

# The Indonesian Update

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



## Main Report:

### Early Reports on Campaign Funds

#### **Economy**

- The Issue of Agricultural Land in Indonesia ■
- Optimizing the Indonesian Tourism Industry ■

#### **Law**

- Consumer Protection Policies ■
- The Ratification of the Government Regulation in Lieu of Law on the Constitutional Court: Solving the Problem?

#### **Politics**

- Notes on Political Corruption In Indonesia 2013 ■

#### **Social**

- Knowing and Criticizing the REDD + Body ■
- Improving Farmers' Welfare in Rural Areas ■
- Questioning the Rise of the Spread of HIV/AIDS among Housewives ■

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# FOREWORD

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Towards the reporting deadline for campaign fund reports, the General Elections Commission (KPU) has not received preliminary campaign funds reports from political parties. The Commission has reminded the parties to immediately submit the campaign contributions reports. The Commission has given time until December 27, 2013 so that parties and DPD candidates can submit their campaign donations reports.

It is interesting to note that since the beginning the campaign financial reports are an essential part of today's election stage. The use of money by political parties and candidates should be disclosed and reported according to the rules. This is done as part of the implementation of transparency to the public.

The January's 2014 edition of the Indonesian Update raises a main theme on "Preliminary Report of Campaign Funds". On the economy, it discusses "The issue of Agricultural Land in Indonesia". On law it talks about "Consumer Protection Policy". On politics it reviews "Notes on Political Corruption in Indonesia 2013". On social affairs, it talks about "Understanding and Criticizing the REDD+ Agency".

In addition, this edition of the Indonesian Update, on economy, also discusses "Optimizing the Indonesian Tourism Industry". On law it discusses "Ratification of the Constitutional Court Perppu: Solving the Problem?". On social affairs, it touches on "Farmers' Welfare in Rural Areas" and "Questioning the the rise of HIV/AIDS amongst IRT".

The regular publication of the Indonesian Update with its actual themes is expected to help policy makers 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.**

## Early Reports on Campaign Funds

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Towards the reporting deadline for campaign funds, the General Elections Commission (KPU) has not received the preliminary campaign fund reports of political parties. KPU commissioner Ferry Kurnia Rizkiyansyah said that until December 23, 2013, the Commission had not received any reports of the 12 political parties participating in the 2014 elections.

The Commission has reminded the parties to immediately submit the campaign contribution reports. The Commission has given them time until December 27, 2013 so that DPR and DPD member candidates can still submit reports of their campaign donations.

### **Campaign Financial Reports**

The obligation of political parties and candidates to report campaign funds stipulated in the Commission Regulation (PKPU) No. 17 of 2013 on Campaign Finance. Article 20 of PKPU No 17/2013 states that the campaign financial reporting is required to be provided by political parties participating in the elections.

The reports also attach the campaign financial reports of candidates from the Central, provincial, and district / city levels. Thus, the campaign financial reports of candidates become an integral part of political party campaign financial reports submitted to the Commission.

Campaign financial reporting is conducted in three periods. The first period was until December 27, 2013. The second period is up to March 2, 2014. All parties in the second period should report all receipts and records of his campaign fund uses.

This reports are supposed to be submitted at least 14 days prior to the first scheduled day of the campaign in the form of open public meetings. Meanwhile, the third period of the reports should be submitted 15 days after the ballot.

KPU commissioner Ida Budhiati said that if the parties are late in submitting the initial reports, they can be disqualified (detik.com, 11/12). This refers to Law No 8 Year 2012 on the Elections of Members of the House of Representatives, Regional Representatives Council and the Regional House of Representatives.

Article 138 of Paragraph 1 of the Law states that if the political parties at the central, provincial, and district / city level do not submit the initial reports to the KPU at the central, provincial and regency / city level by the time limit referred to in Article 134 Paragraph (1), the political parties will be given a sanction in the form of cancellation of election participants in the areas concerned.

However, for the first reporting period with the deadline of December 27, 2013, Commissioner Hadar Nafis Gumay said that for parties that had not submitted the report, the Commission would write to the parties. The letters are warning to political parties. KPU will only announce it so that people will know which parties that have not submitted the reports (Sindonews.com, 11/12).

### **Campaign Financial Issues**

Some of the problems that occurred in the initial reporting of campaign funds: first, political parties' and candidates' lack of understanding of the campaign finance regulations.

This was shown by the fact that the majority of political parties have not opened campaign fund accounts. The accounts should have been used as by political parties for campaign funds.

Second, the parties had not recorded campaign incomes and expenditures. Third, political parties faced difficulties in filling initial campaign finance reports. There were 13 models of forms to be filled in the campaign financial reporting by political parties.

Fourth, political parties faced difficulty in preparing financial reports due to the difficulty in requesting financial statements from the candidates.

Fifth, the weak information dissemination by Commission to prepare the initial campaign financial reports. This eventually resulted in the misunderstanding of political parties and candidates in the preparations of campaign financial reports.

### **The Importance of campaign fund reporting**

Karl-Heinz Nassmacher said money was an important part of the process of the current political system. However, the use of money by political parties and candidates should be disclosed and reported according to the rules.

This is done as part of the implementation of transparency to the public. Campaign financial transparency enables electorates to make better decisions about which party or candidate they would support (IDEA, 2003).

In line with Nassmacher's opinion, campaign financial reporting is very important to do. It aims to bring transparency and accountability to the public.

It should be remembered in an open list proportional system, the increase in competition among candidates means that there is the possibility of the rise of money politics. This will be matched by the attitude of a tolerant society towards money politics.

It was also shown in the findings of survey conducted by Indonesian Political Indicators (indicator) on Political Attitudes and Behavior towards Money (Indicator, 12/12) that an open and permissive attitude turned voters towards money politics.

A total of 41.5% of voters rated the practice of money politics as a fairness, and only 57.9% who believed that it was unacceptable to accept money. Furthermore, among voters who considered money as something normal, as many as 28.7% of respondents chose candidates who gave money, and 10.3% of voters would vote for candidates who gave the most money.

More than half would accept gifts of money but still chose according to their personal preferences (55.7%). While there was only a small portion who rejected the money, although assessing the practice as normal (4.3%).

Many people still tolerate the practice of money politics because of the lack of rules governing this. The initial reporting of campaign

funds set in PKPU. 17 in 2013 is expected to be the entrance to reduce money politics.

The rise of money politics will damage the development of democracy today. The tendency is to direct political preferences based on capital rather than personal capacity.

Therefore, the rules on campaign financial reporting should be implemented consistently. This is done to prevent the rise of money politics in the campaign.

Joint efforts by the organizers and participants of the elections, and civil society are required to uphold transparency and accountability in the management of campaign funds.

The efforts that are relevant to this day are required to be consistent in implementing campaign financial rules. The Commission should be steady and firm in issuing sanctions, if there are parties who violate PKPU, including those that do not provide campaign financial reporting.

*Campaign financial reporting is important in order to create fair elections and political integrity without money.*

Secondly, political parties should promptly submit campaign financial reports to the Commission. They should be encouraged to inform the public about their campaign finance reports; for example, through websites.

Third, the Commission and civil society groups should disseminate info about rejecting money politics by the effective use of media. Fourth, There should be cooperation between the Commission and the Financial Transaction Analysis and Reporting Center (PPATK) on monitoring parties campaign financial reporting.

Thus, campaign financial reporting is important, in order to create honest, fair elections and political integrity without money.

**- Arfianto Purbolaksono -**

## The Issue of Agricultural Land in Indonesia

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Indonesia is one of the countries that consider rice as staple food. This is what makes Indonesia have a high demand for rice. On the other hand, there is an imbalance between the domestic consumption of rice and the the level of availability of rice in this country.

