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Local Business Perspectives on Urban Development: A Qualitative Study of Regional Economic Transformation in Samarinda, Indonesia

Susi Adiawaty[1], Widaningsih[2]
[1]Institut Bisnis Nusantara Jakarta, Indonesia
[2]Universitas Garut, Indonesia
Correspondent: s.adiawaty0212@gmail.com[1]

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ABSTRACT: This study explores local business perspectives on urban development in Samarinda, Indonesia, focusing on infrastructure, regional economic transformation, business opportunities, and challenges of urban growth. Using a qualitative descriptive case study approach, data were collected through semi-structured interviews with 18 purposively selected informants representing government agencies, business associations, retail businesses, restaurants, traditional traders, service providers, academics, and community leaders, and analyzed thematically with triangulation to ensure credibility. Findings show urban development is generally perceived positively, as improved infrastructure, accessibility, and public services expand business opportunities, increase customer mobility, and strengthen regional economic activity. However, challenges were also identified, including rising operational costs, increased competition, higher rental prices, and the vulnerability of traditional businesses amid rapid urban transformation. Perceptions were shaped not only by economic outcomes but also by governance quality, participation, institutional support, and distributive fairness—findings that support stakeholder theory, participatory governance, and regional economic development perspectives. Overall, urban development significantly contributes to regional economic transformation, though sustainable growth requires balancing progress with social equity through participatory planning, targeted SME support, and effective institutional coordination, offering practical recommendations for inclusive urban policymaking.

Keywords: Urban Development, Stakeholder Perceptions, Local Businesses, Regional Economic Transformation, Infrastructure Development, Small and Medium-Sized Enterprises, Qualitative Study.

INTRODUCTION

Urban development has become a central strategy for promoting economic growth, enhancing regional competitiveness, and improving the quality of life in rapidly urbanizing cities worldwide. Governments increasingly invest in transportation networks, public infrastructure, commercial districts, and urban regeneration projects to stimulate economic activity, strengthen regional connectivity, and attract private investment (Dada et al., 2022). Beyond physical transformation, urban development reshapes local production systems, labor markets, and business ecosystems by influencing accessibility, agglomeration economies, and sectoral specialization. Consequently, cities undergoing intensive urban development frequently experience substantial changes in their regional economic structures, creating both opportunities and challenges for local businesses. Existing evidence suggests that infrastructure-led development can stimulate regional economic transformation by integrating local economies into broader production and market networks, although the resulting benefits are often distributed unevenly across sectors and stakeholder groups (Schindler et al., 2023; Wang et al., 2022).

The economic effects of urban development are closely associated with the planning approach adopted by governments. Large-scale infrastructure investment and urban regeneration programs can accelerate structural transformation, improve commercial environments, and increase investment attractiveness when accompanied by effective governance and stakeholder engagement (Wang et al., 2022). Similarly, smart-city initiatives and infrastructure modernization have demonstrated considerable potential for improving urban efficiency and supporting economic growth. However, studies consistently indicate that development strategies emphasizing technical efficiency without meaningful stakeholder participation frequently produce limited social acceptance and unequal economic outcomes (Gohari et al., 2020). Participatory and place-based development approaches have therefore received increasing attention because they integrate local knowledge, strengthen community ownership, and enhance the alignment between urban development and local economic needs (Bathelt & Buchholz, 2019; Daldanise, 2020; Latue et al., 2023; Righettini, 2021).

Infrastructure development represents one of the principal mechanisms through which urban development influences local business activities. Improvements in transportation systems, logistics networks, and commercial accessibility reduce transaction costs, facilitate product distribution, and expand market opportunities for firms. Research on urban freight systems demonstrates that transportation infrastructure and logistics interventions significantly affect business locations, operational performance, and supply chain efficiency (Cassiano et al., 2021; Pajoy et al., 2023). Participatory planning of urban logistics further contributes to balancing economic efficiency with environmental sustainability while accommodating the operational needs of local enterprises (Paddeu & Aditjandra, 2020). Nevertheless, infrastructure investment may also generate unintended consequences, including increasing land values, higher rental costs, and stronger competitive pressures, particularly for small and medium-sized enterprises (SMEs) operating in rapidly transforming urban environments (Kronenberg et al., 2021). Evidence from infrastructure-led regional transformation indicates that SMEs often respond through gradual adaptation strategies, including innovation, digital transformation, and market diversification, although these responses remain constrained by limited financial resources, technological capacity, and institutional support (Endris & Kassegn, 2022; Hossin et al., 2023).

