ISIC22nd: *"The World's Beacon to Indonesia's Destiny"*

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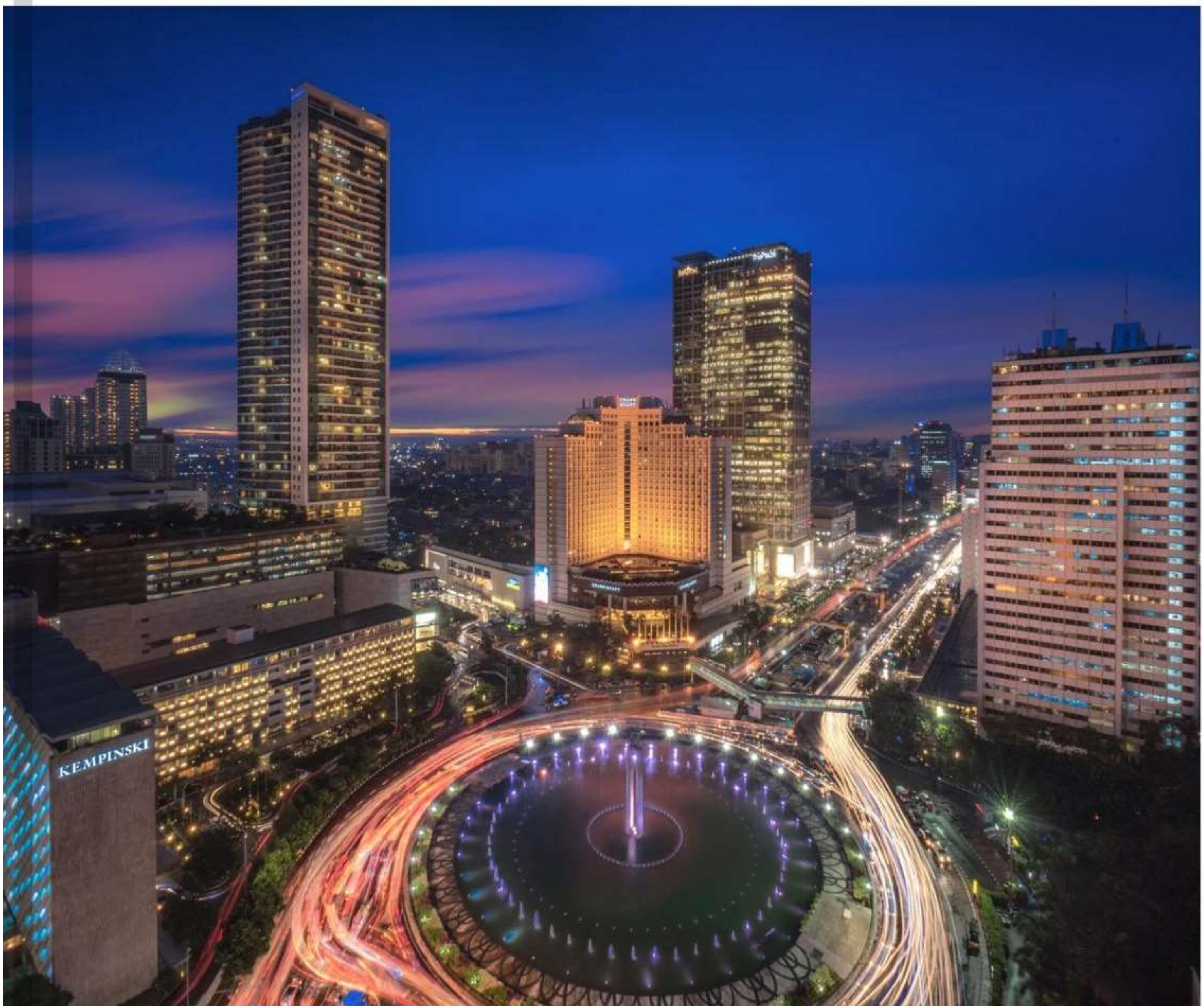

Golden Indonesia 2045: A World’s Beacon to Our Destiny

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FOREWORD

I would like to express my sincere gratitude to the Embassy of the Republic of Indonesia (KBRI) in London. Specifically, I extend my thanks to Mr. Desra Percaya, the Indonesian Ambassador to the United Kingdom, Ireland, and IMO, for his unwavering support and for providing the venue for our event. My appreciation also goes to Mr. Khairul Munadi, the Education and Cultural Attaché of KBRI London, for his guidance and direction throughout the book preparation process. Furthermore, I would like to acknowledge the role of Bank Indonesia in London, particularly Ms. Farida Peranginangin, for their generous sponsorship of this event. Their contributions have been essential to our success.

This book represents the voices of passionate scholars, students, and professionals who have come together to explore Indonesia's complex challenges and opportunities. I extend my heartfelt thanks to all contributors for your insightful submissions, which have enriched our discussions and provided valuable perspectives on critical issues facing our country.

As you delve into the pages of this book, I invite you to reflect on the wealth of knowledge it contains. These articles not only highlight the underutilized potential of institutions like museums and libraries but also advocate for the importance of civic education and the role of cultural heritage in defending democracy. Each piece offers unique insights that can guide us as we navigate the path toward a brighter future for Indonesia.

We hope that this book will not only share knowledge and experiences but also serve as an inspiration for the younger generation to continue contributing to the nation's development. May we all be granted the strength and spirit to bring forth more beneficial initiatives in the future.

Thank you for being part of this journey. May this book inspire continued dialogue, foster collaboration, and serve as a beacon for future generations as we work together to realize Indonesia’s destiny.

Writer

SYNOPSIS

Indonesia is entering the era of the "Golden Generation 2045." This book discusses the strategic challenges and opportunities that Indonesia faces as it approaches the 100th anniversary of its independence in 2045. The central theme of this book is exploring how Indonesia can become a resilient global power through reforms in various sectors, such as renewable energy, the economy, digitization, and democracy.

This book highlights:

- **Renewable Energy and Sustainability**: How Indonesia needs to accelerate the transition to greater use of renewable energy to support sustainable development.
- **Digital Transformation of the Public Sector**: The importance of digital reforms in public services to improve government transparency and efficiency.
- **Economic and Fiscal Reforms**: Proposals for changes in the allocation of the state budget to ensure fairness and support equitable economic growth.
- **Civic Education and Democracy**: The role of civic education and cultural heritage in preserving democracy amidst the rapid flow of digitalization.

This book emphasizes the crucial role of the younger generation and scholars in facing these challenges, inviting them to actively participate in shaping a better future for Indonesia. With deep insights and critical analysis, this book serves as an essential guide for understanding the strategic steps to address the nation's future.

A. Powering Up Indonesia's Renewables: A Pricing and Subsidy Reform Agenda

Driven by its massive population of over 270 million, Indonesia anticipates a substantial growth in energy consumption by 80% up to 2030. The government has pledged to achieve Sustainable Development Goals for clean energy considering the energy sector as a major emitter of greenhouse gases. This includes increasing the supply of renewable energy sources as outlined by the government's General Plan of National Energy, aiming for a 31% renewable energy (RE) mix by 2050. However, based on a report by the IISD (2022), fossil fuels maintained their dominance as the primary source in Indonesia's national energy mix, contributing roughly 84% of the total supply. Coal constituted the highest percentage of total energy supply at 36.15%, followed by petroleum at 32.10%, and natural gas at 16.16%, leaving only 11.35% for energy supplied from renewable sources. Indonesia's current energy landscape and the challenges in developing renewable energy have obstructed the transition away from fossil fuels which continue to dominate the energy sector.