According to the Minister of Agriculture, Suswono (Ministry of Agricultural Research, 2013), the average rice consumption in Indonesia is too high. The average level of rice consumption in Indonesia reached 130 kilograms per/ capita per/ year. In fact, the average level of world rice consumption is only 60 kilograms per/ capita per/year.

Furthermore, Suswono said that the total agricultural land area in Indonesia was only 13.5 million hectares, with a productivity level of about 6 tons/hectare. It is certainly not comparable to the level of Indonesia consumption of rice.

This imbalance occurs because the diminishing number of farmers, as well as the diminishing availability of agricultural land area. Thus, although Indonesia is the third largest rice exporter in the world after China and India (Farm and Ranch Guide, 20/10), Indonesia is still a net importer of rice.

### **The Conditions of Farmers in Indonesia**

The Central Statistic Agency (BPS) noted that in 2013, the number of farming households has decreased. When calculated in the period of 2003 to 2013, Indonesia has lost 5.07 million farming households, from 31.17 million to 26.13 million.

Moreover, most of them, as many as 55.33% of the total farming households, or as many as 14.25 million households, are small-scale farmers (*petani gurem*), who only had less than 0.5 hectares of land area, and/or tenant farmers who do not own their own land.



The level of welfare of Indonesian farmers is still low. Their average income- with an average of 0.2 hectares of land ownership, is under IDR 500,000 per/month. According to Secretary General of the Indonesian Farmers Association (API), M. Nur Uddin, there are 15 million of farmers that live at such level of income (Media Indonesia, 24/12).

The matter of welfare has become one of the causes of why the number of farming households has decreased. Therefore, farmers have began to switch their professions and/or prefer to work in the sectors of industry, trade, and services. Another issue that then arises is when many farmers are starting to convert their land into non-agricultural land.

### **The Conversion of Agricultural Land**

Conversion is still a main problem in the Indonesian agricultural sector. It is because the land conversion has made agricultural land in Indonesia shrink. It's even less than in Thailand, which has a less population (Detik Finance, 14/06). According to Suswono, the agricultural land in Indonesia has reached a level of 100 thousand hectares of depreciation per/year.

As a response, the Government then made a policy so that the agricultural land in Indonesia will not decrease. This is manifested then, in the issuance of Law No. 41 Year 2009 on the Sustainable Agricultural Land Protection.

There are three important points in the Law No. 41 Year 2009 concerning the issue of conversion of agricultural land. *First*, the Government has set the area of agriculture land in Indonesia as "sustainable agricultural land area".

*Second*, the land that has been designated as a sustainable agricultural land area, are protected and it's prohibited to convert except for the public interest. *Third*, the establishment of criminal penalties for individuals and corporations which violate the rules of conversion.

### **Criticizing Law No. 41 Year 2009**

With Law 41 Year 2009, the Government hopes that the amount of agricultural land in Indonesia will not decrease anymore and that it will increase and reach 13.5 million hectares.

According to the author, this law would not be implementable. The reason is because, *first*, as a constitutional mandate, the state is not a land owner. The state is only given the task to manage the land.

Based on this context, the state can not rent out the land as well as claim the land as their own belonging. Therefore, the position of this law is very weak, and it would be easy for the Constitutional Court (MK) to cancel it.

*Second*, the problem of imposing the fines on those who do the conversion. Article 46 of Paragraph 1 states that people who do the conversion are required to provide replacement land, which is (at least) three times the land area in terms of irrigated land; (at least) twice the land area in terms of tidal and non-tidal swamp reclamation land (lowland), and (at least) one time the land area in terms of non-irrigated land.

In fact, most of the farming households in Indonesia are *petani gurem* who only have less than 0.5 hectares of land, and tenant farmers who don't even have land.

Therefore, imposing fines will only complicate the matter, especially for *petani gurem*. It would only benefit large farmers. In addition, considering the numbers of tenant farmers in Indonesia, the Government should make policy that is more "friendly", such as policy of providing incentives, and improving the welfare of farmers.

To conclude, the plan to improve the welfare of farmers so that farmers become a "popular" profession requires the Government to oversee the implementation of Law No. 19 Year 2013 on the Protection of Farmer Empowerment.

**-Santi Rosita Devi-**

*The main problem faced by the Indonesian agricultural sector is the availability of agricultural land. As a response, the Government has made Law 41 Year 2009 on Sustainable Agricultural Land Protection. However, this law is less implementable as according to a constitutional mandate, the state is not a land owner.*

## Optimizing the Indonesian Tourism Industry

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Tourism has developed into the world's new trend of industry. Many countries rely on this sector for state revenues. Nevertheless, Indonesia has not yet utilized optimally its tourism potentials.

Indonesia's tourism is still ranked 5th for its contribution to the country's foreign exchange reserves. In 2011, tourism stood at a level of USD 8.5 million and at a level of USD 7.6 million in the previous year, relatively small compared to the value of mining and plantation exports (see Table 1).

It is crucial to understand that the three largest foreign exchange reserve contributors are the oil, gas, and coal mining sectors, which are not renewable resources. Thus, in the next few decades, these resources will be depleted. On the contrary, the tourism industry is sustainable.

Tabel 1. Tourism Foreign Exchange  
Compared to those of the 5 Largest Exports (2007-2011)

No.	2010		2011	
	Commodities	Value (million USD)	Commodities	Value (million USD)
1	Oil and Gas	28.0	Oil and Gas	41.4
2	Coal	18.4	Coal	27.2
3	Palm Oil	13.4	Palm Oil	17.2
4	Latex	9.3	Latex	14.2
5	Tourism	7.6	Tourism	8.5

*Source: adapted from the Ministry of Tourism and Creative Economy, 2013 (<http://www.budpar.go.id/asp/ringkasan.asp?c=117>).*

Furthermore, if we compare the number of foreign tourist visits and foreign exchange earnings from tourism in Indonesia with those of the neighboring countries such as Malaysia, we will see differences (See Table 2). Regarding tropical and natural tourism potential, Indonesia has a total area six times larger than Malaysia.

According to M Faried, Director of Domestic Tourism Promotion of Ministry of Tourism and Creative Economy, compared to Malaysia Indonesia lacks of promotions. It is mainly affected by budget inadequacy provided by the government. The government has then tried to establish a joint promotion with all relevant stakeholders, such as airlines, hospitality, banking, and local governments (Marketing.co.id, 17/11).

However, Malaysia is far more serious in exploring its tourism potential and in distinguishly promoting it overseas. This is factually proven by it's intense promotion of travel on the CNN television network worldwide. In addition, "Malaysia Trully Asia" is a slogan used as a branding strategy to win the ASEAN tourism market and the world.

Not only by ads and campaigns, the Malaysian tourism industry is also supported by good infrastructure. Kuala Lumpur International Airport is one of the best airports in ASEAN and the main gate to welcome foreign tourists.

The success factor is also reinforced by the ability of Malaysia Airlines to attract tourists outside the continent, mainly Europeans, by offering cheap flights to Malaysia.

The development of infrastructure, especially the public transport network in Malaysia is very organized. This facilitate the sightseeing plan for the tourists. This kind of Strategy and policy is increasingly attracting the interest of investors to invest in Malaysia's tourism industry.

As the result, Malaysia is now the tenth of the world's most visited tourist destination in 2012 according to the United Nation World Tourism Organization (UNWTO).

Table 2. Number of Foreign Tourists and Foreign Exchange Revenues Indonesia and Malaysia (2011)

Country	Foreign tourists (million of people)	Foreign Exchange (million USD)
Indonesia	7.6	8.5
Malaysia	25.0	19.6

Sources: UNWTO and BPS, 2013.