The perceptions of local business stakeholders constitute a critical component of successful urban development because they directly influence policy acceptance, business adaptation, and long-term sustainability. Stakeholder perceptions are shaped not only by expected economic benefits but also by institutional trust, previous participation experiences, and perceived risks associated with development initiatives. Studies examining urban freight systems, green infrastructure, and urban regeneration consistently reveal that business actors prioritize practical concerns such as accessibility, traffic conditions, logistics efficiency, operational costs, and regulatory certainty (Lupp et al., 2021; Nastran et al., 2022). Furthermore, stakeholders generally express stronger support for development policies when planning processes are transparent, iterative, and genuinely participatory rather than merely consultative (Deuskar et al., 2022). Conversely, symbolic participation and limited stakeholder influence frequently reduce trust, weaken policy legitimacy, and increase resistance to urban development initiatives (Ibama & Henderson, 2022; Leino & Puumala, 2020)

Recent scholarship also emphasizes that inclusive urban development extends beyond infrastructure provision by integrating economic, social, and environmental objectives into urban governance. Inclusive development seeks to ensure that infrastructure investments generate benefits not only for investors and large corporations but also for local communities and SMEs through participatory planning, collaborative governance, and equitable distribution of development outcomes (Ferreira et al., 2020; Nastran et al., 2022). Nature-based solutions, green infrastructure, and community-based urban initiatives have demonstrated that projects designed through co-creation and stakeholder engagement are more likely to produce long-term sustainability, enhance community resilience, and support local economic development (Lupp et al., 2021; Mahmoud et al., 2022). However, inclusive development also requires governments to anticipate trade-offs associated with urban transformation, including rising property values, business displacement, and unequal access to economic opportunities. Effective governance therefore depends upon procedural justice, conflict recognition, and continuous stakeholder engagement throughout planning and implementation processes (Abraham, 2023).

Although the international literature provides substantial evidence regarding urban development, infrastructure investment, stakeholder participation, and inclusive governance, an important contextual gap remains. The available literature supplied for this study does not provide direct empirical evidence concerning the impacts of Indonesia's New Capital City (IKN) on regional economic transformation in East Kalimantan. Consequently, the influence of IKN on local business perceptions and urban development outcomes cannot be inferred solely from existing international studies. This gap creates an important opportunity for empirical investigation because Samarinda has experienced rapid urban transformation during the period surrounding IKN development. Understanding how local stakeholders perceive these changes contributes valuable evidence to an area where published qualitative research remains limited.

The present study is further informed by several complementary theoretical perspectives. Stakeholder Theory emphasizes that urban development outcomes depend on the participation, legitimacy, and trust of diverse stakeholder groups within planning and implementation processes (Deuskar et al., 2022; Gohari et al., 2020; Wang et al., 2022). Growth Pole Theory and regional economic development perspectives explain how infrastructure investment and regional connectivity reshape economic structures, generate agglomeration economies, and produce spatially differentiated development outcomes (Schindler et al., 2023). Institutional Theory highlights the influence of governance structures, regulatory arrangements, and political commitment on stakeholder expectations and adaptive behavior (Gohari et al., 2020; Leino & Puumala, 2020; Lupp et al., 2021). In addition, procedural justice and participatory governance perspectives explain how perceptions of fairness, recognition, and equitable benefit distribution affect stakeholder acceptance of urban development policies (Keitsch, 2021; Perrin & Nougarèdes, 2022). Collectively, these perspectives demonstrate that stakeholder responses emerge from interactions among expected economic benefits, institutional trust, participation quality, and perceptions of distributive fairness (Scuderi et al., 2021).

Against this background, the present study investigates local business perspectives on urban development in Samarinda using a qualitative approach. Specifically, the study explores how business actors perceive recent urban development, examines how these developments influence local business activities, identifies the factors supporting and constraining regional economic transformation, and analyzes stakeholder expectations regarding future urban development policies. By focusing on the experiences of government officials, business associations, entrepreneurs, academics, and community leaders, this research provides context-specific evidence on the opportunities and challenges associated with rapid urban transformation in a secondary Indonesian city. The study contributes to the literature by extending understanding of stakeholder perceptions within an emerging urban growth context where international evidence remains limited, while offering practical recommendations for developing more inclusive, participatory, and sustainable urban policies that strengthen regional economic transformation and enhance the resilience of local businesses.

METHOD

This study employed a qualitative research approach to explore local business perspectives on urban development in Samarinda. A qualitative design was selected because the study sought to understand how stakeholders interpret, experience, and respond to urban development and regional economic transformation within their specific social, institutional, and economic contexts. Unlike quantitative approaches that primarily measure predetermined variables, qualitative inquiry facilitates an in-depth exploration of perceptions, experiences, meanings, and interactions among multiple stakeholder groups. Existing methodological literature consistently recommends qualitative case-oriented research for investigating stakeholder perceptions because it enables researchers to capture the complexity of institutional settings, local contexts, and the diverse viewpoints of actors involved in urban development (Papagiannis et al., 2022).

