ANALISA

October 12, 2026

Vol. 0002

Hasil Kajian Cepat Terhadap Isu Strategis Kekinian

The Reform Initiatives

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Merupakan lembaga riset kebijakan yang bernaung di bawah PT Semesta Infomedia Indonesia, berkedudukan di Jakarta.

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TRI fokus pada penelitian kebijakan terkait Ekonomi, Fiskal, Kesejahteraan Sosial, Desentralisasi, Lingkungan Hidup & Perubahan Iklim, Tata Kelola Kebijakan yang Baik, Politik & Elektoral, Penegakan Hukum, Ekonomi Digital, serta Usaha Mikro Kecil dan Menengah (UMKM).

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Jika Bukan 3 Persen, Lalu Apa?

The 3 percent deficit limit discourse has resurfaced as the House of Representatives (DPR) deliberates on revisions to the State Finance Law. Chatib Basri's article in this daily (Kompas, September 30, 2026) candidly examines the relevance of this sacred limit as an anchor for fiscal discipline.

What is interesting about this discourse is that it should not stop at the sacred figure of 3 percent, which must be maintained or changed. A more fundamental question is what kind of state financial architecture ensures responsible fiscal governance and is capable of producing real impacts for the people as the holders of fiscal contracts. This article addresses these two fundamental questions.

If the government desires a more flexible fiscal space, then that flexibility must be balanced with clearer principles of fiscal responsibility in the law. Flexibility without a strong accountability mechanism will raise questions. Conversely, overly rigid rules make it difficult for fiscal policies to respond to changing circumstances. The public also requires more comprehensive information regarding the associated risks. Therefore, what we need is a system that compels the government to provide more explanations when taking on greater fiscal risks.

The state budget provides us with figures on deficits and debt, but fiscal risks are much broader: contingent liabilities, state-owned enterprises (SOEs), interest rate and exchange rate volatility, disasters, and even climate change. Therefore, the revision of the State Finance Law should be an opportunity to revise the rules of state financial management.

This principle does not necessarily mean that the government cannot increase the deficit. On the contrary, under certain circumstances, the government has flexibility, as occurred during the pandemic. This principle can stipulate that fiscal policy must consider fiscal sustainability, budget credibility, spending efficiency and effectiveness, value for money, intergenerational equity, and the country's ability to withstand future shocks.

Indonesia does not actually start from scratch. The government already has a medium-term fiscal framework and has included a fiscal risk analysis in the Financial Note. This means that the challenge is not to create entirely new practices, but rather to elevate the existing practices to become a stronger and more consistent part of the governance mandated by law.

This is important because transparency regarding risks does not always mean that these risks are incorporated into budgetary decisions. The Open Budget Survey (OBS) 2025, for instance, gives Indonesia a transparency score of 71 out of 100, but several pieces of information regarding fiscal risks and long-term sustainability still need to be strengthened.

Kita perlu pendapatan yang lebih kuat, beban bunga yang lebih ringan, dan kepastian bahwa setiap rupiah tambahan membawa kita lebih dekat ke tujuan.

Therefore, the revision of the law needs to move from mere reporting obligations to fiscal risk management, risks must be identified, calculated, tested, reported, and most importantly, taken into account when state budget decisions are made.

Shifting to the second question, which is no less important than merely ensuring the 3 percent deficit limit, is how to ensure that the budget impacts the people as a manifestation of the constitutional mandate, managed openly and responsibly for the greatest prosperity of the people.

The global discourse is also shifting. Public financial governance reforms have been questioned for their over-focus on systems and processes, while their link to development quality has not always been strong. The World Bank, for example, through its "reimagining public finance" initiative, offers an outcome-led approach. It focuses on outcomes to be achieved, such as education, health, economic resilience, and climate change, then examines how the public financial system can support or hinder their achievement. In other words, public financial reform should not begin with financial systems and procedures alone, but rather with the impact they will have on the lives of citizens.

Therefore, the revision of the State Finance Law must reaffirm the constitutional mandate, prioritizing the prosperity of the people as the mission of state financial management. The question then arises, what kind of fiscal architecture can ensure that this objective is truly achieved? At the very least, there are several improvements that we need to consider.

First, the success of the budget should not only be measured by absorption but also by the results and impacts on the community. Therefore, the revision of this law needs to integrate financial reports and performance so that the government can demonstrate each year what has been spent, what has been produced, and what the impacts are on the lives of citizens. This integration also strengthens the audit by the BPK as the effectiveness of spending can be assessed regularly, without always waiting for separate performance audits.

Second, institutionalize spending reviews in budget cycles and decisions. The OBS 2025 findings demonstrate a weak link between budgets, policy objectives, and development outcomes. High budget absorption does not always indicate effective programs. It's worth asking which programs are most productive, which are underperforming, and when old programs need to be scaled back to make room for more pressing needs.

Therefore, spending reviews need to be instituted to periodically assess large, recurring, overlapping, or underperforming expenditures. The results should inform subsequent budget decisions. Thus, fiscal discipline is not just about managing the deficit, but also about daring to ask whether every rupiah allocated is worth preserving.

Thirdly, public participation needs to be recognized as a right within the budget cycle. There is another issue that often gets overlooked in the debate about deficits and debt, namely the community. The results of OBS 2025 indicate a low participation score of 33 out of 100. The state budget is not solely the concern of the government, the legislature, economists, and investors. Decisions regarding taxes, debt, and spending determine the services received by citizens and the burdens that will be borne by future generations. If the government is granted greater fiscal space, the community must also be given more room to understand and influence its usage.

The revision of the law needs to consider a clearer recognition of the public's right to participate in the budget cycle. Rather than merely holding consultations, the government and the DPR need to explain how public input is followed up on, as well as reach out to groups that have historically had access to the budgeting process that is directly affected by fiscal policies.

Lastly, strengthening independent fiscal oversight. There is one more question that needs to be answered if we want to seriously discuss fiscal flexibility: who tests the government's assumptions? The government certainly needs to have its own perspective on economic growth, revenue, inflation, debt, and spending needs. However, in a healthy system, the parliament and the public also require independent sources of analysis.

Indonesia does not yet have an Independent Fiscal Institution (IFI). OBS 2025 also highlights the absence of this institution and recommends strengthening the function of independent fiscal analysis, for example through a Parliamentary Budget Office or similar institutional mechanisms.

We need institutions with clear mandates, access to government data, and independence to produce publicly scrutinized analyses. When the government proposes a new program with significant fiscal consequences, for example, the public and the House of Representatives need to know how the costs are calculated, the assumptions used, the expected benefits, and the risks if those assumptions are not met. This is where independent fiscal institutions can strengthen checks and balances in fiscal decision-making.

This proposed reform aligns with global fiscal discourse. In its report, Restoring Public Finance (2026), the OECD (OECD) places spending reviews, citizen engagement, and independent fiscal institutions as crucial instruments for maintaining fiscal sustainability.

Ultimately, the revision of the State Finance Law needs to ensure that fiscal flexibility is accompanied by responsibility and accountability. The debate about the 3 percent should lead us to a more important question: can our state financial governance ensure that every fiscal space is translated into real benefits for the people? Because in the end, the measure of the success of the State Budget is not only its fiscal health but also its ability to function and transform the lives of citizens.

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KOMPAS.id
AMANAT HATI NURANI RAKYAT

A summary of this article was published on **Kompas.id** October 11, 2026.

https://www.kompas.id/artikel/if-not-3-percent-then-what