Tax collection: the dominant topic of winning essays by Indonesian students

Finance Minister Sri Mulyani Indrawati today presented an award to the winner of a student essay competition on public financial management. She was joined by the Country Director of the World Bank and Ambassadors of Canada, the European Union (EU), and the Switzerland, each of whom presented awards to the three runners up.

The subject matter of the essays demonstrates that Indonesia’s current and future leaders understand the importance of raising more revenue. All of the top three essays explored the question of how Indonesia can raise more government revenue equitably and efficiently to deliver more and better basic services for citizens. Other essays focused on public service delivery, and relationships between local governments and citizens.

The essay competition was organised by the World Bank in partnership with the University of Indonesia and the Ministry of Finance, to highlight the importance of public financial management in increasing economic growth and ensuring that all Indonesians have equal access to public services.

Support for the competition came from the Public Financial Management Multi-Donor Trust Fund (PFM MDTF), which is supported by the government of Canada, the EU, and the government of Switzerland. The Trust Fund has supported a longstanding partnership between the Ministry of Finance and the four development partners to improve public financial management in Indonesia.

The Ministry of Finance also views that public financial management is a foundation of good governance and supports the welfare of the citizens of Indonesia. The Minister of Finance hopes that students can remain critical and help oversee the management of public finances by questioning why collecting revenues is important, and how best to manage public spending.

More than 70 students across the archipelago submitted their essays to the competition that was open to all final year undergraduate students.
“It is such an honor that the University of Indonesia could become a part of this prestigious event. As our vision to resolve national and global problems and challenges, we encourage our students to participate in every kind of national/international competition in order to develop their skills and knowledge on facing the increasing complexity of issues in social life. I believe through this competition, we could gather fresh ideas from the Indonesia’s youths and encourage them to become intellectual graduates with great virtues that can compete globally,” said Rector Muhammad Anis of the University of Indonesia.

Development partners said the student essay competition had helped to boost public awareness on the status and progress of the public financial management reforms in Indonesia.

“Congratulations to the winner and the two finalists in the first student essay contest on public financial management! Canada was pleased to see so many impressive submissions demonstrating strong awareness amongst youth on key financial issues, including tax collection. The Government of Canada recognises that public financial management (PFM) is key to addressing poverty reduction and delivering quality public services to all citizens and so we are pleased to work with the World Bank, the Ministry of Finance and the European Union and Government of Switzerland to raise awareness amongst youth and support their ideas for further strengthening Indonesia’s economic development agenda in a more inclusive way,” said Peter MacArthur, Ambassador of Canada to Indonesia.

Vincent Guérend, Ambassador of the European Union to Indonesia and Brunei Darussalam, said “Congratulations to the winners for their outstanding and thought-provoking essays. I also want to thank all the other students who provided many insightful essays; as well to University of Indonesia and the World Bank for initiating this contest. The European Union has been a partner of the government of Indonesia in public financial management reform efforts for over a decade now. With a grant contribution of EUR 19 million to PFM MDTF, the European Union takes pride to attest the progress made towards the building of a culture of sound financial management. The reform, built upon best international practices, is steadily strengthening citizens’ trust in government public finances management. Increased citizens' confidence is a prime driver to boost tax revenues. Allowing for more investments in human capital and infrastructures in turn fosters sustainable and inclusive development.”

“Youth are an important driver of change, and through this essay competition we are heartened that students are taking interest in key public financial management issues. A robust PFM system enables better services delivery for the people, and this is what all citizens strive towards, including our young generation. Switzerland is committed to continue supporting the Indonesian Government in strengthening its public financial management reforms,” said Yvonne Baumann, Ambassador of Switzerland to Indonesia

World Bank Country Director for Indonesia, Rodrigo A. Chaves, said the student essays touched on many of the most important public finance management challenges facing Indonesia.

“Public finance management challenges are at the heart of governing Indonesia in the twenty-first century. Taxing and spending are the main ways that government can influence more efficient economic behavior, and increase the welfare of its citizens. Indonesia has charted a course toward raising more revenue and spending it better. We at the World Bank are proud to be able to support the Ministry of Finance on this journey, and we thank our development partners for their generous support.” said Chaves.

The winner of the essay competition is Adinda Rizky Herdianti from the University of Indonesia. The two runners-up are Akhmad Faisal Lutfi from the University of Jember and Erikson Wijaya from the
About the Public Financial Management Multi-Donor Trust Fund
The PFM MDTF was established at the World Bank with initial funds pooled from the government of the Netherlands and the European Union (EU). Switzerland joined the fund in 2009, followed by the United States Agency for International Development (USAID) in 2011. The Canadian Department of Foreign Affairs, Trade and Development (DFATD) joined up during the phasing out of the PFM MDTF Phase I. PFM MDTF Phase II is now funded by the government of Canada, the EU, and the government of Switzerland. The primary counterpart of the PFM MDTF is the Indonesian Ministry of Finance (MOF).

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