The Institutional Construction of Jakarta Special Region

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Abstract
After the State Capital City Law relocated Indonesia's capital to the Nusantara region in East Kalimantan, Jakarta’s status changed to that of a special region. This change was ratified with the approval of the Special Region Provincial Law for Jakarta during the Plenary Session of the People’s Representative Council on March 28, 2024. Jakarta’s unique efforts to become a progressive and sustainable global city necessitate coordination and integration with neighbouring areas, including those within the Jakarta Agglomeration Zone. This study utilises a qualitative approach with a descriptive analysis methodology, gathering data through documentary research involving document collection and analysis. Data analysis techniques included data reduction, display, discussion, and conclusion drawing, with data validity assessed through triangulation. The research aims to recognise the necessity for new institutions to manage Jakarta as a special region and ensure their support for Jakarta’s transformation into a globally significant national economic hub, including its surrounding areas. The research findings emphasise the importance of these new institutions, as the capital city area and its supporting regions are no longer considered manageable separately, exacerbated by regulatory differences between central and regional levels.

Keywords: jakarta, special capital region, institutions, agglomeration

INTRODUCTION

The joint decision of the Government and the House of Representatives (DPR) as well as the Regional Representatives Council (DPD) to move the national capital from Jakarta, has been contained in Law Number 3 Year 2022 on the National Capital City which was passed in the DPR Plenary Meeting on 18 January 2022 and then promulgated in the State Gazette of the Republic of Indonesia Year 2022 Number 41 on 15 February 2022. In the House Plenary Meeting, eight factions in the House agreed, namely the PDI-P Faction, Golkar Faction, Gerindra Faction, NasDem Faction, National Awakening Party (PKB) Faction, Democratic Party Faction, National Mandate Party (PAN) Faction, and United Development Party (PPP) Faction. Meanwhile, the Prosperous Justice Party (PKS) faction refused.

Not even a year later, the law was revised with Law Number 21 of 2023, which was passed in a Plenary Meeting of the House of Representatives on 3 October 2023 and then promulgated in the State Gazette of the Republic of Indonesia Year 2023 Number 142 dated 31 October 2023. A total of seven factions agreed to the law, one faction agreed with notes, namely the Democratic Party faction, while the Prosperous Justice Party faction rejected the changes. Since the beginning, the idea of amending the law too early was considered to show that the government and the House of Representatives were careless and did not have a strong basis in the science of legislation (Salasah, 2022).

As a consequence of this political decision, Jakarta must also be prepared to abandon its status as the capital of the country, as previously regulated through Law Number 29 of 2007 concerning the Provincial Government of the Special Capital Region of Jakarta as the Capital of the Unitary State of the Republic of Indonesia which was promulgated and published in the State Gazette of the Republic of Indonesia Year 2007 Number 93 dated 30 July 2007. Because Jakarta no longer has the status of the country’s capital, new arrangements are required. The necessity of adjusting the laws and regulations is contained in the provisions of Law 3/2022 in Article 41, Paragraph (2), namely, "No later than 2 (two) years after this Law is enacted, Law Number 29 of 2007 concerning the Provincial Government of the Special Capital Region of Jakarta as the Capital of the Unitary State of the Republic of Indonesia shall be amended by the provisions in this Law."

The government has requested the Jakarta Special Region Bill to be included in the 2023 priority National Legislation Program (Prolegnas) in a joint working meeting of the DPR Legislation Body and DPD on 11 September 2023. The second change is the DPR Legislation Body's decision that the Jakarta Bill will become a proposal bill because the government has submitted three initiative bills.
Since 7 November 2023, the discussion of the bill began with the presentation of the Expert Team to the DPR Legislation Body on the drafting of the bill, followed by several public hearings (RPDP), and ended with a Baleg meeting with the agenda of making a decision on the results of the drafting of the bill on 4 December 2023. The draft of the DPR initiative bill then received approval in the DPR Plenary Session on 5 December 2023. The next process was a joint discussion between the DPR and the new government starting in early March 2024. Finally, the Law on the Capital Region of Jakarta Province (DKJ) Law was passed at the DPR Plenary Meeting on Thursday, 28 March 2024. Eight factions agreed and the PKS faction refused.

Formally, the ratification of the Law exceeds the deadline set in Law 3/2022. The DKJ Law should have been completed no later than 15 February 2024 or 2 (two) years after Law 3/2022 was enacted. However, despite the constitutional negligence, there were no juridical or political sanctions due to the delay (Tanuredjo, 2024).

