

Good Policies in Bad Times

BY RAJ KANNAN



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I recently had the opportunity to speak at an Indonesia investment summit where there was a general view that Indonesia needs to plan better. I disagreed because I believe Indonesia has plenty of plans, such as a 20-year plan called RPJPN, some five-year plans called RPJMN and a recent 15-year master plan called MP3EI. Therefore, Indonesia doesn't need plans, instead what it needs is concrete actions that lead to actual implementation of these grand plans.

To its credit, the government is cognizant of this and is considering resurrecting an old coordinating agency that was specifically set up to fast track infra-

structure projects. Called KKPPI, it has the usual growing pains of any institution with immense challenges. One aspect of this empowerment process that is gaining more clarity is the overwhelming need for an overarching law that actually enables implementation of infrastructure projects—an infrastructure law.

but that is not how they are implemented. Currently, a government official has no legal means to fast track one project ahead of another without being accused of favoritism or worse. Giving power to agencies to actually implement priority projects ahead of lesser projects would actually be the greatest benefit of an infrastructure law.

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I hear the collective sigh of “not another law” but this time I believe we need an infrastructure law that will firstly empower the various agencies to actually implement, such as acquiring land on time, issue the location permits, operating licenses and tariff increases and so on in accordance with the implementation plans of the specific projects. To be sure, there are land acquisition laws, but what is lacking is a law that enables officials at central and regional levels to implement projects without the fear of being accused of causing state losses.

In addition, currently there is no difference in the decision or implementation processes for projects identified as a priority project, a flagship project or a fast track project. These projects only sound important

and more direct method in ensuring that when a project is classified as fast track that it does indeed get a fast-track implementation. And if a law is required to enable this then that is exactly what the government and the parliament must do.

The classification of a project as priority perhaps should be done in consultation with various stakeholders, such as the business community, academics, politicians and the bureaucracy. Ultimately, we need to collectively agree that a project that is in the nation's best interest, with high economic impact, strong public support and long-term affordability should be delivered in the quickest way possible—and the implementing agencies must be empowered to get it done without fear of legal repercussions. **F**



Vehicles drive past the construction site for a new highway in the business district in Jakarta. Despite claiming it will be completed by June this year, it will not be open for months.