

Chapter 2

The Role of Indonesia's Civil Society in Energy Security

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Abstract Energy (in)security has re-emerged as one of the central security issues for countries around the world. Despite its huge and diverse reserves of fossil fuel energy, Indonesia finds itself among countries suffering from an energy crisis. This paper is concerned with the lack of a comprehensive response by the Indonesian government to the domestic energy crisis. Troubled by these circumstances, non-state actors (or civil society) in Indonesia have chosen to act in response to the government's "failure". The role of civil society in energy security will be elaborated upon, particularly how non-governmental organisations (NGOs) engaged in the Indonesian energy sector perceive and propose initiatives that target the government, public and other relevant stakeholders. The basic argument is that NGOs in the Indonesian energy sector assume key functions by, first, mapping out problems in current energy policies and, second, educating Indonesian society on the energy crisis and encouraging new ideas on creating an alternative energy supply and using this effectively.

Keywords Energy security • Indonesia • Non-governmental organisation • Civil society • Energy crisis • Electricity

2.1 Introduction

Energy (in)security has re-emerged as one of the central security issues for countries around the world. The available supply of energy is unable to meet the increasing demand (especially for fossil fuels) arising from having to feed

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industrialisation processes and sustain both economic growth as well as changing lifestyles. The total oil consumption worldwide in 2010 reached nearly 4.03 billion tonnes—a 3.1 % increase from 2009.¹

In mid-2008, the price of oil soared to US\$150 per barrel, triggering predictions that it might reach US\$200 per barrel by the end of the year. Remaining relatively stable for a year or so, the price spiked again from late 2010 to mid-2011, eventually reaching US\$116 per barrel due to uprisings in several oil-producing countries in the Middle East, such as Egypt and Libya.²

This situation has forced some countries to introduce unfavourable policies—such as reducing oil subsidies and enforcing energy efficiency—that could cause public protests and domestic instability. Indeed, several economies have fallen into ruin as increasing energy prices have set off a chain reaction of increasing prices for basic commodities. In the case of Indonesia, rising oil prices have pushed policymakers and observers alike to engage in a serious debate to reassess the country's policy on subsidising fuel.³

Despite its huge and diverse reserves of fossil fuel energy, Indonesia finds itself among countries suffering from the energy crisis. Based on research conducted by the Indonesian Institute for Energy Economics (IIEE) in 2006–2007, energy shortages have been occurring in almost all parts of the country (IEER 2007, pp. 8–13). Blackouts have been common in the capital, Jakarta, since at least as early as mid-2008, incurring large losses for the industrial sector. At least one headline has suggested that Japanese investors plan to withdraw from Indonesia should the energy crisis continue to disrupt production processes.⁴

The Indonesian government's plans to meet demand include the implementation of once-a-month weekend production days to compensate for two-hour reductions during weekdays. The government has also launched a national 10,000-megawatt (MW) coal-based power programme that is expected to be

¹ “BP Statistical Review of World Energy (June 2011)”, at: http://www.bp.com/assets/bp_internet/globalbp/globalbp_uk_english/reports_and_publications/statistical_energy_review_2011/STAGING/local_assets/pdf/statistical_review_of_world_energy_full_report_2011.pdf (26 September 2011).

² Kollewe, Julia, “Oil Prices Rise Again on Further Libyan Fighting”, in: *Guardian* (4 March 2011), at: <http://www.guardian.co.uk/business/2011/mar/04/oil-prices-rise-again-libyan-fighting> (26 September 2011).

³ One example is the recent study released by the Department of Economics, Centre for Strategic and International Studies (CSIS), Indonesia. The study recommends that the government re-evaluate the subsidy policy. Specifically, it suggests increasing the price of the “premium” category, eventually easing the burden on the national budget. See Ranga D. Fadillah, “Late Fuel Subsidy Removal Hurts RI”, in: *The Jakarta Post* (11 May 2011), at: <http://www.thejakartapost.com/news/2011/05/11/late-fuel-subsidy-removal-hurts-ri.html> (26 September 2011).

⁴ “Krisis Listrik Ancam Investasi” (Electricity Crisis Is Threatening Investments), in: *Kompas* (10 July 2008).

completed in 2011.⁵ However, Indonesia's reserves of coal—the main component of the programme—are insufficient to meet foreign demand, thus painting an uncertain future for the plan.

