

The Indonesian Update

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



Main Report:

The 2020 Jakarta Floods: the Impact on Physical and Psychosocial Health

Economics

- The Era of Cheap Interest-Rate? ■
- The 2019 State Budget Examination ■

Legal

- Jiwasraya's Scandal Investigation ■
- Questioning the Position and the Double Professions of the Chairperson of the KPK ■
- Customary Law and Criminal Code Bill ■

Politics

- The Regional Autonomy Dilemma in the North Natuna Sea Case ■
- Looking at the Natuna Disputes between China and Indonesia and between China and ASEAN ■
- Echelon Trimming, A Step Forward or Backward? ■
- The Political Talks on Jakarta Floods on Social Media ■

Social

- As the Tariff Goes Up, Internal Improvements of Health Care and Social Security Agency (BPJS Kesehatan) Need to be Prioritized ■

CONTENTS

FOREWORD	1
MAIN REPORT	
The 2020 Jakarta Floods: the Impact on Physical and Psychosocial Health	3
ECONOMICS	
The Era of Cheap Interest-Rate?	8
The 2019 State Budget Examination	12
LEGAL	
Jiwasraya's Scandal Investigation	16
Questioning the Position and the Double Professions of the Chairperson of the KPK.....	20
Customary Law and Criminal Code Bill	23
POLITICS	
The Regional Autonomy Dilemma in the North Natuna Sea Case	26
Looking at the Natuna Disputes between China and Indonesia and between China and ASEAN	30
Echelon Trimming, A Step Forward or Backward?	34
The Political Talks on Jakarta Floods on Social Media	37
SOCIAL	
As the Tariff Goes Up, Internal Improvements of Health Care and Social Security Agency (BPJS Kesehatan) Need to be Prioritized	41

INSTITUTIONAL PROFILE	44
RESEARCH PROGRAMS, SURVEY AND EVALUATION	46
PUBLIC DISCUSSION	51
TRAINING & WORKING GROUP FACILITATION ...	52

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FOREWORD

The 2020 January edition of the Indonesian Update raises a main report on the floods that hit Jakarta, Bogor, Depok, Tangerang, Bekasi (Jabodetabek) on 1 January 2020. Vulnerability to the physical and psychosocial health impacts of floods requires appropriate coping strategies by stakeholders.

In the economic field, this edition of the Indonesian Update discusses monetary policy that responds to global uncertainty due to the escalation of trade conflicts that continue and are increasingly widespread. Trimming the benchmark interest rate has not yet been responded by national banks. As a result, the dichotomy between the monetary sector and the real sector will always occur. The benchmark interest rate has dropped, but the real sector remains motionless. In addition, we also discuss the 2019 State Budget (APBN), which has received the attention of many parties. The 2019 state budget has again experienced a shortfall. As a result, shortfalls also occur in taxes and have implications for a budget deficit.

In the field of law, we discuss the Jiwasraya scandal. This scandal has caused state losses due to a case of default involving an insurance company, a State-Owned Enterprise (BUMN), PT Asuransi Jiwasraya (Persero). The amount of losses touched a level of Rp. 13.7 trillion as of August 2019, surpassing other BUMN cases. In addition, we also discuss the dual positions and professions of the Chairperson of the KPK. Another topic that is no less interesting is the customary law and the context of the Criminal Code Bill.

In the political field, the Indonesian Update discusses the Natuna dispute between Indonesia and China in terms of domestic and foreign politics. In addition, we discuss President Joko Widodo's plan to simplify the bureaucracy by trimming the echelons. Still about the floods, from a political aspect, we also discuss the Jakarta flood talks on social media.

In the social field, the Indonesian Update raises the increase in BPJS Health contributions, which must be followed by improvements in BPJS Health internally. This is very important to do because the key to improving the implementation of the Health BPJS can only occur if there is an internal and proper restructuring of the BPJS Health.

The monthly publication of the Indonesian Update with actual themes is expected to help policymakers in government and business institutions - as well as academics, think tanks, and elements of civil society, both domestic and foreign, to obtain actual information and contextual analysis of economic conditions, politics, social, and law in Indonesia, as well as an understanding of public policy in Indonesia.

Happy Reading.

The 2020 Jakarta Floods: the Impact on Physical and Psychosocial Health

The residents of DKI Jakarta and its surrounding areas were shocked by massive floods on 1 January 2020. As of 3 January, the National Disaster Preparedness Agency (BNPB) noted that floods hit the areas of DKI Jakarta, West Java, and Banten provinces. There were 182 flood points and 397,171 refugees. The latest data as of January 10, the number of victims reached 61 people.

There have been various discussions about the causes of floods. The big floods that have claimed many lives since 2007 were basically affected by extreme rainfall. As of January 1, rainfall intensity levels even reached 377 mm / day at Halim Perdanakusuma, 355 mm / day in Taman Mini, and 259 mm / day in Jatiasih (*Tirto*, 7/1). The extreme rainy weather was then exacerbated by the lack of water infiltration and green open space, poor drainage, and the phenomenon of unavoidable soil subsidence.

Floods with a height of 20 cm to 2 meters had caused significant losses. Reflecting on the areas affected and the number of refugees, the losses could be seen from the damages to the housing sector, infrastructure, productive economy, social facilities, infrastructure, as well as damage to other facilities (*Bisnis.com*, 2/1). Moreover, the level of flood risks can also be compounded by social vulnerability and inequality, urbanization, and population density (*Doocy et al*, 2013).

The impact on the human aspect of flooding is no less disadvantageous, especially on physical and psychosocial health. As of January 10, BNPB indeed recorded that there were 27,971 people who were still displaced in the three affected areas. This number had decreased significantly in line with the return of residents to their homes. Even so, the problems faced by residents affected by flooding are not yet over. Community vulnerability continues to increase as there are factors exacerbating flood risks.

Recognizing the Impact on Physical and Psychosocial Health

When most residents are recovering from floods through the support of their immediate environment; in fact, the impact on health, social relations and well-being is still haunting. No doubt, the flood disaster also brings substantial problems in the aspects of physical and psychosocial health that will continue for quite a long period (*Stanke et al, 2012*). In this situation, floods test the psychosocial resilience of residents “most affected by flooding”.

Before entering into this complexity, flood basically raises various physical health problems. According to the World Health Organization (WHO), floods cause various diseases spread by water, such as infections, dermatitis, conjunctivitis, ENT infections, and infectious epidemic diseases carried by the Leptospirosis virus. Not to mention, the disease spread by vectors has the potential to cause both malaria and dengue fever.

To deal with these physical health problems, the Ministry of Health (MoH) fielded 14,000 health workers in three flood-affected areas; namely, DKI Jakarta, West Java and Banten provinces (*Kompas.com, 7/1*). Working together with the local Health Office (Dinkes), the deployment of health workers was carried out to ensure the fulfillment of refugee nutrition and to anticipate various diseases caused by flooding.

According to the DKI Jakarta Health Office, the refugees have begun complaining about various diseases. As of January 6, the local health office has served 12,640 residents affected by flooding at refugee health service posts. Complaints made by residents were musculoskeletal (3,071 residents), ARI (2,952 residents), ringworm (2,119 residents) and hypertension (1,146 residents). Other diseases were gastritis (956 residents), fever (748 residents), acute diarrhea (620 residents), injuries / trauma (288 residents), and oral toothache (124 residents) (*Republika, 7/1*).

According to the Ministry of Health Crisis Center, as of January 5, children face greater vulnerability to various diseases above. Of the 11,474 residents affected and displaced by the floods, there were 201 babies, 2,041 infants, and 1,487 children who faced various vulnerabilities to various diseases, especially endemic diseases in the flood disaster (*Merdeka.com, 8/1*). Regarding this sub-group, Doocy et al (2013) also revealed that the elderly and children sub-groups face higher risks, including the risk of death.

Still closely related to the health problems above, the number of complaints on psychosocial aspects also emerged. Injury / trauma was one of the problems that were successfully recorded. In a

study by Asim et al (2019), the diagnosis of the psychological problems most often encountered in floods are indeed post-traumatic stress disorder (PTSD), then followed by anxiety and depression. Predisposing factors that affect a person's susceptibility to experiencing PTSD are characterized by characteristics, such as certain age sub-groups (elderly and children), gender, socio-economic status, mental health issues that are being experienced before, and the post-disaster economic crisis .

To deal with the magnitude of the above issues, the Ministry of Social Affairs (Kemensos) stated that psychosocial support services were provided to flood-affected residents in DKI Jakarta. Based on the Ministry of Social mapping, psychosocial support services are provided to refugees in various areas in DKI Jakarta as follows:

Table 1. Psychosocial Assistance Services Affected by DKI Jakarta Flood 2020

No.	Region	Number of Refugees	Number of Objectives for Psychosocial Assistance
1	Central Jakarta	960 Inhabitants	220 Children and mothers, 65 elderly people
2	South Jakarta	18.859 Inhabitants	320 mothers and children
3	West Jakarta	16.000 Inhabitants	500 mothers and children
4	East Jakarta	3.324 Inhabitants	900 mothers and children
5	North Jakarta	-	20 Children

Source: Ministry of Social Affairs (*Compiled from Antaranews, 7/1*).

