

Indonesia: Policy Brainstorm

Jason DeBacker¹ **Richard W. Evans**²

¹University of South Carolina, Department of Economics

²Abundance Institute, Open Research Group, Inc.

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Key policy debates in Indonesia, page 1

- Bappenas planning next 5 years (Nat'l long term planning doc)
- FPP model (4 sector: real, external, fiscal, monetary)
- Make models interact with each other
- Benefit program proposal: food security, school meals
- Downstreaming; industrial investment
- Critical minerals, subsidy
- 3% deficit/GDP ceiling. IDN currently at the ceiling
- Cutting fossil fuel subsidies can be a pay for
- Escape middle income trap, join high income in GNI/capita by 2045
- Effects of reforms on inequality: poverty rate, Gini coefficient

Key policy debates in Indonesia, page 2

- OG-Core has no monetary policy (relationship between money supply and inflation and interest rates), but can look indirectly at effects of inflation on nominally denominated assets.
- Tax multipliers
- Carbon Tax
- Pension changes
- Social benefit programs funded by small tax base
- Climate change doesn't look far enough into the future
- Debt sustainability and crowding out