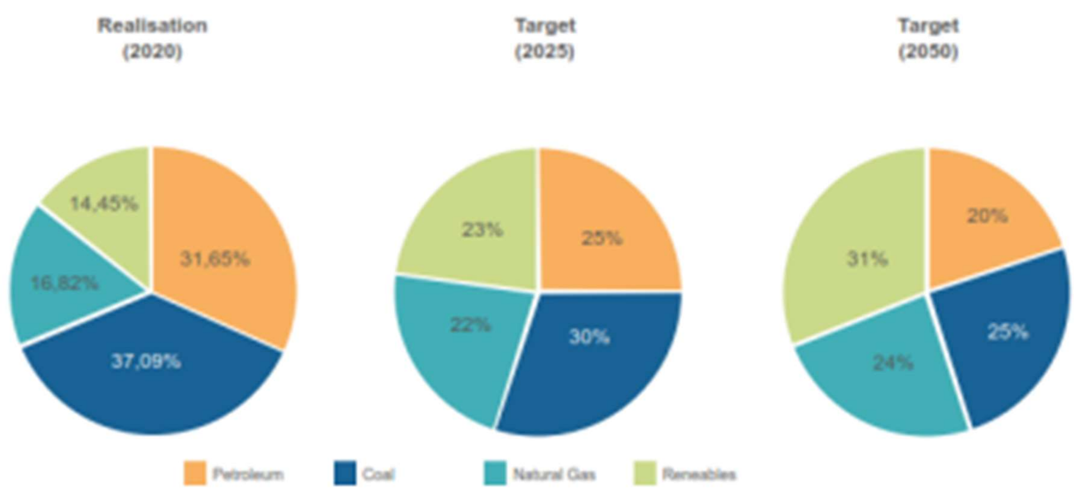


Figure 1. National Energy Target according to the General Plan of National Energy Source: CASE for Southeast Asia (2022)

Barriers to Renewable Energy Adoption in Indonesia

As the top 10 largest emitter countries, Indonesia's energy mix transition has the potential to significantly influence the achievement of global environmental goals outlined in the SDGs and the Paris Agreement. In addition to the renewable energy target, Indonesia has taken significant steps to address climate change by setting its Nationally Determined Contribution (NDC) led by the Ministry of Environment and Forestry. This commitment aims to reduce emissions by up to 29% by 2030, with the potential for greater reductions up to 41% with international support (UNFCCC, 2016). However, achieving these goals requires stronger policy measures to balance meeting growing energy demand with ensuring energy security and environmental sustainability.

The higher cost of developing renewable energy sources stands out as the main constraint in renewable energy development, as stated in a report by CASE for Southeast Asia (2022). Despite Indonesia's potential for lower operational costs due to cheaper labour and materials, renewable energy struggles to compete with heavily subsidized “brown” energy sources, such as fossil fuels. This challenge is common in developing countries and is primarily driven by the high initial investment costs associated with establishing renewable energy infrastructure. Structural issues like a lack of necessary infrastructure, difficulty procuring technology, and inefficient permitting processes further inflate these costs. Additionally, limited financial instruments to manage the risks specific to renewable projects lead to higher financing costs, especially for smaller-scale projects which are relatively common in Indonesia. These combined factors make renewable energy significantly less competitive with brown energy in the current Indonesian market.

Strategies for De-risking and Attracting Investment

To accelerate renewable energy development and attract investment, Indonesia should implement risk mitigation instruments by reforming incentive and pricing schemes. Following the UNDP framework, policy risk reduction measures can address regulatory barriers hindering renewable energy growth. Establishing a supportive regulatory environment through these measures will create a solid foundation for expanding Indonesia's renewable energy sector.

Several nations have implemented successful reforms of fossil fuel subsidies. Examples include social program funding in countries like Morocco and Zambia (Sanchez et al., 2020) and improved targeting of subsidies in India (Sharma et al., 2020). Indonesia attempted a similar approach in 2014, capitalizing on lower oil prices to reduce gasoline and diesel subsidies, generating significant savings of $14.6 billion (Pradiptyo et al., 2015). These savings were directed towards social programs and infrastructure. However, the success was impermanent as the gap between government-set prices and market prices widened, leading to a rise in subsidies for transport fuel again. This highlights the challenge of maintaining subsidy reform in Indonesia.

Another significant barrier as reported by the Asian Development Bank (ADB) is the affordability of brown energy which makes it the preferred choice for PLN (The state-owned electricity company). To address the issues, policy reforms are crucial, which could include: 1) revising pricing structures to allow developers to sell renewable energy profitably and ensure consistent and transparent implementation, 2) reforming subsidies by reducing incentives for fossil fuels and redirecting those incentives towards renewable energy sources, and 3) introducing a carbon tax to disincentivize fossil fuel dependence and generate revenue for further renewable energy development. These combined policy changes could create a more attractive environment for renewable energy investment, ultimately accelerating Indonesia's transition to a cleaner energy future.

Based on OECD (2021), Indonesia spends heavily on subsidizing fossil fuels like gasoline, diesel, and coal, costing approximately \$8.6 billion in 2019. This number rose significantly in 2020, reaching IDR 205 trillion (USD 14.2 billion), and these subsidies disproportionately benefit the rich households who consume more energy, thus exacerbating existing economic inequality in Indonesia. Furthermore, these subsidies have driven up the consumption of fossil fuels, leading to air pollution, health problems, and climate change.

The International Monetary Fund estimates the cost of these negative externalities in Indonesia at \$392 billion in 2020, equivalent to 37% of the country's GDP (IMF, 2023). Compared to ongoing subsidies for brown energy, Indonesia lacks comparable incentives to encourage investment in renewables (IESR, 2018). Instead of subsidizing fossil fuels, the government could raise revenue by reforming subsidies and implementing taxes on transportation fuels and coal (Laan et al., 2021; Sanchez et al., 2020). This reform would not only generate revenue but also encourage cleaner energy use by influencing consumer and investor behaviour through price signals. It would additionally benefit public health and the environment by reducing air pollution.

Moreover, despite initial plans for a launch in April 2022, Indonesia's carbon tax on coal plants (around \$2/tCO_2 and covering 86% of facilities) has been delayed until 2025 due to economic factors and geopolitical events that resulting disruptions to global energy and commodity prices. The Ministry of Finance further cites potential public resistance to rising electricity costs and the need for supporting regulatory development as reasons for the delay. This condition pushes back Indonesia's plan to gradually increase the tax and expand its coverage to other sectors.

Therefore, the government must accelerate its efforts to meet its climate goals by prioritizing and taking concrete steps to develop renewable energy capacity. Reforms to energy pricing can have ripple effects on the economy, including inflation rate and government budgets. While prioritizing policy reforms is essential for renewable energy development, financial de-risking instruments should be developed concurrently to ensure they're ready when the regulatory environment is optimized. These financial tools, such as loan guarantees, performance-based lending, green bonds, and various funding options, can further accelerate the progress and expansion of the renewable energy sector. To maximize the impact of reducing conventional energy subsidies, it is critical to strategically implement these reductions during periods of low global energy prices. This phased approach allows for reform without a major impact on consumer fuel prices. Moreover, a phased approach could manage political challenges associated with the implementation of such policy reform, including institutional resistance, business influence, and conflicts of interest which hinders the development of energy pricing and subsidy policies as suggested by Brata & Sedera (2023).

In addition to the aforementioned strategies, introducing a carbon tax would serve to disincentivize fossil fuel dependence while generating revenue for renewable energy development. This approach aligns with the need for prudent economic management, as it can be implemented gradually to minimize economic shocks. Besides, reforming subsidies by reducing incentives for fossil fuels and redirecting them towards renewable energy sources would level the playing field for clean energy. This subsidy reform should be executed strategically, ideally during periods of low global energy prices, to minimize the impact on consumer fuel prices. By integrating these solutions into its energy transition strategy, Indonesia can create a more favourable economic environment for renewable energy investment and enhance its efforts to meet climate goals.

B. The Rich Get Richer: How Indonesia's Democracy Widened the Wealth Gap

Indonesia recently concluded its democratic process through the national election. The newly elected president and vice president with their upcoming cabinet face the crucial task of fostering national prosperity over the next five years. As a developing nation, Indonesia confronts numerous challenges on its path towards achieving the ambitious target of ushering in an "Indonesia Golden Age" by 2045.

One pressing concern demanding the attention of the new leadership is economic inequality. The Gini Index, a key indicator of economic disparity, has risen to levels exceeding those observed during the authoritarian periode under Suharto (New Order). This signifies a worrisome trend: since the 1998 democratization process, a widening gap has emerged between the wealthy and the rest of the population. This situation poses a significant obstacle to achieving an inclusive society, a cornerstone of the envisioned Indonesia Golden Age in 2045. Furthermore, it casts doubt on the efficacy of democratization in promoting true equality for all Indonesians.

The concentration of wealth, as noted by the OECD (2015), poses a severe threat, while reduced inequality benefits everyone. Therefore, scholars have extensively investigated this problem and proposed various solutions. A prominent proposal advocates for a transformation in Indonesia's economic structure, shifting the focus from resource extraction towards manufacturing and services. This approach holds considerable merit, as transitioning to value-added industries offers the potential for increased income levels. However, this strategy primarily focuses on uplifting lower-income groups to narrow the gap with the affluent. Notably, limited discourse exists regarding solutions that address the issue at the higher end of the income spectrum, particularly in the political sphere through the concept of oligarchs.

This article delves into the concept of oligarchy within the Indonesian political landscape. It examines the consequences of their existence for tackling economic inequality in the nation. Specifically, this article explores how the immense wealth wielded by oligarchs grants them the ability to influence the political sphere and potentially dictate policy decisions through the concept of "electoral ruling oligarchy". In the current democratic era, strengthening check and balance mechanisms becomes paramount to curbing the undue influence of oligarchs in economic inequality.