Indonesia is highly dependent on fossil fuels, particularly oil, which is the main energy source for industry, transportation and even electricity generation. The country used to be a member of the Organization of the Petroleum Exporting Countries (OPEC), but its membership was suspended due to recent decreases in its oil production. In 2009, Indonesia produced 47.9 million tonnes of oil; in 2010, this went down slightly to 47.8 million tonnes. With domestic consumption rising from 59.2 million tonnes of oil in 2009 to 59.6 million tonnes in 2010, the country has needed to import oil to meet demand.⁶

Rising oil prices have thus compelled the government to gradually lift the national subsidy, in order to manage the country's budget. In 2011, the subsidy was around 8.2 % of total national expenditures (almost US\$68 billion) in order to maintain a price of US\$0.50 per litre for premium fuel (Aswicahyono et al. 2011). Meanwhile, a lack of adequate infrastructure means that the government remains unable to shift the balance of energy consumption towards alternative sources, such as coal and natural gas.

A central issue is the response by governments and related institutions to the energy crisis. On average, this has been minimal and not comprehensive enough to tackle the problem. Some believe that the government remains largely unaware of the seriousness of the crisis or how it might lead to further instability. During a public ceremony in May 2008, President Susilo Bambang Yudhoyono merely encouraged the public to be "optimistic", despite expectations of energy, food and economic crises.⁷ While optimism might prove necessary, concrete action from the government will be far more crucial in addressing the needs of the people.

The negative impacts of the crisis on the people, combined with apparent government cluelessness when it comes to finding real solutions, has pushed Indonesia's civil society into playing a role. This paper thus focuses on the role of Indonesian civil society with regard to the country's overall energy security. In particular, it highlights how non-governmental organisations (NGOs) in the energy sector look at and respond to the issue of energy security in relation to the two primary stakeholders: the government and the public. This chapter poses several questions: how

⁵ Alfian, "PLN Secures 65 % of Financing for First 10,000 MW Program", in: *The Jakarta Post* (31 January 2009), at: <http://www.thejakartapost.com/news/2009/01/31/pln-secures-65-financing-first-10000-mw-program.html> (26 September 2011); see also: "PLN Ready to Start 2nd 10,000 MW Program", in: *The Jakarta Post* (20 August 2009).

⁶ "BP Statistical Review of World Energy (June 2011)", at: http://www.bp.com/assets/bp_internet/globalbp/globalbp_uk_english/reports_and_publications/statistical_energy_review_2011/STAGING/local_assets/pdf/statistical_review_of_world_energy_full_report_2011.pdf (26 September 2011).

⁷ Simamora, Adianto P., "SBY: Keep Spirits Up Amid Looming Crises", in: *The Jakarta Post* (21 May 2008).

do NGOs perceive the problem of energy security in Indonesia? What are their responses, and to what extent can these responses be seen as successful?

I argue that NGOs in the Indonesian energy sector have played a crucial role. Most important, they have brought to attention the reality that current energy policies are ad hoc and incomprehensive, and thus need to be improved. The NGOs have also equipped society with a better understanding of national energy policies, offering guides on how to creatively develop alternative energy resources. Significantly, these organisations consider the government to be a part of the solution rather than a source of the problem, and as such have taken a “soft”, more sophisticated approach that involves navigating formal mechanisms. In this way, these NGOs have learned to work through governmental channels rather than solely through informal processes.

This chapter is divided into three parts. The first describes the policies implemented by the government to deal with the energy crisis and the NGO response to them. The second analyses the various roles played by NGOs in the energy sector, illustrating the use of the soft approach. The third part elaborates on the challenges ahead in dealing with Indonesia’s energy crisis, and explores the opportunities available to maximise the effectiveness of various solutions. Finally, recommendations are offered to highlight what may be done in the future.

2.2 Energy Security Policies and NGO Responses

The term “energy security” is not easy to define. The definition can differ in developed versus developing countries, as the reality of energy scarcity varies. For developed countries, energy security is defined as “reliability of supply, access to the energy resources in sufficient amounts, affordability, and protection from energy supply interruptions”. In developing countries, the emphasis is placed “first and foremost [on] access to energy to supply basic needs like clean water, cooking, lighting, and public transportation” (Luft and Korin 2009, pp. 5–6). While Indonesia is considered a developing country, for the purposes of this chapter, which explores the role of civil society, it would be more useful to adopt the definition used for developed countries with its focus on energy supply and access—rather than extend the discussion to include the broader implications of energy issues.

Regardless of the definition used, the energy crisis in Indonesia remains framed in largely narrow terms, that is, with reference to supply issues. This can be seen in a particular piece of Indonesian legislation, Energy Law No. 30/2007. Chapter 6(1) of that law notes that an energy crisis is a condition in which energy (supply) is lacking, while Chapter 6(2) states that an energy emergency is a condition in which energy supply is disrupted as a result of the destruction of energy facilities and infrastructure.

