

## **ORGANIZATIONAL TRUST IN NEW RENEWABLE ENERGY POLICY IMPLEMENTATION IN INDONESIA**

**Muhammad Ikramullah Akmal<sup>1</sup>, Thahir Haning<sup>2</sup>, Sukri<sup>3</sup>, Badu Ahmad<sup>4</sup>**  
**Department of Administrative Science, Faculty of Social and Political Science,**  
**Hasanuddin University, Indonesia.**  
[ikramullah.akmall@gmail.com](mailto:ikramullah.akmall@gmail.com)

### **ABSTRACT**

Implementation of new renewable energy policies is an important issue in climate change. In its implementation, trust between organizations is needed in achieving effective policy performance, considering that the policy is a cross-sectoral policy. This study uses a qualitative approach, data collection methods include observation, in-depth interviews and documentation studies. The informants in this study include cross-sectoral policy makers where the key informants are in the Ministry of Energy and Mineral Resources. Data sources include primary and secondary data. Data analysis using interactive data analysis. Where these various stakeholders have the ability and can be relied upon in managing new and renewable energy in Indonesia but still need to be improved. Where is the obedience then? Agreement designed to implement new renewable energy policies in Indonesia. Related to the motives of these stakeholders, normatively they have a common interest, namely to increase the production of new and renewable energy by starting to abandon conventional energy. Finalist the commitment and political will of the stakeholders required to be consistent in implementing new renewable energy policies.

**Keywords: Organizational trust, policy implementation, New Renewable Energy Policy**

---

### **INTRODUCTION**

Utilization of renewable energy sources in Indonesia is still far behind. In fact, this source of EBT is very large in Indonesia. Indeed, there are many obstacles to implementing the results of studies on the use of renewable energy sources. The biggest obstacle is the inadequate availability of infrastructure. This infrastructure limitation, apart from being related to funding, is also related to political will.

So far, the management of New, Renewable Energy (EBT) is only regulated in the Regulation of the Minister of Energy and Mineral Resources Number 4 of 2020 which is the second amendment to the Regulation of the Minister of Energy and Mineral Resources

Number 50 of 2017 concerning Utilization of Renewable Energy Sources for the Provision of Electricity. The rest is only regulated briefly in Law Number 30 of 2007 concerning Energy, Law Number 30 of 2009 concerning Electricity, Law Number 21 of 2014 concerning Geothermal Energy, Government Regulation number 14 of 2012 concerning Business Activities for the Provision of Electricity, and other regulations which only regulate EBT in a nutshell. EBT management regulations that are not yet comprehensive make the potential of EBT not optimally managed. This is because the management of Renewable Energy should be across ministries and institutions because they are interrelated with one another. However,

In addition, if we start building EBT, we need an inter-sectoral role that can direct a long-term vision by providing protection and subsidies for EBT so that this EBT can develop properly and not wither before it develops. EBT development is no longer only centered on the Ministry of Energy and Mineral Resources, but is carried out together with related ministries/institutions, such as Commission VII DPR RI for Energy, Research and Technology, Ministry of Energy and Mineral Resources (ESDM) of the Republic of Indonesia, PT. Pertamina (State Oil and Gas Mining Company), PT. PLN (State Electricity Company), and Private Parties and Non-Governmental Organizations (NGOs), as well as other institutions.

Until now, a country the size of Indonesia does not yet have an energy road map for the next 30-50 years that must be used as the basis for national energy regulations and policies. Currently, energy policy is temporary and favors the interests of certain groups, both at home and abroad. Another obstacle is the low incentives for electricity providers based on renewable energy sources. These incentives can be in the form of tax breaks and high electricity purchase prices.

In addition to technological and funding barriers, it is also important to address issues related to social and cultural aspects. Public awareness of the importance of switching to renewable energy sources needs to be built from an early age. The culture of sorting waste is an important behavior in the future. In addition, awareness of the importance of caring for the earth needs to be instilled from an early age and included in the primary and secondary education curriculum.

In addition, people's attitudes towards nuclear power plants (PLTN) need to be educated proportionally considering that nuclear is a very potential source of clean energy for the future. Humanity is currently entering a very difficult period. If in the past the

superior nations were those who mastered science and technology, then in the future, the superior nations will be those who can manage their resources and environment to survive.

