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Welcome to the LPEM Newsletter November 2021 Edition. The LPEM Newsletter is the fruit of thoughts and a summary of the activities of the LPEM FEB UI team. This edition is the third edition and will continue to be published every month. Since 1953, LPEM FEB UI has been actively conducting research, consulting, and training activities to solve development problems in Indonesia. The activities focused on various issues related to institutions, regional economy, international trade, finance and banking, fiscal and monetary economy, agriculture, industry, tourism, rural development, environment, demography, employment, poverty, and MSMEs.

In this edition, the LPEM Newsletter will summarize the implementation of the LPEM FEB UI Sustainable Recovery Dashboard Launching activity. In addition, our researchers also conveyed their responses in welcoming "**World Mental Health Day**". Our other researchers also attended the event as speakers at the AVPN Southeast Asia Summit in a session with the theme Enabling "**Climate-Sensitive Development**". Finally, our researchers have just released a study entitled "**Smoothing Sustainable Economic Transition in Indonesia: A Case of Coal-Mining Region**".

Enjoy reading,

**Alin Halimatussadiah**

Head of Environmental Economics Study Group  
LPEM FEB UI



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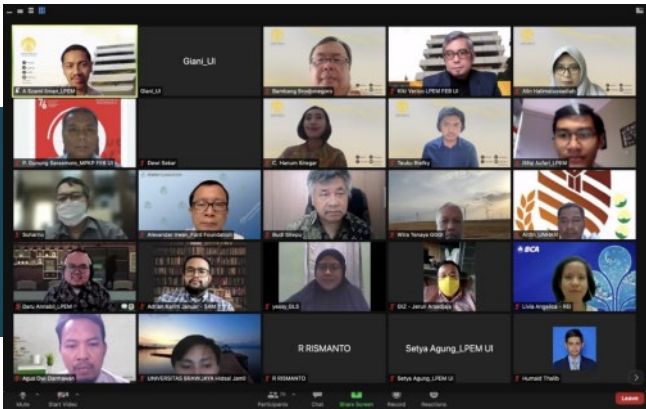


LPEM FEB UI



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# LPEM FEB UI: The Urgency of Data in Encouraging Sustainable Economic Recovery



**Halimatussadiyah** (Head of Environmental-Economic Studies LPEM FEB UI), **Teuku Riefky, S.E., M.Sc.**, and **Chairina Hanum Siregar, S.E., M.E.** (Researcher of LPEM FEB UI).

At this event, Teuku Riefky, who also serves as the Lead for Sustainable Recovery Dashboard Team FEB UI, closed the Dashboard launch activities. He explained that the **BEST dashboard**, which stands for **Business Economics Sustainability Tracker**, aims to be a platform/container for social and environmental economic data that provides easy access and insights for the public. "We also aim to provide up-to-date data on economic, social, and environmental indicators (so that) the public can continue to update on the latest developments happening around us," said Riefky. Furthermore, he also explained that there are three main classifications of indicators presented in the dashboard. "The first indicator is an economic indicator that provides macroeconomic indicators, such as GDP, inflation, unemployment rates over time and between regions. The second indicator is a social indicator that is, directly and indirectly, related to people's welfare, such as infrastructure, health, social dynamics, and current conditions related to the COVID-19 pandemic. The last indicator, an environmental indicator that includes data on climate change and the environment, such as the number of natural disasters, deforestation, carbon levels, and plastic consumption." said Riefky.

The issue of climate change and inequality is not new in the economy. However, with the COVID-19 pandemic, this issue's impact was increasingly felt in the community and caused quite a catastrophic effect. The need for data that can capture these phenomena is increasingly critical so that the process of formulating appropriate public policies can generate a "great restart" momentum for the economy that considers sustainability aspects.

