Introduction

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Since the dawn of the 21st century, low carbon development has emerged as a focal point in addressing pressing climate concerns. As policymakers face increasing pressure to take concerted action, decarbonization stands out as a promising solution to shield society from environmental catastrophes. The traditional trajectory of development, rooted in exploitation, has come under critical scrutiny and calls for change. Yet, transitioning to a low carbon pathway presents its own set of challenges and complexities. In particular, the costs and obstacles associated with implementing low carbon development are not easily navigated, particularly in vast developing nations like Indonesia.

Indonesia, the world's largest archipelago, finds itself increasingly vulnerable to the impacts of the climate crisis. Rising sea levels, intensified rainfall, and rampant forest and land fires are just a few of the consequences stemming from the escalating global temperatures. Over the period of 1990 to 2021, Indonesia endured over 300 natural disasters, affecting more than 11 million people. Notably, the country's greenhouse gas emissions have been on a steady incline since gaining independence in 1945. Land-based activities, particularly forestry and agriculture, have historically accounted for nearly 50% of Indonesia's overall emissions. The rapid deforestation, exacerbated during the authoritarian rule of the New Order regime, coupled with the expansive growth of oil palm plantations, has significantly contributed to this upward trend in emissions. Undeniably, these activities have fueled substantial economic growth for the nation, yet they've also posed a considerable dilemma. Indonesia now stands at a crossroads, torn between transitioning towards decarbonization across all sectors or prioritizing economic activities that come with inherent trade-offs in climate action. This complex dilemma persists, demanding critical decisions to navigate the path forward.

In contrast to high-income countries, Indonesia's historic contribution to global emissions is relatively modest. Globally, Indonesia contributes approximately 3.5% of greenhouse gases emissions. Despite this comparatively lower contribution, the interconnected nature of climate change compels countries to take collective action and commitments, including Indonesia. To address climate change as a global challenge, the United Nations Framework Convention on Climate Change has introduced the principle of "common but differentiated responsibilities". This principle recognizes that individual countries possess varying capacities to combat climate change and allocate obligations based on historical greenhouse gas emissions.

The nation ratified the Kyoto Protocol in 2004 and the Paris Agreement in 2016, demonstrating its strong commitment to international climate cooperation. In line with these global agreements, Indonesia has consistently set ambitious climate goals. In 2009, the country pledged to reduce its greenhouse gas emissions by 26% by 2020, or by 41% with international support. Building on this foundation, Indonesia reaffirmed its commitment in 2022, pledging a 43.2% reduction with international assistance, and even in the absence of external support, it remains determined to reduce emissions by 31.89% by 2030 compared to business-as-usual projections. These actions reflect Indonesia’s proactive stance in addressing climate challenges while emphasizing the importance of global collaboration.

This Book of Abstracts and Policy Briefs, based on the conference and panel discussion at ICONIC 2024, provides a brief summary of Indonesia's efforts to transition toward a low-carbon economy. It focuses on key sectors, including carbon capture and storage, the built environment, AFOLU (Agriculture, Forestry, and Other Land Use), sustainable investment, and decarbonization in industrial and transport sectors. The insights presented in this work aim to support Indonesia in addressing the challenges within these sectors while balancing economic development and greenhouse gas emissions. Ultimately, it is our hope that this compilation will inspire continued dialogue and concrete actions toward a resilient, low-carbon future for Indonesia.

Abstracts

Abstract ID 1

Implications of the European Union's Common Agricultural Policy on Indonesia's Livestock Sector: A Literature Review

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Abstract

Common Agricultural Policy (CAP) is a principal policy on agriculture production, trade, and rural development, which has an impact on the economy of the European Union (EU) member states. To date, no research has assessed the implications of the EU's CAP on Indonesia's livestock sector. Thus, a literature review was performed to collect information regarding the potential consequences of CAP implementation at the global level and in Indonesia. First, the indirect impact of CAP on the global livestock market interpretations into prices and the nausea of the production of price competitiveness in the Indonesian livestock sub-sector. Second, its plans and rules on biodiversity and environmental sustainability could create a chance for Indonesia and the EU to collaborate on conference agriculture deeds and biodiversity conservation. Lastly, the coordination of policy which might cover the CAP and Indonesian agricultural policies could contribute to coping with some challenges in some sectors i.e. agri-food, environmental and rural development. The study shows that Indonesia’s livestock production, trade patterns, and ecological conditions might very much be influenced by the EU’s CAP. However, further study is required to check the assumptions and determine the potential cooperation and alignment of CAP and Indonesian agricultural policies.

Keywords

Agricultural trade, common agricultural policy, Indonesia, livestock sector, sustainable agriculture

Focus of study

Political Economy of LCD within Global North and Global South Dynamics

Abstract ID 2

Impact of Low-Carbon Transition on Industry Transformation: Carbon Emission Reduction & Turnover Rate Correlation in Indonesia

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Abstract

The transition to eco-friendly practices leads to significant challenges, particularly in developing countries like Indonesia. Accelerating economic growth while pursuing environmental and social improvement is a trade-off. This affects various processes, mainly the extractive industry, known for its substantial environmental externalities. This study focuses on Indonesia's mining industry, analyzing the correlation between revenue and carbon emissions to understand sustainability's financial implications. We use primary data from corporate reports and employ bivariate analysis to scrutinize the relationship between the variables. Through simple linear regression analysis, we examine the period from 2019 to 2023. Preliminary results demonstrate a positive correlation, indicating a sector's financial dependence on carbon-intensive activities over the years. Despite the constraint of data access and less transparency, this research provides insights into the social and economic implications of sustainable industrialization. The findings support the existing knowledge and inform the stakeholders.

Keywords

Carbon intensity, corporate activities, industry transformation, transition, turnover rate

Focus of study

Economic and Social Implication of LCD