The table above also implies that the residents affected by the floods who were targeted by psychosocial assistance were women and children. According to Elaine Enarson (2002), women are often the most victims in natural disasters. The risks of psychological disorders are even greater in women when natural disasters occur (*Shoostari et al, 2018*).

In another article, there are several factors underlying the vulnerability of women during disasters. Qualitative study conducted by Shoostari et al (2017) shows that there are at least three main reasons; namely, physiological reasons (hormonal factors, emotional and low physical capabilities), social reasons (weak social roles, low social support, social roles and beliefs, value conflicts,

patriarchal culture, socio-economic status and literacy, rules / laws and religion), and psychological reasons (mental disorders, emotions and maternal conditions).

From these three reasons, psychological reasons become very significant followed by two other reasons. In addition, women experience greater vulnerability to experience physical and sexual violence, diseases and other psychological trauma post-disaster than men. Thus, more women need the right strategy to improve the psychological conditions experienced.

Furthermore, there are several factors that actually worsen mental health consequences in flood situations. The duration of the flood, recovery from economic and social consequences, and emotional stress are things to be considered (*Walker-Springett, Butler, Adger, 2017*).

Moreover, the long-term impact on the well-being of each individual experiencing flooding continues to haunt for a period of time (*Walker-Springett, Butler, Adger, 2017*). It can also be encouraged by the additional stressors that emerge after the disaster. Psychological assistance or flood resilience measures may help, but only partially address the emotional difficulties caused by various things after the flood.

Analysis of the factors underlying flood-affected residents experiencing vulnerability of mental problems is needed. Factors that must be identified include the influence of the functioning of the early warning system that runs, the process of disaster evacuation, a sense of helplessness due to loss of family members and shelter, lack of community support, pressure to return or build a house, and the risk of flooding in the future.

In flood-prone communities, such as the Jabodetabek area (Jakarta, Bogor, Depok, Tangerang and Bekasi), the importance of seeing risks that threaten mental health needs to be considered and become an inseparable part of disaster resilience development in the community. Moreover, in the Jabodetabek context, vulnerability to these issues needs greater attention.

Recommendations

The flood disaster earlier this year did draw the attention of various parties. Various conversations have been trying to provide the best solution to overcome the floods and to reduce material losses. However, more than that, the flood disaster also has a large impact on the human aspects. Thus, these conditions require steps to reduce vulnerability and strengthen flood resistance in the future.

In general, the thing that needs attention is how to make clear data

collection and mapping efforts related to flood affected residents. Data presented by the Ministry of Social Affairs in relation to the number of psychosocial assistance targets based on the number of refugees in DKI Jakarta can be used as a mapping reference based on gender and age groups.

The data can be replicated in physical health aspects to find out the age and gender sub-groups most affected by floods so that they can find out appropriate coping strategies, including how to ensure priority access to health services and to provide safe space for children and women in refugee camps and health posts .

In addition, efforts to deliver psychosocial assistance have indeed become a significant step. In line with the previous analysis, post-disaster mental health problems in fact have a certain complexity, which results in temporal mentoring strategies that only help partially.

However, learning from the experience of flood-affected residents, vulnerability to mental health problems lasts for quite a long period of time. Under these conditions, the psychosocial assistance provided must also ensure recovery strategies that can help flood affected people in the long term, especially by further analyzing the factors that underlie these psychological vulnerabilities to the mental health impacts.

By ensuring this, emergency response and mental health interventions from community social support and related institutions will lead to strategies that are needed by the community.

- Nopitri Wahyuni -

Vulnerability to the physical and psychosocial health effects of floods requires appropriate coping strategies.

The Era of Cheap Interest-Rate?

The turbulence in the world economy is still not over. The escalation of trade conflicts continues to increase and to increasingly widespread globally. Evidently, the United States' (US) trade conflict with China has increasingly challenged world economic growth in Quarter III-2019, making it touch an average rate of only 3.0 percent (*World Bank, 2019*).

It does not stop there. The dynamics have also resulted in decreased investment and decreased spending. The conditions have caused the economies of countries in the world to also grow below expectations, including Indonesia. During 2019, Indonesia's economic growth stagnated at a level of 5 percent. The data from the Central Statistics Agency (2019) also showed that Indonesia's economic growth in the third quarter of 2019 yesterday still grew slowly at a level of 5.02 percent (year on year / yoy).

World Response

Responding to these conditions, central banks of the countries in the world have adopted monetary policies to spur economic growth in their respective countries. First, the European Central Bank (ECB) has not charged interest rates for a long time. At present, the ECB benchmark interest rates are 0.00 percent for major refinancing operations and 0.25 percent for marginal loans.

In addition, the Bank of Japan (BoJ) has also set its benchmark interest rate at the level of -0.10 percent. In the Asian region, the State Bank of Malaysia (BNM), the Reserve Bank of Australia (RBA), the Reserve Bank of India (RBI), have cut the reference rate by 25 basis points (bps) (*Investor Daily, 2019*).

The US Federal Reserve (The Federal Reserve) had also cut interest rates again in October last year by 25 bps to around 1.5 percent (from 1.75 percent). The cut by the Federal Open Market Commit-

tee (FOMC) was the third in four months. This step was expected to stem the effects of the US-China trade war and a slowdown in the global economy that is pressing the country's economy.

Conditions in the Country

In Indonesia, the long wait of almost a year had ended already. Bank Indonesia (BI) cut the BI 7-day reverse repo rate by 25 basis points 4 times in a row (100 bps) since July 2019 to 5.00 percent in October 2019. The deposit rates also fell to 4.25 percent, and the Lending Facility interest rates fell to 5.75 percent (*CNBC, 2019*).

The BI level repo rate of 5.00 percent is claimed to be able to encourage the BI intermediary function more optimally. In the BI logic, cutting the benchmark interest rates will reduce the deposit interest rate, which then suppressing lending rates. As a result, the demand for credits will flow to support efforts to accelerate national economic recovery.

From a theoretical perspective, the decline in the BI repo rate as a reference interest rate would certainly be a reference in determining bank interest rates. However, practically, the effectiveness of reducing the BI repo rate in suppressing bank interest rates is highly dependent on the degree of interest rate pass-through (*Kuncoro, 2017*).

The above thesis is also supported by the fact that the trimming of the benchmark interest rate until October 2019 has not been responded by banks. According to the records, commercial bank lending rates for investment loans only fell 13 bps to 10.11 percent. Likewise, lending rates for working capital only fell 10 bps to 10.29 percent, and consumer credit interest rates only fell 4 bps to 11.53 percent as of September 2019 yesterday (*Katadata.co.id, 2019*).

A reduction in lending rates that is much smaller than the BI repo rate cut indicates that the room for cutting lending rates is still open. The above facts also show that the degree of pass-through to lower interest rates is not perfect. Changes in the BI repo rate have not been necessarily responded in proportion by changes in bank interest rates. That means the national banking sector still experiences the rigidity of interest rates.

The persistence of interest rates has a further effect on the speed of adjustment. If the degree of pass-through is not perfect, the dead-

line for changes in the BI repo rate by adjusting bank interest rates is longer so that the impact is not immediately felt. Banks tend to choose 'to play pretty', not to rush to cut interest rates in the face of a decline in the BI repo rate.

However, when the BI repo rate rises, banks 'play offensively' immediately, increasing the interest rates (pass-through degrees are perfect). The economic crisis of 1997–1998, when the interest rate of banks reached a level of 60 percent, was clear evidence of this asymmetric behavior (*Kuncoro, 2017*).

As a result, the dichotomy between the monetary sector and the real sector will always occur, even though the benchmark interest rates have fallen. However, the real sector is still not moving because the degree of pass-through does not work perfectly when there is a cut in the benchmark rates by BI.

Recommendations

From a micro perspective, banking decisions in setting interest rates are also influenced by various determinants; for example, transaction costs, inflation risks, depreciation, and especially the characteristics of the debtor (*Boediono, 1980*).

Inflation risks are calculated to maintain the real interest rates enjoyed by banks. Depression risks are considered as a lost opportunity (opportunity costs) if the funds channeled to the domestic debtor are lent to other parties in foreign currency denominations.

Risks involving the debtor profile are commonly known by the 5C principle (character, capacity, capital, collateral, and condition of the economy). All these risks are borne by the debtor as a premium that forms a high-interest rate to avoid bad credit.

