



### Overview of Political Party Support for Presidential Candidates

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### **Executive Summary**

Pantau Gambut has conducted an analysis of the visions, missions, and programs of presidential and vice-presidential candidates to illustrate the track record of all supporting political parties in the 2024 presidential election contest. This analysis reveals that the visions, missions, and programs of presidential and vice-presidential candidates do not directly correlate with their supporting political parties based on their track records. To provide context, this analysis focuses on three key issues: the Omnibus Law on Job Creation (UUCK), Forestry and Other Land Use (FOLU), and the green financing sector. Below are some summaries of the track records of presidential and vice-presidential candidates along with their supporting political parties:

### • Candidate Pair Number 1 (Anies-Muhaimin)

Candidate Pair 1 does not explicitly mention support or rejection of the Omnibus Law on Job Creation. However, various programs they advocate for are indicated to have correlations with several provisions within the Omnibus Law on Job Creation, such as facilitating licensing processes and implementing carbon economic value. Supporting political parties of Candidate Pair 1, such as the Nasdem Party and PKB, endorse the Job Creation Law, while PKS rejects it. Regarding the Forestry and Other Land Use (FOLU) sector, there are differences in programs between Candidate Pair 1 and its supporting parties regarding the peat issue. The Nasdem Party mentions programs related to peat that contradict Candidate Pair 1's program, while PKS does not have specific programs related to peat. There are also differences in forestry and palm programs. Thirdly, concerning financing issues, Candidate Pair 1 has programs that include financing innovation for New and Renewable Energy, green financing, and carbon trading. However, the stance of supporting political parties of Candidate Pair 1 on these issues cannot be clearly identified.

Political Party	Omnibus Law	Status
President-vice president	Indicated support	
candidate		
Nasdem	Support	58 legislative chairs
РКВ	Support	59 legislative chairs
PKS	Reject	50 legislative chairs

### • Candidate Pair Number 2 (Prabowo-Gibran)

Candidate Pair 2 (Prabowo-Gibran) shows correlations between its programs and the Omnibus Law on Job Creation, especially concerning the development of green energy, downstream sectors of the extractive industry, and the Food Estate project. Its supporting political parties, such as the Gerindra Party and Golkar, support the Omnibus Law on Job Creation and the Food Estate project, while the Democratic Party rejects the Omnibus Law on Job Creation but has contradictory views on the Food Estate project. Candidate Pair 2 does not have specific programs related to FOLU and financing issues, so the stance of its supporting political parties on these issues cannot be clearly identified.

Political Party	Omnibus Law	Status
President-vice president candidate	Support	
Gerindra	Support	78 legislative chairs



Golkar	Support	85 legislative chairs
PAN	Support	44 legislative chairs
Demokrat	Reject	54 legislative chairs
PBB	Support	Non-parlement party
Gelora	Support	Non-parlement party
PSI	Support	Non-parlement party
Garuda	Support	Non-parlement party
Prima	Reject	Non-parlement party

### • Candidate Pair Number 3 (Ganjar-Mahfud)

Candidate Pair 3 has programs related to industrialization, economic growth, and agrarian reform related to the Omnibus Law on Job Creation. The stance of its supporting political parties, such as PDIP, PPP, Perindo Party, and Hanura Party, initially supports the Omnibus Law on Job Creation, but some of them have changed their stance regarding the Food Estate project and the Omnibus Law on Job Creation.

Political Party	Omnibus Law	Status
President-vice president candidate	Indicated support	
PDIP	Support	128 legislative chairs
PPP	Support	19 legislative chairs
Perindo	Support	Non-parlement party
Hanura	Support	Non-parlement party

Considering these findings, there is a disparity between the programs of the presidential candidate pairs and the stance of their supporting political parties. Therefore, it is necessary to conduct monitoring and advocacy to ensure the implementation of policies that align with public interests, environmental protection, and democratic principles.

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1.

### The Importance of Political Party Stance

In every presidential election contest, the public often focuses solely on the stance, vision, mission, and programs presented. The public tends to perceive this electoral process as separate entities the presidential election as part of the executive branch and political parties as filling legislative seats. However, the role of political parties is paramount—both in the context of determining presidential candidates and determining strategic policies post-election. Recognizing the crucial role of political parties, Pantau Gambut has conducted an analysis to examine the stances of supporting parties for Presidential and Vice-Presidential candidates in the 2024 Election based on several considerations.

Firstly, the central role of political parties in determining presidential and vice-presidential candidates. Article 222 of Law Number 7 of 2017 concerning Elections stipulates that "candidates are proposed by political parties or coalitions of political parties participating in the election, which meet the requirements of obtaining at least 20 percent of the seats in the House of Representatives, or obtaining 25 percent of valid votes nationally in the previous House of Representatives member election." Based on this article, it can be concluded that political parties have significant control in determining presidential and vice-presidential candidates to compete in the five-yearly political contest.

Secondly, political parties holding seats in the Indonesian House of Representatives as parliamentary members play a central role in policy formulation, particularly legislation. Articles 19, 20, 20A, 21, and 22 of the 1945 Constitution regulate the legislative function of the House of Representatives to formulate and enact laws together with the president. However, the multi-party presidential system applied in Indonesia can result in the executive branch - including the president - having unequal political power compared to the legislative branch such as the House of Representatives. In other words, political parties as parliamentary members may have greater power than the president.

In a multi-party presidential system, the abundance of political parties competing in elections makes it challenging for any single party to win the election by a majority.<sup>1</sup> This prompts political parties to form alliances and build coalitions to meet the presidential threshold requirement for the nomination of the president and vice president, which is a total minimum of 20% of seats in the House of Representatives.<sup>2</sup> Although the president technically can still form a government without involving parties in the legislature, in reality, this scenario rarely occurs. This is because when the president as the executive and the House of Representatives as the legislature are on opposing sides, two potential disruptions to governance may arise.

<sup>&</sup>lt;sup>1</sup> Djayadi Hanan, 'Memperkuat Presidensialisme Multipartai di Indonesia: Pemilu Serentak, Sistem Pemilu, dan Sistem Kepartaian', Jurnal Universitas Paramadina Vol. 13 (2006), hlm. 2.

