

The Indonesian Update

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



Main Report

PANEL Parameter Analysis of Election and Regional Election
Regulations from the Aspect of Disability Right Fulfillment

Economy

- How Expectations Shape the Economy and Things Indonesia Can Do
- The Relationship between Monetary Policy and Environmental Sustainability in Indonesia

Politics

- Higher Education Institution Mining Permits and the Principle of Freedom

Social

- Highlighting the 100 Days of Prabowo-Gibran on Poverty and Inclusive Policies
- Dissecting the Controversy of Governor Regulation Number 2/2025 among Jakarta State Civil Apparatus

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FOREWORD

The February 2025 edition of Update Indonesia presents a main report analyzing the shift in approach in the regulation of the 2024 General and Regional Elections, from a charity-based to a human rights-based approach. In this report, we discuss the impact of this transformational shift on the election process and the challenges faced in ensuring that each policy step aligns with fundamental human rights principles.

In the economic field, the February 2025 edition of Update Indonesia features two important articles. The first article addresses the economic expectations shaped by government policies in facing the challenges and opportunities of the 2025 economy. The second article reviews the relationship between monetary policy and environmental sustainability in Indonesia, highlighting the synergy between economic policies and steps taken to preserve nature amid the growing climate crisis.

In the social field, Update Indonesia raises the hot topic of the controversy surrounding Governor Regulation No. 2 of 2025 among Civil Servants (ASN) in Jakarta. This article explores the social dynamics and potential impacts of this policy on the lives of ASNs and the Jakarta community. Additionally, we highlight the first 100 days of the Prabowo-Gibran leadership, focusing on issues of poverty and inclusive policies that could reduce social inequality.

In the political field, the February 2025 edition of Update Indonesia discusses the implications of the policy regarding campus-based mining management. This article provides an overview of how this policy might affect the role of universities in research and the development of sustainable mining policies, as well as its impact on the education and industry sectors.

This monthly publication of Update Indonesia, with its timely themes, aims to assist policymakers in government institutions, businesses, academia, think tanks, and civil society elements—both domestically and internationally—in obtaining up-to-date information and contextual analysis regarding the economic, political, social, and legal conditions in Indonesia, as well as understanding public policy in Indonesia.

Happy reading.

PANEL Parameter Analysis of Election and Regional Election Regulations from the Aspect of Disability Right Fulfillment

According to the data in Election Commission of Indonesia (KPU) Decree Number 1043/2024 concerning the Level of Voter Participation in Exercising Their Voting Rights on Voting Day in the General Election of President and Vice President, Members of the House of Representatives, and Members of the Regional Representative Council in 2024, out of 1,111,311 voters with disabilities recorded in the Permanent Voter List (DPT), only 43.31% went to the polling stations to participate in the Presidential and Vice Presidential Elections. Meanwhile, in the same decision, there were 1,111,036 voters with disabilities recorded in the DPT for the Legislative Elections, but only 43.56% were present to participate in the polling stations.

In KPU Decree Number 113/2025 concerning the Level of Voter Participation in the Election of Governors and Deputy Governors, Regents and Deputy Regents, and Mayors and Deputy Mayors in 2024, out of 922,775 voters with disabilities recorded in the DPT, only 38.22% participated in the Governor and Deputy Governor elections at the polling stations. However, the average participation in each city and district reached 52.93%. Next for the 2024 Regent and Deputy Regent Elections, out of 759,752 people recorded in the DPT, only 38.14% participated on election day with an average of 53% in each district. As for the Mayor and Deputy Mayor elections, out of 118,925 voters with disabilities recorded in the DPT, 27.39% participated on election day with an average of 53.12% in each city.

Considering these results, it can be seen that the political rights of persons with disabilities have increased, one of which is in the General Election, where in 2019 there were only 363,200 voters with disabilities recorded in the DPT (KPU, 2021). Therefore, improvements certainly need to be made in organizing elections and regional elections that are more inclusive for people with disabilities. Evaluation needs to be done, one of which is from the legal basis that is the reference for its implementation. Not only in terms of the formation or others related to the formation of laws and regulations, but how these regulations have accommodated

the rights of persons with disabilities seen from the human rights-based approach (HRBA) attached to them. In this paper, it will be discussed how the transition of regulations in elections and regional elections to accommodate the rights of persons with disabilities from the nature that is only given as “compassion” (charity-based approach/CBA) and tends to be situational to HRBA.

Charity-Based and Human Rights-Based Approach

Charity-based approach or CBA is an approach that views rights holders as objects whose basic survival needs must be met without prioritizing other civil rights as humans (Liyanage, 2017: 251-266). CBA views the fulfillment of rights for persons with disabilities as the fulfillment of needs, not rights. It then views it as a voluntary gift, not an obligation that must be fulfilled. According to Peter Uvin (2007), this perspective means that there is no accountability mechanism in CBA.

Policies with a CBA perspective experience problems in terms of sustainability. Therefore, Sarah Emily Hunter in her thesis at Boston University in 2012 suggested that a shift in perspective is needed for inclusion policies to be implemented continuously. This can be achieved by applying policies that are initially CBA in nature to be more universal and fundamental, which is the character of human rights. Thus, a human rights-based approach (HRBA) was developed to codify similar methods and strategies (Hunter, 2012: 5-6).

The rights of persons with disabilities at the global level are regulated in the Convention of the Rights of Persons with Disabilities (CRPD). The CRPD calls for a change in the view of persons with disabilities from objects viewed with a medical approach and social protection, to subjects with rights who are able to claim their rights and make decisions in their own lives freely and with informed consent as part of society. The change that the CRPD refers to is the HRBA approach. HRBA, also known as the rights-based approach, not only focuses on people on the ground, but also changes the way rights fulfillment is practiced through policy from start to finish (Hunter, 2012: 13). Uvin (2002) argues that this change is due to a completely new way of assessing problems and goals that is now focused on promoting obligations and mechanisms that prioritize respecting and enforcing rights violations.

In defining HRBAs, Hunter (2012) views the definitions issued by organizations such as the Overseas Development Institute, the United Nations, CARE, Save the Children, and experts such as Daniel P.L Chong of Rollins College, Paul J. Nelson (University of Pittsburgh) and Ellen Dorsey (Chatam College), as having a common thread; namely:

- a. The reform of development to use human rights as a tool as well as an end requires a shift from being charity-based to more deeply adopting the legal and moral traditions of human rights;
- b. formal relationship between rights-holders and duty-holders;
- c. focus on learning and evaluation for all stakeholders;
- d. focus on mobilizing rights holders to advocate for themselves; and
- e. focus on all rights not only civil and political rights, but also space for cultural interpretation.

The UN explains that HRBA aims to analyze inequalities in development issues and eliminate discriminatory practices and unfair distribution that cause certain groups to be marginalized (unsdgd.un.org, 2025).

HRBAs exist in order to mainstream human rights and incorporate human rights perspectives in all sectors. The UN has a system in which HRBA was formed because of the need for a more comprehensive, coherent, and systematic way of mainstreaming human rights in all its agencies (Oberlethner, 2008). Therefore, the UN created a common understanding document in implementing HRBA-based programs for all its agencies called The Human Rights Based Approach to Development Cooperation Towards a Common Understanding among UN Agencies in 2003. Reflecting on this document, HRBA has the elements: 1) people are the primary actors of their own development, not passive recipients of commodities and services; 2) participation is both a means and an end; 3) strategies must be empowering; 4) processes and outcomes must be monitored and evaluated; 4) analysis includes all groups; 5) programs focus on marginalized, disadvantaged, and excluded groups; 6) the development process is locally based; 7) the program aims to reduce disparities; 9) top-down and bottom-up approaches are used with synergy; 10) situation analysis is used to identify problems; 11) there are measurable goals and targets; and

12) strategic partnerships need to be developed and sustained.

The above parameters, combined with the definition and elements of the HRBA, were then summarized and developed into PANEL; namely participation, accountability, non-discrimination, empowerment, and legality.

