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RURAL INVESTMENT CLIMATE IN INDONESIA

EDITED BY
Neil McCulloch
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# Abbreviations and Acronyms

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<td>ADB</td>
<td>Asian Development Bank</td>
</tr>
<tr>
<td>AMT</td>
<td>Achievement Motivation Training</td>
</tr>
<tr>
<td>APBD</td>
<td><em>Anggaran Pendapatan dan Belanja Daerah</em> (Regional Budget)</td>
</tr>
<tr>
<td>ASEAN</td>
<td>Association of Southeast Asian Nations</td>
</tr>
<tr>
<td>BAT</td>
<td>British American Tobacco</td>
</tr>
<tr>
<td>BBM</td>
<td><em>Bahan Bakar Minyak</em> (Fuel)</td>
</tr>
<tr>
<td>BKD</td>
<td><em>Badan Kredit Desa</em> (Village Credit Institutions)</td>
</tr>
<tr>
<td>BKK</td>
<td><em>Badan Kredit Kecamatan</em> (Sub District Credit Institutions)</td>
</tr>
<tr>
<td>BKPM</td>
<td><em>Badan Koordinasi Penanaman Modal</em> (Investment Coordinating Board)</td>
</tr>
<tr>
<td>BPD</td>
<td><em>Bank Pembangunan Daerah</em> (Regional Development Bank)</td>
</tr>
<tr>
<td>BPN</td>
<td><em>Badan Pertanahan Nasional</em> (National Land Agency)</td>
</tr>
<tr>
<td>BPPT</td>
<td><em>Badan Pengkajian dan Penerapan Teknologi</em> (Agency for the Assessment and Application of Technology)</td>
</tr>
<tr>
<td>BPPI</td>
<td><em>Badan Penelitian dan Pengembangan Industry</em> (Industrial Research and Development Laboratory)</td>
</tr>
<tr>
<td>BPR</td>
<td><em>Bank Perkreditan Rakyat</em> (People's Credit Bank)</td>
</tr>
<tr>
<td>BPS</td>
<td><em>Badan Pusat Statistik</em> (Central Statistic Agency)</td>
</tr>
<tr>
<td>BRI</td>
<td><em>Bank Rakyat Indonesia</em> (People's Bank of Indonesia)</td>
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<tr>
<td>BRTI</td>
<td><em>Badan Regulasi Telekomunikasi Indonesia</em> (Indonesian Telecommunications Regulatory Body)</td>
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<tr>
<td>BULOG</td>
<td><em>Badan Urusan Logistik</em> (the Bureau of Logistic)</td>
</tr>
<tr>
<td>BUMN</td>
<td><em>Badan Usaha Milik Negara</em> (State-Owned Enterprises/ SOE)</td>
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<tr>
<td>Bupati</td>
<td>Head of a Regency</td>
</tr>
<tr>
<td>Abbreviation</td>
<td>Description</td>
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<td>--------------</td>
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</tr>
<tr>
<td>CCP</td>
<td>Captive Power Plant</td>
</tr>
<tr>
<td>CEFE</td>
<td>Creation of Entrepreneur for Formation Enterprises</td>
</tr>
<tr>
<td>CESS</td>
<td>Centre for Economic and Social Study</td>
</tr>
<tr>
<td>CU</td>
<td>Credit Union</td>
</tr>
<tr>
<td>CUCO</td>
<td>Indonesian Credit Union Federation</td>
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<tr>
<td>DAI</td>
<td>Development Alternatives, Inc</td>
</tr>
<tr>
<td>DAK</td>
<td>Dana Alokasi Khusus (Special Allocation Fund)</td>
</tr>
<tr>
<td>DAU</td>
<td>Dana Alokasi Umum (General Allocation Fund)</td>
</tr>
<tr>
<td>DIS</td>
<td>Debtor Information System</td>
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<tr>
<td>DPE</td>
<td>Dewan Penunjang Ekspor (Export Support Board)</td>
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<tr>
<td>DPRD</td>
<td>Dewan Perwakilan Rakyat Daerah (Local Parliaments)</td>
</tr>
<tr>
<td>DSP</td>
<td>Danamon Simpan Pinjam (Danamon Savings and Loans)</td>
</tr>
<tr>
<td>FDI</td>
<td>Foreign Direct Investment</td>
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<tr>
<td>FP</td>
<td>Foster Parent</td>
</tr>
<tr>
<td>GDP</td>
<td>Gross Domestic Product</td>
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<tr>
<td>GDS</td>
<td>Government and Decentralization Survey</td>
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<tr>
<td>GIAT</td>
<td>Growth through Investment, Agriculture, and Trade</td>
</tr>
<tr>
<td>GTZ</td>
<td>German Development Agency</td>
</tr>
<tr>
<td>HVC</td>
<td>High Valued Commodities</td>
</tr>
<tr>
<td>IFAD</td>
<td>International Fund for Agricultural Development</td>
</tr>
<tr>
<td>IFC PENS A</td>
<td>Programme for Eastern Indonesian Small Medium Enterprise Assistance</td>
</tr>
<tr>
<td>IFLS</td>
<td>Indonesia Family Life Survey</td>
</tr>
<tr>
<td>IMB</td>
<td>Izin Mendirikan Bangunan (Building License)</td>
</tr>
<tr>
<td>INKOPDIT</td>
<td>Induk Koperasi Kredit (Credit Union Central of Indonesia)</td>
</tr>
<tr>
<td>Inpres</td>
<td>Instruksi Presiden (Presidential Instruction)</td>
</tr>
<tr>
<td>IPP</td>
<td>Independent Power Plants</td>
</tr>
<tr>
<td>IT</td>
<td>Information Technology</td>
</tr>
<tr>
<td>JBIC</td>
<td>Japan Bank for International Cooperation</td>
</tr>
<tr>
<td>JICA</td>
<td>Japan International Cooperation Agency</td>
</tr>
<tr>
<td>Kabupaten</td>
<td>Regency or rural district</td>
</tr>
<tr>
<td>KDP</td>
<td>Kecamatan (Sub-District) Development Programme</td>
</tr>
<tr>
<td>KHM</td>
<td>Kebutuhan Hidup Minimum (Minimum Basic Subsistence Needs)</td>
</tr>
<tr>
<td>KKB</td>
<td>Klinik Konsultasi Bisnis (Business Consultancy Clinic)</td>
</tr>
<tr>
<td>KOPINKRA</td>
<td>Koperasi Industri Kerajinan Rakyat (Small-Scale Handicraft Industry Cooperatives)</td>
</tr>
<tr>
<td>Kota</td>
<td>City or urban district</td>
</tr>
<tr>
<td>KPPOD</td>
<td>Komite Pemantauan Pelaksanaan Otonomi Daerah (Committee Monitoring the Implementation of Regional Autonomy)</td>
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</table>
Abbreviations and Acronyms

