

The Indonesian Update

Monthly Review on Economic, Legal, Security, Political, and Social Affairs



Main Report:

The Four Years of Jokowi-JK Leadership: What are the Implementations of the Enforcement and Promotion of Human Rights?

Politics

- The Waste Management Policy Evaluation in DKI Jakarta
- Jokowi, Borders, and National Sovereignty
- Commemorating Tolerance Day in the Framework of Religious Harmony in Indonesia
- Indonesia's Renewable Energy Target 2025

The Economy

- Assessing the Effectiveness of KUR Program
- Jokowi-JK Government's 4-Year Report:
- A Note behind the Increased Investment Performance

Social

- "Beyond Fiscal Policy": Understanding the Steady Increased Prevalence of Adolescents Smoking (10-18 Years) in Indonesia
- Assesing the Four Years of the Jokowi-JK Government from the Social Security Aspect
- Stunting in the Political Year

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FOREWORD

The November-December 2018 of the Indonesian Update raises the main theme on the four years of the performance of the Joko Widodo (Jokowi) and Jusuf Kalla (JK) administration. The main theme includes the improvement and upholding of human rights under the Jokowi and JK administration. In this era, the upholding of human rights has not been a priority. Nevertheless, there has been some progress that should be appreciated, including in the areas of natural resources, economic rights, social rights, and justice.

On politics, the Indonesian Update touches on four issues. The first one is the evaluation of the waste management policy in Jakarta. The second one is border areas and sovereignty in the Jokowi-JK era. This topic is discussed to see how far the Jokowi administration has realized its campaign promises to give great attention to border areas. Two other political topics are International Tolerance Day in the framework of religious tolerance in Indonesia and Indonesia's renewable energy target.

On the economy, the Indonesian Update discusses the effectiveness of the distribution of KUR. This includes the development of KUR schemes in Indonesia, the orientation of KUR, and the development of the distribution of KUR and the number of SMEs receiving KUR. The other economic topic is the performance of the investment in the four years of the Jokowi-JK government.

On social affairs, the Indonesian Update raises three topics. The first one is the prevalence of smoking among youth (10-18 years of age) in Indonesia. The second is assessing the four years of the Jokowi administration from the aspect of social safety net. The last topic is the stunting problem. This is to see how deep the presidential candidates understand the stunting issue, and whether they include the issue in their campaign.

The regular publication of the Indonesian Update with its actual themes is expected to help policymakers in government and business environment -- as well as academics, think tanks, and other elements of civil society, both within and outside the country, to get the actual information and contextual analysis of economic, legal, political, cultural and social developments in Indonesia, as well as to understand the public policy in Indonesia.

.Happy Reading.

The Four Years of Jokowi-JK Leadership: What are the Implementations of the Enforcement and Promotion of Human Rights?

Various international mass media and human rights institutions, such as Amnesty International, Freedom House, Human Rights Watch (HRW), have presented a number of records related to human rights in the form of issues that have emerged during the four years of President Jokowi's leadership in 2014-2018.

According to Amnesty International, in the last four years, the human rights enforcement have declined. For the past four years, the Jokowi-JK administration has been overly concerned with the agenda of economic development, thereby putting aside the agenda of upholding human rights and democracy (*Nasional.Kompas.comn*, 10/18/2018).

In addition, according to Amnesty International Indonesia's research, out of 69 homicides in Papua in eight years, none has been taken to the courts, including the case that Jokowi has promised to solve; namely, the murder of four teenagers in Paniai, Papua in 2014 (*Nasional. Kompas.comn*, 10/18/2018).

Regarding Indonesia's index on human rights freedom and democracy, Freedom House stated that Indonesia experienced a decline: in 2014, Indonesia's Democracy Index (ID) was 73.04; in 2015, Indonesia's ID was 72.84; and in 2016, Indonesia's ID was 70.09 (*cnnindonesia.com*, 14/09 / 2017). Indonesia is no longer included in the category of countries with free democracy, but it has returned to being half free in a democracy. The main indicators are the electoral process, the degree of poorly-valued pluralism and the attacks on minority groups, such as religious minorities, sexual orientation minorities, and the imprisonment of former DKI Jakarta Governor, Basuki Tjahaja Purnama (*Nasional.Kompas.com*, 10/18/2018).

In 2018, HRW noted a number of issues that have emerged in the past four years, including press freedom, violence in Papua,

discriminatory regional regulations, 'violent' punishments that degrade humanity in Aceh, the freedom of expression, lack of protection for minority groups of sexual orientation and gender identity, discriminatory policies and regulations that weaken human rights, and isolation, which is the deprivation of liberty (*hrw.org, 02/10/2018; hrw.org, 26/06 / 2018; hrw.org 6/20/2018; hrw.org 30/04/2018; hrw.org 02/20/2018*).

The human rights issues that have been studied by international institutions above do not include the 167 recommendations that have been issued by the United Nations on the human rights conditions in Indonesia through the Universal Periodic Review (UPR) in every four years (*hrwg.org/22/09/2017*). From the 225 recommendations that came from 101 UN member countries, only 167 recommendations had been received by the Indonesian government (*in person / 22/09 / 2017*).

The five recommendations that need to be prioritized are (*hrwg.org/22/09/2017*): pressing the Indonesian Government to carry out a moratorium on the death penalty; asking the Indonesian Government to invite the UN Special Rapporteur on the rights of Indigenous Peoples to visit Indonesia and to open access to Papua with the aim of clarifying the different concepts between indigenous people and indigenous communities; resolving the problem of impunity in Papua; pressing the Indonesian Government to uphold freedom of expression, opinion, assembly, religion and belief, and to prevent discrimination against sexual orientation and gender identity (LGBTI) groups; the Indonesian government is expected to be able to introduce a non-criminal approach in cases of blasphemy.

Most observers have regretted that many human rights issues were raised, but those have not been resolved. The past human rights violation cases are some of the examples. There have been efforts to resolve these past cases through several events, such as a meeting between Jokowi and the National Human Rights Commission on 31 May 2018 (*NasionalKompas.online 4/6/2018*) and the symposium on the 1965 tragedy (*newsdetik.com, 04-18/2018*). Until now, there have been no-follow ups to those events.

Regarding the past cases of human rights violations, Komnas HAM has given a low judgment to the Jokowi-JK government. Some of the aforementioned cases were the events of 1965/1966, the mysterious shootings (Petrus) in 1982-1985, the disappearances of activists in 1997-1998, the Trisakti and Semanggi I and 2 cases in 1998, the Talangsari case in 1989, a riot of May 1998, and the Wasior Wamena case 2000-2003.

The National Human Rights Action Plan

After a year of Jokowi-JK's reign, precisely in 2015, the National Action Plan on Human Rights (RAN HAM) started to be implemented through Presidential Regulation No. 33/ 2018 for a duration of five years (2015-2019). The RAN HAM is a document that contains the objectives, strategies, and priority activities of the Indonesian National Human Rights Action Plan (*bappenas.go.id, 08-16/2017*).

For persons with disability, the 2015-2019 of the RAN HAM is a special document, considering that for the first time the RAN HAM was integrated with the RAN HAM of persons with disability (*hukumonline.com, 06/22/2015*). This is a good progress, as the rights of the persons with disability are important to be realized.

Importantly, the content of the RAN HAM is a measure of the state implementation obligation that is in accordance with the human right values and norms.

Unfortunately, during Jokowi's administration, the RAN HAM seems to sink. The main obstacle in implementing the RAN HAM is the coordination issue. The RAN HAM should be an umbrella policy for human rights programs, which are cross-sector / cross-ministry in nature. In fact, the coordination has not been effective.

Secondly, by reviewing the content of the RAN HAM that includes targets, strategies, and focus on issues, all those are not much different with the content of the National Medium-Term of Development Plan (RPJMN) in 2015-2019.

Ideally, the RAN HAM should also include the targets and strategies of the cross-sectors and cross-ministries. The content of the RAN HAM only focuses on one sector, so the rights of people are not fulfilled. One example is the issue of education for persons with disability. This issue should involve the Ministry of Education (curriculum), the Ministry of Social Affairs (disability data), and the Ministry of Public Works (accessibility). Unfortunately, the coordination between the ministries is not good. As a result, persons with disability cannot get a good education.

Achievements and Challenges

Aside from the unsolved list of human rights issues above, there have been some achievements in the human rights sector during Jokowi-JK's leadership. Regarding the 17 human right issues as stated in Nawacita, there are 11 human right issues that have been resolved, although the results are not fully satisfying (*tempo.co.id, 10/19/2018*). One of the issues is the handling of natural resource

conflicts (SDA), such as the case of plantations, mining, and forestry. There have been quite positive achievements on the agrarian reform regulated by Presidential Regulation Number 86/2018 on Agrarian Reform (*newsdetik*, 19/10/2018). However, the criminalization of citizens who demand their land rights still occurs. Most of them are the members of the customary law communities (*newsdetik*, 19/10/2018).

