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**Indonesia's Response to COVID-19: The Prospect of Green Recovery
Amidst Coal Energy Dependence**

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Indonesia's Response to COVID-19: The Prospect of Green Recovery Amidst Coal Energy Dependence

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ABSTRACT

The COVID-19 pandemic comes not only sweeping the world with a high number of deaths and job losses but also gives warning about the threat of climate crisis. Therefore, many international institutions encourage the government to adopt green recovery to revive the economy as well as prepare for climate change mitigation. The crux of this recovery means transitioning energy from the coal sector to the renewable one. However, Indonesia still has not found the momentum yet, as the recovery chosen by the government is still heavy on coal subsidies. It indicates that the government still focuses on short-term recovery without considering the principle of sustainability. Alas, this paper would like to investigate the reason behind coal intensive recovery over green recovery chosen by the Indonesian government. This paper utilizes qualitative research methods and collects data from academic literature reviews. Historical institutionalism will be applied in emphasizing the significance of the institution within the domestic and international political structure as well as in analyzing the role of ideas within the society. This paper found that the opportunity for green recovery to be adopted by the Indonesian government is still small due to several factors: 1) long-established relationship between the government and coal industry; 2) constraining factors from the international political structures towards the efforts to abandon the unsustainable sector; 3) lack of public support from the Indonesian society towards the agenda of green recovery.

Keywords: Indonesia, COVID-19, Sustainable Economy, Coal Energy, Historical Institutionalism.

ABSTRAK

Pandemi COVID-19 tidak hanya membawa petaka dengan tingginya angka kematian serta hilangnya lapangan pekerjaan, tetapi juga memberikan peringatan akan ancaman krisis iklim. Oleh karenanya, banyak organisasi internasional mendorong negara-negara untuk mengadopsi skema pemulihan hijau sebagai upaya membangkitkan kembali perekonomian sekaligus cara untuk memitigasi perubahan iklim. Inti dari pemulihan hijau adalah transisi energi dari batu bara menuju energi terbarukan. Indonesia, dalam kasus ini, belum memanfaatkan pandemi sebagai momentum untuk melakukan transformasi, sebagaimana pemulihan yang dipilih oleh pemerintah masih berfokus pada pemberian subsidi untuk industri batu bara. Hal ini mengindikasikan sikap pemerintah yang masih memprioritaskan pemulihan jangka pendek tanpa mempertimbangkan prinsip keberlanjutan. Dengan demikian, tulisan ini akan menyelidiki alasan dibalik pemulihan intensif batu bara di atas pemulihan hijau yang dipilih oleh pemerintah Indonesia. Tulisan ini menggunakan metode penelitian kualitatif dengan mengambil data melalui studi literatur. Pendekatan institusionalisme historis akan digunakan untuk menekankan peran penting institusi dalam struktur politik domestik dan internasional serta peran ide dalam masyarakat. Tulisan ini berargumen bahwa peluang untuk mengimplementasikan pemulihan hijau oleh pemerintah Indonesia masih kecil, sebab: 1) telah terjalinnya relasi yang amat kuat dan lama di antara pemerintah dengan industri batu bara; 2) dinamika dalam struktur politik internasional untuk meninggalkan sektor batu bara; 3) kurangnya dukungan publik terhadap agenda pemulihan hijau.

Kata kunci: Indonesia, COVID-19, Pembangunan Ekonomi, Energi Batu Bara, Institusionalisme Historis.

Introduction

Seeing how stuttering the world is in controlling the spread of COVID-19 in the early months seemed affirming to us that the world was never ready to confront a global pandemic. However, despite its challenges, one may perceive COVID-19 as a temporary issue, an epidemic phenomenon that would come across just once or twice in a decade. Hence, most people agree that once the vaccines have been distributed successfully, our life will be back to normal. Nevertheless, in truth, COVID-19 is not an unusual pandemic that came abruptly. Just like the preceding zoonotic diseases, such as SARS, MERS, Ebola, and Avian Influenza, COVID-19 has been called 'an entirely predictable result of humanity's destruction of nature'.¹ As further explained by Selby and Kagawa, human expansion to wild spaces, whether for mining, logging, unrelenting urbanization, or 'slash and burn' agricultural expansion, has proven to disrupt the function of biodiversity, thus facilitating the transmission of pathogens from wildlife.² UNEP even has predicted that zoonoses are likely to flourish in a warming climate.³ Furthermore, climate change has also worsened the impact of the pandemic itself and vice versa. According to the research conducted by IFRC and UNOCHA, from the 132 identified unique extreme weather-related disasters occurring in 2020, 92 of them had an impact that overlapped with the COVID-19.⁴ Therefore, as long as we do not change how we preserve nature under the current business-as-usual (BAU) scheme, the 'new' COVID-19 will come back with much greater calamity due to the warmer climate.

Onwards with that urgency, various international organizations subsequently encouraged countries to take this pandemic as a momentum by not only focusing on short-term recovery yet also adopting a greener one as long-term investments when the world has lived with COVID-19. Green recovery is an approach that focuses on safeguarding the environment, protecting the ecosystem, addressing issues relating to climate, yet also creating a resilient, sustainable and inclusive society).⁵ The critical pathway from this recovery is cutting emissions from the biggest contributor, the energy sector, which means steering away from heavy subsidies on fossil fuels into investment in the development of renewable energy. As reported by UNEP, countries like South Korea and the European Union have been trying to implement the so-called 'green new deal' policy on building renewable energy infrastructures and creating clean jobs for the recovery.⁶ However, many coal-producing countries such as China, America, India, and Australia have not implemented green recovery aggressively, yet still hang much of their recovery in the high-carbon economic sectors.

