

NEWSLETTER

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Welcome to the LPEM Newsletter July 2022 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 webinar activities held by LPEM FEB UI, namely "**Economic Impact of MRT Jakarta Development and Application of DKI Jakarta Public Transportation Integration Tariffs**". In addition, this edition also discusses the publication of a book collaboration between LPEM FEB UI and other institutions with the title "**Creative Economy 2030: Imagining and Delivering a Robust, Creative, Inclusive, and Sustainable Recovery**". There is also a summary of sharing session activities entitled "**Who Cares About Tax Theory and Why?**".

This newsletter is widely distributed among the government, academics, advocates and environmental activists, NGOs, the media, and the general public. We encourage your involvement in sharing this publication widely and making it a reference when needed.

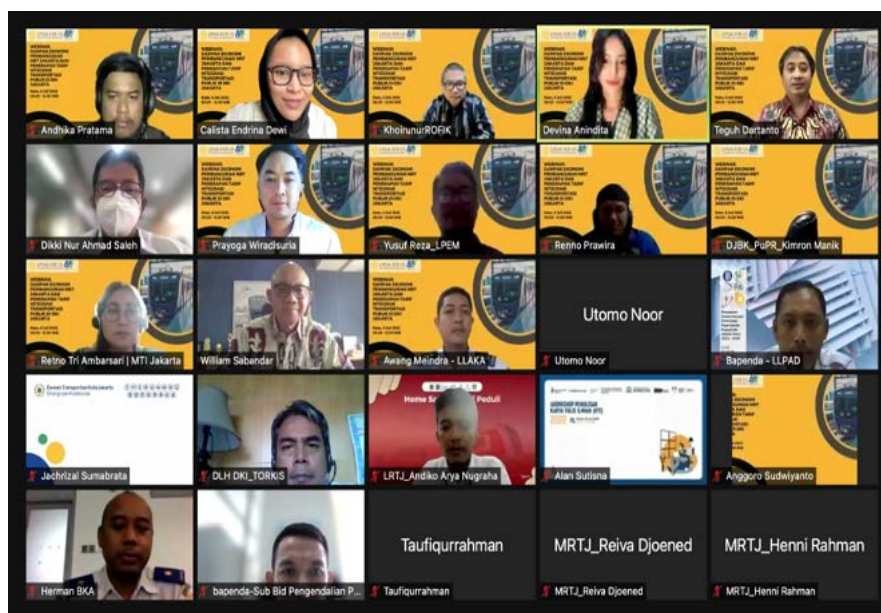
Enjoy reading,

Alin Halimatussadiah

Head of Environmental Economics Study Group
LPEM FEB UI



Webinar: Economic Impact of MRT Jakarta Development and Application of Tariffs for Integration of DKI Jakarta Public Transportation



The Institute for Economic and Community Research (LPEM) FEB UI and PT MRT Jakarta on Wednesday, July 6, 2022, held a webinar entitled "Economic Impact of MRT Jakarta Development and Application of Tariffs for Integration of DKI Jakarta Public Transportation" online via Zoom Meeting. This webinar generally aims to present the results and provide a discussion forum related to public transportation planning in DKI Jakarta and its impact on the government, transportation operators, and the wider community. The webinar began with remarks by Teguh Dartanto, Dean of FEB UI, and continued with a key speech by William Sabandar, President Director of MRT Jakarta.

The next session is the main event of the webinar in the form of presentations from the main speakers. This session begins with an explanation of the results of the

study by Khoirunurrofik, who is the Principal Investigator of the Study of Economic Impact of MRT Jakarta Development and Application of Tariffs for Integration of Public Transportation in DKI Jakarta, LPEM FEB UI. The second presentation on "Railway Development in the Greater Jakarta Area" was delivered by Awang Meindra, Head of Sub-Directorate of Traffic, Directorate of Railway Traffic and Transportation, Ministry of Transportation. Then, the session continued with the third presentation with the theme "Implementation of Integrated Tariffs Towards a Sustainable Public Transportation System" by Retno Ambarsari, representative of the Indonesian Transportation Society. The presentations from the three main speakers were then followed by a question and answer session with the webinar participants.