With this problematic scheme, banks can actually reduce interest rates if there is an increase in efficiency, especially lower transaction costs. In essence, banks can still enjoy margins (the difference between loan and deposit rates) without being pushed in advance by cutting the BI repo rates.

Improving banking efficiency is not an easy task. The obstacle is the structure of the banking industry that is still oligopolistic. That means efforts to improve national banking efficiency must be spearheaded by several large banks as benchmarks for small and medium scale banks.

As a result, to accelerate the impact of the decline in the benchmark rate, there should be an increase in banking efficiency, changes in industrial structure, and improvement in national macroeconomic fundamentals. That way, the era of cheap interest rates can be immediately felt by the real sector and can push forward the stagnant pace of economic growth in Indonesia.

- M. Rifki Fadilah -

Trimming the benchmark interest rate has not yet been responded by national banks. As a result, the dichotomy between the monetary sector and the real sector will always occur. The benchmark interest rate has dropped, but the real sector remains motionless.

The 2019 State Budget Examination

The State Budget (APBN) in 2019 received the attention of many parties. According to the Ministry of Finance (MoF), the realization of tax revenue during 2019 only reached Rp1.332.1 trillion, or 84.4 percent of the 2019 APBN target. Thus, tax revenue only grew 1.4 percent compared to that in the previous year, having a shortfall count of Rp245.5 trillion. Allegedly this has become the biggest shortfall in the last 3 years.

By definition, a shortfall is a condition when the realization is lower than the target set in the APBN or APBN Amendment (APBN-P). In the context of tax revenue, a shortfall often occurs when the realization of tax revenue in one year is less than the tax revenue target.

As a result, a tax shortfall can have implications for budget deficits, or state spending that exceeds revenue. Indonesia's budget deficit reached IDR 353 trillion in 2019. The deficit reached 2.2 percent of the Gross Domestic Product (GDP), not fulfilling the target set at 1.8 percent of GDP.

Shortfall ghosts

Speaking of tax shortfall, in fact this is not a new problem experienced by Indonesia. According to records compiled from the Ministry of Finance, it has been almost 10 years that Indonesia has continued to experience a shortfall with a magnitude of Rp100-250 trillion each year.

For example, in 2018, the realization of the 2018 APBN tax revenue targeted at Rp1,424 trillion could only be realized at Rp1,315.9 trillion, or a shortfall of Rp108 trillion. Consequently, the budget deficit was 1.72 percent of GDP. Previously, from the target of IDR 1,283 trillion in 2017, it was only reached IDR 1,147 trillion with a shortfall of IDR136 trillion and a deficit of 2.57 percent of GDP. And in 2016,

from the initial target of Rp1,539 trillion, it was only able to realize a total of Rp1,283 trillion, with a shortfall of Rp256 trillion and a deficit of 2.46 percent of GDP.

As explained above, the tax shortfall will make the Indonesian APBN model continue to use the deficit budget model scheme. In theory, the way to close the deficit is through the debt mechanism. Thus, the greater the tax shortfall, the greater the budget deficit, and the greater the burden of the budget to pay debt and interest installments.

Debts (Again)

According to the notes of the Ministry of Finance (2019), the position of government debts as of the end of October 2019 was at Rp4,756.13 trillion. This debt ratio reached 29.87 percent of GDP. Debt position increased by Rp55.85 trillion from Rp4,700.28 trillion, with a debt to GDP ratio of 29.72 in September 2019.

For the November 2019 APBN, which released the realization of the State Budget as of October 2019, the debts originated from loans and Government Securities. Loans amounted to IDR771.54 trillion, consisting of domestic loans of IDR7.38 trillion and foreign loans of IDR764.16 trillion. Then, the Government Securities (SBN) amounted to Rp3,984.59 trillion (*Bisnis.com, 2019*).

Theoretically, to get domestic and foreign loans, the government circulates state debt securities (SUN). Selling SUN in the country has the potential to increase the tension over the struggle for liquidity between the public sector and the private sector, so it can cause a crowding out effect and hamper the realization of the single digit loan interest rate target. The choice to issue SUNs abroad also offers additional risks that are not easy. Sensitivity to the returns of other financial assets abroad is strong enough to encourage the escape of foreign funds abroad (*Kuncoro, 2017*).

For the government, the above reality raises its own problems. On the one hand, the government must install high interest rates so that investors are willing to hold SUNs. On the other hand, high SUN interest rates result in payment charges when the SUNs are due later on.

In fact, the basic problems revolve around a tax shortfall include insufficiency to sustain spending, a deficit covered by debt, and the limited ability of capital expenditure requires investor involvement.

Ultimately, default risks become a disincentive for investors to participate in financing infrastructure and strategic projects.

Reflecting on the experience so far, consistency in carrying out the discipline of fiscal policy absolutely must be prioritized. The government needs to ensure that projects funded by SUN must be able to stimulate the economy. The output is an increase in economic capacity to create revenue.

Of course, we understand that this shortfall in tax revenue hampers economic performance. A shortfall creates a deficit that inevitably has to be patched with debt. In fact, if all the total targets are reached, or there is no shortfall, then our economy will be in fairly good conditions. However, that is the challenge that requires various struggles to solve it.

Recommendations

To overcome the shortfall that continues to haunt Indonesia, the following are some recommendations that can be made by relevant stakeholders. *First*, to accelerate the tax relief policy process and the omnibus law draft related to tax provisions to strengthen the economy; for example, through adjusting the income tax rate (PPH) for the Agency from 25 percent to 22 percent in 2020, 22 percent for the period 2021-2022, and 20 percent for in 2023.

With this reduction in PPh rates, it will encourage companies to expand their business from a portion of un-taxed profits. Thus, the greater the profits obtained, the greater the portion of tax contributions that the state will receive.

Second, tax relaxation strategies through the tax system, such as tax holidays, need to increase tax revenue and encourage public participation in economic (business) activities. Relaxation is exchanged for community participation in driving the economy. Tax relaxation is provided as long as the taxpayer carries out activities required by the government in certain sectors, types, locations, and / or economic values.

Third, the government needs to encourage business sectors that bring in large tax revenues, such as the food-beverage industry, UKM / IKM, the export-oriented automotive industry, and the natural resource processing industry to get domestic added value. In addition, as an intensification effort, the government needs to improve tax compliance that has resulted in this year's tax revenue target not being achieved. Some of them are income tax and the

tax of purchase of luxury goods that have been lowered in mid-2019 through the Minister of Finance Regulation No. 92 of 2019.

- M. Rifki Fadilah -

The 2019 state budget has again experienced a shortfall. As a result, tax shortfall can have implications for budget deficits. Theoretically, the way to close the deficit is through the debt mechanism. Thus, the greater the tax shortfall, the greater the budget deficit, and the greater the burden of the budget to pay debt and interest installments.

Jiwasraya's Scandal Investigation

l due to failures to pay by a State-Owned Enterprise (BUMN), PT Asuransi Jiwasraya (Persero). The number of losses touched a level of Rp. 13.7 trillion per August 2019 (*financial.kontan.co.id*, 12/18/2019).

The amount is the highest state loss level, compared to the other mega corruption cases. For example, the e-KTP corruption case involved Rp2.3 trillion (*national.kompas.com*, 01/03/2018), BLBI Rp 4.58 trillion (*kumparan.com*, 6/10/2019), and Century Bank Rp 7.4 trillion (*nasional.kompas.com*, 3/20/2014).

Interestingly, the amount revealed by the Attorney General, S.T. Burhanuddin was still a preliminary estimate. The amount is predicted to continue to grow along with the investigation process that has been going on since 17 December 2019, based on the Investigation Order Print-33 / F.2 / Fd.2 / 12/2019 (*nasional.kompas.com*, 12/19/2019).

Various questions about these fantastic numbers, of course, have suddenly burst to the surface. The questions include when this thing started, where the flow of funds was directed, who were the perpetrators, and who was responsible for all these losses. These questions involve the responsibilities of different government agencies

Jokowi or Susilo Bambang Yudhoyono?

As seen on one occasion, President Joko Widodo (Jokowi) responded to this problem by stating that Jiwasraya's financial problems had been going on for a long time since 10 years ago (*cnnindonesia.com*, 12/18/2019). This statement was further supported by Minister of SOEs 2019-2024 Erick Thohir, who stated that the financial problems had occurred at least starting in 2006, and continued to increase into 2011 (*cnbcindonesia.com*, 12/18/2019).

Former President of the Republic of Indonesia for the period of 2004-2009 and 2009-2014, Susilo Bambang Yudhiono (SBY), immediately spoke up. Through his staff, he stated that the people also knew that the Jiwasraya crisis had been occurring in the last two years, or 2018-2019. But he continued that if no one wanted to be responsible, he would be willing to accept the blame (*nasional.kompas.com*, 12/27/2019).