¹Inger Anderson, "It Is the Time for Nature: World Environment Day 2020," UNEP, June 5, 2020, <https://www.unep.org/news-and-stories/speech/it-time-nature-world-environment-day-2020>.

²David Selby and Fumiyo Kagawa, "Climate Change and Coronavirus":, *COVID-19 in the Global South*, October 21, 2020, 17–28, <https://doi.org/10.2307/j.ctv18gfz7c.9>.

³UNEP, "Preventing the next Pandemic - Zoonotic Diseases and How to Break the Chain of Transmission," UNEP - UN Environment Programme, May 15, 2020, <https://www.unep.org/resources/report/preventing-future-zoonotic-disease-outbreaks-protecting-environment-animals-and>.

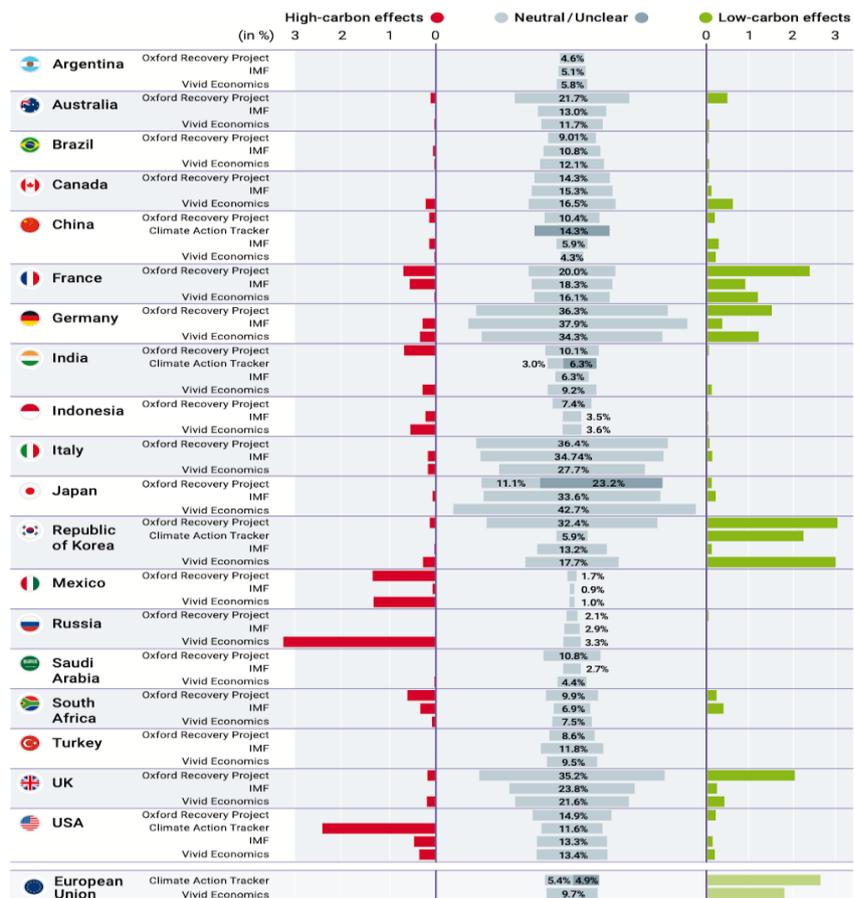
⁴Walton, D., & M.K. van Aalst, "Climate-related extreme weather events and COVID-19: A first look at the number of people affected by intersecting disasters" IFRC, Geneva. 21 pp. ISBN/EAN: 978-90-818668-1-1.

⁵Philip Hunter, "The green recovery - what does it mean?," brodies.com, November 13, 2020, <https://brodies.com/insights/planning-environment-and-climate/the-green-recovery-what-does-it-mean/>

⁶United Nations Environment Programme, "Emissions Gap Report 2020," *UNEP - UN Environment Programme*, December 1, 2020, <https://www.unep.org/emissions-gap-report-2020>.

Table 1: The Impact of Fiscal Rescue and Recovery of G20 Members to the Level of Emission

Figure 4.2. Non-exhaustive overview of total fiscal rescue and recovery measures of G20 members with high-carbon, neutral and low-carbon effects as a share of 2019 GDP



Note: Oxford Recovery Project refers to the Oxford University Recovery Project (OxERP). All announcements by the European Council on the NextGenerationEU recovery fund and additional green climate change-related spending in the 2021–2027 Multiannual Financial Framework remain preliminary as at October 2020. Sources: Climate Action Tracker (2020); IMF (2020a); IMF (2020b); O’Callaghan et al. (2020); Vivid Economics (2020a). Climate Action Tracker data from August 2020, Vivid Economics from August 2020, IMF from September 2020 and Oxford from November 2020.

Source: UNEP 2020

This also includes Indonesia as the biggest exporter of coal in the world.⁷ Indonesia is recorded to have spent more than half of its recovery on non-renewable industries⁸ and even still plan to open new coal plantations during the pandemic.⁹ With its status as the largest exporter, Indonesia undoubtedly has a crucial role in controlling the world trade’s coal and thus to reduce global emissions from the energy sector. Therefore, with this immediate response, we need to ask why has the COVID-19 recovery package chosen by the Indonesian government still heavily dependent on

⁷ Statista, “Coal Exports Top Countries 2019,” Statista, 2019, <https://www.statista.com/statistics/270952/global-hard-coal-exports-2009/>.