Current international trends indicate that the opportunity to reap the benefits out of tourism in the incoming years will incline. In 2012 only, there were a total 1 billion foreign travelers around the world with a value of USD 1.3 trillion of foreign exchange (UNWTO, 2013). Besides its potential in earning foreign exchange, tourism sector also is a great generator to national and regional economies.

The main reason for placing tourism as a development strategy is mainly due to the potential contribution to the local and national economy. If a country is suffering deficit on its balance of payments, then tourism could be a significant source of income (Telfer and Sharpley, 2008).

Therefore, Indonesia needs to immediately focus and be committed to developing the tourism sector, considering that every region in Indonesia has distinctive tourism potential.

The potential can be a potential source of Regional Revenue (PAD) obtained through the hotel and restaurant taxes, retributions, and tourism enterprises that manage tourist destinations by Regional Company (BUMD).

Badung Regency in Bali is an example of the success of the area that is able to derive a large revenue from the tourism sector. In 2011, IDR 846 billion, in 76.19 percent of the total revenue derived only from Badung Regency. Of the total revenue obtained, in 2012, Badung Regency allocated IDR 144 billion for the development of tourism infrastructure, promotion, and security (Antaranews, 7/8/2011).

In addition, tourism also increases the labor-intensive industries as tourism requires a lot of workers in the tourist areas, such as workers for hotels and restaurants. Tourism will also absorb indirect labors, such the craft industry, food, transportations, and et cetera (Telfer and Sharpley, 2008).

Thus, aside of income earned by local governments, the tourism sector will also drive the society's economy and the private sector/ investors that will create employment.

However, to achieve this, there are preparations need to be executed. According to Spillane (1994), in an effort to meet the demand of tourist, investment in transport and communications, hotels and other accommodations, craft industry and consumer product industries, service industries, restaurants, restaurant, and others are needed.

There are some major obstacles in building Indonesia 's tourism sector, including the lack of infrastructure and promotion. For infrastructure is usually held by such private hotels and restaurants, then the government needs to bring in investors .

As for attraction development issues and supporting infrastructure such as access roads, ports, and airports is the responsibility of the government. Related to the issues of infrastructures in Indonesia, according to a survey from the World Economic Forum in 2013, Indonesia's infrastructure is ranked 78 of 100 surveyed countries (Reuters , 26/3).

Additionally, the results of the survey conducted by British Chamber of Commerce and Industry on the satisfaction of British investors in Indonesia in 2013 showed that only 60 percent of British investors still having confidence in doing business in Indonesia. This relates to the ineffective bureaucratic reformation, corruption, and bad infrastructures (Tempo.co, 28/11).

The survey results emphasize the notion that efforts to attract foreign investors would be increasingly difficult. Whereas investors with substantial capital is crucial for the development of large tourism destinations.

On the other side, the lack of government 's tourism promotion board is an important issue. Given the state budget by function/ministries, the Ministry of Tourism and Creative Economy only handed by part of IDR 2.5 trillion, far below other ministries (Ministry of Finance, Budget Cost Data, 2013) .

The more daunting fact is the report released by FITRA that the Ministry of Tourism and Creative Economy has just only conduct budget realization by 15.4 percent of the available funds (FITRA Secretariat, 2013) .

Members of the Indonesian Tourism Promotion Board (BPPI) I Nyoman Kandia reveals that Indonesia ideally requires funds of IDR 1 trillion rupiahs per year for the promotion of tourism in Indonesia. But in reality, the government 's tourism promotion budget in 2013 was only IDR 160 billion . Even the budget for the promotion of tourism in 2014 will be capped down to 80 billion rupiahs (Kompas.com, 27/8).

On the other hand, in some cases, the central government in 2013 began helping some of the events and tourist destinations in the area. As in the event "Sail Komodo 2013", which absorbed a central fund of IDR 3.6 trillion (SHNews, 23/09). Then at the end of this year, the government plans to build attraction with Bono in Riau counting on next year's state budget.

Based on the picture of tourism, especially tourism in Indonesia, both central and local governments should also consider the tourism sector as the focus of development.

This example can be done by allocating funds, concepting development, and commitment to build the tourism sector by government, the private sector, as well as the surrounding community. Local governments also need to take a serious leap in working out the tourism sector as PAD and generating the local economy.

**-Annas Syaroni-**

*Indonesia's tourism potential has not been taken seriously by the government at various levels. Though tourism could indeed derive tremendous revenue for the central government and local governments and drive the local economy.*

## Consumer Protection Policies

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Indonesia is the most consumptive nation in the world. It is based on the publication by AC Nielsen, which states that Singapore is the most consumptive nation, while Indonesia is at number two. However, as much as 60% of consumers in Singapore are Indonesian citizens.

The question that arises then is whether the “big numbers” of consumers in Indonesia, will be directly proportional to good quality of consumer protection, or not.

The Indonesian Consumer Protection (YLKI) noted that during the year 2012, a total of 620 cases were reported. Then data have increased over the previous year, which only reached 525 cases.

Meanwhile, throughout the year 2013, cases of consumer protection still have still become remarkable issues. As an example, the case of flight cancellation by Batavia Air in early 2013; the phone credit theft case-(the Ring Back Tone case); cases of food that are not suitable to consume, like fish containing formalin, formalin meatballs, expired products and others; cosmetics that contain hazardous substances that circulate freely in the markets, as well as many more other types of cases.

### **Laws on Consumer Protection**

Reviewing the various cases that have occurred or are occurring in Indonesia, it can be said that consumer protection in this country is still “weak”. Besides, Constitution 1945, Article 27 Paragraph 2 stipulates the rights of citizens, and Article 33 regulates social welfare. In addition, Indonesia also has several policies related to consumer protection (see the table below).



**Table 1. Several Consumer Protection Policy**

No	Policy	On
1	UU No. 8 Year 1999	Consumer Protection (UU PK)
2	UU No. 5 Year 1999	Prohibition of Monopolistic Practices and Unfair Business Competition
3	UU No. 30 Year 1999	Arbitration and Alternative Dispute Resolution
4	PP No. 58 Year 2001	Coaching Supervision and Implementation of Consumer Protection
5	Directorate-General Circulars on Domestic Trade No. 235/DJPDN/VII/2001	Handling Consumer Complaints
6	Directorate-General Circulars on Domestic Trade No. 795/DJPDN/SE/12/2005	Guidance Consumer Complaint Service
7	The Indonesian Telecommunication Authority (BRTI) Circulars No. 215/2013	Technical Efforts for the Protection of Users, the Public, and Organizer
8	The Indonesian Telecommunication Authority (BRTI) Circulars No. 257/2013	Internet Service Protection
9	The Indonesian Telecommunication Authority (BRTI) Circulars No. 258/2013	Indemnification Obligations to Customers Instant Messaging Service When Service is Disconnect
10	Financial Services Authority Regulation (POJK) No. 01/POJK.07/2013	Protection of Consumers of Financial Services

According to the data above, although Indonesia has some policies to protect consumers, but in their application, as shown in the examples above, there are still many problems face.

Various problems of consumer protection are still encountered. It is because *first*, the lack of public awareness of consumer protection. *Second*, the weakness of the government's control over illegal products and/or unfit for use or consumption, or there are many scams (for product services).

Related to the third point, the government has established Consumer Dispute Settlement Board (BPSK) in several regions in Indonesia, as mandated by Articles 49 of UU PK.

### **BPSK Roles in Consumer Protection**

In addition to resolving consumer disputes through a court, as

mandated by Article 52 point (a) UU PK, BPSK can resolve consumer disputes out of court, through the method of mediation, arbitration, or conciliation.

The completion of non-judicial disputes can be submitted to the parties, which will be set forth in a written agreement and signed by both parties. The amount of compensation will also be submitted to the parties, so in this case, BPSK acts as mediator.