The Deputy Secretary-General of the Democratic Party, Didi Irawadi, on a separate occasion tried to clarify SBY's statement. He stated that Jiwasraya's peak could be known to be in 2018 and 2019. He even said that this problem coincided with the simultaneous general elections in 2019. He said Jiwasraya had asked for a bailout of Rp32 trillion towards that period (*nasional.kompas.com*, 12/29/2019).

More about Jiwasraya's Finances

Apart from political intrigue between Jokowi, SBY, and their supporting parties, the Jiwasraya financial the deficit was revealed when it failed to pay the Jiwasraya Saving Plan (JS Saving Plan) and JS Protection Plan policy claims due in October- December 2019, with a nominal value of Rp12.4 trillion. This was caused by liquidity pressures that occurred because the previous management of Jiwasraya placed investments in stock portfolios and mutual fund shares with poor underlying stocks (*CNNIndonesia.com*, 12/23/2019).

The term liquidity can be understood as the ability of a company to fulfill its financial obligations that must be fulfilled immediately, or the company's ability to meet financial obligations when billed (*Munawir, 2007*). Continuing the discussion above, in its development, it is known that according to the latest audit results from the Audit Board (BPK) and the Attorney General's Office, Jiwasraya was proven to place investments through the activities of "fried shares mutual funds", which involved low quality and high-risk stocks and mutual funds (*money.kompas.com*, 8/01).

The term fried stocks can be understood simply as company stocks whose price increases are out of the ordinary, because their movements are being engineered by certain market participants with specific interests (*cnbcindonesia.com 2/01*). This understanding is seen in Burhanuddin's previous explanations that the previous Jiwasraya often put 22.4% investment funds, or IDR5.7 trillion, in a the stock basket then placed 95% of its funds in the choice of bad

stocks. Meanwhile, shares with good performance were only at a level of 5% (*cnnindonesia.com*, 12/23/2019).

Not only that, for the sake of pursuing high profits, 98% of investment funds in mutual funds, or valued at Rp14.9 trillion were entrusted to investment management companies with poor performance. As for the rest, it was not much different from other fund managers. Only 2% that was managed by the investment manager companies with good performance (*cnnindonesia.com*, 12/23/2019).

As a result, the equity (ownership in money) of the company owned by Jiwasraya also inevitably plummeted. Burhanuddin said that the equity was recorded negative at Rp23.92 trillion as of September 2019. That is why Jiwasraya then needed funds of Rp32.89 trillion to meet the solvency ratio, or debt repayment ability based on Risk-Based Capital (RBC) of 120% (*cnnindonesia.com*, 12/23/2019).

The Legal Consequences of Jiwasraya's Losses

Of course, with indications as explained, the perpetrators behind all the losses will certainly be anticipated and charged with various articles in various realms of law. In addition to being charged with a corruption article, the perpetrators or Jiwasraya's are also very likely to be sued civilly because they have broken their promises, in accordance with the provisions of Article 1243 of the Civil Code or *Burgelijk Wetboek*, both by individuals and by the state.

The losses incurred are certainly not only in the form of state losses but also in individual losses to the JS Saving Plan and JS Protection Plan policy customers, as well as by the state as the largest shareholder in a state-owned company. Therefore, the limited liability theory in this case, of course, spontaneously also does not apply due to the active "piercing the corporate veil" doctrine.

This is marked by the fiduciary duty (duty of trust) and violation of the provisions of the legislation. The management was not based on good faith and the principle of prudence, by Article 97 paragraph (5) letter b of Law Number 40/2007 on Limited Liability Company. The act of placing investment through the activities of "fried shares" clearly violated the provisions of Article 90 of Law Number 8/1995 on the Capital Market, which resulted in capital market criminal offenses that are punishable by imprisonment for a maximum of 10 years and a maximum fine of Rp15 billion according to Article 104.

As is known, the article is related to the prohibition directly or indirectly by various parties in securities trading activities to commit

fraud or trick other parties using any means and or means and to participate in deceiving or tricking other parties. This also includes making untrue statements about material facts, or not disclosing material facts, so that statements made are not misleading about the circumstances that occur when statements are made with the intent to benefit, to avoid harm to themselves or other parties, and to influence other parties to buy or sell securities.

Finally, as a recommendation, the AGO together with other stakeholders, such as BPK and of course the KPK, need to work together to investigate this case thoroughly. Sectoral ego or silo mentality across sectors of law enforcement must be put aside. This case, of course, has its complexity and difficulty that comes out of conventional crime standards. If it is allowed to drag on, it will certainly erode the level of investor confidence in Indonesia, along with the weak assurance of certainty and law enforcement in this field.

The Prosecutors' Office, together with other stakeholders, such as the BPK and of course the KPK, need to work together to fully investigate this case. Sectoral ego or silo mentality across sectors of law enforcement must be put aside This case, of course, has its own complexity and difficulty that comes out of conventional crime standards.

- **Muhammad Aulia Y Guzasiah** -

Questioning the Position and the Double Professions of the Chairperson of the KPK

On December 20, 2019, President Joko Widodo installed several leaders of the Corruption Eradication Commission (KPK). The five leaders inaugurated that day included Firli Bahuri, who had previously been appointed as Chairman, and Alexander Marwata, Nurul Ghufron, Nawawi Pomolongo, and Lili Pantauli Siregar, as Deputy Chairs.

Interestingly, problematic track records can be found in almost every profile of the five leaders. These include non-compliance in submitting the Report on the State Assets (LHKPN), supporting the Revision of the KPK Law that is considered problematic, did not meet the age requirement for the inauguration of the revision of the Law, and being involved in cases of serious violations of the code of ethics (*national.tempo.co*, 12/31/2019).

The last mentioned track record is the track record that had been carried out by the current-elected KPK chairperson. Because of that, he has become one of prospective leaders who had managed to get selection results from the Presidential Selection Committee. This has been immediately highlighted and disputed by some civil society coalitions, including KPK's staff organization.

There was no exception to the case of his inauguration, where he was appointed with professional status and was still active in the Police. Even a month earlier, or precisely dated 19 November 2019, he was still inaugurated as the Head of the Republic of Indonesia's National Police Security Maintenance Agency (Kabaharkam Polri) (*national.kompas.com*, 11/19/2019).

The Problems of Managing Multiple Positions and Professions for KPK Leaders

At this point, Firli as the elected KPK Chairperson reaped polemics. How can there be a person who holds the control over an independent state institution, while he is still bound and holds the position of another agency? Moreover, this will become increasingly absurd, if the institution referred to is an agency that often has conflicts and problems with the KPK itself.

In the latest KPK Law, or Law No. 19/2019, as well as in the previous KPK Law, or Law No. 30/2002, arrangements related to dual professionalisms are indeed not specifically regulated. It can be noted in Article 29 letter j, a person who wishes to propose him or herself as a candidate for KPK leadership, is only required to not carry out his or her profession while serving as a KPK member.

This means that this provision only requires a person to be inactive or not carry out his or her profession for a while until the determined service period has ended. While on the other hand, other prerequisites indirectly have relevance as the limitation. Among them is that he or she may not become an administrator of a political party and relinquish structural positions and/or other positions while serving as a KPK member. This arrangement is clearly stated in Article 29 letter h and the letter i of Law No. 19/2019.

The Moral Hazard Facing the Chair of the Independent State Institution

The provisions, as described above, certainly do not mean spontaneously justifying the case of Firli's inauguration. Although in its development, this was denied by the Coordinating Minister for Political, Legal and Security Affairs, Mahfud MD that the person concerned had relinquished his previous position and is now a non-active member of the police force (*mediaindonesia.com*, 12/27/2019).

Similar to Firli himself, on a separate occasion he confirmed that the last position he held (Kabaharkam Polri Head), had been handed over by the Chief of Police to the Police Commissioner General Drs. Agus Andriyanto, dated December 19, 2019 (*tirto.id*, 12/27/2019). Even so, he is still part of the National Police institution, which of course will indirectly impact and touch on the independence of the KPK.

It is thus understandable, that what is feared in this context is nothing but a matter of independence. Although by law this does not become a limitation on the requirements for submission, but if you

look at the workings of the KPK, which is an Independent State Institution, it is clear that the issue of professional the status will be a crucial issue that is prone to conflict of interests.

Do not let the KPK's performance in the future tend to be no longer independent, considering that one of its leaders is still bound by one of the other state agencies. Especially if it is related to the previous description that the agency concerned is none other than the an agency that has main tasks and functions that are almost tangent to each other, and it is not uncommon to see frequent conflicts and are not in line with the work of the KPK in the previous period.

Although it is complicated to expect that from the elected chairman, who is known to have been troubled and has been rejected since the beginning, this is the moral hazard of the the leadership of the Independent State Institution that needs to be known. Although by law this is not a problem, it would be wise to step out and resign from the previous agency.