The law, which consists of 12 chapters and 73 articles, contains seven primary materials, namely:
(1) improvement of the definition of agglomeration area and provisions regarding the appointment of the chairman and members of the Agglomeration Area Council by the President, whose appointment procedures are regulated by a Presidential Decree; (2) provisions regarding governors and deputy governors who are elected through a direct election mechanism by the people; (3) the addition of a fund allocation of at least five per cent for urban villages from the provincial Regional Budget (APBD) in accordance with the workload of the administrative area which must be earmarked to solve social problems; (4) the granting of 15 special authorities for the Special Government of Jakarta which include public works and spatial planning; public housing and residential areas; investment; transportation; environment; industry; tourism and creative economy; trade; education; health; culture; population control and family planning; population administration and civil registration; marine and fisheries; and employment; (5) monitoring of progress and culture with the priority of the progress of Betawi culture and other cultures that develop in Jakarta, the involvement of Betawi customary and cultural institutions, and the establishment of a cultural endowment fund sourced from the Local Government Budget (APBD); (6) adjustments related to revenue sourced from certain types of licencing fees on space utilisation activities, whose tariff determination procedures are regulated in accordance with statutory provisions; and (7) the addition of other provisions related to land (Sahbani, 2024).

With the interest to make Jakarta a special status region, the DKJ Law provides special arrangements for the management of Jakarta. As the capital of the country, Jakarta faces classic problems related to the surrounding areas, which are often referred to as buffer zones or "satellites". Therefore, one of the substances that is also important for the future of Jakarta is the conception of agglomeration, with stronger governance to synchronise the development of the Special Region of Jakarta Province with its surrounding areas. Jakarta needs (and is also needed) by the surrounding areas. Problems that arise in Jakarta are mostly supplied by (and also affect) the surrounding areas. Jakarta and its surrounding areas are areas with functions that are already unified, but in reality, separate management by local governments creates misalignment. As a result, the effective functioning of one region has not been optimised.

In regional planning, urban areas that unite the management of several city and district areas with the parent city are referred to as agglomeration areas. This area is different in terms of administration and functions as a national economic growth centre with a global scale that integrates governance, industry, trade, integrated transportation, and other strategic areas to improve the national economy and welfare. The agglomeration area covers at least the Special Region of Jakarta Province and several areas in West Java and Banten Provinces such as Bogor Regency, Tangerang Regency, Bekasi Regency, Cianjur Regency, Bogor City, Depok City, Tangerang City, South Tangerang City, and Bekasi City. The concept of agglomeration does not mean bringing together Jakarta, Bogor, Depok, Tangerang, and Bekasi as one region (Rahmawati, 2024). Thus, the definition of an agglomeration region does not conflict with the principle of regional autonomy of the regions that are part of the agglomeration region, which have functional interrelationships connected by an integrated regional infrastructure network.
system even though they differ from the administrative side as a national economic growth centre on a global scale (Khalida, 2024).

Jakarta is expected to grow into a global city; a city that will function as a trade centre, a centre for services and financial services, as well as national, regional and global business activities. One of the government's arguments for moving the national capital to the archipelago is to protect the people, especially in Jakarta and its surroundings, from various degradations, inconveniences, and catastrophes, such as floods or other natural or non-natural disasters. The relocation of the national capital is expected to ease the burden on Jakarta, which is no longer capable in terms of carrying capacity and environmental capacity. The specificity of Jakarta is different from the specificity of the provinces in Papua and Nangroe Aceh Darussalam, which are declared as special autonomous regions, or Yogyakarta, which became a special region because of its cultural heritage and customs.

The context of Jakarta's speciality that is different from other provinces requires efforts to construct new institutions within Jakarta. This article is expected to add to the references regarding the specificities that apply in the Special Capital Region of Jakarta Province after the issuance of the Law on the Special Capital Region of Jakarta Province, especially regarding institutional aspects that are different from the arrangements in the previous law.

METHOD

This research was conducted using a qualitative approach with a descriptive analysis method. The method was chosen based on the suitability of the research objectives to construct institutions in Jakarta after the issuance of the DKJ Law, where the analysis of institutional construction is described in a descriptive meaning. Referring to Creswell and Poth (2018), the descriptive method in qualitative research is an analytical approach with a data approach, the use of frameworks, and limited interpretation to explain the data obtained. The qualitative approach will produce output in the form of a description of the research problem.