⁸Deon Arinaldo and Julius Adiatma, “Indonesia’s Coal Dynamics: Toward a Just Energy Transition” (Institute for Essential Services Reform (IESR), March 2019).

⁹ Climate Action Tracker, “Indonesia | Climate Action Tracker,” [climateactiontracker.org](https://climateactiontracker.org/countries/indonesia/), November 1, 2021, <https://climateactiontracker.org/countries/indonesia/>.

unsustainable energy over the sustainable one? How far is the chance of a greener economy can be implemented under the current political dynamic?

We posit that Indonesia is less aggressive in adopting a green recovery, especially using the COVID-19 momentum. We aim to provide a comprehensive analysis of Indonesia's indecisive policy-making, especially on the energy sector, as it becomes the top emitter compared to the other sectors. Two factors could explain this analysis. First, historically, the political process amongst interest groups becomes one of major factors to identify elements affecting current policy-making. This also could be traced to the law enforcement from international structure to create a greener transformation. Second, we will see how Indonesia's society plays a significant role in developing the idea of climate crisis adaptation and COVID-19 recovery. We argue that the idea of a sustainable economy has not been deeply rooted and has been significantly affected by the idea of “real danger” after the crisis. In the end, this paper would like to give some recommendations that the government can consider to adopt a greener recovery.

Conceptual Framework

This paper is utilizing the Historical Institutionalism approach as the backbone of analysis. This approach comes from critical theory that challenges the idea of how institutions should be seen in rational choice institutionalism. Instead of inspecting institutions as systems of rules and incentives, historical institutionalism emphasizes the political struggle of interest groups to privilege some interests while demobilizing others as a process that constructs the institutions.¹⁰ Several main building blocks will be utilized, namely, first about the relationship between institutions and the dynamics of power relations within the structure that makes the policy-making process very political. The second is related to how the power relations within the structure ultimately form a path dependence that makes changes in policy-making more challenging. As Thelen argues that policy regimes are the product of legacy from the previous constellation¹¹, in which the power relation instantiated in existing institutions gives some actors or interests more power to others over the creation of new institutions.¹² Last, aside from the structures, historical institutionalists also believe that ideas, rules, or norms in society have a role in influencing political outcomes. Linked to the crisis context, this contested idea can define which are the “real dangers” for state survivability.¹³ In a nutshell, this approach argues that a policy is difficult to change if political actors, institutions, and governing ideas remain the same.¹⁴

By applying this perspective, we will analyze Indonesia's policy-making system on the discourse between the unsustainable and sustainable economy as an institution. The relevance of this approach towards the issues is, first, reflected by the historical analysis to the extent that ideas institutionalized are being maintained by several domestic actors to shape the current government

¹⁰ Peter A. Hall and Rosemary C. R. Taylor, “Political Science and the Three New Institutionalisms,” *Political Studies* 44, no. 5 (December 1996): 936–57, <https://doi.org/10.1111/j.1467-9248.1996.tb00343.x>.

¹¹ Kathleen Thelen, “HISTORICAL INSTITUTIONALISM in COMPARATIVE POLITICS,” *Annual Review of Political Science* 2, no. 1 (June 1999): 369–404, <https://doi.org/10.1146/annurev.polisci.2.1.369>.

¹² Peter A. Hall and Rosemary C. R. Taylor, “Political Science and the Three New Institutionalisms,” *Political Studies* 44, no. 5 (December 1996): 936–57, <https://doi.org/10.1111/j.1467-9248.1996.tb00343.x>.

¹³ Mary Douglas and Aaron Wildavsky, *Risk and Culture : An Essay on the Selection of Technological and Environmental Dangers* (Berkeley, Calif. Univ. Of California Press, 2010).

¹⁴ Michael Howlett, M Ramesh, and Anthony Perl, *Studying Public Policy : Policy Cycles and Policy Subsystems* (Don Mills, Ontario: Oxford University Press, 2020).

policy on the coal industry. Aside from that, we will also examine how the capacity of the international structure has been working to bolster the establishment of the unsustainable in Indonesia. Finally, to justify the ongoing path dependence in the policy-making process, we will inspect how the diffused norms within society indirectly vindicate the government's decision on certain COVID 19 recovery.

Research Methodology

This research uses a qualitative approach as the basis of analysis to understand the ideas, meanings, and motives of the issue being analyzed.¹⁵ A qualitative approach will better give a profound elaboration to uncover the identity that constructs subunit explanations' belief and how actors' policy-making process is influenced by it. The type of data that would be collected is in the form of qualitative and quantitative data, such as the total death toll and job loss during COVID-19, and the form of COVID-19 recovery. This data would be taken through several resources such as academic literature, books, articles, journals, and government reports.

Under qualitative approach, the data would be obtained through secondary observational and desk studies to study the relation between pandemic and climate crisis, history of Indonesia's relation with coal industry, Indonesia's climate policy, and history of international institutions in handling the energy issue.