So far, the Government has started developing New Renewable Energy (EBT) in Indonesia. Indeed, Indonesia has the potential for Renewable Energy of 420,000 Megawatts and can be an alternative energy in the future. The government has also set a target of 23% of energy use supplied by New and Renewable Energy sources by 2025. So, from this target, the Government must add 12,800 Megawatts of EBT by 2025.

In its implementation, the government's target of 12,800 Megawatts in 2025 has not been implemented optimally. Data from the Ministry of Energy and Mineral Resources (ESDM) states that the realization of additional Renewable Energy until 2019 is only 2,500 Megawatts (Ministry of Energy and Mineral Resources, 2019). Even though it has enormous Renewable Energy potential, regulations and work integration between sectors are not yet optimal.

In fact, in Government Regulation Number 79 of 2014, it is explained that the national energy needs must be met by EBT by 23%. However, this regulation requires explanatory rules and a breakdown regarding the flow of achievement so that this target can be achieved. Indeed, the EBT development policy in Indonesia is still closely related to the political and economic interests of several other actors. Concerns about NRE replacing fossil energy are one of the political factors causing the slow development of EBT policies in Indonesia.

Furthermore, community participation in terms of implementing EBT can be the subject of its development, because there are many things that can be developed directly by the community on a small scale in implementing EBT. Participation here can be in the form of participating in the use of EBT on a small scale. In fact, remote villages have a lot of micro-hydro potential that can still be developed, rather than relying on energy sources, especially electricity from PT. PLN.

Lester and Stewart (2000: 104) argue that policy implementation is the stage of the policy process after the establishment of the law, which means that the implementation of the law is agreed upon and carried out by various actors, organizational resources, procedures and techniques to work together to carry out policies in an effort to achieve the goals of policies and programs. In the implementation stage it really requires cooperation and coordination from several organizations or parts of the organization. The

success of policy implementation is strongly influenced by the relationship between organizations that work together and exchange resources. So that the public policy network is a study that focuses on the utilization of resources jointly by stakeholders.

In the context of policy implementation, organizational trust is an important element in building an organization that can be trusted to achieve effective policy performance. The phenomenon of trust in organizations is a field of study in government networks (Klijn and Koppenjan, 2016).

## **LITERATURE REVIEWS**

### **Organizational Trust in Public Sector Organizations**

Kramer's view (2004) explains that trust is always in touch with the freedom of choice to do the right thing in implementing a policy or decision. In general, the Department of Government Public Services is very much dominated by an organizational model that is too hierarchical and makes decisions that have been formally determined for a policy to be implemented and the status of civil servants is willing to carry out the policies that have been decided. All of this will of course lead to a decrease in the level of trust that is needed (Kramer, 2004). This phenomenon that occurs in public organizations raises the assumption that public services in public sector organizations require trust to reduce the domination of roles that are too hierarchical bureaucratic (Muhl, 2014).

The main approach used in research on trust includes the characteristics of the trustor, trustee, and role in handling risk (Mayer, et al, 1995). According to those who have the benefits of trust in the organization, the concept of organizational trust is ability, benevolence, and integrity.

#### **Ability (ability)**

Ability defined as the skills of group members, competencies, and characteristics that enable parties to exert influence over other specific areas. Domain ability is said to be a specific thing because the trustee may have competence in a particular technical area, thus enabling people to have confidence in the completion of tasks carried out in that field. However, the trustee may not necessarily have advantages in terms of attitude, education and training, or experience in other areas, for example, interpersonal communication. Even though trustees have the ability to do work in the technical realm, there is a tendency for them to have weaknesses in the areas of communication and

coordination. So this is the specific domain for the trustee's ability that needs to be looked at.