The mere non-active status certainly does not help enough to clear up the negative stigma and public doubts about the current KPK leadership. This is also needed by the parties concerned, if they want to prove that they are indeed worthy and intend to carry out the agenda of eradicating corruption professionally, without regard to the interests of any institution.

- Muhammad Aulia Y Guzasiah -

Although it is complicated to expect independence and professionalism from the chairperson of Golkar, who is known to have been troubled and has been rejected from the beginning, this is the moral hazard of the leadership of the Independent State Institution that needs to be known. Although by law this is not a problem, it would be wise to step out and resign from the previous agency.

Customary Law and Criminal Code Bill

Long efforts to renew the Criminal Code (KUHP) have been going on since 70 years ago. However, the drafting processes of the Criminal Code (RUU), which will replace the Criminal Code from the Dutch era, have even sparked polemics.

Some controversial articles in the Criminal Code Bill, which was supposed to be passed on Tuesday (*Tempo*, 9/23), had forced the government to postpone its passing. Some of the articles in the spotlight regulate adat (customary) laws. Many people think that the Criminal Code in the future will create over criminalization.

Article 2 paragraph (1) of the Criminal Code Bill reads “The provisions referred to in Article 1 paragraph (1) do not reduce laws prevailing in the community, which determine that a person should be convicted even though such acts are not regulated in this Law.”

The Criminal Code Bill above does not provide an explanation related to restrictions for someone who violates the laws prevailing in the community. There is a strict definition and scope of “prevailing laws”. What is meant by “acts not regulated in the Act”.

The Affirmations of Customary Laws in RUU KUHP

According to Mohd. Din (2010), the Indonesian people have had their own laws over a long period of time. Thus, the existence of the Criminal Code as the parent of criminal law in reality does not necessarily eliminate customary law.

The laws that prevail in the community or customary laws will constantly change over time. This shows that the laws have their dynamic characteristics. Therefore, customary laws still exist and in certain cases are felt to be very effective in resolving social problems.

The recognition of customary laws has been included into the amendments to the 1945 Constitution (UUD 1945) Article 18 B and

Article 25 of Law Number 4 of 2004, on Judicial Power and several related jurisprudence. The government's idea to crystallize customary laws is the spirit in fulfilling the need for moral ideals, law, justice, and recognition of customary laws in criminal law in Indonesia.

Pairing criminal law with customary laws into one roof is not easy. The principle of legality has been the spirit in criminal law and the basis of criminal acts. However, the implementation of the principle of legality in the Criminal Code Bill implicitly recognizes the laws that prevail in the society. In the future, the Criminal Code will also apply to violators of customary laws, or the laws that prevail in the community.

It should be remembered that in criminal law there is a reason for criminal abolition. According to Prof. Eddy O.S. (2016), in criminal law in Indonesia, criminal acts and criminal liability are strictly separated. Criminal acts only cover the prohibition of a criminal act, whereas criminal liability covers whether or not a criminal is responsible as a perpetrator.

On that basis, if it is formulated, it does not mean that all violations of the laws that prevail in the society can result in arbitrary criminal conducts. There are reasons for the abolition of criminal acts, which are called justification reasons, reasons for forgiveness, and reasons for abolishing prosecution.

In the justification, the perpetrator's actions must still be questioned to see whether the act meets the element of offense or not. On the grounds of forgiveness, it is still questionable whether the offender can be held responsible or not. The reason for removing the prosecution is usually talking about the deed or the culprit. However, there are exceptions that are explicitly formulated so that there is no criminal prosecution.

Relating to Situations and Conditions

The conflict between customary laws and KHUP can be seen in the example of the case that occurred in the Naoulu tribe in the Mangayau tradition. The Mangayau tradition is the tradition of beheading to determine a man who is considered an adult. Naoulu tribe itself is a tribe that is still isolated in Central Maluku Regency. The Noaulu are seen as a primitive group of people. There is even an unwillingness of outsiders to enter and mingle with the Noaulu tribal community (*Thaufik Amirullah, et al, 2014*).

The Mangayau tradition in criminal law is categorized as premeditated murder. The act is subject to sanctions in accordance with article 340 in conjunction with article 55 paragraph 1-1 of the Criminal Code. This can be seen in the case of Decision Number 87 / Pid.B / 2005 / PN.Msh, where there were three Naoulu Tribe people who were sentenced to death by the Masohi District Court judges (Thaufik Amirullah, et al, 2014).

Referring to the Criminal Code Bill (Article 12 paragraphs (2) and (3) jo. Article 35) on criminal liability, if the act or function meets the element of offense but does not conflict with the sense of justice in the community, then the act cannot be convicted. This is certainly different from the current KHUP in force. The Criminal Code Bill is expected to be more progressive and can accommodate the laws that prevail in the community, including customary laws.

Seeing the case of the Mangayau tradition through the lens of the Criminal Code Bill, there are reasons to justify, because the defendants are still isolated from indigenous groups. They do not know of any positive Indonesian laws regulating murders. In essence, the defendants only carry on the traditions of ancestors believed in the Noaulu Tribe.

Closing

There are still customary laws that are contrary to criminal law in Indonesia. This has become homework for law enforcement officials to be able to disseminate information on positive law to tribes that are still isolated. Thus, cases like this do not happen again in the future.

Furthermore, the important thing to do is to encourage the panel of judges to decide cases related to customary issues to consider the values of customary laws, in accordance with the Criminal Code Bill that will be passed in the future.

- Farhana Nabila Hanifah (Intern of Law Affairs) -

The application of Customary Laws after the RUU KUHP is promulgated must be understood contextually. In addition, it is important for law enforcement officials to disseminate information on positive law to isolated tribes. This is very important to ensure that laws are upheld to protect human rights and provide justice without discrimination.

The Regional Autonomy Dilemma in the North Natuna Sea Case

The Illegal, Unregulated, and Unreported Fishing (IUUF) polemics in the North Natuna Sea have been heavily discussed, with a great focus on the issue of sovereignty. The exposure of the news has been focusing on the government's response, both from Indonesia and from the Chinese Embassy (*tirto.id*, 4/1; *cncindonesia.com*, 7/1).

The Regional Government of the Regency (Pemkab) Natuna itself has also spoken up, but the coverage was not central to the IUUF issue, which has been highly debated. This is because the authorities of the regencies, including Pemkab Natuna, do not include managing the sea, as stated in the previous regional autonomy law.

Maritime Affairs and Regency Government

The regional autonomy regulation that applied through Law Number 23/2014 on Regional Government (UU Otda) had different points relating to maritime affairs. At first, the sea became one of the governmental affairs for regencies and municipalities that have a potential in the field of maritime and fisheries.

This was stated in Law Number 32/2004 as the previous UU Otda. It was explained there that regencies and municipalities had the authority to take care of the sea as much as 1/3 of the total sea area managed by the province. Because the province's jurisdiction in managing maritime resources was 12 miles from the coastline, 0 to 4 miles was an area that could be managed by the regencies or municipalities.

In the new UU Otda, the authority is then pulled entirely to the provincial level, so that maritime affairs are only carried out jointly between the Central Government and the Provincial Government (Pemprov), with a proportion of authority of 70 percent for the Cen-

tral Government and 30 percent for the Pemprov. The current UU Otda, through Article 27 paragraph (1) to paragraph (5), provides those management authorities, from the exploration of marine resources to participation in maintaining sovereignty. The position of the provincial level government strengthens, when the regencies or municipalities are no longer involved with maritime affairs.

Under these conditions, poaching or pirate fishing activities that occur in the North Natuna Sea have finally been responded by the Regent and Deputy Regent of Natuna by proposing to change Natuna Regency into a new province (*kompas.com*, 8/1; *detik.com*, 4/1) .

The two regional leaders have said that the change of Natuna into a province will bring authority and simultaneously open the steps for the regional government in the Natuna region to take care of the surrounding sea.

However, the formation of a new autonomous region (DOB) at the provincial level as the ultimate solution to the problem of Natuna's sea management must also be questioned as to its plausibility. In the "20 Year Reflection on the Implementation of Regional Autonomy", which was carried out by the National Development Planning Agency (Bappenas), Deputy for Policy Studies and Administrative Innovation of the State Administration Agency (LAN), Tri Widodo Wahyu Utomo, noted that regions still had low personnel quality, performance, and productivity. The figure he said reached 34.57 percent. The urgency of regional government expansion in the case of the IUFF in the North Natuna Sea then needs to be thoroughly reviewed, because the personnel factor as a machine that runs the government in the region still has several notes for a local governance.

When it is re-linked with the polemics over maritime management, it must be recognized that the issue at the provincial level does not only have an impact on the abolition of authority over exploration and participation of the regencies toward the maritime affairs. In 2015, talks about the dilemma of pulling authority to manage the sea also occurred. One of them discussed about the difficulty of fishing activities in the area due to a shift in administrative matters for fishermen (*kompas.com*, 18/4/2015).

