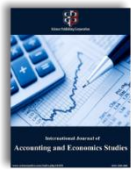
International Journal of Accounting and Economics Studies, 12 (4) (2025) 447-454

International Journal of Accounting and Economics Studies

Website: www.sciencepubco.com/index.php/IJAES
https://doi.org/10.14419/q4d9fn39
Research paper



Measuring The Influence of The Central Business District Development of SDGs on The Growth and Income of People Affected by The Development of The New Nusantara Capital City

Sugeng Susanto [1], Al-Amin [2, 3] *, Hardiansyah Padli [3], Yefri Joni [3], Windy Dwi Zhelsa Fithri [2, 4], Shinta Lintang Nurillah [2], Istiqom Shinta Hardiyanti [7], Heru Widoyo [5], Julia Adelina [6], Irnayenti [3], Marwini [7]

[1] *Universitas Raharja*
[2] *Faculty of Economics and Business, Universitas Airlangga, Surabaya, Indonesia*
[3] *Universitas Islam Negeri Sjech M. Djamil Djambek Bukittinggi, Indonesia*
[4] *BAZNAS Kabupaten Mojokerto*
[5] *Binus University*
[6] *Department of Tourism, Universitas Negeri Padang, Padang, Indonesia*
[7] *Universitas Diponegoro, Semarang, Indonesia*
**Corresponding author E-mail: al.amin-2024@feb.unair.ac.id*

Received: August 2, 2025, Accepted: August 9, 2025, Published: August 16, 2025

Abstract

Purpose: This study aims to analyze the impact of implementing the Sustainable Development Goals (SDGs) on community growth and Income using a quantitative approach.
Design/methodology/approach: This study employs SEM-PLS analysis using the WarpPLS 8.0 analysis tool, chosen due to its ability to analyze complex relationships between variables through structural models.
Findings: The results of the analysis show that the SDGs have a positive and significant influence on growth, with a regression coefficient (β) value of 0.90 and a p-value of 0.01, which is smaller than the significance level of 0.05, indicating that the achievement of the SDGs contributes significantly to the increase in economic growth rate. In addition, the SDGs also have a positive and significant effect on people's Income, with a β value of 0.95 and a p-value of 0.01, which is also smaller than 0.05. These findings show that the implementation of the SDGs principles can accelerate economic growth and increase people's Income. Therefore, development policies that support the achievement of the SDGs are critical to encouraging sustainable economic welfare, and sustainable development policies to prioritize the achievement of the SDGs goals to support long-term financial welfare.
Practical implications: By systematically tracking these metrics, stakeholders can begin to quantify how and to what extent CBD and SDG-integrated development in Nusantara influences economic growth, people's incomes, and social-environmental wellbeing, grounding bold national goals in tangible, measurable outcomes.
Social implications: The development of Nusantara's CBD presents a pivotal opportunity to create a just, inclusive, and culturally rooted capital if social dimensions are prioritized, including the recognition and protection of the rights of indigenous peoples. Empower communities in design and implementation. Foster inclusive spaces and equitable housing. Promote social cohesion through cultural preservation. Monitor outcomes through SDG-aligned, transparent frameworks. This is a rare opportunity for a socially resilient capital one that reflects the SDG vision in motion, not just concrete and towers.
Research limitations/implications: To robustly measure the impacts of CBD SDG on growth and Income in Nusantara-affected populations, research must: bridge data and voice gaps through mixed methods, apply rigorous quasi-experimental designs with control comparisons, and Track outcomes longitudinally aligned with SDG metrics. Embed equity, ecological, and governance dimensions into all analyses.
Originality/value: By emphasizing the fusion of CBD planning, SDG integration, and local Income methodological innovation, your research will stand out as an original and valuable contribution, offering both academic rigor and high policy utility for Nusantara and beyond.

Keywords: *Sustainable Development Goals (SDGs); Economic Growth; Income; Central Business District.*

1. Introduction

The development of the Central Business District (CBD) is often a key indicator of economic progress in urban areas. In Indonesia, the construction of the CBD in the Capital City of the Archipelago (IKN) as part of the new capital city project reflects the government's efforts to create a modern and integrated economic growth center, in line with the Sustainable Development Goals (SDGs). However, to ensure that this development has a positive impact on local communities, a quantitatively measurable approach is necessary. This aims to ensure that development is not only oriented towards infrastructure, but also towards the welfare of the affected communities. (Ministry of National Development Planning/Bappenas 2021)

The relocation of a country's capital is a global phenomenon that is increasingly in the spotlight, as it aims to improve the sustainability of development and economic equity. Until the 20th century, several countries successfully relocated their national capitals. Indonesia made a strategic decision to relocate the center of government from the capital city, which had long been the capital, to a more strategic location. Indonesia, as the largest archipelagic country in the world, faces economic development challenges, and Income inequality remains suboptimal. This is evident from the following table.

