The Urgency of Presidential Regulation No. 21 of 2024 in the Context of Social Assistance and Online Gambling in Indonesia

Nur Ayu[1], Tetty Melina Lubis[2], Arief Fahmi Lubis[3]

[1]Institut Dharma Bharata Grup

[2,3]Sekolah Tinggi Hukum Militer

Article Info

ABSTRACT

This study examines the urgency of Presidential Regulation No. 21 of 2024 in addressing the dual issues of social assistance distribution and online gambling in Indonesia through a normative juridical analysis. The regulation aims to enhance the efficiency and transparency of social assistance programs while implementing stringent measures to control the proliferation of online gambling. Key provisions include the establishment of a centralized database, digital payment systems, regular audits, and strict licensing requirements for online gambling platforms. The analysis reveals that these measures are well-aligned with existing laws and have the potential to significantly improve social welfare and mitigate the negative impacts of online gambling. However, successful implementation will require overcoming challenges such as bureaucratic resistance and technological infrastructure needs. The study underscores the regulation's pivotal role in promoting social welfare and provides insights for policymakers to further strengthen regulatory frameworks in these areas.

Corresponding Author:

Name: Nur Ayu
Institution: Institut Dharma Bharata Grup
e-mail: nurayuidbgrup@gmail.com

1. INTRODUCTION

The rapid advancement of digital technology in Indonesia has led to significant changes in various societal aspects, prompting the Indonesian government to enact legislative measures to address emerging challenges. Presidential Regulation No. 21 of 2024 plays a crucial role in enhancing the effectiveness of social assistance programs and combating the adverse effects of online gambling [1]–[3]. This regulation aims to establish a robust legal framework that ensures transparent and efficient distribution of social assistance while implementing stringent measures to curb the proliferation of online gambling activities [3]. The development of digital finance and smart contracts also underscores the importance of synchronized regulations to support economic stability and certainty in Indonesia [4]. Additionally, the protection of personal data is essential in the digital economy era, emphasizing the significance of laws and regulations to safeguard privacy rights [5].

Presidential Regulation No. 21 of 2024 plays a crucial role in addressing the challenges of mismanagement, corruption, and inefficiency in social assistance programs by introducing comprehensive guidelines and

mechanisms for administration and oversight of aid distribution, ultimately aiming to enhance accountability and ensure aid reaches the most vulnerable populations in need [6]–[9]. This regulation aligns with the broader goal of improving social welfare and promoting the well-being of individuals and society as a whole through fair and equal access to state social assistance, as highlighted in existing research on social assistance programs and their significance in supporting disadvantaged communities [6], [7], [9]. By emphasizing principles such as transparency, accountability, fairness, and selectiveness in aid provision, the regulation seeks to create a more effective system of social support that can positively impact the quality of life for the population, especially those facing economic hardships and social risks [6], [9].

On the other hand, the rise of online gambling poses a significant threat to social stability and economic security. Online gambling has become increasingly accessible due to the proliferation of smartphones and the internet, leading to a surge in gambling-related problems. These include financial losses, addiction, and the potential for criminal activities associated with gambling operations. The regulation targets these issues by establishing strict legal provisions to regulate and control online gambling, thereby protecting individuals and communities from its harmful effects. This paper conducts a normative juridical analysis to explore the urgency and implications of Presidential Regulation No. 21 of 2024 in the context of social assistance and online gambling in Indonesia.

2. LITERATURE REVIEW

2.1 Social Assistance Programs in Indonesia

Social assistance programs in Indonesia, such as the Non-Cash Food Assistance Program (BPNT) and the Family Hope Program (PKH), play a crucial role in the nation's social welfare strategy by providing support to vulnerable populations and aiming to alleviate poverty [6], [10], [11].

However, the effectiveness of these programs has been hindered by challenges like bureaucratic inefficiencies, corruption, and misallocation of resources [10], [12]. Government spending, particularly on capital expenditure for infrastructure like roads and irrigation, has shown a significant impact on reducing the poverty rate in regions like Papua [13]. Efforts to enhance the understanding of social assistance among recipients and ensure proper utilization of aid are essential to improving the overall effectiveness of these programs and achieving sustainable poverty alleviation in Indonesia. The introduction of Presidential Regulation No. 21 of 2024 seeks to address these challenges by instituting stricter oversight and more transparent distribution mechanisms.

