



Asian Forum on Information and Communication Technology Policies and e-Strategies

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Indonesia – Country Report



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INTRODUCTION

We are now living in “**Information Era**”, and witness the miracles of Information and Communication Technology (ICT) that gives a glimmer of hope that using the opportunities of ICT, a solution may be found to the economic and social benefit for many countries. The rapid pace of the ICT as a result of the collaboration of researchers, manufacturers, service providers, regulators, investors and the users certainly plays an important role as a tool to raise the quality of life of many peoples. The ICT industry born out of the convergence of telecommunications, computers and the mass media. This industry, which intimately pervades many other industries, carries within itself the power to realize mankind’s dream of peace and prosperity for all. Further, “**information**” today is a key ingredient for industry, commerce, government and social well-being, in short for harmonious living. Modern telecommunication networks and services have enabled mankind to collect, distribute and manage a tremendous volume of information of all kinds from around the globe and beyond and all that in real time.

The global information society continues to evolve at break-neck speed with information and communication technologies (ICTs) at the heart of fundamental transformation. However, the uneven access to ICTs, commonly referred to as the “**digital divide**”, continues to be a challenge. The digital divide not only exists between countries but also within a country’s urban and rural areas, between man and woman, between the educated and the unschooled and between the young and the elderly. This divide is mainly the result of socio-economic disparities. The less money a country’s citizen have, the less likely they are to use information and communication technologies (ICTs).

DIGITAL DIVIDE: GLOBAL SITUATION

The ITU (International Telecommunication Union) - *World Telecommunication Development Report 2002* on “**Reinventing Telecoms**” and the **Trends in**



Telecommunication Reform 2002 shows, while the gap in telephone access between the developed and developing world is narrowing, the “digital divide” in the quality of Internet access is increasing. In 1991, total telephone penetration (fixed line and mobile telephones) stood at 49 telephones per 100 inhabitants in developed nations, 3.3 in emerging nations and just 0.3 in the least developed nations. Today the levels are 121.1 telephones per 100 inhabitants in developed nations, 18.7 in emerging nations and 1.1 in the least developed nations. While there is evidence that digital divide between developed and developing nations is shrinking, the nature of the divide is shifting from basic to advanced communications, and from quantity to quality. Unfortunately, this is more difficult to measure because, unlike access, quality implies the nature of users online experience. For example, international Internet bandwidth (or IP connectivity) is good to measure of a users experience with internet. The greater the bandwidth, the quicker the response times and the more likely it was richer multimedia or interactive experience. The reality is that high speed Internet access, which has become the norm in the countries such as Republic of Korea and Singapore, is still a long way off in most developing countries include the Asian countries.

According to the **Report of the UN-High-Level Panel on ICT**, the gross disparity in the spread of the Internet and thus the economic and social benefits derived from, is still a matter of profound concern, and therefore the digital divide continuous to be a serious problem, hence the governments, especially within the Asian countries have a duty to make sure that ICTs access is available to everyone. Access to ICTs is thus a way of leapfrogging into development. Therefore this matter is very relevant to be discussed in the Forum. In addition, the governments also have a responsibility to ensure that ICTs is priced reasonably, making not just the technology, but also the services are available and affordable to all sectors of society. The formidable and urgent challenge before national governments and the development community is to bridge this divide and connect the remainder of the world’s population whose livelihoods can be enhanced through ICTs. As each day passes, the task becomes much more difficult. To give just one example, exploding e-commerce ties individuals, firms, and countries closer and closer together, while those who do not



try to catch the “Internet Express” run the risk of being further and further marginalized.

Asian countries includes Indonesia have great potential to compete successfully in the new global market, but unless they embrace the ICTs revolution promptly and actively, they will face new barrier and the risk of not just being marginalized but completely bypassed. Although bilateral and multilateral development agencies have been involved in projects to expand access to ICTs for years, recent initiatives announced by the international community are suggestive of major assistance to bridge the digital divide.

INDONESIAN EXPERIENCE

Allow me now to describe the Government of the Republic of Indonesia (GOI) national strategies and policy on ICTs development. GOI has formulated the *National ICTs VISION*, that is “*to bring into reality a modern information society, prosperous and high competitive, with strong supported by ICT*”.

The GOI has the commitment to realize this National ICTs VISION through the establishment of The Ministry of Communication and Information (MCI), and ensuring that a strong leadership in national ICT development is provided through a High Level ICT’s Coordinating Team, TKTi (Tim Koordinasi Telematika Indonesia) chaired by The Minister of Communication and Information, and The President of the Republic of Indonesia held the position as the Protector of the TKTi.