The National Human Rights Commissions of many countries such as Australia and Scotland have used PANEL as a reference (humanrights.gov.au, 12/2/2025; Scottish Human Rights Commission, 12/2/2025). PANEL has also been used in the evaluation report of the HRBA through an Asia-Pacific perspective by the United Nations Educational, Scientific and Cultural Organization (UNESCO), in which Indonesia was one of the cases studied (UNESCO, 2008). Therefore, to simplify the analysis, PANEL will be used as a parameter in this paper.

Regulation of the Rights of Persons with Disabilities in Elections and Regional Head Elections from the Perspective

Many regulations from the level of laws to the regulations of the General Election Commission are the basis for organizing elections and regional elections in 2024. In this paper, the analysis shall focus on regulations that explicitly regulate the political rights of persons with disabilities in relation to participating in elections and regional elections as stipulated in Article 13 and the form of their political rights guarantee obligations in Article 77 of Law Number 8/2016 concerning Persons with Disabilities. Therefore, the regulations analyzed are Law Number 7/2017 concerning General Elections as amended by Government Regulation in Lieu of Law Number 1/2022 (Election Law); Law Number 1/2015 concerning Stipulation of Government Regulation in Lieu of Law Number 1/2014 concerning Elections of Governors, Regents, and Mayors as amended by Law Number 8/2015, Law Number 10/2016, and Government Regulation in Lieu of Law Number 2/2020 (Pilkada Law); as well as KPU regulations governing voter registration, campaigns, public information management and services, nomination of election and regional election participants, voting and vote counting, voting equipment, public participation, and selection of KPU members at the regional level.

Under the *first* parameter of participation, this is described as the right of all people to participate in decisions that affect them. Participation should be active, free and meaningful. This includes paying attention to the information provided to be inclusive, understandable to all (Scottish Human Rights Commission, 2018: 3). KPU's commitment to providing this space for participation is actualized through the Declaration of Disability-Friendly Access Elections on 6 June 2023 and the creation of a Memorandum of Understanding between KPU and civil society organizations such as the Indonesian Disability Association (PPDI) and the Disability Access Election Center (PPUAD) in 2023, which regulates the increased participation of persons with disabilities in the 2024 elections and regional elections. One of the elements of improvement is the facilitation of the formulation and implementation of regulations or policies for the 2024 General and Regional Elections that are responsive to the access of persons with disabilities. This Memorandum of Understanding is one of the tangible written forms that explicitly underlines the commitment of the KPU to collaborate in increasing the participation of persons with disabilities.

In fulfilling inclusive and accessible information for all, the implementations have fulfilled the desired participation element in PANEL. All KPU regulations have been shared online on the KPU official website with accessibility features, or the Accessibility Toolbar Plugin. This feature provides the ability to access information with various adjustments such as changes in color, lightness, text size, underlining, image titles, and reading the contents of the page with automatic audio (jdih.kpu.go.id, 12/2/2025). This is also in line with one of the political rights of persons with disabilities that must be fulfilled in Article 13 of the Law on Persons with Disabilities; namely, "obtaining accessibility to facilities and infrastructure for organizing general elections, elections for governors, regents/mayors, and elections for village heads or other names." It is also a form of fulfillment of the KPU's obligation as a stakeholder to "ensure that procedures, facilities, and election aids are feasible, accessible, and easy to understand and use" as stipulated in Article 77 letter c of the Law on Persons with Disabilities.

The *second* is accountability, which is defined as the need for effective monitoring mechanisms for human rights standards that are implemented. There needs to be a legal basis, policies, administrative procedures, and mechanisms to secure the human rights that are trying to be fulfilled. These mechanisms exist to hold duty bearers accountable and evaluate the outcomes of human rights fulfillment

(Scottish Human Rights Commission, 2018: 4). Referring back to the memorandum of understanding made between KPU and PPDI and PPUAD, monitoring and evaluation is one of the scopes of collaboration between these parties. Borrowing the definition of monitoring and evaluation from Subarsono (2016), monitoring means ensuring that policies are implemented in accordance with the goals and objectives to find mistakes so that improvements can be made. Meanwhile, evaluation is an activity carried out to assess the level of performance of a policy as material for improvement (Subarsono, 2016).

In conducting monitoring, a more appropriate institution in conducting supervision is the Election Supervisory Agency (Bawaslu). Bawaslu has legal instruments that focus on monitoring the 2024 elections and regional elections. At the voter registration stage, Bawaslu intensively conducts supervision. Normatively, Bawaslu's role during voter data collection is regulated in Bawaslu Regulation and Bawaslu Regulation Number 10 of 2024 concerning Supervision of the Compilation of Voter Lists in the Implementation of the Election of Governors and Deputy Governors, Regents and Deputy Regents, and Mayors and Deputy Mayors. Both in the regulation and its implementation, Bawaslu synergizes with the KPU in data collection. Based on research conducted by the author in 2023, Bawaslu at the regional level also took part in the recapitulation of voter data with other organs such as the Voter Data Updating Officer (Pantarlih). Bawaslu also cooperated with CSOs in the regions and the surrounding community to assist the KPU in receiving input on data deficiencies and completing them (Intania, 2023).

In the campaign stage, Bawaslu Regulation Number 11/2023 concerning Supervision of General Election Campaigns and Bawaslu Regulation Number 12/2024 concerning Supervision of Campaigns for the Election of Governors and Deputy Governors, Regents and Deputy Regents, and Mayors and Deputy Mayors stipulate that Bawaslu ensures that at the regional level supervises to ensure that the KPU at the regional level provides access for persons with disabilities as participants in the implementation of regional head candidate debates.

The fulfillment of voting logistics is one of Bawaslu's supervisions as stipulated in Bawaslu Regulation Number 12/2023 concerning Supervision of Procurement and Distribution of Voting Equipment, Other Equipment Support, and Other Voting Equipment in General

Elections and Bawaslu Regulation Number 11/2024 concerning Supervision of Voting Equipment, Other Equipment Support, and Other Voting Equipment in the Election of Governors and Deputy Governors, Regents and Deputy Regents, and Mayors and Deputy Mayors (Bawaslu Regulation on Pilkada Logistics). Bawaslu oversees the fulfillment of blind aids to be fulfilled not only in quantity but also in standard, quality, time, and purpose in accordance with applicable laws regulations.

Likewise, in the voting process, the supervision mechanism is regulated in Bawaslu Regulation Number 1/2024 concerning Supervision of Voting and Vote Counting in General Elections and Bawaslu Regulation Number 15/2024 concerning Supervision of Voting and Vote Counting in the Election of Governors and Deputy Governors, Regents and Deputy Regents, and Mayors and Deputy Mayors. In voting, Bawaslu ensures that the place used is accessible or easy to reach based on predetermined standards, the implementation of voting continues in social institutions or rehabilitation centers, the provision of assistance for voters with disabilities the form of logistics and assistance. Supervision is also carried out by involving the participation of community groups.

In the implementations of evaluation, the KPU and Bawaslu carry out this. For example, the KPU conducts evaluations related to the General Elections and Regional Elections by issuing KPU Decree Number 1043/2024 concerning the Level of Voter Participation in the General Elections of the President and Vice President, Members of the House of Representatives, and Members of the Regional Representatives Council in 2024 and KPU Decree Number 113/2025 concerning the Level of Voter Participation in the General Elections of the Governor and Deputy Governor, Regent and Deputy Regent, and Mayor and Deputy Mayor in 2024 that shows the number of voters with disabilities recorded in the Permanent Voters List and how many voters come to the polling stations and their percentages. This regulation is a form of evaluation of how the implementations of the 2024 General and Regional Elections has succeeded or failed in bringing people with disabilities to the polling stations and what can be done next. However, it is noticeable that in these two Decrees, the data has not been supplemented with a variety of disabilities that could make the evaluation of the 2024 General and Regional Elections more effective in highlighting the potential unique problems that may occur between disabilities.

Another evaluation mechanism carried out by the KPU was carried out in the KPU National Consolidation Meeting together with the KPU at the regional level in the context of Evaluating the Implementation of Elections and Regional Head Elections in 2024 on December 29, 2024. The meeting discussed, among others, the level of public participation, the progress of preparation for the Election Results Dispute in the Constitutional Court, data collection, and financial governance (kpu.go.id, 29/12/2024).