<sup>&</sup>lt;sup>2</sup> Ibid.

Firstly, the lack of legislative support for the executive will inevitably lead to a deadlock in the policy-making process. Secondly, when the president tends to disregard the legislature (imperial president) or when the legislature is controlled by the opposition (divided government), the president may seek constitutional and political loopholes to maintain and expand their power (majoritarian tendency).<sup>3</sup> Although policy initiatives originate from the executive, the legislature— along with the political parties within it—still holds sway over the formulation of government policies. Ultimately, the interplay between legislative and executive powers in policy formulation within a multi-party presidential system intertwines the stances of presidential and vice-presidential candidates—as outlined in each pair's vision-mission programs—with the interests of the supporting parties that drive governance in the legislature.

# **2.** Approach and Limitations

Pantau Gambut conducts a textual analysis of the official Vision-Mission-Program documents of the three presidential candidate pairs. This analysis highlights the party's stance, emphasizing that the elected president - vice president is not the sole actor in policy formation. We reflect on how the party's seat acquisition in the House of Representatives, Republic of Indonesia in the previous period measures the extent to which the party's votes contribute to policy formation. In addition, we also analyze the supporting parties' stances on key issues identified in connection with Pantau Gambut's organizational focus. The key issues identified along with their derivatives are as follows:

### 1. Job Creation Law (Omnibus Law)

- a. Amnesty for illegal palm oil within forest areas
- b. National Strategic Projects (PSN) and all policies threatening peatland ecosystem, particularly related to the Food Estate program.
- c. Policies related to Land Bank.

### 2. FOLU (Forestry and Other Land Use)

In the Intergovernmental Panel on Climate Change (IPCC) Report, climate experts identify FOLU as a significant contributor to greenhouse gas emissions affecting global climate change. In the context of FOLU, we focus on issues related to:

- a. Peatland ecosystem
- b. Forestry
- c. Large-scale monoculture industries such as palm and timber.

### 3. Investment & Financing

The expansion of extractive industries cannot proceed without the support of the financing sector. In connection with global climate commitments, accountability lies not only with corporations but also with financial institutions supporting the corporate economic cycle. Therefore, it is essential to integrate the context of investment and financing as one of the issues analyzed in this document. The following are three derivative issues we have identified:

- a. Financing for extractive industries
- b. Implementation of sustainable finance and its related policies
- c. Application of SSE (Social and Environmental Governance) indicators in business processes.

# 3.

### Supporting Political Party Stances on the Job Creation Law

In the midst of Indonesia's upcoming presidential election, the stance of presidential candidates on environmental policies emerges as a critical focal point demanding attention. While official documents like the vision-mission-program of presidential contenders offer initial insights, delving deeper into the analysis of the positions and historical actions of the political parties backing these candidates injects a dynamic layer of comprehension. For example, policies regarding forest and peat protection can be significant indicators.

It is undeniable that the main decision-makers are political parties.<sup>4</sup> Learning from the political process in the United States, the allocation of funds related to climate programs becomes a determining factor in the parliament that influences the smooth approval of President Biden's budget in the US Congress. Meanwhile, in Germany, the Green Party surprised by garnering 15% of voter support in 2021, marking the highest vote share ever obtained by the German Green Party in history. This party then became one of the determining forces in the government coalition in Germany that is more committed to environmental issues. Therefore, it is important to investigate the positions and environmental policies advocated by political parties supporting presidential candidates. There is a tendency for political parties to consistently advocate pro-environment policies to have or encourage presidential candidates with aligned stances.<sup>5</sup>

### 3.1. Exploring the Role of the Job Creation Law as a Key Policy

In general, Law No. 6 of 2023 concerning Job Creation serves as the chosen regulation for identifying the stance of political parties. Numerous legislative regulations were amended within it, including those related to the governance of peatland ecosystems, whether directly or indirectly. The Job Creation Law modifies many regulations with the aim of aligning legal instruments to enhance investment ecosystems in Indonesia.

Examining the considerations outlined within the the Job Creation Law, economic growth emerges as the focal point and objective sought to be achieved by the law. Indeed, this law could supersede other regulations perceived to impede target achievements, including environmental sector regulations. Several notable changes we highlight include Article 37 of the Job Creation Law, which adds Articles 110A and 110B to Law No. 18 of 2003 concerning the Prevention and Eradication of Forest Destruction. Additionally, there are Articles 31, 36, 124, and 173 that specifically regulate National Strategic Projects (PSN).

<sup>&</sup>lt;sup>4</sup> Dominasi Oligarki dan Ketidakhadiran Partai Politik Hijau di Indonesia; Luthfi Hasanal Bolqiah , Riaty Raffiudin, 2020, Jurnal Ilmu Pemerintahan Vol. 19 No. 2 Tahun 2020 Halaman 151-167

<sup>&</sup>lt;sup>5</sup> Mengurai Upaya Implementasi Green Politics: Tantangan Dan Tinjauan Pemimpin Mendatang; Esthy Reko Astuty, Muhammad Aqshadigrama, Sisean Baga. Indonesian Journal of Environmental Education and Management e-ISSN: 2549-5798 Vol. 8 No. 1, Januari 2023.



### 3.1.1 Policy Measures for Whitening Illegal Palm Activities within Forest Areas

The policy of illegal palm plantation amnesty activities within forest areas gains its legitimacy through Article 37 of the Job Creation Law. This article amends Law No. 18 of 2013 concerning the Prevention and Eradication of Forest Destruction (P3H) by introducing provisions from Article 110A and Article 110B. Both articles grant amnesty to business activities—including plantations—within forest areas that have yet to comply with licensing requirements. This amnesty takes the form of a 3-year extension for meeting licensing requirements and the imposition of administrative fines. The introduction of this whitewashing policy impacts at least three aspects of peatland governance in Indonesia: environmental, social, and economic.