KPPU  Komisi Pengawas Persaingan Usaha (the Supervisory Commission on Business Competition)
KSP  Koperasi Simpan Pinjam (Savings and Loans Cooperatives)
KUD  Koperasi Unit Desa (Village Cooperatives)
KUK  Kredit Usaha Kecil (Small Scale Credit)
KUPEDES  Kredit Umum Pedesaan (General Rural Credit)
kWh  Kilo Watt-hours
LDKP  Lembaga Dana Kredit Pedesaan (Rural Fund and Credit Institutions)
LE  Large Enterprise
LIK  Lingkungan Industri Kecil (Estates for Small-Scale Industry)
LIPI  Lembaga Ilmu Pengetahuan Indonesia (Indonesian Institute of Science)
LKD  Lembaga Keuangan Desa (Village Finance Institutions)
LKM  Lembaga Kredit Micro (Micro Credit Institutions)
LKURK  Lembaga Kredit Usaha Rakyat Kecil (People’s Small Business Credit Institutions)
LKP  Lumbung Kredit Pedesaan (Rural Credit Storehouse)
LP3E FE  Laboratorium Penelitian, Pengabdian pada Masyarakat dan Unpad Pengkajian Ekonomi Fakultas Ekonomi Universitas Padjadjaran
LPEM-FEUI  Lembaga Penelitian Ekonomi dan Masyarakat – Fakultas Ekonomi Universitas Indonesia (University of Indonesia’s Institute for Economic and Social Research)
ME  Medium Enterprise
MEMR  Ministry of Energy and Mineral Resources
MNC  Multinational Cooperation
MNE  Multinational Enterprise
Mobnas  Mobil Nasional (National Car)
MoI  Ministry of Industry
NFE  Non-Farm Enterprise
NFRE  Non-Farm Rural Enterprise
NGO  Non Government Organization
NIE  Newly Industrialized Economies
NPWP  Nomor Pokok Wajib Pajak (Taxpayer Registration Number)
NRI  Natural Resource Institute
OBA  Output-Based Aid
OECD  Organization for Economic Cooperation and Development
### Abbreviations and Acronyms