As for Bawaslu, because its role is closely related to monitoring and evaluation, the evaluation mechanism tends to be more comprehensive and swift to implement. In each stage of the 2024 General and Regional Elections, it is regulated in the Bawaslu Regulation mentioned in the previous explanation that suggestions for improvement are recorded and set out in a form that must be corrected within three days after the suggestion for improvement is submitted or in accordance with the specified time period. However, if not, it will become a finding that is included in the alleged violation report.

Regarding accountability, Bawaslu follows up on all reports of alleged violations regulated in Bawaslu Regulation Number 7/2022 concerning Handling of Findings and Reports of General Election Violations and Bawaslu Regulation Number 8/2020 concerning Handling of Violations in the Elections of Governors and Deputy Governors, Regents and Deputy Regents, and Mayors and Deputy Mayors as amended in Bawaslu Regulation Number 9/2024. However, the follow-up carried out under this regulation is focused on election and regional election crimes. It is not explained how the follow-up for violations of a nature committed by the election and election organizers themselves related to the non-fulfillment of the rights of voters with disabilities, which is a component of supervision.

Thus, the follow-up of this alleged violation report becomes a question, which becomes the discussion point of accountability. In PANEL's parameters, stakeholders, in this case the KPU as one of the organizers of the 2024 elections and regional elections, need to be held accountable if they cannot fulfill the rights inherent in voters with disabilities. Such as campaign methods, access to places, logistics that make it easier for voters with disabilities to vote, and so on. Reports of alleged violations that are the ultimatum or the last resort in accountability efforts do not provide the fulfillment of the rights needed by voters with disabilities that

should be fulfilled during the 2024 elections and regional elections. The legal vacuum related to the efforts of stakeholders to remain responsible for fulfilling the rights of voters with disabilities after being given input advice sacrifices the political rights of voters with disabilities to vote. As an illustration, if on voting day, there is a shortage of ballot papers for the visually impaired that is not fulfilled after being given corrective suggestions by Bawaslu, then this will only be included in the report of alleged violations and voters with disabilities at that time still do not get the ballot papers needed.

Another thing that needs further consideration in fulfilling the accountability aspect is that there is a process whose supervision and accountability methods are still ambiguous; namely, the campaign. Bawaslu focuses on targeting its supervision on public debate events held by the KPU at the regional level to be accessible to persons with disabilities. The object of Bawaslu's supervision in the campaign also includes the participants of the 2024 General Elections and Regional Elections themselves where many points of supervision are attached to them such as the place and substance of the campaign. However, in terms of accessibility, Bawaslu does not oversee this. It should be asked what if the participants in the elections and regional elections do not provide campaigns with media and methods that are accessible to various disabilities? Can this be classified as a matter that needs to be corrected which can be included in the alleged violation report if it is not fulfilled? Do accountability mechanisms need to be applied to election and regional election participants, who are not the election and regional election organizers as stakeholders in fulfilling the political rights of voters with disabilities? And can the decline in electability for election and regional election participants due to voters with disabilities who are not exposed to their campaign programs be called a form of "accountability" from voters with disabilities? These questions need to be asked for the future of the fulfillment of the political rights of persons with disabilities.

The *third* is non-discrimination and equality. Under this parameter, acts of discrimination need to be prohibited, prevented and eliminated. To implement this, it is necessary to prioritize vulnerable groups with the greatest barriers to the realization of their rights (Scottish Human Rights Commission, 2018: 5). In the stages of the 2024 general and regional elections such as data collection, campaigning, and voting, there are provisions that provide attention and convenience for voters with disabilities. For example, in data collection, people with disabilities are recorded and collaborate

directly with the community to more easily complete disability voter data (Intania: 2023). Then the data on the variety of disabilities can be fulfilled and adjusted to the voting logistics. Then the access arrangements in voting are also regulated such as accessible places, universal voting equipment standards so that they can be reached easily, as well as the provision of ballots and assistance with the intention of making it easier for voters with disabilities to access their rights in elections and regional elections.

However, legal non-discrimination and equality still leave room for further interpretation in the aspect of the right to be elected, namely persons with disabilities to be nominated in elections and regional elections. According to Article 13 paragraph (1) of KPU Regulation Number 19/2023 concerning the Nomination of Participants in the General Election of President and Vice President, to become a candidate for President and Vice President, a person must be able to carry out the duties and obligations spiritually and physically as President and Vice President. However, there is an exception paragraph in paragraph (2) where this requirement does not apply to persons with disabilities who have the ability to carry out their duties as President and Vice President.

Fourth, the parameters of empowerment. All people should understand their rights and fully support participation in developing policies and practices that impact their lives. All people should be able to claim their rights when needed (Scottish Human Rights Commission, 2018: 6). In line with the previous discussion, CSOs working for persons with disabilities have been actively involved in drafting regulations and policies related to the organization of elections and local elections. Not only that, socialization related to elections and local elections for persons with disabilities is also carried out at the national and regional levels. An example is the Election Socialization and Simulation for Persons with Disabilities held at the regional level such as Sleman Regency, Blitar City, and many more (yakkum-rehabilitation.org, 31/1/2025; blitarkota.go.id, 30/1/2024). This shows that there are efforts to make people with disabilities understand their rights and empowerment in making policies that affect them. However, of course this needs to be more massively held in all regions considering the participation rate in the previous KPU Decree which is still below 50% overall.

Finally, legality. Human rights that have been regulated in national and international laws must be respected, protected and fulfilled. Thus, HRBAs within this parameter need to view human rights as

legally enforceable Scottish Human Rights Commission, 2018: 7). Indonesia is a member state of the CRPD, which at the national level has a Law on Persons with Disabilities. The CRPD mandates the state to ensure that voting procedures, facilities and equipment are accessible for persons with disabilities to understand and use, and that persons with disabilities can choose a companion. Then the confidentiality of votes cast by persons with disabilities is also important to protect. Broadly speaking, these points can be fulfilled through legal instruments from the law level to KPU and Bawaslu regulations on the lower hierarchy that have regulated them. This is also supported by the Constitutional Court Decision Number 135 / PUU-XIII / 2015 which states that the requirement “not being mentally / memory impaired” to be registered in the DPT in Law Number 8/2015 is no longer valid because the conditions of persons with mental disabilities cannot be generalized from one another.

Therefore, from the aspect of PANEL fulfillment, the next focus that must be improved is accountability. How regulations related to elections and local elections can reflect the accountability of stakeholders to be held accountable for the fulfillment of political rights of persons with disabilities. However, the fulfillment of other aspects, even though it already exists legally, there is still room for improvement. For example, infrastructure arrangements that are not yet universal for all kinds of people with disabilities, such as ballots or communication mechanisms with committees at polling stations during voting for deaf people. So, improvement is certainly still necessary to always be done.

Recommendations

Referring to the above discussion, the author suggests the following points:

- a. There is a need for the development of this paper by academics and other CSOs. Of course, not all KPU and Bawaslu regulations have been analyzed in detail in this paper and in terms of implementation, there are still many data that can be used to complete the analysis of this paper. Therefore, the author suggests that this paper can be used as a starting point for further research development;
- b. PANEL parameters in the HRBA that need to be echoed more to stakeholders, in this case the KPU to fulfill the political rights of persons with disabilities. This parameter is very useful to be

applied in the preparation of further regulations that prioritize human rights;

- c. There is the need to reaffirm the accountability mechanism of election and local election organizers as policy makers in fulfilling the political rights of persons with disabilities;
- d. The KPU's decision on the participation rate could be supplemented with data per disability to provide a better evaluation of the difficulties experienced by each disability that affect the participation rate; and
- e. It is important to always improve the implementations of KPU and Bawaslu regulations that have been made so that the ideal situation does not only exist in regulations but also in the implementations. For this reason, coordination is needed from all parties involved from KPU, Bawaslu, CSOs, academics, communities, central and local governments in the social and civil registration sectors.