Data for this paper was obtained through documentation studies, by collecting and analysing various documents considered relevant to the research topic, such as books, journals, government documents, or other references. The data analysis technique used includes three main activities; the data reduction stage, data presentation, and discussion and conclusion drawing. Data validity was tested using triangulation techniques, where the data obtained was checked, re-checked, and cross-checked to produce data presentations with a high level of validity.

RESULT AND DISCUSSION

Result

The government and parliament have agreed to form new laws and regulations, as a form of public policy to regulate Jakarta as a province with special regional status. Public policy is one of the institutional arrangements that can be used to resolve or realise public interest. In the process, there is an aggregation of interests that allows "conflict" between parties - which therefore requires a political and technocratic process (Samodra, Purbokusumo, Pramusinto, 1994), as may happen to Jakarta in the future after it no longer has the status of the national capital.

1. Old Jakarta as the National Capital

Indonesia's independence was proclaimed on 17th August 1945 in Jakarta, which later became Indonesia's first capital city. The passage of time has made Jakarta not only the centre of government, but also the centre of business activity and economic growth. In addition, Jakarta is also a city as a gathering place for ethnic groups in Indonesia, so Jakarta
is also a multiethnic (Irфан and Bahrudin, 2022). The status of Greater Jakarta officially became the capital city of the Republic of Indonesia on 31 August 1964 which then on 31st August 1999 its status was updated to a provincial government with autonomous status that has an administrative city, as stipulated in Law Number 34 of 1999 concerning the Provincial Government of the Special Capital Region of the Republic of Indonesia Jakarta. Changes to the law were made again on 30th July 2007 with the enactment of Law Number 29 of 2007 concerning the Provincial Government of the Special Capital Region of Jakarta as the Capital of the Unitary State of the Republic of Indonesia.

As the nation's capital, Jakarta has played a significant role in national economic growth. Jakarta, with major economic levers such as the financial services industry or the information and communication sector, has proven to make an optimal contribution to economic growth. A data from 2021 shows that the economic contribution of the Special Capital Region of Jakarta to the national economy reached 17.3 per cent and the contribution remained significant in the following years.

The Constitution recognises and respects special or special units of regional government that are regulated by law. Therefore, substantially, there is an intention to make Jakarta a Special Region Province. Based on the provisions contained in the 1945 Constitution of the Republic of Indonesia, the system of government of the Unitary State of the Republic of Indonesia recognises and respects special and special government units regulated by law. In addition, in accordance with the principle of the Unitary State of the Republic of Indonesia, this system recognises and respects special and special rights in accordance with the principle of the Unitary State of the Republic of Indonesia.

Jakarta as a special region: no longer the capital, no longer a region with special autonomy such as Papua and Aceh, no longer a region with an original unity of government that has existed and been attached to its people for a long time like the Special Region of Yogyakarta. The province of Jakarta will be redesigned with its specificity as the centre of the national economy, a global city, and an agglomeration area. Jakarta will function as a trade centre, a centre for services and financial services, as well as national, regional and global business activities.

In its previous position as the capital of the country, the autonomy of the Special Capital Region of Jakarta was placed at the provincial level. The implementation of government is carried out according to the principle of autonomy, the principle of deconcentration, the principle of assistance tasks, and its speciality as the capital of the Republic of Indonesia. The Provincial Government is led by a Governor assisted by a Deputy Governor who is directly elected by the voters through a general election of regional heads, provided that the candidate pair must obtain more than 50% (fifty per cent) of the valid votes. In addition, the Province's regional apparatus consists of the Regional Secretariat, Local People's Representative Council (DPRD) Secretariat, regional agencies, regional technical institutions, administrative cities/administrative regencies, sub-districts, and villages.

Unlike other districts/cities in Indonesia, administrative cities/administrative regencies in Jakarta are led by a Mayor/Regent who is appointed by the Governor at the discretion of the DKI Jakarta Provincial DPRD from civil servants who meet the requirements and whose dismissal is also carried out by the Governor in accordance with statutory provisions. The Mayor/Regent of the administrative city/administrative regency in Jakarta is responsible to the Governor. In carrying out his administration, the Governor in his position as representative of the central Government and Regional Head of DKI Jakarta Province is given the specificity of duties, rights, obligations, and responsibilities in the position of DKI Jakarta as the capital of the Republic of Indonesia, assisted by a maximum of 4 (four) deputies in accordance with the needs and financial capacity of the region. The deputies are appointed from qualified civil servants; with the appointment and dismissal carried out by the President on the proposal of the Governor. The deputies are responsible to the Governor.
Referring to the DKI Jakarta Provincial Regional Regulation Number 5 of 2016 concerning the Establishment and Structure of DKI Jakarta Provincial Regional Apparatus which was later amended by DKI Jakarta Provincial Regional Regulation Number 2 of 2019, the institutional structure of the Jakarta government can be presented as follows:

**Gambar 1. Struktur Organisasi Pemerintah Provinsi DKI Jakarta**

To improve the welfare of the community, the Provincial Government of DKI Jakarta cooperates with the Provincial Governments of West Java and Banten in the management of development by involving the municipal and district governments that are directly adjacent. This is carried out based on the principle of mutual benefit and the efficiency and effectiveness of public services.