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<tr>
<th>Abbreviation</th>
<th>Description</th>
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<tbody>
<tr>
<td>OSR</td>
<td>Own-Source Revenue</td>
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<tr>
<td>OSS</td>
<td>One-Stop Service</td>
</tr>
<tr>
<td>P4K</td>
<td>Pembinaan Peningkatan Pendapatan Petani-Nelayan Kecil (Assistance in Income Generation for Marginal Farmers and Fishermen)</td>
</tr>
<tr>
<td>PAD</td>
<td>Pendapatan Asli Daerah (Locally Raised Revenue)</td>
</tr>
<tr>
<td>Perda</td>
<td>Peraturan Daerah (Regional Regulations)</td>
</tr>
<tr>
<td>PDRB</td>
<td>Produk Domestik Regional Bruto (Gross Regional Domestic Product)</td>
</tr>
<tr>
<td>PKWT</td>
<td>Perjanjian Kerja Waktu Tertentu (Temporary Working Agreement)</td>
</tr>
<tr>
<td>PKPS BBM</td>
<td>Program Kompensasi Pengurangan Subsidi Bahan Bakar Minyak (Compensation Reduction Programme Implementation of Refined Fuel Oil Subsidy)</td>
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<tr>
<td>PKK</td>
<td>Pendidikan Kesejahteraan Keluarga (Women Welfare Activities)</td>
</tr>
<tr>
<td>PLN</td>
<td>Perusahaan Listrik Negara (State-Owned Electricity Company)</td>
</tr>
<tr>
<td>PNM</td>
<td>Permodalan Nasional Madani (National Fund for Social Investment)</td>
</tr>
<tr>
<td>PNS</td>
<td>Pegawai Negeri Sipil (Civil Servant)</td>
</tr>
<tr>
<td>PODES</td>
<td>Potensi Desa (Village Potential Statistics)</td>
</tr>
<tr>
<td>PT</td>
<td>Perseroan Terbatas (Limited Company)</td>
</tr>
<tr>
<td>R &amp; D</td>
<td>Research and Development</td>
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<tr>
<td>REDI</td>
<td>Rural Economic Development Initiative</td>
</tr>
<tr>
<td>RGDP</td>
<td>Regional Gross Domestic Product</td>
</tr>
<tr>
<td>RICA</td>
<td>Rural Investment Climate Assessment</td>
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<tr>
<td>RICS</td>
<td>Rural Investment Climate Survey</td>
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<tr>
<td>RNFE</td>
<td>Rural Non-Farm Enterprise</td>
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<tr>
<td>SA</td>
<td>Strategic Alliances</td>
</tr>
<tr>
<td>Sakernas</td>
<td>Survei Tenaga Kerja Nasional (Labour Force Survey)</td>
</tr>
<tr>
<td>SE</td>
<td>Small Enterprise</td>
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<tr>
<td>SIUP</td>
<td>Surat Ijin Usaha Perdagangan (Trade Business Permit)</td>
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<tr>
<td>SOE</td>
<td>State-Owned Enterprise</td>
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<tr>
<td>Susenas</td>
<td>Survei Sosial Ekonomi Nasional (National Socio-Economic Survey)</td>
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<tr>
<td>SUSI</td>
<td>Survei Usaha Terintegrasi (Integrated Business Survey)</td>
</tr>
<tr>
<td>SME</td>
<td>Small Medium Enterprise</td>
</tr>
<tr>
<td>TAF</td>
<td>The Asia Foundation</td>
</tr>
<tr>
<td>TDP</td>
<td>Tanda Daftar Perusahaan (Business Registration Certificate)</td>
</tr>
</tbody>
</table>
Abbreviations and Acronyms

TFP  Total Factor Productivity
TI  Transparency International
UED-SP  Unit Ekonomi Desa – Simpan Pinjam (Village Economic Units – Savings and Credit)
UKM  Usaha Kecil Menengah (Small Medium Enterprise/SME)
UPKD  Unit Pengelola Keuangan Desa (Village Financial Management Units)
UPT  Unit Pelayanan Teknis (Technical Service Unit)
USAID  United States Agency for International Development
USO  Universal Service Obligation
USP  Unit Simpan Pinjam (Saving and Credit Units)
WARSI  Warung Informasi Konservasi (Conservation Information Kiosk)
Wärtel  Warung Telekomunikasi (Telecommunication Kiosk)
The Contributors

Neil McCulloch is a Fellow of the Institute of Development Studies at the University of Sussex, UK. He was formerly the Director for Economic Programs of The Asia Foundation in Indonesia and a Senior Economist at the World Bank office in Jakarta. His current research interests focus on the impact of the investment climate on firm performance, economic growth and poverty reduction. Whilst at the World Bank office in Jakarta, Dr McCulloch led a major research project on the Rural Investment Climate in Indonesia — the current book pulls together all of the original background research for that project. Dr McCulloch has published papers in a wide variety of refereed journals and books and has also co-authored a book *Trade Liberalisation and Poverty: A Handbook* (CEPR) which provides a comprehensive analysis of the evidence linking trade liberalization and poverty.

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