### **Benevolence (obedience)**

Mayer, et al (1995) explained that benevolence (compliance) is the degree to which the trustee believes he wants to do well according to what the trustor expects, regardless of the drive for profit and self-interest. Benevolence directs that the trustee has a specific dependence on the trustor. An example of this dependency is the relationship between the mentor (trustee) and the person to be protected (protégé). The mentor wants to help the protégé, even though the mentor does not need help, and there is no respect for the intrinsic motivation of the mentor. Benevolence is a positive-oriented perception that the trustee has towards the trustor. A number of researchers have used several characteristics that describe benevolence as the main basis for forming trust. Cook and Wall (1980) also emphasized that intention (good intentions) or motive is an important characteristic for building trust in organizations. They define trust as the degree to which a person is willing to do his best and has conformity in words and actions to others (Cook and Wall, 1980).

### **Integrity (integrity)**

The relationship between integrity and trust (trust) in terms of the trustor's perception that the trustee is able to carry out a number of mutually agreed principles and the trustor considers that what the trustee has done is acceptable. Integrity is part of morality or moral integrity (McFall, 1987).

Butler (1991) mentions that integrity is closely related to consistency, integrity, and fairness as prerequisites for fostering trust. Gabarro (1978) has conducted research on integrity in building trust in organizations, saying that integrity is a character. Gabarro argues that character includes integrity.

Mayer, et al., (1995) explained that organizational trust can only be said to be trusted if it has these three elements, so that network organizations are able to overcome various risks that arise to produce performance or outcomes. Where the three elements include; ability (ability), compliance (benevolence), and integrity (integrity).

### **Implementation of Renewable Energy Policy in Indonesia**

The 21st Meeting of the Parties (COP 21) to the United Nations Framework Convention on Climate Change (UNFCCC) closed with the adoption of the Paris Agreement. It is felt that the Paris Agreement can become the basis for long-term efforts in dealing with climate change. The agreement is a reflection of the attitude of

governments in various parts of the world which have put aside their respective interests. The strong message of the Paris Agreement is awareness and a new attitude to jointly face the threat of climate change, take more progressive actions and also achieve goals that protect vulnerable groups in the world together.

WWF views that the Paris Agreement still requires additional strengthening and support (accelerated actions) from each country. Only then will the steps taken be on the path of reducing emissions that hold the rate of global warming below 2.0oC or even 1.5oC. Currently INDCs (Intended Nationally Determined Contributions) only meet half of the required emission reductions.

The Paris Agreement requires that in 2018 all countries can report their achievement of the goals agreed at the end of COP 21 including emission reduction, adaptation and funding. COP 21 in Paris, which opened on November 30, began with the presence of more than 180 countries with their national commitments. This was reinforced by the presence of more than 150 heads of state and government who, through their speeches, encouraged the achievement of the Paris Agreement which was seen as an achievement that brought fresh air into the climate change negotiation space.

The Paris Agreement contains global goals for adaptation to climate change, including separately mentioning loss and damage from the impacts of climate change. In addition, it also explains that all countries must act to curb the rate of deforestation, land degradation and improve land governance. Including a process that can be used as a reference for calculating carbon emissions in the land sector. Indonesia simultaneously with the ongoing COP 21 has launched a system for calculating carbon emissions from the land sector known as INCAS (Indonesia National Carbon Accounting System).

Indonesia needs to be on a path where it reaches the peak of carbon emissions from conventional development in 2020, and work afterwards to drastically reduce carbon emissions. In addition to reducing the rate of deforestation and land degradation, efforts that need to be taken now are following the global transition towards the use of clean and renewable energy. Indonesia is known as a country with the largest geothermal potential in the world, and also has enough potential to utilize energy from solar power and hydropower.

Renewable energy sources are clean and environmentally friendly energy sources (clean energy). For Indonesia, renewable energy sources are quite abundant, including river water, wind, sea, geothermal, and sunlight. Utilization of renewable energy sources

in Indonesia is still very rare. In the last ten years Indonesia's energy needs have been met by 70.46% oil and gas and 24.35% coal [7]. National energy consumption increased sharply from 468 MBOE (Million Barrels of Oil Equivalent) in 2000 to 834.6 MBOE in 2010. Meanwhile, Indonesia's oil production continued to decline, and in 2006, for the first time, Indonesia became an oil importing country.

### **RESEARCH METHOD**

This research approach uses a qualitative study. Where the research was conducted at the Ministry of Energy and Mineral Resources. The data sources include primary and secondary data. Research informants included officials and staff of the Ministry of Energy and Mineral Resources and members of the Indonesian People's Representative Council Commission VII. Sources of research data include primary and secondary data. The data collection techniques include observation, in-depth interviews and documentation studies. Data analysis using interactive data analysis.

