



JOURNAL OF CONTEMPORARY
GENDER AND CHILD STUDIES

Vol 1 No 1 Year 2022 Page 7-12

<https://zia-research.com/index.php/jcgscs>

Analysis of the Impact of the Increase in
Fuel Oil (BBM) on Household Economic Activities

Dinah Nadhifah¹, Ainun Mardiah², Nabila Suhaila Lubis³, Muliana Fitri Lingga⁴

^{1,2,3,4} State Islamic University of North Sumatra Medan, Indonesia

Email: dinahadhifah@gmail.com¹; ainunmardiah512@gmail.com²;

nabilasuhailalubis@gmail.com³; mulianafitri23@gmail.com⁴

ARTICLE INFO

Article history

Received 04 June 2022

Revised 22 July 2022

Accepted 29 August 2022

Keywords

Family Economy

Fuel Oil (BBM)

Society

ABSTRACT

Fuel oil (BBM) is one of the needs of the community in carrying out their activities. With the increase in fuel prices, the economic condition of the community becomes unstable. This paper aims to determine the condition of the people who are directly affected by the increase in fuel prices and the efforts made by the government to improve the welfare of its citizens in the current condition. The research was conducted with a qualitative approach which aims to understand and interpret the subject and provide an overview of the symptoms that appear. With data collection techniques using interviews are open-ended questions and documentation studies. Based on this research, it was found that there are clear impacts arising from the increase in fuel oil (BBM), starting from the lack of community income, public transport fares, purchasing power, and so on. And the government is trying to overcome this problem by providing assistance to the community in the form of direct cash assistance (BLT), wage subsidies, transportation assistance, and additional social protection for online motorcycle taxis, public transportation, and fishermen.

ABSTRAK

Bahan bakar minyak (BBM) merupakan salah satu kebutuhan masyarakat dalam menjalankan aktivitasnya. Kenaikan harga BBM ini mengakibatkan kondisi perekonomian masyarakat menjadi tidak stabil. Tulisan ini bertujuan untuk mengetahui kondisi masyarakat yang terdampak secara langsung oleh kenaikan BBM serta upaya yang dilakukan pemerintah dalam mensejahterakan warganya dalam kondisi saat ini. Penelitian dilakukan dengan pendekatan kualitatif yang bertujuan untuk memahami dan memaknai subjek serta memberikan gambaran gejala yang tampak. Adapun teknik pengumpulan data menggunakan wawancara bersifat open-ended question dan studi dokumentasi. Berdasarkan penelitian ini, ditemukan bahwa jelas adanya dampak yang timbul akibat kenaikan bahan bakar minyak (BBM), mulai dari kurangnya pendapatan masyarakat, naiknya tarif angkutan umum, menurunnya daya beli. Pemerintah berupaya menanggulangi permasalahan ini dengan memberikan bantuan kepada masyarakat berupa bantuan langsung tunai (BLT), subsidi upah, bantuan transportasi, serta perlindungan sosial tambahan untuk ojek daring, angkutan umum, dan nelayan.

PRELIMINARY

The increase in fuel prices in Indonesia is not a common problem anymore, it is an open secret about this. Starting from the era of President Soeharto until Jokowi, the fuel price increase has continued to this day, although with a different percentage increase in each leadership period. It is undeniable that the increase in fuel prices has had a pretty great impact on the community, such as a decrease in people's purchasing power due to rising prices for necessities. Muhardi (2005: 456) stated that the decline in buying and selling power was felt not only in urban communities but also for those in rural areas. Fuel is not only consumed directly by households, but is also used as an intermediate input by other sectors. Thus, the policy of increasing fuel prices by the government will have both sectoral and macro implications for the Indonesian economy (Oktaviani & Sahara, 2005: 36).

We cannot close our eyes that there is so much news about the increase in fuel prices and their impact. This certainly leads to the welfare of the community, especially in the lower middle economy. The feasibility and welfare of the community is something that the state government must think about and strive for. This is a form of state obligation and responsibility towards its citizens. The right of society is to get all of it. However, in reality there are many citizens who have not felt well-being in living their lives Mulyadi (2018: 3). According to Mulyadi (2018: 3), welfare is achieving a state of health, happiness and prosperity. In other words, welfare can be said as a form of expression / expression of one's life satisfaction and further this will be able to affect the level of quality of life of humans, society and the State.

The increase in fuel oil will be followed by an increase in the price of goods and services in the community. The biggest impact of this price shock will cause the prices of basic necessities and transportation fares to increase and cause people's welfare to decline and change (Tursi, 2017: 38-39). Not only that, the increase in fuel prices also has an impact on the social aspects of Indonesian society. If the prices of goods are increasingly expensive, it will burden the production costs of almost all sectors and businesses. As a result, companies or business actors will minimize operational costs, for example by stopping the recruitment and termination of employment (PHK) of their employees (Purnawati, 2022).