Jakarta has a Regional Spatial Planning (RTRW) for the National Capital City with reference to the National RTRW. Jakarta's RTRW is coordinated with the spatial planning of the directly adjacent provinces, in this case the provinces of West Java and Banten. Integrated cooperation includes integration in the process of planning, utilisation and control of spatial planning contained in the RTRW of each province with the necessity to pay attention to national strategic interests coordinated by the relevant minister.

Referring to Presidential Regulation Number 60 of 2020 concerning the Spatial Plan for the Jakarta, Bogor, Depok, Tangerang, Bekasi, Puncak, and Cianjur Urban Areas; that in order to coordinate the implementation of the management of the Jobodetabek-Punjur urban area, a coordinating institution for the implementation of the spatial planning of the Area is formed in accordance with statutory provisions. The coordinating institution is led by the Minister, which consists of at least the Minister of Home Affairs, Minister of Public Works and Housing, Minister of Transportation, Minister of National Development Planning/Head of the National Development Planning Agency, and Minister of Finance, as well as governors in the Jabodetabek-Punjur urban area.

**2. Jakarta’s New Institutions**

Institutions in government are needed to ensure public services run well, in line with good governance that always prioritises the principles of openness, transparency, professionalism, equality, responsiveness and foresight, effectiveness, efficiency, and accountability.

Based on DKJ Law, the government and parliament agreed not to change the territory or form of government of Jakarta - which confirms the choice of legal policy with
all its consequences agreed by the legislators. This means that the existing government structure is maintained, namely without autonomous cities/districts that require regional legislative bodies at the city/district level. Jakarta remains with its specificity as it was when it was the national capital, namely asymmetric decentralisation where under provincial autonomy there are no other forms of autonomy.

Meanwhile, in order to fulfil the needs of Jakarta as a special region, the DKJ Law creates a new institution in the form of the Agglomeration Area Council which is formed in order to coordinate the implementation of national strategic spatial planning in agglomeration areas and development planning documents. Initially, the House of Representatives proposed that the Agglomeration Area Council be led by the Vice President, but it was later agreed in the DKJ Law that the chairman and members of the Agglomeration Area Council would be chosen by the President. The intention was to highlight that Jakarta does carry complex problems that are cross-regional and cross-sectoral in nature, such as public transport, flooding and water resource management, environmental and spatial issues, and housing issues.

Explicitly, the DKJ Law includes the nomenclature "agglomeration area" which is interpreted as an area that has functional interrelationships connected by an integrated regional infrastructure network system even though it is different from the administrative side as a national economic growth centre with a global scale. The Agglomeration Area covers at least the Special Region of Jakarta, Bogor Regency, Tangerang Regency, Bekasi Regency, Cianjur Regency, Bogor City, Depok City, Tangerang City, South Tangerang City, and Bekasi City.

There is a requirement to include development planning documents in the Agglomeration Area Development Master Plan which must refer to the National Long-Term Development Plan (RPJPN), National Medium-Term Development Plan (RPJMJN), and strategic policies of the Central Government and Jakarta as a Global City. In order to coordinate the implementation of national strategic spatial planning in agglomeration areas and development planning documents, the Agglomeration Area Council is formed with the task of coordinating the implementation of national strategic spatial planning in agglomeration areas and the Agglomeration Area Development Master Plan Document; and coordinating, monitoring, and evaluating the implementation of programmes and activities in the master plan by ministries/agencies and local governments. The Chairman and members of the Agglomeration Area Council are appointed by the President; and further provisions regarding the Agglomeration Area Council and its appointment procedures are regulated by Presidential Regulation.