The National Human Rights Commission also noted several advances in the Jokowi government, which include the rights to education, health, and restitution for indigenous people territories (*newsdetik*, 10/19/2018). One of the phenomenal issues is the victory of Jakarta citizens over their lawsuit on water privatization issue. The case emerged in 2012, and the citizens won the case in the Central Jakarta District Court in 2018. The rejection to water privatization has long been voiced by the Community Coalition Against the Privatization of Jakarta Water, consisting of LBH Jakarta, KRuHA, Walhi Jakarta, Jabotabek Women's Solidarity, Kiara, FPPI, KAU, ICW, JRMK, and UPC (*Beritagar*, 26/03/2018).

The Central Jakarta District Court Judges have also issued a decision on a class action lawsuit (a lawsuit filed by a small group of people on behalf of the Bukit Duri community) proposed by the residents of Bukit Duri in relation to the eviction carried out by the DKI Jakarta Provincial Government on September 28, 2016. The citizens also won the case.

The two rulings of the courts show some hope for Indonesians that there will be positive changes in the legal sector that will lead to better justice for the people (*megapolitan.kompas.com*, 10/26/2017).

The achievements of enforcement and promotion of human rights in Jokowi's leadership seem to be insignificant compared to the many unsolved past human rights violation cases. There is a big question mark regarding Jokowi-JK's commitment in the field of human rights. Pessimism has arisen after Jokowi appointed Wiranto as the Coordinating Minister for Politics, Law, and Security, even though he was allegedly involved in some human rights violation cases, such as the 27 July case, the Semanggi case, and the disappearance cases of pro-democracy activists in 1997/1998 (*bbc.com*, 27/7/2016).

There are indications that Jokowi does not have a strong agenda for resolving various cases of gross human rights violations. His 2014 election promises through Nawacita have not been fully realized. In addition, according to some experts, Jokowi has only been focusing on economic development and infrastructure (*bbc.com*, 27/7/2016).

If Jokowi is elected for the second time in the 2019 election, the public hopes that Jokowi can prioritize the enforcement and promotion of human rights in Indonesia. Economic development and infrastructure should be able to go hand in hand with the commitment to resolve human rights violations. There is a quote from a founding father, “we are a great nation, and a great nation is a nation that should not forget history, including the dark history of human rights violations.”

-Yossa Nainggolan -

The four years of Jokowi-JK's leadership have not yet brought a new change regarding the enforcement and promotion of human rights. However, there are a number of notes that are good enough to be appreciated; namely, the fulfillment of the rights of natural resources and the economic and social rights for citizens, including the right to water and the right to justice.

The Waste Management Policy Evaluation in DKI Jakarta

The polemics over waste management between the DKI Jakarta Provincial Government and the City Government (Pemkot) of Bekasi, West Java, are heating up again. This time, the main problem is the issue of the payment of compensation funds and grants to the Bekasi City Government.

Bekasi Mayor Rahmat Effendi said that the DKI Provincial Government had fulfilled the obligation to pay mandatory partnership funds (the management funds of the Integrated Waste Management Sites / TPST), aka compensation funds. However, the compensation funds that were paid in 2018 came from the 2017 DKI Regional Budget. As for the proposed grant funds submitted by the Bekasi City Government, they have not yet been disbursed.

On the other hand, DKI Jakarta Governor Anies Baswedan said that he had paid the obligation to pay the compensation of Rp 138 billion. However, Anies stated that regarding the grant funds, Jakarta had no obligation to provide them. The funds can not be immediately approved, because Jakarta has to examine the proposal from the Bekasi City Government.

Persistent Polemics

The polemics of waste management between the DKI Jakarta Provincial Government and the Bekasi City Government had also occurred in the Basuki Tjahja Purnama (Ahok) era. At that time, there was a dispute between Ahok and the Bekasi DPRD, which began with a decision to summon Ahok by the Bekasi City DPRD to discuss violations of Cooperation Agreement (PKS) No. 4 of 2009 regarding the Land Utilization of Bantergebang TPST, which was signed with Bekasi City Government.

The Bekasi City DPRD considered that the DKI Jakarta Provincial Government had committed violations, such as the standardization of garbage trucks was not in accordance with the agreement, the

route and operating hours of garbage trucks, the establishment of monitoring wells around Bantargebang TPST, and the cooperation agreements involving PT Godang Tua Jaya (GTJ) as compensation payments for the Bekasi City Government.

Whereas Ahok considered that the polemics over the waste management was the aftermath of the sending of a Warning Letter (SP) 1 to the Bantargebang TPST manager; namely PT GTJ, as it was considered a default. This was because the joint venture between PT GTJ and PT Navigate Organic Energy Indonesia had not yet finished the building of gasification facilities and infrastructure.

The Waste Management Policy Evaluation

Looking at the polemics that always arise, the author considers that the problem of waste management is a homework that has never been resolved by the DKI Jakarta Provincial Government. Therefore, the author tries to evaluate the DKI Jakarta Government's waste management policy.

Policy evaluation, according to Charles. O Jones (*in Santoso, 2008: 43*), is an assessment of the government's processes and programs. Has the waste management policy process conducted as planned? Is the waste management program suitable for the target group? What are the benefits?

Referring to the above understanding and considering the high population density, DKI Jakarta produces 6,000-7,000 tons of waste per day. Waste management is a very serious problem for the DKI Jakarta Provincial Government. Also, we need to refer to the legislation; namely, Law No. 18/2008 on the Management of Waste and Regional Regulation of DKI Jakarta No. 3/2013 concerning Waste Management.

Local governments have a duty to facilitate, develop, and carry out efforts to reduce, handle and utilize waste by providing infrastructure and facilities for waste management. But unfortunately in the policy process, this has not been implemented.

While at the program level, since 2012, four integrated waste treatment facilities (ITFs) are planned to be built. The ITF is a waste processing facility in the city that is considered environmentally friendly. The waste management system at the ITF uses a high-temperature waste combustion engine (an incinerator). With this method, the waste combustion process will also produce electrical energy.

Meanwhile, the smoke from combustion will not pollute the environment because the chimneys are equipped with technology to reduce pollutants. With this ITF technology, it is expected that the garbage of Jakarta residents will be processed in the city.

The four ITFs are planned to be built in Sunter, Cakung-Cilincing, Marunda, and Duri Kosambi. The goal is to reduce the volume of disposal and landfill in Bantargebang. But ironically, until now, only the new Sunter ITF has been formalized. The construction will also be carried out in December 2018.

According to Sri Bebassari, an environmental activist who cares about waste management, cleanliness is a field of development that should be placed in the highest degree. Cleanliness is an investment. The field of cleanliness is so important and even parallel to security and other infrastructure development (Bagong Suyoto, 2011). Therefore, the improvement of waste management should be one of the top priority policies that must be taken seriously by the DKI Jakarta Provincial Government.

The Improvement of waste management should be one of the top priority policies that must be taken seriously by the DKI Jakarta Provincial Government.

- Arfianto Purbolaksono -

Jokowi, Borders, and National Sovereignty

In the 2014 elections, one of Jokowi-JK's main promises was to pay more attention to the border regions. When the Jokowi-JK pair was appointed as the President and Vice President of the Republic of Indonesia for the 2014-2019 period, attention to the border regions did not diminish. The commitment to advancing the Indonesian border regions is so strong, including it in one of the 9 'Nawa Cita' priority agenda items. In Nawa Cita, the third point reads, "Building Indonesia from the peripheries by strengthening regions and villages within the framework of a unitary state."

The contents of Nawa Cita show that the Jokowi-JK Government carries out counter-narratives of the previous development. Previously, the concept of development referred to development that spread to the peripheries. This old concept of development still lasts in our minds. In the Indonesian context, development was more focused on Java and slowly began to spread to various other islands. The implication of this conception of development was a multi-aspect gap that could endanger Indonesia's unity. In this conception, the border areas were not touched by development. Moreover, Indonesia's geographical areas are so vast. The boundaries of Indonesia's territories with neighboring countries spread in 10 regions on land and in seas. Land border areas spread in Kalimantan, Papua and NTT. In addition, we also have 92 outermost small islands that must be preserved to maintain Indonesia's total land areas (*BNPP, 2015*).

Unlike the aforementioned narrative, the Jokowi-JK Government began a more equitable development. The development is not only concentrated on Java - as the center of Indonesia's economy, but it began to build other islands. This includes the construction of infrastructure in the border regions.

Fair Development

The fair development narrative has been carried out by Jokowi by building strategic projects in several regions. In Kalimantan, there are 17 projects that are valued at Rp. 481 trillion. In Sulawesi, there are 27 projects worth Rp 308.3 Trillion. In Maluku and Papua, there are 12 projects worth Rp. 464 Trillion. In Bali and Nusa Tenggara there are 13 projects with a value of Rp. 9.4 trillion. On Java, there are 89 projects with a value of Rp 995.9 trillion. In Sumatra, there are 53 projects worth IDR 545.8 trillion. For more complete information, please see the following table.



