

## Editorial Note

### Problems and Challenges in Indonesia's Development Planning for RPJMN 2020-2024

Dear readers,

In the context of the national development plan, in 2020 we will enter the final stages of the 2005-2025 RPJPN, namely the implementation of the National Medium-Term Development Plan Phase IV (2020-2024), which contains a national work plan for the next 5 years.

Referring to the Elected President's Speech on July 14, 2019, the vision of Indonesia going forward is to promote innovation that is focused on 5 main work programs. The first is to continue the development of infrastructure, especially those that connect with people's production areas, such as small industrial zones, special economic zones, tourism zones, rice fields, plantations and people's ponds. Second is building human resources, with the emphasis on the health of pregnant women, infants, toddlers, school-age children, improving the quality of vocational education and talent management, and support for high-talented diaspora. The third work program is to increase investment. Investment is aimed at opening up the widest possible employment opportunities, by accelerating the licensing process and removing all investment barriers. The fourth work program is to carry out bureaucratic reform, including structural institutional reforms to make it simpler and more agile, as well as a change in mindset to quickly serve and give licenses. Fifth, improve the efficiency and effectiveness of the use of the state budget, with a focus on providing benefits to the people, both in the form of economic benefits, social benefits and welfare.

Currently, Indonesia's economic growth is slowing down and tends to stagnate at around 5.3%. In fact, before the economic crisis, Indonesia's economic growth averaged 6.4% in the 1980-1996 period. So that extra effort is needed to increase Indonesia's economic growth in the aggregate.

Based on the results of a Growth Diagnostics study conducted by Bappenas, the main impediments to Indonesia's economic growth are regulations and institutions. Existing regulations do not support the creation and development of businesses, and even tend to limit, especially in regulations related to labor, investment, and trade. The high cost of severance in Indonesia causes companies to tend to recruit contract workers and not invest in the development of their workforce through training. Opportunities to accelerate the increase in expertise and skills of the workforce through the transfer of knowledge and knowhow from foreign workers also cannot be utilized optimally because existing regulations still limit the number of foreign workers. Furthermore, the quality of institutions is low, because corruption is still high and inefficient bureaucracy, and weak coordination between policies.

Investment entering Indonesia is also still focused on investments targeting the large domestic market. This condition is related to the existence of restrictions on foreign direct investment (FDI) which prevents the formation of businesses in Indonesia that can attract technology and encourage exports. This restriction results in the loss of 8% of export-oriented investments that enter Indonesia. This

also had an impact on the low wages of Indonesian workers by 15% than they should have.

In addition to regulatory issues that do not support business creation and development, even tend to be limiting, particularly in investment regulations, Indonesia's economic growth is also faced with problems related to Human Resources (HR). The low quality of education causes the basic abilities of students in Indonesia are still low. Based on the 2015 PISA scores, Indonesian students' mathematics, reading and science skills lag behind those of neighboring countries and the OECD average. In addition, the basic skills of labor in Indonesia are very low. In comparison, the expertise of tertiary education graduates in Indonesia is equivalent to the expertise of senior high school graduates in Denmark. Furthermore, on the health side, the problems faced are still low levels of health and nutrition of children, still high infant mortality and stunting in infants, and the high prevalence of non-communicable diseases and the prevalence of smoking. This will certainly affect labor productivity in the long run.

The journal in this edition presents 8 (eight) articles that try to provide perspectives and alternatives that are expected to be used in the preparation of policies and programs for the next RPJMN. The first article was written by Hanan Nugroho who presents the performance of energy development programs during the 2015-2019 RPJMN period, evaluates them, and proposes some recommendations for that of the next 2020-2024 RPJMN. Secondly, Deddy S Bratakusumah presents Rethinking Directions of Politics and Bureaucracy Post-Neo-Liberalism in Indonesia. Third, Annissa Sri Kusumawati tries to assess the performance of method targeting and implementation error of social transfer programs in Indonesia, which consists of Raskin, in-kind transfer; *Program Keluarga Harapan* (PKH), a conditional cash transfer; *Program Indonesia Pintar* (PIP), scholarship program; and *Program Indonesia Sehat* (PIS), free health insurance for the poor and vulnerable. Fourth, Wahyudi Susanto estimates the relationship between Forest and Land Rehabilitation policies and the quality and health of watersheds. Fifth, Abdul Malik Sadat Idris et al. present a restoration model of river basin in Citarum. Sixth, Andi Setyo Pambudi presents a concept of water price calculation based on environmental services in Cimanuk watershed. Seventh, Andy Fefta Wijaya et al. Analyze the effectiveness of public health performance in Surabaya City. The last, Asyrafinafilah Hanawi et al analyze the performance of Indonesian governance in achieving successful slum upgrading by using a single case study of one of Indonesia's slum upgrading projects, namely the Neighborhood Upgrading and Shelter Sector Project (NUSSP)..

**Happy reading.**

**Best regards,**

**Muhyiddin**

**(Editor in Chief)**