It is important to always improve the implementations of KPU and Bawaslu regulations that have been made so that the ideal situation does not only exist in regulations but also in the implementations

- Christina Clarissa Intania-

How Expectations Shape the Economy and Things Indonesia Can Do

Expectations play a crucial role in shaping economic outcomes, both consumer expectations anticipating future inflation, business world projections regarding demand and exchange rates, and the expectations of all economic individuals regarding domestic and external economic turmoil. It is because expectations drive the decision-making process that collectively determines economic performance. A popular way to measure public expectations is to use surveys of the public or economic forecasters. However, this is limited because it is implemented at a relatively low frequency, *ad-hoc*, or offers limited estimates (Baumeister, 2023, in Bachmann, Topa, Klaauw, 2023).

This article shall examine the role of expectations in the economy and what efforts the administration of President Prabowo Subianto can implement to manage expectations to stabilize the economy.

The Role of Expectations in Economics

Expectations influence various economic indicators, including inflation, investment, and consumption. For example, related to inflation, if economic individuals, both households and businesses, predict higher inflation in the future, they will adjust their behavior to anticipate this estimate, such as workers demanding higher wages or salaries, companies raising prices driven by increased demand due to changes in consumer behavior who purchase more now, and so on.

The International Monetary Fund (IMF) survey in Albrizio and Bluedorn (October 4, 2023) showed that inflation in the world would reach its highest point in decades in 2022. Although headline inflation continued to decline, core inflation, or inflation that excluded food and energy, had proven to be stickier in many countries, and wage growth had also increased.

Research by Enders, Hünnekes, and Müller (2021), which examined the extent to which the expectations of companies in

the manufacturing sector in Germany influence economic activity, concluded that these companies were encouraged to increase prices and production when there were expectations of increased production. This can be explained in two ways. First, from the “news view”, Enders, Hünnekes, and Müller say that ‘companies only have additional information about future developments that are not reflected in current fundamentals, but is justified by future fundamentals.’ Second, from the “noise view”, these companies have expectations without fundamental reasons and have false ideas about the future that change their current actions. Incorrect expectations also impact current production and pricing decisions and contribute to aggregate fluctuations (Enders, Hünnekes, and Müller, 2021).

Expectations and the Indonesian Economy

As previously explained, expectations influenced the economy, including in Indonesia. For example, from the household side. When households expect the Indonesian economy to be good, which can be seen from stable or increasing income, then they will spend, thereby increasing demand for goods and services, which leads to economic growth. On the other hand, when households tend to have pessimistic expectations about the domestic economy, this has the potential to cause reduced consumption and spending and tends to increase savings, which decreases money supply, and thus slows economic growth. In Indonesia, there is a Consumer Confidence Index (*Indeks Keyakinan Konsumen/IKK*), which shows consumer confidence in Indonesia regarding current economic conditions and consumer expectations for the future (bareksa.com, accessed January 11, 2025).

According to a report from swa.co.id (January 9, 2025), the IKK value by Bank Indonesia (BI) in December 2024 was 127.7, higher than the IKK in November 2024, which was 125.9. This value was supported by the Current Economic Conditions Index (*Indeks Kondisi Ekonomi Saat Ini/IKE*) and Consumer Expectations Index (*Indeks Ekspektasi Konsumen/IEK*) with values of 116.0 and 139.5, respectively. These values were higher than the previous month, which was 113.5 and 138.3, respectively. All components that made up IKE and IEK were also increased.

For example, the job availability index increased to 112.2 from 110.1, the durable goods purchase index rose from 108.4 to 111.8, and the income index increased from 121.9 to 123.9. Likewise, consumer expectations regarding economic conditions in the next six months

were projected to rise, including income expectations of 143.3, job availability index of 137.6, and business activity expectations of 137.4 (swa.co.id, January 9, 2025). Thus, it can be stated that consumer expectations for the Indonesian economy are optimistic.

However, managing optimistic expectations poses struggles, especially in Indonesia's diverse and dynamic economic structure. Policymakers must be able to balance short-term economic needs with long-term stability. Effective, transparent, responsible communication and consistent policies are crucial to maintaining trust and optimistic expectations between the business world, consumers, and investors. Incorrect information and speculation have the potential to distort economic expectations, causing market volatility. Digitalization, including social media, is currently accelerating changes in economic sentiment and expectations, which require a more proactive policy response from institutions such as the Financial System Stability Committee (KSSK), which consists of the Ministry of Finance, Bank Indonesia, the Financial Services Authority (OJK), and the Deposit Insurance Corporation (LPS).

Policy Recommendations

Referring to the explanations above, the following are policy recommendations for President Prabowo Subianto's administration. Firstly, in improving transparency and communication of policies related to the economy, the government, through the Coordinating Ministry for Economic Affairs, the Ministry of Finance, Bank Indonesia as the monetary authority, and the OJK as the banking supervisory institution must be able to improve their communication strategies to the entire community to maintain and manage economic expectations effectively. Organized and clear forward guidance can help stabilize financial markets and consumer confidence.

Secondly, in strengthening policy stability, all elements of ministries/institutions/regional governments down to the smallest level must be able to apply consistent regulations as they relate to decision-making, such as investment decisions. The government must minimize sudden and inconsistent policy changes, and ensure a transparent, accountable, and inclusive decision-making process.

Thirdly, the Financial System Stability Committee (KSSK), in this case, Bank Indonesia, could strengthen its capacity to support inflation expectations through more timely interventions to maintain price stability and the expectations of consumers, businesses, and investors.

Last but not least, all elements of the ministry, the Financial Services Authority, and other KSSK members must be able to increase financial literacy by educating the public about economic policies and financial management. This could help reduce economic uncertainty caused by misinformation and improve long-term decision-making.

-Putu Rusta Adijaya-

In building expectations to develop the economy, President Prabowo's administration should increase transparency and policy communication, implement consistent regulations accompanied by transparent, accountable, inclusive decision-making processes, and increase financial literacy.

The Relationship between Monetary Policy and Environmental Sustainability in Indonesia

If economic growth in a country is high, driven by energy production and consumption, infrastructure development, etc., negative externalities such as an increase in the ecological footprint, which leads to environmental degradation, are the 'price' that must be paid (trade-off). One economic policy that plays an important role in shaping investment and consumption patterns towards targeted economic growth is monetary policy, especially interest rates. The relationship between monetary policy and the environment is extremely complex and not much has been researched on this matter.

Thus, this paper shall like to investigate the relationship between monetary policy, represented by the real interest rate, and environmental sustainability, which is proxied by the ecological footprint, in Indonesia. The econometric analysis is based on the model in Adijaya (2024). Moreover, this article also shall want to provide policy recommendations in aligning monetary policy and sustainability for President Prabowo Subianto's administration.

Research Related to Monetary Policy and Environmental Sustainability

Interest rates, which are determined by central banks as monetary authority institutions, can influence lending, investment and consumption decisions from households to the business world (federalreserve.gov, accessed February 10, 2025). In theory, low interest rates will encourage industry and the business world to borrow and use these funds for expansion, such as purchasing new equipment or machines, improving factory conditions, or adding new workers. This has the potential to lead to increased economic activity and resource consumption.

On the other hand, higher interest rates will limit consumers, industry and the business world in borrowing funds because of the high cost of borrowing, as well as providing a signal to save their funds because the return on savings is attractive. Interest rates,

which are part of monetary policy, have a complex relationship with environmental sustainability.

Galoustian (March 28, 2023), summarizing research by Attílio, Faria, and Rodrigues (2023), explained that their research showed the impact of a monetary policy on pollution was domestic. In other words, contractionary monetary policy in a country would reduce the amount of its emissions. However, this did not have an impact on the economies of other countries. However, the findings of Attílio, Faria, and Rodrigues did not mean that international economics was irrelevant in determining the level of emissions in a region.

In addition, Attílio, Faria, and Rodrigues also identified important differences between regions. For example, monetary policy did not appear to reduce carbon dioxide emissions in the short term in the UK, nor did reduce carbon dioxide emissions in the long term in the Eurozone. Meanwhile, the cointegration coefficient in Japan was much larger than in other countries, indicating the impact of strong monetary policy on carbon dioxide emissions. Further cointegration analysis also showed a relationship between interest rates and carbon dioxide emissions in the long term.