Source: A Report on 4 Four Years of the Joko Widodo-Jusuf Kalla's Government

From these figures, infrastructure development is quite even. Development is not only in areas with large economies and densely populated areas. However, development orientation has been shifted to suburbs with small economies, difficult access, and small populations. (*Jokowi-JK Government's 4-Year Report, 2018*).

The Development of Border Areas

The border areas have also begun to become the locus of development. The construction takes the forms of various public facilities. Some examples are the construction of the National Cross Border Posts (PLBN) in seven locations in seven districts / cities; namely, the Entikong, Badau and Aruk PLBNs, which are located in Kalimantan; the Skouw PLBN located in Papua; and Motaain, Wini, and Mtamasin PLBNS located in NTT. The construction of PLBNs is important because they have many benefits, including supporting the services of immigration and trade and being the state representation in the interactions with other countries.

In addition, the Jokowi-JK Government has also built new roads, thousands including thousands of kilometers of new roads in the border regions. In West Kalimantan, 60 km of new roads have been built. In East Kalimantan, 35 km of new roads have been built. In North Kalimantan, there are 96 km of new roads. The total construction of new roads in the Kalimantan border region is 191.9 km. The new roads managed to connect cities and areas. In the NTT border areas, there are 129.2 km of new roads. In Papua, there are 1,098 km of new roads.

Investment in the border regions does not merely provide economic benefits, but it also has a positive impact on national solidity.

Not only that, public facilities in the border areas have been improved by building eight new airports and 17 seaports and by repairing them to expedite the flows of goods and people in the border regions. In addition, there are also 21 gas stations in the border regions so that people can easily buy fuel at low prices. Another infrastructure that has been built in the border areas is the broadband network in 137 villages. Public markets in the border regions have also been revitalized in 2015-2018. The number reached 285 markets. In short, the development of the border areas in Jokowi-JK's leadership for four years has been done seriously.

Continuing the Development

With the various achievements of the Jokowi-JK government performance in the border regions, the state has been present in the peripheries. The existence of infrastructure development in the border areas does not only spur economic growth in the border areas, but it also increases the degree of state sovereignty.

However, efforts to increase the degree of sovereignty of the country need to be expanded. The development mentioned above has mostly been built on shore. There needs to be a serious attention over the development in the sea areas; for example, building new renewable energy facilities on the outer islands so that electricity can be enjoyed by people who live on the outer islands well. In addition, sea security patrols also need to be improved. This is important to prevent sea crimes, such as piracy and smuggling.

- Fadel Basrianto -

Commemorating Tolerance Day in the Framework of Religious Harmony in Indonesia

November 16 is celebrated as the International Tolerance Day. The celebration is motivated by cases of discrimination, violence and injustice in many parts of the world. This declaration was made as a form of respect for various cultures in the world (*detik.com, 11-16/2018*).

For Indonesia, tolerance is a very important word. This is because Indonesia is a country consisting of various ethnic groups, religions, races and cultures. With such pluralism, Indonesia is actually overshadowed by the potential for conflict, one of which is the conflict between religions.

The Conditions of Religious Harmony in Indonesia

According to the Religious Harmony Index (KUB) in Indonesia in 2017, Indonesia's score was at level of 72.77, in the range of between 0 and 100. Indonesia's the harmony had decreased by 3.20 from that in the 2016 KUB Index (75.47). The harmony index score of 72.27 was a calculation of using three indicators; namely, tolerance at a value of 70.91, equality at a value of 72.38, and cooperation at a value of 73.51 (*tribunnews.com, 23/10/2018*).

These conditions were also in line with the Equivalent Institute Report, which noted that throughout 2017 151 incidents of violations of freedom of religion / belief (KBB) had occurred with 201 forms of actions in 26 provinces throughout Indonesia (*kompas.com, 1/15/2018*).

Not much different from the Setara Institute, according to the 2017 Report on the Independence of Religion / Belief (KKB), the Wahid Foundation found 213 KBB violation events with 265 actions in 2017. The number of events in 2017 rose compared to that in

2016 (204 events), but the number of actions fell compared to the number of actions in 2016, which amounted to 313 actions (*Wahid Foundation, 2018*).

Evaluation of Religious Harmony Policy

In order to create religious harmony, the Government issued a Joint Regulation of the Minister of Religion and Minister of Home Affairs Number 8 and 9/2006 (PBM 2006) which contain the Guidelines for Implementing the Tasks of Regional Heads / Deputy Regional Heads in Maintaining Religious Harmony, Empowering Religious Harmony Forums (FKUB) and Establishment of Houses of Worship.

However, throughout its implementation, the 2006 PBM has not yet been able to answer the issue of religious harmony in Indonesia. According to a research by the Indonesian Institute (TII) on Evaluating the Implementation of PBM in) in 2006 (TII, 2015), in carrying out their duties to maintain religious harmony, regional heads often get challenges from intolerant groups.

This group discriminates against minority groups by urging regional heads not to give permission to establish places of worship, seal houses of worship, and prohibit religious activities.

Third, the issue of the permission to establish houses of worship. The issue of permit for the establishment of places of worship is due to the inequality of views between the community and the local governments in the arrangement for the establishment of places of worship as regulated in PBM 2006. This also lacks (of fair law enforcement in the conflict of the establishment of places of worship.

Recommendations

Seeing the problem above, the author recommends, first, to speed up the ratification of the Religious Protection Bill. The implementation of PBM 2006, which has been felt to be ineffective, requires an increase in its legal status into a law. The Bill on Religious Protection that is being rolled out by the government is expected to answer the current problems.

There is still discrimination and lack of protection for minorities. Therefore, the Bill on Religious Protection is expected to provide a clear legal umbrella for both central and local governments to prevent and to take action against conflicts of religious background.

Second, urging the government to uphold the law in accordance with the principles of justice, diversity and equality. Law enforcement is aimed at anyone who violates any religion or belief. Firmness to intolerant groups who commit acts of violence in the name of religion.

Third, ensuring multicultural education. Education that respects and upholds cultural, ethnic, ethnic and religious diversity. This respect and appreciation is a very urgent attitude to be disseminated to the community, especially amongst the younger generations.

- **Arfianto Purbolaksono** -

As a pluralistic nation, Indonesia is actually overshadowed by the potential for conflict. One of them is a conflict between religions. Therefore, tolerance becomes something very important to be maintained.

Indonesia's Renewable Energy Target 2025

The government has committed to achieving a target of 23% renewable energy mix (EBT) in 2025, which refers to the National Energy General Plan (RUEN). Until now, the national energy mix has only reached a level of 11, 68 percent, or equal to 6,516.3 MW of electricity. (*republika.co.id*, 29/8).

Given that 2025 is getting closer and that our EBT growth is slow, many parties have agreed to revise the target. One of them is the Agency for the Assessment and Adoption of Technology (BPPT). BPPT has even assessed that with such conditions, by 2045 the EBT portion will still be around 16 percent (*cnnindonesia.com*, 24/10). The Minister of Energy and Mineral Resources, Ignasius Jonan, is also pessimistic that he can reach the target (*liputan6.com*, 16/11). What obstacles are getting in the way?

This paper will discuss the issue of EBT utilization in Indonesia, starting from describing the kinds of EBT sources that Indonesia can use to the factors that can hinder the implementation of the target.

New Renewable Energy Sources in Indonesia

Actually, many sources of EBT in Indonesia are feasible to develop. Indonesia has an abundant potential of EBT. The first abundant EBT sources in Indonesia are biofuels; that is, solid, liquid, and gas produced from organic materials. Sources of biofuels are plants that have high sugar and vegetable oils, such as algae and oil palm.

Second, EBT from biomass, which refers to biological materials from organisms that live or have recently died. The sources are wood fuel and waste. An example is that a power plant in Gorontalo that uses corn cobs as its main energy source.

Third, geothermal energy or often referred to as geothermal. Geothermal energy resources in Indonesia are estimated to reach around 28.5 Giga Watt electricity (Gwe). This makes Indonesia one of the largest geothermal resources in the world. According to the data from the Geothermal Directorate at the Directorate General of New Energy of the Renewable Energy and Energy Conservation Ministry, geothermal resources that have been utilized only reached a level of 1,948.5 MW, consisting of 13 Geothermal Power Plants (PLTP) (*detik.com, 09/05*).

Fourth, water energy. This energy source is obtained by utilizing the potential energy and kinetic energy that water has. Indonesia has the potential for hydroelectric power generation of 72 Gigawatts (GW). However, only 4.2 GW has been utilized. In China, the development of hydropower has been very massive. The largest hydropower in the world, the Three Gorges Dam with a capacity of 22.5 GW, is located in China. Meanwhile the Indonesian hydropower plant only has a capacity of tens MW (*kompas.com, 03/06/2017*).