Table 1.1: Population Distribution and Economic Contribution by Region

Territory	Percentage of Population Distribution Nationally (%)	Economic Contribution to the National (%)
Java	57,00	57,12
Sumatra Island	22,00	22,16
Kalimantan Island	6,00	8,08
Sulawesi Island	7,40	7,25
Bali and Nusa Tenggara	5,60	2,80
Maluku and Papua	2,80	2,59

Source: Central Statistics Agency (BPS), 2024.

From Table 1.1. It is explained that the island of Java dominates both in terms of population and economic contribution, exhibiting a high concentration in both demographics and the economy. The island of Borneo makes a greater financial contribution than its population, reflecting the importance of the natural resources sector in the region. Bali and Nusa Tenggara, as well as Maluku and Papua, have smaller economic contributions despite the great potential, especially in the tourism and natural resources sectors.

During this period, the population and overall economic activity tended to be concentrated on the island of Java, resulting in the island becoming very densely populated and creating an imbalance with other islands outside Java. The relocation of the capital to a province with good connectivity to other provinces can increase trade flows within Indonesian territory by more than 50%. In addition, this move has the potential to stimulate trade between regions, support investment in the new country's capital provinces and their surroundings, and encourage economic verification. As a result, economic added value will be created, driven by non-traditional sectors in various regions outside Java. The Deputy for Regional Development of Bappenas estimates that the impact of the capital city reallocation will increase national economic growth by 0.1 to 0.2 percent.

Previous studies have shown that CBD development can have a significant impact on regional economic growth through job creation, increased property values, and the advancement of the service sector. (Sachs et al. 2019). However, on the other hand, there are concerns that developments like this could lead to gentrification and greater Income inequality, especially if local communities do not directly benefit from such developments. In this context, it is essential to explore how CBD development policies in the IKN can have a balanced impact between economic growth and social welfare.

The quantitative approach to measuring the impact of CBD development on the economic growth and Income of affected communities is highly relevant, particularly considering the demands to meet the SDGs. These goals include poverty reduction, creating decent jobs, and reducing economic inequality. By employing quantitative methods, it is anticipated that this study will provide accurate empirical data on the impact of development on these indicators, serving as a reference for sustainable development policies in Indonesia. (United Nations 2020).

Furthermore, the selection of IKN as the research object is very appropriate because IKN is designed as a modern city with a sustainable concept. With various efforts to reduce carbon emissions and improve energy efficiency, the development of CBD in the IKN is expected to create an environment that supports economic growth without sacrificing the surrounding ecosystem. This aligns with the SDGs' goals, which emphasize the importance of environmental sustainability in every stage of economic development. (Ministry of PUPR 2022).

Overall, this research will make a significant contribution to the literature related to the development of CBD and its impact on society. In addition, the research results are expected to provide policymakers with insights into the effectiveness of CBD development in the IKN in supporting sustainable development goals. With measurable and tested data, this research can serve as the basis for recommendations for more inclusive and sustainable CBD development in the future. (National Development Planning Agency 2023)

2. Theoretical studies

2.1. Sustainable development goals

The 70th session of the United Nations (UN) General Assembly, held in September 2015 in New York, United States, marked a significant milestone in global development (Handoyo et al., 2023a, 2023b; Irhamsyah, 2020; Jyoti & Khanna, 2024; Usman et al., 2024). A total of 193 heads of state and government from around the world gathered to agree on a new universal development agenda, outlined in a document entitled "Transforming Our World: the 2030 Agenda for Sustainable Development." This document includes 17 Goals and 169 Targets that will be implemented from 2016 to 2030. This document is known as the Sustainable Development Goals or SDGs (Ardi et al., 2023; Cardillo & Basso, 2025; Hoang et al., 2023; Jan et al., 2021; Shipley & Snyder, 2013).

The SDGs address development problems more comprehensively, both qualitatively (by encompassing development issues not addressed in the MDGs) and quantitatively, by targeting the complete achievement of each of its goals and targets. (Sekar Panuluh and Fitri, 2015). The SDGs are also universal, providing a balanced role for all countries, including both developed and developing countries, to fully contribute to development, so that each country has the same role and responsibility as every other in achieving the SDGs (Membretti, Taylor, and Delves 2023).

The SDGs carry five basic principles that balance economic, social, and environmental dimensions, namely: 1) People, 2) Planet (Earth), 3) Prosperity (prosperity), 4) Peace (peace), and 5) Partnership (cooperation). These five principles, known as the 5P's, encompass 17

interconnected, inseparable, and integrated goals aimed at achieving a better life for humanity. (Rachmatullah, Endaryanto, and Affandi 2021).
The 70th UN General Assembly produced an outcome document of the SDGs. Among the contents of the outcome document are 17 goals and 169 targets, along with several indicators that have their mechanisms for completion.(Pratama, Purnomo, and Agustiyara 2020) Each objective carried out the preparation of indicators. The UN System Task Team on the Post-2015 Development Agenda provides substantive input and analysis to inform the production of an outcome document. that contains the goals and objectives of the SDGs (Roseland 2000). To measure the development results in the SDGs, a follow-up and review process is conducted based on a series of indicators. A series of indicators is prepared at the global, regional, and national levels. To identify a global indicator framework for the goals and objectives of the SDGs, the UN Statistical Commission established the Inter-Agency Expert Group (IAEG) on SDGs Indicators in March 2015 (Wong and Tang 2005).