Firstly, concerning the environmental aspect, this amnesty policy absolves corporate accountability for those operating illegally on peatland, leading to the degradation of peatland and forest fires in their concession areas. It is noteworthy that out of the 3.3 million hectares of forest areas to be whitewashed, approximately 407,267.5 hectares (around 13-14%) are within Peat Hydrological Unit (PHU) areas. Among these, 72% of palm oil plantations in PHU earmarked for whitewashing fall into the medium fire risk category, while 27% fall into the high fire risk category.<sup>6</sup>



Pantau Gambut, analyzing data on burned areas from the Ministry of Environment and Forestry (KLHK) for the years 2015–2020, found that 11 corporations benefiting from whitewashing operate within PHU areas and have a history of burned areas from 2015 to 2019. This discovery raises questions about the commitment to protecting peatland ecosystems by both the government and corporations, especially in the context of due diligence.

Secondly, horizontal conflicts are prone to arise due to the lack of a transparent and responsible consultation process conducted by plantation companies with local communities. The shooting incident in the PT Hamparan Masawit Bangun Persada

<sup>&</sup>lt;sup>6</sup> Waspada Karhutla di Pelupuk Mata; Almi Ramadhi, Agiel Prakoso, Wahyu A Perdana, Ricky Amukti, Juma Maulana, Yoga Aprillianno, Iola Abas; Pantau Gambut, 2023; <u>https://pantaugambut.id/publikasi/waspada-karhutla-di-pelupuk-mata</u>

(HMBP) area in October 2023, carried out by the police against residents of Bangkal Village, Seruyan Regency, Central Kalimantan, serves as evidence of horizontal conflicts resulting from the amnesty policy. Despite PT HMBP having an ISPO certificate, the company was proven to operate within forest areas.<sup>7</sup> The total planted area of the subsidiary's palm oil plantation from the Best Agro Group is situated within an 8,842-hectare forest area.

The implementation of Articles 110A and 110B, which provide amnesty for companies owning illegal palm oil concessions in forest areas, will absolve the responsibility that should be imposed on these companies for the violations they have committed. This will inevitably lead to an increase in the intensity of social and agrarian conflicts at the grassroots level.

Thirdly, the impact of amnesty on the country's economy. Analysis by TuK Indonesia in Central Kalimantan reveals that the potential losses to the state can be identified through 320 illegal palm oil plantation units operating within forest areas.<sup>8</sup> The palm oil industry's non-compliance with existing regulations and global commitments is also evident from the results of the Supreme Audit Agency (BPK) examination in 2019. A total of 2,115 or 83.66% of companies registered with the Directorate General of Plantation of the Ministry of Agriculture have not yet obtained ISPO certification and have not been sanctioned according to applicable regulations. This condition leads to a potential financial loss to the state of Rp494.8 trillion per year.<sup>9</sup>

### 3.1.2 Policy Measures for National Strategic Project

Referring to Presidential Regulation No. 109 of 2020, the Food Estate program is included in the National Strategic Project (PSN) 2020–2024. The incorporation of the Food Estate into the PSN provides a strategic position for the implementation of the program in terms of policy aspects. This project can also benefit from various facilitations in land provision, including ease of operation within forest areas.

Several legislative regulations amended in relation to the PSN include Law No. 22 of 2019 concerning the Sustainable Agriculture Culture System, Law No. 41 of 1999 concerning Forestry, and Law No. 41 of 2009 concerning the Protection of Sustainable Food Agricultural Land. The most significant changes to these two laws include allowing the conversion of sustainable food agricultural land for the PSN. Furthermore, the Job Creation Law also provides investment facilitation and PSN provisions outlined in Articles 154–173.

However, the implementation of the Food Estate project since 2020 has not been without problems. Based on studies and field verifications conducted by Pantau Gambut together with the Network Node from WALHI Central Kalimantan, it was

<sup>&</sup>lt;sup>7</sup> Deceased Estate: Illegal palm oil wiping out Indonesia's national forest; Greenpeace, 2021; <u>https://www.greenpeace.org/static/planet4-southeastasia-stateless/2021/10/85efa777-</u> illegal palm oil in forest estate.pdf

<sup>&</sup>lt;sup>8</sup> Pantau Gambut, TuK, Greenpeace Indonesia, Fakta di Balik Pemutihan Sawit Ilegal dalam Kawasan Hutan (2023).

<sup>&</sup>lt;sup>9</sup> Laporan Hasil Pemeriksaan dengan Tujuan Tertentu atas Perizinan, Sertifikasi, dan Implementasi Pengelolaan Perkebunan Kelana Sawit yang Berkelanjutan serta Kesesuaiannya dengan Kebijakan dan Ketentuan Internasional:

Perkebunan Kelapa Sawit yang Berkelanjutan serta Kesesuaiannya dengan Kebijakan dan Ketentuan Internasional; BPK; Februari 2019



found that the trial cultivation of cassava in Kab. Gunung Mas and Kab. Pulang Pisau, Central Kalimantan, failed completely. The harvested cassava fell far below the target expectations due to its size, which was only the size of a human finger. In addition to being small, the cassava tubers produced in this area were yellow in color like turmeric, and tasted bitter. According to a study, the bitter taste of cassava indicates the presence of high cyanide content.<sup>10</sup> Aside from the cassava harvest failure, the trial cultivation of rice yielded similar results. The rice planting recommended by the government also did not produce any results. Residents around the planting areas also reported that there were no harvests to be collected.



In addition to harvest failures, the Food Estate project is also indicative of mismanagement of state funds. To illustrate, a budget of Rp1.5 trillion from the state budget (APBN) was allocated for the implementation of this program throughout the years 2020–2021, where Rp497.2 billion was only used for irrigation improvements, including pipe procurement. Ironically, the State Audit Board (BPK) inspection in 2021 found numerous discrepancies and miscalculations in budget utilization. Moreover, there were noted coordination problems among Ministries and Institutions.<sup>11</sup> The results of the BPK examination on the expenditure of the Food Estate program are as follows:

### • Examination results from the Directorate General of Water Resources found:

 Calculation errors in volume and progress of work, as well as discrepancies in specifications and calculations of the Analysis of Unit Price Work (AHSP) in 6 physical work packages in the Food Estate program at the Directorate General of Water Resources amounting to Rp27,974,804,473.