Analysis

a. A Long History Between the Indonesian Government and Coal Energy

Indonesia is known as a wealthy resource nation especially with the abundance of coal energy. Seeing how strategic this resource is, the government also relates to the actors behind the mining industry. The coal resource was getting much attention from Indonesia's government during the New Order Era as it was claimed to be the best way to revive Indonesia's economic disruption under President Soekarno's term. At the time being, under the economic agenda to liberalize the economy for welcoming foreign investment.¹⁶ Suharto made a significant change on the mining sector: open the door for foreign investors and provide their legal guarantees to repatriate profits.¹⁷

However, such a pro-investment policy was not only based on the government calculation to accelerate Indonesia's economy, yet it was close to Suharto's political agenda. The solid relation of New Order elites with its cronies resulting in a patron-client relationship. A classic example is coming from the figure of Mohammad Bob Hasan—one of Suharto's right-hand men who controlled Suharto's family foundation, Nusamba Group—who shared a close relation with Freeport-Rio Tinto Grasberg Mine.¹⁸ By having the support of strong political actors and being accommodated with the military troops, these giant companies could generate billions of profits while hindering any challenges over the problems of pollution, land rights, and violence. In addition, this patron-client

¹⁵Audie Klotz and Deepa Prakash, *Qualitative Methods in International Relations : A Pluralist Guide* (Basingstoke: Palgrave Macmillan, 2008).

¹⁶Adam Schwarz, *NATION in WAITING : Indonesia's Search for Stability*. (S.L.: Routledge, 2019).

¹⁷Bart Lucarelli, "The History and Future of Indonesia's Coal Industry: Impact of Politics and Regulatory Framework on Industry Structure and Performance," *Program on Energy and Sustainable Development*, July 1, 2010, https://pesd.fsi.stanford.edu/publications/the_history_and_future_of_indonesias_coal_industry_impact_of_politics_and_regulatory_framework_on_industry_structure_and_performance.

¹⁸Down to Earth, "Suharto's Legacy | down to Earth," www.downtoearth-indonesia.org, 2008, <https://www.downtoearth-indonesia.org/story/suhartos-legacy>.

relationship could also be seen on the sub-national level wherein 1998, Syaekani, a former soldier run to become a governor of Kalimantan Timur Province is supported by Partai Golkar and PDIP to delegate him access to release permission of coal exploitation to its client.¹⁹ During this period, the central government had implemented a localization policy where domestic investors gained majority ownership of coal production over foreign investors, making the permission of mining activities soared.²⁰ In result, the ease of doing business in this industry is highly visible and led to the rising number of domestic companies and more localized business elites.

Again, the idea of the coal that emancipated by the New Order interest groups, due to the same political dynamic among interest groups in the coal industry affected the practice of the Reform era. Today, we can see the so-called Political Exposed Persons (PEP) to draw close relations between the elites and the coal industry. One of the most profound actors could be seen on the figure of Luhut Binsar Pandjaitan, the Coordinating Minister for Maritime and Investment, the key player of abolishing Indonesia's investment barrier under the second Joko Widodo cabinet, who still has a close relation with Syaekani, a governor of Kalimantan Timur in the New Order era.²¹ An investigation conducted by Greenpeace has found that two of them hold a share in PT Toba Sejahtera which have several coal mining and electric steam power plants.²² Even money from the coal mining business is being utilized to fill the campaign funds of candidates in the regional elections.²³

Today, Joko Widodo's second cabinet is highly consolidated with the power of oligarchs and political elites that will unravel the environmental protections in the name of investment and growth.²⁴ For example, Minister of Land and Spatial Planning, Sofyan Djalil, who own on top position in several coal companies and Minister of State-owned Enterprises, Eric Thohir, who has close relation with the founder of PT Adaro Energy, a company focused on coal mining and owned a coal-fired power plant in Batang, Central Java.²⁵ Even though we recognized that some political actors mentioned above are not directly influence the policy making on favoring either coal energy or transformation to greener energy, based on the similar path dependence built prior to the Suharto era, where clientelism influence on government energy orientation, the current presidency could lead to the same pattern, where policy is favoring the business elites in the government. Due to the favor of business elites in the government interest, we shall see that the export of coal is considered more important compared to utilizing them as a mode of transitional development capital.²⁶ The way Indonesian policy makers think about coal resources is centralized on its role as raw commodity to be exported, instead of development capital.²⁷ Thus, the path dependence creates no meaningful changes for current energy policy. It is true to historical institutionalism, the policy-making process not only can be determined through rational calculations but loaded with the dynamics of power relations

¹⁹ Greenpeace Indonesia, "Elite Politik Dalam Pusaran Bisnis Batu Bara," Greenpeace Indonesia, 2018, <https://www.greenpeace.org/indonesia/publikasi/1243/elite-politik-dalam-pusaran-bisnis-batu-bara/>.

²⁰ Sylvie Cornot-Gandolphe, "Indonesia's Electricity Demand and the Coal Sector," The Oxford Institute for Energy Studies, March 2017, <https://doi.org/10.26889/9781784670795>.

²¹ Greenpeace Indonesia, "Elite Politik Dalam Pusaran Bisnis Batu Bara," Greenpeace Indonesia, 2018, <https://www.greenpeace.org/indonesia/publikasi/1243/elite-politik-dalam-pusaran-bisnis-batu-bara/>.

²² Ibid

²³ Ibid

²⁴ Basten Gokkon, "Indonesia's New Cabinet a 'Marriage of Oligarchs,' Environmentalists Say," Mongabay Environmental News, October 23, 2019, <https://news.mongabay.com/2019/10/indonesia-cabinet-jokowi-widodo-oligarchs-environment/>.