2.2. Central business district (CBD)

The Central Business District refers to the primary area at the center of a city's or urban area's economic activity. Typically, CBD functions as a commercial, business, trade, and financial hub, characterized by a high concentration of economic activities, offices, shopping, entertainment, and excellent transportation access (McNeill & Connor, 2025; Pormes & Leiwakabessy, 2023; Wen et al., 2025). The CBD is often located in the city center or close to major transportation infrastructure. The CBD is characterized as a very dense area with commercial and office facilities, which is accompanied by trade, services, and financial industry activities. In addition, the CBD is also a significant center of social interaction for city dwellers, where various economic and social activities take place dynamically. (Wheeler, 2000) Some of the key characteristics of CBD include: (Hall, 1998) Building Density: The CBD tends to have a high density of buildings, with high-rise office buildings, shopping malls, and other commercial facilities. Transportation Access: The CBD generally has excellent access to various modes of transportation, including land, sea, and air. This allows for efficient mobility for workers and consumers. Trading Facilities: A wide range of trading activities, from retail to stock trading, takes place in the CBD. The area is also home to banking centers, financial offices, and international trade centers. High Land Prices: Given the high density and demand, land prices in the CBD tend to be more expensive compared to other areas of the city. (Hall, 1998) The main functions of CBD include:(Hoyt, 1939) Economic Center: The CBD is the primary hub for business activities, encompassing trade, services, and financial industries. This economic function makes it the primary driver in the city's economy. Infrastructure Centers: With the presence of major transportation facilities and other infrastructure, the CBD allows for the rapid and efficient movement of goods and people, which in turn supports economic activity. Social and Cultural Centers: In addition to being a financial hub, the CBD is also a hub of social and cultural activities, featuring restaurants, cafes, entertainment venues, and shopping centers that support a dynamic city life. (Hoyt, 1939) Along with the development of technology and societal needs, CBD is evolving in its characteristics. One of them is the emergence of a more environmentally friendly and sustainable CBD concept, with the integration of green spaces, pollution reduction, and the use of renewable energy. Additionally, the development of digital technology and e-commerce can also impact the physical role of CBD in economic activities, as an increasing number of activities are taking place virtually.

2.3. Smart growth development

According to Buton (2021), the concept of Smart Growth Development is an approach in planning and development that aims to create a sustainable, efficient, and competitive community through innovative city growth management. This approach emphasizes efficient land use, supports mixed-use development, and encourages integrated development (Burton E, 2001; Kaiser & Deb, 2025; Tusquellas et al., 2025). The Smart Growth Development approach also emphasizes the importance of community involvement in the planning and decision-making process, ensuring that the development carried out aligns with the needs and expectations of residents. The goal of Smart Growth is to build a more sustainable, resilient, and equitable community. The application of this concept is expected to prevent the emergence of social disparities within the community. (Schmider-Ramirez et al, 2015)
The concept of Smart Growth Development in human resources (HR) development integrates the principles of sustainable development with increasing the capacity of individuals and communities. With must-have indicators encompassing both economic and social aspects, as described below: From a social perspective, this concept emphasizes the creation of an inclusive and empowered community, where every individual has equal access to resources and opportunities, and social policies that support diversity and social integration are key. The goal is to build a society that not only grows economically but also is socially strong, with an equitable improvement in the quality of life for all members of society. (Simanjuntak et al. 2024). From an economic perspective, Smart Growth Development emphasizes sustainable and inclusive economic development. This development not only fosters economic growth but also ensures its long-term sustainability. (Simanjuntak et al. 2024).

2.4. Economic growth

Economic growth, a process of increasing output over time, is a key indicator of a country's development success. Therefore, the identification of various factors that affect it, including the role of the government, is interesting to study more deeply (Chen et al., 2023; Lamanda & Tamásné, 2025; Saputra & Hidayat, 2023; Wang et al., 2023).
Endogenous growth theory posits that investments in physical capital and human capital play a crucial role in determining long-term economic growth. The role of government in economic growth can be explained through its impact on changes in consumption or expenditure on public investment and tax revenue. The group also argues that factors such as the existence of infrastructure, legal and regulatory systems, political stability, government policies, bureaucracy, and international exchange rates are essential elements that affect economic growth.(Ahmad Ma'ruf and Wihastuti 2008).
Economic growth is a key component of modern economic growth theory. A key feature of this theory is the recognition of the critical role governments play in the economy, addressing potential failures in the free market system. This group generally does not believe in the effectiveness of a free market system in the absence of government intervention. One example of a modern economic growth theory is the Harrod-Domar theory. This theory is a direct development of Keynes' macroeconomic theory that focuses on the short term, into a macroeconomic theory that pays more attention to the long-term aspect.