BPSK was first formed in 2001. Until now, BPSK has been established in 34 regions in Indonesia, which include North Aceh Regency, Belitung Regency, Bulungan Regency, Indramayu Regency, Jenepono Regency, Kupang Regency, OKU Regency, Tangerang Regency, Badagai Serdang Regency, Sukabumi Regency, Tangerang Regency, Bandung, Batam, Bogor, Denpasar, Jakarta, Kediri, Kupang, Makassar, Malang, Mataram, Medan, Padang, Palangkaraya, Palembang, Pare Pare, Pekalongan , Pekanbaru, Samarinda, Semarang, Sukabumi, Surabaya, and Yogyakarta.

The presence of BPSK is quite effective in addressing the issues of consumer protection. For example, like the cases that happened in Pekanbaru. In one month, BPSK has managed to handle as many as 12 cases of 12 cases that were filed, though 6 cases had no decisions. While BPSK Sukabumi, in the past 10 months, has handled as many as 121 cases out of 121 cases of incoming complaints.

The effectiveness of BPSK's work is due to this institution is able to play its role properly, particularly as a facilitator for the cases of non-judicial consumer disputes.

In addition, for people who do not have BPSK in their region, they may report consumer disputes to the nearest office of BPSK. This is because there are no territorial restrictions within its jurisdiction.

Except BPSK, consumer protection efforts are also undertaken by civil society, for example by YLKI. YLKI is an institution that serves to educate consumers and facilitate for resolution of consumer complaints.

The way YLKI facilitates consumer protection problems is to open services of consumer complaints through a website, as well as providing assistance and legal defense for consumers who have been harmed by businesses.

### Recommendations

Indonesia has already had policies that concern about consumer protection, ranging from the 1945 Constitution to the state regulatory agency.

The Government has also established BPSK as the authorized agency to resolve consumer disputes, either through judicial and non-judicial ways, as mandated by UU PK.

However, there are several things to consider in order to improve consumer protection in Indonesia, both at the levels of policy and implementation in the field.

At the policy level, there are several things to note. *First*, the revision the UU PK. The revision includes: rules for the sanctions for businesses that do not implement BPSK' decisions, as a deterrent effect; making regulations regarding nominal fines for small businesses - adjusting to Law No. 20 Year 2008 on Micro, Small, and Medium Businesses.

*Second*, making BPSK focus on one task that is resolving the cases of non-judicial disputes, either by ways of mediation, arbitration, and conciliation.

Meanwhile, for the consumer disputes cases that should be resolved by court, they can be submitted to the state courts. It is also done to raise presumption that the settlements of consumer disputes are not expensive and complicated.

*Third*, making the rules on consumer protection by the relevant institutions, as has been done by the Indonesian Telecommunication Authority (BRTI), which makes the rules on the protection of Internet services and indemnification obligations.

Except BRTI, the Financial Services Authority (OJK) also does the same thing. They made Financial Services Authority Regulation (POJK) No. 01/POJK.07/2013 on Protection of Consumer of Financial Services.

There are several things that are set in POJK, such as the provisions of sufficient information (informative and easily accessible) to consumers; the principles of balance, justice, and fairness in the making of agreements; entrepreneurs financial obligations to maintain deposits and consumer information; financial compensation

products; the banning of financial business operators to charge a fee to consumers for filing complaints; OJK also can facilitate consumer disputes; and regulations regarding penalties.

In terms of implementation on the ground, in order to protect consumers, it is required the cooperation of all parties, For example, *First*, to make issues of consumer protection joint issues, so they are not just the tasks of YLKI or BPSK. In addition, the society as the consumers have to be smart in choosing the goods or services required.

*Second*, the businesses or entrepreneurs should conduct joint improvement efforts to rebrand the product for the better. This has been done by Association of Fishermen, which recently asked the government to investigate cases of formalin in fish widely circulated in the community.

The benefits are for improving the trust of the public in the Indonesian fish. It also can extirpate all the actions of unscrupulous traders who may harm consumers.

Then, the last one is to enforce the implementation of UU PK with strict sanctions, as well as optimizing the roles of BPSK and YLKI. With the optimal roles of BPSK and YLKI, then the public will have a “grip” to fight for their rights as consumers so that the issues related to the protection of consumers in Indonesia can be solved.

**-Santi Rosita Devi-**

*Consumer protection issues in Indonesia have become remarkable issues. On the other hand, the government does have some policies related to consumer protection. However, there are still some matters which need to be improved in order to increase consumer protection, both at the levels of policy and implementation.*

## **The Ratification of the Government Regulation in Lieu of Law on the Constitutional Court: Solving the Problem?**

Government Regulation in Lieu of Law (Perppu) Number 1 Year 2014 on the Second Amendment of Law Number 24 Year 2003 on the Constitutional Court (Perppu about MK) was passed into law on Thursday, December 19, 2013, DPR through a voting mechanism to approve a Perppu into law.

According to the provisions of Article 22 of the Constitution of 1945 and Article 52 of Law Number 12 Year 2011 on the Establishment of Legislation, DPR has the authority to approve or reject the Perppu. If DPR approves Perppu then it become a law, but if they refuse then Perppu should be revoked and declared invalid.

The implication of the DPR's decision was that Perppu of the Constitutional Court were transferred to the law. Without lengthy legislative processes and discussions that involved many parties, finally the Perppu that was created because the President was forced by an emergency situation had been passed into law.

### **The Dynamics in the DPR**

Since the beginning, Perppu on MK has drawn some pros and cons. Substantially, many things can be debated. One of which is (indirectly) the point about the Judicial Commission's (KY) involvement in the selection and supervision of constitutional judges. Meanwhile, the existing Constitutional Court verdict stating that KY has no authority to supervise constitutional judges.

The debate reflected the dynamics that occurred in the DPR itself. The Perppu discussions in the Commission III (on Law, Security, and Human Rights) did not see an agreement amongst the factions. Therefore, the discussions were brought to the Plenary Session level, and a voting mechanism must be adopted.

Parties included in the Joint Secretariat (Setgab) approved the Perppu ratification. Democratic Party, Golkar Party, National Mandate Party (PAN), and National Awakening Party (PKB) strongly supported the passage of Perppu. Meanwhile, the United Development Party (PPP) did not provide a clear stance. The Prosperous Justice Party (PKS) rejected the ratification.

Other factions that are not part of the Setgab; namely, the Indonesian Democratic Party of Struggle (PDI-P), Hanura Party and Gerindra Party factions strongly rejected the ratification of Perppu. This showed a clear line between those who rejected or approved the Perppu.

Dynamics that occur in DPR ultimately resulted in 221 votes to approve Perppu into law, and 148 votes to reject it. Any legal arguments put forward by legal experts should ultimately be subjected to the political mechanism in DPR. This has been provided for in Article 22 of the 1945 Constitution.

Perppu as a legal product that is formed by the President has two important aspects. Subjectively, the President who can determine the level of enforcement that needs to be formed. Objectively, of course, the content of Perppu must not conflict with the 1945 Constitution.

Accepting or rejecting the Perppu into law can refer to these two aspects, namely, subjective and objective factors. Is it Perppu formed in urgent circumstances? Does the Perppu set things right and does not conflict with the 1945 Constitution?

The DPR politically assesses whether the two aspects are appropriate and qualify the Perppu formation for approval into law. The results of the voting showed that the DPR has considered the Perppu and then decided to strengthen it into law.

However, according to the author, the Perppu has not been assessed. The question is who is entitled to assess the legal aspects of a Perppu that has passed into the law? Referring to Section 24C (1) of the 1945 Constitution, the authorized institution is MK.