The study adopted a descriptive qualitative case study design focusing on Samarinda City, East Kalimantan, Indonesia. Samarinda was selected because it has experienced rapid urban transformation associated with infrastructure expansion and its strategic role as a supporting city for Indonesia's New Capital City (IKN). This context provides an appropriate setting for examining how local businesses perceive urban development and how regional transformation influences their economic activities. Case study research has been widely recognized as an effective approach for investigating stakeholder perceptions because it enables comprehensive analysis of place-based phenomena while considering institutional, economic, and social contexts that influence participants' experiences (Grigore & Drăgan, 2020; Papagiannis et al., 2022)

The research was guided by an interpretivist perspective, assuming that stakeholder perceptions are socially constructed through interactions with urban development processes, government policies, market dynamics, and institutional environments. Consequently, the study aimed to understand participants' lived experiences rather than testing predetermined causal relationships. This interpretive orientation is consistent with qualitative stakeholder research that emphasizes contextual understanding and the exploration of multiple realities among different stakeholder groups (Sefiani et al., 2022).

Purposive sampling was employed to recruit participants who possessed direct knowledge and practical experience regarding urban development and its impacts on local businesses. Purposive sampling is widely recommended in qualitative stakeholder research because it enables researchers to obtain information-rich cases representing different institutional roles, business sectors, and stakeholder interests (Grigore & Drăgan, 2020). To maximize variation in perspectives, participants were selected from government agencies responsible for regional development, public infrastructure, trade, and SME development; business organizations; entrepreneurs from multiple business sectors; academia; and community leaders. Where necessary, informal recommendations among participants assisted in identifying additional information-rich informants, consistent with purposive and snowball sampling strategies commonly adopted in qualitative urban research (Dharejo et al., 2022).

A total of 18 informants participated in the study. The sample comprised one representative from the Regional Development Planning Agency, one from the Trade Office, one from the Cooperative and SME Office, one from the Public Works Office, one representative of the Samarinda Chamber of Commerce (KADIN), two retail entrepreneurs, two restaurant and café owners, two traditional shop owners, two market traders, two service entrepreneurs, one academic, and two community leaders. This heterogeneous composition enabled the study to capture multiple perspectives regarding urban development, thereby strengthening the breadth and credibility of the findings (Grigore & Drăgan, 2020).

Data were collected primarily through semi-structured interviews. Semi-structured interviewing is one of the most widely applied techniques in qualitative research on entrepreneurship, SMEs, and stakeholder perceptions because it provides a balance between consistency across interviews and flexibility to explore emerging issues in greater depth (Grigore & Drăgan, 2020; Sefiani et al., 2022). An interview guide was developed based on the research objectives and existing literature concerning urban development, stakeholder perceptions, infrastructure impacts, business adaptation, and regional economic transformation. Open-ended questions encouraged participants to explain their experiences regarding infrastructure development, business opportunities, operational challenges, adaptation strategies, and expectations for future urban policies.

To enhance contextual understanding, interview data were complemented by field observations and document review. Observations focused on commercial districts, transportation infrastructure, traditional markets, and business environments relevant to participants' experiences. Documentary materials, including government reports, planning documents, and publicly available policy information, were also examined to provide contextual background and support data triangulation. Combining multiple sources of evidence is widely recommended in qualitative stakeholder research because methodological triangulation improves the completeness and credibility of findings while allowing -+researchers to compare evidence across different data sources (Pajoy et al., 2023; Papagiannis et al., 2022).

All interviews were conducted face-to-face using open-ended questions, audio-recorded with participants' informed consent, and subsequently transcribed verbatim to preserve the accuracy of participants' responses. Verbatim transcription is regarded as an essential step in qualitative analysis because it maintains the authenticity of participant narratives and supports systematic coding and interpretation ((Sefiani et al., 2022) Zhang et al., 2022). Field notes were maintained throughout the research process to document contextual observations, non-verbal communication, and preliminary analytical reflections that could assist subsequent interpretation.

The interview transcripts were analyzed using thematic analysis following the six-phase framework developed by Braun and Clarke. This analytical approach has become one of the most widely adopted methods for examining qualitative interview data because it provides a systematic yet flexible procedure for identifying, organizing, and interpreting patterns across participant narratives (Sefiani et al., 2022) (Grigore & Drăgan, 2020). The analytical process consisted of six stages: familiarization with the data through repeated reading of interview transcripts; generation of initial codes; organization of related codes into preliminary themes; review and refinement of candidate themes; definition and naming of final themes; and production of the analytical report. The analysis primarily followed an inductive approach, allowing themes to emerge naturally from participants' experiences while remaining informed by concepts identified in the literature on urban development and stakeholder participation (Papagiannis et al., 2022).

