



Analysis of the Implementation of the National Planning System According to Law Number 25 of 2004 in Indonesia

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Abstract

The background of this research is that to achieve sustainable growth and development, every country needs good and effective planning. The development planning system in Indonesia has been stated in the governing law, namely law number 24 of 2004. This law establishes the framework, process, and mechanism in the preparation and implementation of national planning covering various development sectors. The research aims to find out how to analyze the implementation of the national planning system according to Law Number 25 of 2004 in Indonesia. This research uses a qualitative approach with descriptive methods. The type of data used is secondary data. Data collection techniques using literature studies or literature. The data analysis technique used in this research is SWOT analysis technique. The results show that the implementation of the national development planning system according to law number 25 of 2004 in the strength indicators there is a strong legal basis, the weakness indicators that the emphasis of development law is still at the normative or regulative level only, opportunities that Indonesia has with advances in information technology that can support the development planning process, and threats faced in implementing it there are limitations in resources and budgets

Keywords: Analysis, Implementation, Development Planning

1. INTRODUCTION

In order to achieve sustainable growth and development, every country needs good and effective planning. In addition, in order for development to run optimally, effectively, efficiently, and on target, a national development plan can be prepared that can ensure the achievement of state goals, a national development planning system is needed. Planning is a process for determining appropriate future actions through a sequence of choices that take into account available resources. Meanwhile, national development is an effort made by the ability of all citizens to achieve state goals (Wirakartakusumah, 2009).

The national development planning system is the framework used by the government to organize and direct the economic, social, and environmental development of a country. The main objective of the national development planning system is to achieve sustainable growth and reduce disparities between urban and rural areas. In Indonesia, the national development planning system is regulated by Law Number 25 of 2004. In addition, this national development planning system is a conscious and planned effort. Good and quality planning is needed to implement development, as well as to achieve national development goals that include the welfare and prosperity of the Indonesian people in a fair and equitable manner. In several other sources, such as the Decree of the Minister of State



for National Development Planning No. KEP. 214/M.PYN/17/2004, SPPN is mandated to support the coordination and preparation of national development planning documents. The SPPN was also prepared with the hope of improving the quality of life of the community, increasing the capacity of the community, and improving the ability of local governments.

The National Development Planning System also includes several approaches, namely political, technocratic, participatory, top-down, and bottom-up. In this law, it is stipulated that Indonesia's national development planning system consists of long-term development plans, medium-term development plans, and annual development plans. (Indonesia, 2004) The national development planning system also includes several stages that are carried out, such as the preparation of plans, the establishment of plans, controlling the implementation of plans, and evaluating the implementation of plans. In this process, national development planning is organized systematically, directed, integrated, comprehensive, and responsive to change. National development planning also involves various elements, such as Ministries or Institutions and Local Governments, as well as various sectors, such as economic, political, social, and cultural, and environmental.

According to research conducted by (Anwar, 2020) entitled "implementation of the national development planning system according to the law at the National Institute for Research (INR)". The main focus of this research is the evaluation policy applied in the national development planning system. The results obtained show that evaluation policy is one of the important components in the national development planning system. A good evaluation can help the government to monitor and evaluate the performance of development programs that have been implemented. In the context of the National Institute of Research, the evaluation policy implemented must meet the standards set by Law No. 5/2004 on the national development planning system. The implementation of evaluation policies at the National Institute for Research can be done through several steps. First, the National Institute for Research needs to develop clear and measurable evaluation indicators for each development program implemented. These indicators should include economic, social, political and environmental aspects. In addition, the National Institute of Research also needs to involve stakeholders in the evaluation process to gain a broader perspective. the implementation of the development planning system at the National Institute of Research also faces several challenges. One of them is limited human resources and budgetary or financial resources as well as in terms of collecting complete, accurate, and reliable data.

Novelty or novelty of research conducted with previous research, namely the analysis of the implementation of the national development planning system according to law number 25 of 2004 concerning the national development planning system, emphasizes SWOT analysis consisting of strengths, weaknesses, opportunities and threats. While the analysis technique in the previous study, namely the implementation of the national development planning system according to the law at the National Institute for Research (INR), emphasized the analysis of evaluation indicators consisting of several economic, social, cultural, and other aspects.

