Pushing for regulatory reforms in Indonesia

Complex, overlapping, multitudinous and sometimes contradictory sets of rules have created uncertainty and discouraged investment in Indonesia, according to the Indonesian National Development Planning Ministry (Bappenas). The ministry and the Natural Resource Governance Institute (NRGI) have produced a training module in an effort to help address this issue.

President Joko Widodo launched the National Strategy on Regulatory Reforms to “re-regulate” and “deregulate,” as poor regulatory quality leads to various problems.

The Bappenas-NRGI module aims to improve the regulation-making capacity of Indonesian ministry staff. It employs learning techniques specifically catered to adults, unlike other similar modules.

The number of regulations issued between 2000 and 2015

- **National regulations:**
  - 12,471
  - 8,311 ministerial-level regulations
  - 2,446 government regulations

- **Subnational regulations:**
  - 28,752
  - 916 laws by parliament

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Indonesia’s future regulatory landscape

Indonesia aims for quality, simple and orderly regulations following formal and material principles.

- **Quality**
- **Simple**
- **Orderly**

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2018 Worldwide Governance Indicators (Regulatory Quality)

Indonesia’s regulatory quality ranks only sixth among ASEAN countries.

- **Singapore:** 99.52
- **Brunei Darussalam:** 75.48
- **Malaysia:** 74.52
- **Indonesia:** 51.92

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The module aims to:

- Improve capacity to formulate effective and efficient regulation
- Able to harmonize existing regulations that overlap and contradict each other
- Change of mindset in formulating regulations

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Indonesia’s future regulatory landscape

- **Formal principles**
  - Clear objectives
  - Proposed by legitimate institution
  - Conformity in type, hierarchy and content
  - Implementable
  - Versatile and usable

- **Material principles**
  - Protective
  - Humane
  - For the people and nation
  - Responsive to ethnic and religious diversity (“Unity in diversity”)
  - Justice
  - Equality under the law
  - Order and legal certainty
  - Balance

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