During coding, interview excerpts addressing similar issues were grouped into conceptual categories such as infrastructure improvement, business opportunities, operational challenges, digital adaptation, stakeholder expectations, and inclusive development. These categories were subsequently integrated into broader themes representing the collective experiences of participants. Throughout the analytical process, constant comparison was employed to identify similarities and differences across stakeholder groups, thereby enabling the interpretation of convergent and divergent perspectives regarding urban development.

To ensure the trustworthiness and rigor of the study, several quality assurance strategies were implemented. First, source triangulation was achieved by incorporating perspectives from government officials, business organizations, entrepreneurs, academics, and community leaders. This diversity of participants enabled cross-validation of findings across multiple stakeholder groups (Pajoy et al., 2023; Papagiannis et al., 2022). Second, methodological triangulation was applied by integrating interviews, field observations, and documentary evidence to strengthen analytical credibility. Third, a transparent analytical procedure based on Braun and Clarke's thematic analysis framework was followed, ensuring consistency and traceability throughout data analysis (Sefiani et al., 2022).

An audit trail documenting coding decisions, theme development, and analytical memos was maintained throughout the research process to enhance dependability and transparency. The study also emphasized researcher reflexivity by continuously reflecting on potential assumptions and their influence on data interpretation, recognizing that researcher positionality can shape qualitative inquiry, particularly in stakeholder-based research (Abraham, 2023; Leino & Puumala, 2020). Furthermore, data collection continued until thematic saturation was achieved, meaning that additional interviews generated no substantially new themes or conceptual insights, consistent with recommended qualitative research practice.

Ethical principles were strictly observed throughout the study. Participants received information regarding the purpose of the research, voluntary participation, confidentiality, and their right to withdraw at any stage. Written or verbal informed consent was obtained before interviews commenced. To protect participant anonymity, individual identities were replaced with identification codes (I1–I18), and all interview data were stored securely. Particular attention was given to minimizing power imbalances during interviews by creating an open, respectful, and non-judgmental environment that encouraged participants to express their views freely, an approach recommended in participatory stakeholder research (Gohari et al., 2020; Lupp et al., 2021; Paddeu & Aditjandra, 2020).

Overall, the methodological framework adopted in this study aligns with contemporary qualitative research standards for investigating stakeholder perceptions of urban development. By combining a qualitative case study design, purposive maximum-variation sampling, semi-structured interviews, thematic analysis following Braun and Clarke's framework, and multiple strategies to ensure trustworthiness, the study provides a rigorous foundation for understanding how diverse stakeholders perceive urban development and regional economic transformation in Samarinda.

RESULT AND DISCUSSION

The thematic analysis of interviews with eighteen stakeholders including government officials, business association representatives, entrepreneurs, academics, and community leaders identified five major themes describing local business perspectives on urban development in Samarinda: (1) stakeholder perceptions of urban development, (2) impacts of urban development on local business activities, (3) drivers of regional economic transformation, (4) challenges experienced by local businesses, and (5) stakeholder expectations for future urban development. These themes emerged through an inductive thematic analysis following Braun and Clarke's analytical framework and were subsequently interpreted in relation to existing literature on stakeholder perceptions, infrastructure-led urban development, and regional economic transformation. The findings demonstrate that stakeholders generally perceive urban development positively due to improvements in infrastructure and economic opportunities while simultaneously expressing concerns regarding increasing competition, rising operational costs, and the equitable distribution of development benefits.

Stakeholder Perceptions of Urban Development

The first theme concerns how stakeholders perceive recent urban development in Samarinda. Across nearly all participant groups, urban development was regarded as a catalyst for improving infrastructure, enhancing accessibility, and stimulating regional economic activities. Government representatives consistently emphasized that infrastructure development has accelerated significantly during the past several years, particularly following the establishment of Indonesia's New Capital City (IKN).

The Head of the Regional Development Planning Agency (I1) explained that road networks, public spaces, commercial districts, and regional connectivity have substantially improved, enabling greater economic interaction while creating a more attractive urban environment for businesses and residents. Similarly, the Public Works Office (I4) emphasized that infrastructure investment aims to improve accessibility, reduce logistics costs, facilitate mobility, and support the development of new economic growth centers throughout Samarinda.

Representatives from business institutions shared similar views. The Chamber of Commerce (I5) considered urban development an important driver of investment expansion and regional economic transformation. According to the informant, increasing investment has created new business opportunities while simultaneously encouraging local enterprises to improve competitiveness through innovation and higher service quality. Likewise, the Trade Office (I2) reported that the revitalization of commercial areas has increased visitor numbers and strengthened retail activities, although intensified competition requires continuous improvements in customer service.

These findings indicate that stakeholders evaluate urban development primarily through its operational and economic consequences rather than through abstract policy objectives. Similar conclusions have been reported in previous research, where business owners assessed infrastructure-led development according to its influence on accessibility, logistics, commercial activity, and business competitiveness rather than symbolic narratives of urban modernization (Grigore & Drăgan, 2020; Sefiani et al., 2022; Wang et al., 2022). Studies of urban freight and infrastructure planning likewise demonstrate that business stakeholders generally support infrastructure investments when they reduce operational constraints and improve business accessibility (Cassiano et al., 2021; Paddeu & Aditjandra, 2020; Pajoy et al., 2023).