²⁵ Ibid

²⁶ Prasetyo, A., Susanto, I., & Mada, K. (2021). *Jejak dan Langkah Energi Terbarukan Indonesia*. Kompas Penerbit Buku.

²⁷ Ibid

within the structure itself. In the context of Indonesia, the patron-client relationship eventually made the decision-making process very political.

As we can see, although COVID-19 has emphasized the urgency for the country to immediately leave fossil fuel to tackle the threat of climate crisis, the recovery chosen by the government is still heavy on providing subsidies to the coal industry. In mid 2020, the government released a COVID-19 stimulus package of Rp318 trillion (USD 21.28 billion) in which 65 percent of them allocated for state-owned enterprises (SOEs) of Pertamina (state oil and gas company) and PLN to bounce back the economy.²⁸ In addition, the government also targets to install 27 GW of coal-electricity in 2028, make Indonesia as one of five countries planned to construct new coal plantations in 2020 and become the fourth-largest owner of coal pipeline for generating plantations.²⁹ Having relevancy with the historical institutionalism, the long history of the coal industry as a basic energy resource is a struggle of the political process among the actors and the dependence of the same path made by the previous government. Echoing Thelen, these constellations are inherited to the current policy-making.³⁰ Therefore, today's recovery for COVID 19 cannot be separated from how many political actors in strategic policy-making, affiliated to the coal industry, stand on the frontline of political struggle.

b. The Lack of International Structure to Enforce the Government to Abandon the Unsustainable Economy

Today's policymaking is not necessarily measured by how the Indonesian government considered the domestic actors only, yet, the importance of looking for an international window must be considered as well. But, since the international system is still lingering on the concept of 'extractivism', the idea of utilizing coal as a strategic global energy is often overshadowed by the international reality. The concept of 'extractivism' needs to be considered because the agenda of exploiting the raw materials was historically essential for the Global North's industrial development, on the other hand, for many developing countries which have plenty of resources to dig, it is about as an excellent facility to climb development targets.³¹ This idea of 'extractivism' ultimately defines how the Global South should act to achieve progress by extracting natural resources.³² This can be seen from China and Australia. Even the fact that these countries have a tremendous economic capacity, they are still exploiting nature by digging coal resources to support their growth. This method of 'extractivism' is addressed by high-economic countries to maintain their economic development which have depended a lot on the coal industry. Other countries which have the same vision to support their growth and development under the shadow of 'extractivism', become a blessing for Indonesia, as the world's main supplier of coal resource, persistent to protect this industry amidst COVID-19 pandemic. The long-established idea of how the world perceived the concept of 'extractivism' shows us that it forms a path dependence that could be seen from the high global

²⁸ Deon Arinaldo and Julius Adiatma, "Indonesia's Coal Dynamics: Toward a Just Energy Transition" (Institute for Essential Services Reform (IESR), March 2019).

²⁹ Climate Action Tracker, "Indonesia | Climate Action Tracker," [climateactiontracker.org](https://climateactiontracker.org/countries/indonesia/), November 1, 2021, <https://climateactiontracker.org/countries/indonesia/>.

³⁰ Kathleen Thelen, "HISTORICAL INSTITUTIONALISM in COMPARATIVE POLITICS," *Annual Review of Political Science* 2, no. 1 (June 1999): 369–404, <https://doi.org/10.1146/annurev.polisci.2.1.369>.

³¹ Alberto Acosta, "Extractivism and neo-extractivism: two sides of the same curse: *Beyond development: alternative visions from Latin America*", 1, 61-86.

³² Alberto Acosta. Post-extractivism: From discourse to practice—reflections for action. *Alternative pathways to sustainable development: Lessons from Latin America*, 77-101. Brill Nijhoff.

demand on coal resources. With the support of global demand as an impact of extractivism in modern capitalism, it could justify the reason behind Indonesia's recovery scheme to grab the opportunity from the international market.

During the COVID-19 pandemic, we found that because coal demand from the international market is stable, state reasons to utilize this sector to bounce back the economy rather make sense. Indonesia depends a lot on the exporting market to Asia emerging economies, like China, India, Japan, South Korea, and Taiwan, which have long become importing countries that put prominent interest in Indonesia's coal energy sector.³³ Besides, in 2019 to 2022, the rise of industrialization among Southeast Asia countries (Malaysia, Philippines, Vietnam, Thailand) also has the potential for generating new income.³⁴ While, on the other hand, the current global renewable energy is costly for many developing countries, without exception in Indonesia. In 2020, most renewable energy would still be more expensive compared to coal power plants at least until 2030.³⁵ Thus, it is plausible for Indonesia to maintain the national income utilizing the opportunity of high international demand besides the inability to bear the high price of renewable energy. Therefore, amidst the attachment with the idea of 'extractivism', it is obvious that Indonesia is still using the current way to boost their economy on the basis to support the international demand.

On top of that, the absence of leading actors, like countries or International Governmental Organization to take enforcement action for other countries to reduce the utilization of coal industries in international politics also become a problem in an international structure. As an example, in its early implementation, UNFCCC had a low record on taking legally binding outcomes from state negotiation and created a wider concern over developed and developing nations' division on tackling the global emission contribution. It should be noted that during the early operation, the specific control of coal as part of the global contributor on greenhouse gasses did not yet exist. Their limited effort on promoting the Kyoto Protocol in 1997, actually has nothing to do with developed countries that still need a high supply of coal resources. Even in the notably COP-13 in 2007 held in Bali to build a new inclusive post-Kyoto climate agreement, the focus of this negotiation was merely around the mitigation, adaptation, technology and finance, while promoting new monitoring parameters for actions taken by developed and developing countries.³⁶ It could be seen that it was a lack of effort to recognize a particular sector (i.e. coal resource) that affects the rise of global temperature.