<sup>&</sup>lt;sup>10</sup> Njoku Damian Ndubuisi dan Ano Chukwuka Ugochukwu Chidiebere, *Cyanide in Cassava: A Review (2018)*, <u>https://www.gavinpublishers.com/article/view/cyanide-in-cassava-a-review</u>.

<sup>&</sup>lt;sup>11</sup> BPK; Laporan Hasil Pemeriksaan Dengan Tujuan Tertentu Kepatuhan Atas Belanja Atas Program Pembangunan Kawasan Sentra Produksi Pangan/ Food Estate Tahun Anggaran 2020 S.D. Triwulan lii 2021



- Consulting service work packages in the Food Estate program at the Directorate General of Water Resources amounting to Rp781,542,220 that did not comply with contractual provisions.
- Suboptimal coordination between the Ministry of Public Works and Public Housing (PUPR) and the Ministry of Agriculture in the development activities of the Food Estate/Center of Food Production Area.
- Examination results from the Directorate General of Highways found: Volume shortages and discrepancies in minimum specifications, as well as discrepancies in AHSP calculations with actual conditions in 9 physical work packages in the Food Estate program at the Directorate General of Highways amounting to Rp4,512,505,672.

### 3.2 Identification of Party Stances on the Job Creation Law

Specifically, there is no discussion in the vision-mission-program of Presidential and Vice-Presidential candidates regarding the Job Creation Law (Omnibus Law) – a law that has faced protests and criticism since its drafting, enactment, and the issuance of the Presidential Regulation (Perppu) regarding the Job Creation Law. Particularly, concerns have been raised regarding its impact on the environment. Generally, only two parties have expressed opposition and criticism towards it (Demokrat Party and PKS Party). Below are the stances of political parties towards the Job Creation Law:

#### a. PDIP (Partai Demokrasi Indonesia Perjuangan) Party

Since the discussion process of the Draft Law on Job Creation (RUU Cipta Kerja), PDIP has agreed to further discuss its proposal. The main reason they acknowledge is in response to the COVID-19 pandemic and the economic challenges it has brought. In the spirit of supporting this policy, PDIP hopes that the Job Creation Law can become an effective government instrument in addressing the pandemic challenges and driving economic growth. PDIP also urges the government to promptly finalize the government regulations and operational standards of the Job Creation Law. This urge emphasizes the urgency of implementation as a concrete step in supporting Indonesia's economic recovery amidst the COVID-19 impacts involving all nations.

### b. Golkar (Golongan Karya) Party

Golkar unequivocally supports the government's proposals in addressing various legislative challenges that impede investment and job creation—particularly through the Job Creation Law. Golkar's stance in various parliamentary sessions also reflects proactive measures in endorsing the government's endeavors to foster investment.

### c. Gerindra Party

This party formally endorses the Job Creation Law. They anticipate that its ratification will significantly bolster the investment sector, streamline regulations, and provide flexibility in labor management. These initiatives are pursued with the aim of advancing the welfare of Indonesian society. Gerindra Party's backing of the

Job Creation Law is grounded in arguments pertaining to economic growth and the investment climate.

#### d. Nasdem (Nasional Demokrat) Party

Nasdem provides approval for the Job Creation Law with several stipulations. In the endeavor to achieve a balance between the interests of labor and business owners, Nasdem emphasizes the importance of the government establishing effective communication and dialogue with labor groups regarding changes in severance pay provisions. They also highlight the urgency of upholding constitutional values and ensuring fair legal certainty in the context of labor issues. Within this framework, Nasdem firmly requests the government to take measures to prevent mass layoffs resulting from the new severance pay policy. Furthermore, the party declares its readiness to oversee the implementation of the Job Creation Law after its enactment.

#### e. PKB (Partai Kebangkitan Bangsa) Party

PKB approves the discussion and ratification of the Job Creation Law. In the context of political and legal analysis, PKB's support for the Job Creation Law reflects the party's positive stance towards this government policy.

#### f. PAN (Partai Amanat Nasional) Party

PAN declares its approval for the enactment of the Job Creation Law with certain caveats. The party argues that the severance payment scheme should be returned to the framework of existing or previous laws. Additionally, PAN emphasizes the importance of accommodating the rights of justice-seeking communities and impoverished groups in the implementation of the law. Despite providing these notes, PAN's political stance expressing approval still demonstrates support for the law initiated by the government.

### g. PPP (Partai Persatuan Pembangunan) Party

PPP approves the enactment of the Job Creation Law while asserting several important hopes and notes. PPP hopes that the Job Creation Law will serve as a key instrument in driving Indonesia's progress through job creation and enhancing the capacity of job seekers. Additionally, the party focuses on empowering Micro, Small, and Medium Enterprises (MSMEs) as well as cooperatives. The aim is for these sectors to make a significant contribution to the Gross Domestic Product (GDP). In the context of labor protection, PPP emphasizes the importance of prioritizing Job Loss Insurance (JKP) and requests that the Job Creation Law continue to provide adequate protection for Indonesian workers. Despite providing these notes, in principle, PPP states its political support for the Job Creation Law.

During President Jokowi's second term, it was observed that there was almost no opposition capable of rallying significant political strength. This situation has had an impact on the weakness of the opposition's power in exerting control over government policies. Government policies tend to be more easily implemented without opposition hindrance.