Nevertheless, positive perceptions were accompanied by important reservations. The Academic (I16) acknowledged that Samarinda has experienced a structural transition from a resource-based economy toward trade and service sectors but emphasized that the benefits of urban development should be distributed more equitably among local businesses. Community Leader 1 (I17) similarly observed that although public facilities have improved considerably, increasing investment has contributed to rising land prices and living costs, creating new economic pressures for residents and small businesses.

These concerns correspond with previous findings indicating that infrastructure-led urban regeneration often produces both economic benefits and unintended consequences, including higher property values, rental increases, and unequal distribution of development gains (Kronenberg et al., 2021). Consequently, stakeholder perceptions are shaped not only by physical improvements but also by perceptions of distributive fairness and institutional responsiveness, reinforcing arguments that meaningful stakeholder participation and equitable planning processes are essential for sustaining positive public support (Gohari et al., 2020; Habiburrahman et al., 2024; Righettini, 2021; Wang et al., 2022).

Table 1. Stakeholder Perceptions of Urban Development

Informant	Main Perception	Interpretation
I1	Infrastructure and connectivity have improved significantly	Urban development stimulates regional growth
I2	Commercial revitalization attracts more visitors	Business opportunities have expanded
I4	Infrastructure reduces logistics costs	Accessibility supports economic activity
I5	Investment creates new business opportunities	Development enhances competitiveness
I16	Structural transformation is occurring	Inclusive development remains necessary
I17	Public facilities have improved	Rising land values require attention
I18	Development should strengthen SMEs and welfare	Equitable policy is expected

Impacts of Urban Development on Local Business Activities

The second theme explores how urban development has influenced daily business operations. Most entrepreneurs reported that improved infrastructure has increased customer accessibility, expanded markets, and stimulated commercial activity. Retail entrepreneurs (I6 and I7) experienced noticeable increases in customer visits and business turnover following road improvements and growing population mobility. Better transportation infrastructure enabled consumers to access commercial areas more conveniently, particularly during weekends and holiday periods.

Restaurant and café owners also experienced positive changes in customer behavior. Restaurant Owner 1 (I8) explained that consumers increasingly prefer businesses offering comfortable environments, digital payment systems, and active social media engagement. Consequently, businesses have invested in facility improvements and digital marketing strategies to remain competitive. Restaurant Owner 2 (I9) further described how product innovation, social media promotion through Instagram and TikTok, and partnerships with online delivery platforms have successfully attracted new customers.

Service-sector entrepreneurs likewise reported growing business opportunities resulting from economic expansion. According to Service Entrepreneur 1 (I14), the increasing number of new companies has created greater demand for consulting, printing, and information technology services. These findings indicate that urban development not only improves physical accessibility but also stimulates demand across multiple business sectors.

These results align closely with previous studies demonstrating that accessibility is among the strongest determinants of positive business perceptions toward urban development. Improvements in transportation infrastructure, freight efficiency, and pedestrian accessibility consistently enhance customer mobility, business performance, and commercial vitality (Pajoy et al., 2023; Wang et al., 2022). Similarly, studies of entrepreneurial ecosystems show that businesses generally perceive urban development positively when infrastructure improvements support market access and operational efficiency (Grigore & Drăgan, 2020; Sefiani et al., 2022).

Despite these benefits, participants also described substantial challenges associated with rapid urban transformation. Retail Entrepreneur 1 (I6) identified increasing rental costs as a major consequence of commercial development, while Retail Entrepreneur 2 (I7) highlighted stronger competition from modern retail establishments. Traditional Shop Owner 1 (I10) similarly emphasized rising operational expenses, including electricity and rental costs, which have reduced business profitability despite increasing customer numbers.

Traditional market traders experienced particularly mixed outcomes. Market Trader 1 (I12) acknowledged that road improvements have enhanced product distribution but reported declining customer numbers because many consumers now prefer supermarkets and modern retail outlets. Market Trader 2 (I13) therefore expressed expectations that local government would strengthen traditional market facilities, improve sanitation, and expand financial support programs for small traders.

These findings demonstrate that business stakeholders simultaneously recognize the benefits and unintended consequences of urban development. Similar patterns have been documented in previous studies, where infrastructure improvements increased business accessibility while also contributing to higher land values, intensified competition, and concerns regarding business displacement (Endris & Kassegn, 2022; Hossin et al., 2023; Kronenberg et al., 2021). Consequently, business perceptions remain contingent upon the balance between operational benefits and emerging economic pressures.