Based on the background of the problems previously described, the researcher is interested in discussing the SWOT analysis of the implementation of the national development planning system that refers to law number 25 of 2004 concerning the national development planning system in Indonesia. The urgency of the research conducted by researchers is as an effort to measure and describe how the implementation of the national development planning system according to law number 25 of 2004 in Indonesia refers to the strengths, weaknesses, opportunities, and challenges that will be faced in the present and the future.



2. METHOD

This research aims to analyze the implementation of the National Development Planning System (NDP) as regulated by Law No. 25/2004 in Indonesia. The research method used is important to ensure a comprehensive and in-depth analysis of the implementation of the national planning system.

In this discussion, the approach taken is through a qualitative approach with descriptive methods. This qualitative approach with descriptive method is a research method that utilizes qualitative data that is explained descriptively. Research procedures or problem solving investigated with a description of the subject or object used in the form of people, institutions, society and others. This is intended to describe a situation or a condition. The descriptive discussion method also means to accurately explain phenomena or characteristics of individuals, situations, or social groups (Sendari, 2021).

The type of data used in this research is secondary data, which is information collected for the purpose of the research being conducted, which comes from various study sources such as scientific publications, reports or data, government reports, and information sources accessed through online media (Naja, 2023). In addition, document analysis was conducted on the text of Law No. 25/2004 on the National Development Planning System (SPPN) and other related policy documents. The documents analyzed included implementing regulations, technical guidelines, evaluation reports, and other strategic documents issued by the Indonesian government and related institutions. This approach was chosen for its relevance in exploring an in-depth understanding of the implementation of national planning policies and practices documented in various official sources. The data collection technique, namely the literature study technique, is a series of activities related to a method of collecting library data, reading and writing or recording, and managing research materials.

The data analysis technique used in this research is SWOT analysis (Strength, Weakness, Opportunities, Threats). According to the discussion discussed by (Nisak, 2013) in his article that SWOT analysis is a way to identify strengths, weaknesses, opportunities, and threats to determine the performance of a company, institution, or organization. In the strength element, it emphasizes the advantages or advantages possessed by an organization or institution, with this strength being the success in achieving a predetermined goal. The element of weakness can be one that hinders achieving a goal if no previous analysis is carried out, so it is necessary to analyze the weaknesses so that the goal can be achieved. In this opportunity element, it is used to see all the possibilities that exist outside and inside that are utilized for achieving goals. While this element of threat or challenge can be in the form of bad risks that are likely to occur and of course must be faced.

3. RESULT AND DISCUSSION

Indonesia is a developing country with a vast and diverse territory that requires a structured and integrated development planning system. To address this need, the Indonesian government has issued Law No. 25/2004 on the National Development Planning System (SPPN). This national development planning system law regulates the procedures for preparing national development plans, starting from the central to the regional level. This system is tiered, where the national development plan becomes a reference for the preparation of development plans at the provincial and district/city levels. Through this development planning system, it is expected that there will be synchronization and synergy between central and regional development plans to avoid gaps in society.



In the process of preparing development plans, the national development planning system law mandates community participation. This is so that the development plans prepared can be truly in accordance with the needs and aspirations of the community. In addition, the national development planning system law also regulates coordination between sectors and between regions in development planning, so that there is no overlap and can optimally utilize resources. Based on data by (BPKP, 2018) entitled "Evaluation of the Implementation of the National Development Planning System". In this study, BPKP found several weaknesses such as weak coordination between Ministries / Agencies, misalignment between planning and budgeting, and the low quality of human resources in development planning.

The researcher argues that to optimize the implementation of the National Development Planning System Act, a strong commitment is needed from all stakeholders, both at the central and regional levels. The government needs to continue to improve the capacity of human resources in development planning, as well as strengthen accurate data collection and management systems.