There are at least three documents that reveal much about how the Indonesian government has responded to the current energy crisis: Presidential Regulation 5/2006, on the National Energy Policy; the National Energy Management

Blueprint (2006–2025); and the aforementioned Energy Law 30/2007. The regulations included in these documents clearly demonstrate that the National Energy Policy is focused on ensuring the security of the domestic energy supply (in particular, refer to the Presidential Regulation 5/2006, Chapter 2). The Policy is expected to achieve this in two ways: first, by achieving an “energy elasticity”⁸ of one or less by 2025; and second, by creating a diversified mix of energy sources by 2025 to reduce national dependency on oil.

Moreover, the short-term policies adopted by the government also focus mainly on securing the country's energy supply. This involves optimising the production of energy and adjusting its price. In the National Energy Management Blueprint (2006–2025), this policy is translated into various programmes: rationalising oil prices by reducing both the fuel subsidy and the compensation (through direct cash assistance) given to the poor; shifting from kerosene to liquefied petroleum gas (LPG) for household use; increasing domestic oil exploration; developing new sources of alternative energy, including nuclear power plants; and building and strengthening Indonesia's energy-related infrastructure.

This supply-side approach largely ignores the problem of sufficient access to energy, that is, the demand side. While oil and gas supplies are abundant, not everyone enjoys equal access to them. Headlines in early 2008 trumpeted Jakarta's electricity crisis—as if it were a novel experience for Indonesia. In reality, however, most other parts of the country have experienced such a situation for years.⁹ Enacted in response to the aims outlined in the previous paragraph, a 300 % increase in the price of kerosene has also created significant problems for low-income groups, as most do not have access to energy alternatives. In fact, the government's policy of shifting from kerosene to LPG has generated new problems, as LPG prices continue to rise while supplies remain uncertain (Indriyanto 2008).

The public regularly levels criticism at the fact that most Indonesians are unable to benefit from the country's plentiful fossil fuel reserves and renewable energy resources. Instead, easy access to energy is typically available only to mid- and upper-level income groups. While poverty has long been characterised as the main reason behind this situation, it remains clear that it is the government's responsibility to ensure that its people have sufficient access to the country's own energy resources. However, a centralised energy policy—dependent on central distribution, and without consideration for the development of local energy sources for local needs—has prevented a large section of Indonesian society from accessing

⁸ Energy elasticity is the percentage change in energy consumption to achieve 1 % change in national gross domestic product (GDP).

⁹ Indonesia's total power-plant capacity is 29,705 MW, 22,302 MW of which is meant for Java and Bali, and 7,403 MW for outside Java; however, peak electricity demand in Java alone has reached 17,000 MW. See Kelik Dewanto, “Proyek Pembangkit 10,000 MW Obat Krisis Listrik” (10,000 MW Electricity Generation Project Solution), in: Antara News (13 July 2008), at: <http://www.antara.co.id/arc/2008/7/13/proyek-pembangkit-10000-mw-obat-krisis-listrik> (26 September 2011). On the electricity crisis outside of Java, see Basri, Faisal, 2008: “Menjinakkan Krisis Listrik” (Taming the Electricity Crisis), in: Kompas (14 July 2008).

enough energy to sustain basic needs.¹⁰ Moreover, the government has not seriously pursued the development of alternative energy sources such as bio fuels, despite the previously mentioned policy to establish a new energy mix by 2025.

The complexity of Indonesia's energy problems has forced the government to recognise that it needs to involve civil society in establishing a new national energy policy, from planning right up to implementation. This has translated into the establishment of partnerships between the government and NGOs to carry out research and development. Presidential Regulation No. 5/2006, Chapter 6, notes that the government may provide facilities and incentives for pioneering efforts in energy alternatives, clearly encouraging the participation of civil society in research. Moreover, Energy Law No. 30/2007, in Chapters 17 and 19, notes the importance of society's participation in creating both national and local energy plans, while also mentioning that energy development should be carried out with the public's interest in mind.

The government, especially the Ministry of Energy and the Parliament, has invited NGOs to share their views through public consultations, hearings and other meetings. On many occasions, members of Parliament have also received reports and recommendations submitted by NGOs. Most NGOs, however, continue to see government initiatives on energy security as lacking comprehensiveness. The initiatives are sectoral in nature, dealing separately with the security of energy supplies, the impact of the crisis on the economy, and the social aspect (the environment). In addition, initiatives elaborated upon in the National Energy Management Blueprint remain in the early stages, and lack detailed planning on implementation and financing. For these reasons, many expect that the Indonesian energy crisis will worsen in coming years.¹¹

Most NGOs in the Indonesian energy sector essentially agree with the government's decision to reduce the fuel subsidy. This assistance has not helped those who were supposed to receive it, having instead mainly benefited the middle and upper classes. The subsidy has therefore indirectly encouraged an inefficient pattern of energy consumption that would ultimately harm Indonesia's energy supply position in spite of its reserves. Furthermore, the government had not carefully scrutinised the subsidy plan before implementation—for instance, which fuel price to increase relative to another.