3. Method

Research methods can be interpreted as a way, step, or procedure that will later be used to achieve the final goal of the research. The research method used in this study is a descriptive quantitative method. The data sources used comprise both secondary and primary data sources. Secondary data sources are data obtained from data collection techniques, such as books, journals, and other relevant documents, that are used in the research being conducted. Data is obtained from a process called data collection. A sample is a subset of a set of elements that are selected to be studied. The population in this study is all people who are directly affected by the development of CBD IKN, namely, traders, informal workers, and residents whose land is affected. The number of correspondents in this study is 150. Reasons Why SEM-PLS Is Suitable for This Study: The model is exploratory (the relationship between CBD, SDGs, economic growth, and income). Field data is usually abnormal; PLS can still be used. Latent variables such as CBD Development, SDGs Achievement, Economic Growth, and Community Income can be measured by many indicators. A sample is a subset of a set of elements that are selected to be studied. (Sarwono, 2006) The sample size was taken using the Hair Formula. The Hair formula is used due to the size of the population, which is not yet known for sure. According to Hair (Joseph F Hair, 2010)If the sample size is too large, for example, 400, then the method becomes very sensitive, making it difficult to obtain good goodness-of-fit measures. It is therefore recommended that the minimum sample size be 5-10 observations for each estimated parameter. The sampling for the above research was conducted using purposive sampling. Purposive sampling is a data collection technique that determines the sample that has been considered. (Stuart 2008).

4. Results and discussion

4.1. Measurement model analysis

In the research measurement model, several evaluations must be tested, namely:

Table 4.1: Evaluation Criteria for Reflective Construct Measurement Models

Measurement Criteria	Parameter	Value Limitation
Indicator Reliability	Loading Factor	0.70 for confirmatory research; however, 0.4-07 can still be considered for exploratory research.
Internal Consistency Reliability	Composite Reliability Cronbach's Alpha	0.7 for the Composite Reliability and Cronbach's Alpha requirements in confirmatory research. However, 0.6-07 is still acceptable for exploratory research.
Convergent Validity	Everage Variance Extracted (Ave)	greater than 0.5 for confirmatory and exploratory research.
Discriminant Validity	Square Root of Average Correlation Between Constructs	Square Root Of AVE> Correlation Between Constructs.

Source: Fornell & Larcker (1981), Hair et al. (2013).

Table 4.2: Measurement Model Evaluation Criteria

Variable	Composite reliability	Cronbach's alpha	AVE
SDGs	0.949	0.935	0.756
Growth	0.952	0.939	0.768
Income	0.963	0.954	0.814

Source: Primary Data Processing Results with WarpPLS 8.0 (2024).

Table 4.3: Loading Factors for Variable SDGs, Growth, and Expenditure

SDGs		Growth		Income	
Indicator	LF	Indicator	LF	Indicator	LF
SDGs1	0.819	PTB1	0.909	PDT1	0.874
SDGs2	0.866	PTB2	0.901	PDT2	0.884
SDGs3	0.898	PTB3	0.866	PDT3	0.873
SDGs4	0.873	PTB4	0.806	PDT4	0.886
SDGs5	0.861	PTB5	0.875	PDT5	0.940
SDGs6	0.898	PTB6	0.895	PDT 6	0.952

Source: Primary Data Processing Results with WarpPLS 8.0 (2024).

Based on Table 4.3, the results of the improvement in the indicators above, which correspond to the variables SDGs (X), Growth (Y1), and Income (Y2), have met the criteria for the Loading Factor value, with a value of 0.60 to 0.70. It can be concluded that the Loading Factor value has been met, allowing it to proceed to the next stage.

Table 4.4: Discriminant Validity

Variable Latent	SDGs	Growth	Income
SDGs	(0.870)		
Growth	0.866	(0.876)	
Income	0.908	0.880	(0.902)

Source: Primary Data Processing Results with WarpPLS 8.0 (2024).

Table 4.4 above shows that the discriminant validity of each variable has been qualified, as evidenced by the square root of AVE greater than the correlation coefficient between constructs in each column. These results show that each indicator of the variable can measure the variable more accurately than the other variables. i.e., the SDGs variable (X) can accurately measure the variables Growth (Y1) and Income (Y2) with a square root value of 0.870, greater than the square root of the other latent variables. For the Income variable (Y2), the square root value is 0.902, which is greater than the square root of the previous AVE. The square root value of 0.876 is also greater than the previous AVE value.

4.2. Structural model analysis

In testing the structural model, a stepwise approach is carried out.

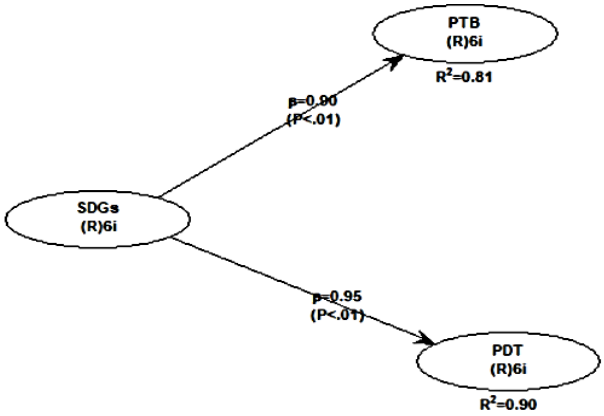


Fig. 4.1: SDGs Towards Growth and Income.

