

## **Analysis of National Financial Policy in the 2020-2024 RPJMN**

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### **Abstract**

The 2020-2024 RPJMN is a strategic planning document that guides national development policies, including state financial management, to support economic growth and societal well-being. The state financial policy within the RPJMN encompasses revenue, expenditure, and financing aspects that must be optimally managed to achieve sustainable and inclusive development targets. This study aims to evaluate the implementation of state financial policies in the 2020-2024, identify challenges in fiscal management, and provide policy recommendations to enhance the effectiveness and efficiency of state financial management in the future. The research employs a descriptive method with a qualitative approach. Data were obtained from official government documents, academic journals, and financial institution publications, which were then analyzed using data reduction, data presentation, and conclusion-drawing techniques. The findings indicate that the analysis of state financial policies in the 2020-2024 RPJMN emphasizes its strategic role in optimizing resources to support national development priorities. Although various strategies have been implemented, their execution faces challenges such as global economic uncertainty, climate change, and social inequality, necessitating policy adjustments. Therefore, more adaptive and sustainable financial policies are required to maintain economic stability and ensure the achievement of national development targets. This study provides empirical insights that can inform policymakers in designing more resilient and forward-looking fiscal policies. The findings contribute to the academic discourse on public financial management by highlighting the importance of policy adaptability in response to dynamic socio-economic and environmental factors.

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**Keywords:** Policy, State Finance, RPJMN

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### **INTRODUCTION**

The Medium-Term Development Plan is a national development planning document that applies for a five-year period, serving as a guideline in the implementation of development by the government. Based on Government Regulation No. 46/2016, the National RPJM includes national development strategies, general policies, strategic priority projects, and ministerial and cross-ministerial programs that support the achievement of development goals (Wahyudi, 2023). In addition, the RPJM also regulates the direction of regional development, development priorities, and a macroeconomic framework that includes an overall picture of the economy, including fiscal policy. The regulatory and funding framework in the RPJM is indicative, providing guidance for the government in formulating policies and work programs over a five-year period to achieve sustainable economic growth and community welfare (Wangi, 2022).

In the 2020-2024 RPJMN period, the government faced various challenges that affected the country's financial policies, including the COVID-19 pandemic, which had a significant impact on the budget and fiscal structure (Anwar, 2022). Expansionary fiscal policies were implemented to address the economic and social impacts of the pandemic, which led to an increase in the budget deficit and state debt (Zulaikah, 2024). In addition, tax reform and state expenditure management are crucial aspects of maintaining fiscal balance and improving the effectiveness of resource allocation. Therefore, it is necessary to analyze how the financial policies in this RPJMN are able to respond to these challenges and promote national economic recovery.

In addition to external factors such as the pandemic, state financial policies in the 2020-2024 RPJMN are also influenced by domestic factors, such as increasing economic inequality, investment needs in the infrastructure sector, and efforts to create jobs (Syahmalina & Susanti, 2024). The government has issued various policies, including subsidy reform, state revenue optimization, and investment-based development financing strategies. However, the effectiveness of these policies still needs to be studied further to ensure that the resulting economic growth is inclusive and sustainable (Huda et al., 2024).

Some previous studies, such as research conducted by Sevianti et al. (2025), highlighted the effectiveness of fiscal policy in promoting economic growth through optimization of state spending and tax reform. Another study by Gabrieli & Pramudiana (2024) discusses budget deficit management strategies and development financing in the RPJMN, emphasizing the role of state debt in maintaining fiscal stability. In addition, research conducted by Rahmayanti et al. (2025) examines the impact of state financial policies on priority sectors such as infrastructure, education, and health and their implications for public welfare.

Different from previous studies, this research has the novelty of analyzing state financial policies in the RPJMN 2020-2024 holistically, focusing on the effectiveness of fiscal strategies in achieving national development targets. Unlike previous studies that highlighted specific aspects such as state spending or fiscal revenues separately, this study examines the integration of revenue, spending, and financing policies in supporting sustainable and inclusive economic growth. The objectives of this study are to evaluate the implementation of state financial policies in the RPJMN 2020-2024, identify challenges in fiscal management, and provide policy recommendations to improve the effectiveness and efficiency of state financial management in the future. The benefits of this research include providing a deeper understanding of the effectiveness of fiscal strategies outlined in the 2020–2024 RPJMN, identifying key challenges in fiscal management, and offering evidence-based policy recommendations to enhance the efficiency and responsiveness of future fiscal planning. These findings are expected to contribute not only to academic discourse but also to practical improvements in public financial governance in Indonesia.