Oligarchs: From Suharto's Grip to Electoral Power

The concept of oligarchy and oligarchs finds its most fertile ground within the field of political science, particularly when viewed through a political economy lens. Winters (2012) defines oligarchy as a system characterized by political processes and arrangements that are heavily influenced by a small number of wealthy individuals. These individuals are not only empowered by their vast material resources, but their wealth also sets them apart from the broader community, often leading to inherent conflict. Oligarchs, as the key actors within this system, leverage their wealth to shape policies and institutions to their advantage, potentially undermining democratic processes.

Drawing upon the aforementioned definition, oligarchy can be primarily understood as a political practice focused on **wealth defense**. These highly affluent individuals enter the political arena, both directly and indirectly, to safeguard their fortunes. They perceive threats to their wealth distribution emanating from various directions, including rivals and less fortunate segments of society. This practice is considered a significant contributor to the rising of economic inequality in Indonesia in the post-authoritarian period.

Oligarchy and oligarchs have been a persistent feature of Indonesian politics, existing throughout the New Order regime and continuing into the current, supposedly democratic, era. However, as Winters suggests, the system and the actors within it operate through distinct styles. During the New Order regime, oligarchs relied heavily on the leadership of Suharto. This period was initially marked by the encouragement of business partnerships between Chinese Indonesians and military generals. This style of oligarchic operation can be termed "sultanic." Under a sultanic system, Suharto dictated the rules of the game, exerting control over the oligarchs. Regardless of their personal wealth or influence, the former president possessed the authority to dismantle the fortunes of individuals whose interests conflicted with the nation's development agenda.

The fall of Suharto necessitated an adjustment in the oligarchic game, as the dominant figure had stepped down. Oligarchs transitioned to an "electoral ruling" system, where they incorporated the electoral process into their wealth defense strategy. This resulted in the proliferation of money politics and corruption, even infiltrating regional levels.

This shift may be one of the key determinants of the rising inequality observed in post-authoritarian Indonesia. The transition from a sultanistic oligarchy, where Suharto personally held the ultra-wealthy in check, to a more chaotic electoral ruling oligarchy, has demonstrably loosened constraints on oligarchic power. Consequently, the strategic use of wealth has become a crucial power resource within Indonesian electoral politics. Theories within political science, such as Public Choice Theory and Power Elite Theory, offer valuable frameworks for analyzing this phenomenon to the rising economic inequality in the post-reform.

Public Choice Theory posits that individuals, including voters, politicians, and bureaucrats, primarily act in their own self-interest (Buchanan & Tullock, 1962). This self-interest can encompass wealth, power, or other personal goals, which may diverge from the broader societal objective of equitable wealth distribution. Campaign financing exemplifies this dynamic. Politicians, or those endorsing them, incur significant expenses during elections. Access to and control of public office becomes a potential avenue for recouping these costs, potentially at the expense of the public interest. Power Elite Theory, on the other hand, emphasizes the concentration of power among a small group of elites at the apex of economic, political, and military institutions (Mills, 1959). These elites, through their interconnectedness and shared interests, shape national agendas and policies. This concentration of power can limit the possibility of meaningful wealth distribution and true democracy.

Consequently, the democratic momentum of 1998 failed to yield substantial progress in achieving political and economic equality, particularly in the latter sphere. The oligarchs, through both direct and indirect electoral mechanisms, demonstrated a remarkable capacity to defend its wealth and shape government policies in accordance with its interests rather than prioritizing national development. This, in turn, exacerbated the socioeconomic gap with the lower classes.

As evidenced by the Gini index, income inequality remained relatively stable during the Suharto era, fluctuating between 0.32 and 0.35. However, the post-authoritarian period witnessed a significant surge in inequality, culminating in a peak of 0.41 in 2011. Although inequality has exhibited signs of decline since 2015, it persists at levels surpassing those observed under authoritarian rule (World Bank, 2024).

Taming Oligarchs for a Golden Indonesia 2045

The rise of economic inequality after democratization presents a significant challenge for future Indonesian leaders. That is because the ideal democracy system is expected to promote not only political but also economic equality (Meltzer & Richard, 1981). To comprehend this phenomenon, a comprehensive analysis of the political economy, particularly through the lens of oligarchic influence, is warranted.

The role of oligarchs and their interests constitutes a critical aspect of Indonesia's development within its current democratic regime. It is essential to acknowledge that authoritarian regimes, such as Suharto's, are not inherently antithetical to oligarchic interests. While Suharto's regime did exert some degree of control over the oligarchy, it did not eliminate their influence entirely. This dynamic allowed Suharto to avoid being beholden to these wealthy individuals, enabling him to pursue a development agenda that included policies beneficial to the poor (Hill, 2000, 2018). In essence, Suharto's ability to manage and harness the power of the oligarchy aligned with his broader development objectives.

That does not mean Indonesia should return to authoritarianism. However, taming these oligarchs, while adhering to democratic principles, is a lesson that can be learned from the New Order regime to actualize Indonesia's democratic ideals. By doing so, the government may have room to formulate redistribution policies to manage this rising economic inequality with less conflict of interest from the officials. As the government budget for development is limited, formulating effective policies is crucial to prevent this issue from persisting.

In doing so, a check and balance mechanism is key to taming oligarchs in the current democratic regime. Concentrated wealth profoundly shapes politics in every country, albeit to varying degrees. However, it depends on the effectiveness of limitations designed to dampen its use for direct and indirect political objectives.

This check and balance mechanism employs two primary tools to mitigate the influence of oligarchs and promote economic growth without exacerbating economic inequality: strengthening democratic institutions and civil society.

There are many definitions of the term "democratic institutions" (Rothstein, 1996; Rhodes et al., 2008). However, they can be simply understood as the rules of the game. These rules include both formal and informal ones. Formal rules are the "explicit rules" that dictate behavior (parliaments, international organizations, independent bodies, etc.). Informal institutions are "unwritten" norms, habits, and standard operating procedures.

Indonesia's performance in both formal and informal rules falls short of expectations. Efforts to weaken oversight bodies like the Komisi Pemberantasan Korupsi (Corruption Eradication Commission) exemplify weaknesses in formal rules. Informally, the pervasive political culture condones practices that prioritize personal gain over the public good. These two aspects are interrelated. For example, a weak culture of accountability can lead to the erosion of formal rules, as seen in attempts to weaken anti-corruption institutions. Furthermore, focusing solely on formal institutions without addressing informal ones would be insufficient. Campaign finance reform, for instance, represents a crucial area for improvement within the formal framework. However, such reforms will be ineffective if informal institutions, like the cultural acceptance of prioritizing personal gain, are not addressed with equal weight.

Secondly, a strong civil society can monitor the work of the entire regime, especially when it benefits only the oligarchs, not the whole society. Since the first suggestion comes from the government's perspective, strengthening power outside the government is crucial for a balanced mechanism. Power elite theory suggests that the behavior of government elites is influenced by their personal goals, highlighting the importance of an external check.

Currently, the Indonesian government does not forbid civil society organization (CSO), but these organizations are poorly organized. Winters (2012) assesses that civil society in Indonesia is badly fragmented. Additionally, Indonesia's civil society organization law (Ormas Law) represents a significant setback for the country's role as a regional champion for freedom of expression. This law hinders CSOs from evaluating and critiquing the government, as they can be easily dissolved under its provisions.

In one sense, Indonesia should be grateful for its democratic regime, which has facilitated peaceful general elections compared to some neighboring countries (e.g., the Philippines with high election-related fatalities and assassinations of candidates). However, the democratization process remains incomplete, particularly concerning how oligarchs operate in the political sphere. By taming the oligarchs, economic inequality can be lessened, paving the way for Indonesia's golden 2045.

C. Reshaping State Expenditures for an Advanced and Equitable Indonesian Economy

Sustainable and equitable development are central to Indonesia's 2045 vision. In line with this, the Main Targets of the 2025-2045 RPJPN include per capita income equivalent to developed countries (around USD 30,300), reducing poverty to 0% (range 0.5%-0.8%), and decreasing income inequality, with a Gini ratio 0.377-0.320. Reducing regional inequality is also vital for achieving social justice and inclusive growth.

State expenditure policies play a strategic role in determining the direction of an advanced and equitable national economy. Several studies have demonstrated the crucial impact of state spending in reducing inequality. Martines-Vazquez et al. (2012) found that government spending on social welfare, education, and housing positively influenced income distribution in 150 countries from 1970 to 2009. Similarly, studies by Calderon and Servien (2004), Winters et al. (2004), and Nangarumba (2015) highlight that infrastructure development, supported by state expenditure, plays a vital role in reducing poverty and mitigating income inequality.

Despite significant government allocations, inefficiencies and corruption in budget management have meant that only 15%-20% of the funds reach those in need. As a result, Indonesia has yet to realise its full potential in ensuring equal rights and consistent economic growth. Addressing these issues through fiscal reforms, better-targeted subsidies, and broader public participation in budgeting is crucial. These strategies will not only strengthen the national economy but also accelerate the achievement of the Golden Indonesia 2045 vision of inclusive and sustainable prosperity.

