarta to the Archipelago which is located in Penajam Paser Utara Regency in East Kalimantan Province starting in 2024. This is because DKI Jakarta as the capital city of Indonesia is the province with the highest population density in Indonesia.

Based on data from the Central Statistics Agency, the population density of DKI Jakarta in 2020 is 14,555 people per 1 km2. Central Jakarta City has the highest population density in DKI Jakarta Province, which is 18,603 people/km2. In an effort to reduce the level of population density related to the quality of life in Jakarta, the relocation of the capital city is intended to reduce congestion and reduce economic inequality between regions. The capital city as the center of the economy is always expected to be able to provide a picture of a metropolitan city full of economic activity and other state administrative matters.

The urgency of the relocation of the State Capital was previously conveyed by the President of the Republic of Indonesia at the Annual Session of the Consultative Assembly of the Republic of Indonesia on August 16, 2019, which stated that the relocation was based on the concentration of economic activities in Jakarta and Java which resulted in economic disparities in Java and outside Java. In addition, there are results of studies that conclude that Jakarta is no longer able to carry out its role as the State Capital, this is due to the rapid uncontrolled population growth, the decline in environmental conditions and functions, and the decreasing level of comfort in life. Therefore, the relocation of the State Capital is expected to realize Indonesia has a safe, modern, sustainable, and sustainable capital city.

The determination to move the capital city to Eastern Indonesia is expected to reduce inequality and realize sustainable development in Indonesia, as well as create a new capital city that is in accordance with the nation's identity. Specifically, the core locations designated as new

IKN are located in parts of two regencies, namely North Penajem Paser (PPU) and Kutai Kertanegara (KuKar) districts. The New Capital City has five visions, namely as a symbol of national identity; as a smart, green, beautiful, and sustainable city; as modern and of international standard; as efficient and effective governance; and as a driver of economic equality in the Eastern Region.

Building a city is not only about building its physical body, but mainly about how social cohesion is the interaction between its citizens and the way the city becomes a livable, humanist, and liveable city. This is a challenge for the government to make happen. Moreover, relocating the nation's capital requires enormous costs, cooperation from various parties, and the support of the community itself. In addition, community readiness from the economic aspect, psychological aspect, and the role of the government is certainly important in supporting the development of the National Capital City (IKN).

METHOD

This research is descriptive and associative quantitative research, namely research that seeks to find facts based on numbers, then this research is to examine the effect of independent variables (economic conditions and psychological conditions) on the dependent variable (government readiness in IKN development). The population in this study is all people living on the island of Kalimantan. Due to the breadth of the research subjects, the sample was drawn from as many as randomly selected respondents. Data was collected through a questionnaire distributed through the Google Form application. Descriptive data analysis is done by determining the average value. Before testing the hypothesis, the classical assumption test was first tested, namely the normality test and the autocorrelation test. The next stage is hypothesis testing through the t-test and F test. After determining the effect between variables simultaneously and/or partially, then determining the magnitude of the influence between variables. The last step is to determine the regression equation.

RESULT AND DISCUSSION
Descriptive Analysis

Descriptive analysis aims to determine the description of each variable. In this study descriptive analysis in terms of the average value is obtained. Based on the results of data analysis, the results of SPSS are presented in Table 1:

Table 1.
Descriptive Analysis

		Economic Condition	Psychological Condition	Government Readiness
N	Valid	100	100	100
	missing	0	0	0
mean		58,1100	35,4800	49,4600
median		57,0000	36,0000	49.5000
Mode		57.00a	24.00	60.00
Std. Deviation		9.62834	9.56158	6,45485
Variance		92,705	91.424	41,665
Sum		5811.00	3548.00	4946.00

Source: SPSS Output

The description of the economic condition of the community in the IKN development is in a good category. More details, it is presented in Table 2:

Table 2.
Community Economic Condition

No	Interval	Frequency	Category
1	63-75	32	Very good
2	52-62	50	Well
3	39-50	17	Enough
4	27-38	1	Not enough
5	16-26	0	Not good

Source: Author's Analysis

Based on the results of data processing on the readiness of the community's condition, if viewed from the mean (58.11), it is in the range of 52-62, meaning that the readiness of the community's economic condition is good. This means that by moving to the capital city of the country, people believe that the community's economic activities will be better, people's income will be better, more jobs will be available, assistance or loans for business capital from banks will be better, public services provided by the North Penajam Paser Authority of the Capital City The state (PPU-IKN) will be provided excellently, health services will be better, education services will be better, the development will take into account the income and expectations of the community, involve community leaders in involving the preparation of the IKN development program,

Furthermore, the psychological condition of the community related to IKN development is in the fairly good category, for more details it is presented in Table 3:

Table 3.
Psychological Condition

No	Interval	Frequency	Category
1	52-60	3	Very good
2	42-51	28	Well
3	32-41	31	Enough
4	22-31	34	Not enough
5	12-21	4	Not good

Source: Author's Analysis

Based on the results of data analysis, the mean value of the psychological condition of the community is 35.48, meaning that it is in the fairly good category (in the range of 32-41). This is seen from the enthusiasm of the community about the planning of the PPU-IKN City development is quite good, the enthusiasm of the community in discussing the PPU-IKN city development is quite high, and the community is quite confident that they will be able to adapt to the changes that occur in the PPU-IKN.