Moreover, Anastasiou et al. (2024) conclude that there is a significant positive relationship between interest rates and corporate carbon emissions based on an international sample of 12,647 observations from 2010 to 2021. This shows that companies will tend to prioritize short-term financial stability over long-term sustainability goals when facing rising interest rates. The researchers also found that high economic and policy uncertainty, weak quality of corporate governance, and poor investor protection drove carbon emissions more significantly than the positive impact of interest rates.

Another study that examines the relationship between interest rates and environmental sustainability is by Isiksal, Samour, and Resatoglu (2019). Using the Autoregressive Distributed Lag Model (ARDL) Bounds Test method, they found that the real interest rate coefficient was negative and significant on carbon dioxide emissions in Turkey. In other words, an increase in interest rates would reduce carbon dioxide emissions. In addition, they found that there was a one-way causal relationship starting from real interest rates on energy consumption, income and foreign investment, which showed that real interest rates influence carbon dioxide emissions through energy consumption, income and foreign direct investment (FDI) channels.

Analysis of Monetary Policy and Environmental Sustainability in Indonesia

For the analysis of monetary policy and environmental sustainability in Indonesia, the author uses real interest rates as the proxy for monetary policy and the ecological footprint as the representation for environmental sustainability. According to footprintnetwork.org (accessed January 12, 2025), ecological footprint is defined as ‘a measure of how much biologically productive land and water is required by an individual, population or activity to produce all the resources it consumes and to absorb the waste it produces, using applicable technology and resource management practices.’ This paper shall emulate the model in Adijaya (2024); namely, the Autoregressive Distributed Lag Model (ARDL) Bounds Test model approach. The mathematical model that will be studied is

$$EcoFP=f(IntRate, EnConscap, LCSE, GI) \quad (1)$$

where *EcoFP* is the ecological footprint by the Global Footprint Network in global hectares units, which is later in natural logarithms. *IntRate* is the real interest rate in % units whose data is taken from the World Bank. *EnConscap* is per capita primary energy consumption in KWH units per person whose data is taken from OurWorldinData, which is later in natural logarithms. *LCSE* is low carbon energy from renewable sources in % equivalent primary energy units whose data is taken from OurWorldinData. *GI* is the government integrity index (government integrity) from the Index of Economic Freedom (IEF) with an index of 0-100 by Kim and Roberts (2024)¹ which will later be in natural logarithms.

By using Eviews statistical software, several variables, such as *LogEcoFP*, *IntRate* are at stationarity level and other variables are at stationarity in first difference (I(1)). This indicates that these variables can still be used in the ARDL Bounds Test where no variables are in stationarity in second difference.

After the unit root test, lag is tested to determine the ARDL model (p, q, r, s, t) to find out: lag p for the *LogEcoFP* variable, lag q for the *IntRate* variable, lag r for the *LogEnConscap* variable, lag s for the *LCSE* variable, and lag t for the *LogGI* variable. It was found that the appropriate ARDL model based on the smallest Akaike Information Criteria (AIC) value was ARDL (4,2,1,2,3). Next, a Bounds Test is carried out to see whether this model has a long-term model. If the calculated F-statistic exceeds the upper limit critical value (I(1)), then the null hypothesis (H0), which states there is no long-term

¹ Due to page limitations, long-term mathematical models, short-term mathematical models, and short-term regression results are not included in the paper. Tables and figures for unit root tests, determining the optimal lag for the model, Bounds Test results, model diagnostic tests, and model stability tests are also not attached to the article.

relationship will be rejected. If the calculated F-statistic is below the lower limit critical value (I(0)), then the null hypothesis (H0) will not be rejected. However, if the calculated F statistic is between the lower and upper limit critical values, then there is no conclusion (Sugiawan & Managi, 2016).

The F-statistic result calculated by the Bounds Test is 7.5687, which is greater than the upper limit critical value (I(1)) both at the 10% significance level with an F-statistic of 3.994, 5% with an F-statistic of 4.774, and 1% with an F-statistic of 6.670. Thus, this model is said to have long-term cointegration. Table 1. below shows the results of these long-term estimates.

Table 1. Long Term ARDL Estimation Results

Variabel	Coefficients	t-statistics	Prob.
IntRate	0,0041	2,3216	0,0304**
LogEnConscap	0,7732	8,9333	0,0000***
LCSE	-0,0296	-3,6435	0,0015**
LogGI	0,3394	5,9656	0,0000***

Source: Processed by the author with Eviews 13. *, **, *** are significant at 10%, 5%, and 1%. Estimation use Newey-West standard errors.

Looking at the regression results, it was found that all variables have significant signs in the long term as seen from their probabilities. The real interest rate variable, which is significant at 5% shows that every one unit change in the real interest rate (which is in %) is associated with a change of 0.41% in the ecological footprint, holding constant other variables. This explains that an increase in real interest rates will raise the ecological footprint in Indonesia, which can occur because environmentally friendly technology companies, clean energy companies and sustainable startup companies in Indonesia become 'discouraged' from borrowing funds from intermediation institutions due to the costly cost of borrowing because of rising real interest rates. The amplification of cost of borrowing will reduce the investment and expansion of these companies in environmentally friendly energy or energy efficiency.

In addition, as the cost of borrowing elevates, businesses, including clean energy and sustainability companies, will prioritize short-

term profits over long-term sustainability investments, which is aligned with the findings of Anastasiou et al. (2024). A surge in real interest rates which has an impact on amplifying the ecological footprint also implies that businesses in energy-intensive industries, such as mining, are unlikely to reduce production because of the broad impact on economic output even though real interest rates rise. Because companies prioritize short-term profits over long-term sustainability investments, companies in energy-intensive industries will also delay investing in sustainability projects or technologies, rather than reducing the amount of emissions produced, when real interest rates uplift.

Meanwhile, a significant per capita energy consumption variable at 1% will also escalate the ecological footprint where a 1% increase in per capita energy consumption will rise the ecological footprint by 0.7732%, holding constant other variables. LCSE or low carbon energy from renewable sources which is significant at 5% reduces the ecological footprint where every change in one LCSE unit (which is in %) is associated with a change of -2.96% in the ecological footprint, holding constant other variables, and the government integrity variable which is significant at 1% turns out to expand the ecological footprint where a 1% increase in government integrity grows the ecological footprint by 0.3394%, holding constant other variables. The results for these variables are still the same as the results obtained by Adijaya (2024).

Policy Recommendations

Referring to the explanations above, the following are policy recommendations for President Prabowo Subianto's administration. Because real interest rates have a significant positive influence on the ecological footprint, Bank Indonesia (BI) as the monetary authority should integrate climate risk or ecological footprint assessments into the monetary policy framework related to interest rates. For example, the impact of environmental degradation leads to climate-related disasters, such as floods and droughts, which disrupt the production process and food productivity, thereby increasing inflation due to reduced supply. Such integration will ensure that interest rate decisions take into account their long-term impact on sustainability. In addition, BI could ease the requirements for banks to provide more loans for sustainable projects, making it cheaper for banks to finance environmentally friendly industries.

Regarding increasing energy consumption which has a significant positive impact on the ecological footprint, the Ministry of Energy and Mineral Resources (ESDM) as the main ministry together with related ministries/institutions must be able to encourage businesses and households to use energy-saving technology through incentives and regulations, accelerate the transition to new and renewable energy such as solar energy, wind energy and geothermal energy, considering Indonesia's potential in these energies, and divert subsidies from fossil fuels to renewable energy projects to reduce emissions.

Regarding low carbon energy from renewable sources, which significantly reduces the ecological footprint, the Ministry of Energy and Mineral Resources, the Ministry of State-Owned Enterprises (BUMN), the Ministry of Industry together with other related ministries/institutions must be able to increase the share of new and renewable energy, and improve energy storage and transmission infrastructure to better integrate renewable energy. Moreover, the ministry can coordinate with the Ministry of Finance in implementing a carbon price in the carbon tax instrument to increase the competitiveness of new and renewable energy compared to fossil energy.

Regarding government integrity that increases the ecological footprint, all elements of ministries/agencies including local governments down to the smallest level must create environmental regulations that are as strict as economic policies to ensure development is in line with sustainability, channel increased government integrity into environmentally friendly infrastructure projects, such as public transportation and environmentally friendly energy, and partner with the private sector to develop green industry, including ensuring that institutional improvements lead to environmental benefits.