Notes and Recommendations

The problem of the absence of authority to managing the sea, which simultaneously also has an impact on the limited movement of re-

gions at the regencies and municipalities needs to be solved. However, making this point as a basis for proposing regional government expansion does not strengthen the urgency of the existing problem. As mentioned above, the implementation of regional autonomy shows the insignificance of local governance, with the optimization of services to the public as its main objective. In its journey for 20 years, the implementation of decentralization, including in many DOB has not shown results that fit with the objective.

If indeed the Pemkab Natuna's orientation is to participate in resolving issues in the sea area, encouraging evaluation of the application of maritime management articles in the UU Otda through judicial review could be the first option. By positioning itself as a government envoy in the region, any actor including the regional head can submit a judicial review to the Constitutional Court (MK). If this action is indeed carried out by the Natuna Regency Government as a legal subject that has been disadvantaged by the sea management rules in the UU Otda, then an open dialogue between the Central Government and a number of Regional Governments through constitutional channels could be good illustrations of how the implementation of governance in Indonesia is maturing.

Article 27 paragraphs (1) to (5) must be the emphasis in the evaluation referred to the first option. Moreover, many factors also influence the presence of a variety of maritime management problems by the provincial level government; for example, with the issue of access and affordability of the Pemprov to its territorial waters.

The Central Government as an actor in cooperation with the Pemprov also does not show preventive acts. It is found that the IUUF case in the North Natuna Sea has actually been a stimulus for the Central Government to make an omnibus law about sea security. This shows the chronic disease of the central government: act reactively, not preventively, even though Indonesia's jargon as a maritime country has long been voiced by several actors, such as the media and policy makers. However, the awareness of the need for an integrated regulation that can encourage this potential and bring prosperity to the wider community is also still difficult to find. It is very likely not to emerge if the North Natuna Sea case does not happen. The North Natuna Sea polemics then shows the Central Government's stuttering in reading and recognizing its own problems.

In addition, Pemprov as the actor that currently has the authority to manage the sea territory as far as 12 miles should act more proactively. In fact, this is a logical consequence that must not only be obeyed, but also very important to be implemented seriously. An innovative step in managing the sea from the Riau Islands Provincial Government should be awaited, if indeed the evaluation of the maritime management article in the UU Otda is considered ineffective and unreflective with the IUUF polemics.

- Rifqi Rachman -

Submitting a judicial review to the Constitutional Court could be an option if the Regency Government feels the need to take part in managing maritime affairs. On the other hand, the submission of judicial review to the Constitutional Court can also be interpreted as a mature step in running the decentralization in Indonesia.

Looking at the Natuna Disputes between China and Indonesia and between China and ASEAN

Recently, the diplomatic relations between Indonesia and China have been heating up, following violations of the Indonesian Exclusive Economic Zone (EEZ) by Chinese ships in North Natuna waters (12/30/2019). At that time, KRI Tjiptadi-381 that was patrolling North Natuna waters spotted a Chinese Coast Guard in the Indonesian EEZ region. The China Coast Guard Ship was escorting a number of Chinese fishing vessels, carrying out illegal fishing activities (illegal, unreported, and unregulated / IUU fishing) there.

As a result of this event, the Ministry of Foreign Affairs of the Republic of Indonesia sent a memorandum of protest to the Chinese government on December 30, 2019. However, the Chinese government through its Foreign Ministry spokesman said it had the right to these waters according to the Nine Dash Line principle. The Chinese government presents a historical reason that the waters have long been a place for Chinese fishing vessels to operate (traditional fishing grounds). Violations were still carried out by Chinese ships.

The Navy's Fleet Command I reported the presence of the Chinese Coast Guard on the Indonesian EEZ border in North Natuna waters on Thursday (01/01/2020), which escorted several Chinese fishing vessels. The Indonesian government again protested by rejecting China's claim that it had the rights to waters in the region. (*kompas.com*, 8/1).

Even on Wednesday, January 8, 2019, President Joko Widodo (Jokowi) came to Natuna regency, Riau Islands province. There, Jokowi met with fishermen and saw the Natuna Sea from KRI Usman Harun. Jokowi wanted to ensure there was law enforcement of Indonesia's sovereign rights over natural resources in the Exclusive Economic Zone (EEZ) (*detik.com*, 9/1). A day after President Jokowi's visit to Natuna, TNI reported that there were no more

Chinese fishermen doing illegal fishing in Indonesia's EE after President Jokowi's visit. These moves showed the seriousness of the Government of Indonesia in resolving disputes in the Natuna waters.

However, a few days later foreign ships returned to the region. Three Republic of Indonesia warships (KRI); namely, KRI Karel Satsuit Tubun (356), KRI Usman Harun (USH) 359, and KRI Jhon Lie 358, again drove out 30 Chinese-owned vessels while searching for fish in Natuna waters. Commander of the Joint Region Command (Pangkogabwilhan I) Vice Admiral Yudo Morgono said that the expulsion of the Chinese ships was the result of operations carried out by Boeing 737 AL-7301 maritime reconnaissance aircraft belonging to the Air Force, which conducted surveillance in northern Natuna waters and surrounding areas. Yudo admitted, in carrying out the eviction operation, the three KRI succeeded in driving out Chinese foreign fishing vessels that were spreading nets in the northern waters of the Natuna Sea (*kompas.com, 1/13*).

The situation is clearly a warning for Indonesia, especially related to water policy and international relations in water areas, including in Natuna waters.

Natuna disputes and Chinese claims in the South China Sea

It is not just this time that the disputes over Natuna has made relations between Indonesia and China heated up. In 2016, conflicts between the Indonesian government and China occurred because there were illegal fishing vessels from China entering Natuna Waters. The Indonesian government planned to capture the ships. However, the arrests process did not go smoothly, because there was interference from the Chinese Coast Guard that deliberately crashed into KM Kway Fey 10078. This was allegedly to make it difficult for KP HIU 11 to capture KM Kway Fey 10078. Susi Pudjiastuti who was then serving as Minister of Maritime Affairs and Fisheries (MKP), asked the Foreign Minister, Retno Marsudi, to file a protest note to China (*kompas.com, 4/1*).

The Natuna disputes are actually not only related to the Indonesian sea areas. Natuna disputes also involved disputes between China and several ASEAN countries, such as the Philippines, Vietnam, Malaysia and Brunei. China's claims to the waters of the South China Sea have created conflicts with these countries (*katadata.com, 3/1*).

This claims were allegedly made in 2007 as China adopted a firmer foreign policy. China declared the South China Sea as one of the main interests like Tibet and Taiwan. The situation has become increasingly tense as China has increasingly asserted its claims in the South China Sea. This was then followed by the expansion of China's military reach by holding military exercises in the region (*Weissmann, 2014*).

Responding to this growing conflict, the ASEAN countries together with China pushed for the formation of a Code of Conduct in the South China Sea. The code of conduct is expected to ease the situation in the South China Sea, although to date the code has not reached the final word.

Encouraging Soft Diplomacy in Conflict Resolution

As previously mentioned, the Natuna disputes are not only an issue between Indonesia and China. The disputes also include other countries in the ASEAN region in a wider scope; namely, in the waters of the South China Sea. If this conflict is responded by an armed approach, then the escalation of this conflict will widen throughout the Southeast Asian region.

Hard-power approach can trigger conflict and war, so it is certainly not the choice of every country, both China and ASEAN countries. Joseph S. Nye (2008) states that a country can get what it wants in the world political arena due to several factors, such as admiration for its values or aspirations in improving the prospects of cooperation and economic openness. That is what makes other countries interested in following his steps. Of course this clearly contradicts hard power, which uses coercive, coercive, and suppressive methods. Therefore, conflicts are expected to be resolved by promoting peace, mutual respect, and upholding applicable international law.

Indonesia as one of the largest democracies in the Southeast Asian region and the world must encourage conflict resolution efforts by carrying out the three principles above through soft diplomacy. According to Srivastava (2013), soft diplomacy is carried out by countries that appear attractive in the global political space by consistently contributing positively to laying the foundations of world peace (*Yanyan Mochamad Yani & Elnovani Lusiana, 2018*).

One example of Indonesia's role in mitigating the South China Sea conflict happened in 1990. At the time, through track II diplomacy,

Indonesia was able to put the parties concerned at one table. At that time, Indonesia cooperated with sponsors from Canada through the Canadian International Development Agency (CIDA) and the University of British Columbia by holding a workshop called the Workshop on Managing Potential Conflict in the South China Sea. Furthermore, Indonesia held the ASEAN Senior Officials Meeting in Surabaya on 7 to 11 June 2011. The meeting was attended by high officials of ASEAN countries and dialogue partner countries. The main discussion of the meeting was regarding the reference line of the Declaration on the Conduct of Parties (DOC). In addition, Indonesia was also active in promoting peace in the South China Sea in other ASEAN and international forums (Raharjo, 2014).