Figure 4.1 above shows that the direct influence of the SDGs on growth has a positive and significant effect on development with a β value of 0.90 and a p-value of 0.01, which is small from 0.05, shown by the R2 value of 0.81, which means that the contribution of the influence of SDGs to Growth is 81%. The direct influence of the SDGs on Growth, the path coefficient of β = 0.90, means that every 1 unit increase in the SDGs variable will increase the Growth variable by 0.90 (a very strong and positive relationship). A p-value = 0.01 (< 0.05). This relationship is statistically significant at a 95% (or even 99%) confidence level, so it is most likely not by chance. The R^2 value = 0.81 to 81% variation (change) in the Growth variable can be explained by the SDGs variable in the model; the remaining 19% is explained by other factors not included in the model. The conclusion of these figures: the SDGs have a huge and significant role in driving growth. The model has a strong explanatory power (R^2 > 0.75 in PLS is usually categorized as "substantial" according to Hair et al.

Based on the results of the analysis above, the Sustainable Development Goals (SDGs) variable has a positive and significant direct influence on the Growth variable with a path coefficient value (β) of 0.90 and a p-value of 0.01 (< 0.05). This shows that an increase in the achievement of the SDGs will be followed by a significant increase in growth. The value of the determination coefficient (R^2) for the Growth variable is 0.81, which means that 81% of the variation in the Growth variable can be explained by the SDGs variable, while the remaining 19% is influenced by other factors outside the model. Referring to the criteria of Hair et al. (2019), the R^2 value is included in the substantive category, so it can be concluded that the achievement of the SDGs makes a huge contribution to growth in the areas affected by the development of the Central Business District IKN.

The above analysis shows that the direct influence of SDGs on Income has a positive and significant effect, with a β value of 0.95 and a p-value of 0.01, which is statistically significant at the 0.05 level, as indicated by an R-squared value of 0.90. This suggests that the contribution of SDGs to Income is approximately 90%.

Table 4.5: Summary of Rule of Thumb Evaluation of Reflection Measurement Models

Criterion	Parameter	Rule of Thumb	Count Value 1	Count Value 2
Convergent Validity	Average Variance Extracted (AVE)	> 0.50 for Confirmatory and Explanatory Research	>0.50 Feasible	>0.50 Feasible
Discriminant Validity	The square root of AVE and the Correlation between Latent Constructs	AVE Square Root > Correlation between Latent Constructs	feasible	feasible
	Cronbach's Alpha	>0.70 for Confirmatory Research, > 0.60 is still acceptable for Explanatory Research	>0.70 Feasible	>0.70 Feasible
Indicator Reliability	Loading Factor	>0.70 for Confirmatory Research, 0.60-0.70 for Exploratory Research.	feasible	feasible
Internal Consistency Reliability	Composite Reliability	>0.70 for Confirmatory Research, > 0.60 – 0.70 is still acceptable for Exploratory Research	>0.70 Feasible	>0.70 Feasible

Table 4.6: PLS Output: The Direct Influence of SDGs on Growth and Income

Criterion	Rule Of Thumb	Direct Influence
Average Path Coefficients (APV)	P-Value <0.05	0.922, D< 0.001
Average R-squared (ARS)	P-value < 0.05	0.851, D< 0.001
Average adjusted R-Squared (AARS)	P-value < 0.05	0.851, D< 0.001
Average Block VIF (AVIF)	Value <5 and ideally <=3.3	not available
Average Full Collinearity VIF (AFVIF)	Value <5 and ideally <=3.3	6.187, acceptable If <= 5, ideally <= 3.3
Tenenhaus Gof (Gof)	Small > value = 0.1, medium > = 0.25, large > = 0.36	0.815, small >= 0.1, medium >= 0.25, large >= 0.36
Sympson's Paradox Ratio (SPR)	Value > 0.7 and ideally 1	1.000, acceptable if >= 0.7, ideally
R-Squared Contribution Ratio (RSCR)	Value >= 0.9 and ideally 1	1.000, acceptable If>= 0.9, ideally= 1
Statistical Suppression Ratio (SSR)	Accepted if the > value is 0.7	1.000, acceptable if >= 0.7
Nonlinear Bivariate Causality Direction Ratio (NLBCDR)	Accepted if the > value is 0.7	1.000, acceptable if >= 0.7

Source: Primary Data Processing Results with WarpPLS 8.0 (2024).