-Putu Rusta Adijaya-

Monetary policy, especially interest rates, plays an important role in shaping investment and consumption patterns to achieve economic growth that impacts the ecological footprint. Therefore, Bank Indonesia (BI) as the monetary authority should integrate climate risk or ecological footprint assessments into its monetary policy framework, easing the requirements for banks providing more loans for sustainable projects.

Higher Education Institution Mining Permits and the Principle of Freedom

Indonesia has recently been shocked by several discourses that will be included in the revision of Law Number 3/2020 regarding Amendments to Law Number 4/2009 regarding Mineral and Coal Mining (UU Minerba). After being widely criticized because the government granted mining management permits to religious community organizations (ormas), this plan will also be applied to universities. This policy has sparked various criticisms, especially from campus academics who are worried about the potential for a massive conflict of interest.

Although concerns about a conflict of interest are indeed valid and need to be anticipated and given common attention, mining management initiatives can actually be viewed through the perspective of economic freedom. Interestingly, the perspective of economic freedom is also inescapable from legal and political aspects as explained by the Heritage Foundation (2023) through its official website.

According to the Heritage Foundation (2023), indicators of economic freedom consist of at least four main points. The first is the rule of law consisting of property rights, government integrity, judicial effectiveness. The second is the size of the government consisting of government spending, tax burden, fiscal health.

Thirdly, there is regulatory efficiency that consists of business freedom, labor freedom, monetary freedom. The fourth one is an open market such as freedom of trade, freedom of investment, and financial freedom.

This article shall analyze the first three points that are still intertwined with political aspects; namely, the rule of law, size of government, regulatory efficiency, and political implications.

Rule of Law

We can judge economic freedom by three main indicators: the recognition of property rights, the integrity of government, and the effectiveness of the courts. In the Indonesian context, granting mining permits to universities, religious organizations, and other elements of society at first glance seems to be an effort to expand economic access to various groups. However, it is important to question the extent to which government integrity and the effectiveness of the judiciary are in ensuring fair and lawful mining practices.

The data from the Indonesia Mining Institute show that there are 2,741 illegal mining locations that have not been resolved to date (CNBC Indonesia, 8/28/2024). These illegal mines did not just appear out of nowhere—there was direct or indirect involvement from government actors who did not carry out their monitoring duties properly. When regulations are violated systematically, the government not only fails to enforce the law but also creates space for rampant uncontrolled exploitation of natural resources.

This problem is exacerbated by the weak effectiveness of the judiciary. The corruption case at PT Timah that led to the blocking of 15 Mining Business Permits (IUP); for example, is just one example of how the governance of the mining sector is still far from clean (CNBC Indonesia, 10/23/2024). Not to mention the mining receivables of IDR 390 billion due to dozens of companies that did not pay taxes to the state (Ministry of Energy and Mineral Resources, 2022-2023). Although cases like this cost the state a large amount of money, the sentences imposed often do not reflect proportional justice. The case of Harvey Moeis; for example, was only sentenced to 6.5 years in prison even though the state lost IDR 271 trillion. This shows how lenient our justice system is towards elites who commit major crimes.

This context shows that economic freedom that is only focused on recognizing rights without being accompanied by government integrity and effective law enforcement will not be able to improve the welfare of society.

Inclusive mining policies must be accompanied by transparency, accountability, and effective and fair legal mechanisms. Otherwise, efforts to open mining access to various elements of society will only become another door for increasingly structured and corrupt exploitation.

Government Size

In this indicator, an interesting point that can be analyzed is the tax burden. If a university has a mining permit, tax regulations must be clearly regulated. Their status as educational institutions should not prevent them from mining sector tax obligations. Although this policy can be a source of additional income for universities and reduce their dependence on the state budget. However, the potential for fiscal losses due to tax payment violations can also be significantly detrimental to the state. Dayani (2022) in his research notes said that mine managers with high profits would tend to avoid taxes to keep more money in their pockets.

However, other problems can also arise if the tax imposed is lower than the commercial mining sector, this can create injustice in the tax system and reduce state revenues from the mining sector. If universities are given disproportionate tax incentives compared to other mining companies, this can affect competition between mining companies and create market distortions.

In the context of the environment; for example, by granting mining permits to universities, it means that the government must also spend a lot of money to restore damaged ecosystems. In many cases, mines managed by non-professionals can be at higher risk of causing damage that requires large and ongoing rehabilitation costs. This can be a long-term fiscal burden that affects the state budget.

Regulatory Efficiency

Granting permission to universities to manage mines also has implications for employment policy. While labor freedom is important for efficiency, it is also important to ensure that mine workers are treated fairly and safely. According to the data from the Ministry of Energy and Mineral Resources (ESDM, 2021), throughout 2019-2021, the number of mining area accidents decreased, as did the number of fatalities. The highest number of accidents and fatalities occurred in 2019; namely, 133 accidents, of which 27 were minor accidents, 106 were serious accidents, and 24 people died. However, the number of minor accidents increased from 27 in 2019, 33 in 2020 and 36 in 2021. This indicates that although there has been a decrease in the number of serious accidents and fatalities, the increase in the number of minor accidents shows that there are still challenges in maintaining occupational safety in the mining sector. This can be caused by various factors, such as lack of adequate safety training, negligence in work procedures, or weak supervision in the field.

In addition, the implications for access to capital are also an interesting topic to discuss. Without sufficient business freedom, universities might have difficulty accessing new technologies and the capital needed to improve the efficiency of their mines. Regulations that limit the ability of universities to collaborate with the private sector or professional mining companies could reduce the potential for innovation and development in mine management. This could actually trigger money laundering practices, especially if not accompanied by transparency and accountability.

Political Implications

The political implications of the policy of granting mining permits to universities are significant, considering that this policy could strengthen or weaken the relationship between the government and various elements of society. On the one hand, this policy could be seen as a step to expand economic access to various community groups, including universities, which has the potential to improve development equity and create new sources of income. However, on the other hand, this policy could trigger anxiety about potential conflicts of interest and politicization of the mining sector, considering the many political actors and institutions that have interests in this sector.

According to Herdiansyah Hamzah, a representative of the Mulawarman University lecturer coalition quoted by Tempo on February 5, 2025, he expressed his rejection of the plan to grant mining permits to universities. Herdiansyah suspects that the government's move is an attempt to control universities. He also warned that the policy has the potential to threaten the independence of higher education institutions.

Universities have a vital role as institutions that must be free from political intervention to carry out their functions in teaching, research, and community service. If universities are given permission to manage mines, there is a risk that this policy could be misused for certain political purposes, such as gaining political support or silencing criticism coming from campuses against government policies. This could affect the academic integrity and objectivity of universities, which ultimately harms the development of science and healthy criticism in the society. If universities are trapped in the politicization of economics or sectoral policies, they could lose focus on their main mission as drivers of science and innovation.

In addition, granting mining permits to universities could also risk obscuring their role as educational institutions that should be free from economic pressure. If universities are involved in mining activities, they could be influenced by economic pressures alone to prioritize financial gain over the quality of education and research. Dependence on resources generated from mining activities could cause universities to lose objectivity and integrity in conveying knowledge.

When funding comes from economically profitable sectors, there is a possibility that policies, research, and academic activities would be aligned with industrial interests rather than pure scientific interests. This could threaten the role of universities in producing independent critical thinking and strengthening democracy in Indonesia.

Recommendations

Referring to the results of the analysis above, here are some recommendations that can be submitted:

- a. To ensure that this policy does not add to the problem of uncontrolled exploitation of natural resources, it is important for the government together with the DPR to strengthen the monitoring and law enforcement system. The government must pay attention to potential conflict of interest and prevent illegal practices by ensuring that parties licensed to manage mines are subject to strict governance standards.
- b. This revision must be accompanied by a clear and fair tax policy. Universities that manage mines must not avoid the tax obligations that should be imposed on them, to prevent fiscal injustice. Tax policies that are too beneficial to these institutions can harm the state, create market distortions, and harm the mining sector as a whole. The government and the DPR must ensure that the regulations that provide taxes and incentives are proportional and do not create inequality with commercial mining companies.
- c. The government needs to conduct strict regulatory monitoring related to labor protection in the mining sector, as well as protecting the environment from damage caused by mining activities. Employment policies that ensure mine workers receive fair protection and environmental policies that encourage social responsibility are very important.