LPEM FEB UI, on October 14, 2021, launched the Sustainable Recovery Dashboard entitled "**The Urgency of Data in Encouraging Sustainable Economic Recovery**". The launch of the dashboard entitled **BEST Dashboard** aims to provide open access to data for the public and help record the development of socio-economic and environmental indicators. The launch event presented several speakers, including **Prof. Bambang Brodjonegoro, Ph.D.** (Minister of PPN/Bappenas RI 2016-2019), **Dr. Alin**

**More on:**  
<https://bit.ly/PeluncuranBESTDashboard>

## Indonesia Needs to Develop Human Resources in the Mental Health Sector

Mental health issues are crucial issues that need to be considered amid the ongoing COVID-19 pandemic. The slowdown in the economy and increasing uncertainty have had a significant impact on people's mental health. On October 10 each year, **World Mental Health Day (WMHD)** is observed to raise awareness of mental health issues and mobilize efforts to support mental health around the world. This year's theme for World Mental Health was "Mental Health in an Unequal World".

Responding to the 2021 WMHD, **Chairina Hanum Siregar**, Researcher, and Lead for Survey and Big Data on the Impact

An infographic for World Mental Health Day. It features a green ribbon icon and a stylized human head profile with puzzle pieces. The text includes: "Memperingati World Mental Health Day", "LPEM FEB UI UNIVERSITAS INDONESIA", "Hasil survei LPEM FEB UI menemukan bahwa pandemi dapat mempengaruhi kesehatan mental pekerja", "Sebanyak 39% responden khawatir mengalami pemutusan hubungan kerja (PHK) dan sebanyak 26% responden khawatir upahnya dikurangi", "Sementara itu, anggaran kesehatan adalah 5% dari APBN dan anggaran kesehatan mental hanya sekitar 1% dari anggaran kesehatan tersebut.", "Public Private Partnership dapat menjadi solusi terbatasnya anggaran untuk kesehatan mental, baik untuk infrastruktur maupun pemberian training bagi peningkatan kualitas SDM". At the bottom, there are social media icons for Facebook (FEUILPEM), Twitter (LPEMFEBUI), Instagram (lpemfebu), and YouTube (LPEM FEB UI).



of COVID-19 LPEM FEB UI, argued that the Indonesian government's attention has been quite good on mental health issues. This was reflected in the enactment of the Law Mental Health Act that regulates mental health. However, the law still requires derivative regulations. "Instructions related to mental health can be an issue that the government needs to pay attention to," said Hanum.

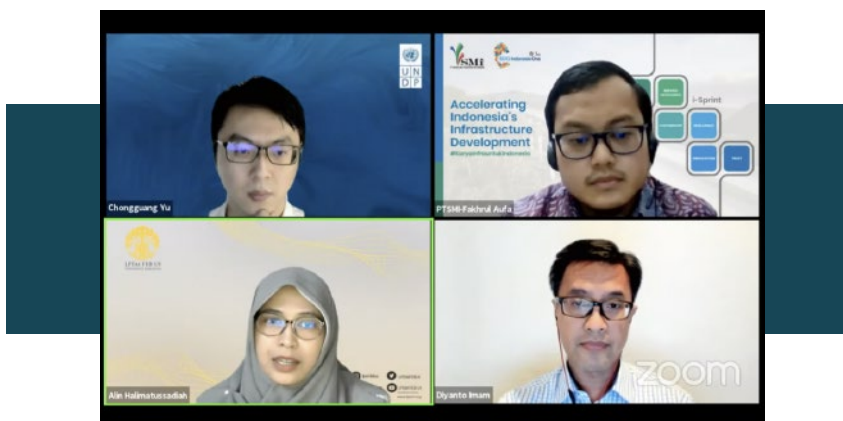
In addition, Hanum also added that the health budget is 5% of state spending and the mental health budget of around 1% of the health budget is still not enough to overcome mental health problems in Indonesia. "In terms of human resources alone in 2020, Indonesia only has less than 1,000 psychiatrists, 2,000 registered clinical psychologists, and less than 7,000 community mental nurses, even though data from Riskesdas shows that out of 1000 households, 7 of them have family members who have a mental disorder. Is that (budget) sufficient?" said Hanum.

Hanum further said, "With facilities that are still lacking, Indonesia still relies a lot on the government budget. Maybe Indonesia can emulate what India did (by implementing) the Public-Private Partnership in the form

not only of infrastructure but also of providing training to improve the quality of human resources". According to Hanum, cooperation from the central and local governments must also involve academics and the private sector because mental health matters are curative, promotive, and preventive. At the micro-scale, such as at the company level, companies can hold sharing sessions or debriefing assisted by professionals in the mental health field or collaboration with wellness centers zero-emission after working hours.