Fifth, wind energy or wind; namely, renewable energy sources produced by the wind. Windmills are used to capture wind energy, which is then converted into electrical energy. At present, Indonesia only has 4 large-scale Bayu (PLTB) power plants. The first PLTB that has been operating is PLTB Sidrap, which has a contract capacity of 70 Mega Watts. The other three PLTBs are the Sidrap Phase II PLTB, the Jeneponto PLTB located in Jeneponto Regency, South Sulawesi, and the Tanah Laut PLTB located in Tanah Laut Regency, South Kalimantan (*liputan6.com, 26/01*).

Sixth, solar energy; namely, renewable energy that comes from light radiation and heat emitted by the sun. This EBT is still very minimal in use in Indonesia. The utilization of solar energy in Indonesia is still only 0.05% of its total potential. This is due to the high cost of PLTS production. In the 23% energy mix target in 2025, PLTSs are targeted to contribute 1047 MegaWattpeaks (MWp). However, until 2018, the use of solar energy through PLTSs is still at a level of 94.42 MWp (*kompas.com, 16/07*).

Seventh, the EBT that comes from ocean wave energy; that is, the energy that comes from the pressure of the fluctuation of sea waves. Indonesia as a maritime country that is located between two oceans has high potential to utilize energy from ocean waves. However, until now Indonesia is still in the stage of development.

Eighth, tidal energy. Tidal energy is produced by the tidal movements of the sea. As a maritime country, Indonesia has great potential to develop further its tidal energy.

With such great potential, Indonesia should be able to utilize EBT more massively to replace fossil-based energy. In reality, many parties are pessimistic about the target. This is due to several factors. The results of the research of the International Institute for Sustainable Development (IISD), which was conducted with the Global Subsidies Initiatives (GSI), can be used as a reference to find out what factors make this target difficult to realize.

The IISD and GSI's research titled "Missing the two-percent target: Roadblocks to the Development of Renewable Energy in Indonesia" revealed that almost all respondents believed that the target of 23% of the energy mix in 2025 would not be achieved. The study involved 26 resource persons representing politicians, government, industry representatives, developers, civil organizations, international donors, and various other stakeholders.

The reason is, first, the purchase price of electricity from renewable energy plants is very low. This makes it difficult for investors to return the capital and get the right benefits. Secondly, the slow regulation and the slow implementation by PLN have made investors not confident and made the risks even greater. Third, EBT developers are also worried that the new pricing system will not have a better environmental impact (*mongabay.co.id, 23/05*).

According to Dahlan Iskan, PLTBs had been built in areas whose electricity needs had been met properly. This is because, the electricity produced by PLTB is only 20-30% of the total capacity. Therefore, PLTBs need support from coal-fired power plants. (*disway.id, 11/16*).

The findings of the research conducted by IISD and GSI showed that the main factor in the difficulty of the realization of the target is the low political will of the stakeholders. EBT must be a strategic agenda at all levels of government. PLN, the Ministry of Energy and Mineral Resources, the Parliament, and the regional government must work together to realize this target. There are still seven years left to realise the target.

- Fadel Basrianto -

Renewable Energy has become a trend in various parts of the world. Environmentally friendly energies will become important needs for the citizens of the world in the future.

Assessing the Effectiveness of KUR Program

The distribution of micro credits (KUR) by the Government has been running for almost 11 years. The program is a follow-up to Presidential Instruction (Inpres) No. 6/2007 on the Policy of Accelerating the Development of the Real Sector and the Empowerment of the Micro, Small and Medium Sectors Specifically in the Field of Financial Sector Reform.

The KUR program has a very important role in the acceleration of people's business development. This has been confirmed by the results of a study by Hankinson (2000), concluding that credit facilities directed at small businesses will affect the business strategy and later have an impact on the performance of their businesses.

The Development of the KUR Scheme in Indonesia

The government's obligation to provide access to business capital for SMEs is mandated in Law Number 20/2008 on Micro, Small and Medium Enterprises. Article 7 of the law states that in order to develop a business climate, there should be funding facilities through the policies of the central government and regional governments.

So far, according to the KUR program report from the Coordinating Ministry for Economic Affairs, the KUR distribution scheme is carried out through various credit model variations. At first, the KUR program was packaged for seven years, with the distribution value reaching Rp 178.85 trillion. At the beginning of the KUR program, the scheme used was the Guaranteed Service Fee (IJP) of 3.25 percent, and the KUR micro interest rate was at a level of 22 percent (*ekon.go.id*).

Furthermore, the issuance of Coordinating Minister for Economic Affairs Regulation No. 6/2015 on the Guidelines for Implementing People's Business Loans. This regulation is also the basis for

the implementation of the KUR program in 2015. In 2015, the KUR program was no longer packaged in the Guaranteed Services (IJP) scheme, but through an interest subsidy scheme of 12 percent. The existence of interest subsidies was blocked by the government so that the rate of micro-credit interest rates could be cut down to 10 percent. The total distribution per December 2015 was Rp. 22.75 trillion of the total budget of Rp. 30 trillion.

Meanwhile, the KUR program in 2016 and 2017 were not much different, where the interest subsidy scheme borne by the government was 9 percent. Then, the micro interest rate fell slightly compared to 2016 to 9.5 percent in 2017. KUR distribution in 2016 amounted to 94.4 trillion of the total budget of Rp 120 trillion. In 2017, the total distribution of funds was Rp. 95.56 trillion of the total budget of Rp. 106 trillion (*tirto.id*, 5/1).

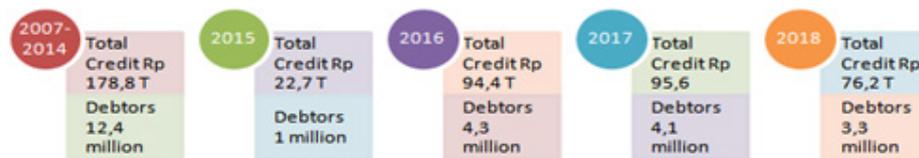
Then, in 2018 the government reduced the KUR interest from 9 percent to 7 percent. The micro interest rate borne by employers was 10.5 percent. Meanwhile, according to data from the Coordinating Ministry for Economic Affairs, the ceiling of the KUR budget increased by Rp 120 million. KUR realization until September 2018 reached a level of Rp 100 trillion, or 81 of the total budget ceiling (<http://kur.ekon.go.id>).

The KUR Program Must be Oriented towards Increasing Productivity

The Government has made various changes to the KUR credit scheme between 2007 and 2018. Starting from increasing the KUR budget ceiling, changing the interest rates to changing the KUR implementing parties. However, the efforts made by the government have still been limited to pursuing the realization target of KUR distribution.

Furthermore, the government's strategy to increase the budget ceiling in KUR posts every year has not been directly proportional to the increase in the number of debtors. The absorption of KUR in 2017 amounted to Rp. 95.6 trillion, an increase of 1.3 percent compared to that of 2016. However, at the same time, the number of debtors who used KUR declined by 4.7 percent, or became 4.1 million debtors. This showed that the government's effort to increase the KUR budget ceiling was not an effective way to increase KUR utilization for MSMEs.

Development of Total Lending and Number of MSME Debtors



Source: <http://kur.ekon.go.id>

Another note in the KUR program is that the ratio of the number of SMEs that have used KUR is not proportional to the total number of SMEs. According to BPS data, the average development of SMEs was around 59 million throughout 2010-2017. However, the number of SMEs that became KUR debtors on average each year only reached a level of 2.8 million. This figure was certainly very far compared to the number of MSMEs. There was only around 4.9 percent that have used the KUR program.

In addition, so far, the government has allocated a budget of Rp. 467 trillion for the KUR program throughout 2007-2018. However, if the contribution of SMEs to GDP was assessed, the average figure was around 50% -60% in the last 10 years. These conditions showed that the government's strategy to continue to increase the KUR budget ceiling for the year has not had a real impact on driving economic growth.

The author argues that the low absorption of KUR funds was due to the ineffectiveness of the performance of financial institutions appointed in the distribution of KUR. Currently, the procedural appointments of banks or financial institutions are not yet clear. Every year the number of banks is always up and down. This is feared to affect the transparency of the allocation of funds. On the other hand, these conditions certainly have an impact on entrepreneurs getting asymmetric information on banks that have full authority as an intermediary for the program.

The government needs to permanently appoint banks that are considered credible in managing KUR; for example, BRI Bank which already has a wide network in Indonesia. In addition, it is also necessary to revive micro institutions such as cooperatives. The cooperatives are quite effective in increasing the absorption of KUR because their locations are close to the real sector of society.

Then, it is also important for the appointed financial institutions not only to provide the initial service to the KUR debtor, but to continue to monitor financial managerial assistance.

Furthermore, financial literacy must simultaneously be intensified by the government. This is an effort intended to make the community have the feasibility of utilizing banking products.