- d. In addition, policies that allow universities to collaborate with the private sector and professionals to access capital and technology will support efficiency and innovation in mine management, and must be regulated by strict principles of transparency and accountability.
- e. It is important for the government to maintain a clear boundary between economic policy and academic independence. Universities must be given the freedom to carry out their main tasks, including in terms of financing their institutions, without getting caught up in political or economic interests that are detrimental to their objectivity and integrity, as well as their main functions.

The discourse on granting mining permits to universities raises various questions regarding the impact of this policy on legal, fiscal policy, and regulatory aspects in Indonesia, which need to be analyzed in depth to ensure its sustainability.

-Felia Primaresti-

Highlighting the 100 Days of Prabowo-Gibran on Poverty and Inclusive Policies

President Prabowo Subianto and Vice President Gibran Rakabuming Raka have passed the 100 days of their administration. During the 100 days of administration, there are several breakthrough policy programs that have been implemented. One of the most prominent is the Free Nutritious Meals Program (MBG). MBG is one of the leading best quick results programs (PHTC) that has been implemented since January 6, 2025 by spending a budget of 71 trillion.

In addition, in other areas such as extreme poverty alleviation, the government is committed to focusing on empowerment activities. This was conveyed by Coordinating Minister for Community Empowerment Muhaimin Iskandar during a working visit to Gunturmadu Village, Wonosobo Regency, Central Java, Monday (16/12/2024). During his visit, Muhaimin emphasized that alleviating people from extreme poverty was a priority program of President Prabowo Subianto's administration that would be conducted in the next two years (kompas.com, 17/12/2024).

Poverty is the inability of people to access sources of welfare as well as a reflection of the development inequality that occurs between rural and urban areas. Poverty is also the root cause of the growth of various other social problems such as increasing crime rates and the low quality of human resources. Therefore, the government needs to form strategic measures to alleviate these problems to their roots.

This paper shall describe the achievements of programs that have been implemented during the 100 days of government and the challenges in poverty alleviation in Indonesia.

Prabowo-Gibran's 100 Days on Poverty Issue

The current situation of poverty eradication in Prabowo-Gibran's 100 days of work is still considered to be carried out in a fragmented manner. In fact, poverty alleviation is a problem that must be solved

holistically. In the efforts to fulfill basic needs such as housing; for example, Minister of Housing and Settlement Areas (PKP) Maruarar Sirait explained that since October 20, 2024, the government had built around 40 thousand housing units. This achievement will continue to be increased through the utilization of state land, including land confiscated from corruption, BLBI assets, and non-renewed Business Use Rights (HGU) (setneg.go.id, 7/1/2025).

Fulfillment of basic needs such as housing should consider aspects of the community's economic affordability. This can be measured by the income level of people both in villages and cities. Low-income communities (MBR) are a group of beneficiaries who need housing policies that are not only inclusive but also sustainable. The government and stakeholders need to provide housing financing schemes such as housing subsidies, subsidized credit, cashless or construction of flats that are affordable for the MBR community group. In addition, the government must ensure that access to basic infrastructure, such as clean water, electricity, and transportation, also supports the construction of the type of housing built in a regional area.

The low-income community (MBR) is a group of people who have an irregular income and live below the welfare standard (pre-prosperity). The standard level of welfare in each region between villages and cities is different. According data from the Central Statistics Agency (BPS) in 2024, the income level of urban communities in the second semester was IDR 615,763, while rural communities was IDR 566,655. The income level of urban and rural communities is IDR 595. 242.00 (BPS, 2024). The difference in income levels, this will affect the consumption power of the people in each region, including the ability to obtain livable housing.

Head of the Poverty Alleviation Acceleration Agency (BPPK) Budiman Sudjatmiko stated that President Prabowo Subianto would make efforts to accelerate poverty alleviation through a number of programs, including free nutritious meals (MBG) (indonesia.go.id, 1/11/2024).

Although the MBG program is considered capable of boosting the economy of MSMEs, it does not have direct implications in alleviating poverty in the community. The benefits of the MBG program in the context of poverty alleviation are more long-term. By improving the nutritional status and health of children, it is expected that the generation can optimize their potential, especially in education and

productivity in the future, which in turn can help them get out of the poverty cycle. However, this impact takes time and does not provide a quick solution to the current poverty problem.

Furthermore, extreme poverty conditions require extra handling; for example, with special approaches and programs. These must also be tailored to the region and local needs. According to the Head of BPPK, Budiman Sudjatmiko, poverty alleviation programs are designed to adjust interventions based on the socio-economic conditions in each region, such as job skills training, education assistance, and access to health services (indonesia.go.id, 1/11/2024). What remains to be noted is that the inequality of economic growth that occurs in various regions between villages and cities can be caused by different access and economic opportunities.

Head of BPPK Budiman Sudjatmiko also stated that although empowerment activities were the focus in handling poverty, other economic assistance programs such as people's business credit (KUR) through Permodalan Nasional Madani (PNM) are under discussion.

The same applies to social assistance. This populist policy product remains part of the continuation program along with social welfare cards that have been run in the previous government period such as the Healthy Indonesia Card (KIS), Elderly KIS, Smart Indonesia Card, Basic Food Card, Pre-Employment Card, Membina Ekonomi Keluarga Sejahtera (MEKAAR), Family Hope Program and Healthy Child Card (an additional card program promised during the campaign period).

Challenges in Poverty Alleviation

According to Presidential Instruction (Inpres) Number 1 of 2025 concerning Expenditure Efficiency in the Implementations of the State Budget (APBN) and Regional Budget (APBD) for Fiscal Year 2025, and emphasized by the Minister of Finance's Letter Number S-37/MK.02/2025, the Ministry of Finance (MoF) has implemented budget efficiency efforts for ministries and institutions (K/L) amounting to Rp256.1 trillion in 2025. In addition, cuts to the state budget were also applied to transfers to the regions, with a value of more than IDR 50.59 trillion (tempo.co.id, 6/2/2025).

There are many ministries/institutions (K/L) that are affected by the reduction in ministerial spending. Some of these ministries/institutions include the Ministry of Social Affairs (Kemensos), the

Ministry of Primary and Secondary Education (Kemendikdasmen), the Ministry of Agrarian Affairs and Spatial Planning (ATR)/ National Land Agency (BPN), the Ministry of Public Works (PU) and others.

The realization of poverty alleviation programs in the midst of budget efficiency policies will certainly face complex and intertwined challenges. This is especially true in ensuring that various development programs, including social protection guarantees, continue to run without experiencing significant cuts. Under these conditions, the government must find the right strategy so that efficiency does not hamper the achievement of poverty reduction targets, such as by optimizing the use of resources and increasing the effectiveness of existing programs.

Another challenge in program realization is maintaining a balance between the needs of the poor and the fiscal pressures faced by the state. If the budget allocation for social assistance programs is reduced, the risk of increasing poverty and social inequality becomes greater.

Collaboration is the Key

To realize poverty alleviation programs amid budget efficiency, the government needs to create innovative schemes in fund management; for example, by strengthening collaboration between the public sector, private sector, and civil society organizations. Technology and data-based approaches such as integrated social welfare data (DTKS) can also be optimized to improve the accuracy of aid distribution so that limited resources can be allocated more effectively to beneficiary groups who really need it.

In addition, budgeting efficiency policies must be balanced with structural reforms that support inclusive economic growth. Economic empowerment programs, improved access to education and health, and sustainable job creation are key factors in ensuring that poverty alleviation efforts continue despite budget constraints. With careful planning and responsive policies, these challenges can be overcome so that budgeting efficiency does not actually worsen the socio-economic conditions of the poor.

-Dewi Rahmawati Nur Aulia-

The realization of poverty alleviation programs in the midst of budget efficiency policies will certainly face complex and intertwined challenges. To realize poverty alleviation programs amid budget efficiency, the government needs to create innovative schemes in fund management; for example, by strengthening collaboration between the public sector, the private sector, and civil society organizations.