Even though such a good progress could be seen in the Copenhagen Accord 2012 where both divided parties, especially US which vocally criticizing the global climate regime and developing countries such as Brazil, India, South Africa, and China, were able to deal to hold the temperature below 2°C, which some of them depend on huge amount of coal resource, we saw that several attempt by other country to delegitimize this achievement, such as US, Canada, Japan, Russia and New Zealand.³⁷ These countries were included among the major consumers of coal energy, but used the domestic concern to give an excuse to escape from the agreement. Unfortunately, the global climate regime at that time could do nothing. This imbalance in power relations in developed countries which

³³Deon Arinaldo and Julius Adiatma, "Indonesia's Coal Dynamics: Toward a Just Energy Transition" (Institute for Essential Services Reform (IESR), March 2019).

³⁴Ibid

³⁵Ibid

³⁶ Julia Kreienkamp, "*The Long Road to Paris: The History of the Global Climate Change Regime*". Global Governance Institute Policy Brief Series. London: University College London

³⁷Mendelson and Volkov, "The Global Climate Change Regime," Council on Foreign Relations, 2013, <https://www.cfr.org/report/global-climate-change-regime>.

used its ability to bail out itself from a binding agreement affected Indonesia as a supplier of coal by which it guaranteed a need for coal resources.

Eventually, after a long negotiation of capping the greenhouse gas emission below 1.5°C in 2015 under the Paris Agreement in COP-21, it is in COP-26 held in Glasgow, Scotland, where the international institution recognized the coal resources are supposed to be governed to reduce the emission. Even though today the political constellation is rather changed, where support for coal industry comes from developing countries, a stringent approach toward 'phasing out the coal'—a total effort to end the use of coal—against 'phasing down the coal'—less tight effort—proposed by India and China is obviously overshadowed from the previous political contestation. Nonetheless, Indonesia is actually proposing its commitment to phase out the coal, yet it depends on how much international support would facilitate this transition.³⁸ Unfortunately, the COP-26 has not created a significant result to fulfill the developed countries' promises to collect 100 billion USD annually to help developing countries' transition. Meanwhile, Indonesia government itself is still planning to add more coal capacity in the near future.³⁹ Arguably, since historically no international institution has enforced the disallowance of coal energy development, Indonesia would inevitably follow the already established global regime and take some profits from the inconsistency of international actors in phasing out the coal from the COVID-19 recovery.

c. The Meaning of Climate Change, Sustainable Economy, and Green Recovery for Indonesia

To understand to what extent the green recovery opportunities can be manifested in Indonesia, the most important thing to be analyzed is how the knowledge about climate change and consent on interpreting a sustainable economy could affect the policy-making process of COVID-19 recovery. Indonesia is one of the most vulnerable countries to the impacts of climate change due to its status as the largest archipelagic country and with the second-longest coastline in the world. However, this reality does not necessarily make Indonesians aware of the dangers. Referring to a survey released by YouGov in 2019, 6 percent of the Indonesians reportedly did not believe that the climate had changed, while 18 percent stated that even though the environment was changing, human activity is not responsible at all; positioning Indonesia as the most prominent climate change deniers among 23 countries surveyed.⁴⁰ Interestingly, 83% still view the necessity to buy locally made products over imported goods, and 93% emphasize the importance of consuming ethical or eco-friendly products. From this, we can indicate that society has failed to understand the urgency of the changing global climate and the risks that plague it. Even though the community shows more concern with the concept of a sustainable economy, the meaning is still partial to the actual goals of that 'sustainable' economy, as the hierarchy between economic and environmental values still exists.

That formation of shared understanding in discerning climate change, we believe, affects how the government ultimately perceived the sustainable economy both on the objectives and policies.

³⁸John Geddie, "Indonesia Could Phase out Coal by 2040 with Financial Help, Finmin Says," *Reuters*, November 3, 2021, sec. Asia Pacific, <https://www.reuters.com/world/asia-pacific/indonesia-could-phase-out-coal-by-2040-with-financial-help-minister-2021-11-02/>.

³⁹Hans Jong, "COP26 Cop-Out? Indonesia's Clean Energy Pledge Keeps Coal Front and Center," *Mongabay Environmental News*, November 10, 2021, <https://news.mongabay.com/2021/11/cop26-cop-out-indonesias-clean-energy-pledge-keeps-coal-front-and-center/>.

⁴⁰Devina Heriyanto, "One in Five Indonesians Don't Believe Human Activity Causes Climate Change," *The Jakarta Post*, 2019, <https://www.thejakartapost.com/news/2019/05/15/one-in-five-indonesians-dont-believe-human-activity-causes-climate-change.html>.