Based on the regression analysis conducted in this study, it was found that the application of the principles of the Sustainable Development Goals (SDGs) has a positive and significant influence on growth. A regression coefficient value (β) of 0.90 indicates that any increase in the achievement of the SDGs indicators will be directly related to an increase in the growth rate. This figure illustrates a significant influence, where any improvement in the SDG indicators can increase growth by 90% of the existing units of change. Furthermore, the results

of the statistical significance test showed that the p-value obtained was 0.01, which is smaller than the generally accepted significance level of 0.05 in the study. A p-value of less than 0.05 indicates that the relationship between the SDGs and growth is not just coincidental, but is a statistically significant and statistically reliable relationship.
These findings support the hypothesis that achieving SDG goals, such as poverty reduction, gender equality, and environmental protection, has a positive impact on economic aspects, which is reflected in the growth that occurs in regions implementing sustainable development policies. Therefore, policies that focus more on the SDGs can be expected to yield sustainable and equitable growth, ultimately contributing to the overall well-being of society.
Based on the results of the regression analysis conducted, this study shows that the application of the principles of the Sustainable Development Goals (SDGs) has a positive and significant effect on Income. The regression coefficient value (β) of 0.95 indicates that any improvement in the implementation of SDG indicators will directly contribute to an increase in Income. This coefficient indicates that an improvement in achieving the SDG goals can increase Income by 95% of the unit of change that occurs, which suggests a vast and significant influence. Additionally, statistical tests revealed a p-value of 0.01, which is smaller than the significance level of 0.05. This indicates that the results are statistically significant and not coincidental. In other words, the link between the SDGs and Income is influential and trustworthy.
These findings reinforce the view that achieving the SDGs, such as poverty alleviation, improving the quality of education, and empowering the community's economy, has a positive impact on Income. Any improvement in these aspects has been proven not only to enhance the quality of life but also to contribute to an increase in the Income of individuals and the community.

5. Conclusion

Thus, the results of this study reinforce the argument that the SDGs are not only a moral or social goal, but also have a tangible impact on the economy and the broader regional development. A more optimal implementation of the SDGs principles can improve people's welfare and encourage sustainable growth in the future.
Thus, it can be concluded that the implementation of the SDGs not only has a positive impact on economic growth but also significantly affects the increase in people's Income. Therefore, policies that support the achievement of the SDGs will be very beneficial in fostering higher economic well-being for people, which in turn can create a more inclusive and sustainable economic environment.
From these previous studies, it can be concluded that the implementation of the SDGs has a significant impact on Income growth, which aligns with the findings in this study. Policies that encourage the achievement of the SDGs have been proven to create conditions that support economic growth and sustainable Income growth for the community.
This research provides a solid basis for understanding the influence of the SDGs on growth and Income, but further research is needed to explore other factors that affect this relationship. Additional research can identify other variables that may strengthen or weaken the influence of the SDGs on the economy, thereby providing more comprehensive policy recommendations.

6. Research implications

6.1. Academic implications

Adding empirical literature related to the relationship between CBD development, the achievement of the SDGs, and the economic impact on affected communities in the context of developing countries. Provide quantitative evidence using SEM-PLS on direct and indirect pathways (mediation) between CBD, SDGs, Economic Growth, and Income. It is an analysis model that can be replicated to measure the impact of the development of business districts in new capital cities in other countries. Enriching the theory of sustainable development with the integration of inclusive growth and community well-being variables.

6.2. Policy implications

Urban Planning: The government can use the results of research to ensure that the development of the CBD is aligned with the SDGs targets, in particular: SDG 8 (Decent Work and Economic Growth). SDG 9 (Industry, Innovation, Infrastructure). SDG 11 (Sustainable Cities and Settlements). Relocation & Compensation Strategy: Provides a reference in designing a relocation scheme that not only physically relocates residents but also increases their income. MSME Policy: Strengthening the involvement of local MSMEs in the CBD economic ecosystem through business space quotas, access to financing, and training. Social Impact Monitoring: Provides a basis for indicators for monitoring and evaluation of medium- and long-term socio-economic impacts.

6.3. Socio-economic implications

Inclusive Spaces: The CBD needs to accommodate public facilities that are affordable and accessible to all walks of life, preventing socio-economic segregation. Cultural Preservation: The integration of local architecture, art, and traditions in the design and activities of the CBD to maintain the identity of the archipelago while encouraging tourism. Improved Well-Being: Affected communities integrated into the CBD's economic value chain have the potential to experience increased income and skills. Inequality Risk Mitigation: Research results can help identify vulnerable groups at risk of being left out, so affirmative policies can be implemented early on.

6.4. Further research recommendations

Longitudinal Analysis: Conduct a long-term study (data panel) to measure the impact of CBD development on the SDGs and community income from the initial stage to full operation. Expansion of Variables and Models, including additional variables such as quality of life, public satisfaction, and social capital to see non-economic influences. Geospatial Approach: Use a Geographic Information System (GIS) to map the distribution of benefits and impacts of CBD development on the surrounding area. Compare the results in the IKN with the CBD in other major cities in Indonesia or other developing countries to see the best practices and specific challenges. Integration of Mixed methods, combining a quantitative approach (PLS-SEM) with in-depth interviews or focus group discussions to enrich the interpretation of results.

Acknowledgements

The author would like to express sincere gratitude to all parties who have contributed to the completion of this research. Special thanks are extended to the Capital City of the Archipelago and the local government of East Kalimantan for providing access to data and facilitating fieldwork in the Central Business District area. The author is deeply grateful to the community members and business owners who participated in the survey and interviews, sharing their time, experiences, and valuable insights.

Disclosure statement

The authors have reported no potential conflicts of interest.

Funding

No external source funded the study, as the authors did not receive financial support from outside entities.