Many political analysts assess that this phenomenon may produce negative effects on the democratic system in Indonesia. The traditionally strong role of the opposition is considered crucial in overseeing and advocating alternative interests. For instance, the debate, discussion, and ratification of the Job Creation Law have come under scrutiny. Despite facing opposition from civil society, only two factions in the Indonesian House of Representatives (DPR RI) have unequivocally expressed rejection of the Job Creation Law. The scarcity of opposition factions reflects a political condition that may facilitate President Jokowi's administration in realizing its policies. These two factions are:

- a. Demokrat Party critically rejects the Omnibus Law on Job Creation by presenting several viewpoints on its urgency and procedural aspects. They find no urgency in discussing the Omnibus Law on Job Creation amidst the ongoing COVID-19 pandemic crisis at that time. Criticisms are also directed at the perceived rushed pace of discussions, which may result in regulations that are immature, overlapping, and conflicting. Apart from the urgency issue, this party also highlights the potential disregard for the rights and interests of workers and assesses that the Omnibus Law on Job Creation reflects a shift away from the spirit of Pancasila towards more capitalist and neoliberal economic policies. Demokrat Party also states that the Omnibus Law on Job Creation suffers from procedural defects due to its perceived lack of transparency and accountability in the discussion process, with minimal involvement of civil society elements. As an act of rejection, they oppose bringing the Omnibus Law on Job Creation to the plenary session and demonstrate deep-seated problems with substantive and procedural aspects in the formation of the law.
- b. PKS (Partai Keadilan Sejahtera) Party presents several critical viewpoints on the Omnibus Law on Job Creation, taking into account the ongoing pandemic context. PKS notes that discussing the Omnibus Law on Job Creation amidst the pandemic crisis has resulted in limited access and participation of the public, disrupting democratic principles and citizen involvement in the legislative process. Furthermore, PKS argues that the law is inappropriate in diagnosing and formulating solutions to address Indonesia's economic problems. The party highlights provisions related to employment that are deemed to be still conflicting with national legal policies and the constitution, thus creating potential normative inconsistencies in its implementation. Additionally, PKS raises concerns about the environmental impact of the Omnibus Law on Job Creation. By detailing these issues, PKS formulates rejection and brings the Omnibus Law on Job Creation to the plenary session. They emphasize the importance of thorough evaluation and improvement in the formulation process of policies related to economic and employment issues.

## 4.

### Analysis of Correlation of Presidential Candidate Vision-Mission-Programs with Supporting Political Party Stances

Pantau Gambut assesses the correlation between the vision-mission-program of presidential candidates and the stance of their supporting parties based on the defined key issues outlined in the previous section. These three key issues include:

- Attitude towards the Omnibus Law on Job Creation (UU Cipta Kerja), both in process and substance, generally
- Attitude and program framework related to Forestry and Other Land Use (FOLU) through three derivative issues that we have identified in more detail: peatland ecosystems, forestry, and wide-scale monoculture (palm oil)
- Financing sector, especially related to the framework of sustainable finance.

### 4.1 Correlation of Vision-Mission-Programs of Candidate Pair Number 1 and Supporting Political Parties

### 4.1.1 The stance of Candidate Pair Number 1 & Supporting Parties on the Job Creation Law (Omnibus Law)

Regarding the Omnibus Law on Job Creation, the candidate pair Anies-Muhaimin does not explicitly mention their support or rejection of the validity and implementation of the regulation in their program. Nevertheless, several programs outlined in their vision-mission have similarities with the norms regulated in the Omnibus Law on Job Creation. Among them are facilitation of business licensing processes, implementation of carbon economic values, and industrialization of plantation commodities.

Firstly, concerning the ease of doing business, Candidate Pair Number 1 elaborates on nine aspects to be promoted, namely:

- 1. Ease in obtaining business permits
- 2. Handling building permits
- 3. Access to electricity
- 4. Property registration
- 5. Facilitating import-export activities
- 6. Tax payment procedures
- 7. Investor protection
- 8. Contractual certainty
- 9. Access to credit.

The ease of doing business program is in line with the content of the Omnibus Law on Job Creation (UU Cipta Kerja). In the "consideration" section, it is mentioned that the presence of this regulation constitutes an adjustment of various aspects of regulation related to the ease, protection, and empowerment of the business sector in Indonesia.

Secondly, the implementation of carbon economic values advocated by Candidate Pair 1 is closely linked to policies in the sustainable energy transition sector. The application of carbon economic values through carbon taxes is seen as an effort to reconcile economic and conservation interests, especially regarding climate change. In addition to implementing carbon economic values, Candidate Pair 1 also promotes green financing as an effort to accelerate the energy transition.

Anies and Muhaimin emphasize the exploration and exploitation of geothermal energy as a new and renewable energy source. They also designate Kalimantan as a hub for renewable energy through the development of infrastructure for electricity, the development of solar power plants, biomass power plants (PLTBm) from palm oil, and similar programs. Linked to the utilization of palm oil for PLTBm, this pair also promotes the industrialization of palm oil as a flagship commodity claimed to be aligned with Environmental Social Governance (ESG) principles.

The provisions regarding geothermal energy have been extensively amended in Article 41 of the Omnibus Law on Job Creation. These changes include centralizing licensing processes and other administrative processes, eliminating provisions for resolving land rights, and prioritizing sanctions in the form of fines for violations of geothermal licensing.<sup>12</sup>

Thirdly, the industrialization of plantation commodities can be seen through the contract farming program advocated by Candidate Pair 1. Contract farming is a derivative of the implementation of the Agromaritime Revolution promoted by Anies-Muhaimin. In principle, contract farming is a production mechanism based on agreements between one or more farmers and contractors (buyers) to carry out production based on contracts, determining selling prices, and time periods as agreed upon initially.<sup>13</sup>

One policy instrument closely related to the implementation of contract farming is land bank policy regulated in Articles 125–135 of the Omnibus Law on Job Creation. Its formation is driven by the large amount of abandoned land that needs to be acquired by the government and stakeholders to increase the land's utility value. With this article, corporations and/or the government can buy land from the land

<sup>&</sup>lt;sup>12</sup> "Poin Kritis Perubahan UU Panas Bumi dalam RUU Cipta Kerja," *Jatam.org*, 6 Juli 2020, diakses pada 27 Desember 2023. <u>https://www.jatam.org/poin-kritis-perubahan-uu-panas-bumi-dalam-ruu-cipta-kerja/#:~:text=Seluruh%20penguasaan%20Panas%20Bumi%20dalam%20Rancangan%20Undang-</u>

Undang%200mnibus,daya%20panas%20bumi%20pada%20segelintir%20elit%20dan%20oligarki.