In addition to the Agglomeration Region Council, the DKJ Law also introduces a new organisation, namely a joint service agency that may be formed as a form of cooperation by the local government of the agglomeration region in the context of providing cross-regional services and/or cross-regional impacts. The joint service agency is a legal entity entitled to: have its own assets; manage its own budget; manage its own employees; and also cooperate with other parties. The establishment of the service agency is determined by a joint decree of the regional head after obtaining approval from the DPRD. The joint service agency is led by a Head of Agency assisted by a Deputy Head of Agency. The mechanism for filling the leadership position of the service agency is that the Head, Deputy Head, and Supervisory Board are elected by the regional head and determined by a joint decision of the regional heads in the agglomeration area. The proportion of votes of regional heads in the election of the head and deputy head of the agency is determined based on the proportion of capital and/or shares of each region. As a special region, Jakarta is given special authority in the administration of government affairs. These special powers include public works and spatial planning; public housing and residential areas; investment; transportation; environment; industry; tourism and creative economy; trade; education; health; culture; population control and family planning; population administration and civil registration; marine and fisheries; and employment.
Discussion

Public organisations involved in the new Jakarta institutions, like other public sector organisations, are characterised by environments that tend to be more complex than those of business organisations due to a wider and more diverse group of stakeholders and with generally higher environmental complexity and contradictions. Public organisations have multiple authoritative decision-makers with multiple accountability and reporting relationships and are "watched" by many interest groups, including the media (Senior and Fleming, 2006). By defining institutions as rules of the game and more than just organisational issues, there are formal and informal boundaries that act as barriers. Formal rules can be by systems of contracts, laws, statutes, and other regulations; while informal rules are conventions, beliefs, and social and cultural norms); along with enforcement that facilitate or shape the behaviour of individuals or organisations in society (North, 1990).

Efforts to handle Greater Jakarta comprehensively have been tried with the establishment of the Jabodetabekjur Development Cooperation Agency (BKSP) which was formed through the Minister of Home Affairs Regulation Number 6 of 2006. The BKSP, which involves the Governor of DKI Jakarta, the Governor of West Java, and the Governor of Banten, is expected to coordinate and facilitate interrelated and interdependent activities and common problems faced by the regions so as to realise harmony, compatibility, and balance of inter-regional development in the Jabodetabekjur region. The chairman of BKSP is held in turns between the three governors, which actually makes the coordination not optimal, coupled with the problem of limited authority when it must be confronted with the central authority. In practice, coordination and cooperation between the governments of the three provinces and nine districts/cities that are members of BKSP still need to be optimised, as well as an institutional strengthening framework to ensure the resolution of public issues in the Jabodetabekjur region (Silfiana, 2018).

The subsequent publication of Presidential Regulation (Perpres) Number 60 of 2020 regarding the Spatial Planning Plan for the Jabodetabek-punjur Urban Area, further elucidated by Ministerial Regulation (Permen) ATR/BPN Number 22 of 2020 concerning the Coordination Team for Urban Spatial Planning in the Jabodetabek-punjur Area, is not entirely optimal. The establishment of the Jabodetabekpunjur Spatial Planning Coordination Team, chaired by the Minister of ATR/Head of BPN and comprising governors and ministers, represents a step forward when local and central government entities are unified. However, because the chairman and members are ministers, it raises its own problems. Further provisions regarding the Agglomeration Area Council and agglomeration areas will be made in the form of Presidential Regulations and Government Regulations, especially to address synchronisation of planning, debottlenecking problems, and strategic efforts for problem solving in the Greater Jakarta agglomeration area. Indonesia, which chooses not to establish a specialised institutional authority or local administration at the metropolitan scale, requires cooperation between autonomous regions in the region. However, such cooperation has not been fully effective due to the constraints of unclear authority, low commitment, low capacity of development institutions, and lack of adequate institutional support (Winarto, 2006).

Handling metropolitan or megapolitan areas such as Jakarta requires institutions that can be different from practices in various countries. During this time, the presence of institutions that are coordinative across ministries / agencies is considered unable to handle the problems of Jakarta. The presence of a new institution with the DKJ Law certainly needs to be well constructed, to ensure that its presence can actually fulfil the purpose of its formation. Learning from the experience of forming an agency or team to carry out the coordination function of structuring the Jakarta area and its surroundings, the Agglomeration Area Council is predicted to not be easy to solve complex problems in Greater Jakarta (Fauzi, 2024). Even urban observer Nirwono Joga said that the presence of the Agglomeration Area Council would not be better than BKSP; and therefore it is necessary to conduct an in-depth evaluation of who can lead the coordination function,
understand the fundamental problems of Jakarta and its surroundings, and gain political support when dealing with the regional autonomy regime or regional heads who come from different political parties with their respective interests. It is also a matter of clearer authority and budgetary support to ensure that the Agglomeration Region Council does not repeat the case of BKSP, which has an ineffective role in developing Jakarta and its surroundings (Qodar, 2024).