The presence of the KUR program should not only limited to the form of the government's obligation. The community should also be able to use this program to improve their welfare.

The presence of KUR has great potential in developing the people's business climate. Therefore, the effectiveness of channeling funds from related institutions and the strengthening of financial literacy for business people should continue to be pursued.

- **Riski Wicaksono** -

Jokowi-JK Government's 4-Year Report: A Note behind the Increased Investment Performance

On October 20, 2018, the administration of Joko Widodo (Jokowi) and Jusuf Kalla (JK) had reached the age of 4 years. In a discussion at the Media Forum Merdeka Barat (FMB 9), Darmin Nasution as the Coordinating Minister for Economic Affairs explained the performance of the 4-year Jokowi-JK government in the economic field (*ekon.go.id*, 23/10).

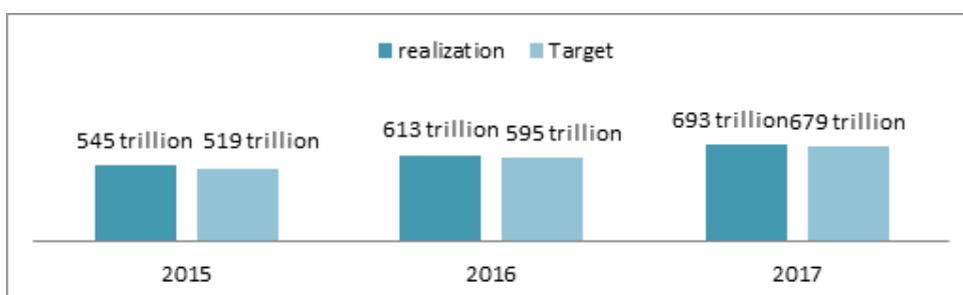
In the discussion, one issue that stole the most attention was the performance of the Jokowi-JK Government's policy that was directed at stimulating the domestic investment sector. According to Volume I of the Nawacita Program, of the 16 policy packages, seven policy packages are directed at providing stimulus to the investment sector.

Starting from a program on the deregulation of bureaucracy in the field of investment, tax holiday, equitable development of public infrastructure, creating development of Special Economic Zones (KEK) to One-Stop Integrated Licensing (PTSP), which is a system known as theiOnline Single Submission (OSS) .

The government's efforts to fix these various regulations have a major impact. A survey by FictH Rating (Fitch) on March 9, 2018 states that Indonesia is considered a country worthy of investment. There are several important things that make Indonesia a country that is worthy of investment. First, there are efforts to synergize all elements of the government in the process of structural reforms that can improve the investment climate. Secondly, in the midst of global turmoil, Indonesia has been able to maintain economic stability through the right monetary policy package formula (*bi.go.id*, 21/12/2017).

So far, the investment climate in Indonesia from 2015 to 2017 has indeed shown an increasing trend. According to the data from the Investment Coordinating Board (BKPM), investment realization in 2015-2017, on average, grew by 14 percent. Significant investment growth occurred precisely in 2017, where the accumulation of Foreign Investment (PMA) and Domestic Investment (PMDN) reached a level of Rp. 693 trillion, or an increase of 49 percent compared to the realization of investment in 2014.

Realization Indonesian Investment Value for 2015-2017



Source: BKPM, 2015-2017

In addition, the investment growth was also followed by the realization of investment, which was always above the target during 2015-2017. In 2015, the investment value reached Rp. 545 trillion, exceeding the government's target of Rp. 519 trillion. The same thing happened in 2017, where investment surpassed the target of Rp. 693 trillion. These conditions indicate that the efforts made by the government in fixing the investment climate in Indonesia have had a positive impact on local and foreign investors' confidence in investment.

Investment Equity and Coordination Need to be Improved

The achievement of investment that is able to grow beyond the target is positive. But, it is also necessary to monitor how the implementation of this government policy can be replicated in all parts of Indonesia. The reality is that investment activities are still concentrated in the Java region. According to BKPM data in 2018, of the total investment of Rp. 361.6 trillion during January-June 2018, 57 percent is still the contribution of provinces on Java.

Government strategies in order to increase equity in investment through the formation of 12 Special Economic Zones (KEK) programs are very relevant if they are directed at increasing invest-

ment in potential regions. One program related to the development of KEK is the development of the tourism sector in the Papua, NTB and Bangka Belitung regions.

Tourism area development is one of the effective ways to drive investment in other sectors. An example is the increased investment in the hotel sector and food businesses. However, according to BKPM data, investment in the hotel and restaurant services sector is still very low, which is IDR 6.12 trillion in Quarter II-2018, contributing 4 percent to investment in all economic sectors. The tourism sector in Indonesia is quite promising in boosting the hotel and restaurant sector.

The efforts of the Jokowi-JK Government in encouraging investment activities through various policy packages mentioned earlier are indeed very much needed. However, the effectiveness of program implementation is still not optimal. Harmony and coordination of planning between the central government and the local governments are key factors in the success of the program.

In addition, at the same time, the regional government also needs to conduct information dissemination to various stakeholders and the public regarding various incentives that have been given by the government in the investment sector. The regions should also participate in enjoying the growth of the investment.

- Riski Wicaksono -

The government's strategy to facilitate investment has an important impact on the stimulating of the economy. This effort also needs to be balanced by coordination and synergy between the central government and regional governments.

“Beyond Fiscal Policy”: Understanding the Steady Increased Prevalence of Adolescents Smoking (10-18 Years) in Indonesia

The news on 8 November 2018 in “Sapa Indonesia Siang” (Kompas TV) reported that 11 pupils (from grade two to grade six) SDN 01 Pamuruyan, Sukabumi, West Java, were found smoking during study hours. This situation indicates that smoking has been an endemic even among adolescents and children. Children who have exposed by smoking since there were little, are more likely to be an active smoker when they were grown up.

The 2018 Basic Health Research (Riskesdas) reported that prevalence of adolescence smoking (10-18-year-old) increased approximately 2% compared to the previous data which was 7.2% (*Riskesdas, 2013*), 8.8 percent (*Riskesdas, 2016*), and 9.1% (*Riskesdas, 2018*). One of five adolescents in ASEAN is categorized as an active smoker (*The Tobacco Control Atlas, 2016*). Indonesia is the highest country of prevalence adolescent smoking compared with other ASEAN countries, such as Lao (27,9% - 2015), Myanmar (26,1% - 2014), the Philippines (23,8% - 2015), Malaysia (22,8% - 2015), Vietnam (22,5% - 2015), Brunei (18% - 2014), Cambodia (16,9% - 2014), Thailand (19,9% - 2015), and Singapore (13,3% - 2013) (*The Tobacco Control Atlas, 2016*).

If the trend of prevalence of adolescents smoking has experienced a steady increased for over the years, it will burden the national health expenditure, particularly diseases related to smoking. Cigarettes are the only legal product in Indonesia that has the potential to kill half of its loyal users together with the other passive smokers. Every year, in Indonesia, mortality cases related to smoking are approximately 240.618 deaths. The number is considered high compared to the other ASEAN countries which only below 100.000 deaths per year. According to *The Tobacco Control Atlas (2016)*, Indonesia has spent 5.3 trillion of its health expenditure for 13 diseases related to smoking. The common type of diseases related to smoking are heart disease, lung disease, digestion disease, diabetic and others (*The Tobacco Control Atlas, 2016*).

Despite the deathly effect, another dangerous side effect of smoking is “impoverishing effect”, especially for people with low income and adolescents (who spend most of the pocket money for the cigarette). The purchasing power of adolescents is approximately IDR 10,000 to IDR 15,000 (*Global Youth Tobacco Survey/GYTS, 2014*). Adolescents smoking are more likely to spend their pocket money for one or two sticks of cigarettes, rather than spending their money on a healthy diet. In Indonesia, adolescents smoking has a high risk of trying other illicit drugs according to some literature (*Republika.co.id, 2018*).

Some studies argue that the main reasons why adolescents smoking are peer-pressure (interaction with friends), modeling their parents (interaction with family), smoking advertisement (*Rahmat Thaha & Syafar, 2013*), and stress (*Booker, et al., 2004*). High-level stress (i.e. overcoming problems involving emotional skills) among adolescents has the potential to trigger their desire to smoke (Komasari dan Helmi, 2000). The situation is even worse because the ability to access stick cigarettes and lack of control from the government regarding controlling children from buying cigarettes (below 18 years old) contribute to the high number of adolescents smoking.

Approximately 58,2% of adolescents in Indonesia is able to access cigarettes in the stores or stalls, and 74% of adolescents (13-15 years old buy cigarettes in stick (*GYTS, 2014*). An ironic situation that 64,5% of adolescents are able to buy cigarettes without any hurdle even though their age is not enough. As mentioned earlier, primary school students are able to access cigarettes in the stores or stalls without any difficulty. This indicates that a serious intervention is needed encountering the increased numbers of teenagers smoking, such as policy on fiscal and promotive as well as the preventive approach on a healthy lifestyle as early as possible.