Nonetheless, to maintain its relevance with COVID 19 recoveries, we will only examine several strategies conducted under Jokowi's presidency for the following argument. In Nawa Cita (Nine Priority Agendas) framework, albeit the government acknowledgment of its precedence on protecting Indonesia's citizens, encouraging rural and regional development, and improving the quality of life, but the government has not explicitly categorized or explained the relationship between Nawa Cita's goals with efforts to mitigate the climate crisis. Even so, most of the sustainable economic policies issued by the government are still limited in the context of what benefits Indonesia economically under the 'race to the bottom' agenda. Through the creation of the Omnibus Law, for example, we can see how profound the government has been regarding foreign investment as a means of boosting the economy. In the context of a sustainable economy, it is reflected through Jokowi's ambition to make Indonesia as the world's EV battery maker for an electric car, given the vast potential for nickel it has.⁴¹ Furthermore, in the realm of renewable energy, Jokowi is also asking for an increase in electricity prices from renewable energy to be more competitive in the market⁴²; but the presidential decree, which regulates tariff on renewable energy still not yet legalized, lowering the investor's trust.⁴³ Even under this pro-investment strategy, however, until 2019, Indonesia only reached 10.2 GW on installing renewable energy infrastructure, below the government target of 15.5 GW for 2018.⁴⁴

Prioritizing investment and technology transfer as a means of mitigation is not a shoddy thing. Still, unfortunately, these various policies are not counterweighted with the government's willingness to tighten regulations on coal. More importantly, this strategy also proves the government's failure in capturing the concept of a sustainable economy with more intact by considering a complex calculation regarding the future climate risk, such as more intense natural disaster, food insecurity, and worst, the chance of Indonesians being climate refugees. Bridging to historical institutionalism, Hall and Taylor argue that the diffusion of ideas and socioeconomic development can shape the way institutions work.⁴⁵ In this context, it is the shared ideas believed by the society in understanding about the risk of climate change as well as shared ideas on the economic characteristic of Indonesia as a developing country that we believe can give incentives for the government in adopting a sustainable economy solely based on today's necessity and favorability. Therefore, by observing ideas and policies that still prioritize economic growth over climate protection, we argue that Indonesia is still far from generating the best solution to mitigate the future risk of the climate crisis.

Nevertheless, COVID-19 comes by influencing this idea. Seeing globally, many countries and international institutions have witnessed the connection between the health crisis during COVID-19 and the threat of more catastrophic dangers caused by climate change in the future. Consequently, they urge the government to adopt recovery not just based on today's loss calculations but with a more

⁴¹ Hendra Lie, "Indonesia Is Ready to Take on the World's EV Battery Makers," *Nikkei Asia*, December 7, 2020, <https://asia.nikkei.com/Opinion/Indonesia-is-ready-to-take-on-the-world-s-EV-battery-makers>.

⁴² Estu Suryowati, "Pikat Investor, Jokowi Minta Harga Listrik Dari Energi Baru Terbarukan Dinaikkan," *KOMPAS.com*, July 5, 2015, <https://ekonomi.kompas.com/read/2015/07/05/124927526/Pikat.Investor.Jokowi.Minta.Harga.Listrik.dari.Energi.Baru.Terbarukan.Dinaikkan..>

⁴³ Anisatul Umah, "Perpres Tarif Listrik EBT Mundur, Kepercayaan Investor Turun," *CNBC Indonesia*, January 13, 2021, <https://www.cnbcindonesia.com/news/20210113142906-4-215642/perpres-tarif-listrik-ebt-mundur-kepercayaan-investor-turun>.

⁴⁴ Climate Action Tracker, "Indonesia | Climate Action Tracker," [climateactiontracker.org](https://climateactiontracker.org/countries/indonesia/), November 1, 2021, <https://climateactiontracker.org/countries/indonesia/>

⁴⁵ Peter A. Hall and Rosemary C. R. Taylor, "Political Science and the Three New Institutionalisms," *Political Studies* 44, no. 5 (December 1996): 936–57, <https://doi.org/10.1111/j.1467-9248.1996.tb00343.x>.

comprehensive approach. Unfortunately, this case seems not to happen in Indonesia. We argue that the idea of the Indonesian people is still wholly focused on the loss and uncertainty caused by the pandemic; hence they consider the COVID-19 case with climate change as mutually exclusive. This shared idea is constructed because of the high coronavirus death toll and job uncertainties. Statista reported that as of May 17, 2021, there are 48.093 deaths in Indonesia, placing it in the top 20 out of 209 countries.⁴⁶ Meanwhile, on work-related problems, as of May 5, Statistics Indonesia (BPS) has announced that out of 205, 36 working-age people, 19.10 million felt that their livelihoods had been affected by COVID-19.⁴⁷ With this tremendous amount of health crisis and economic recession, we presume it has made the society quite afraid of the risks it might face. According to Douglas and Wildavsky, dangers are selected for public concern according to the strength and direction of social criticism with death and disease statistics as a means for justifying.⁴⁸ In this case, the numbers of deaths and job losses have sufficiently validated the public's idea of what dangers should be most feared and what risks are worth taking. Therefore, we argue that society is no longer capable of thinking about the link between COVID-19 and the climate crisis.

This idea ultimately influences the consent between the public and the government on what form of recovery should be adopted. According to the stage of needs by Maslow, Douglas and Wildavsky stated that when an individual is still struggling with bare survival, he will have a narrow perspective on which his political demands are solely based on material needs such as food and shelter.⁴⁹ This case made the society and government finally agree that the chosen recovery must reflect the goal of restoring economic growth as soon as possible so the basic needs of society can be protected. We could see the implementation of this shared consent on the national economic recovery (PEN) conducted by the Ministry of Finance in February 2021, where about 699, 43 bn rupiahs are allocated to 5 divided sectors: health (176, 3 bn), social protection (157, 4 bn), MSMEs support and corporate financing (186, 8 bn), business and tax incentives (53, 9 trillion), and priority programs (125, bn).⁵⁰ Furthermore, the Ministry of Finance also coordinates a controversial policy by providing incentives to reduce tax rates for certain motor vehicles.⁵¹ This policy scheme indicates that the government is only thinking about short-term recovery and not prioritizing the principle of sustainability in-between. Although the government have planned efforts to give green stimulus fiscal programs incentive--ultimately in 3 areas of energy, waste management, and labor-intensive farming⁵²--yet this policy is not very promising as neither the term 'green' nor 'climate change' was included under Macro-Economic Framework and Fiscal Policy Principle 2021.