As widely known, Indonesia is the largest archipelago country in the world with more than 16.700 islands, spreading across 5,000 km of equatorial line. With a population of around 220 million, Indonesia is the fourth most populous country in the world. Indonesia has some difference to another countries, especially in geography, cultures, dispersion of population and economic circumstances. But there are also similarities with other developing countries that make for success or failure in ICTs development. Considering the differences mentioned, I may say that Indonesia is among the last great technology frontiers, but at the same time it created a great challenge to the government. Hard efforts must be taken by the



government to ensure that the development and implementation of the national ICTs policy could bring into such real beneficial to the Indonesian people. In this regard, efforts have been taken by GOI in order to encourage and stimulating the development of ICTs, and increase the use of ICTs in everyday people's live activities. These efforts include among others:

- Implementing and monitoring the MCI's Strategic Plan that covers the aspects of ICTs Capacity Building programs, development of ICTs infrastructure, development of ICTs network, development and empowering the usage of ICTs, encourage the usage of information, and increase the capability of MCI.
- Formulated the MCI's Policy and Strategy for Year 2004 that reflects the priorities of ICTs development. This includes: the development of e-Government (the enactment of Presidential Instruction No. 3 Year 2003 concerning Policy and Strategy for e-Government development); the development of SISFONAS (National Information System) as part of the whole ICTs networks and infrastructure development; the development of MCI's human resources; development of Institutions includes local institutions; encourage the use of ICTs includes the preparation of a draft Law on Free Access to Public Information, and a draft Law on Information and Electronic Transaction; the development of infrastructure communication includes the development of a comprehensive policy on Media format. And also the preparation of set draft of the Government Regulations to implement the Law No. 32 Year 2002 on Broadcasting.
- Strengthening the organization of TKTl to implement Presidential Decree No. 9 Year 2003 on the Establishment of TKTl. This will be implemented based on consideration that to achieve an ICT environment in close cooperation with stakeholders and promotes private sector development and ICTs investment, would request a triumvirate pact between governments, development agencies/donors, and the private sector. This triumvirate pact requirement also prevail to the efforts that taking in order to develop the ICTs for the national benefit, and the potential for private sector involvement in ICTs development. In addition, there are Five Priorities Programs that have been determined by TKTl as key programs of national ICTs development. They are:



- 1) **e-Government** includes pilot projects of killer applications;
- 2) **e-infrastructure** includes among other build the information highway, telecentres, integration and connectivity, synergy with private networks, provide government wide services;
- 3) **e-industry** includes public and private partnership, software development, assistance to SMEs, outsourcing, promote ICTs investment, alliance, joint venture, and remove roadblocks to progress;
- 4) **e-Learning** includes HRD plan, private R&D capability, ICT education, encourage ICT awareness, distance learning, development digital content;
- 5) **e-Commerce** includes the development of e-commerce policy and strategy, prepare a light touch up regulations, promote e-commerce related pilot projects, tax incentives and settlement, trade facilitation, customs declaration, etc.

The MCI also set up expected target to be achieved in year 2005:

- All district and 50% of villages have been served and accessed through ICTs
- 250,000 community information centers (Telecentres)
- 20 million Internet users
- 10 million PC units
- 10 million line unit fix telephone

Current condition:

- Around 8.5 million telephone line unit
- More than 7.5 million Internet users
- Around 11.5 million mobile phone users
- Around 2,5 million PC units
- More than 30 million TV units



CONCLUSION

In conclusion, I would say that ICTs is already making an important contribution to the economic and social development, especially within the Asian region. ICTs is fostering a better mutual understanding among peoples in countries with different economic and social policies.

It is enhancing appreciation of the challenges that Governments are confronting as they promote global economic growth, social equity and sustainable development. In this context it is important to implement a well coordinated, forward-looking and strategic programmed for the use of ICTs in development. The private sector is and, for the foreseeable future, will remain the principal driving force for the development and use of ICTs. The international community and donors should assist in expanding national ICTs infrastructures by facilitating and expanding access to financial resources for the important of equipment and services, arranging and encouraging financial intermediaries to design creative mechanism, including supplier credits, insurance schemes and concessionary financing. To this, a new strategic alliance should be formed that include triumvirate between governments, development agencies/donors, and the private sector. This would create a win-win situation for all involved since it would not only have immediate social benefits but would also eventually increase the market for ICTs products. Therefore, I would like to take this opportunity to appeal all Asian countries to establish a new strategic alliance that include triumvirate between governments, development agencies/donors, and the private sector to overcome the issue of Digital Divide within the region. This also our effort to answer the question on how ICTs can help achieve the Millennium Development Goals.