Closing

The Natuna dispute issues are not only a matter of Indonesia's sea territories. If we look further, this will then lead to problems in the Southeast Asian region. Resolving conflict with the hard-power approach is not the main choice of every country today. Therefore, soft diplomacy is needed.

Indonesia as the largest democracy in Southeast Asia and the world has the opportunity to encourage the resolution of the conflict. Moreover in its history, Indonesia has had a role to play in the resolution of the South China Sea conflict. Indonesia's steps as had been done through track II diplomacy, workshops and other diplomatic forums.

In addition to inviting elements from the Government, the forums also need to invite representatives from the elements of higher education, non-government organizations, and think tanks. Through these forums, it is hoped that there will be a common view and trust in building a peaceful road in the South China Sea.

The history of Indonesia as one of the founders of ASEAN and as a democratic country can be a strength for Indonesia to lead and facilitate negotiations between ASEAN countries and China, including to resolve the South China Sea and Natuna issues.

- Arfianto Purbolaksono -

The issue of the disputes in Natuna is not only a matter of Indonesia's sea territories. If we look further, this conflict will also affect the problems in the Southeast Asian region.

Echelon Trimming, A Step Forward or Backward?

The simplification of bureaucracy is still a priority agenda for President Joko Widodo (Jokowi) in his second term. One of the steps is to carry out echelon trimming. Echelon is a position level in the hierarchy of Civil Servants (PNS), or now called the State Civil Apparatus (ASN). Circular Letter 393/2019 on the Strategic and Concrete Steps of Simplifying Bureaucracy is a proof of the government's commitment to practicing echelon trimming.

Echelon Trimming Can Be a Step Forward

Basically, position categories in the Ministries / Institutions (K / L) are divided into two; namely, administrative / structural and functional positions. According to Regulation of the Minister of Administrative and Bureaucratic Reform No. 23/2019 on the Criteria for the Determination of the Needs for Civil Servants and the Implementation Selection of Civil Servants 2019, administrative / structural position is a group of positions that contain functions and duties related to public service and government administration and development. Meanwhile, functional position is a group of positions that contain functions and tasks related to functional services based on specific expertise and skills.

There are also two other divisions; namely, political and career positions. Political positions are positions in government organizations that are filled by those (civil servants / non-civil servants) through the process of being elected, appointed, selected, and employed in political processes or involving political officials (*ppid.lan.go.id, 2004*). Meanwhile, career positions are positions in government organizations that are filled by career employees (PNS). These positions are characterized by, among others, long career paths of employees, specialization in recruitment (administrative and competency requirements), and a strong emphasis on seniority.

Various positions have strict hierarchy. The hierarchy raises many complex problems. Some of them are a long coordination chain in

decision making and the mechanisms of public services tend to be long and complicated. In addition, there are cases of bribery and corruption involving a number of officials.

However, the echelon trimming is also inseparable from the issuance of Law No. 5 on State Civil Apparatus in 2014. The Act is essentially a strategy and effort to improve the performance of ASN to be more efficient and effective. In other words, if the echelon trimming is done correctly, it will be very able to fix the internal coordination mechanisms so that it cuts the long chain of coordination. Decision-making can be made faster.

The echelon trimming must also be accompanied by a rearrangement of the mechanisms of work or coordination. This can be realized through an update in the Standard Operating Procedure (SOP) of K / L units. However, not only it should be updated, the clarity of the contents of the SOP in detail must also be prioritized so that overlapping tasks and role ambiguity between units do not occur.

Echelon Trimming Can Be a Step Backward Without Proper Mapping of Positions

So far, structural officials affected by trimming will be transferred to functional positions. Therefore, before echelon trimming is done, each K / L needs to make an analysis related to the formation and the number of functional officials needed. This should be done through position mapping. The Head of Public Relations Division at the State Personnel Agency (BKN), Mohammad Ridwan explained that until now there were around 430,000 ASNs at echelon III, IV, and V levels (*Tirto.id, 10/22/2019*).

Mohammad elaborated that the number of echelon I in Indonesia was currently 575 people, or 0.12 percent. At the echelon II level, there are 19,463 people, or 4.23 percent. The total number of echelon I and echelon II officials in Indonesia are around 20,000, or 4.35 percent. Meanwhile, the total number of echelon I to echelon V officials is now 460,067 people. He also explained the implications of echelon trimming. One example is that regional officials, such as sub-district heads who are echelon IV officials, cannot be erased.

Ideally, echelon trimming needs to pay attention to the urgency of whether the echelon positions can be deleted or not in a K / L. The needs for various functional positions that can be categorised as echelon III, IV and V also have to be reviewed and detailed. This

is to prevent overlapping positions and also to anticipate positions that are made up. In other words, do not let the echelon trimming actually fatten K / L units whose numbers and needs are ideal.

Basically, Law No.5 on State Civil Apparatus requires that the management of ASN be based on competency-and performance-based management system (merit system). Indirectly, this regulation reveals that ASNs who occupy certain positions, for example public policy analysts, must have appropriate educational qualifications and competencies. Placement strategies need to be considered if there is discrepancy with the existing needs.

The Importance of Information Dissemination and Technical Guideline

According to Patricia Heny Dian Anitasari, an Associate Policy Analyst with the Yogyakarta City Government, so far functional positions have some stigma; that is, not prestigious positions. This was conveyed in the Seminar “The Role of Policy Analysts to Improve the Quality of Policies in Indonesia” which took place at the National Institute of Public Administration (LAN) on December 20, 2019. ASNs prefer to occupy structural positions due to clearer promotion mechanisms, or career paths. In terms of salary and benefits, they are also considered better.

A clear technical guide, or written direction, is needed to explain various functional positions, including clear information dissemination and transfer mechanisms. The intention is that echelon officials who will occupy new positions can better anticipate workloads. Career development and special coaching need to be given attention so that every new functional official can quickly understand the tasks, not interfering with K / L performance targets.

Echelon trimming can be a step forward or backward. The readiness of the government and ASNs to move to positions is very significant. Coordination is also needed between the President and the K / L related, particularly with the Ministry of Administrative Reform and Bureaucratic Reform (Kemenpan RB).

- Vunny Wijaya -

The echelon trimming can be a step forward because it can accelerate the mechanisms of bureaucracy that has strict hierarchy. However, it can be a step backward without mapping the precise positions. Information dissemination and technical guidance are also needed to support the success of the echelon trimming.

The Political Talks on Jakarta Floods on Social Media

The hashtag about floods was trending on Twitter on the first day of 2020. The disaster, which was not only experienced by Jakartans, did indeed occur unexpectedly. Not surprisingly, Twitter users' reactions to the issue of flooding were as high as the water inundating (*cNBCindonesia.com, 1/1*).

In these unpredictable conditions, political talks have also emerged alongside the discussions about the floods in Jakarta. Pointing at each other, mentioning back to previous political promises, and comparing the performances of public figures in relation to the flood disasters have been posted by Twitter users.

People have become active in political talks. This is the excess of the existing digitalization process. People, who were initially passive recipients (as audience), have shifted to become more actively involved (as users) with regard to managing information (*Chen, 2013*).

However, to what extent the involvement of active Twitter users in representing the reality of issues in society is another matter. Therefore, it is important to know the correspondence between political talks in the context of online interactions with issues that are indeed present in the public domain. In the context of flooding in Jakarta, Twitter, which had the most intensive distribution of information (*investopedia.com, 1/6/2019*), had been chosen as the focus of discussion, with users who were very active in tweeting during the recent floods.

Twitter Users: Between Participation and Polarization

The effect arising from the presence of online interactions on how to communicate with people is still being debated until now. On the one hand, the development of information and communication technology is believed to increase public participation in political

talks. The distance factor that is eliminated by the online interaction feature makes the process of expressing views and opinions more easily implemented.

However, the content of the views and opinions of one social media user is also easier to clash with those of other social media users. This is a factor that has the potential to cause polarization in online political talks. Furthermore, Souman Hong and Sun Hyoung Kim (2016) in their writing include echo chambers as an element in social media that makes information fragmented, adapted and niche-oriented. In the echo chamber point of view, social media users have a tendency to choose and absorb information in accordance with what they believe to be the truth.

Finally, partisan behavior is difficult to avoid, which in turn contributes to the polarization that arises in the political talks on Twitter. Although there are also other finding stating that political polarization actually develops strongly in the groups with the least use of the internet (*Barbera, 2015 in Francescato, 2018*).

Another thing that should be taken into account is the matter of harmony of the issues that Twitter users are busy discussing, with the reality that exists in the community. Oliver Possega and Andreas Jungherr (2019) measured the level of correspondences between issues on Twitter, the media and the public, using variant analysis instruments on each variable. Taking the case of the 2013 German Federal Elections, the result obtained shows that the political issues that were widely discussed on Twitter differed from real public opinion.