Furthermore, the government's readiness for IKN development is in a good category, for more details it is presented in Table 4:

Table 4.
Government Readiness

No	Interval	Frequency	Category
1	52-60	40	Very good
2	42-51	50	Well
3	32-41	10	Enough
4	22-31	0	Not enough
5	12-21	0	Not good

Source: Author's Analysis

Based on the results of data processing, it is known that the mean value of 49.46 means that the government related to PPU-IKN is in a good category (range 42-51). This means that the community agrees with the government's decision to move the state capital, the community thinks that the Government needs to show regional characteristics in the development of PPU-IKN infrastructure, the use of local workers in the construction of PPU-IKN, and public services can be easily obtained, the living environment is more peaceful and comfortable. safe from criminal acts, and development can ensure the preservation of nature.

Inferential Statistics

Before the regression analysis was carried out, the classical assumption test was carried out, namely the normality test and the autocorrelation test. The data normality test aims to determine the normality of the data distribution, which aims to test whether, in the regression model, the independent variables and the dependent variable have data that are normally distributed. In the normality test using the SPSS (Statistical Program for Social Science) application ver. 25 the Kolmogorov-Smirnov test is used with the following criteria: If the p-value is in the Asymp column. Sig. (2-tailed) > level of significance ($\alpha = 0.05$), then the data is normal.

Based on the results of data analysis obtained the Asymp value. Sig. (2-tailed) 0.144 > > level of significant (α = 0.05), so it can be concluded that the data are normally distributed.

The autocorrelation test aims to test whether in the linear regression model there is a correlation between the confounding error in period t and the confounding error in the t-1 period (previous).Ghozali (2018). This test is usually used as a prerequisite in correlation analysis or linear regression. By using the SPSS (Statistical Program for Social Science) ver. 25 with the Durbin Watson test is used to determine whether there is autocorrelation. Based on the results of the autocorrelation test, the DW value obtained was 2.174. With a dl value of 1.6337 and a du value of 1.7152, it means that the regression model is free from autocorrelation. Next is to determine the relationship between the variables.

Correlation analysis aims to determine the relationship between variables. Based on the results of the data analysis, the results of the product-moment correlation analysis are presented in Table 5:

Table 5.
Product Moment Correlation Analysis

Correlations		Economic Condition	Psychological Condition	Government Readiness
Economic Condition	Pearson Correlation	1	-,325**	,718**
	Sig. (2-tailed)		,001	,000
	N	100	100	100
Psychological Condition	Pearson Correlation	-,325**	1	-,206*
	Sig. (2-tailed)	,001		,039
	N	100	100	100
Government Readiness	Pearson Correlation	,718**	-,206*	1
	Sig. (2-tailed)	,000	,039	
	N	100	100	100

**. Correlation is significant at the 0.01 level (2-tailed).

*. Correlation is significant at the 0.05 level (2-tailed).

Based on the table, it can be seen that economic conditions and governance has a relationship level of 0.718, meaning that it is in a strong category. Meanwhile, there is a negative relationship between psychological condition and Government Readiness. The next stage is regression analysis

Linear regression analysis aims to determine the effect of the independent variables (economic condition and psychological condition) on the dependent variable (Government Readiness) either simultaneously or partially.

Table 6
F Uji test

Model		Sum of Squares	df	Mean Square	F	Sig.
	Regression	2128.005	2	1064,003	51,686	,000b
1	Residual	1996,835	97	20.586		
	Total	4124.840	99			

a. Dependent Variable: Government Readiness

b. Predictors: (Constant), Psychological Condition, Economic Condition

Based on the results of the F test, obtained a value of 51,686 with a significance value of 0.000. That is, simultaneously there is a positive and significant influence of economic conditions and psychological conditions on Government Readiness.

The t-test was used to partially test the effect of economic condition and psychological condition variables on Government Readiness.