The Role of the Creative Economy in Recovery After the COVID-19 Pandemic Book Launching



A book entitled "Creative Economy 2030: Imagining and Delivering a Robust, Creative, Inclusive, and Sustainable Recovery" has been published. This book is a product of collaboration between ADB Institute, ASEAN Secretariat, LPEM FEB UI, ICRIER, and The British Council. LPEM FEB UI contributed to 2 publications in this book, namely Chapter 12 entitled 'Creative Economy District Development Study on Maja, Rangkasbitung, and Karawang in Indonesia' and Chapter 22 entitled 'Financing Creative Industries in Indonesia.'

In general, this book examines the role of the creative economy in recovery after the COVID-19 pandemic in developing countries in Asia and the Pacific and explores how the rise of the creative economy after the COVID-19 pandemic can accelerate the realization of the SDGs. It is hoped that this book will be useful for policymakers, researchers, and the general public who are interested in the issue of the creative economy.

More details can be accessed at:
<https://bit.ly/ADBI-CreativeEcons>

Tax Research Sharing Session: "Who Cares About Tax Theory and Why? "

On July 7, 2022, the Tax Education and Research Center (TERC) of LPEM FEB UI held a webinar on Tax Research Sharing Session entitled "Who Cares About Tax Theory and Why?". The Webinar Tax Research Sharing Session is a regular event held by TERC every three months, discussing the latest issues regarding taxation by inviting speakers who are experts in their fields.

In this webinar, TERC invited Prof. Adrian Sawyer, a professor at the University of Canterbury New Zealand. Prof. Adrian discussed his study entitled "Who Cares about



Tax Theory, and Why?: The Place of Tax Disciplines within Academia". Taxation does not only discuss one discipline, therefore many debates whether Tax can be a separate discipline. The science of taxation has developed in the last 50 years, with a background in accounting and law. Adrian said that at this time the taxation study material began to move, not only discussing legislation but starting to include policies and other broader scientific views. This study explores further the position of 'taxation discipline' in academia, especially taking an Australian perspective.

More details can be accessed at:

<https://www.youtube.com/watch?v=CdXYKqvGnW4>

Our Scholar's Publication:

The long-term effects of early European settlement on local development: Evidence from Indonesia

by Rossi Rizki Bestari, Yusuf Reza Kurniawan, Muhammad Halley Yudhistira

This study addresses the long-term effects of early European settlement on today's regional economic development in areas of Indonesia in which such settlements have been ubiquitous for more than three centuries. To establish a potential causal relationship, we exploit variations in the year that settlement began at the district level. We find that while the overall impact of the length of the settlement has a significant negative association with per capita GDP, the impacts are heterogeneous across regions. Longer exposure to settlements negatively (positively) affects per capita GDP today for districts outside Java (in Java). Longer exposure to settlements is associated with: (i) lower poverty level and poverty gap and (ii) lower birth attendance and morbidity rate. We partly explained our findings using the institutional transfer channel via improvement in the education infrastructure. Our findings imply that the increased accumulation of human capital might have a long-term impact on economic performance in the present through productivity and improvement in the quality of institutions.

More details can be accessed at:

<https://www.sciencedirect.com/science/article/abs/pii/S0305750X2200167X?via%3Dihub>

Overview of LPEM FEB UI Publications and Activities

Economic Brief

Seri Analisa Makroekonomi: Analisa Inflasi, June 2022

Inflation (YoY) in May 2022 was recorded at 3.55% or increased by 1.88% compared to annual inflation in May 2021. This inflation rate is the highest inflation rate since December 2017 which was recorded at 3.61%. The strengthening of inflation in May 2022 was caused by the strengthening of volatile goods prices and government-regulated component prices. Core inflation was recorded at 2.58% (YoY) down by 0.02% compared to the previous month.

More details:

<https://www.lpem.org/seri-analisis-makroekonomi-inflasi-bulan-juni-2022/>

Seri Analisis Makro Ekonomi: BI Board of Governors Meeting, June 2022

Despite rising global inflationary pressures in most countries due to soaring global food and energy prices and supply chain disruptions, domestic inflation remains under control, mainly driven by supply-side inflation underpinned by higher Producer Price Index (PPI) inflation that has been above Consumer Price Index (CPI) inflation since 2020. Domestically, we are still on a recovery path with robust economic performance and continuing series of trade balance surplus. Externally, the global economic volatility has not subdued, bringing bleak prospects for the global economy. Consequently, many central banks had already moved toward a more "hawkish" stance by raising their benchmark rates and reducing asset purchases to curb elevated domestic inflation, including the Fed, which recently raised its FFR by 75bps. This phenomenon triggers a flight to quality and depreciation in EM countries. Rupiah has been depreciated to around Rp14,800. Considering domestic and external circumstances, BI should remain behind the curve for the time being by keeping its policy rate at 3.50% while maintaining accommodative macroprudential measures to support economic growth.