Dissecting the Controversy of Governor Regulation Number 2/2025 among Jakarta State Civil Apparatus

On January 6, 2025, the Jakarta Special Region (DKJ) Provincial Government issued Governor Regulation (Pergub) Number 2/2025 regarding the Procedures for Granting Marriage and Divorce Permits. The Pergub is enforced in the area of the work environment of the DKJ Provincial Government's state civil apparatus (ASN). However, this Pergub has sparked debate in various circles. The regulation is considered to regulate stricter procedures for ASNs who want to marry or divorce, with the aim of maintaining professionalism and stability in the bureaucracy.

Many consider that this regulation could exacerbate gender inequality within the bureaucracy, especially for women who are in a vulnerable position. In many cases, non-working wives of ASNs often do not have the opportunity to voice their objections to this rule. This is especially so if the decision to permit more than one marriage (polygamy), including divorce, is more controlled by the husband as an ASN.

For female ASNs, this regulation has the potential to limit their rights as individuals to make decisions related to domestic life without administrative pressure, which can lead to structural discrimination in their careers. Therefore, the government needs to consider aspects of gender justice so as not to exacerbate existing inequalities.

This paper shall describe the impact of the implementations of Pergub No. 2/2025 in the ASN environment, as well as the need for the government to revise the marriage law, which still contains gender bias, to be more responsive to social dynamics so that the resulting policies can be more inclusive and not cause discrimination against women.

The Vulnerability of Women in the Institution of Marriage in Indonesia

Marriage is a relationship between a woman and a man that is recognized by state institutions and social norms, including religion. According to Law Number 1/1974 concerning Marriage, Marriage is a physical and mental bond between a man and a woman as husband and wife with the aim of forming a happy and lasting family (household).

In essence, marriage in Indonesia is regulated in Law Number 1/1974. However, in its development, this law underwent changes in norms. The changes stipulated in Law Number 16/2019 concerning Amendments to Law Number 1/1974 are related to the minimum age limit for marriage for women which is equalized with the minimum age limit for marriage for men; namely, 19 (nineteen) years. The existence of rules limiting the age of marriage is in line with the maturing age of marriage (PUP) program promoted by the National Population and Family Planning Agency (BKKBN).

Although revisions to the age of marriage restrictions for both women and men have been made, this has not reduced the number of underage marriages in Indonesia. According to the People's Welfare Indicators 2024 report compiled by the Central Statistics Agency (BPS), the majority of women in Indonesia first married at the age of 19-24 years. In addition, in 2024, the marriage rate for women increased by 0.57% compared to 2023. The proportion of women who first married at the age of 19-24 years was 49.58%. In fact, there were 8.16% of them married at the age of 10-15 years (data.goodstats.id, 13/11/2024).

The large number of cases of child marriage in Indonesia can be caused by various factors. One of the factors that cause this to happen is economic factors. By marrying off children, it is hoped that they can support and help the economy of the parents' family. Underage marriage will have a complex impact, especially in carrying out its psychosocial role. The low age of marriage of women has vulnerabilities in carrying out their reproductive duties such as pregnancy and childbirth.

Child marriage will also have an impact on child development such as malnutrition, such as stunting. In the economic context, the low level of education possessed by the head of the family will have an impact on the low welfare achieved. As a result, many women

take part in helping the family economy. However, many of these women are still victims of domestic violence.

According to the results of the study of Annual Records (CATAHU) from 2001 to 2023 compiled by the National Commission on Violence against Women (Komnas Perempuan), there were at least 582,780 reports of violence in the personal sphere, of which 94% or 491,067 cases were violence against wives (KTI) and 3.56% or 18,577 cases of violence against girls (Komnas Perempuan, 24/12/2024). Meanwhile, of the 3,709 KTI cases reported directly to Komnas Perempuan, from 2019 to 2023, 50% were psychological domestic violence, 31% physical violence, 16% neglect and other economic violence, and 3% sexual violence. This shows that women in marriage are vulnerable to various forms of violence.

The same applies to women as part of a government organization. Although she is a female ASN, it does not mean that she does not experience violence both in her household and in her work environment.

Bias Substance in Pergub No. 2/2025

Pergub No. 2/2025 concerning Procedures for Granting Marriage and Divorce Permits is a regulation created and enforced for the DKJ provincial government (ASN). The formation of this regulation is based on the provincial government's need to prevent the high rate of divorce that occurs among provincial government ASNs. This was conveyed by the PJ Governor of DKJ, Teguh Setyabudi, who explained that Pergub No. 2/2025 regulates the tightening of marriage and divorce of Jakarta ASNs, including ASNs who want to be polygamous or divorced must get permission from their superiors (liputan6.com, 18/1/2025).

Pergub No. 2/2025 contains many gender-biased substances, such as Article 5, which regulates permission to have more than one wife, for example. The article mentions several prerequisites that must be met. The argument that the wife cannot carry out her obligations is the basis on which a marriage can be carried out by a male ASN. This prerequisite has sparked debate from many parties, because the word "obligation" which is attributed to women as wives can also be attached to men as husbands. This raises questions about equality in marriage relations, especially in the context of ASN, where responsibilities and rights should apply reciprocally without differentiating gender, including if the wife is a worker or not working.

Therefore, the government needs to build an understanding of equality of roles in marriage, especially for ASN, so that the policies implemented are not gender biased. This understanding must emphasize that obligations in the household are not only the responsibility of the wife, but also by the husband, in accordance with the principles of justice and balance in married life.

In addition, the concept of justice in polygamy is also something that is still being debated. The construction of justice in polygamy can be influenced by various aspects such as culture, moral values, as well as religious and legal interpretations prevailing in society. As such, it is highly subjective and cannot be measured by one standard that applies to all individuals or communities.

Similarly, the ability of a couple to produce offspring means that the potential of both parties needs to be medically tested. Women and men should be seen as equal, including in their ability to produce and reproduce.

Encouraging Gender Justice and Inclusive Policies through the Revision of the Marriage Law

With these various polemics, the revision of the Marriage Law is an important step in realizing gender-equitable and inclusive policies. Several provisions in the marriage law still contain gender bias that tends to put women in a subordinate position. For example, in the case of polygamy permits for male ASNs based on the wife's inability to carry out her obligations. The perspective of the wife's obligations must be reviewed so that it does not only focus on the husband's rights, but also considers the equal role and protection of the wife's rights in the relationship and institution of marriage.

In addition, steps need to be taken by reviewing regulations that can have an impact on gender inequality. For example, by reviewing and revising Pergub Number 2/2025. The government and policy makers must ensure that every rule in the regulation does not cause discrimination against one of the parties, both husband and wife.

Furthermore, under the Marriage Law, strengthening women's rights in marriage should be a priority so that they have a more equal bargaining position in decision-making, including in matters of divorce, maintenance and child custody. The revision of the Marriage Law is expected to reflect the principles of equality and justice for all individuals without exception.

In addition to regulatory aspects, changing the paradigm of society towards the importance of gender equality is also key in realizing more inclusive policies. Increased awareness of gender equality must continue to be promoted by all parties. Legal reform must be accompanied by education and socialization on the importance of gender equality in marriage.

The government and all parties (such as academics, civil society organizations, and religious leaders) need to work together to oversee and ensure that changes in the Marriage Law are not only contained in legislation, but can also be implemented in social practices and socialized optimally to become a shared awareness and responsibility. With a holistic approach, the revision of the Marriage Law can be an effective instrument in creating a more just and equal society for all individuals, regardless of gender differences.

-Dewi Rahmawati Nur Aulia-

Kontroversi Pergub 2/2025 dan polemik terkait kebijakan perkawinan dan diskriminasi, serta kasus-kasus yang dihadapi perempuan mendorong urgensi revisi UU Perkawinan dan peraturan terkait. Dengan pendekatan yang holistik dan kerja sama semua pihak, revisi UU Perkawinan dan peraturan terkait lainnya dapat menjadi instrumen efektif dalam menciptakan kesetaraan dan keadilan gender di masyarakat.

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