### **Opportunity or Judicial Review**

The ratification of Perppu to law did not really solve the problem. Indeed, it is probably the opposite, as the Perppu is much debated. Regarding the authority of the Constitutional Court to examine the

Perppu, then there is still room to apply for judicial review to the Constitutional Court.

The ratification is actually an entry point for those who do not agree with the substance to legally review. Mechanisms are provided by the state through a judicial review in the Constitutional Court. Before Perppu is passed into law, 18 lawyers who are members of the Constitutional Lawyers Forum filed a judicial review with the Constitutional Court

This means that from the beginning, there have been the efforts of people to resist Perppu through a constitutional way. The DPR's decision to ratify a perppu into law would open the way for parties to counter. However, the debate will continue to happen because Perppu passed into law that governs the Constitutional Court itself.

There is a principle in procedural law that judges are not allowed to cast a vote that involved self-interest. On the other hand, there is also the principle of *ius curia novit*; namely, the judge is considered to understand the law, so he or she should not refuse to examine, hear and decide cases submitted to court.

Based on this, the possibility to review the results of the ratification of the law on the Constitutional Court Perppu very likely be implemented. The judicial review process is a means to assess whether substantially Perppu which later passed into law is contrary to the 1945 Constitution or not.

The judicial review efforts undertaken by some groups against Perppu on MK can turn into law reviews results of the endorsement Perppu. Opportunity for granting the petition is very open, if the applicant is able to convince the judge that the constitution of the law contrary to the 1945 Constitution.

On the other hand, the Constitutional Court will face a tough challenge. As 2014 was approaching, the task of the Constitutional Court which is the court for participants in the election would certainly enough to occupy a variety of resources that exist in the body of one of the pillars of the Indonesian judicial system.

The sooner judicial review conducted, it surely would be better, because it will further clarify the position of the law of the Perppu ratification results. The debate on the substance contained in the law must be resolved. Therefore, this requires a clear legal status of

the Constitutional Court.

The nation's energy has been depleted and has attracted debate on a wide range of legal issues. One was the establishment of Perppu on MK that later became law. It is required that the management of this country function normally and away from unproductive legal debate.

The passing of the Perppu on MK into law for the time being able to reduce a variety of polemics. Regardless of the debate on the ratification of the Perppu, commands contained therein should be implemented as other legislations.

However, ratification is still not able to resolve the problems related optimally to MK, because substantially still problematic and very likely to be tested by the Court.

**-Asrul Ibrahim Nur-**

*The implications of DPR's decision on Perppu on MK status changes to the law. Approval of Perppu on MK becomes law does not really solve the problem, given the debates which still exist.*



## Notes on Political Corruption In Indonesia 2013

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Banten Governor Ratu Atut had been arrested for her alleged involvement in a bribery case in the election dispute of a district Banten province on Friday, December 20, 2013. Her arrest has added to the long list of names of politicians exposed in corruption in 2013.

Atut and some other politicians from Golkar Party are being detained in Pondok Bambu prison, East Jakarta. In 2013, in addition to Atut, a number of politicians had also been named as suspects or convicts in corruption cases during 2013.

Like former president of the Prosperous Justice Party (PKS) Lutfi Hasan Ishaq in relation to the beef import quota case. Anas Urbaningrum, a former Chairman of the Democratic Party, has been named as a suspect in the Hambalang case. Riau Governor Rusli Zaenal, a Golkar Party politician, has been named a suspect in three cases of alleged corruption.

Also, Chairun Nisa, a member of the House of Representatives of the Golkar Party faction and Regent Gunung Mas Hambit Bintih from the PDI-P politician have been named suspects in the alleged bribery case of disputed local election in Gunung Mas (Kompas.com, 24/12).

### **Power and Corruption**

In its history, the corruption has its roots in a traditional system of absolute monarchical rule based on a feudal culture. In the past, the land in the territory of a nation or kingdom is the property of the absolute monarch, which then handed it over to the princes and nobles as local ruling elite, which are tasked with collecting taxes

and tributes from the people (Onghokham, 1995).

Onghokham (1995) also said that the local ruling elite, who felt themselves as a conquering group, automatically also felt that they had a right to property and lives of the people of the conquer.

Based on the opinion of Onghokham above, it can be said that corruption is due to the relationship with power. Power and corruption are compared to the two sides of the same coin. Power will always make room for a corruption action. Meanwhile, corruption will always accompany the journey of power.

As stated by Lord Acton (1834-1902), with his adage “Power tends to corrupt, and absolute power corrupts absolutely”. Power has a tendency to corrupt, especially if the power goes absolute corruption then it is definitely happening.

Power as in the opinion of Charles Andrain (Leo Agustino, 2007) is the use of a number of resources to obtain compliance or influence. Power can create order and regularity order if used properly. However, if the power is misused and exploited for the benefit of his power, then corruption will occur.

Corruption is usually done by using power by public officials and political officials by way of systematic, large-scale approach that has a great effect on the community. If we look at the data from Ministry of Home Affairs (Kemendagri), by the end of June 2013, there were 21 Governors, seven deputy Governors, 156 Regents, 46 Vice Regents, 41 Mayors, 20 Deputy Mayors whom are involved in corruption cases (Tribunnews.com, 24/12).

The large number of politicians and also public officials from various political parties throughout 2013 who have been arrested reflected the abuse of political power for personal gain or group interests and would certainly have an effect on state losses.

Transparency International Indonesia (3/12) released the Corruption Perception Index. Indonesia is currently ranked 114th out of 177 countries surveyed in the corruption perception index (CPI) 2013 (ti.or.id, 3/12).

One of the biggest contributors to political corruption exists in the sector is still high. The Global Corruption Barometer findings 2013 (GCB 2013) put the parliament and political parties as

corrupt institutions perceived and experienced by the community. Parliament was ranked as the second most corrupt (after the Police) of 12 public institutions assessed. Meanwhile, political parties were ranked 4th most corrupt (ti.or.id, 3/12).

Political corruption occurs because of the high political cost in Indonesia, and along with the weakness of rules and regulations on the financing of political parties, it has become one of the causes of rampant corruption by politicians.

KPK Deputy Chairman Adnan Pandu Praja, Wednesday (13/3), said, the glaring weakness of the design of democratic institutions that has developed in Indonesia today is the tendency to direct the political desirability on the basis of ability rather than authoritative ability or allocative personal capacity (Kompas.com, 14/3).

Adnan said the high political costs incurred by politicians and political parties linked to the legacy of a patrimonial state tradition as a venue to make power. Reality shows that money politics is increasingly showing a great influence in political life in Indonesia (Kompas.com, 14/3).

The funding of political parties is regulated in Law No. 2 Year 2011 on Political Parties has not been able to promote transparency and accountability in the use of political parties' money.

Political party funding arrangements do include restrictions on revenues and expenditures, both for the operational needs of the party and for the political education spending during the campaign. According to the research of the Indonesian Forum for Budget Transparency (Fitra), the state budget funds and a budget of Rp 1.4 trillion to help political parties have not been right on target (Pikiran Rakyat.com, 11/12).

The funds are supposed to be spent on political education of the community, but they are still more widely used for the benefits of party officials. Therefore, if there is no clear party funding arrangements, political parties will depend on donations from third parties.

Thomas Ferguson, in "The Investment Theory of Party Competition" (1995), states that in a political system that is driven by money (money-driven political system), political policies are no more than an extension of the business elite and the interests of investors.

Donations to the party are a form of investment made by the investors who will eventually collect the rewards, in the form of control over state policies.

In view of Arvind K. Jain (2001), corruption by political leaders in public policy, including grand corruption, is widespread and prolongs the impact on the community. Political leaders often use their power to establish policies that only benefits a handful of the course, to the expense of millions of people.