<sup>&</sup>lt;sup>13</sup> FIAN Indonesia, "Food Estate: Perampasan Kontrol dan Indikasi Pelanggaran Hak Atas Pangan dan Gizi," hlm. 12.



bank to be stored and developed in the future<sup>14</sup> and serve as a means for managing agricultural areas.

While the contract farming policy may give the impression of placing producers (farmer groups) and contractors (corporations/government) on equal footing through contractual agreements, the reality reveals an inherent imbalance in their relationship. Contractors typically wield greater bargaining power, as they control the capital and technological resources. This power dynamic is evident in various instances, such as the Food Estate project in Humbang Hasundutan, North Sumatra, and the potato cultivation undertaken by Indofood in Sembalun, Lombok, East Nusa Tenggara, both of which have resulted in land appropriation.<sup>15</sup> This scheme bears a striking resemblance to the 'domein verklaring' model from the colonial era.

Beyond the three main categories of work programs related to the Omnibus Law on Job Creation, Candidate Pair 1 also promotes the development of industrial areas in various regions outside of Java that are based on local resources and connected to the global supply chain. One specific area slated for development is the Special Economic Zone (SEZ) in Sumatra as a globally standardized production center that is environmentally friendly. Policies regarding SEZs are specifically regulated in Article 150 of the Omnibus Law on Job Creation.

#### Interrelation between the Omnibus Law Program and Political Party Stances

In the 2024 electoral contest, Candidate Pair 01 is supported by three political parties: the Nasdem Party, PKB, and PKS. Among these political parties, only PKS has opposed the Omnibus Law on Job Creation since its inception. One of the reasons underlying this opposition is PKS's position as an opposition party in the political configuration of President Jokowi's government. Meanwhile, the Nasdem Party and PKB fully support the the Job Creation Law along with the implementation of its derivative regulations. Nasdem specifically emphasizes the importance of land bank policies in land management, while PKB welcomes deregulation efforts to streamline investment permits.

<sup>&</sup>lt;sup>14</sup> Noegi Nugroho, Penerapan Konsep Land Banking di Indonesia untuk Pembangunan Perumahan MBR di Kawasan Perkotaan, hlm. 963.

<sup>&</sup>lt;sup>15</sup> *Ibid.*, hlm. 59-70.





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### 4.1.2 Stance of Candidate Pair Number 1 & Supporting Parties on FOLU Issue

In the Forest and Land Use (FOLU) sector, Candidate Pair 1 emphasizes community empowerment and the fulfillment of rights and obligations of local communities in forest governance in line with the principles of social forestry. This emphasis is expected to help Indonesia achieve FOLU Net Zero by 2030. To efficiently map the candidate pair's program with the Pantau Gambut campaign narrative, three main issues have been identified:

#### a. Peatland

Candidate pair Anies-Muhaimin has a specific peatland program as a derivative of the FOLU sector program. Candidate Pair 1 aims to optimize peatland restoration to prevent fires, slow down climate change, and bring economic benefits to the people. Concerning the specific program division per island, the peatland issue is mentioned in a program specifically implemented in Kalimantan. They want to ensure environmental improvements, especially in terms of deforestation, mining/industrial waste pollution, forest fires, and peatland management.

### Interrelation between the Peatland Sector Program and Political Party Stances

Generally, mapping political party stances on peatland issues is challenging because this issue is rarely discussed specifically. However, based on media monitoring, attitudes were found from two coalition parties of Candidate Pair 1, namely the Nasdem Party and PKS, while PKB was not found at all.

In one publication on the party's official website, Nasdem advocates for planting sago and rice in peatlands in Papua. It is important to note that rice is not a



natural plant in peatland ecosystems and not the main food source for Papua's indigenous people. Meanwhile, on the official PKS website, it is mentioned that the arrangement of peatland ecosystems is the key to controlling forest and land fires.

Nasdem's position indirectly contradicts the peatland issue program promoted by Candidate Pair 1. Planting rice in peatlands instead creates many problems rather than solving long-standing issues in peatland governance, as currently implemented by the Food Estate Program in Central Kalimantan.

As for the substance of the PKS statement, it is consistent with the program to be promoted by the presidential candidate. However, the lack of similar publication findings related to the party's stance on the peatland issue makes the statement tend to be "normative" and therefore too early to evaluate.

#### b. Forestry

Candidate Pair 1's forestry sector program includes four programs: 1) implementation of sustainable forest management, 2) stopping deforestation, especially in Kalimantan, Sumatra, and Papua, 3) conservation of intake forests and promoting reforestation/rehabilitation to maximize the role of forests as carbon sinks, and 4) increasing funding and commitment to protected forests, nature reserves, wildlife sanctuaries, and other flora and fauna protection zones.

The coalition parties of Candidate Pair 1 do not seem to provide vocal and clear stances on forestry issues. Only PKS emphasizes that peatland ecosystem management is the key to controlling forest and land fires, as outlined above. Meanwhile, Nasdem and PKB's attitudes toward forestry issues can be seen in their ambivalence towards the the Job Creation Law, given that Forestry Law and other regulations in the FOLU sector have also undergone normative changes in the the Job Creation Law.

#### c. Palm Oil

The palm issue is separated as a distinct sub-section because palm oil is repeatedly and specifically mentioned in Candidate Pair 1's programs. These programs include improving the quality and stability of palm prices, palm industrialization, and building industrialization factories for flagship commodities. This pair also promotes palm plantations to operate in line with ESG principles. This program certainly contradicts Candidate Pair 1's ambition to stop deforestation in Sumatra, Kalimantan, and Papua, considering that palm oil plantations are widespread in these areas. Moreover, there is now a desire to promote palm industrialization, so a large supply of raw materials is needed. To meet this supply, the need for open land will sharply increase.