The pattern of institutional change in the new Jakarta, with the presence of the Agglomeration Region Council, cannot be stated as a change that is too dramatic and sudden. Jakarta's problems with the institutional history involved previously became the basis for making changes that were felt to be significant and important for the process of managing the Jakarta area and its surrounding areas. These changes reflect a pattern of institutional change that is punctuated evolution, which is a combination of the concept of incremental with punctuated equilibrium (Campbell, 2007). Through a process of social learning, a process of self-reflection gradually adjusts institutions within the boundaries of existing arrangements. In a period of crisis, triggered by the decision to move the national capital from Jakarta, actors decided to search for new institutional forms that could result in a transformation of the previous status quo.

Meanwhile, when viewed from the dimensions of the nature of the process of change and drivers of change; institutional change tends to be in the quadrant of contingent and disruptive institutional change models, where institutional change is a process driven by changes in the external environment of the institution - in this case the decision to move the state capital to the archipelago in Penajam Paser Utara, East Kalimantan. Institutional change in interconnected situations is often triggered by changes that occur in other institutions; therefore, transformation in a broader perspective is conceptually seen as a series of changes in one institution that spread to other institutions (Peters and Pierre, 1998).

So far, the problems that have arisen have not necessarily resulted in institutional change. The Agglomeration Area Council plus the opportunity to form a service agency is a stronger initiative than the previous institution, reflecting the resolution of the fight and negotiations between actors, and reflecting the resources and power of the actors who created it. Conditions that disturb the "balance" and distribution of resources or power are likely to lead to further battles regarding the need for institutional change - as Campbell (2007) states that institutional change is generally a bricolage, which involves a process of combining and recombining pre-existing institutional elements.

Regulatory arrangements regarding urban area entities are still very briefly regulated in the Regional Government Law (Wardhana, Huda, 2022). In the context of megapolitans where urban development is very rapid, Jakarta with the regions in the buffer zone are included in the megapolitan concept because of their very intensive daily interactions. Even though the juridical considerations for the formation of megapolitans already exist in the rules related to the National Spatial and Regional Plan, the most important challenge is how to achieve the megapolitan concept and also its effect on society (Mauleny, 2015).

The presence of the Agglomeration Area Council, which involves both the central government and regional governments around Jakarta, also brings new implications. By following the conception of the scope of institutions stated in the USAID Policy Paper on Institutional Development (1983) as quoted from Tarigan (2011), the challenges of developing new institutions in Jakarta at least include the configuration of the rules of the game and the formulated norms that also cover clear rules of the game for the actors involved in it. New institutions are also faced with issues of hierarchy and institutional networks (nested levels and networking institutions), because an institution is not an isolated structure, but is part of a more complex hierarchy and network. This suggests that institutional development includes efforts to build and develop networks. The new Jakarta institution, with its three main elements, will be characterized by the relationship between the local government,
which includes the Provincial Governments of the Special Regions of Jakarta, West Java and Banten as well as a number of surrounding district / city governments; the Agglomeration Area Council; and also the service agency that can be formed later. The first challenge is of course to establish agreed rules of the game, in the form of regulations that provide limits on what can and cannot be done by each party involved. The rules of the game are needed to protect the actors so that there is no imbalance of burden in accordance with the norms adopted. Beyond these formal rules, informal constraints such as social norms, traditions, and behavioral arrangements, some of which are derived from previous customs and patterns of interaction, will also be decisive. According to Hodgson (2006), formal institutions and informal institutions are entirely interrelated. In fact, formal institutions are always dependent on non-legal rules and norms that are not explicitly stated. Eventually, the new Jakarta institutions become a process towards more mature institutions. The intersections and interactions or even clashes of different processes and different stakeholders are political drivers and have a variety of consequences, including institutional change (Thelen, 1999).

CONCLUSION

The rebirth of Jakarta with its new status as a special region province is accompanied by a new institution in which the Agglomeration Area Council and service agencies will be present to complement the current special regional government system. The new institution is important because the capital city and supporting areas around it can no longer be managed institutionally and separately, plus differences in central and regional regulations. The new institution requires formal and informal tools to ensure the achievement of the new Jakarta development goals as a national economic growth center on a global scale, along with the surrounding areas that are an intensive unit of activity.

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