Table 2. Impacts of Urban Development on Local Businesses

Business Sector	Positive Impacts	Challenges
Retail	Increased customers and sales	Higher rents and stronger competition
Restaurants/Cafés	Growing customer demand and digital engagement	Continuous innovation required
Traditional Shops	Improved accessibility and customer retention	Rising operating costs
Traditional Markets	Better logistics and distribution	Declining visitors due to supermarkets
Service Businesses	Expanding demand for professional services	Labor skill shortages and technological change

Drivers of Regional Economic Transformation

Participants consistently identified infrastructure investment as the principal driver of regional economic transformation. Improved transportation networks, commercial revitalization, digitalization, and increased investment were viewed as mutually reinforcing factors that stimulated local business growth. Government agencies emphasized accessibility and logistics improvements, whereas entrepreneurs highlighted expanding markets and stronger digital connectivity. These findings correspond with previous research indicating that infrastructure-led development enhances regional competitiveness by improving accessibility, strengthening business networks, and supporting agglomeration economies (Schindler et al., 2023). Furthermore, digital transformation emerged as an increasingly important factor enabling SMEs to expand market reach and adapt to changing consumer preferences, consistent with studies emphasizing the role of digitalization in SME resilience and competitiveness (Endris & Kassegn, 2022; Hossin et al., 2023).

Challenges Experienced by Local Businesses

Although participants generally viewed urban development positively, several persistent challenges emerged. These included increasing competition from larger enterprises, rising rental and operational costs, limited business capital, shortages of skilled labor, rapid technological change, and shifting consumer preferences. Traditional businesses appeared particularly vulnerable because they faced simultaneous pressure from modern retail expansion and changing purchasing behavior. These findings support previous literature demonstrating that SMEs frequently experience infrastructure-led transformation as both an opportunity and a source of economic vulnerability, particularly when institutional support and financial resources remain limited (Endris & Kassegn, 2022; Kronenberg et al., 2021). Moreover, stakeholder concerns regarding distributive fairness reinforce arguments that successful urban development requires not only infrastructure investment but also policies addressing the unequal distribution of development benefits (Perrin & Nougarèdes, 2022).

Stakeholder Expectations for Future Urban Development

The final theme concerns stakeholder expectations regarding future urban development. Participants consistently emphasized that future policies should prioritize inclusive development capable of strengthening local enterprises alongside continued infrastructure investment. Government representatives advocated sustainable economic development, while business actors requested greater support for SMEs, improved traditional market facilities, expanded access to financing, and workforce development. Community leaders expected urban development to improve community welfare, generate broader employment opportunities, and ensure that local businesses benefit equitably from regional transformation.

These expectations closely reflect recent scholarship emphasizing that stakeholder satisfaction depends not only on functional infrastructure but also on meaningful participation, procedural fairness, and institutional commitment to mitigating unequal development outcomes (Ferreira et al., 2020; Gohari et al., 2020; Wang et al., 2022). Likewise, participatory planning and collaborative governance have been shown to improve policy legitimacy by integrating local knowledge into urban decision-making while reducing conflicts arising from infrastructure-led transformation (Paddeu & Aditjandra, 2020; Righettini, 2021).

Overall, the findings demonstrate that local business stakeholders perceive urban development in Samarinda as an important catalyst for economic growth, business expansion, and regional transformation. However, these positive perceptions remain conditional upon equitable benefit distribution, meaningful stakeholder participation, and effective policy interventions that support SMEs, address rising operational costs, strengthen business competitiveness, and ensure that infrastructure-led development contributes to sustainable and inclusive urban transformation.

The present study explored local business perspectives on urban development in Samarinda and found that stakeholders generally perceive urban development as an important driver of regional economic transformation. Improved transportation infrastructure, enhanced accessibility, increasing investment, and expanding commercial activities were consistently viewed as major benefits that strengthened local business opportunities. However, participants also identified several challenges, including rising operational costs, increasing business competition, pressure on traditional businesses, and concerns regarding the equitable distribution of development benefits. These findings suggest that stakeholder perceptions of urban development are multidimensional, reflecting both the economic opportunities created by infrastructure investment and the social and economic trade-offs accompanying rapid urban transformation.

The findings are consistent with previous studies demonstrating that business stakeholders primarily evaluate urban development according to its practical influence on business operations rather than through broader policy narratives. Similar to research conducted among SMEs in Tangier, entrepreneurs in Samarinda emphasized accessibility, transportation infrastructure, customer mobility, and market opportunities as critical determinants of business performance (Sefiani et al., 2022). Likewise, studies on urban freight systems have shown that stakeholders support infrastructure development when it improves logistics efficiency, reduces operational barriers, and facilitates commercial activities (Paddeu & Aditjandra, 2020; Pajoy et al., 2023). Participants in the present study similarly regarded road improvements, improved connectivity, and commercial revitalization as significant contributors to increasing customer visits and expanding business opportunities. These similarities suggest that operational efficiency remains the primary criterion through which business actors assess urban development across different geographical contexts.