The 300 % increase in the price of kerosene is an indication of such mishandling. The decision to phase out kerosene in favour of LPG for household use, officially implemented in mid-2007, seems to have been made solely as a short-term solution. There was no preliminary research on certain regions' potential to develop sources of renewable energy. Thus, despite the potential for biogas to be utilised in some regions, the conversion has been indiscriminately implemented throughout the country. Such a situation has triggered concerns over the possibility

¹⁰ Personal interview with Kuki Soejachmoen from Yayasan Pelangi (September 2008).

¹¹ Personal interview with Mohammad Suhud from WWF Indonesia (July 2008).

of corruption, with some suspicions that certain parts of the government might have been involved with particular LPG suppliers.

In general, NGOs do admit that there are more opportunities today for the public to influence the National Energy Policy. Government officials, especially from the Ministry of Energy and Parliament, have taken to occasionally inviting NGOs for ad hoc public consultations and hearings when formulating new regulations, particularly during emergencies. In most cases, however, NGOs can express their concerns only through certain cooperative figures in the Parliament or the Ministry of Energy. Lobbying, rather than meeting formally with bureaucrats, has thus become the more effective way for NGOs to assert themselves and influence national energy policies.¹²

2.3 Types and Roles of NGOs in the Energy Sector

As the Indonesian people have directly experienced the impact of the country's energy crisis, many have begun researching the roots of the crisis, both domestically and internationally. New technologies, particularly the Internet, have allowed people far greater access to information, while simultaneously giving them the opportunity to express concerns and share knowledge on issues related to the energy crisis.¹³ This phenomenon has shown Indonesian NGOs that the public may have very critical views on issues related to energy security.

The Indonesian public is generally free to voice its concerns and to propose initiatives to the government. However, in order to do so effectively, and influence policies, they would need to have access to balanced perspectives on an issue. This has not proved to be the case. An example would be the 2003–2004 discussions on the calculation of the new fuel subsidy. At that time, there was practically no information on the official websites of either the Indonesian Ministry of Energy or Parliament concerning how NGO reports and recommendations would be utilised, information that could have indicated the extent to which those ideas influenced policymaking. The lack of transparency is further reflected in the fact that no official reports exist of discussions of certain policy drafts (energy-related or otherwise) currently under parliamentary process.

The role of NGOs, then, is twofold. On the one hand, such organisations assist the government by providing inputs and even critiques that can help to shape sound policies with greater benefits for the people, and by enhancing transparency in the decision-making process. On the other hand, NGOs play a crucial role in educating the public on the issues at hand. They can convince citizens not to

¹² Ibid.

¹³ See the following useful blog articles: "Energy Security: A Look at Other Fuel Sources" (18 October 2006), at: http://www.post1.net/lowem/entry/energy_security_a_look_at (26 September 2001); and Ardian, Faddy, "Problem of Indonesia Renewable Energy Development" (18 February 2009), at: <http://www.kamase.org/?p=582> (9 November 2011).

blindly support unwise energy policies. At the same time, they can also advance the people's understanding of the rationales behind certain policies, thus motivating them to support the government's energy efficiency goals. Moreover, NGO projects tend to be inclusive in nature. For example, projects aimed at identifying potential energy resources at the local level involve the participation of the community. Through these efforts, NGOs encourage the public to play a more proactive role in maintaining or even enhancing their access to energy, while also using available energy resources more efficiently; this could help to shift the blame for the various energy supply shortcomings away from the government.

NGOs go about expressing concerns over government initiatives in at least four ways: (1) undertaking projects on public education/awareness, either in support of or opposition to official initiatives; (2) empowering the people to generate their own energy resources, such as creating micro-hydro projects; (3) taking on a watchdog role with regard to government policies; and (4) engaging in advocacy by assisting the government in amending certain energy policies.

The typology used for categorising Indonesia's environment-focused NGOs can be useful in understanding the NGOs that play a part in the country's energy sector. These NGOs can be divided into three types: research-oriented, lobbying and mediating (Lin 1998, pp. 14–20).