Fairer and More Equitable Budget Allocation

Indonesia's State Budget, while aimed at promoting equitable development, frequently faces challenges in implementation. Java receives the largest share, disadvantaging regions like Papua and Kalimantan with greater economic and geographic challenges. This has led to significant disparities, especially in frontier, remote, and disadvantaged regions where infrastructure and development are lagging significantly behind.

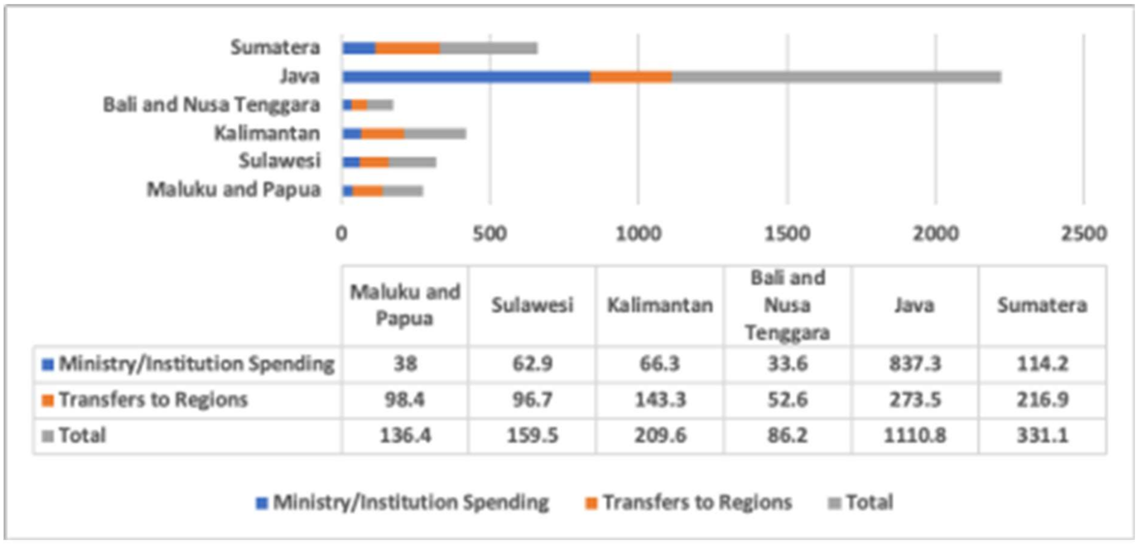
Studies have highlighted the strong correlation between government spending and rising regional inequality. Nasution (2020) reveals that various government expenditures, including personnel and capital spending, are linked to increased inequality, as reflected by the Williamson index. This trend is rooted in the concentration of spending in Java, which benefits from its dense population and economic activity.

Additionally, Resosudarmo and Vidyattama (2006) found that infrastructure investments disproportionately favoured Java, leaving regions like Papua and Kalimantan underfunded, despite facing more significant geographic and economic hurdles. The imbalance further widens income disparities between provinces and drives internal migration to urban areas in Java, placing undue pressure on the region's already strained infrastructure. This highlights the pressing reform imperative of fiscal policy that would deliver a more even spread of growth over the archipelago.

The extent of the imbalance is highlighted in Figure 1, which shows the Ministry/Institution Spending and Transfers to Regions across Indonesia in 2023. Java receives 1,110.8 trillion, which accounts for over 54.6% of the national budget, despite housing only 56% of Indonesia's population. In stark contrast, regions like Maluku and Papua, which face considerable developmental challenges, are allocated only 136.4 trillion or 6.7% of the total budget. Similarly, Kalimantan and Sulawesi receive far less than what their geographic size and development needs warrant. The centralisation of resources has left these underdeveloped regions struggling to achieve sustainable growth.

Figure 1.

Ministry/Institution Spending and Transfers to Regions Across Indonesia in 2023



	Maluku and Papua	Sulawesi	Kalimantan	Bali and Nusa Tenggara	Java	Sumatera
Ministry/Institution Spending	38	62.9	66.3	33.6	837.3	114.2
Transfers to Regions	98.4	96.7	143.3	52.6	273.5	216.9
Total	136.4	159.5	209.6	86.2	1110.8	331.1

(in Trillion Rupiah) Source: Ministry of Finance (2024)

Infrastructure investments outside Java also face cultural, political, and regulatory barriers. In Papua, the presence of indigenous communities and complex land rights poses significant challenges, while political resistance and local governance issues further complicate the implementation of national infrastructure projects. These factors are compounded by the region's isolation, making it even more critical for the government to reform budget allocation formulas to account for each region's specific needs.

The impact of unequal budget allocation extends beyond infrastructure deficits, as it also exacerbates social and economic disparities. The migration from less developed regions to more developed ones increases urban population density, reducing living standards and overburdening strained resources. Historical examples show that countries in Eastern Europe, which failed to implement equitable development policies, experienced internal conflict and economic stagnation. Indonesia must avoid such outcomes by ensuring that resources are distributed more fairly to prevent further regional inequalities.

To address these issues, the government must reform its budget allocation strategy, tailoring it to each region's specific developmental goals. Bluedorn et al. (2019) from the IMF and OECD (2016) recommend increasing fiscal policies targeting underdeveloped regions. Adopting region-specific policies will help Indonesia foster balanced growth and reduce disparities.

Countries like Brazil and India have successfully tackled similar challenges. Brazil's Bolsa Família program helped reduce income inequality and extreme poverty by providing targeted cash transfers to poor households across the country, significantly benefiting vulnerable populations in both urban and rural areas (Soares et al., 2010). Meanwhile, India's Direct Benefit Transfer (DBT) system ensured that subsidies reached recipients more efficiently, particularly in rural areas (Mittal et al., 2017). By investing more heavily in underdeveloped regions, Indonesia can reduce inequality and create a more diversified and resilient national economy—critical steps towards achieving the Golden Indonesia 2045 vision.

Eradicating Inefficiency and Corruption in Budget Management

Addressing inefficiency and corruption in budget management is essential for advancing more effective and equitable development in Indonesia. Even with large state budgets, corruption and inefficient administration often prevent the country from realising its full developmental potential.

Public procurement is a major source of corruption and inefficiency, causing state losses of billions of rupiah annually. The government's goods and services procurement budget was worth IDR 1.153 trillion, and around 30% of the funds were embezzled, or approximately IDR 200 trillion (Sidik, 2019).

Indonesia has witnessed extensive corruption scandals, particularly during the COVID 19 pandemic. Indonesia Corruption Watch recorded IDR 42.747 trillion in state losses from various corruption cases, including the mismanagement of social aid subsidies, which denied essential support to those most in need. These cases underscore the flaws in budget management and highlight the urgent need for reform.

Corruption has a detrimental effect on the national economy by hampering economic growth, deterring investment, and undermining the quality of public infrastructure. It disincentives work, affecting lower-income groups more than others and thus increasing income inequality and sustaining grand levels of poverty. Corruption not only lowers public confidence in the government but also erodes investor trust, gradually weakening economic development.

Indonesia needs to improve its auditing systems and use information technology to increase transparency in terms of operation and impose heavier penalties on corruption. Blockchain technology in public procurement can help counteract this by making financial transactions transparent and trackable on a real-time basis.

Examples include Brazil's electronic procurement systems, which reduced corruption (Moreira, 2016), and South Korea's online open budget system which enhanced citizen participation in budget management by increasing transparency and public access to detailed budgetary information (Jung,. 2022). Likewise, strengthening anti-corruption institutions such as KPK has also proven to be successful in promoting accountability and ensuring a greater level of trust amongst the society (similar with what Singapore and Hong Kong have accomplished).

More Effective and Targeted Subsidies

Indonesia spends a lot on subsidies, with total subsidy expenditure reaching IDR 196 trillion in 2020 (increasing to IDR 286 trillion by 2024). But these subsidies are delivered under an inefficient system that allows leakage of its benefits from some food producers, and which often does not reach the most vulnerable segments of population. Most subsidies are heavily concentrated in fuel, and concessional benefits favour the wealthier segments of society. In 2022 it emerged that more than 80% of fuel subsidies had in fact been going to wealthier groups, with the poorer left barely benefiting at all (Wahyudi, 2022). This misallocation of subsidies was inefficient and placed a fiscal burden on the state. The COVID-19 pandemic laid bare additional shortcomings in the implementation of social aid subsidies by multiplying inequalities and diluting its role as a social program.

India's LPG subsidy reform offers a good model to tackle these problems (Mittal et al., 2017). India has reduced its fiscal deficit, the gap between total revenues and total expenditures, by implementing the DBT system as it lowered leakages in subsidy distribution and made sure the resources reached at last-mile beneficiaries. Indonesia could use the project as a precedent to explore a similar initiative, however challenges in terms of precise data capture and limited infrastructure in remote areas should be dealt with.