More details:

<https://www.lpem.org/macroeconomic-analysis-series-bi-board-of-governor-meeting-june-2022/>

Seri Analisis Ekonomi: Trade and Industry Brief, June 2022

The national tourism sector which has just started to emerge from the Covid19 pandemic must again prepare to face a new wave of infections originating from the Omicron BA.4 and BA.5 subvariants. Although the scale of transmission and the risk to health are not estimated to be as severe as the previous variant, the readiness of the government and business actors to anticipate this is absolutely necessary. This June issue of Trade and Industry Brief elaborates on various steps that need to be taken so that shocks to the tourism sector can be minimized without compromising the health and safety risks of the community.

More details:

<https://www.lpem.org/seri-analisis-ekonomi-trade-and-industry-brief-juni-2022/>

Labor Market Brief, June 2022

The government's efforts to encourage community independence are reflected in the preparation of more productive aid programs in order to support the graduation of the beneficiaries. One of the programs promoted by the government is the Social Entrepreneurship Program (ProKUS) which provides additional working capital for KPM PKH who have start-up businesses. In addition to aiming to improve welfare, it is hoped that this program will be able to increase the ability of participants to access various credit programs available, especially for micro-enterprises so that business capacity building can be carried out, which leads back to improving the economic capacity of the community.

More details:

<https://www.lpem.org/labor-market-brief-volume-3-nomor-6-juni-2022/>

Newsletter, June 2022

Vol.2, Nomor 5, June 2022 : Moving Beyond GDP: The Case for Wealth as a Core Measure of National Progress Webinar dan Press Conference

<https://www.lpem.org/id/newsletter-vol.-2-no.-5-june-2022/>

Working Paper: No.70, May 2022

The Perks of Well Targeting Social Protection Program: The Impact of Kartu Prakerja Program to Mental Health

Many workers in Indonesia experienced job loss and decreasing income during the pandemic of COVID-19. These phenomena have a tremendous impact on workers since they were affected by economic losses and worsened their mental health. To help the worker, the Government of Indonesia (GoI) is releasing Kartu Prakerja program (Pre-employment Card), an on-demand and self-targeting program. This study investigates the impact of Kartu Prakerja program on people's mental health conditions. We use online survey data collected from 4000 respondents from all over Indonesia in August–September 2020. Our main independent variables are mental health-related variables, such as happiness, sadness, anxiety, and anger level. By using ordered logistic regression, this study shows a positive and significant relationship between people who are receiving Kartu Prakerja on their sadness, anxiety, and anger level. Receiving Kartu Prakerja could reduce their sadness, anxiety and anger level. Whereas it does not affect their happiness levels.



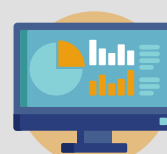
LPEM FEB UI Education and Training: 2022



Monitoring and Evaluation
(6-8 September 2022)



Policy Report Writing
(2-4 August 2022)



Public Policy Analysis
(11-15 July 2022)



**Economic and Financial Data
Exploration Analysis**
(12-16 September 2022)



**Computable General
Equilibrium/CGE**
(24-26 August 2022)



Regulatory Impact Assessment
(18-22 July 2022)



Planning and Budgeting
(25-29 July 2022)



**Regional Potential Analysis: Regional
Taxes and Regional Potential**
(19-23 September 2022)



Macroeconomics
(9-11 August 2022)



Economic Modelling: Input-Output and SAM (19-23 August 2022)

More information about the education and training:

Website: www.diklat.lpem.org
Pendaftaran: <https://linktr.ee/DiklatLPEMFEBUI>
Email: diklat@lpem-feui.org / diklatlpem2021@gmail.com
Whatsapp: <https://wa.me/6281196103130>

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