In fact, the increase in fuel prices has made the public's view of the state not good and the sense of trust has decreased, because the policies made by the government by increasing fuel seem to only care about a few parties. People are confused, depressed, and miserable about it. Does the state think that increasing fuel prices will improve the economy or vice versa. As Luhut Binsar Panjaitan said: *"This creates problems. While indeed in a certain period of time will cause pain. But after a few months it won't be the same."* This statement of course ignores the problems that arise. As if tomorrow will be better than today and not considering the suffering that will be endured by the people.

In fact, studies on the impact of rising fuel prices on household economic activities have been studied by a number of people. Among other things, discussing the study from the aspect of the impact of rising fuel prices on the world market, the challenges for the Indonesian economy (Hartono, 2011), the effect of changes in the price of fuel oil (BBM) on the inflation rate in Indonesia (Harunurrahyid, 2013), the impact of compensation for rising fuel prices on poverty in Indonesia (Akhmad, 2014), elasticity of fuel consumption in the transportation sector a comparative study of several economic sectors (Suryadi, 2015), the impact of rising fuel prices on people's purchasing power (Tusri, 2017), the impact of rising fuel prices on inflation and its implications for the macro economy in Indonesia (Wardani, *et.al.*, 2022), and analysis of the impact of public policy changes in fuel prices on the Indonesian people's economy (Hrp & Aslami, 2022).

Based on previous research conducted by Rozy and Nuri with the same theme, namely the impact of rising fuel prices on the community's economy. It is known that the increase in fuel prices at that time was caused by one of the conflicts between Russia and Ukraine. At that time the price of non subsidized fuel such as pertamax from the price of Rp. 9,000/liter rose to Rp. 12,500-13,000/liter. And if the previous research was caused by the Russian-Ukrainian infansi, then this time the increase in fuel prices is due to the increasing burden of subsidies and the inaccuracy of the target of providing fuel subsidies. Furthermore, the difference between the research conducted with previous research is in terms of data collection. In previous studies, researchers only used literature studies or research article documents, but in this study we as researchers and authors used the interview method. Thus, the data that we present are real data and the impact is really felt by the community and we pour it through the interview method. The difference is statistical data. If in previous research the researcher used data on world oil as of March 2022, the research I will be doing now is the latest research, which means that the data on world oil entered is the latest data as of September 2022.

METHOD

This study uses a qualitative approach. Creswell in Murdiyanto (2020: 19) defines a qualitative approach as a research and understanding process based on a methodology that investigates a social phenomenon and human problem. The use of qualitative research is based on the purpose of the research itself, which aims to understand and interpret the subject and provide an overview of the symptoms that appear. In other words, it describes in detail and depth about what, who, where, how, when, and the like regarding the subject under study. The data collection techniques used are open-ended questions and

documentation studies. Interview respondents used, namely 3 respondents with different professions, namely, traders, housewives and students.

FINDINGS AND DISCUSSION

The Cause of the Increase in Fuel

Before the decision regarding the fuel price was passed, many news and issues were circulated through mass media such as television, online news, and other newspapers. On September 3, 2022 the government approved the new price of fuel. The increase in fuel prices in September took the public by surprise, because the fuel prices rose so high. One of them is subsidized fuel such as Peralite from the price of 7,650/liter to 10,000/liter. The thing that confuses me is that the increase in the price of fuel oil (BBM) occurs when world oil prices fall.



Figure 1. The Development of Brent Oil Prices in the Last Three Months

Source: <https://databoks.katadata.co.id/>

Based on the data above, world crude oil prices have actually moved down significantly since early July. The average price of Indonesian crude oil/ICP set by the Ministry of Energy and Mineral Resources has also fallen from US\$117.62 per barrel in June 2022 to US\$106.73 per barrel in July. It is known that the increase in fuel prices in the midst of the decline in global oil prices occurred due to the large burden of subsidies and the inaccuracy of the target for the provision of fuel subsidies.

Sri Mulyani as the finance minister explained that this increase was determined based on the calculations he had done, even if the world crude oil price decreased, the amount would not be enough to reduce the collapse of the energy compensation and subsidies budget. Sri explained that the government's energy subsidy and compensation budget has now increased, from the initial Rp. 152.5 trillion, up to Rp. 502.4 trillion. Consisting of subsidies for fuel and LPG from Rp 77.5 trillion to Rp 149.4 trillion, electricity from Rp 56.5 trillion to Rp 59.6 trillion. The compensation for fuel from Rp. 18.5 trillion to Rp. 252.5 trillion and compensation for electricity increased from Rp. 0 to Rp. 41 trillion, bringing the total subsidy and compensation for BBM, LPG, electricity to Rp. 502.4 trillion (Rachman, 2022).

Based on Sri Mulyani's statement above, we can conclude that the increase in fuel prices when world crude oil prices fall is determined based on calculations. The collapse of the subsidy and energy compensation budget that occurred was a form of negligence from the government itself which was not selective in calculating and considering the issuance of subsidy and compensation funds that were not on target, resulting in the collapse of the state budget (APBN). In this case, the government can review related issues related to the state budget so as not to cause similar events in the future.