⁴⁶ Statista, "Novel Coronavirus (COVID-19) Deaths by Country Worldwide 2020," Statista, 2021, <https://www.statista.com/statistics/1093256/novel-coronavirus-2019ncov-deaths-worldwide-by-country/>.

⁴⁷ Badan Pusat Statistik, "Badan Pusat Statistik," www.bps.go.id, 2021, <https://www.bps.go.id/publication/2021/06/08/b547a5642aeb04d071cb83d4/keadaan-angkatan-kerja-di-indonesia-februari-2021.html>.

⁴⁸ Mary Douglas and Aaron Wildavsky, *Risk and Culture : An Essay on the Selection of Technological and Environmental Dangers* (Berkeley, Calif. Univ. Of California Press, 2010).

⁴⁹ Ibid

⁵⁰ Komite Penanganan COVID-19 dan Pemulihan Ekonomi Nasional (KPCPEN), "Fokus PEN 2021: Menanggulangi pandemi dan membangkitkan ekonomi nasional" Retrieved from <https://covid19.go.id/p/berita/fokus-pen-2021-menanggulangi-pandemi-dan-membangkitkan-ekonomi-nasional>.

⁵¹ Kemenkeu, "Diskon Pajak Kendaraan Bermotor Untuk Mendukung Pemulihan Ekonomi," Kementerian Keuangan, 2021, <https://www.kemenkeu.go.id/publikasi/berita/diskon-pajak-kendaraan-bermotor-untuk-mendukung-pemulihan-ekonomi/>

⁵² Eisy Elokari, "Falling behind on Green Targets, Indonesia Prepares Stimulus for Energy, Farming," The Jakarta Post, 2021, <https://www.thejakartapost.com/news/2021/04/05/falling-behind-on-green-targets-indonesia-prepares-stimulus-for-energy-farming.html>.

True to historical institutionalism, although there have been global shared ideas and various scientific research stressed the urgency of state to implement green recovery, in the end, it is the idea perceived by the society within the state that can legitimize what kind of recovery scheme should be adopted. In the context of Indonesia, it is the idea of a society in perceiving the risk of COVID-19 that ultimately give the political modal to the government for focusing the recovery on the unsustainable sectors that can bounce back the economy rapidly and easily; predominantly on the extractive industry which has long been rooted and reliable. However, as Hall and Taylor insist that new institutions are created or adopted in a world already replete with institutions, the lack of public support before the pandemic in perceiving the idea of sustainable economy comprehensively also, in the end, mold a path dependence that makes a chance to adopt green recovery for COVID-19 more challenging to happen.⁵³ On that account, we believe that the chance of green recovery to be fully executed still needs a long way to go.

Conclusion

To conclude, this paper found that the chance of transforming to a greener economy in Indonesia is rather small. Indonesia has not utilized the COVID-19 pandemic as momentum to switch its energy. It could be examined from the recovery that much of it still focuses on resiliency of 'dirty energy' while compared to many other countries that have been taking a more robust transition. This long wait for green recovery could be tracked from the long history of coal energy development which closely relates to politics. On the other hand, in international structure, the dynamics are also impacting the process of policymaking in the Indonesian government. Moreover, the lack of public support regarding climate change mitigation and further green recovery also contributes to the weak implementation of it.

Breaking the chain of coal production while altering to renewable energy is indeed not an easy task. For this reason, we encourage the government to gradually stop subsidies to the coal industry, ensure that all old and inefficient steam power plants are closed, and avoid the development of new coal power plants. The government should start providing more incentives for renewable energy, such as subsidies, deregulation, price cap mechanism, in order to accelerate the establishment of this industry. Even if the coal elite plays a decisive role, the government must realize that coal is not the future of world energy, therefore its existence must be eliminated. Most importantly, we also urge the government not to just perceive the sustainable economic agenda and green recovery as opportunities for new economic capitalization. The government must plan its policies by calculating threats that are likely to come in the future. Hereinafter, green recovery in response to COVID-19 is not only a problem of an economic commodity to rebound the economic growth but also as a way to anticipate the next biggest humanitarian crisis.

Eventually, this paper aimed to elucidate Indonesia's slow transition to the green economy and encourage the government to do what they are supposed to do to address the climate crisis. Although it seems arduous to implement the transition during COVID-19 policy-making, Indonesia should manifest its intention there. Whilst this paper eventually lacks support to draw more sectors in the concept of the sustainable economy such as forestry, agriculture, fisheries, and oil that account to

⁵³ Peter A. Hall and Rosemary C. R. Taylor, "Political Science and the Three New Institutionalisms," *Political Studies* 44, no. 5 (December 1996): 936–57, <https://doi.org/10.1111/j.1467-9248.1996.tb00343.x>.

the same degree as coal to be transformed, we urge further discussion to cover these sectors and use this paper as preliminary research.

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