Data availability statement

Upon reasonable request, the authors have provided the materials and data used in this study.

References

[1] Ahmad Ma'ruf, & Wihastuti, L. (2008). PERTUMBUHAN EKONOMI INDONESIA: Determinan dan Prospeknya. *Jurnal Ekonomi & Studi Pembangunan*, *9*(1), 44–55.
[2] Ardi, A., Cahyadi, H., Sarwono, R., Limaho, H., Meilani, Y. F. C. P., & Pramono, R. (2023). The Importance of a Chief Sustainability Officer (CSO) in Multinational and State-Owned Enterprises. *Journal of Human, Earth, and Future*, *4*(3), 303–315. https://doi.org/10.28991/HEF-2023-04-03-04.
[3] Badan Perencanaan Pembangunan Nasional. (2023). *Evaluasi Dampak Pembangunan CBD pada Perekonomian Masyarakat*.
[4] Burton E. (2001). The Compact City: Just or Just Compact? A preliminary Analysis. *Journal of Urban Study*. https://doi.org/10.1080/00420980050162184.
[5] Cardillo, M. A. dos R., & Basso, L. F. C. (2025). Revisiting knowledge on ESG/CSR and financial performance: A bibliometric and systematic review of moderating variables. *Journal of Innovation and Knowledge*, *10*(1), 100648. https://doi.org/10.1016/j.jik.2024.100648.
[6] Chen, W., Du, X., Lan, W., Wu, W., & Zhao, M. (2023). How Can Digital Economy Development Empower High-Quality Economic Development? *Technological and Economic Development of Economy*, *29*(4), 1168–1194.
[7] Hall, P. (1998). *Cities in Civilization: Culture, Innovation, and Urban Order*. Weidenfeld & Nicolson.
[8] Handoyo, R., Sofie, S., & Wardhani, N. (2023a). Implementasi Sustainable Development Goals (Sdgs), Goal 8 Pada Pelaku Usaha Mikro Di Desa Padas, Kecamatan Karangnom Dan Desa Bonyokan, Kecamatan Jatinom, Kabupaten Klaten. *Jurnal Akuntansi Trisakti*, *10*(1), 107–116. https://doi.org/10.25105/jat.v10i1.16234.
[9] Handoyo, R., Sofie, S., & Wardhani, N. (2023b). Implementation of Sustainable Development Goals (SDGs), Goal 8 among Micro Business Actors in Padas Village, Karangnom District and Bonyokan Village, Jatinom District, Klaten Regency. *Jurnal Akuntansi Trisakti*, *10*(1), 107–116. https://doi.org/10.25105/jat.v10i1.16234.
[10] Hoang, T. H. Van, Pham, L., & Nguyen, T. T. P. (2023). Does country sustainability improve firm ESG reporting transparency? The moderating role of firm industry and CSR engagement. *Economic Modelling*, *125*(April), 106351. https://doi.org/10.1016/j.econmod.2023.106351.
[11] Hoyt, H. (1939). *The Structure and Growth of Residential Neighborhoods in American Cities*. Federal Housing Administration.
[12] Irhamsyah, F. (2020). Sustainable Development Goals (SDGs) dan Dampaknya Bagi Ketahanan Nasional. *Jurnal Lemhannas RI*, *7*(2), 45–54. https://doi.org/10.55960/jlri.v7i2.71.
[13] Jan, A. A., Lai, F. W., & Tahir, M. (2021). Developing an Islamic Corporate Governance framework to examine sustainability performance in Islamic Banks and Financial Institutions. *Journal of Cleaner Production*, *315*(March 2020), 128099. https://doi.org/10.1016/j.jclepro.2021.128099.
[14] Joseph F Hair. (2010). *"Multivariate Data Analysis: A Global Perspective (Vol. 7)" (Upper Saddle River, NJ: Pearson, 2010). 7*, 2010.
[15] Jyoti, G., & Khanna, A. (2024). How does sustainability performance affect firms' market performance? An empirical investigation in the Indian context. *Environment, Development and Sustainability*, *26*(8), 20457–20483. https://doi.org/10.1007/s10668-023-03482-9.
[16] Kaiser, Z. R. M. A., & Deb, A. (2025). Sustainable smart city and Sustainable Development Goals (SDGs): a review. *Regional Sustainability*, *6*(1), 100193. https://doi.org/10.1016/j.regsus.2025.100193.
[17] Kementrian PPN/Bappenas. (2021). *Strategi Pembangunan Ibu Kota Nusantara*. Bappenas.
[18] Kementrian PUPR. (2022). *Laporan Pengembangan Infrastruktur Berkelanjutan di Ibu Kota Nusantara*. Kementrian PUPR.
[19] Lamanda, G., & Tamásné, Z. V. (2025). Is banks' ESG disclosure associated with financial depth and economic growth? Evidence from the Visegrad Four countries. *Environmental Development*, 101233. https://doi.org/10.1016/j.envdev.2025.101233.
[20] McNeill, D., & Connor, A. (2025). The logistical governance of vertical commuting in the central business district. *Urban Studies*, *62*(4), 700–716. https://doi.org/10.1177/00420980241263226.
[21] Membretti, A., Taylor, S. J., & Delves, J. L. (2023). *Sustainable Futures in Southern Africa's Mountains: Multiple Perspectives on an Emerging City*. https://doi.org/10.1007/978-3-031-15773-8.
[22] Pormes, L., & Leiwakabessy, A. (2023). Sustainabilitas Pengusaha Kerajinan Gerabah Dalam Bingkai Kemiskinan Struktural (Studi Pada Desa Ouw Kecamatan Saparua) Ludwina. *Jurnal Administrasi Terapan*, *2*(1), 179–188.
[23] Pratama, N. B., Purnomo, E. P., & Agustiyara, A. (2020). Sustainable Development Goals (SDGs) dan Pengentasan Kemiskinan Di Daerah Istimewa Yogyakarta. *SOSIOHUMANIORA: Jurnal Ilmiah Ilmu Sosial Dan Humaniora*, *6*(2), 64–74. https://doi.org/10.30738/sosio.v6i2.8045.
[24] Rachmatullah, R., Endaryanto, T., & Affandi, M. I. (2021). Pengarusutamaan Sustainable Development Goals (SDGS) Program Pengentasan Kemiskinan di Kota Pagar Alam. *Tataloka*, *23*(2), 239–251. https://doi.org/10.14710/tataloka.23.2.239-251.
[25] Roseland, M. (2000). Sustainable community development: Integrating environmental, economic, and social objectives. *Progress in Planning*, *54*(2), 73–132. https://doi.org/10.1016/S0305-9006(00)00003-9.
[26] Sachs, J., Schmidt-Traub, G., Kroll, C., Lafortune, G., Fuller, G., & Woelm, F. (2019). Sustainable Development. *New York: Bertelsmann Stiftung and Sustainable Development Solutions Network*.
[27] Saputra, M., & Hidayat, W. (2023). Identifikasi Pusat Pertumbuhan Ekonomi pada Tingkat Kabupaten di Provinsi Kalimantan Selatan. *Jurnal Ilmu Ekonomi, Ejournal. Umma. Ac. Id*. https://doi.org/10.22219/jie.v7i04.27061.
[28] Sarwono, J. (2006). *Metode Penelitian Kuantitatif & Kualitatif*. Graha Ilmu.
[29] Schmider-Ramirez et al. (2015). PESTEL Analysis for organizational framework : the application and development. *Mafalda Journal*.