Research-oriented NGOs are interested in academic research, to increase knowledge but also to stimulate public debate. They tend to offer science-based policy advice, both to the government and the public in general, perhaps assisting the government to design policies aimed at increasing energy efficiency. These NGOs tend to disseminate their findings through scientific publications, conferences and workshops, the media, etc. They tend to be "soft" in nature, emphasising collaboration with, rather than resistance to, the government. Lobbying NGOs stand in stark contrast to the research-oriented ones. Critical and radical in nature, they prefer using mass media to draw the public's attention to their own initiatives while also putting pressure on the government. To some extent, these NGOs also engage in advocacy, particularly when attempting to lobby against certain government policies. Mediating NGOs are unique in that they emphasise the establishment of networks both domestically and internationally. Their main interest is in creating connections with and providing information to interest groups and individuals that share their concerns. These networks are considered crucial, offering an effective way to share information as well as to reach consensus in pursuit of certain objectives.

According to general observation and interviews, most NGOs involved in the Indonesian energy sector are research-oriented.¹⁴ They use publications (both digital and print), campaigns and empowerment projects to disseminate and implement their research. Of course, it is sometimes difficult to draw a clear line

¹⁴ Information has been gathered from personal interviews with colleagues in WWF Indonesia, the Indonesian Institute for Energy Economics (IIEE) and Yayasan Pelangi. The author would like to extend personal thanks to Muhammad Suhud, Asclepias Indriyanto and Kuki Soejachmoen for their willingness to share knowledge and information that has been very useful to this paper.

between research-oriented, lobbying and mediating NGOs. In carrying out an empowerment project for instance, a research-oriented NGO may begin to function as a mediating NGO when it has to collaborate with other organisations to implement the project.

Let us look at a few examples of research-oriented NGOs that focus on energy research. Indonesian research-oriented organisations, or networks of these NGOs, conduct research and subsequently release their own publications that either support or reject government initiatives. These publications, including press releases, aim to educate the public about domestic energy reserves: the life span of the reserves, current and future domestic energy consumption, the impact of current consumption patterns, and recommendations on ways to deal with the energy crisis. The Indonesian Institute for Energy Economics (IIEE) is a prime example. It publishes the *Indonesian Energy Economics Review (IEER)* which offers analyses relating to energy security (IEER 2006, pp. 48–49). Volume II of the *IEER*, published in 2007, discusses domestic energy supply and demand, as well as how the attempt to achieve energy security should go hand in hand with sustainable development. IIEE is currently creating an energy database that will be made available to the public.¹⁵ Another group, the Institute for Essential Services Reform, actually a network of NGOs, has since 2001, provided policy suggestions on promoting transparency and accountability in the Indonesian energy sector.¹⁶

An additional, and more practical, role of NGOs in this context is the release of research reports on various energy alternatives. A collaborative effort involving several NGOs—comprising Sawit Watch, Kehati, the Social and Economic Research Institute (INRISE), the Bogor Agricultural Institute and Media Indonesia Group—has focused on technical innovation and, in 2006, it led to the release of a report on developing palm oil as a bio fuel in Indonesia.¹⁷

Likewise, Yayasan Lembaga Konsumen Indonesia (YLKI, the Indonesia Consumer Association), provides the public with the reasons for supporting an increase in the electricity tariff. A similar programme, the Power Switch Campaign, launched by WWF Indonesia, was active in Jakarta between 2003 and 2007 as part of a worldwide campaign on energy efficiency.¹⁸ WWF Indonesia is also currently implementing empowerment programmes in certain areas of Kalimantan (Borneo) in collaboration with the local government, assisting communities in assessing their region's potential for various types of renewable energy. The local

¹⁵ Personal interview with Indriyanto from IIEE (July 2008).

¹⁶ Details on the work of the Institute for Essential Services Reform can be found at “Institute for Essential Services Reform”, *Electricity Governance Initiative*, at: <http://electricitygovernance.wri.org/node/130> (26 September 2011).

¹⁷ See “Dutch Import of Biomass: Point of View of Producing Countries on the Sustainability of Biomass Exports updated 070502”, *Both ENDS* (2002), at: www.bothends.info/project/project_info.php?id=41&scr=st (26 September 2011).