Nevertheless, the findings also demonstrate that positive perceptions coexist with important concerns regarding the unintended consequences of urban transformation. Entrepreneurs reported increasing rental prices, stronger competition, and higher operating costs despite acknowledging improvements in accessibility and investment. These findings closely correspond with studies examining green and blue infrastructure, which indicate that infrastructure improvements often increase land values while simultaneously creating risks of business displacement and unequal distribution of economic benefits (Kronenberg et al., 2021). Similar concerns have also been identified among SMEs operating in rapidly transforming urban environments, where infrastructure investment improves accessibility but simultaneously intensifies market competition and increases business costs. Therefore, the present findings reinforce previous evidence that stakeholder perceptions are influenced not only by immediate economic gains but also by anticipated long-term economic risks.

The study further demonstrates that stakeholder perceptions are strongly influenced by the quality of participation and institutional responsiveness during urban development. Participants consistently expressed expectations that future urban policies should strengthen SME support, improve traditional markets, and involve local businesses more actively in planning processes. These findings are consistent with participatory governance literature, which argues that meaningful stakeholder engagement enhances policy legitimacy, trust, and long-term public support (Gohari et al., 2020; Wang et al., 2022). Previous studies have similarly reported that participatory workshops, living laboratories, and collaborative planning processes increase stakeholder ownership while improving the alignment between infrastructure projects and local business needs (Ferreira et al., 2020; Lupp et al., 2021; Paddeu & Aditjandra, 2020). Consequently, the present study suggests that the success of urban development depends not only on physical infrastructure investment but also on institutional arrangements that facilitate continuous dialogue among governments, businesses, and local communities.

Several theoretical perspectives provide useful explanations for these findings. Stakeholder Theory explains why different stakeholder groups perceive the same development initiatives differently according to their respective interests, expected benefits, and perceived risks. Government institutions generally emphasized macroeconomic development and regional competitiveness, whereas entrepreneurs focused more directly on business performance, operational costs, and customer accessibility. This divergence supports previous arguments that stakeholder perceptions are shaped by differences in institutional position, information availability, and expected economic outcomes (Deuskar et al., 2022; Wang et al., 2022)

Regional economic development theory and infrastructure-led growth perspectives also explain the observed findings. Improved transportation networks, increasing accessibility, and expanding commercial activity represent mechanisms through which infrastructure investment stimulates agglomeration economies and regional economic transformation. Previous research demonstrates that infrastructure development restructures regional production systems and strengthens economic connectivity while simultaneously producing unequal outcomes across business sectors (Schindler et al., 2023). The experiences of traditional traders in Samarinda illustrate this dual effect, as better accessibility increased product distribution but intensified competition from supermarkets and modern retail businesses. Thus, infrastructure investment simultaneously creates economic opportunities and structural adjustment pressures.

Institutional theory further contributes to understanding stakeholder perceptions by emphasizing the importance of governance capacity and policy implementation. Participants repeatedly highlighted the need for stronger government support, improved SME assistance, and better coordination among institutions responsible for urban development. These findings correspond with systems-thinking perspectives, which argue that development initiatives become more effective when planning tools, stakeholder engagement mechanisms, and policy evidence are institutionally embedded rather than implemented as isolated projects. Similarly, procedural justice perspectives explain why stakeholders attach considerable importance to transparency, fairness, and equitable benefit distribution during urban transformation (Kronenberg et al., 2021).

The policy implications of this study extend beyond infrastructure provision. First, urban planning should prioritize investments that directly improve business accessibility, logistics efficiency, and customer mobility while minimizing operational disruptions for local enterprises. Second, governments should strengthen participatory planning mechanisms by involving SMEs, business associations, academics, and community representatives throughout policy formulation and implementation. Such participatory approaches are likely to improve policy legitimacy while ensuring that infrastructure investments better reflect local economic needs (Paddeu & Aditjandra, 2020; Righettini, 2021). Third, policymakers should anticipate the unintended consequences of urban development by implementing measures that protect vulnerable businesses from rising rental costs, increasing competition, and business displacement. Targeted financial assistance, business development programs, workforce training, and digital capacity-building initiatives may enhance SME competitiveness during periods of rapid urban transformation. Finally, institutional collaboration should be strengthened through long-term governance arrangements that integrate infrastructure planning, business development policies, and stakeholder participation into a coherent regional development strategy.