## **RESEARCH METHODS**

This research uses a descriptive method with a qualitative approach to analyze state financial policies in the RPJMN 2020-2024. The data collection technique is done by documentation, namely by collecting and reviewing official government documents such as the RPJMN 2020-

2024 and the State Budget, as well as financial reports and fiscal policies published by the Ministry of Finance and Bappenas. In addition, secondary data from academic journals, research reports, and publications from national and international financial institutions were also used as analytical materials. Data analysis techniques were conducted through data reduction, data presentation, and conclusion drawing, where fiscal policies in the RPJMN were analyzed based on their effectiveness in achieving national development targets, challenges faced, and their impact on economic stability. The results of this analysis are then used to develop policy recommendations that are more optimal for managing state finances in the future.

## **RESULT AND DISCUSSION**

The 2020-2024 National Medium-Term Development Plan (RPJMN) is a national development planning document that serves as a guideline in the implementation of state economic and financial policies for five years. This document is regulated in Presidential Regulation Number 18 of 2020, which stipulates the RPJMN as the main reference in the preparation and implementation of national development programs in the period 2020 to 2024. According to Article 1, paragraph 1 of the Presidential Regulation, the RPJMN is a national development plan that is valid for five years, from 2020 to 2024. Meanwhile, Article 2, paragraph 2, explains that the RPJMN covers various strategic aspects, including general policies, national priority projects, and work programs of ministries and government agencies. In addition, this document also regulates the direction of development both at the national level and between regions.

In addition to the policy and strategy aspects, the RPJMN also includes a macroeconomic framework that provides an overall picture of economic conditions, including fiscal policy. In this document, there is a work plan that includes a regulatory framework and indicative funding, which aims to ensure the effective implementation of development policies. The analysis of state financial policies in the 2020-2024 National Medium-Term Development Plan (RPJMN) focuses on achieving the vision of an advanced Indonesia that is sovereign, independent, and has a personality based on the spirit of going *royong*. This RPJMN emphasizes the importance of state financial policies directed at supporting the achievement of development goals through effective and efficient budget allocations.

According to Bappenas (2020), the RPJMN 2020-2024 aims to build a more advanced Indonesia by strengthening national independence and improving people's welfare through sustainable fiscal policies. In this plan, state financial policy has a strategic role in ensuring that available resources are used optimally to support various development programs. As stated by Hadi (2020), the vision of national development in the 2020-2024 RPJMN emphasizes a collaborative approach and the principle of going *royong* in the implementation of state financial policies. Thus, the state budget is not only managed transparently and accountably but must also be able to encourage inclusive economic growth and reduce social and economic disparities in various regions of Indonesia.

The policy focus in the 2020-2024 National Medium-Term Development Plan (RPJMN) emphasizes five main priorities that President Joko Widodo affirmed in his speech before the MPR

RI on 20 October 2019. The five main priorities that serve as policy directions in the 2020-2024 RPJMN include human resource development, infrastructure development, regulatory simplification, bureaucratic reform, and economic transformation.

One of these priorities is improving the quality of human resources (HR), which plays an important role in the economic and political development of a country (Akhmad, 2021). Deputy Minister of National Development Planning/Head of Bappenas for Human Development, Society, and Culture, Dr. Subandi Sardjoko, highlighted that although the school enrollment rate in Indonesia is quite high, the quality of education is still low. This is reflected in Indonesia's Program for International Student Assessment (PISA) results, which did not show significant improvement from 2000 to 2018. Based on the 2018 PISA results, Indonesian students' skills in mathematics, reading, and science lag behind those of neighboring countries as well as the average OECD country. As a result, the basic skills of the workforce in Indonesia are also still low, which has an impact on the competitiveness of the workforce at the global level (Sardjoko, 2020).

Therefore, improving the quality of human resources is a national priority program in the 2020-2024 RPJMN with the main objective of improving the nation's competitiveness. The strategy implemented in this program includes investment in the education and training sector to improve the competence of the workforce. In addition, access to health services is also expanded and improved so that people can get better services so that the productivity and welfare of the workforce can continue to increase.

Another policy focus is strengthening infrastructure, which is one of the important aspects in a country's development because good infrastructure is the backbone of economic growth and community welfare. In the 2020-2024 period, the policies and strategies implemented to strengthen infrastructure include improving connectivity in various transportation sectors, namely roads, railways, sea transportation, air transportation, and other land transportation modes (Limbong, n.d.).

The next policy focus of RPJMN 2020-2024 is economic transformation, which is a crucial step in improving a country's competitiveness and ensuring sustainable economic growth. In facing global challenges, economic transformation is an important strategy to encourage changes from a natural resource-based economy to a more productive and innovative economy (Septianda, 2024). Economic transformation policies are directed at several key aspects, such as the development of value-added industries, the digital economy, and the tourism sector.