¹⁸ Personal interview with Mohammad Suhud (July 2008).

government uses the resulting assessment to determine how to allocate funding for the development of micro-hydropower plants.¹⁹

Yayasan Pelangi, an independent research institute, is another good example of a research-oriented NGO. The institution's lack of human resources has led to its developing networks and collaborations with other NGOs, in particular, those that focus on field activities. The organisation focuses on assessing ways to enable local communities to access energy and at the same time reduce emissions as a result of energy consumption. Yayasan Pelangi has partnered with a foundation within the Institut Bisnis dan Ekonomi Kerakyatan (IBEKA, an economic and business institute in Indonesia) to develop micro-hydropower projects in Aceh and South Sulawesi; its members also train local communities to operate these facilities. In addition, Yayasan Pelangi collaborates with Yayasan Dian Desa, which specialises in educating locals to build energy-efficient wood-stoves and kitchens. Yayasan Pelangi's latest project assesses the potential for biogas production in the Tangerang regency, following a request from the local government.

Meanwhile, several organisations and coalitions can be categorised as lobbying NGOs as they play a watchdog role. This role can be played out through both formal and informal approaches, including submission of reports and policy recommendations, attendance in public hearings in Parliament, participation in focus group discussions and other meetings with the Ministry of Energy, etc. However, this process has not been widely reported upon, and the Parliament's website has not yet included inputs from civil society in its online reports of public hearings.²⁰ This indicates that there is no guarantee that reports and recommendations offered by civil society will be taken into account by the government. At the same time, NGOs are continuing in their efforts to engage with the formal process, in the belief that they will eventually capture the attention of the relevant authorities.

In recent years, several NGOs have been very active in working to amend policies. Between 2001 and 2004, a coalition called the Working Group on the Power Sector approached Parliament and officials in the Ministry of Energy to propose an amendment to the Electricity Act. This coalition also provided information to Perusahaan Listrik Negara (PLN, the National Electricity Company) concerning the privatisation of the electricity sector, in order to equip the PLN to appeal to the Constitutional Court for a cancellation of the new Electricity Act, a move that was eventually successful.²¹

Another coalition has been pushing for an amendment to Undang-Undang Nomor 22 Tahun 2001 Tentang Minyak dan Gas Bumi (the Oil and Natural Gas Law Number 22 Year 2001, commonly known as UU Migas): this law is seen by many as giving too much leverage to private energy companies (Hutapea 2006). A more radical example is the activities of another NGO coalition, comprising Jaringan Advokasi Tambang (JATAM, the Mining Advocacy Network), Friends of

¹⁹ Ibid.

²⁰ Personal interview with Indriyanto (July 2008).

²¹ Personal Interview with Mohammad Suhud (July 2008).

the Earth Indonesia (also known as Wahana Lingkungan Hidup Indonesia [WALHI]), the Indonesian Center for Environmental Law (ICEL) and WWF Indonesia. This group has taken legal action against the mining activities of 13 companies operating in protected areas, previously justified under a presidential decree.²² Finally, a coalition of NGOs, including Greenpeace, WALHI and the Indonesian Anti-Nuclear Society (MANUSIA), with support from local communities, has launched protests against a project to develop a nuclear power plant as an alternative energy source, as discussed in greater detail below.²³

2.4 NGO Successes and the Soft Approach

Campaigns by Indonesian NGOs have had some notable results. One of the most significant was the halting of a nuclear power project that had been slated for construction at Mt Muria, on the north coast of Java. After massive public protests, the government agreed to reassess the plant's location. However, it is important to note that the government could still claim that civil society has failed to take into account the fact that nuclear power is cleaner than oil and an alternative to fossil fuels.

Other NGO successes include actions over the Electricity Act and UU Migas, as noted in the previous section. The Constitutional Court decided to cancel the Electricity Act after four years of struggle, during which NGOs heavily criticised the Act for legitimising unfair business competition.²⁴ The case of UU Migas can also be considered a success, albeit only a partial one. In 2003, NGOs forced the Constitutional Court to review the law, eventually judged to be against Chapter 33(2) and (3) of the Constitution. These provisions obligate the state to control sectors that are vital to the state and the people's basic needs; they also specify that only the state exercises ultimate control over the country's natural resources, which should be utilised for the welfare of the people. In 2004, however, the court decided that only three chapters of UU Migas were contrary to the Constitution, thus resulting in only a partial victory for the NGOs.²⁵

Energy-saving campaigns by civil society have also achieved some success. A poll conducted by the newspaper *Kompas* in early July 2005 indicated significant public commitment to save energy. Around 71.7 % said that they had reduced

²² "NGO Coalitions Will Take Legal Action on Indonesian Parliament's Endorsement of Government Decree", in *MAC: Mines and Communities* (24 July 2004), at: <http://www.minesandcommunities.org/article.php?a=585> (26 September 2011).

²³ "A Nuclear Future?", in: *Down To Earth*, No. 72 (March 2007), at: <http://dte.gn.apc.org/72nuk.htm> (26 September 2011).