Although this study provides valuable insights into stakeholder perceptions of urban development in Samarinda, several limitations should be acknowledged. The qualitative design emphasizes depth of understanding rather than statistical generalization, and the findings reflect perceptions within one urban context. Furthermore, as noted in the supplied literature, there remains limited empirical evidence concerning the long-term regional economic effects of Indonesia's New Capital City (IKN), making direct comparison difficult. Future research should therefore employ longitudinal and mixed-method approaches to examine how infrastructure development influences SME adaptation, regional competitiveness, and stakeholder perceptions over time (Schindler et al., 2023). Comparative studies across multiple cities would further improve understanding of how different institutional arrangements and development trajectories shape local business adaptation. In addition, future research should evaluate the effectiveness of policy interventions designed to mitigate distributional inequalities and strengthen SME resilience during urban transformation, thereby contributing to more inclusive and sustainable regional economic development.

Overall, this study demonstrates that stakeholder perceptions of urban development are shaped by the interaction of infrastructure quality, accessibility, institutional governance, participation, and distributive fairness. While urban development creates substantial opportunities for economic growth and business expansion, its long-term success depends upon inclusive governance, meaningful stakeholder engagement, and policies capable of balancing economic competitiveness with social equity. These findings reinforce contemporary literature emphasizing that sustainable urban transformation requires integrating infrastructure investment with participatory governance, institutional capacity, and targeted support for local businesses to ensure that regional economic transformation benefits all stakeholder groups.

CONCLUSION

This study examined local business perspectives on urban development in Samarinda using a qualitative case study approach involving government representatives, business associations, entrepreneurs, academics, and community leaders. The findings demonstrate that urban development is generally perceived as a positive driver of regional economic transformation. Participants acknowledged that improvements in transportation infrastructure, accessibility, public facilities, and commercial development have enhanced business opportunities, increased customer mobility, and strengthened regional economic competitiveness. These developments have encouraged business expansion, attracted investment, and supported the growth of trade and service sectors, indicating that infrastructure development plays a significant role in stimulating local economic activity.

Despite these positive outcomes, the study also identified several challenges associated with rapid urban transformation. Business stakeholders expressed concerns regarding increasing operational costs, rising commercial rents, intensified competition, and the vulnerability of traditional businesses in adapting to changing market conditions. Although infrastructure improvements have generated new economic opportunities, participants emphasized that the benefits of development have not been distributed equally across all business sectors. Small and medium-sized enterprises (SMEs), particularly traditional retailers and market traders, continue to experience structural constraints that may limit their ability to benefit fully from urban development. These findings highlight that successful urban transformation requires not only physical infrastructure investment but also complementary policies that address distributive equity, business resilience, and institutional support.

The discussion further demonstrated that stakeholder perceptions are shaped by the interaction of accessibility, governance quality, stakeholder participation, and perceived fairness in development outcomes. Consistent with contemporary literature, the findings indicate that meaningful stakeholder engagement enhances trust, strengthens policy legitimacy, and improves the alignment between urban development initiatives and local business needs. Consequently, infrastructure development should be accompanied by participatory governance mechanisms that actively involve local businesses and community representatives throughout planning, implementation, and evaluation processes.

The primary contribution of this study lies in extending the understanding of stakeholder perceptions of urban development within the context of Samarinda's ongoing regional transformation. While previous studies have primarily examined infrastructure development from economic or planning perspectives, this research integrates local business experiences to demonstrate how infrastructure investment simultaneously creates opportunities and challenges for different stakeholder groups. By applying qualitative thematic analysis, the study provides context-specific evidence regarding the factors influencing business perceptions, including accessibility, investment, institutional support, operational costs, and distributive fairness. These findings contribute to the growing body of knowledge on inclusive urban development by emphasizing the importance of integrating economic competitiveness with stakeholder participation and social equity.

From a practical perspective, the study suggests that policymakers should prioritize infrastructure investments that improve accessibility while simultaneously implementing targeted support programs for SMEs, strengthening business capacity-building initiatives, promoting digital transformation, and developing participatory planning frameworks that ensure more equitable development outcomes. Long-term institutional collaboration among government agencies, business organizations, academic institutions, and local communities will be essential for sustaining inclusive regional economic growth.

Several limitations should also be acknowledged. The study adopted a qualitative case study approach focusing on Samarinda; therefore, the findings are intended to provide analytical rather than statistical generalization. Stakeholder perceptions may differ across other regions experiencing different institutional, economic, and social contexts. Furthermore, the study captures stakeholder perceptions at a particular stage of urban development and does not evaluate long-term economic outcomes.

Future research should employ longitudinal and mixed-method approaches to examine how stakeholder perceptions evolve over time as infrastructure projects mature and regional economic transformation progresses. Comparative studies across multiple cities would provide broader evidence regarding the influence of different governance arrangements and development trajectories on SME competitiveness and stakeholder adaptation. Future investigations should also evaluate the effectiveness of policy interventions designed to reduce distributional inequalities, strengthen SME resilience, and promote more inclusive urban development, thereby supporting sustainable regional economic transformation.

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