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Aspirations

There is hardly a discussion that goes by in business circles that does not raise the issue of infrastructure. Will this government, just 100 days old, achieve the ambitious targets that it has set out? While there is hope there is also, because of past failures, major doubt and concern that the country will fall short in achieving its infrastructure goals.

A touch or realism, perhaps, but it is important that the effort is made, and that is going to need major improvement in order to accelerate processes in the development phase preceding construction and no shilly-shallying indecision by bureaucracies that leave willing investors in frustration.

While there has been a lack of infrastructure output over the past few years, key laws have been put in place and, while not all regulations have been completed to allow satisfactory inplementation, the conditions to proceed have improved compared with those obtaining in the mid-2000s.

The issue now is that the large number of permits and certificates that are required for approval prior to construction should from now on be handled in parallel, wherever possible, rather than sequentially and the principal of the one-stop shop should be activated rather than just presented as a good idea.

As has been the case for many years, annual investment in infrastructure should be in the order of $50 billion per annum, an amount never even closely achieved. Of this sum, only one-third is currently available from government budgets and the remaining two-thirds is expected to come from the private sector, along with some input from aid agencies and SOE balance sheets, where this is appropriate. It is encouraging that a good proportion of the savings to be made by reduction in the fuel subsidy will be geared towards the infrstructure sector.

Apart from the need to accelerate the various procedures in the development phase, there needs to be a change in attitude towards the private sector, one where the private sector is welcomed and their willingness to invest in infrastructure encouraged and facililated. The public sector has to present itself as "How can we help?" - contrary to the oft-portrayed stance of doubt and suspicion and with the insertion of unnecessary obstacles to progress, as some administrations have demonstrated when handling key major projects.

Other important problems that need to be taken up concern the quantity of work that has to be undertaken as well as the quality that the public should expect to receive. In the event that the investment level could approach the ideal target set out above, then it is doubtful that the indigenous construction sector could handle the demand.

While we need new outside companies in the market, they should be entering on the basis of becoming Indonesian companies in suitable joint venture arrangements and to come on the basis of being here for the long term. They should also be bringing in with them new ideas and the highest standards of the international industry.

And they should be welcomed and encouraged as by the end of 2015 we will have entered the ASEAN Economic Community (AEC). Similarly, of course, I would expect our major companies here to be welcomed when they seek work in the AEC.

The question of professional standards is one that concerns leaders of the industry. In the early to mid-1990s, there was recognition that these standards should be raised to meet international norms; regrettably there has also been a lack of interaction with overseas professionals. Indonesia seemed to be sitting in isolation.

A 1991 study undertaken by the UK Institution of Civil Engineers identified the key issues that the civil engineering industry had to address in order to meet the demands of national development. It also forecast the number of engineering graduates needed in the industry, and the number was significant.

Unfortunately, the Asian Economic Crisis of 1997/8 occurred and put back development for at least a decade, but it also had an unforeseen negative impact on the industry in terms of young people wanting to enter the profession. It can be clearly seen that the country is short of at least 30,000 engineering graduates who practice as civil engineers and who are not diverted to the apparently more attractive and lucrative jobs in the financial sector.

The 1991 study also recognized the urgent need to put in place proper mentoring shemes for new graduates so that they can properly turn their academic knowledge to good effect. I well remember when I first graduated being put in my place by the senior partner of the firm taking me on board for my first job that, while I had done well at university, I had to remember that I really knew 'nothing' about my chosen profession and would be there to learn.

Of course, he was right in many ways, and the same is true for today's new graduates.

Therefore there remains much to be done to raise the standard of the industry across the board and put in measures that allow good career paths for new graduates, something that exists in some ASEAN countries. This represents a challenge and an opportunity.

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