With this, it is necessary to conduct an accurate analysis using SWOT analysis (Strength, weakness, Opportunities, Threats), the explanation is as follows:

Strengths

The main strength of the SPPN according to Law No. 25/2004 is the existence of a strong legal foundation and a structured planning system. With this law, Indonesia has a legal umbrella that ensures the implementation of integrated and well-coordinated national development planning. According to data from the Central Statistics Agency (BPS), since the enactment of the SPPN Law, Indonesia has succeeded in improving its national development performance. Indonesia's economic growth in the 2005-2019 period averaged 5.4% per year, which is quite high for a country with a large population like Indonesia. The poverty rate has also been reduced from 16.7% in 2004 to 9.2% in 2019 (BPS, 2020).

One of the strengths of SPPN is the existence of a tiered and coordinated planning system from the central to regional levels. This is regulated in Article 2 paragraph (4) of the SPPN Law, which states that SPPN is prepared in an integrated manner from the center to the district/city level. According to a study conducted by the national revenue agency or Bappenas, this coordination of planning between the central and regional levels has contributed positively to ensuring the synchronization and synergy of national development. Another strength of the SPPN is the involvement of community participation in the development planning process. This is regulated in Article 2 paragraph (4) letter d of the SPPN Law, which states that development planning must involve community participation. According to (Ministry of Finance, 2019), more than 70% of regions in Indonesia have involved the community in the process of preparing regional development plans. In addition, SPPN also regulates the coordination between sectors and between regions in the preparation of development plans. This is regulated in Article 13 paragraph (2) of the SPPN Law which states that national development planning must pay attention to integration between sectors and between regions. According to research conducted by (LIPI, 2021), this inter-sectoral and inter-regional coordination has contributed to improving the efficiency and effectiveness of national development.

In terms of strength, SPPN also has a structured and tiered planning system from the center to the regions. SPPN applies a hierarchical approach in the planning process, where there is a clear planning hierarchy from the central to the regional level. This aims to ensure synchronization and integration of planning at all levels of government. This approach also allows for decentralization of planning, where local governments have the authority to prepare plans according to the needs and priorities of their respective regions. In the planning process, there are complementary top-down and bottom-up planning mechanisms. Top-down planning ensures alignment between national and regional planning, while bottom-up planning allows regional aspirations and needs to be accommodated in planning. In addition, SPPN also emphasizes cross-sectoral planning to



ensure linkages and synergies between sectors in achieving development goals.

In the preparation of the plan, development priorities are identified, which are then translated into priorities and appropriate budget allocations. This process involves coordination between levels of government to ensure consistency and alignment of planning. In addition, the SPPN also emphasizes the importance of regular monitoring and evaluation to ensure that the implementation of programs and activities is in line with established development targets. To support an effective planning process, SPPN has structured planning institutions at both the central and regional levels. These institutions are tasked with developing strategic plans, setting performance indicators, and facilitating planning meetings that involve community participation. In addition, SPPN also emphasizes the importance of policy synchronization and integrated budgeting to ensure the linkage of programs and activities in achieving development goals.

With a structured and tiered planning system, SPPN seeks to create synergy and optimization in national development planning, so that development can be carried out effectively and efficiently by involving all stakeholders, both at the central and regional levels.

Involving community participation in the development planning process. Community participation is an important element in ensuring that development planning is responsive, inclusive and oriented towards the real needs of the community. Active community involvement in the planning stages allows aspirations, inputs and perspectives from various community groups to be considered proportionally. The participatory process involves public consultation mechanisms, discussion forums, as well as channels for collecting inputs from civil society organizations, customary groups, local stakeholders, and the general public. This effort aims to capture strategic issues, development priorities, and solutions that are contextualized according to the characteristics of the region and the needs of local communities. In addition, community engagement also includes involvement in monitoring and evaluating the implementation of development programs, as well as complaints and oversight mechanisms to ensure accountability and transparency of the planning process. This is done through the establishment of institutions or forums involving community representatives, as well as the utilization of information technology to facilitate participation and access to information for the wider community.

Weaknesses

In analyzing the Weaknesses related to the implementation of the National Development Planning System (SPPN) according to Law No. 25 of 2004 in Indonesia, there are several aspects that need to be highlighted.