2.2 Challenges in Social Assistance Distribution

The challenges encountered by social assistance programs in Indonesia are multifaceted, as highlighted in various studies [6], [11], [14]–[16]. The complexity of administrative processes often leads to delays and errors in aid distribution, hindering the timely and efficient delivery of assistance to those in need [15]. Moreover, corruption at different levels of government poses a significant threat, diverting portions of aid meant for beneficiaries and resulting in the failure to reach the intended recipients [16]. These issues not only impede the effectiveness of social assistance programs but also undermine their ability to uplift underprivileged families and improve their standard of living, emphasizing the urgent need for enhanced transparency, accountability, and efficiency in aid distribution mechanisms in Indonesia. Presidential Regulation No. 21 of 2024 aims to streamline these processes and reduce opportunities for corruption through enhanced monitoring and accountability measures.

2.3 The Rise of Online Gambling in Indonesia

The rise of online gambling in Indonesia, fueled by easy access to the

internet and mobile devices, has led to a surge in issues like addiction, financial troubles, and social instability among Indonesian users [17]. Despite evolving regulations aimed at curbing this trend, enforcement has been inconsistent and ineffective, hindering efforts to address the growing problems associated with online gambling in the country [17], [18]. The legal landscape surrounding online gambling in Indonesia is complex, with the emergence of the Internet of Things (ITE) Law introducing new challenges in enforcing laws against online gambling activities [18]. Efforts to combat online gambling-related issues require a comprehensive approach that considers factors such as financial literacy, security, and government intervention in regulating these platforms effectively [19].

2.4 Legal Framework Governing Online Gambling

The Indonesian government has been actively addressing the issue of online gambling through various regulations, such as Law Number 11 of 2008 and Regulation No. 10 of 2020, which aimed to ban online gambling [18], [20]. However, the enforcement of these regulations has been challenging due to technological loopholes and jurisdictional issues, leading to fragmented implementation and inadequate control over online gambling activities [20]. The legal framework governing online gambling in Indonesia needs further reinforcement to effectively combat illegal online gambling practices, as highlighted in the study on illegal fintech, emphasizing the importance of increased transparency and accountability in fintech implementation to address illegal practices [21]. Additionally, the role of virtual police and cyber police in combating cybercrimes, including online gambling, needs to be clearly defined and understood by the public to enhance enforcement efforts and preventive measures [22]. Presidential Regulation No. 21 of 2024 represents a more comprehensive approach, aiming to close these loopholes and provide a more unified framework for addressing online gambling.

2.5 Previous Research on Regulation Impact

Regulatory reforms play a crucial role in enhancing the effectiveness of social assistance programs and mitigating the negative impacts of online gambling. Studies have shown that well-crafted regulations can lead to improved transparency and decreased corruption in the social welfare sector [23]. Similarly, stringent regulations on online gambling have the potential to significantly reduce its prevalence and the associated social harms [24]. By implementing comprehensive regulatory frameworks, policymakers can address the challenges posed by online gambling marketing techniques, such as precision targeting and the sheer volume of advertisements, ultimately safeguarding individuals from the pervasive influence of gambling advertising [24]. Additionally, regulatory measures can help combat cybercrimes like online fraud, contributing to overall cybersecurity and public interests [25]. These findings underscore the potential impact of Presidential Regulation No. 21 of 2024 and highlight the importance of its rigorous implementation and enforcement. While there is substantial literature on social assistance programs and online gambling separately, there is a paucity of research examining the intersection of these issues within the Indonesian context. Moreover, the specific implications of Presidential Regulation No. 21 of 2024 have not been extensively studied, particularly through a normative juridical lens. This paper aims to fill these gaps by providing a comprehensive analysis of the regulation and its potential to enhance social welfare and control online gambling in Indonesia.