Indonesia is the only country in ASEAN that has not ratified the WHO Framework Convention on Tobacco Control (FCTC). This indicates that protection to public health has not been achieved yet. There are nine components in FCTC, such as (i) protecting public health policy from commercial and personal benefits; (ii) increasing tax on tobacco; (iii) banning smoking in public areas; (iv) applying dangerous pictographic on cigarettes packages; (v) banning cigarettes advertisement, promotion and sponsorship; (vi) controlling black market of cigarettes; (vii) identifying an alternative job for tobacco farmers; (viii) preventing selling cigarettes to children; (ix) collecting and sharing information about tobacco prevention and how to use tobacco.

Even though the Government of Indonesia (GOI) has not ratified the WHO convention, the GOI has introduced various strategies on reducing the prevalence of smokers, including the prevalence of adolescents smoking. As mentioned earlier, easy access to cigarette has not been controlled well by the government. The on-going debate about fiscal policy on tobacco exacerbates the situation. Nov 2nd, 2018, President decided to postpone the regulation on increasing tax on the tobacco product. It is understandable to postpone this situation because of its consequences.

Some studies argue that increasing tax on tobacco is able to reduce the affordability of tobacco products. Increasing tax on tobacco raises the price of cigarette in the market. This may encourage smokers from smoking, especially teenagers smokers and people with low socio-economy or to those who are sensitive to price. In addition, the increasing tax has the potential to increase revenue which can be allocated to health activities (GYTS, 2014).

Thailand is a country that can show the association between fiscal policy and the reduction of prevalence smokers (*The Tobacco Control Atlas, 2016*). Thailand increased the tax on tobacco by 11 folds (from 55% to 87% from production cost) in 1991 and 2012. The result showed that the Thailand Government was able to increase their revenue from USD 530 million to USD 1.997 million in the same period. At the same time, prevalence smokers decreased from 32% in 1991 to 21,4% in 2011.

Other also argue that increasing tax on tobacco is not a simple task. It creates a “domino effect”. Labors of tobacco factories may lose their job because the factories have to close their business due to the high production cost (*CNCB, 2018; The Tobacco Control Atlas, 2016; BBC, 2016*). Tobacco farmers may be forced from farming, then it might increase the illegal products of cigarette which may affect on government’s revenue as well as jeopardize costumers due to low-quality control of cigarette.

I argue that increasing tax on tobacco has a great potential to prevent and reduce prevalence adolescents smoking and increase the revenue of the government. However, focusing on only fiscal policy is not a wise decision since it may create the “domino effect”. The government should consider the negative effect of improving tax on tobacco, and find an alternative solution, such as finding job replacement for tobacco farmers and labors on cigarette factories, so they can have a decent life.

“Beyond Fiscal Policy” is an essential approach to be considered by the government in order to prevent increased smokers among adolescents. Adaptation and innovation on the Government Regulation No. 18 Year 2003 about texts and pictorial on a cigarette package; Act No. 36 Year 2009 Article 114 on health; and the Government Regulation No. 109 Year 2012 article 61 about illicit drugs are important to be addressed as soon as possible. These policies have been implemented for a while.

One of the good examples was a policy on pictorial in the cigarettes packages. The messages have been transformed into a more powerful message, namely “Smoking can kill you”. Among adolescents (13-15 years old), approximately 71.3% of adolescents smoking considers stopping smoking because of this dangerous signs or messages in the cigarette packages. Unfortunately, 25% of adolescents smoking has not been affected by the messages given in the cigarette packages (*The Tobacco Control Atlas, 2016*). It indicates other alternatives to encourage adolescents smoking from smoking need to be explored.

For example, the government needs to take action on reducing the accessibility of stick cigarettes where many adolescents are able to access it in the stalls near them. Controlling function especially minimum age of smoking has to be reconsidered by the government. Sellers must request identity card from every child who wants to buy cigarettes.

Another alternative solution may be worth to consider is providing education and fostering teachers in the school on how to develop a quit smoking program for students. For instance, developing a stress management program for students due to social and peer-pressured. Involving health workers from Puskesmas or other health facilities to promote healthy behaviors in the schools.

Collaboration between institutions such as the Ministry of Health and the Ministry of Education in improving curriculum regarding the negative effects on smoking and stress management among teenagers is also important to be developed.

In conclusion, “Beyond Fiscal Policy” is essential to be considered by the GOI. The single policy will not be enough to prevent and reduce adolescents smoking. Other alternative solutions that may worth to be explored are reducing accessibility of stick cigarettes to students, teachers capacity building on smoking prevention for their

students, curriculum on stress management among teen-age, and promoting a healthy lifestyle among adolescents.

- Endah Setyaningsih -

Research Associate in Public Health

“Beyond Fiscal Policy” needs to be considered by the government to prevent adolescents from smoking. A single policy is not enough to prevent adolescents from smoking. It needs other innovative solutions.

Assesing the Four Years of the Jokowi-JK Government from the Social Security Aspect

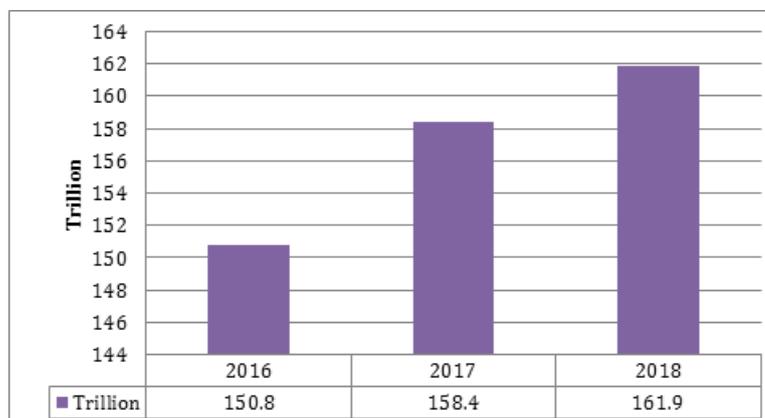
October 20, 2018 was the four years of the Jokowi-JK leadership. Various work programs, of course, have been implemented, including the program for meeting basic needs. The aspect of fulfilling basic needs itself consists of two things; namely, education and health.

Health has a very large role in ensuring the welfare of a society. Indonesia will not be able to have good quality and competitive human resources if the community's health needs are not met and are not well guaranteed. One indicator of Jokowi-JK's performance assessment from the health aspect is the implementation of social security. The following are some of the achievements of the implementation of social security during the four years of the Jokowi-JK Government.

Social Security in the Jokowi-JK Government

The commitment of the government to providing social security for the community can be seen from the increase in the social security budget. Figure 1 shows that the government does not play a role in guaranteeing the community's rights to health services.

Figure 1. Social Protection Budget in Indonesia



Source: Four-Year Report of Jokowi-JK Government, 2018

The increase in the budget was, in fact, proportional to the increase in program coverage. On October 2018, the number of participants in the National Health Insurance (JKN) reached a level of 203.28 million people. Another thing that also increases along with the increase in the budget is the number of healthcare facilities, both the first-level health care facilities (FKTP) and the advanced referral service facilities (FKRTL) (*Four-Year Jokowi-JK Government Report, 2018*).

Some of these facts show that the JKN program has a wider scope with an increase in the number of participants. In addition, the increase in participants was also balanced by an increase in healthcare facilities in collaboration with BPJS.

On the other hand, the government still has to try to increase the participation by up to 100 percent of the Indonesian population, considering that the target deadline in the Universal Health Coverage (UHC) of January 2019 is getting closer. Another fact that should be of mutual concern is related to the trend of the rising deficits in BPJS Health as the JKN fund management institution. To date, the BPJS deficits have reached a level of 16.5 trillion (*cnnindonesia.om, 23/10*).

Several things that must be improved

Until now, the solution that has been tried by the government in relation to the BPJS deficits, among others, is the utilizing of the cigarette excise funds. The government's courage is worthy of appreciation, but we should not forget that the use of these funds should refer to Law Article 94 Paragraph 1 Letter C No.28/2009. The article states that income that is derived from cigarette taxes and excise is divided: 70 percent for districts/cities and 30 percent for provinces, with a minimum of 50 percent of the total budget must be allocated to the health sector.

The Ministry of Health Regulation related to the Technical Guidelines for the Use of Cigarette Taxes for Public Health Service Funding No. 40/2016 states that these funds can be used to reduce risk factors for non-communicable and contagious diseases (including immunization), to increase health promotion, to improve family health, to improve nutrition, to improve environmental health, to improve occupational health and to exercise and control cigarette consumption, and health services at FKTP (First Level Health Facilities).

Several points devoted to the use of cigarette tax resources are more in the realm of prevention and health promotion. However, if the funds from the tax are used to cover the BPJS deficits, the government must prepare a new scheme related to the funding sources for preventive and advocacy activities that have been guaranteed in the legal rules. We should not let one problem be resolved with a new problem.