### **RESULTS AND DISCUSSION**

The results of the study are based on the three dimensions of organizational trust put forward by Mayer et. al (1995) includes capability, compliance and integrity. The research findings regarding these three dimensions are described below.

The first is the capacity dimension, the new renewable energy policy requires the ability of various stakeholders considering that this policy is a cross-sectoral policy. Where the stakeholders involved include Energy, Research and Technology Sector, Ministry of Energy and Mineral Resources (ESDM) of the Republic of Indonesia, PT. Pertamina (State Oil and Gas Mining Company), PT. PLN (State Electricity Company), and Private Parties and Non-Governmental Organizations (NGOs), as well as other institutions. In terms of capabilities, these various stakeholders have the ability and can be relied upon in managing new and renewable energy in Indonesia. This shows that the ability of stakeholders in new and renewable energy policies is appropriate as stated by Mayer et. al (1995) regarding the required ability of each stakeholder in solving public problems.

The two dimensions of compliance, based on the results of the research, show that the compliance of the stakeholders involved includes Energy, Research and Technology Sector, Ministry of Energy and Mineral Resources (ESDM) of the Republic of Indonesia, PT. Pertamina (State Oil and Gas Mining Company), PT. PLN (State Electricity Company), and private parties have shown that they comply with the agreement designed

to implement the new renewable energy policy in Indonesia. Related to the motives of these stakeholders, normatively they have a common interest, namely increasing the production of new and renewable energy by starting to abandon fossil energy.

The third dimension is integrity, research findings regarding this dimension show that the commitment of stakeholders includes the fields of Energy, Research and Technology, the Ministry of Energy and Mineral Resources (ESDM) of the Republic of Indonesia, PT. Pertamina (State Oil and Gas Mining Company), PT. PLN (State Electricity Company), and Private Parties and Non-Governmental Organizations (NGOs) still need to improve. Then with regard to regulations and rules made by the government, it shows that stakeholders have implemented new and renewable energy policies in accordance with related regulations. The main problem is the commitment and political will of policy makers to be consistent in implementing new renewable energy policies. This shows that this dimension is not in accordance with the ideal of integrity proposed by Mayer et. al (1995).

### **CONCLUSION**

Based on the results of the research, the conclusion of this study is that these various stakeholders have the ability and can be relied upon in managing new and renewable energy in Indonesia but still need to be improved. Where is the obedience then? Agreement designed to implement new renewable energy policies in Indonesia. Related to the motives of these stakeholders, normatively they have a common interest, namely to increase the production of new and renewable energy by starting to abandon conventional energy. Finalist the commitment and political will of the stakeholders required to be consistent in implementing new renewable energy policies.

### **REFERENCES**

- Cook, J., & Wall, T. 1980. New work attitude measures of trust, organizational commitment, and personal need nonfulfillment, *Journal of Occupational Psychology*, Volume 53, pp. 39-52.
- Klijn, EH, Koppenjan, J. (2016). *Governance Network in the Public Sector*. Milton : Routledge.
- Kramer, RM, 1999. Trust and Distrust In Organizations: Emerging Perspectives, Enduring Questions, *Annual Review Psychology*, Volume 50, pp. 569-598.
- Lester, James P, Stewart, Joseph, 2000, *Public Policy An Evolutionary Approach*, Wadsworth, Stamford, USA.



- Mayer, RC, Davis, JH, & Schoorman, FD 1995. An integrative model of organizational trust, *Academy of Management Review*, Volume 20, pp. 709–734.
- Muhl, JK, 2014. *Organizational Trust: Measurement, Impact, and the Role of Management Accountants*, Springer, London.
- Law Number 30 of 2009 concerning Electricity
- Law Number 21 of 2014 concerning Geothermal
- Law Number 30 of 2007 concerning Energy
- Regulation of the Minister of Energy and Mineral Resources Number 50 of 2017 concerning Utilization of Renewable Energy Sources for the Provision of Electricity
- Government Regulation number 14 of 2012 concerning Electricity Supply Business Activities