Indonesia must reform its subsidy system to ensure fiscal consolidation, improve resilience, and enhance the quality of public spending. More effective and targeted subsidies are key to driving economic growth and promoting better support for those who need at most help from the economy, resulting in a more inclusive economy.

Increasing Public Participation in Budgeting

Strengthening public participation in budgeting is essential for increasing transparency and move the understanding beyond simply an opaque picture of numbers in a government document to ensuring that the figures displayed reflect the public’s real needs. Currently, Indonesian government holds Public Consultation Forums on the State Budget Bill, though those are typically held at a late stage. By engaging the public earlier rather than merely seeking approval at the end, the Indonesian government can ensure citizens have a role in shaping fiscal policy instead of being passively informed of predetermined decisions.

Countries like Brazil have proven that participatory budgeting works (Wampler & Goldfrank, 2022). The system, which has been around in Porto Alegre since the 1980s, aims to address social injustice and make politics more inclusive —empowering communities to decide where resources should be channeled. Methods like these could also be replicated by Indonesia through digital platforms, which would have facilitated better participation of its more remote citizens that are often struggling to engage. These platforms would enable continuous feedback and inclusivity, ensuring that budget priorities reflect the diverse needs of the population.

Civil Society Organisations (CSOs) play a critical role in fostering community engagement and representing the voices of marginalised groups. CSOs can help educate the public about budgetary processes and thereby deepen understanding of fiscal policy. More open public participation would mean that budget spending also becomes more transparent and starts addressing actual public needs, supporting higher governance quality, growing social equity and increasing trust in the government institutions.

Achieving the Golden Indonesia 2045 vision requires a comprehensive rethinking of budget allocation, administration, and oversight. More effective and equitable budgeting can promote inclusive growth and reduce regional disparities. Policies that promote fiscal transparency (e.g., blockchain technology) and increase public involvement in budgeting are crucial to driving accountability and efficiency in the currently opaque system. Examples such as targeted subsidies in Brazil, DBT reforms in India, and South Korea's online open budget system offer valuable lessons for Indonesia to eliminate corruption and ensure resources reach those in need. By implementing these global best practices, Indonesia can institutionalize an equitable and resilient economy, laying the foundation for sustainable growth and social justice.

D. Assessing Public Sector Digital Transformation in Indonesia: Recommendations for Achieving a Golden Indonesia by 2045

Digital disruption is a prevalent challenge in all industries, heightened by the onset of the Fourth Industrial Revolution, known as Industry 4.0. As competition intensifies, global organisations must remain agile and embrace cutting-edge technologies like big data, the Internet of Things (IoT), artificial intelligence (AI), and blockchain. These technologies have not only created significant media buzz but have also forced numerous industries to undergo transformations over the past decade (Ghobakhloo, 2020; Bughin & van Zeebroeck, 2019; Urbach, Drews & Ross, 2017). In such disruptive environments, business leaders often find themselves with scant guidance, reacting to changes rather than strategically managing them (Bughin & van Zeebroeck, 2019).

Similarly, complex environments have driven governments worldwide to pursue more adaptive institutional frameworks. These transformations are aimed at reforming institutions to enhance digital interactions between citizens and the state. Estonia, for example, is recognised as the world's most advanced digital society, where taxes are completed online in under five minutes, and a significant portion of public services, including voting, is available online 24/7 (e-Estonia, 2020). Likewise, the USA, the UK, Sweden, India, and Singapore are known for their digital transformation strategies. In the UK, the focus is on transforming the relationship between the citizen and the state by implementing comprehensive programmes that deliver connected, end-to-end government services, fostering a whole-of-government approach and transitioning into a digital organisation (GOV.UK, 2024).

Implementing effective governance in the digital era is filled with substantial challenges. There is ongoing debate over both the effectiveness and the value of digital government initiatives. Often, the approach to adopting digital solutions is reactive rather than proactive, leading to misalignments with the cultural context, readiness for e-services, and specific needs of different countries (Asgarkhani, 2005). This reactive stance can result in digital strategies that fail to meet their intended objectives, highlighting the complexity and difficulty of digital transformation in governance. Furthermore, each public institution within a country may adopt a different approach to meeting the digital transformation objectives established at the national level. This diversity can lead to varied outcomes and effectiveness across institutions.

These challenges are clearly observable in Indonesia, where each public institution exhibits a unique response to digital disruption. Understanding these varied responses is essential, as Indonesia is striving to become a digital nation by developing three crucial aspects: the digital economy, digital society, and digital government. In the area of digital government, Indonesia is dedicated to transforming the business models of its ministries, digitising business processes and services to provide its citizens with unified, transparent, and efficient services. However, in practice, only a few ministries in Indonesia have developed a robust and cohesive strategy for digital transformation.

Indonesia's Digital Standing

Indonesia is experiencing notable digital growth, with substantial increases in internet usage and social media engagement. By early 2024, the country's internet user base had risen to approximately 185.3 million, accounting for about 66.5% of the population. This indicates a continued upward trend from the 175.4 million internet users reported in early 2020 (Kemp, 2024). Social media usage has also expanded, with notable increases across various platforms. For instance, YouTube reached about 139 million users in Indonesia by early 2024, which is about 49.9% of the total population. Similarly, Instagram's user base grew to 100.9 million, and TikTok's user figures also saw a significant rise to 126.8 million users aged 18 and above (Kemp, 2024). Moreover, these digital advancements contribute to the broader goals of Indonesia's digital transformation, aiming to support the vision of a 'Golden Indonesia' by 2045. The growth in digital infrastructure and engagement is foundational for enhancing public services and fostering economic growth, positioning Indonesia as a strong digital economy in the future.

Digital Disruption

Digital disruption arises from a particular type of technological innovation that initially targets a niche market segment. As these innovations develop, they gradually meet the demands of the broader mainstream market, as evidenced by the ascent of Uber and Airbnb (Narayanan & O'Connor, 2010). These pioneering technologies and business models can significantly alter the value of existing products and services in the market, thereby justifying their description as 'disruptive'. The term 'disruptive technology' is thought to have originated from the concept of disruptive innovation, which was introduced by Clayton Christensen, a professor at Harvard Business School, in his seminal book "The Innovator’s Dilemma" (1997). Digital disruption, like a seismic wave, unsettles established norms around the world. It impacts the profits of incumbent businesses in two primary ways: digital newcomers compete with established firms, and the incumbents themselves react to the disruption, intensifying the competition (Bughin & van Zeebroeck, 2019). However, the concept of digital disruption is perhaps more accurately described as a series of interconnected waves rather than a single, overwhelming tsunami sweeping across all industries and economic sectors (Stewart, Schatz & Khare, 2016). This perspective highlights the multifaceted nature of digital disruption and its varying impacts across different sectors.

Despite its volatility, disruptive technologies offer governments many promising opportunities to accelerate work processes, enhance the efficiency and effectiveness of policies, provide better and more customised services, and reduce bureaucratic burdens. Simultaneously, the dynamic nature of these technologies alters the 'rules of the game', affecting interactions between the state and its citizens, among various government organisations, between government and business, and within the government and its employees (Prins, Broeders & Griffioen, 2012).

Three digital domains: Digitisation, Digitalisation, Digital Transformation

The three digital domains—Digitisation, Digitalisation, and Digital Transformation—have become central themes in Information Systems (IS) research and practical applications, as information and communication technology (ICT) becomes increasingly integral to our daily lives. These concepts help delineate the different phenomena that arise from the convergence of physical and digital worlds.

Digitisation involves the conversion of analogue information into digital formats, enabling computers to store, process, and transmit this information. This process transforms physical or analogue entities into digital bit strings, allowing for flexible manipulation and efficient storage. Not only does this preserve the original content, but it often enhances its utility and value, making it more accessible and versatile (Loebbecke & Picot, 2015; Tilson, Lyytinen & Sørensen, 2010). **Digitalisation**, on the other hand, refers to the employment of digital technologies to fundamentally transform business processes. It extends beyond mere technology adoption, encompassing the conversion of processes or operations into digital formats, such as moving from paper records to digital databases.

Both of these stages are critical in setting the stage for **Digital Transformation**, which entails restructuring organisational frameworks and cultivating new competencies essential for maintaining relevance (Saarikko, Westergren, & Blomquist, 2020; Vial, 2019). This transformation is not merely a technological shift but also encompasses modifications in customer engagement, business models, and market dynamics. It requires a comprehensive integration of technology with strategic vision, along with a cultural shift towards innovation and customer centricity. Each domain, from digitisation to digital transformation, introduces unique challenges and opportunities, fundamentally altering how organisations utilise digital resources, strategise growth, and evaluate success.