**More on:**  
<https://bit.ly/WMHDLPEM211010>

## AVPN Southeast Asia Social Investment Summit 2021



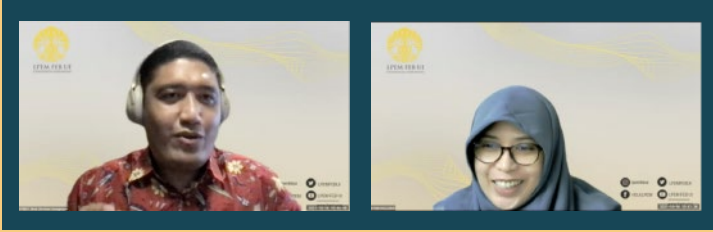
Asian Venture Philanthropy Networks (AVPN) held a series of webinars from October 26, 2021, to October 27, 2021, with the title "**Southeast Asia Social Investment Summit 2021**". The Southeast Asia Social Investment Summit was held with a target to revive the economy sustainably, focusing on solopreneurship, future skills, and ecopreneurship. **Dr. Alin Halimatussadiyah** was present as a speaker at one of the events, namely a discussion with the theme '**Enabling Climate-Sensitive Development Solutions**'. Alin conveyed several things in the discussion, including the ideal policy framework to support climate change innovation. "The Indonesian government must play a leading role in climate-sensitive development solutions from a policy perspective. The government should provide incentives to the green sector to see the transition from the brown sector to the green sector. Incentives can be given in the form of fiscal or ease of doing business. Then, funding must

also be provided for the green sector, and a good research ecosystem must be built." said Alin.

Furthermore, Alin explained the strategy that needs to be done to achieve net zero-emission. "The private sector and the public need to have a strong awareness and must go hand in hand. Therefore, it is necessary to have three things that can help achieve net zero-emission. These three things are a commitment to corporate social and environmental governance practices, impact investing, and the implementation of sustainable finance." close Alin.

**More on:**  
<https://bit.ly/AVPNSummit2021>

# Budget Management in the Local Regions is the Key to Handling the Pandemic



Coal is a non-renewable natural resource, so its reserves will inevitably run out at some point in time in the future. Various institutions estimate that Indonesia's coal reserves will only last for the next 20 to 60 years. On the other hand, coal mining has a somewhat important role in the Indonesian economy, especially East Kalimantan and South Sumatra, with a relatively large share of Regional GDP from the mining and quarrying sector. The high dependence on the extractive industry can hinder a region from developing and optimally utilizing other economic sectors, thereby reducing the region's ability to make an economic transition, especially when the extractive sector has been exhausted or experienced a deep price contraction. Without a suitable mitigation strategy, the two provinces will be exposed to the risk of an economic slowdown due to a decline in coal mining production. Thus, an appropriate sustainable economic transition strategy is needed in the two provinces.

Last Monday, October 18, LPEM FEB UI conducted research dissemination entitled "**Smoothing Sustainable Economic Transition in Indonesia: A Case of Coal-Mining Region**". This research results from a study conducted by the Environmental Economics Research Team of LPEM FEB UI. This research aims to: (1) identify the right economic sectors to be targeted for a sustainable economic transition in East Kalimantan and South Sumatra; (2) Estimating the impact of a sustainable economic transition scenario on

economic growth, local government revenues, and social and environmental benefits of East Kalimantan Province; and (3) Develop a regional fiscal framework that can be optimized to support a sustainable economic transition in the provinces of East Kalimantan and South Sumatra.

LPEM FEB UI researcher **Bisuk Abraham Sisungkunon, S.E., M.Sc.** explained in the dissemination that palm oil, fishery, and restaurant hotels are preferred in the scenario of sustainable transition sectors the transition from the coal sector in South Sumatra and East Kalimantan. The simulation carried out by LPEM FEB UI requires local governments to initiate transition policies as soon as possible. However, implementing a sustainable economic transition is not easy, especially with a large amount of financing required to develop a transitional sector or industry. For this reason, local governments need to optimize various sources of financing.