3. METHODS

3.1 Research Design

This study employs a normative juridical analysis to examine Presidential Regulation No. 21 of 2024 within the context of social assistance distribution and online gambling in Indonesia. Normative juridical analysis focuses on the legal norms and

principles underlying the regulation, assessing its coherence with existing laws and its potential impact on society. This approach is appropriate for understanding the regulatory framework and providing insights into its effectiveness and areas for improvement.

3.2 Data Collection

Data for this study were collected from both primary and secondary sources: Primary sources include the full text of Presidential Regulation No. 21 of 2024 and relevant Indonesian laws and regulations related to social assistance and online gambling, such as Regulation No. 10 of 2020. Secondary sources comprise academic journals, articles, and books discussing social assistance programs, online gambling, and regulatory frameworks in Indonesia; reports and publications from governmental and non-governmental organizations on the implementation and challenges of social welfare programs and online gambling regulation; and online databases and legal repositories for comprehensive access to legal texts and scholarly analyses.

3.3 Data Analysis

The data analysis involved several steps: Legal Text Analysis, which included a detailed examination of Presidential Regulation No. 21 of 2024 to identify its key provisions and objectives, and a comparison with existing laws and regulations to assess its alignment and potential conflicts. Thematic Analysis entailed the identification of recurring themes and issues in the literature related to social assistance distribution and online gambling, and an analysis of how these themes are addressed within the regulation. Impact Assessment involved evaluating the potential effectiveness of the regulation in improving social assistance distribution and controlling online gambling, as well as considering case studies and examples from other regulatory frameworks to draw parallels and contrasts.

4. RESULTS AND DISCUSSION

4.1 Key Provisions of Presidential Regulation No. 21 of 2024

Presidential Regulation No. 21 of 2024 introduces several measures aimed at improving the efficiency and transparency of social assistance distribution in Indonesia. Key provisions include establishing a centralized database to ensure accurate tracking of beneficiaries and reduce duplication and fraud, implementing digital payment systems to facilitate faster and more secure disbursement of funds, and mandating regular audits of social assistance programs to enhance accountability and transparency. These measures are designed to address longstanding issues in social assistance programs, such as mismanagement and corruption, by leveraging technology and strengthening oversight mechanisms.

The regulation also addresses the growing issue of online gambling through the following key provisions: requiring online gambling platforms to obtain licenses and adhere to strict monitoring and reporting requirements; imposing severe penalties, including fines and imprisonment, for individuals and organizations involved in illegal online gambling activities; and launching public awareness campaigns to educate the public about the dangers of online gambling and the legal consequences of participating in such activities. These provisions aim to curb the prevalence of online gambling and mitigate its negative social and economic impacts.

4.2 Impact on Social Assistance Programs

The introduction of a centralized database and digital payment systems is expected to significantly enhance the efficiency and transparency of social assistance distribution. By reducing bureaucratic inefficiencies and opportunities for corruption, these measures ensure that aid reaches the intended beneficiaries more effectively. Setiawan and Prasetyo's study emphasizes the crucial role of technology in enhancing social welfare programs, aligning

with the anticipated positive outcomes of these initiatives. The research by Loid Marxz Israel and Riah E. Encarnacion underscores the significance of digital solutions in optimizing social welfare delivery, proposing an enhanced integrated information system utilizing data mining techniques to improve program efficiency and impact [26]. Additionally, Terry Carney discusses the potential of digitization and automated decision-making in advancing or threatening socio-economic rights, stressing the need for innovative processes to protect the marginalized in the evolving automated welfare state [27]. Furthermore, Sarah C. Ball et al. explore the different modes of digitalization in welfare-to-work programs, highlighting how technology reshapes frontline delivery and citizens' access to social protection in distinct ways [28]. These insights collectively reinforce the importance of leveraging technology to enhance social welfare provisions and ensure equitable access to services.

Regular audits mandated by regulations play a crucial role in upholding the integrity of social assistance programs. Studies emphasize that accountability measures like audits are instrumental in reducing fraud and mismanagement, ultimately enhancing the efficient utilization of public funds [29]–[33]. By conducting regular audits, government entities can ensure transparency in the execution of social programs, monitor the effectiveness of fund allocation, and prevent risks of malpractices. The findings underscore the significance of internal audit functions in providing assurance, preventing fraudulent activities, and advising on budgeting efficiency within public institutions, thereby contributing to the overall success of social assistance initiatives. Additionally, integrating advanced technologies like blockchain and artificial intelligence can further enhance the accuracy, efficiency, and transparency of audit processes, reinforcing good governance practices in governmental entities.