One of the main weaknesses in the implementation of SPPN is the persistence of sectoral ego and overlapping authority between ministries/agencies and local governments in the development planning process. This can hamper planning coordination and synchronization, and potentially lead to waste of resources. Research by the Financial and Development Supervisory Agency (BPKP) in 2018 found that weak coordination between ministries/agencies is one of the weaknesses in the implementation of SPPN (BPKP, 2018).

In addition, the quality of human resources in development planning is also a significant weakness. Many government officials involved in the development planning process do not have adequate competencies. A study by the Indonesian Institute of Sciences (LIPI) in 2019 highlighted the need to increase the capacity of human resources in development planning. (LIPI, 2021)

The availability of accurate data and information is also a challenge in the implementation of SPPN. Inaccurate data can cause development planning to be untargeted and ineffective. Research by the Ministry of National Development Planning/National Development Planning Agency (Bappenas) in 2020 found that the lack of accurate data availability is one of the weaknesses in the implementation of the national development planning system law.



Community participation in the development planning process is still not optimal. In fact, community participation is one of the important principles in SPPN to ensure that development plans are in accordance with the needs and aspirations of the community. A study by the Committee for Monitoring the Implementation of Regional Autonomy (KPPOD) in 2021 highlighted the need to increase community participation in regional development planning. Another noteworthy weakness is that there is still a misalignment between development planning and budgeting. This can cause the development plans that have been prepared cannot be implemented optimally due to funding constraints. BPKP research in 2018 also found misalignment between planning and budgeting as one of the weaknesses in SPPN implementation (BPKP, 2018).

By looking at these weaknesses, it can be concluded by the researchers that optimization in the implementation of SPPN is needed. This includes improving coordination between stakeholders, increasing human resource capacity, improving data governance, strengthening community participation, and adjusting development planning and budgeting.

Other efforts faced by the national development planning system are the potential shortcomings of sectoral ego and overlapping authority in development planning, and the emphasis on legal development is still at the normative/regulative level only, not yet touching the aspects of legal culture.

Opportunities

Opportunities in SPPN implementation include strong political commitment and support from the government. Based on research by the Financial and Development Supervisory Agency (BPKP) in 2018, there is a strong political will from the government to successfully implement SPPN in Indonesia. This is reflected in the government's decision to issue Law No. 25 of 2004 as a legal basis that regulates the national development planning system comprehensively (BPKP, 2018).

Another opportunity that can be utilized is the rapid advancement of information technology. Based on data from the Central Statistics Agency (BPS), internet users in Indonesia in 2021 reached 202.6 million people or around 73.7% of the total population of Indonesia. This advancement in information technology can be utilized to support the development planning process, such as data collection, information dissemination, and online community participation.

The next opportunity is increased public awareness and participation in development planning. A study by the Indonesian Institute of Sciences (LIPI) in 2021 revealed that there is an increasing trend of public awareness to be involved in the development planning process, especially at the regional level. (LIPI, 2021) This community participation can be an opportunity for the government to obtain input and aspirations from the community, so that the development plans prepared can be more in line with real needs.

In addition, opportunities for cooperation and collaboration with various parties are also wide open. Based on research by the Ministry of National Development Planning/National Development Planning Agency (Bappenas) in 2020, there is good potential for collaboration between the government and the private sector, community organizations, academics, and other stakeholders in the development planning process. This collaboration can encourage synergy and optimization of resources in the implementation of SPPN. By optimally utilizing these opportunities, the implementation of the National Development Planning System (SPPN) in Indonesia can be more effective and provide better results for overall national development.

Threats

In analyzing the Threats section in the SWOT Analysis related to the implementation of the National Development Planning System (SPPN) according to Law No. 25 of 2004, researchers argue based on some existing literature that the Threats of SPPN are related to Rapid Changes in



the Strategic Environment The dynamics of changes in the strategic environment, both at the national and global levels, can pose a threat to the implementation of SPPN. Rapid changes in economic, political, social, and technological conditions can make development plans that have been prepared less relevant or not in accordance with evolving needs.