[30] Sekar Panuluh, & Fitri, M. R. (2015). Perkembangan Pelaksanaan Sustainable Development Goals (SDGs) di Indonesia. *International NGO Forum on Indonesian Development*, *2*(September), 1–25.
[31] Shipley, R., & Snyder, M. (2013). The role of heritage conservation districts in achieving community economic development goals. *International Journal of Heritage Studies*, *19*(3), 304–321. https://doi.org/10.1080/13527258.2012.660886.
[32] Simanjuntak, J., Muhammad, F., Al Aqilah, M. R., Raihannah, N. A., & Bakti, H. S. G. P. (2024). Potensi Ibu Kota Nusantara (IKN) Sebagai Katalisator Pemerataan Ekonomi Di Indonesia. *Jurnalku*, *4*(3), 275–290. https://doi.org/10.54957/jurnalku.v4i3.801.
[33] Sugiyono. (2008). *Metode Penelitian Kuantitatif Dan R&D*. Alfabeta.
[34] Tusquellas, N., Santiago, R., & Palau, R. (2025). Professional Development Analytics: A Smart Model for Industry 5.0. *Applied Sciences*, *15*(4), 2057. https://doi.org/10.3390/app15042057.
[35] United Nation. (2020). *The Sustainable Development Goals Report 2020*. United Nation.
[36] Usman, U., Wartoyo, W., Haida, N., & Wahyuningsih, N. (2024). Implementasi Sustainable Development Goals (SDGS) Di Indonesia Perspektif Ekonomi Islam. *Al-Masharif: Jurnal Ilmu Ekonomi Dan Keislaman*, *12*(1), 108–126. https://doi.org/10.24952/masharif.v12i1.12446.
[37] Wang, J., Yu, J., & Zhong, R. (2023). Country environmental, social and governance performance and economic growth: The international evidence. *Accounting and Finance*, *63*(4), 3911–3941. https://doi.org/10.1111/acfi.13079.
[38] Wen, J., Fan, Z., & Liu, J. (2025). Effects of complex skyscraper geometries on wind energy potentials of high-density urban central business district: A case study of the Lujiazui blocks. *Sustainable Cities and Society*, *124*, 106287. https://doi.org/10.1016/j.scs.2025.106287.
[39] Wheeler, S. M. (2000). *Planning for Sustainability: Creating Livable, Equitable, and Ecological Communities*. Routledge.
[40] Wong, S. W., & Tang, B. sin. (2005). Challenges to the sustainability of "development zones": A case study of Guangzhou Development District, China. *Cities*, *22*(4), 303–316. https://doi.org/10.1016/j.cities.2005.05.008.