At the end of the presentation, Bisuk said that there were five options for the fiscal framework to optimize a sustainable economic transition, including (1) Optimizing local revenue (PAD) and balancing funds to support a sustainable economic transition; (2) Special Allocation Fund (DAK); (3) Regional Incentive Funds (DID); (4) Sovereign Wealth Funds (SWF); (5) Domestic/international grants.

**More on:**  
<https://bit.ly/DiseminasiBatuBara211018>

## Overview of LPEM FEB UI Publications and Activities

### Macroeconomic Analysis Series: Inflation Analysis, September 2021

Inflation in August was recorded at 1.59 percent year-on-year, strengthened compared to the previous month with inflation of 1.52 percent. Inflation during this period was driven by strengthening inflation in the government-regulated price component and volatile goods prices, although core inflation weakened slightly.

**More details:**  
<https://www.lpem.org/seri- analisis- makroekonomi- inflasi- bulanan- september- 2021/>

## Economic Brief

### Macroeconomic Analysis Series: BI Board of Governors Meeting, September 2021

Lower trend of Covid-19 daily cases has brought some positive signals to the macroeconomic and financial indicators. This was marked by the mild improvement in Manufacturing Purchasing Managers' Index (PMI). On the external side, support from the IMF also eases the instability in the near future.

**More details:**  
<https://www.lpem.org/macroeconomic-analysis-series-bi-board-of-governor-meeting-september-2021/>

**Economic Analysis Series:  
Trade and Industry Brief, September 2021**

One of the creative economy sub-sectors that has grown rapidly both globally and nationally in the last decade and has been less affected by the COVID-19 pandemic is the video game industry. The world community's interest in video game products as alternative entertainment amid social restrictions due to the pandemic that has lasted more than a year is increasing.

**More details:**

<https://www.lpem.org/seri- analisis-ekonomi-trade-and-industry-brief-september-2021/>

**Labor Market Brief,  
September 2021**

In 2022, Indonesia will be chosen to host the G20 Presidency, a forum for countries representing the world's major economies. One of the discussions raised in one of the working groups in the upcoming G20 is the issue of job opportunities for groups of people with disabilities.

**More details:**

<https://www.lpem.org/labor-market-brief-edisi-15-%e2%80%93-september-2021/>

**Policy Brief, September 2021  
Acceleration of Modern  
Public Transportation  
Networks as an Effort to  
Increase Productivity and  
Economy of Urban  
Communities: A Case  
Study of MRT Jakarta**

DKI Jakarta is the center of economic activity in the Greater Jakarta area, with a high level of mobility both from the surrounding area and within Jakarta itself. The high level of community mobility in the DKI Jakarta area and its surroundings has resulted in various challenges: the high dependence on private transportation.

**More details:**

<https://www.lpem.org/akselerasi-jaringan-transportasi-publik-modern-sebagai-upaya-peningkatan-produktivitas-dan-perekonomian-masyarakat-kota-studi-kasus-mrt-jakarta/>

Indonesia is in the middle of its long-term development challenge to escape the 'middle-income trap'. As often as developing countries face the same challenge, one common strategy to be implemented by the Government of Indonesia (GoI) is to develop a massive infrastructure plan across the country.

**More details:**

<https://www.lpem.org/resilient-infrastructure-in-indonesia-a-way-forward/>

**Working Paper:  
No.64, September 2021**

**Resilient  
Infrastructure in  
Indonesia: A Way  
Forward**

**Webinar dan Press Conference**



**Tax Research Sharing Session:  
Lesson Learned from the Indonesian Tax Amnesty  
Program, 8 September 2021, LPEM FEB UI**

**More on:** <https://www.youtube.com/watch?v=IKFgzCVmnKI>



## LPEM FEB UI Education and Training: October—December 2021



Planning and Budgeting  
(4—8 October 2021)



Macroeconomics  
(11—13 October 2021)



Ekonometrika  
(25—29 Oktober 2021)



Public Policy Analysis  
(8—12 November 2021)



Policy Paper  
(8—12 November 2021)



Regulatory Impact Assessment  
(22—24 November 2021)



Computable General Equilibrium  
(6—8 December 2021)



Monitoring and Evaluation  
(6—8 December 2021)

## Education and Training:

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Registration: <https://linktr.ee/DiklatLPEMFEBUI>

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