In this case, corruption has occurred in Indonesia in a very chronic stage. Corruption has affected both institutions and behavior of individuals at all levels of the political system in Indonesia.

### **Recommendations**

The rise of political corruption by politicians in 2013 has cost the country as well as potentially damaging the democratic system in this country. It is therefore necessary to take steps to resolve the increasingly systemic corruption in this country.

*One* of the first steps is strengthening KPK in Combating Corruption, so it can completely resolve the political corruption cases in Indonesia. *Second*, revising the Political Party Law by adding a regulation that limits campaign spending of political parties and candidates so as to reduce the cost of expensive political expenditures.

*Third*, requiring periodic audits on political parties' that use state aid. This is done to satisfy the principle of accountability.

*Fourth*, political parties have been demanded to be active role to enforce the principle of transparency in the use of public funds for the benefit of political parties. This is a consequence of the Law No. 14 of 2008 on Public Information and the Law No. 2 of 2011 on Political Parties.

**- Arfianto Purbolaksono-**

*Corruption occurs because of the high political cost in Indonesia, and along with the weakness of rules and regulations on the financing of political parties, it has become one of the causes of rampant corruption by politicians.*

## **Knowing and Criticizing the REDD + Body**

Different perspectives are required to free the world from the danger of climate change and its resulting negative impacts, such as natural disasters, food insecurity, increased poverty, forced migration, conflict over natural resources and other conflicts.

Based on the understanding and awareness of the needs for this new outlook, on May 26, 2010 the Government of Indonesia and the Government of Norway signed a Letter of Intent (LoI) to reduce the negative impacts of climate change in Indonesia, particularly in the field of forestry. The program is known as Reducing Emissions from Deforestation and Forest Degradation (REDD+).

In Indonesia's context, it is relevant to place the forestry sector in the forefront of the efforts to combat the negative impacts of climate change. This is because on one side Indonesia is one of the biggest emitters in the world, and the emission mostly comes from the forestry sector. The report from PEACE, the World Bank and DFID in 2007 stated that Indonesia was one of the emitters of greenhouse gases (GHG). It was the 3rd largest in the world, after the USA and China.

On the other hand, Indonesia is the 3<sup>rd</sup> largest tropical rainforests in the world, after Brazil and Congo, thus simultaneously Indonesian forests have great potential for becoming a global solution to climate change. According to the Ministry of Forestry, Indonesia currently has 128 million hectares of forest areas, of which 18 million acres are peat mangrove forests.

With these natural conditions, Indonesia has great potential for carbon stocks that can be used to control the negative impacts of climate change in Indonesia.

Moving on from this case, the Government of Indonesia and the Government of Norway had made a variety of measures at the policy and program levels related to REDD +. One of the contents of this bilateral agreement is to establish an entity that will become an umbrella for a range of activities related to REDD + in Indonesia. Three years after the signing of the Lol between the Government of Indonesia and the Government of Norway, the body has finally been formed. The body, later on known as the REDD + Body, established by Presidential Decree No. 62 Year 2013 on the Management Body of the Degradation of Greenhouse Gas Emission from Deforestation, Forests and Peats.

There are some notes on the REDD + Body. However, the author would like to briefly describe the history of the formation of this body in order to give a response or a more comprehensive view on the body.

### **Towards the Establishment of REDD+ Body**

As we may know, the first three years after the signing of the Letter of Intent between the Government of Indonesia and the Government of Norway, is a preparation phase. One component of this preparation phase is the preparation of the establishment of the REDD + in Indonesia.

The preparation the phase began with the issuance of the Presidential Decree of the Republic of Indonesia Number 19 Year 2010 on the Task Force for the Preparation and Establishment of Institutional REDD+ (REDD + Task Force), whose duty is to prepare the presence of institutions for REDD in Indonesia, with past deadline being on December 31, 2010 or being extended to June 30, 2013.

In the first period, the REDD + Task Force still had not managed to establish the REDD + Body. This could be caused by the fact that there were a variety of other REDD + tasks that were connected but could not be resolved, such as the tasks of preparing the National Strategy, the funding instruments, pilot provinces, a moratorium on forest monitoring, and communication and stakeholder engagement.

This situation eventually led the President to grant an extension of time to issue a Presidential Decree No. 5 Year 2013 on the Amendment of Presidential Decree No. 25 Year 2011 on the Task Force for Preparing Institutional REDD + on January 22, 2013 to

give a new deadline for the existence of REDD+ Body on June 30, 2013.

Nowadays, with the presence of Presidential Regulation No. 62 of 2013, the President has fulfilled the promise while providing legal protection in the implementation of REDD in Indonesia. Appreciation should be addressed to the Indonesian government, which was finally be able to realize the normative promise in the efforts to save the world.

### **Some Notes and Recommendations for the REDD + Body**

The existence of the REDD + agency itself does not mean that it can escape for criticism. According to the Civil Society Coalition to Rescue Indonesian Forests and Global Climate (201), the considerations for the establishment of the REDD+ seems to not be accompanied by an adequate evaluation of the nonstructural government bodies related to climate change, whose number has reached a level of 80 agencies.

Several government agencies are nonstructural agencies, such as the National Council on Climate Change (NCCC), the Meteorology, Climatology and Geophysics (BMKG), the Indonesian Climate Change Trust Fund (ICCTF), Indonesia Climate Change Center (ICCC), and so on. Some of the domains and issues may overlap with those of the National REDD+, such as the funding and coordination among relevant institutions.

In relation to the funding; for example, there is overlapping between ICCTF and the REDD + Body, as the REDD + Body is responsible to regulate the financing of REDD + related programmes and the ICCTF is responsible to manage funds related to climate change as a whole.

Many studies show that majority of these institutions are not effective and and efficient in spending the state's or the people's money (Greenpeace Indonesia, 2013). Therefore, it is important in the early days of the existence of the REDD+ Agency to map the nonstructural agencies related to REDD+ and to establish mechanisms of cooperation and coordination which are equally effective and not overlapping.

Heru Prasetyo whom has been appointed by the President to

become the Chair of the REDD+ Body said that the center of the gravity of the REDD+ Body lies in the relationships and the strong coordination and communication between the central government and the regions in implementing various programs related to REDD+.

Furthermore, it should be noted that the structure of the REDD+ related pattern of center-regional relations will not be in the 'instruction' nature, but in the center-regional collaborative nature.

According to the Presidential Decree No. 62 Year 2013, the REDD+ Body's function is to help the President to carry out coordination, synchronization, planning, facilitation, management, monitoring, supervision, and control of REDD+ in Indonesia.

With no authority to take actions against any problems that may arise in relation to the implementation of REDD+ is specifically attached to the REDD+ Body, there is concern that this body will be the same as other agencies, which only assume coordination and communication roles, and that in the end it does not have 'the power' to solve the problems related to REDD+.

For that reason, it is important for REDD+ Body to make firm and clear rules for coordination and communication both at the national level and the regional levels. These should be accompanied by rules on sanctions, so the purpose of the establishment of the REDD+ Body can be realized.

Apart from the above remarks, after the establishment of the REDD+ Body, the most important thing is that all parties in the President's body, ministries/agencies, and civil society should monitor and provide constructive feedback to the new body.

It is very important for the existence of REDD+ Body to reduce the rate of deforestation and forest degradation. On the other hand, the existence of a REDD + Body will also help the efforts to improve the welfare of the people living around forests of Indonesia.