It is clear that challenges to achieving "Golden Indonesia" in the digital era are intensifying. Despite this, few studies, particularly in the Indonesian context, have explored the extent of digital disruption or how decision-makers are responding on a broad scale (Bughin & van Zeebroeck, 2019). Within e-government, the digitalisation of public sectors has been empirically examined in domains such as design, channel choice, value creation, digital divide, and citizens' willingness to adopt digital public services (Nielsen & Persson, 2017; Ebbers, Jansen & van Deursen, 2016; Hofmann, Räckers & Becker, 2012; Ebbers, Pieterson & Noordman, 2008). However, these studies often treat digital public services as either hypothetical or generic phenomena, thus overlooking the nuances and diversity of e-services and their significance for citizens. Consequently, both empirical and theoretical gaps persist in the e-government literature regarding how digital transformation affects governmental actors and the delivery of public services (Lindgren et al., 2019; Mergel, Edelmann & Haug, 2019).

Bughin and van Zeebroeck (2019) found that although 90% of companies engage in some form of digitisation, merely 16% have adopted bold and comprehensive strategies. Furthermore, a December 2021 survey by McKinsey & Company reveals that less than 30 percent of digital transformations succeed, highlighting that these initiatives are often more challenging than conventional changes. Only 16 percent of respondents reported that their organisations' digital transformations have successfully enhanced performance and equipped them for long-term sustainability. An additional 7 percent noted improvements in performance, although these were not sustained. Even industries known for their digital savviness, such as high-tech, media, and telecommunications, face significant struggles.

Given the substantial failure rate observed globally, it is crucial for Indonesia to carefully evaluate the current state of its digital transformation initiatives, taking into account the complexities highlighted by international trends. This preliminary assessment will facilitate better strategic alignment, significantly enhancing the likelihood of successful implementation and long-term benefits.

It is recommended that the Indonesian Government categorise the digital disruption responses of its public institutions into three distinct levels: weak, medium, and bold. This categorisation should reflect the intensity of each institution's organisational strategic planning in response to disruptors. It ranges from minimal or ad hoc responses (1 year), medium (1 to 3 year), to fully integrated long-term corporate strategies (3 to 5 year). Additionally, it should consider the impact of these strategies on four key areas of public service: Government to Employee (G2E), Government to Government (G2G), Government to Business (G2B), and Government to Citizen (G2C). A visual representation, or plotting matrix, can be used to classify these institutions (see Figure 1).

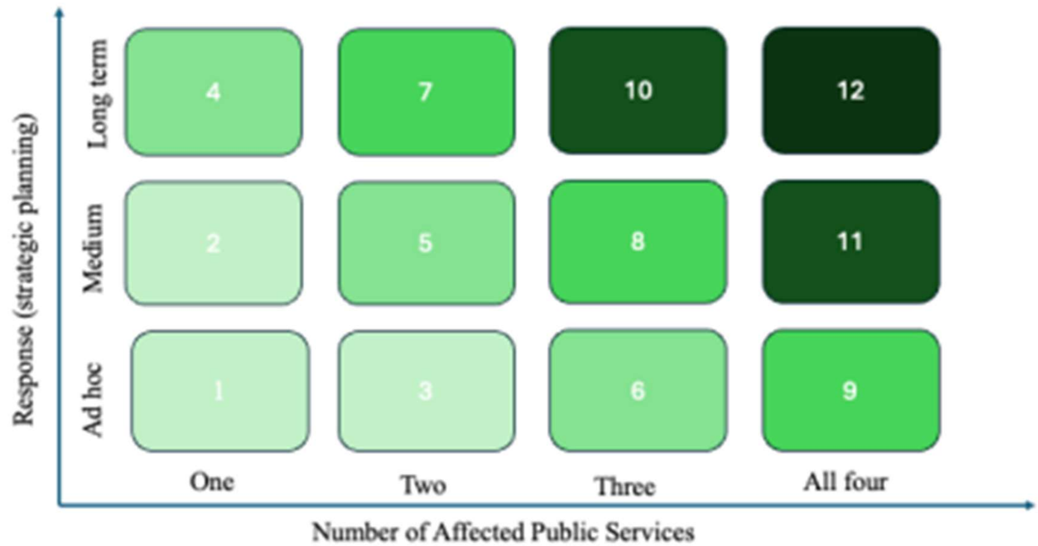


Figure 1: Plotting matrix of digital disruption responses

Based on Figure 1, institutions that fall into boxes 1 to 3 are categorised as 'weak', boxes 4 to 9 as 'medium', and boxes 10 to 12 as 'bold'. Specifically, an institution that fully integrates digital strategies across all four key public services—G2E, G2G, G2B, and G2C—into its long-term corporate strategy will be placed in box 12, which represents the ultimate goal for each institution. Following this classification, tailored strategies can be developed to address the specific needs and capabilities of each institution, aiming to advance them to higher boxes. This approach not only helps in refining the strategies at the institutional level but also enhances the overall strategic framework at the national level. This systematic assessment and categorisation will assist in directing resources more effectively and fostering a more resilient digital governance framework.

To ensure effective implementation of strategies, it is crucial to assign a specific role within each institution to oversee the execution of the plan. Research indicates that business leaders play a critical role in driving forward bold digital transformation strategies (Bughin & van Zeebroeck, 2019). In the public sector, I recommend appointing a Chief Information Officer (CIO), a senior position held by a member of the top echelons in the Ministry or local government. It is vital for individuals in these roles to have a thorough understanding of their organisation's perspective on digital disruption, the focus of their digital strategy, the scale of digital investments, the organisation of digital strategy, typical challenges, and the outcomes of these strategies. This plan is designed to provide a framework for enhancing strategic management practices concerning digital transformation in the public sector in Indonesia. Given its scope, the impact of the strategy could extend beyond public sector in Indonesia, offering valuable insights into digital transformation at a broader national level.

E. A Digital Dilemma: Indonesia's Democracy at a Click of a Button

Indonesia stands at a pivotal moment in its history, poised for an era of unprecedented growth and opportunity. As the nation embraces a rapid digital transformation that heralds its potential evolution into a first-world economy, the breadth of access to information and tools has been notably expanded. This digital revolution enriches the lives of its citizens, particularly the youth, who are poised to inherit a future vibrant with possibilities. However, amidst these advancements, a critical issue has been largely overlooked — one that does not immediately reflect monetary value but is essential for sustainable development: the quality of civics education.

The neglect of this fundamental aspect of education is particularly alarming given that Indonesia's demographic is predominantly young (*Badan Pusat Statistik,* 2023). In an age where misinformation and disinformation can spread as swiftly as legitimate information, there is a pressing need for robust civics education. This education would equip young Indonesians with the critical thinking skills necessary to navigate a complex digital landscape. Without these skills, the digital revolution risks overwhelming them with non-programmatic content that spreads like wildfire, potentially leading them away from substantive, informed engagement in the democratic process.

Quality civics education is crucial not only for empowering the younger generation but also for preserving democratic accountability, which is vital in countering the growing inequality that often accompanies fast-paced economic development. As this is the case, the solution is not to completely abolish it, as we alarmingly see recently, but to enhance it (Patriansyah et al., 2024). Moreover, strong democratic accountability is essential to combat the widespread issues of corruption, collusion, and nepotism that threaten to stifle Indonesia's progress.

In a rapidly digitising country, ensuring that young Indonesians are well-versed in their civic duties and rights is pivotal. It fosters a society that values transparency and integrity and encourages proactive, programmatic thinking crucial for informed voting and participation in governance. Addressing the gap in civics education is not just a necessity but an urgent priority to ensure that digitalisation makes rather than breaks the flourishing future of Indonesia, democratic accountability, and its next generation.