Table 1. The Amount of BPJS Health Contributions from Participants (IDR)

Class	Previous	Currently	2015 DJSN Recommendations
I	Rp.59.500	Rp.80.000	Rp.80.000
II	Rp.42.500	Rp.51.000	Rp.63.000
III	Rp.25.500	Rp.25.500	Rp.33.000

Source: guidbpjs.com, finance.detik.com, 23 / 10.

The government's move that we have been waiting for is the courage to raise the monthly fees. In 2015, the National Social Security Board (DJSN) has recommended a number of contributions per class. If the monthly fee is not raised, it means that the state's burden to cover the shortfall of the contributions will increase as the number of JKN participants also increases. In other words, the conditions have contributed to the deficits experienced by BPJS.

However, until now the amount of contributions that meet the DJSN calculation is only for a class I (see Table 1). There is a difference of 12,000 IDR for class II and 7,500 IDR for class III. If the difference is multiplied by the number of registered participants, this will obviously affect BPJS Health's finances. Not surprisingly, the increasing number of participants has resulted in the deficits experienced by BPJS Health.

Another factor that has caused BPJS health deficits is the swelling of health care costs that must be excluded from claims of catastrophic diseases. The following are eight high-cost illnesses from January to August 2018.

Table 2. Eight High-Cost Diseases January-August 2018

Disease	BPJS Claim Health (In Trllion rupiahs)
Heart	6.67
Cancer	2.11
Stroke	1.62
Kidney Failure	1.5
Thalassemia	0.298
Haemophilia	0.214
Hepatitis	0.21
Leukemia	0.199

Source: cnnindonesia.com, 23/10.

In addition, the government must dare to adopt a policy of cost sharing schemes for high-cost diseases. Table 2 shows that the heart sickness sucked 6.67 trillion BPJS Health claim costs from January to August 2018. The government can reflect on the experience of China and Japan in relation to the cost-sharing scheme of health services as discussed in the February 2018 edition of the Indonesian Update with the title of the article “Emergency BPJS Deficit “ written by a Social Researcher, Umi Lutfiah.

Finally, the government, in this case, the Ministry of Health must be able to maximize healthcare facilities and human resources in FKTP. Until February 2018, there were only 4,423 accredited primary health cares (PH) out of 9,825 PHC in Indonesia (*depkes.go.id*, 24/10).

All PHCs must carry out the accreditation process, considering that accreditation is one form of the efforts to improve the quality of healthcare facilities. Accredited PHCs are expected to have better governance and quality of service. According to the data from the Ministry of Health (2017), most PHCs have not been able to meet inpatient services. Only 34.81 percent of health centers have been able to meet inpatient services.

Apart from the facilities, the PHCs also require the existence of sufficient human resources. For example, five health centers in Re-

jang Lebong Regency, Bengkulu, are known to have no permanent doctors. These conditions have caused one doctor to be forced to serve several PHCs (*beritasatu.com*, 24/10).

If FKTPs already have qualified facilities and resources, then referrals can be minimized as much as possible and BPJS Health's spending can be minimized.

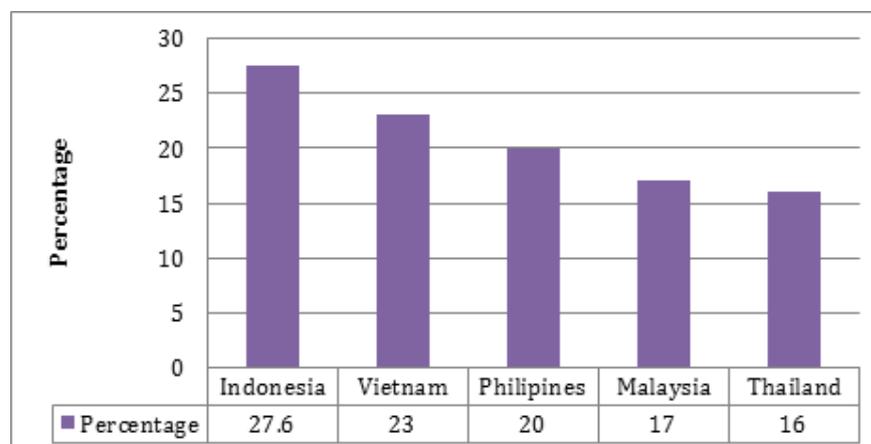
- **Umi Lutfiah** -

The success of the health care program for the four years of the Jokowi-JK Government should be appreciated. However, the problem of BPJS Health deficits still poses challenges to the Jokowi-JK Government.

Stunting in the Political Year

Stunting in Indonesia ranks fourth in the world after India, Pakistan, and Nigeria (National Team for the Acceleration of Poverty Reduction, 2018). Whereas when compared to countries in Southeast Asia, Indonesia is still lagging behind Malaysia (17 percent), Thailand (16 percent), and Singapore (4 percent) in terms of prevalence of stunting (*Ministry of Health, 2016*).

Figure 1. Stunting prevalence in several countries in Southeast Asia in 2016



Source: Ministry of Health, 2016.

The Extent of Stunting Impact

One reason for the importance of comprehensive stunting treatment is because the impact of stunting is very wide. The bad impact of stunting is divided into two; namely, the short-term and long-term impacts. The short-term impacts include the disruption of brain development, intelligence, impaired physical growth, and metabolic disorders. Whereas the long-term impact of stunting, among others, are decreased cognitive abilities and learning

achievements, decreased immune system; higher risks of diabetes, obesity, heart and blood vessel diseases, stroke, cancer, and disability in old ages (*Ministry of Villages, Development of Disadvantaged Areas, and Transmigration, 2017*)

Furthermore, all these impacts will reduce the quality of human resources, the level of productivity, and the nation's competitiveness. In fact, stunting can result in a country's economic loss of 2-3 percent of Gross Domestic Product (GDP) per year, or around IDR. 300 trillion per year. This is because stunting causes non-optimal growth and can reduce a person's cognitive abilities (*Bappenas, 2018; Renyoet, BS, et al., 2016*).

The Commitment of the President and Vice Presidential candidates on Stunting Issues

The two pairs of presidential and vice presidential candidates for the 2019-2024 period have proven to be concerned with stunting issues. Both Jokowi-Ma'ruf and Prabowo-Sandi mentioned the problems of handling stunting in their visions and missions and also work programs.

Not only mentioning the priority of handling stunting, but both of them have excellent programs in order to reduce the prevalence of stunting. We should appreciate them. This is because the work programs offered by the two presidential vice presidential candidates have acknowledged the importance of the role of cross-sectors, such as the economic sector, food security, health, women and children, and infrastructure development.

If it is dissected based on the causes of stunting, both Jokowi-Ma'ruf and Prabowo-Sandi have excellent programs to deal with stunting from the aspects of the lack of nutritional intake; food security; parenting and eating patterns; environmental health (clean water and sanitation) and health services; education, poverty; facility gap (infrastructure); socio-cultural factors, as well as supporting government policies.

The interesting thing that distinguishes the two candidates' programs is that there are two aspects of the Jokowi-Ma'ruf program that are not included by Prabowo-Sandi. The first difference is from the aspects of controlling diseases, especially infections, through preventive advocacy programs of the healthy living movement. The second one is a program related to the socio-cultural society in

increasing the role of women. Jokowi-Ma'ruf include a program to facilitate the role of women/mothers in strengthening the family's economy, as well as increasing the involvement of women/mothers in maintaining children's growth and family character education.

Preventive and advocacy efforts are very important in efforts to prevent the occurrence of stunting. It is true that there is a possibility that the health conditions of stunting toddlers can still be improved. However, we cannot guarantee that their cognitive abilities will be the same as normal toddlers. This is because the stunting dimension does not only concern the physical dimension. Furthermore, stunting is also related to cognitive abilities that are left behind. Therefore, preventing stunting is much better than improving the conditions of toddlers who have already been suffering stunting.

Regarding cultural aspects, strengthening women in the economy and parenting are very important to reduce the prevalence of stunting. Women who are economically empowered will have more bargaining power and advice in family management, including determining family spending. These conditions are expected to induce more nutritious family shopping, especially for pregnant women nutrition and child nutrition.

Future Suggestions

The commitments of the two presidential vice presidential candidates to stunting should not be doubted. Both Jokowi-Ma'ruf and Prabowo-Sandi have their own work programs, taking into account non-health aspects. However, Jokowi-Ma'ruf is superior because they have included preventive-advocacy aspects and socio-cultural dimensions of strengthening women in family and childcare.

Going forward, a broader program focus is needed. Program objectives must also extend to young women. The 1,000 First Day Birth (HPK) program is good to be continued. However, young women as long-term assets of stunting-free generations must also be a common concern.