**-Lola Amelia-**

*There are various notes on the newly formed REDD+. However, the cooperation from all parties (state and non-state actors) is important to oversee and provide constructive feedback to support the purpose of the formation of this Body to reduce the rate of deforestation and forest degradation and to promote efforts to improve the welfare of the people living around the forests of Indonesia.*



## Improving Farmers' Welfare in Rural Areas

With fertile soil and friendly climate, most of the villages in Indonesia are inhabited by subsistence farmers. According to the data from the Central Statistics Agency (BPS) in 2010, 90 percent of the villagers were farmers, and 80 percent of them were categorized as poor people. If compared with the city, the poverty rate in the villages is larger than that in the city (see table below).

**Table on Number and presentation of poor people in Urban and rural 2011**

	<b>Number of poor people</b>	<b>Presentation of poor people</b>
Urban	11.04 million	9,23%
Rural	18.97 million	15,72%

*Source: BPS, 2013.*

The Communication Forum of Indonesian Farmers stated that the farmers living far from feasible incomes. The average income of farmers, with an average landownership of 0.2 hectares, is under \$ 500 thousand per month. There are 15 million rice farmers who live at that income level (Media Indonesia, 24/12).

In addition to importing rice, in the era of Susilo Bambang Yudhoyono, Indonesia also imports some other food supply. Every time there is lack of fulfillment of food such as corn, sugar, beef, salt, milk and etc., the government always takes the solution by importing those goods (Suseno and Suyatna, Journal of Social and Political Science, Vol. 10, No. 3, 2007).

In relation to this, IPB Rector Prof. Dr. Herrera Suhardiyanto stated that the agricultural problems in Indonesia could be seen from

the high dependence on imported agriculture goods and the bad agricultural trade system. This resulted in scarcity and high prices domestically, Indonesia also still face a poor quality of health, the lack of well-being of farmers, fishermen and ranchers (Antaranews, 15/9).

In reality, the efforts to alleviate rural poverty through development and improving the welfare of farmers must be supported by programs of a comprehensive poverty reduction, especially in rural areas. Sajogyo in Suseno and Suyatna (2007) revealed that the agricultural development policy should be changed to improve the quality of life and well-being of farmers and rural communities.

### **Poverty Alleviation Policy in Rural Areas**

In 2013, there were two new policies that can accelerate poverty reduction, especially rural poverty. The policy is set forth in Law No. 19 of 2013 on the Protection and Empowerment of Farmers and Rural Act recently passed on December 18, 2013. In addition, the government has also continued poverty reduction programs that have run since the last few years.

In a Rural Act, the purpose of rural development is to improve the welfare of rural communities and the quality of life and the alleviation of poverty through the fulfillment of basic needs, rural infrastructure development, potential local economic development, the use of natural resources and the environment with sustainable manner (Article 78 paragraph 1).

Furthermore, to fund all villages, Article 72 of Paragraph 1 states that village income derives from at least 10 percent of the proceeds of local taxes and levies of a District/Municipal. Point d mentions that the Village Allocation Fund (ADD), which is part of the balance funds received by a Disitric/Municipal through Revenue and Expenditure (APBD) minus the General Allocation Fund (DAU), is at least 10 percent.

The amount of funds that are raised by the villages is approximately one billion dollars per year. These funds are earmarked as funding for development programs required by the villages. The budget is meant to accelerate the process of village empowerment and development. Thus, the funding can be used as a way to alleviate rural poverty.

Meanwhile, the Law on the Protection and Empowerment of Farmers itself aims to improve the welfare of farmers, helping farmers in addressing agriculture and empowerment of farmers to implement agricultural businesses better. Protection and empowerment of farmers is carried out by the central government and local governments.

In relation to that, the provision of capital to farmers is one of the key points as described in Article 66 and Article 83 of this Law. It is important because a lot of farmers in the villages have difficulty in accessing loans for business capital.

In addition, the government will also continue the agricultural empowerment activities, such as: education, training, counseling, mentoring. During this time, one of the problems in the increased production is a matter of transfer of technology and knowledge of farmers regarding agriculture .

Farmers in Indonesia still have weak agricultural knowledge and technology, even though it can increase production. Some examples are the cocoa farmers in West Sulawesi and East Nusa Tenggara. Farmers in those areas do not like to cut the top of the cacao trees, but cutting them will increase the productivity. Farmers also need tree nursery technology to replace the old trees (KPPOD, Research Report 2013).

The case of drought in 2012 hit several areas, including Lebak District. The drought had made about 2500 hectares of rice crop failure. The losses suffered by farmers around Rp 11 billion (Antaranews, 12/8/2012). The loss value is calculated only from the loss of capital to grow rice for 5-7 million dollars per hectare. Value of the loss does not include due to a loss of the opportunity to get benefit sales yields ranged between 15-17 million dollars per hectare.

Because of losses due to crop failures, farmers do not get an income and loss of their capital. This is certainly a heavy burden for farmers to fulfill their needs and capital for the next planting season.

Under this Act, the government will also provide compensation for crop failures due to extraordinary events and agriculture insurance. This will help the farmers from disasters. Without all this assistance, farmers can suffer heavy losses in their businesses, both in terms of loss of income and capital shortage for the next planting season.

In addition, in the same Law, Article 15 affirms that the government

is obliged to give priority to domestic agricultural production to meet national food requirements by setting the import of agricultural commodities.

As it is known, the volume of imports of Indonesian agricultural commodities increases every year. The value of Indonesian food imports in 2012 amounted to Rp 80 trillion. In 2013, it was estimated the total value of food imports amounted to Rp 95 trillion (SHnews, 21/10).

In this case, the import policy of agricultural commodities is the authority of the central government. Therefore, the government should consider the conditions of farmers and domestic agriculture. If not, the import policy without being followed by the efforts to support domestic agriculture can threaten the sustainability of agriculture and affect the welfare of farmers in Indonesia.

Poverty reduction efforts in the villages is also shown by the government's commitment to continue the six poverty reduction programs worth USD 56 trillion in 2014.

The programs are Rice for Poor (Raskin), Family Hope Program (PKH), Poor Students Aid (BSM), PNPM Mandiri, People's Business Credit (KUR), and pro-people programs. The pro-people program consists of the low cost house program, clean water program, cheap electricity program, program to improve the lives of fishermen, and programs to improve the lives of the urban poor (Berita Satu, 18/08).

The government has been only providing incentives to farmers in the form of fertilizer subsidies worth Rp 12 trillion this year and next year (Antaranews, 13/11). This value is still less than the needs of farmers. Indeed, for venture capital to farmers, the government is seeking to hold banks to want to provide micro-credit to farmers.

### **The Importance of Policies Synergy**

Based on that explanation, the government has already had a series of relevant policies that comprehensive enough to protect farmers and encourage efforts to alleviate rural poverty. On the other hand, the government still implements a policy that is contradictory and not pro to domestic farmers. Some examples are the food import policy and the small value of fertilizer subsidies.

Therefore, the synergy of policies and programs that exist becomes very important to be able to support the efforts to improve the welfare of farmers in the villages. These policies must be implemented properly and optimally by the central and local governments not just as a concept, but they can improve the welfare of rural communities who live mainly from agriculture.

With the existing policy and synergies between policies, actors and policy makers, the government should be able to fix its policies related to agriculture and farmers in Indonesia. It is also directly or indirectly will assist efforts to reduce poverty in Indonesia.

**- Annas Syaroni –**

*Revamping the agricultural sector, the central government pro-farmer policies and self-development in the rural areas are expected to improve the welfare of farmers.*

## Questioning the Rise of the Spread of HIV/AIDS among Housewives

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Since 1988, every December 1 has been celebrated as the world's AIDS Day. The annual warning aims to remind all parties, government and the public that HIV / AIDS has not become extinct. Evidence that HIV/AIDS is not yet extinct can be seen in the context of Indonesia.