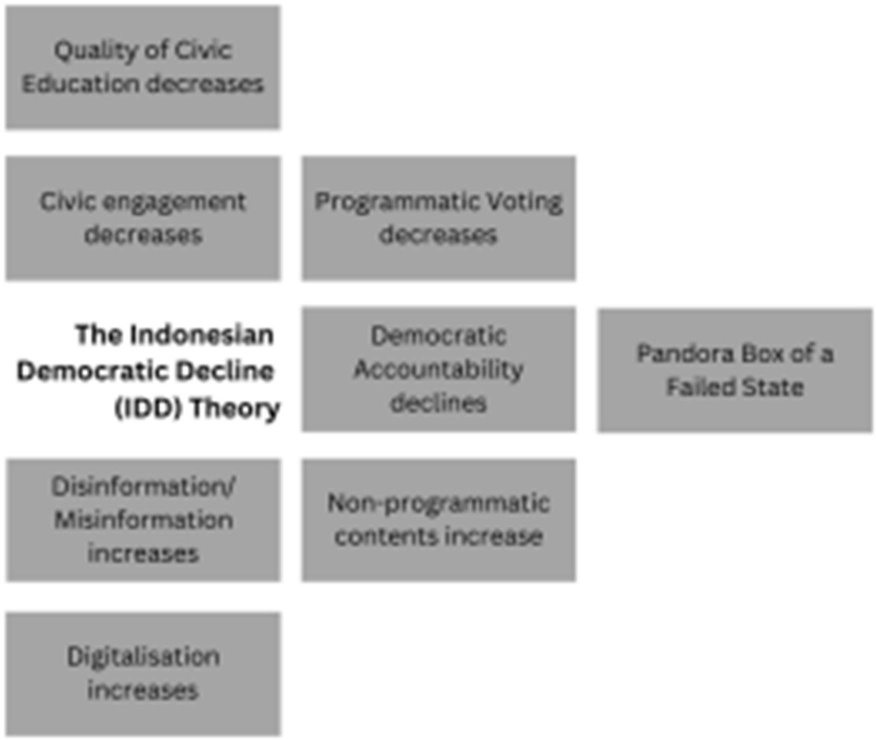
The Correct Democratic Diagnosis

I am deeply convinced that every democracy reflects a unique cultural and socio-economic tapestry, with Indonesia being no exception (Huntington, 1993). While it is undeniable that democracy embodies universal values that all democratic nations should uphold, the finer, micro elements of democracy should not be universally applied. Recognising and respecting the unique characteristics of each democratic system allows for a more nuanced and effective approach to fostering democracy. To truly advance democratisation in Indonesia, it is essential first to understand the country's specific democratic challenges by closely examining its unique democratic processes.

In pursuit of this understanding, I have developed the Indonesian Democratic Decline (IDD) Theory (See Illustration 1), aimed to distil and clarify the complex reality behind Indonesia's democratic challenges, offering a tailored framework that respects the country's distinct democratic identity while addressing its specific needs and obstacles. This approach promises a more accurate and constructive path toward strengthening Indonesia's democracy.

Indonesia's democratic landscape is currently shaped by two concurrent trends. The first is a decline in the quality of civics education, which has led to reduced civic engagement and programmatic voting. Programmatic voting, the practice of voting based on policies and programmes rather than personalities or populism, is a cornerstone of a healthy democracy. It allows citizens to make informed choices that reflect their interests and the nation's needs. When the electorate is not well-informed due to inadequate civics education, there is a shift away from programmatic voting towards less substantive criteria, which weakens the democratic process (Siregar, 2024).

Illustration 1: The Indonesian Democratic Decline Theory



The second trend is the increase in digitalisation, which, while offering many benefits, also brings a surge in disinformation, misinformation, and non-programmatic content. The rapid spread of such content can distort public discourse and undermine the ability of citizens to engage thoughtfully in democratic processes (Badrinathan, 2021). The proliferation of misinformation and disinformation can also exacerbate the decline in programmatic voting as it becomes harder for citizens to discern facts from falsehoods.

These two movements are intrinsically linked, each exacerbating the impact of the other. As the quality of civics education declines, the youth are less equipped to critically evaluate the information they receive. This vulnerability is exploited by the unchecked spread of misinformation that digitalisation can facilitate. The result is a decline in democratic accountability. Citizens cannot hold their leaders accountable if they cannot access reliable information, leading to a governance that is less transparent, less responsive, and more prone to the ills of corruption, collusion, and nepotism (Ferraz and Finan, 2009; 2011).

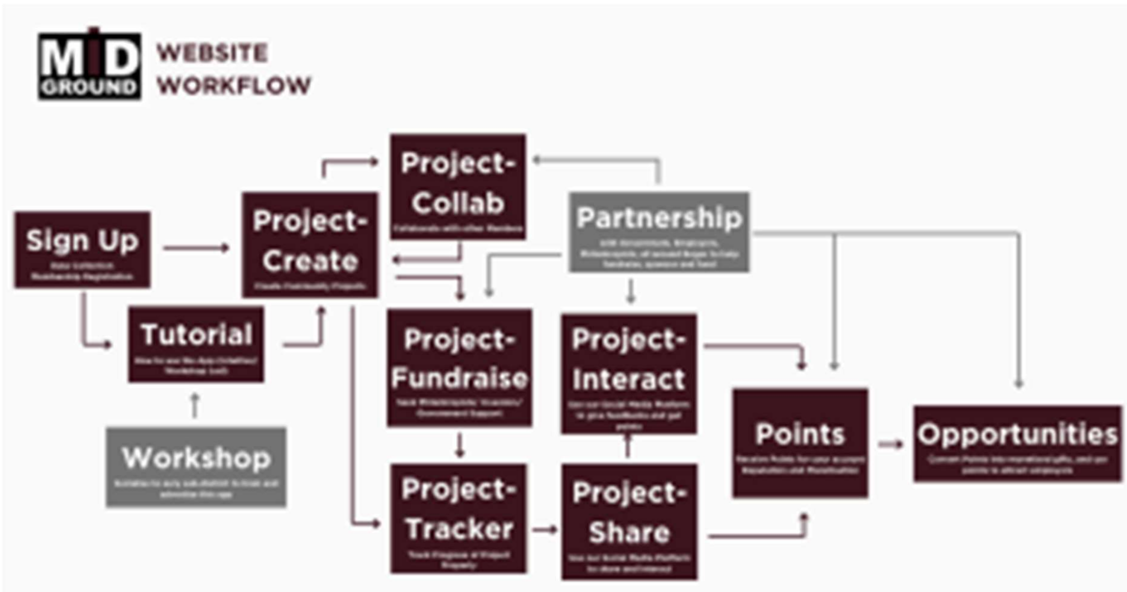
Therefore, the interwoven challenges of educational decline and information manipulation present a dire warning encapsulated in the Indonesian Democratic Decline (IDD) Theory. At its core, this model predicts a cascade of negative outcomes that, if unchecked, could open a 'Pandora's box' of democratic failure. This grim forecast includes an escalation in corruption, collusion, and nepotism — as democratic accountability diminishes, such vices find fertile ground to proliferate. Further, with a decline in programmatic voting and civic engagement, the implementation of redistributive policies, essential for addressing inequality, may falter (Neundorf, Niemi and Smets, 2016). Reduced policy effectiveness threatens to widen the socio-economic divides, eroding the fabric of societal cohesion.

Moreover, these factors combined contribute to a systemic de-democratisation, steering Indonesia away from the principles and practices of a healthy, functioning democracy and perilously towards the brink of becoming a failed state. A failed state, characterised by a breakdown in political structures, an inability to provide public services, and a loss of control over the economic and security sectors, represents the culmination of these unchecked issues within the IDD framework.

Innovative Solutions in Civic Engagement

In the heart of Bogor, after three years of keen observation and hands-on experimentation in civic education, an innovative solution has taken root—one that synthesises young people's aspirations for employment, recognition, and monetary rewards with the need to invigorate civic engagement and programmatic research. I created a website-app under the name of the organisation I have founded for this research 3 years ago, “MIDGround”. MID, in Indonesian, stands for “young, informative and democratic” (See Illustration 2).

Illustration 2: MIDGround Website Workflow



The centrepiece of this website-application hybrid, backed by the local government, is a vibrant digital hub where the youth can both connect and contribute meaningfully to their community. The platform empowers young citizens to collaborate on civic projects that have a real impact, designed to be evidence-based, instilling a research-minded culture that hones their ability to track and understand progress (Manning and Edwards, 2014).

An online academy feature within the app sets a foundational stone for all users, offering them an equal opportunity to acquire crucial knowledge and skills. The curriculum focuses on research techniques, civics, and other competencies crucial for nurturing political behaviour and attitudes (Donbavand and Hoskins, 2021). This educational component ensures that all participants start from a common baseline of understanding, enabling them to engage more effectively in the civic projects they choose to undertake.

Beyond fostering project collaboration, the platform also functions as a social media space where users can publicise and celebrate their civic work (Foos et al, 2020). This feature serves a dual purpose: amplifying the reach and influence of their initiatives and inviting government engagement, creating a virtual town hall where dialogue with civic authorities is not just possible but encouraged.

A fundraising tool within the platform encourages the actualisation of these projects, while the gamified reward system of points-for-impact, convertible into monetary benefits, incentivises sustained participation. These points double as a professional credential, signalling a participant's civic-mindedness to potential employers.

Self-sustaining by design, the platform draws in businesses and advertisers seeking access to the youth demographic, ensuring that the system is not only community-impactful but also financially viable. As research underscores, such engagement is crucial for boosting not just political behaviour but also the collective civic conscience.