Table 7.
t-test

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
	(Constant)	20,413	3,905		5,227	,000
1	Economic Condition	,488	0.050	,727	9,738	,000
	Psychological Condition	0.020	0.050	0.030	,398	,692

a. Dependent Variable: Government Readiness

Based on the table, the t value for the economic condition is 9.738 with a significance value of 0.000, meaning that there is a positive and significant effect of the economic condition on Government Readiness. While the psychological condition has no effect on Government Readiness (sig value 0.692 > 0.05). Furthermore, to determine the magnitude of the influence between variables, obtained from the value of r square

Table 8.
Value of r Square

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	,718a	,516	,506	4,53717

a. Predictors: (Constant), Psychological Condition, Economic Condition

Based on the results of data analysis, it is found that the value of r2 is 0.516, which means that simultaneously economic conditions and psychological conditions affect 51.6 percent of governance. While the effect of partial economic conditions (0.727 * 0.718) = 52.199% economic conditions affect Government Readiness, while psychological conditions (0.030 *-0.206 *100%) = -0.61%. This means that with the joint influence of economic conditions and psychological conditions, it will actually weaken its influence on Government Readiness, it is different if only economic conditions on Government Readiness have a higher influence, namely 52, 199%

Discussion

The capital city has an important role in all aspects of government activities. Like all aspects of government activities, the capital city has a main function, namely as the center of political power and the economy of a country. Not only that, but the capital city also reflects the cultural side of the country which shows the unique and distinctive character of the country. As the identity of a country, the capital city is built to advance the country so that its people become prosperous and have a sufficient life. This is in accordance with the mandate(The 1945 Constitution of the Republic of Indonesia)

Next inLaw of the Republic of Indonesia Number 3 of 2022 concerning the State Capital, it is said that the effort to improve the governance of the territory of the State Capital is part of the effort to realize the goals of the state, namely to protect the entire Indonesian nation and the entire homeland of Indonesia, promote public welfare, educate the nation's life and participate in carrying out world order based on eternal peace and social justice;

The governance of the State Capital is not only a means to meet the needs of the Indonesian people but also to create a safe, modern, sustainable, and resilient State Capital as well as being a reference for and structuring other regions in Indonesia. The National Capital City named Nusantara is a special regional government unit at the provincial level whose territory is the seat of the State Capital. The Capital of the Archipelago has a vision as a world city for all that is built and managed with the aim of becoming a sustainable city in the world; a driver of Indonesia's economy in the future; and become a symbol of national identity that represents the diversity of the Indonesian nation, based on Pancasila and the 1945 Constitution of the Republic of Indonesia(Law of the Republic of Indonesia Number 3 of 2022 concerning the State Capital).

The Capital of the Archipelago serves as the Capital of the Unitary State of the Republic of Indonesia which is the place for the implementation of central government activities, as well as the seat of representatives of foreign countries and representatives of international organizations/institutions. Moving the capital city of the country is an important matter, therefore good governance is needed. Good governance certainly requires the readiness of the community to participate in supporting all programs launched by the government.

The National Capital will act as a 'nerve' for the central government area and a center for green innovation. Samarinda is the 'heart' with its role as the historical center of East Kalimantan with the renewable energy sector. Balikpapan Is a 'muscle', which functions as a downstream node for oil and gas and logistics for East Kalimantan. East Kalimantan acts as a 'lung' by strengthening upstream agriculture and nature tourism centers. Cooperation between these regions will be a trigger for the development of Eastern Indonesia(https://ikn.go.id/about-ikn, 2022).

Indonesia's current good condition is very supportive to maintain economic growth. In maintaining economic growth, especially to achieve the target of better economic indicators. Such as, reducing unemployment, and poverty, and distributing economic growth,

The process of building the new capital city will last until 2045. Referring to the IKN transfer pocketbook, the stages of construction of the new capital city will be carried out in 2020-2024, namely building the main infrastructure such as the Presidential Palace, MPR/DPR Building, and housing in the main IKN areas. Then the transfer of ASN/PNS in the early stages such as the TNI, Polri, and MPR(https://indonesiabaik.id, 2022).

In the early stages, it is also targeted that the main basic infrastructure will be completed and operational, such as water and energy for 500 thousand residents in the early stages. With the relocation of the national capital, the Government will concentrate on accelerating infrastructure development. The aim of accelerating infrastructure development is to create higher economic growth, and more job opportunities, which can reduce unemployment, poverty, and economic growth, not only focusing on Java but also being able to spread to Kalimantan and surrounding areas.

Decades of average annual conditions vary widely across countries(Greiner et al., 2004; Yildirim & Sezgin, 2003). Simple calculations reveal that such small differences in growth rates over time can add up to big differences in a country's development(Hall & Jones, 1997). There is a lot of empirical and theoretical work showing that the main reason that countries grow at different rates for decades at a time is the dynamics of transition. Roughly speaking, a country with output that is substantially below the level of its balanced growth path will grow rapidly; a country on its balanced growth path will grow slowly.

CONCLUSION

Based on the results of the study, it was found that simultaneously the economic condition and the psychological condition of the community affected the readiness of the government to the development of the State Capital. Meanwhile, partially, only the economic condition of the community affects the government's readiness to develop IKN. This research can be used as a reference for the government to continue to increase the economic potential that exists on the island of Kalimantan. This research is a new thing with a new discussion that relates to the economic condition and the psychological condition of the community, especially regarding what is currently a trending topic in the community, namely the development of the nation's capital city.

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