Later, fiscal reform became another policy focus in the RPJMN 2020-2024 (Indrawati, 2024). Fiscal reform is a crucial aspect of economic policy that aims to strengthen the country's fiscal resilience and promote sustainable economic growth (Shadewi et al., 2024). One of the main steps in this reform is to increase state revenue, which is done through expanding the tax base and increasing taxpayer compliance. From efforts to expand tax coverage, the government can optimize revenue sources without having to significantly increase tax rates so that the tax burden can be more evenly distributed across all levels of society and economic sectors. In addition, efforts to increase tax compliance through improving the tax administration system, digitalization, and stricter supervision are important strategies to reduce the level of tax avoidance and evasion.

On the other hand, controlling state spending is also a focus in fiscal reform to ensure more efficient and effective budget allocation. The government seeks to direct state spending on priority programs that have a major impact on public welfare and economic development, such as investment in the education, health, and infrastructure sectors. Thus, every rupiah spent by the state is expected to provide maximum benefits and increase national competitiveness.

In addition, fiscal reform also includes more prudent management of the country's debt. In this case, the government needs to ensure that the debt taken remains within safe limits and is used productively to boost economic growth. This strategy includes optimizing financing with lower interest rates, diversifying financing sources, as well as improving efficiency in debt management so as not to burden the state budget in the future.

Furthermore, in realizing the focus of national development, the government requires a financial budget that is managed effectively and sustainably. To that end, the budget implementation strategy focuses on revenue mobilization, efficiency of state spending, as well as the development of alternative financing schemes and fiscal risk mitigation. One of the main strategies is revenue mobilization, which aims to increase state revenue from various sources, including taxes, customs, and non-tax state revenue (PNBP). The utilization of PNBP has contributed significantly to supporting people's welfare through financing infrastructure projects, education and health sectors, and poverty alleviation programs (Nasution & Hasibuan, 2024). Funds derived from natural resource management and government services are one of the important instruments in inclusive national development. Due to the optimization of state revenue, the government can ensure the availability of sufficient funds to support various national priority programs.

In addition to increasing revenue, the government also implemented a spending better policy, which focuses on efficiency in state spending (Gideon, 2024). This approach ensures that the budget is allocated to programs that have a major impact on development, such as investment in infrastructure, education, and health. In an effort to improve economic productivity, the government has also increased capital spending on infrastructure development, which not only supports economic growth but also strengthens national competitiveness.

On the other hand, the government is developing alternative financing schemes to support sustainable development. These creative financing schemes include cooperation with the private sector, utilization of government bonds, as well as raising funds from various non-traditional sources. Thus, the government can reduce dependence on high-risk sovereign debt. In addition, fiscal risk management is carried out carefully to ensure that the country's financial policy remains stable and does not burden future budgets.

The macroeconomic framework in the 2020-2024 RPJMN provides an overview of projected economic growth, inflation, and other economic indicators that form the basis for planning and implementing state financial policies. However, in its implementation, various challenges arise that require the government to make policy adjustments to maintain economic stability and national development.

One of the biggest challenges in this period is the COVID-19 pandemic that hit the world in 2020. The outbreak, which started in Wuhan, China, quickly spread to various countries and had a significant impact on the global economy, including Indonesia. The pandemic not only caused an economic slowdown but also forced governments to shift policy focus to handling the health crisis and economic recovery. In Muhyiddin's (2020) research, it was mentioned that the government needs to revisit its medium-term development plan as the pandemic has changed many aspects of social and economic life. The government faces three main choices in medium-term planning, namely maintaining the original plan, making moderate revisions, or redrafting a new plan based on updated assumptions, taking into account the impact of the pandemic.

In addition to the pandemic, global economic uncertainty is also a significant challenge. Fluctuations in financial markets, trade wars, and changes in economic policies in major countries can have an impact on domestic economic stability. Volatility in commodity prices, including oil and food, also affects people's purchasing power and the balance of trade. In addition, climate change is becoming an increasingly pressing challenge. Increasingly frequent natural disasters, such as floods, droughts, and forest fires, impact the productivity of the agricultural and industrial sectors and increase risks to infrastructure and human settlements. Therefore, macroeconomic policies in the RPJMN must also consider environmental sustainability and resilience to climate change.

Another challenge is social inequality, which is still a major issue in national development. Income inequality between community groups and development gaps between regions still need to be addressed to create more inclusive economic growth (Mahadiansar et al., 2020). The government needs to continue to promote policies that ensure equal access to education, health services, and economic opportunities for all levels of society.