By incorporating government interaction, a gamified rewards system, and a comprehensive online academy into the fabric of the website-app, the project transcends traditional civic engagement methods (Green, McGrath, and Aronow., 2010; Stiegler-Stechler, 2019). It lays the groundwork for an engaged, informed, and motivated youth population, equipped to face the challenges posed by the Indonesian Democratic Decline (IDD) Theory. This innovative approach, piloted in Bogor, has the potential to be a scalable model for democratic revitalisation in the digital age, offering a holistic strategy to enhance civic participation and foster a new wave of democratic engagement.

Pick the Button that Triggers Golden Indonesia 2045

As Indonesia navigates the currents of change towards the golden milestone of Indonesia Emas 2045, the IDD Theory presents a map and a compass, outlining potential pitfalls and pathways to democratic vitality. This brings us to a critical juncture, Mr. President, akin to standing before two buttons: one that advances democracy and another that risks its very foundations. The IDD Theory illuminates this pressing digital dilemma—how the swift currents of technological change can empower yet endanger the democratic fabric of our nation.

The innovative MIDGround platform represents a robust response to this challenge, engaging the youth in ways that strengthen democratic participation and harness the positive potential of digital technology. In the symphony of national progress, MIDGround is not merely an instrument but an entire orchestra, harmonising the diverse notes of civic education, digital literacy, and democratic engagement into a melody that resonates with the youth's aspirations and the ideals of Indonesia Emas 2045. This journey toward Golden Indonesia 2045 is one of collective aspiration, where the empowerment of each individual contributes to the strength of the whole.

To our esteemed President and the stewards of our nation's future, the narrative of Bogor serves as a clarion call. It exemplifies how, when we equip our youth with the tools of civic competence and instil in them the virtues of democratic participation, we lay down the bricks for a resilient, enlightened Indonesia. As the platform in Bogor seeds transformative change, its replication can catalyse a nationwide renaissance of democratic engagement, sculpting a future where Indonesia does not merely dream of gold but lives it.

In embracing this innovative paradigm, you, Mr. President, are positioned at the control panel of our nation's future. The decision on which button to press will determine whether Indonesia harnesses the digital age as a force for democratic enrichment or allows it to become a vector of division and decline. The promise of Golden Indonesia 2045 lies in the hands that are willing to build it today—the hands of our young citizens, empowered by platforms that transcend traditional barriers to engagement. Let us press forward together, forging a nation as precious and enduring as gold, a beacon of democracy that shines not only for us but for the world to witness.

F. Sustainability Transitions in Everyday Mobility: Is Electrification the Only Pathway?

Inquiries of readiness to face the impending climate threats remain unclear. Various sustainability transitions pathways in tackling this 'wicked problem' have been suggested by scholars. Yet there is little-to-negative progress even after the pandemic shook the world. Did we choose the wrong path? Global emissions in 2023 increased by 1.1% despite slower growth than previous years (IEA, 2024). Whilst renewable energy transitions controlling the supply are led by technology, social-led transitions are also paramount in altering the energy demand, i.e., in transport, industry, and building. However, innovations for transitions in the demand side –particularly transport– need more social inclusion (Verlinghieri & Schwanen, 2020), incorporating underrepresented populations into the attention.

Every innovation, like vehicle electrification, has its own beneficial and adverse impacts (Sovacool et al., 2022). The rise of electric vehicle (EV) push scenario for transitions in transport is questionable, sometimes leaving environmental impacts at the beginning and at the end of its value chain. Instead, we need to recast our perspective to the basic needs of everyday mobility. Embedding mobility practice in crafting transitions in transport would benefit the overall society rather than just the wealthy segments. Zhao et al. (2020) had to remind us that sustainable transport research is still lacking social sustainability aspects.

In Indonesia, electrifying transport has been applied in motorbike, car, logistics, public transport, and recently discussed in air mobility (Ilahi et al., 2021). However, fossil fuel will remain as the majority of electricity sources (PLN, 2021), while the economic circularity of EV parts is underexplored. Further, EV policies and incentives are often market-driven, indirectly disadvantaging the poor. We shall not undermine that reducing fuel subsidy was in the background of 'EV push' in the country. Is electrification the only pathway? With the notion of sustainability transitions in everyday mobility, we offer an alternative lens to work more balance transitions between the economic, environment, and social pillars. This chapter outlines how daily life cycle of mobility practices can be captured and brought into policymaking.

Understanding Mobility Practice

Practice is rooted to the theory of habitus from Bourdieu and is defined as a 'socially objective regularity'. According to Shove et al. (2012), a strong practice emerges because of at least three elements: materials, meanings, and competences. For example, riding motorbike practice is made possible by the existence of the motorbike itself, traffic rules, sufficient roads, and decent weather (materials). The rider owns a riding license or at least has an ability to ride a bicycle (competences). Lastly, the person may think of avoiding traffic congestion over comfort that is offered by a car (meanings). Thus, the three elements interweave and allow a practice to emerge through dynamic interactions between the governing entities (structures) and society (agents).

Mobility practice depicts how people move to other places as part of achieving their goal(s). It is performed by people from a wide range of age, such as children or adolescents going to school and adults going to work. Thus, mobility is linked to ones' daily life cycle (Kent, 2022), contrasting the positivists' view of mobility as modal choice that is caused by personal attitude, norms, control, and intention. Previous studies found that mobility practice is unique and tangled to everyday activities, e.g., commuting for shopping, school, leisure, and work (Mattioli et al., 2016; Mattioli & Anable, 2017; Permana et al., 2024; Scheurenbrand et al., 2018). We present two different-but-related activities requiring mobility in Indonesia: work and school.

Work and School Commuting: Everyday Mobility

Work commuting practice is actually simple. Farmers in rural areas walk or cycle to their farm. It becomes more complicated for people living in a sprawl-like city. A long commute is required and hence walking or cycling is rarely practiced. It is rather unsafe as sidewalks are poor and often not exist. Affordable first instalment of vehicle purchase, cheaper fuel price, and the image of looking successful have been encouraging more ownership and use of private car or motorbike. The percentage of private vehicle commuting is slightly smaller in metropolitan area like Jakarta, as public transport availability and severe road congestion pull people away from their own vehicle. The above example is more prevalent in mid-to-big cities. Some people commute to work and drop their children off for school at once, making driving and riding more meaningful.

Whilst younger children are dropped off by their parents, older students in secondary level commute independently. Unfortunately, the safety of active mobility practices like walking and cycling for school commuters is concerning, as happened in Germany (Gössling et al., 2024). Few schools in Indonesia initiated 'bike to school' programs but the safety of 'school routes' is unsettled. Having no riding license, some underage students have to ride a motorbike due to long-distance travel and unavailability of other alternatives. They often involved in road accidents (Umniyatun et al., 2021). In cities where public transport is available, a reduced fare motivates some of these students to use it instead of sustainability related reasons (Irawan et al., 2021). Some others prefer demand responsive transport, such as Gojek and Grab, that provides higher flexibility and hassle-free from parking. Hence, car and motorbike use also dominate students' mobility practice.

Work and school mobilities provide insights of their own practice elements. Unavailable alternative transport options, infrastructures, and safety are deterrents to transitions in everyday commuting practice. A travel plan requirement may be imposed to offices and schools. They should assess trip patterns of their commuters and provide more sustainable travel facilities where possible. For example, several workers/students with nearby address can be grouped in an office/school shuttle. Similarly, walking and cycling risk management must be made for short-distance commuters, aligning active mobilities with the school zoning policy. It is striking to see the number of driving and riding license owners was only less than 40% of the total number of vehicles (Paradhi, 2022), meaning the remainder drive or ride without a license.

Involving Public and Educating the Youth

Providing solutions which 'meet the need' of the public is more important than other interests, echoing Design Thinking methodology from the business perspective. Ultimately, there must be synchronous mobility policies between levels of government and between sectors, while also allow external stakeholders to contribute and participate. We suggest authorities to open public discourse to collectively craft sustainability transitions pathways in everyday mobility. Enabling policy sandbox area for extensive practice-focus research in mobility and wider discipline will improve the inclusivity of future policymaking.

Understanding citizens' mobility practice by public involvement is the key to decide better paths. However, there is always path dependencies to transport scenarios in the past (Poku-Boansi, 2020). Acknowledging and leveraging what Indonesia has at hands would easily take the current mobility state forward. For example, we acknowledge the lack of sustainability awareness among majority of Indonesian students. Therefore, sustainability awareness should be embedded into our school curriculum, educating the youth to consciously perform sustainable practices once they turn adults.

Achieving sustainable transport is not solely about making the vehicles greener with greenwashing agenda. A slow energy mix transitions means relying on transport electrification alone will be insufficient to secure net zero emissions by 2060. Instead, a colossal change must also be activated to alter the demand. Congestion, pollution, and unequal access in transport should be addressed altogether. Imminent impacts urge immediate actions from authorities which lie as the responsibility of the new government regime. This chapter sought an alternative course towards a more liveable country in the 2045 era, a typical vibrant Indonesian community without hustle bustle of mobility problems.

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