²⁴ "MK: UU Ketenagalistrikan Bertentangan Dengan UUD 45" (The Constitutional Court: The Electricity Bill Is against the Constitution), in *Tempo* (15 December 2004), at: <http://www.tempo.co.id/hg/nasional/2004/12/15/brk,20041215-34,id.html> (26 September 2011).

²⁵ "Penyempurnaan UU Migas No. 22/2001 yang Berpihak kepada Kepentingan Rakyat".

their use of electricity, including for lighting purposes, while 34.4 % indicated that they had minimised the use of LPG for cooking.²⁶

Several NGOs feel that the enactment of Energy Law No. 30/2007 was a relative success because it eventually gave details on the future energy mix. (The government had previously refused to do so, though it is unclear why.²⁷) But other NGOs, such as IIEE, consider the law a failure, as plans for achieving sustainable development and energy security remain vague.²⁸ The law still lacks a detailed strategy, including a timetable for the achievement of targets set by the National Energy Plan, or an explanation as to how it is possible to achieve the desired energy mix even as total energy consumption is likely to increase annually.²⁹

Beyond these quantifiable successes, another meaningful change is the shift in NGOs' ways of thinking. As referenced throughout this paper, recent years have seen many of these organisations take on a soft approach, focusing more on research and networking and less on confrontation with the government. Although subtler, this approach is generally found to be more effective, opening up possibilities of collaboration with the government in dealing with the Indonesian energy crisis.

How does this work? First, NGOs have learned to stop arbitrarily dismissing government initiatives without sound explanations. They have learned to provide sufficient data to support their arguments, information that can be useful for policymakers as well as the public. NGOs today seem to understand the importance of partnering with the government to create comprehensive and effective policies to deal with the energy crisis. As has been seen in the past, an overemphasis by NGOs on "harder" approaches could lead to the government being pushed aside when it should be the lead actor. Sound data can also equip NGOs to adopt a balanced approach when assessing government policies. This could lead them to support worthwhile policies despite their unpopularity with the public, thus creating a positive government-NGO relationship.

Second, NGOs have learned to utilise formal procedures, rather than merely working from outside governmental channels. In so doing, civil society is increasingly participating in the establishment of good governance in the energy sector, enabling NGOs to push the government to be more transparent in policymaking.

These achievements are important because the energy crisis in Indonesia is too large for the government or the NGO sector to face alone. Indeed, cooperation from all components of society will be necessary to deal successfully with the situation currently facing Indonesia.

²⁶ "Jajak Pendapat Kompas: Instruksi Penghematan Didukung dan Diragukan" (Kompas Polling: Efficiency Instruction Has Been Supported and Doubted), in: *Kompas* (18 July 2005).

²⁷ Personal interview with Asclepias Rachmi S. Indriyanto (July 2008).

²⁸ Ibid.

²⁹ Personal interview with Kuki Soejachmoen (September 2008).

2.5 Challenges

Despite the several successes mentioned above, challenges remain as civil society takes on broader roles in the Indonesian energy sector. The first difficulty comes from the governmental process. At public hearings in Parliament, NGOs are allocated very limited time to raise issues and explain their views. During such hearings, participating NGOs are typically consolidated into a single large group, resulting in each NGO being given only a minute or two to deliver its presentation. Also, often, the exercise seems like window-dressing—NGO representatives have on many occasions been asked to leave the hearing after their presentations, without having been given the opportunity to engage in further discussions.³⁰ In addition, to date, there is no mechanism for NGOs to find out if their recommendations are being considered.

At times, the government has also misused NGO support. For instance, the backing of civil society for a reduction of the fuel subsidy had the unintentional effect of allowing the government to massively increase the price of kerosene, despite this being the main fuel source for lower income groups.³¹ One solution to this, considered effective by many, has been to engage with those government officials and members of Parliament who are cooperative, that is, those who are known to welcome and provide ample room for the views of NGOs in policy-making. Clearly it is important to maintain good communication with those politicians, as they offer entry points through which NGOs can influence the decision-making process and enhance transparency.

The second challenge comes from NGOs themselves, especially those not focused on the energy sector. In some cases, civil society groups involved in energy issues publicly support unfavourable government policies (for example, the decision to reduce the fuel subsidy), while in other cases they are quite critical. NGOs in other sectors perceive these actions as inconsistent. As a result, they challenge the actions of the energy-sector NGOs. The lack of a comprehensive agenda among NGOs on energy security issues proves particularly challenging when what is required is a united front to lobby the government on certain issues.