This program also contradicts Candidate Pair 1's targets on the peatland issue. Based on Pantau Gambut data, an area of 5.2 million hectares out of a total of 13.43 million hectares of peatland in Indonesia is plantation-owned land, with palm being one of its main commodities. With the amnesty from Articles 110A and 110B of the the Job Creation Law, concessions can obtain legal permits to



operate within forest areas. This will certainly further distance Indonesia from the FOLU Net Sink 2030 target, as outlined by Anies-Muhaimin as one of its achievements.

The ambition to promote palm commodities is also reinforced by PKB's stance, which promises to facilitate palm exports from Indonesia to Europe through the Indonesian Democratic Centrist (CDI). The CDI parliament is expected to lobby Europe to "not interfere with Indonesian palm products."

### 4.1.3 The stance of Candidate Pair Number 1 & Supporting Parties on Financing Issues

In the sustainable financial services sector, Candidate Pair 1 advocates for the innovation of financing for Renewable Energy (RE) through various approaches. These include project development funding, viability gap financing, and credit enhancement funding. Additionally, Candidate Pair 1 also leverages green financing with competitive interest rates, establishes the Endowment Fund derived from natural resource revenues, allocated for RE research, human capital development, and incentivizing RE implementation.

Carbon trading opportunities and carbon markets are also focal points for Candidate Pair 1 to obtain inexpensive funding sources from abroad. To achieve their desired outcomes, Candidate Pair 1 sets the green economy index as a relevant indicator for measuring sustainable development. They also advocate for integrating the green economy index into licensing requirements and making it the basis for risk assessment in the financial sector. Financing incentives and business facilitation are provided to the green sector to enhance the creation of green jobs with equal opportunities for all societal strata.

Regarding party stances, no political party in the Candidate Pair 1 coalition explicitly states its position on specific issues in the sustainable financial services sector. Therefore, the relationship between party stances and candidate programs cannot be identified.

### 4.2 Correlation of Vision-Mission-Programs of Candidate Pair Number 2 and Supporting Parties

### 4.2.1 The stance of Candidate Pair Number 2 & Supporting Parties on the Job Creation Law (Omnibus Law)

Similar to Candidate Pair 1, Candidate Pair Prabowo-Gibran also does not explicitly state their support or opposition to the Omnibus Law. However, the stance of this Candidate Pair can be identified through the programs they advocate with relevant policy instruments.

There are three main issues in Candidate Pair 2's program directly related to norms in the Omnibus Law, namely the development of green energy, downstreaming of the extractive sector, and the Food Estate project. Candidate Pair 2 aims to position Indonesia as a global superpower in green energy in the fields of renewables and bioenergy. Regarding the downstreaming of the extractive sector, Candidate Pair 2



aims to add commodities such as bauxite, copper, tin, and agro products as efforts to promote industrialization in the extractive sector. Article 39 of the Omnibus Law, which adds Article 128A to the Mining Law, provides for a 0% royalty rate for coal development and/or utilization activities that add value (downstreaming).

Regarding the Food Estate project, Prabowo-Gibran targets achieving the B50 biodiesel program and E10 ethanol blend by 2029 through cassava and sugarcane harvests. They also aim for food self-sufficiency by 2029 through the development of the Food Estate program (rice, corn, cassava, soybeans, and sugarcane commodities) with a minimum target of an additional 4 million hectares of food crop cultivation area.

It should be noted that the Food Estate program, included in the 2020–2024 National Strategic Projects (PSN), holds a special place in the Omnibus Law.<sup>16</sup> The acceleration of the implementation of PSN is repeatedly mentioned in the considerations of the Omnibus Law and is included in the definition of "Job Creation" in the general provisions section.

Several regulations have been adjusted to facilitate the smooth implementation of PSN. These regulations include Law No. 22 of 2019 concerning Sustainable Agricultural Culture Systems, Law No. 41 of 1999 concerning Forestry, and Law No. 41 of 2009 concerning the Protection of Sustainable Food Agricultural Land. The most significant change is the allowance for the conversion of sustainable agricultural land for PSN. Specific investment facilitation to support PSN is also regulated in Articles 154–173 of the Omnibus Law.

#### Interrelation between Candidate Programs and Political Party Stances

Among all the political parties supporting Candidate Pair Prabowo-Gibran, only the Democratic Party explicitly rejects the Omnibus Law because it is deemed incompatible with the values of Pancasila. However, the Democratic Party recently argued that the legal proceedings against Surya Darmadi (owner of Darmex Agro Group) contradict the spirit of Articles 110A and 110B of the Omnibus Law, which grant amnesty for illegal palm plantations within forest areas. This is clearly contradictory to the party's known stance of rejecting the Omnibus Law.

The Gelora Party, which holds the status of a new non-parliamentary party in the coalition of Candidate Pair 2, was also noted to criticize the formation of the omnibus law. They believe that the omnibus law system is deemed incompatible with the regulatory formation system in Indonesia. However, there are no records of the party's actual stance on the regulations or policies contained therein.

<sup>&</sup>lt;sup>16</sup> "Food Estate Masuk Proyek Strategis Nasional, Ini Daftar Terbarunya," *Katadata.co.id*, 30 November 2020, diakses pada 27 Desember 2023, <u>https://katadata.co.id/pingitaria/berita/5fc46f09221d6/food-estate-masuk-proyek-strategis-nasional-ini-daftar-terbarunya</u>.





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The Gerindra Party—where Prabowo serves as chairman—has expressed full support for the Job Creation Law, with the implementation of the land bank and the Food Estate project being derivatives of the presence of this regulation. Similarly, the Golkar Party also supports the Food Estate project, particularly the establishment of Special Economic Zones (SEZs) for the Food Estate in Merauke. Golkar sees the land bank as a potential solution to the complex issues of land management and agrarian conflicts, and supports the development of carbon trading in Indonesia. The PBB and PSI vocally support the Job Creation Law, while the Gelora Party supports the Food Estate project.

An interesting observation can be made regarding the stance of PAN, known as the party proposing the Climate Change Bill, yet they vocally support the Job Creation Law and the Food Estate project. Support for the Job Creation Law and the Food Estate project is clearly not aligned with PAN's spirit as the party behind the Climate Change Bill. This is notable considering the normative provisions in the Omnibus Law, which are known to often prioritize business interests over environmental concerns—this includes the Food Estate program, which has already proven to have significant ecological impacts.