According to the data from the Ministry of Health, in 2012 there were 21,511 cases of HIV and 5,686 people with AIDS. According to the percentage of AIDS cases by risk factors in 1987 until December 2013, cumulatively, the highest risk factors for HIV transmission amongst heterosexuals (58.7 percent): injecting drug users (IDUs) 17.5 percent, perinatal transmission 2.7 percent and homosexuals 2.3 percent.

### **The number of HIV/AIDS cases amongst Housewives**

According to the above risk factors, anyone is at risk of contracting HIV/AIDS. It has then broken the assumption that only sex workers, homosexuals and drug users who are vulnerable to HIV/AIDS.

In other words, the above data indicate a change in the pattern of spread of HIV/AIDS, from the high-risk groups to the general public. Amongst the general community, housewives (IRT) have a fairly large proportion of people with HIV/AIDS.

In some areas, the people with HIV / AIDS are dominated by mothers and housewives. For example, in Jayapura, Papua, in 2011, 58.8 percent of the people with HIV/AIDS were housewives. Meanwhile, in Jakarta, although not dominating, the number of IRTs affected by HIV/AIDS was quite high, around 12 percent of the total cases (Ministry of Health, 2012).

An Integrated Biological and Behavioral Survey (STBP) conducted by the Ministry of Health in 2012 showed that during the period 2007-2011, 81.8 percent of HIV/AIDS spread happened through sexual transmission. From that figure, 72.4 per cent of the cases were experienced by heterosexual actors who became infected through risky sex.

### **The transmissions of HIV/AIDS amongst IRTs**

The definition of risky sex is the sex is vulnerable to disease transmission. The question then is which of these IRTs contracting HIV/AIDS?

Referring back to the STBP survey above, the rate of transmission of HIV/AIDS among high-risk potential males who like to 'buy' sexual services had increased seven-fold. In relation to IRTs, about 70% of men with a high risk status are their husbands. They have put the women or the wives in vulnerable positions.

In other words, high-risk potential men act as the bridge of HIV/AIDS transmission from high-risk populations to the general public, such as the IRTs. There would be more concerns if the IRT have children. Ministry of Health data in 2011 showed that the number of children aged less than 14 affected by HIV/AIDS was also few, as there was as many as 150 cases.

If we look through a feminist perspective, the phenomenon of the rise of the number of IRTs affected by HIV/AIDS is the result of a multi-tier women's vulnerability. Women, in this case the IRTs, whom are affected by HIV/AIDS, do not have equal bargaining power in social lives (the public sphere) and also in the domestic realm - especially how he related with his partner (private sphere).

### **Recommendations**

There are several measures that can be taken to break the chain of transmission of HIV/AIDS to the IRTs. Related to this, the government represented by the Ministry of Health should be the tip of the spearhead.

*First*, at the policy level. The policy should be made in the Ministry of Health to reduce the phenomenon of IRT and children affected by HIV/AIDS is a comprehensive policy ranging from a preventive to a curative treatment for a short-term only.

Another important point that should be the basis or principle in the preparation of any policy related to HIV/AIDS and in the prevention or treatment is generally the IRTs/children affected by HIV/AIDS. The Ministry of Health should also conduct public education so that all the stigma and discrimination against people with HIV/AIDS erode.

*Second*, the Ministry of Health has a lot of programs to avoid being hit by HIV/AIDS, such as counseling, training the vulnerable IRTs, and distributing free condoms, which has created controversy.

The lesson learned from the campaign controversy and the distribution of free condoms is that any action taken should be measured and accepted by all parties, not only by the Ministry of Health's target groups alone, but also by the whole society. Another note on the campaign is the way of delivering and communicating prevention-related messages.

Still within the framework of preventive measures, the dissemination of information amongst IRTs with HIV/AIDS and without HIV/AIDS should also be the theme of gender inequality. Women should be able to negotiate with their partners.

Hopefully, policy programs made by the government in relation to the prevention of HIV/AIDS can be run effectively and efficiently. Women, in this case the IRTs, are generally not people with HIV/AIDS. Meanwhile, the IRTs with HIV/AIDS, are expected to be well educated with the rights, obligations, roles and relationships that they have with their partners.

This is important because on the one hand, women who are already well educated will be able to minimize the chances of contracting various diseases brought by their partners, including HIV/AIDS. On the other hand, the women and their husbands can live as equals in the domestic and the public spheres

Finally, the government's preventive and curative programmes will run efficiently and effectively for the beneficiaries of the program who have already known very well the benefits of these programs. Only with the approach, the number of cases of HIV/AIDS among IRTs can be reduced.

**-Lola Amelia-**

*The issue of HIV / AIDS amongst IRTs is very complex. This is not only because the stigma against persons with HIV/AIDS in the community over the years, but it is also related to the unequal power relations between the IRTs and their husbands, who have become the intermediary for the transmission of HIV/AIDS. Therefore, the approach of all parties and at all levels are essential to break the chain of transmission of HIV/AIDS among IRTs.*



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**TII** aims to become the center for major researches in Indonesia for issues regarding public policy and committed to contribute to debates on public policy and to improve the quality of the creation and results of public policy in the new democratic situation in Indonesia.

**TII's** mission is to conduct researches that are reliable, independent, and nonpartisan, and to channel the researches results to policy makers, the business world, and civilians in order to improve the quality of public policy in Indonesia. **TII** also has the mission to educate the community in policy issues that affect their livelihoods. In other words, **TII** is in a position to support the process of democratization and public policy reform, as well as taking an important and active role in that process.

The scope of the researches and public policy studies conducted by **TII** covers the fields of economics, social, and politics. The main activity conducted in order to reach the vision and mission of **TII** among others are researches, surveys, trainings, working group facilitation, public discussions, public educations, editorial writings (**TII** expression), publications of weekly analysis (*Wacana*), monthly studies (*Update Indonesia*, in Bahasa Indonesia and English) and annual studies (*Indonesia Report*), and public discussion forum (*The Indonesian Forum*).

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## POLITICAL RESEARCH

The consolidating democracy needs direction and guidance in order to realise a strong national political system. In addition, decentralization as part of democratization has created room for more issues in the development of political system in Indonesia. Therefore, political analysis are present for the government, political parties, the business sector and professionals, academics, non-governmental organizations, donors, and civil society to answer recent political issues.

**TII's** Political Research Division provides policy analyses and recommendations in order to produce strategic policies to consolidate democracy and to achieve good governance at the central and local levels. Types of political research offered by TII are: **(1) Public Policy Analyses, (2) Media Monitoring, (3) Mapping & Positioning Research, (4) Needs Assessment Research, (5) Survey Indicators.**

## RESEARCH ON THE SOCIAL AFFAIRS

Social development needs policy foundations that come from independent and accurate research. Social analysis is a need for 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 and children.

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.**

## 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 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 foundation.

**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 with sociological, anthropological, and political approaches in order to produce a more comprehensive academic papers and bills. It is expected that with such a process, the laws and regulations will be produced through such a participatory process, which involves the making of academic papers and bills to also go through process, such as focus group discussion (FGD) which will involve stakeholders related to the laws and regulations that will be discussed.

## RESEARCH ON ECONOMIC AFFAIRS

The economy tends to be used as an indicator of the success of the government as a policy-maker. 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 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.**

## Project or Program Evaluation

One of the activities that have been conducted and offered by TII is a qualitative evaluation on a project or a program of a non-governmental organization or a government agency. Evaluation activities that are offered by TII are a mid-term evaluation and a final evaluation.

As we may already know, evaluation is one of the important stages in the implementation of a project or a program. A mid-term evaluation is intended to see and analyze challenges, lessons learned during the project or the program, and to give recommendations on the implementation of the project or the program. Meanwhile, a final evaluation will be useful to see and analyze the achievements and lessons learned to ensure that all the projects or the program's goals are achieved at the end of the project or program.

## 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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