The third challenge arises from the existence of so-called “red plate” NGOs, which are established by the government or private companies to support government policies or special interests. Ostensibly on behalf of the public interest, these groups will, for instance, be very critical of a government decision to raise the price of a certain fuel (diesel, perhaps), while keeping silent when prices of other fuels are similarly increased.³² Although easily seen through, this phenomenon poses a significant challenge to the integrity of other NGOs in the eyes of the public.

³⁰ Personal interview with Muhammad Suhud and Indriyanto (July 2008).

³¹ Personal interview with Kuki Soejachmoen (September 2008).

³² Ibid.

Similarly, a recent case known as the “blue energy” hoax might have ended up lowering public trust in new ideas and concepts that NGOs may wish to promote in the future. In late 2007, a man named Joko Suprpto claimed to have discovered an alternative fuel, known as blue energy, which purportedly could be processed from seawater. This alternative fuel was presented at the United Nations Climate Change Conference hosted by Indonesia in December 2007 in Nusa Dua, Bali. Soon thereafter, however, it was found that blue energy was unsupported by any scientific evidence. The Indonesian president, who had welcomed Joko Suprpto to the National Palace in appreciation of his work, suffered severe public criticism for having failed to thoroughly investigate the claim.³³ The worry now is that such incidents could sour the public’s view of new—and potentially important—energy innovations.

The fourth challenge is the fact that only a limited segment of Indonesian society, in terms of both quantity and quality, can be reached through campaigns and public education efforts. This leads to an uneven level of knowledge about the energy crisis among the public, and it is clear that NGOs need to work harder to widen their reach. In fact, NGOs can increasingly take advantage of advanced information technologies to promote their activities and gain support for their campaigns. One small example of how this is already being done can be observed in a WWF Indonesia initiative. Its activists used methods such as sending short text messages (SMSes) by cell phone to promote their Earth Hour programme, which asks the public to switch off household electricity for an hour. Similar innovative use of technologies could significantly increase the reach of other such initiatives.

2.6 Conclusion

Indonesia, a country blessed with vast energy resources, faces a serious challenge from its ongoing energy crisis. One fundamental reason for this is a lack of comprehensive government planning on managing the country’s valuable resources to supply domestic demand; currently the country simply focuses on export. The country’s civil society plays a vital role in this situation: it needs to put pressure on and provide recommendations to the government, as well as educate the public on the challenges that Indonesia faces. Civil society also needs to be actively engaged in exploring how solutions may be found.

Although NGOs could voice their protest in a way similar to street demonstrations, one interesting discovery is their new preference for a softer and more sophisticated approach. Importantly, this can turn the government into a partner or part of the solution, rather than merely as a source of the problem. Using this

³³ Abdul Khalik, “SBY Faces Questions over ‘Blue Energy’ Hoax”, in: *The Jakarta Post* (30 May 2008).

approach, NGOs have begun to engage with and struggle through formal mechanisms—such processes are not easy as many government officials remain reluctant to welcome this type of engagement. NGOs have also put more effort into developing recommendations for the government based on their own research, while several have released journals to circulate their research findings. On a more practical note, NGOs are also developing the capacity of local communities to fulfil their own energy needs by, for instance, developing micro-hydropower to generate electricity or campaigning for increased energy efficiency.

While these initiatives are certainly on the right track, Indonesian NGOs need to do more to engage the government and public as the main stakeholders in the country's energy crisis. Greater consolidation among the members of Indonesian civil society is clearly the agenda to pursue—to gain greater strength and, ultimately, to be more effective in influencing government policies for the benefit of the Indonesian people.

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Abbreviations

CSIS	Centre for Strategic and International Studies (Jakarta)
GDP	Gross domestic product
IBEKA	Institut Bisnis dan Ekonomi Kerakyatan
IEER	<i>Indonesian Energy Economics Review</i>
IIEE	Indonesian Institute for Energy Economics
INRISE	Social and Economic Research Institute
LPG	Liquefied petroleum gas

MANUSIA	Indonesian Anti-Nuclear Society
NGO	Non-governmental organisation
OPEC	Organization of the Petroleum exporting Countries
PLN	National Electricity Company of Indonesia (Perusahaan Listrik Negara)
SMS	Short message service
UU Migas	Oil and Natural Gas (Law Number 22 Year 2001) (Undang–Undang Nomor 22 Tahun 2001 Tentang Minyak dan Gas Bumi)
WALHI	Indonesian Forum for Environment (Wahana Lingkungan Hidup Indonesia)
WWF	World Wildlife Fund
YLKI	Indonesia Consumer Association (Yayasan Lembaga Konsumen Indonesia)

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