On the other hand, factors such as attention, interest and motivation from internet users also underlie the character that shapes the online communication environment, and thus making it biased (Possega & Jungherr, 2019). Such conditions then make the voice of users on Twitter can not be considered as a representation of the voice of the general public, given also that the issue stands out in the platform contains certain biases to some degree.

The Utilization of Social Media during the Jakarta Flood Disaster

Like the form of protest that can change from voicing opinions online to street actions (Francescato, 2018), information about the Jakarta flood disaster and the mobilization of resources to carry out concrete actions are likely to be initiated through the medium

of Twitter. The use had already taken place on the first day of the floods that hit Jakarta and its surroundings, when Twitter users actively and continuously were reporting flood points whose information kept flowing and touching other users. Voluntary-based collaborative action initiatives have also been formed by many professional organizations, political parties, and educational institution alumni associations in an effort to deal with the effects of flooding.

Along with the passing of this information, there were also political talks with various narratives. One of the striking was the topic “Ahok” that appeared in a number of Twitter users, comparing the performance of the former Jakarta Governor with the current Governor, Anies Baswedan (*kompas.tv, 1/1*).

This type of political talks presented a heated debate, because the flood disaster was finally politicized. Simply put, the politicization of the flood disaster took the form of opposing narratives. Governor Anies’ supporters have narrated the official’s responsive work. On the other hand, many people have criticized Governor Anies’ efforts to anticipate the flood disaster. In fact, until this article was made, the snowball has grown to the point of presenting an online petition calling for the removal of Governor Anies from his position.

As explained in the previous section of this writing, Twitter users’ participation in political talks on one hand has the potential to present polarization. This can be seen in the flood disaster case in Jakarta. The intense debate over the figure of Governor Anies has finally reversed the logic of the problem urgency; that is, the Jakarta flood had a significant impact, mainly relating to community activities and access. Therefore, information dissemination as a preventive and countermeasure effort is important to be prioritized.

Referring to Possega and Jungherr (2019), the opportunity for the presence of low correspondence between issues on Twitter as virtual reality with public issues in the community is always there. The urgency, such as the removal of Governor Anies, repositioning Ahok to the Governor post, and various other political narratives, may not necessarily be the main urgency of Jakartans who have been hit by the floods. At the time of the disaster, information about which locations were not yet visited by Basarnas, which locations were finally accessible, up to where donations could be distributed, were very likely to be the top of mind for flood victims in Jakarta.

Therefore, given the urgency of the disaster, it would be wiser to leave aside who is to blame. The magnitude of the negative narratives addressed to Governor Anies in turn seems to distract the main problem, which is the flood disaster, which should be addressed first. This does not mean that policy evaluation is not important to do, considering that it is crucial for the DKI Jakarta Government to improve policies in the field of disaster management for the future.

On the other side, the emergence of subtle insinuations from Governor Anies's political opponents can more or less illustrate how this issue was finally pulled from its roots and transformed into a pressure instrument by bringing up; for example, the online petition mentioned above.

It is important to underline that the written argument does not rule out the importance of criticism to stakeholders regarding their policies or performance. However, in the context of disasters with the scale of the Jakarta floods, prioritizing collaboration and intensifying the dissemination of important informations has become more rational to do in order to cope with existing disasters.

Closing Notes

The implications brought about by the development and presence of social media are inevitable, including online interactions that provide unlimited opportunities for users to interact with each other. However, the polarization that continues to emerge and is even empowered when political talks take place among internet users has raised its own problems. Moreover, the elements of information distortion and bias are often attached to it.

In the case of Jakarta floods, it is important to solve the problems that are being faced during a disaster. Thus, the flood mitigation process is not distorted or politicized. However, flooding Governor Anies with criticisms and evaluation must still be carried out when the disaster is over in order to ensure that policies and performance in the future no longer result in disappointment to the Jakartans.

- Rifqi Rachman -

It is important to criticize public officials regarding their policies or performance. However, in the context of the flood disaster as big as Jakarta, prioritizing collaboration and intensification in the distribution of important information are more rational to do so that disaster management can take place effectively.

As the Tariff Goes Up, Internal Improvements of Health Care and Social Security Agency (BPJS Kesehatan) Need to be Prioritized

Entering its seventh year, a series of issues have accompanied the journey of the Health Care and Social Security Agency (BPJS Kesehatan). Excellent service, as the main point of implementation BPJS, has not been fully experienced by BPJS Kesehatan participants. The chaotic situations of services related to the facilities provided have also happened so many times. Many participants have not received services according to their class. Often, participants also search for and pay for medicines that health facilities should provide.

The deficit issue has also been experienced since the first year of the implementation of BPJS Kesehatan. Now, an official tariff increase has been imposed. In Presidential Regulation (Perpres) No. 75/2019 on the Amendment of Perpres No. 82/2018 on Health Insurance, it is mentioned that the tariff adjustments are aimed at improving quality and sustainability of the health insurance program. The expectation is that financial cash flows will be better so that the deficit does not happen again.

Class Upgrading Should Happen, Not Class Downgrading

The existence of tariff increase has an impact on the number of participants who lower their class. BPJS Kesehatan noted that 372,924 participants of the National Health Insurance (JKN) program chose to lower the class due to the government's policy of increasing tariff (*CNN Indonesia, 06/01*). The intended participants are the recipients of non-wage scheme (PBPU).

Through the official Instagram (IG) of BPJS Kesehatan (*bpjskesehatan_ri*), BPJS Kesehatan gives time until April 30, 2020 to lower

the class one time. Lower the class becomes a step that participants inevitably want to do. Through the application called *Lapor!* there are also participants who question about how to stop as BPJS Kesehatan's participants. A number of participants are clearly burdened with the increase.

After almost seven years in operation, the services provided should increase. Participants are also expected to upgrade their class to get more comfortable and better facilities. However, inequality in health facilities is still widespread. Also, a number of health facilities have also broken contracts with BPJS Kesehatan. Ideally, from year to year there are significant improvements in health facilities in various regions.

Some Recommendations

Increasing tariff is one strategy to solve the problem of deficit. However, it is not guarantee that BPJS Kesehatan does not experience a deficit again.

First, improving BPJS should begin from internal management, which is none other than the BPJS itself. In this case, the commitment of the main actors needs to be questioned again. Otherwise, BPJS Kesehatan services will deteriorate.

In the Update Indonesia November - December 2019 edition, we discussed that the drastic increase in BPJS tariffs happened because organizers and stakeholders have not yet fully implemented any legal basis or mechanisms. A review of the contribution amount, which is conducted every two years through actuarial calculations, has not been implemented. As stated in Prepres No. 111/2013 on the Amendment to Prepres No. 12 of 2013 on Health Insurance Article 161, various legal bases that have been made will be useless without a strong commitment from the BPJS Kesehatan as the organizer.

Second, the subsidy scheme for class III participants needs to be decided immediately. The Coordinating Minister for Human Development and Culture (Menko PMK), Muhadjir Effendy, said that the government has prepared a number of schemes to anticipate the implementation of Perpres No. 75/2019. (Investor.id, 07/20). Among them is the transfer of PBP class III membership to participants in the contribution assistance recipients (PBI).

Third, online platforms need to be developed. In terms of adminis-

tration, online platforms can help solve problems. For instance, long queues and provision of facilities should be improved. Citra Jaya, the Deputy Director of Research and Development at BPJS Kesehatan, said that so far online service has been integrated to the General Directorate of Population and Civil Registration (Dukcapil) in relation to the examination of the data on the population identification numbers (NIK) of the participants.

Citra also said that the online platforms will also be more targeted to encourage the spending on effective health services, including the development of the Fraud Detection System. This was mentioned in the 12th Asia Pacific Future Trends Forum (FTF) held on November 21 in the Siwabessy Hall, the Ministry of Health. In essence, various efforts to improve BPJS Kesehatan services can be developed through the increased use of the online system.

The road map for developing BPJS Kesehatan comprehensively through online systems also needs to be made appropriately. Looking at other countries, the development of online systems, for example a the National Health Insurance (NHI) Taiwan, has found success. This can be adapted by Indonesia.

Shu-Ling Tsai, the Deputy Director General of Administration of NHI Taiwan in the FTF, stated that to provide better services to participants, each participant could get In-Time notifications via the website. The In-Time notifications consist of medical information, card checking, and inquiry orders. The existing website / application system is also integrated with the efforts and the information dissemination of preventive programs launched by the Ministry.

Improving the BPJS Kesehatan is a big and urgent task to do. The key to improving the implementation of the BPJS is an internal and proper restructuring of the BPJS Kesehatan.

- Vunny Wijaya -

A strong commitment must be owned by the BPJS Kesehatan. Class III subsidy participant schemes need to be clarified. An online system development road map also needs to be made to improve services that are still problematic.

**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.

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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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