Both candidate pairs have also included cross-agency/ministry programs. To anticipate that cross-agency/ministry programs can run smoothly, coordination must be carried out. Coordination that is carried out must begin in the planning stage so that the sense of ownership of the programs can be owned by all involved institutions/ministries. In addition, it is important to form a common goal, even though through various cross-agency/ministry programs.

- Umi Lutfiah -

The commitments of the two presidential vice presidential candidates to stunting should not be doubted. The Jokowi-Ma'ruf pair excels in terms of the preventive-advocacy programs and the strengthening of the socio-cultural aspects of handling stunting; namely, strengthening women's position in the family, economy and childcare.

**THE** **INDONESIAN INSTITUTE**
C E N T E R F O R P U B L I C P O L I C Y R E S E A R C H

The Indonesian Institute (TII) is a Center for Public Policy Research that was established on 21 October 2004 by a group of young, dynamic activists and intellectuals. TII is an independent, non-partisan, non-profit institution, whose main funding stems from grants and contributions from foundations, companies, and individuals.

TII has the aim of becoming a main research center in Indonesia for public policy matters and has committed to giving contribution to the debates over public policies and to improving the quality of the planning and results of public policy by promoting good governance principles and public participation in the policy processes in Indonesia.

TII's visions are public policies in Indonesia which highly uphold human rights and rule of law, as well as involve participation of various stakeholders and practice democratic good governance principles.

TII's missions are to conduct reliable research that is independent and non-partisan and to channel the research to the policy-makers, the private sector, and academia in order to improve the quality of Indonesian policy-makers.

TII also assumes the role of disseminating ideas to the society so that they are well informed about the policies that will have a good impact on the people's lives. In other words, **TII** has a position to support the democratization process and the public policy reform, as it will be involved in the process.

The scope of the research and review on public policies undertaken by **TII** includes economic, social, and political factors. The main activities have been conducted in order to achieve vision and mission based on research, surveys, training, public discussions, working group, weekly editorial articles ("Wacana TII"), monthly analysis ("Update Indonesia" and "The Indonesian Update"), annual analysis ("Indonesian Report"), and monthly discussion forum ("The Indonesian Forum").

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RESEARCH ON ECONOMIC AFFAIRS

The economy tends to be used as an indicator of the success of the government as a policy-maker. The economy plays an important role as one of the fundamentals of national development. Limited resources have often caused the government to face obstacles in implementing economic policies that will optimally benefit the people. The increase in the quality of the people's critical thinking has forced the government to conduct comprehensive studies in every decision-making process. In fact, the studies will not be stopped when the policy is already in place. Studies will be continued until the policy evaluation process.

The implementation of regional autonomy that is based on Law No. 32 Year 2004 has demanded bottom-up planning processes, which are participatory in development process. However, fiscal decentralization is still seen crucial particularly for people living in the regions. This can be seen from the high number of gap, poverty, and unemployment. Therefore, there is a need for effective policy formula, which has the right targets.

TII has research focus on fiscal decentralization and sustainable development issues. Fiscal decentralization issues will focus on the discussion on financial matters, corruption, and development of local infrastructure development. With regard to sustainable development, TII focuses on productivity, competitiveness, infrastructure development and development gap. On poverty issues, TII focuses its research on social protection, human resources and employment, and government subsidy policies.

The TII Economic Research Division is present for those who are interested in the conditions of the economy. The results of the research are intended to assist policy-makers, regulators, and donor agencies in making decisions. The research that TII offers: **(1) Economic Policy Analysis; (2) Regional and Sectoral Prospects; and (3) Program Evaluation.**

RESEARCH ON LEGAL AFFAIRS

According to stipulations in Law No. 12 Year 2011 on the Formulation of Laws and Regulations, every bill which will be discussed by the legislative and the executive must be complemented with an academic paper. Therefore, comprehensive research is very important and needed in making a qualified academic paper. With qualified academic papers, the bills will have strong academic foundations.

TII can offer and undertake normative and legal research related to harmonization and synchronization of laws and regulations, especially in making academic papers and bills. In addition, the research will be conducted using sociological, anthropological, and political approaches in order to produce more comprehensive academic papers and bills. It is expected that the laws and regulations will be produced through such participatory processes, which involve the writing of academic papers and also focus group discussions (FGD), which will involve the stakeholders related to the laws and regulations that will be discussed.

RESEARCH ON THE POLITICAL AFFAIRS

Since the enactment of Law No. 22 Year 1999, which was then revised through Law No. 32 Year 2004 on the Local Government, powers are no longer centralized in the central government. Based on the Law, the local governments have wider autonomy to manage their own internal affairs. With the wider regional autonomy and obligation to create good governance, the local governments are demanded to be more responsive towards public aspirations. Therefore, public policy research has become more important for local governments to analyze contexts and issues in the regions, as well as the public's aspirations to formulate public policies.

In order to respond those needs, TII research in political affairs offers policy assessments on various policies that have already been applied or will be implemented. TII will look at socio-cultural, economic, legal, and political aspects in assessing public policies. Our research will be useful to assist governments in formulating policies that are in line with contexts, priorities, and people's aspirations. TII also offers various breakthroughs of transformative policies that are in line with the Open Government principles' implementation in order to increase public participation in policy processes.

Political Research Division of TII provides analysis and policy recommendations in order to generate strategic policies in the strengthening of democracy and the establishment of good governance

both at the national and at the local levels. Political research forms that are offered by TII are **(1) Public Policy Analysis, (2) Media Monitoring, (3) Mapping & Positioning Research, (4) Need Assessment Research, (5) Survey Indicator.**

RESEARCH ON THE SOCIAL AFFAIRS

Social development needs policy foundations that come from independent and accurate research. Social analysis is needed by the government, the businesspeople, academia, professionals, NGOs, and civil society to improve social development. The Social Research Division is present to offer recommendations to produce efficient and effective policies, steps, and programs on education, health, population, environment, women, children, and elderly.

Social research that TII offers: **(1) Social Policy Analysis; (2) Explorative Research; (3) Mapping & Positioning Research; (4) Need Assessment Research; (5) Program Evaluation Research; and (5) Indicator Survey.**

EVALUATION OF A PROJECT OR A PROGRAM

One of the activities that have been performed by TII is the qualitative evaluations of projects or programs of non-governmental organizations or governments. The evaluation activities are offered by TII in stages; that is, mid-term evaluations of the projects/programs and also the final evaluations at the end of the projects/programs.

As we know, the evaluation is an important step in the implementation of a project or program. Mid-Term Evaluations of the projects or programs are intended to look at and analyze the challenges, the overall learning takes place during the projects or programs, and to make recommendations for the continuity of the projects or programs. Meanwhile, the final evaluations allow us to view and analyze the outcomes and the lessons learned to ensure the achievements of all the objectives of the projects or programs at the end of the projects or programs.

THE INDONESIAN FORUM

The Indonesian Forum is a monthly discussion activity on actual issues in the political, economic, social, legal, cultural, defense, and environmental fields. TII organizes these forums as media for competent resource persons, stakeholders, policymakers, civil society activists, academicians, and the media to meet and have discussion.

Themes that have been raised were the ones that have caught public attention, such as migrant workers, social conflicts, domestic politics, and local direct elections. The main consideration in picking a theme is sociological and political reality and the context of the relevant public policy at the time that the Indonesian Forum is delivered.

It is expected that the public can get the big picture of a particular event as the Indonesian Forum also presents relevant resource persons.

Since its inception, the Indonesian Institute is very aware of the passion of the public to get discussions that are not only rich in substance but also well formatted, which support balanced ideas exchanges ideas and the equal involvement of the different elements of the society.

The discussions, which are designed to only invite a limited number of participants, do not only feature idea exchanges but also regularly offer policy briefs (policy recommendations) to relevant policymakers and also summaries to the participants, especially the media people and the resource persons at the end of each discussion. Therefore, the discussions will not end without solutions.

LOCAL COUNCIL TRAINING

The roles and functions of local councils in monitoring local governments are very important. They need to ensure that participative and democratic policies will be espoused. Members of provincial and regent local councils are required to have strong capacity to understand democratization matters, regional autonomy, legislative techniques, budgeting, local Politics, and political marketing. Thus, it is important to empower members of local councils.

In order for local councils to be able to response every problem that will come out as a result of any policy implemented by the central government or local governments, the Indonesian Institute invites the leaderships and members of local councils to undergo training to improve their capacity.

WORKING GROUP

The Indonesian Institute believes that a good public policy process can be held with some engagement and empowerment of the stakeholders. The Indonesian Institute takes a role as one of mediator agencies to facilitate some forums in which the Government, Council Members, Private Sectors, NGOs and Academicians can meet in interactive forums. The Indonesian Institute provides facilitation on working groups and public advocacy.

The Indonesian Institute takes the role of mediator and facilitator in order to encourage the synergy of public policy work between the stakeholders and policy makers and also to have a synergy with funding agencies (donors).

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