#### 4.2.2 Stance of Candidate Pair Number 2 & Supporting Parties on FOLU Issue

#### a. Peatland

Candidate Pair 2 and its supporting parties do not specifically mention the issue of peatlands in their work programs. Only the Golkar Party was found to have mentioned the word 'peat' on one of its official websites. Golkar emphasizes the importance of promoting social approaches in peat restoration efforts. However, this mention tends to be limited to normative statements.



#### b. Forestry

Prabowo-Gibran encourages the revitalization and development of most unused and damaged forests into more productive land. This revitalization is intended for the production of palm sugar, cassava, sweet potatoes, sago, sorghum, coconuts, and other bioethanol raw materials. An agroforestry system is used to support the achievement of national energy sovereignty and to create millions of new jobs, rehabilitate damaged forests into natural forests, Industrial Timber Plantations (HTI), and production forests with a Public-Private-People Partnership (PPPP) scheme. They also develop ecosystems and natural resource development related to carbon sinks and carbon offsets to accelerate the achievement of the net-zero emission target.

#### c. Sawit

Regarding the palm issue, Candidate Pair 2 has a program to develop bio-diesel and bio-aviation fuel from palm.

#### Interrelation between FOLU Program and Party Stances

Based on the findings, no stance was found from the supporting parties of Candidate Pair 2 that directly responded to or related to the candidate's programs in the forestry sector. However, party stances on forestry issues can be seen from their stance on the Omnibus Law. This is because the Forestry Law and other regulations in the FOLU sector also had their normative provisions altered in the Omnibus Law.

### 4.2.3 The stance of Candidate Pair Number 2 & Supporting Parties on Financing Issues

Candidate Pair 02 does not have specific programs targeting financing issues.

#### Interrelation between Financing Program and Party Stances

No party stance was identified because there are no specific programs from Candidate Pair 2 that specifically address the financing sector, thus there are no variables to compare. It is noted that Golkar advocates for the regulation of central and regional funding sources in the discussion of the Draft Law on New and Renewable Energy.

### 4.3 Correlation of Vision-Mission-Programs of Candidate Pair Number 3 with Supporting Parties

### 4.3.1 The stance of Candidate Pair Number 3 & Supporting Parties on the Job Creation Law (Omnibus Law)

Ganjar-Mahfud has two main programs directly related to the Omnibus Law, namely 'Industrialization 5.0' and promoting average economic growth to reach 7%. In the context of industrialization, Candidate Pair 3 aims to promote the downstreaming of mining, plantation, agriculture, as well as fisheries and maritime resources



comprehensively. They aim to create high-value end products with a foundation in upstream industries and domestic component level policies (TKDN). As previously outlined, the addition of Article 128A in the Mining Law by the Omnibus Law regulates the provision of a 0% royalty for value-added efforts (downstreaming) in operational activities.

Average economic growth of up to 7% is considered crucial by Candidate Pair 3 as a strategy to escape the middle-income trap inclusively. Their achievement targets are pursued by increasing the role of cooperatives and SMEs, supporting new businesses across Indonesia, utilizing infrastructure, digital economy, managing the green-blue economy, manufacturing industry growth of 7.5-8%, and optimizing Special Economic Zones to accelerate industrialization and investment. Article 150 of the Omnibus Law amends several provisions in Law No. 39 of 2009 concerning Special Economic Zones (SEZs), which includes centralizing the business licensing process in SEZs and facilitating tax incentives for imported goods activities in SEZs.

#### Interrelation between the Omnibus Law Program and Political Party Stances

There are four political parties within the scope of supporting parties for Candidate Pair 3, namely PDIP, PPP, Perindo Party, and Hanura Party. Among all of these parties, only two can be identified for their stance on the Omnibus Law, namely PDIP and PPP. Both parties support the Omnibus Law along with its derivative programs such as the Food Estate.

However, recently PDIP has changed its stance on one of the derivative regulations of the Omnibus Law. They believe that Government Regulation No. 23 of 2021 concerning Forestry Implementation, which is considered to be heavily oriented towards economic interests, needs to be evaluated. PDIP's stance on the Food Estate project has also changed, as they previously fully supported it but now reject the project, labeling it as an environmental crime. Additionally, during one of the meetings with opinions in the Indonesian House of Representatives (DPR RI) to discuss the Food Estate, a PDIP cadre also advocated for the preservation of peatlands in the implementation of the Food Estate project.





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### 4.3.2 Stance of Candidate Pair Number 2 & Supporting Parties on FOLU Issue

In the FOLU sector, Pantau Gambut only found one relevant program from the Ganjar-Mahfud program. This candidate pair is pushing for the completion of Agrarian Reform as an effort to organize land allocation efficiently and justly, including redistribution and legalization of land free from mafia to ensure transparent, fast, accurate, and cost-effective land administration and documentation processes. Additionally, there are no derivative programs from the FOLU sector specifically addressing peatlands, forestry, or palm.

#### Interrelation between the FOLU Sector Program and Political Party Stances

There are no credible sources that can be used as a reference to identify the stance of political parties supporting Candidate Pair 03 on issues in the FOLU sector. However, the parties' stance on issues in the FOLU sector can be seen through their alignment with their stance on the Omnibus Law, considering that the Forestry Law and other regulations in the FOLU sector have also undergone normative changes in the Omnibus Law.

### 4.3.3 The stance of Candidate Pair Number 3 & Supporting Parties on Financing Issues

Regarding the financing issue, Candidate Pair 3 mentions the integration of Environmental, Social, and Governance (ESG) risk assessment as an integral part of the economic and financial systems.

#### Interrelation between Financing Programs and Political Party Stances

In the context of sustainable finance, no specific stance of parties towards sustainable finance was found. Only PDIP explicitly expressed its support for



incentive and disincentive mechanisms for the development of new and renewable energy in the discussion forum of the New and Renewable Energy Bill.