In reference to a study from (P2P-LIPI, 2021), changes in the global strategic environment such as the COVID-19 pandemic have had a significant impact on development planning in Indonesia. This requires adjustments and re-evaluation of previously prepared development plans. Furthermore, Budget and Resource Limitations The implementation of development plans prepared in the SPPN is highly dependent on the availability of adequate budgets and resources. However, budget and resource constraints are often an obstacle in the implementation of development plans.

The 2019 Ministry of Finance report according to (Ministry of Finance, 2019) shows that there is still a gap between the budget requirements for development and the available budget. This can cause development priorities to not be implemented optimally or even delayed. Potential Conflicts of Interest In the development planning process, this also includes the threat of SPPN, there is often a potential conflict of interest between the various parties involved, such as the central government, regional governments, the private sector and the community. This conflict of interest can hamper the planning and implementation process of the national development planning system.

Based on research by (BPKP, 2018) it is revealed that there are sectoral egos and overlapping authority between Ministries/Institutions in the development planning process. This can create conflicts of interest and hinder effective coordination. In fact, Natural Disasters and Climate Change Indonesia is a country that is prone to natural disasters such as earthquakes, tsunamis, floods and droughts. Apart from that, global climate change can also have an impact on Indonesia, such as rising sea levels and shifting weather patterns. According to data from the National Disaster Management Agency (BNPB), in 2022, there will be more than 3,000 disaster events in Indonesia that cause economic losses and hinder the implementation of development plans. Therefore, natural disasters and climate change are real threats to SPPN implementation.

Rapid changes in the strategic environment can affect the accuracy of development planning. The accelerating dynamics of changes in the strategic environment can cause uncertainty and challenges in maintaining the relevance and accuracy of development planning. Factors such as global economic turmoil, technological disruption, demographic shifts, environmental issues, and political changes can have a significant impact on the basic assumptions on which development plans are based. Therefore, adaptation and flexibility mechanisms are needed in the planning system to anticipate volatility in the strategic environment. Continuous monitoring of trends and projected changes is very important to adjust targets, priorities and resource allocation according to current conditions. Apart from that, comprehensive studies and analyzes are also needed to identify potential opportunities and threats that arise from changes in the strategic environment.

The capacity to make responsive adjustments and revisions to planning is key in maintaining the accuracy and effectiveness of development planning. This can involve regular evaluation mechanisms, sharpening performance indicators, and the ability to shift resources quickly according to changing needs. In addition, close collaboration and coordination between various stakeholders, both at the central and regional levels, is very important to ensure synchronization and integration in responding to changes in the strategic environment. Community and private sector involvement can also provide new perspectives and valuable input in adapting development planning to evolving realities.



4. CONCLUSION

Implementation of the national development planning system regulated by Law Number 25 of 2004 in Indonesia is a complex and important topic in the context of public policy and in the context of development administration. This study underlines the need for an in-depth analysis of how Law Number 25 of 2004 is implemented in practice, whether it is in accordance with what has been formulated and whether its objectives are achieved, as well as its impact on achieving national development goals. Through research into various literature and related documentation, strengths, opportunities, challenges faced, effective strategies and recommendations for increasing the effectiveness of Indonesia's national development planning system in the future can be identified.

Implementation of the national development planning system in Indonesia requires good and effective evaluation policies. Proper evaluation can help promote sustainable growth and development. However, the implementation of this evaluation policy also faces challenges in various ways such as human resources, financial resources and accurate data collection. To overcome this challenge, Indonesia needs to involve all stakeholders, allocate adequate resources, and increase cooperation with various other development and institutions. Thus, the implementation of the national development planning system in Indonesia which is regulated by law number 25 of 2004 concerning the national development planning system can run well and can contribute to better and more sustainable development in Indonesia. In addition, by analyzing the strengths, weaknesses, opportunities and threats of the national development planning system, it is hoped that the national development goals will be achieved which include the welfare and prosperity of the Indonesian people in a fair and equitable manner. Apart from that, the national development planning system also hopes that the quality of life of the community will improve, increase community capabilities, and improve government capabilities at both the central and regional levels. In addition, it is important to maintain consistency in long-term planning policies and increase transparency and accountability in the development planning process.

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