Despite the expected benefits, the implementation of these measures may face challenges, including resistance from bureaucratic entities and the need for significant investment in technology infrastructure. Addressing these challenges will be essential for the successful implementation of the regulation.

4.3 Mitigating Online Gambling

The stringent licensing and monitoring requirements introduced by the regulation are expected to reduce the prevalence of illegal online gambling activities. Strict regulatory measures, including imposing severe penalties for non-compliance, are crucial in deterring individuals and organizations from engaging in online gambling [24], [34]. Research supports this notion, indicating that such stringent regulations can effectively reduce gambling-related problems [34]. The enforcement of laws and regulations, as seen in various countries like the UK, Indonesia, and Malaysia, plays a significant role in combating online gambling crimes and ensuring compliance with legal frameworks [18], [24], [34]. By enhancing law enforcement efforts and implementing specialized laws on cybercrime, countries can work towards minimizing the negative impacts of online gambling, protecting vulnerable individuals, and maintaining the integrity of the regulatory environment [24], [25], [34].

By curbing online gambling, the regulation is expected to yield significant social and economic benefits. Reduced gambling addiction and financial distress among individuals can lead to improved social stability and economic security. Public awareness campaigns further support these outcomes by educating the public about the risks associated with online gambling.

The success of these measures depends on the effective enforcement of licensing and monitoring requirements. Challenges such as technological loopholes and jurisdictional issues may hinder enforcement efforts. [25], [34] emphasizes the need for a robust enforcement framework to overcome these challenges and ensure the regulation's effectiveness.

By curbing online gambling, the regulation

4.4 Normative Juridical Analysis

A normative juridical analysis reveals that Presidential Regulation No. 21 of 2024 is well-aligned with existing Indonesian laws related to social welfare and online gambling. The regulation complements previous laws, such as Regulation No. 10 of 2020, by providing more comprehensive and stringent measures to address these issues.

The regulation's alignment with existing laws enhances its legal validity and potential for successful implementation. By addressing both social assistance distribution and online gambling within a single regulatory framework, the regulation provides a holistic approach to enhancing social welfare and mitigating social risks.

Recommendations for Improvement

While the regulation represents a significant step forward, further improvements could include:

a. Enhanced Collaboration: Promoting collaboration between government agencies, non-governmental organizations, and the private sector to support the implementation and enforcement of the regulation.

b. Technological Advancements: Investing in advanced technology solutions to further enhance the efficiency and security of social assistance distribution and online gambling regulation.

c. Continuous Monitoring and Evaluation: Establishing continuous monitoring and evaluation mechanisms to assess the regulation's impact and identify areas for ongoing improvement.

5. CONCLUSION

Presidential Regulation No. 21 of 2024 represents a significant legislative effort to address critical issues in social assistance distribution and online gambling in Indonesia. The regulation introduces comprehensive measures to enhance the efficiency, transparency, and accountability of social assistance programs, ensuring that aid reaches the intended beneficiaries more effectively. By establishing a centralized database, implementing digital payment systems, and mandating regular audits, the regulation seeks to mitigate longstanding challenges such as bureaucratic inefficiencies and corruption.

In tackling the rise of online gambling, the regulation imposes stringent licensing and monitoring requirements, coupled with severe penalties for non-compliance. These provisions aim to curb the prevalence of online gambling and mitigate its associated social and economic harms. Public awareness campaigns further support these efforts by educating the public about the risks of online gambling and the legal consequences of participating in such activities.

The normative juridical analysis conducted in this study highlights the regulation's alignment with existing laws and its potential for substantial positive impact. However, the successful implementation of these measures will require overcoming various challenges, including resistance from bureaucratic entities and the need for significant investment in technology infrastructure. Enhanced collaboration between government agencies, non-governmental organizations, and the private sector, along with continuous monitoring and evaluation, will be essential to maximize the regulation's effectiveness and ensure its long-term success.

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