Based on these challenges, the RPJMN 2020-2024 underwent various adjustments to remain relevant to global and domestic dynamics. The government seeks to maintain a balance between post-pandemic economic recovery, fiscal stability, and development sustainability, so as to realize the vision of more inclusive and highly competitive national development.

State financial policies in the 2020-2024 RPJMN are designed to support economic transformation and the development of quality human resources. The main focus is directed at increasing state revenue, spending efficiency, and creative financing which is expected to encourage more inclusive and sustainable economic growth. However, in its implementation, various challenges arose that caused some development targets not to be achieved, although there were also indicators that showed improvement.

In an evaluation of the success of the 2020-2024 RPJMN reported on the Kompas.com page, a number of macroeconomic indicators show that the targets that have been set are not fully achievable. Economic growth in 2023 was recorded at 5.05 percent, a slight increase compared to the 2019 baseline of 5.02 percent. However, this figure is still far from the target set in the RPJMN, which ranges from 6.2 to 6.5 percent, as well as the 2024 RKP which is targeted to reach 5.3 to 5.7 percent. Other indicators, such as investment growth, also show achievements that are still

below the target, with a growth rate in 2023 of 4.4 percent, while the targets in the RPJMN and RKP are each set at above 6 percent.

The manufacturing industry has also not reached the expected target, with a baseline of 19.7 percent in 2019, this figure actually decreased to 18.67 percent in 2023, while the RPJMN target is 21 percent. Social indicators such as the open unemployment rate experienced a slight increase from the baseline of 5.23 percent to 5.32 percent, but still far from the RPJMN target of 3.6 to 4.3 percent. Similarly, the poverty rate increased slightly from 9.22 percent to 9.36 percent, while the RPJMN targets 6 to 7 percent. The Gini ratio index, which reflects the level of income inequality, also increased slightly from 0.38 to 0.388, higher than the target of below 0.374.

However, there were several indicators that improved and achieved the set targets. The Human Development Index (HDI) increased from 71.92 to 73.55 percent, although still below the RPJMN target of 75.54 percent. The Farmer Exchange Rate (NTP) showed on-target achievement with an increase from 100.90 to 112.46, exceeding the RPJMN target of 105. In the energy and food category, several indicators experienced mixed achievements. The Pola Pangan Harapan score increased from 87.19 to 94.1, close to the RPJMN target of 95.2. However, rice availability did not reach the target, with a figure of 38.32 million tons compared to the RPJMN target of 46.8 million tons.

In the energy sector, the indicator of New Renewable Energy (EBT) in the national energy mix is still far from the set target. With a baseline of 9.19 percent, the achievement until 2023 only reached 13.21 percent, while the RPJMN target is 23 percent. In contrast, the reduction of greenhouse gas emissions actually managed to reach the target, with an achievement rate of 27.82 percent in 2022, exceeding the RPJMN target of 27.27 percent.

In the field of human resources, the average years of schooling of the population aged 16 years and over has increased from 8.75 years to 9.13 years, almost reaching the RPJMN target of 9.18 years. The Maternal Mortality Rate (MMR) also showed a downward trend in line with the target, reaching 189 per 100,000 births, close to the RPJMN target of 183 per 100,000 births. However, other indicators such as the Higher Education Gross Participation Rate (IPT) are still below target, with an achievement of 31.45 percent compared to the RPJMN target of 37.63 percent. The prevalence of stunting among children under five has decreased significantly from a baseline of 27.67 percent to 21.5 percent but is still far from the RPJMN target of 14 percent (Idris, 2024).

The evaluation of the 2020-2024 RPJMN shows that although there are various challenges that hinder the achievement of some targets, there are also indicators that have improved and are in line with the set targets. The government needs to continue to make various efforts in adjusting policies to achieve more sustainable and inclusive economic growth in the future.

## **CONCLUSION**

The analysis of state financial policies in the 2020–2024 RPJMN confirms their strategic role in optimizing resource allocation to support national development priorities. This study achieves its objective by identifying how the government’s financial strategies—such as revenue

mobilization, efficient public spending, and innovative financing mechanisms—are formulated and implemented to meet development goals. Despite these efforts, challenges such as the COVID-19 pandemic, global economic volatility, climate change, and social inequality have hindered the full achievement of macroeconomic targets. Nevertheless, certain indicators show progress, underscoring the importance of adaptive and sustainable fiscal policies. This research contributes to future studies by highlighting the need to examine resilience-based fiscal planning and explore integrated policy frameworks that can withstand multidimensional crises while promoting equitable development.

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