

Editorial Note
Challenges in Indonesia's Development Planning (RPJMN
2020-2024)

Dear Readers,

In the context of our national development plan, in 2020 we will enter the final stages of the 2005-2025 long-term development plan (RPJPN). The RPJMN 2020-2024 will implement the last 5 years or the last phase of the RPJPN 2005-2025.

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. The second is to build 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 the 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 changing in a mindset to quickly serve and give licenses. Fifth, to 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. Therefore, 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 them, 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 to 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 know-how from foreign workers also cannot be utilized optimally because existing regulations limit the number of foreign workers. Furthermore, the quality of institutions is low, because corruption is still high and bureaucracy is inefficient, while coordination among policies is weak.

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 not moving yet from low levels of health and nutrition of children, high infant mortality and stunting, 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 6 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 Dharendra Wardhana who reviewed decentralization, democracy, and social protection. Secondly, Andi Setyo Pambudi presents an article on watershed management in Indonesia. Third, Cucun Ahmad Syamsurijal tried to analyze the preparation of the 2018 State Budget. Fourth, Abdul Malik Sadat Idris et al. review strategic issues in dam operation and maintenance. Fifth, Ari Purbowati et al. analyzing adolescent fertility aged 10-14. The last, Nono Rusono delivered an article about improving food data for development planning.

Happy Reading.

Best regards,

Muhyiddin

(Editor in Chief)