The Impact of Rising Fuel Prices on Society

After the increase in the price of fuel oil (BBM) since September 3, 2022, the economic condition of the community has become unstable. One of them affects people's income. Earnings are low, while expenses are increasing. As happened to Mr. Enri as a trader, the following is his interview:

"...During the increase in fuel, you feel a loss on your selling trip, because usually when you are selling, you usually take the train, so you usually spend 2 liters back and forth. 1 liter is already IDR 10,000, let alone 2 liters becomes IDR. 20,000 in his transportation costs. That's the difference between before and after this fuel price increase."

The direct phenomenon described above is not experienced by Mr. Enri alone, of course this is felt and experienced by many people, especially for the heads of families who work and travel daily using motorized vehicles which of course require fuel oil. This increase in fuel will certainly drain spending, if usually spending a little, you have to spend more than usual. If this continues the economic situation becomes unstable, that's why so many motorcyclists protest or disagree with this policy. Regarding this phenomenon, Mr. Enri also explained his hope that the price of this fuel should be neutral, because if it was raised everything would go awry, demonstrations were everywhere, goods went up, and affected sales and the family's economy.

Almost all circles of society protested this fuel price increase, because it caused a lot of injustice. This is especially true for those whose economy is lower middle class. This resulted in community dissatisfaction which was shown by conducting demonstrations. The impact of the increase in fuel prices has resulted in many protests being carried out by the public such as students, employees, especially those who work as service carriers, such as angkot and online motorcycle taxis. This is also due to a decrease in purchasing power and a decrease in income received by workers or the head of the family.

The same thing with the statement above, conveyed by Mrs. Anna as a housewife also said that she did not agree with the increase in fuel prices because it could affect basic needs and greatly affect the economic condition of her family. She, Anna's mother, said: *"If children go to school by angkot, the fare goes up, drinking water goes up, which is usually 5000 to 5,500, all necessities also go up. Yes, there are many effects while the income remains the same."*

People as citizens demand their rights to be fulfilled. The increase in fuel prices is one of the causes of the loss of their welfare rights. Because it is not prosperity that is obtained but misery. Not all people are able to bear this burden, especially those whose economy is middle to lower. She, Ms. Anna also added that she hoped that the fuel price would be as before, no need to increase it so that the economy would remain stable. Meanwhile, Mrs. Anna's hope is the same as Mr. Enri's earlier, namely that there will be no increase in fuel prices, if it is necessary to increase fuel prices, the government must be wiser in making alternative decisions that do not harm many people.

As explained above, the increase in fuel prices is felt directly by all groups, meaning that it is not only workers, heads of households, housewives who complain that the economy is unstable. However, this is also felt by students and students. They also complained about the increase in fuel prices which had an impact on the increase in public transport fares. Indirectly make their expenses to be a lot. This was emphasized by Aisyah as a student who stated that the increase in fuel prices also had an impact on public transport users.

Rising fuel prices make public transport fares also go up. This certainly affects the needs of every citizen, because the allocation of funds that should be used to buy essential needs, is actually used to pay for costs. Aisyah as a student said that: *"... yes, I personally think that the increase in fuel prices has affected my needs as a student. One of them is like I go to campus by angkot, so because of this increase in fuel, the cost of public transportation also goes up."* He also said he hoped that the government could review the policy regarding the increase in fuel prices. Because the needs of the community that must be met are not only fuel issues, but also many important things.

Based on the statements of the 3 respondents above, we can conclude that the community is really having a hard time with the current situation. This thus affects the attitudes and behavior of the people, such as holding demonstrations demanding an increase in fuel prices which makes people miserable and is seen as only in the interests of some parties.

Government Efforts to Overcome Fuel Increase

The increase in fuel prices is not the first time that has happened in Indonesia. The increase in fuel prices in addition to affecting income, also triggers a decline in purchasing power due to inflation. So the government made efforts to help people who were directly affected by the rising fuel prices. The government also certainly has provided plans to help its citizens. One of the efforts made is to distribute BLT (Direct Cash Assistance). However, the government's policy regarding BLT is considered ineffective. The community considers that BLT does not solve the problem because it is only a short-term assistance

scheme that may be more suitable for dealing with emergency conditions/situations, not for solving the problem of rising fuel prices which have a long-term impact (Manurung, 2018).

Not only that, the government also provides food assistance. Other efforts and methods taken by the government are by conducting surveys and extracting data regarding the latest conditions and various pressures faced by the community, especially poor families who have the most impact on fuel prices. This is done to ensure that the community gets what is already their right (Sudarso, 2018: 18-30).

The Medan City government itself will distribute a subsidy of Rp. 600,000 to 17 thousand public transport drivers consisting of angkot drivers, motorized tricycles, and online motorcycle taxis, to ease the burden of this fuel increase. However, this subsidy will not be given to all angkots, but must follow the technical implementation through the application. Iswar Lubis as the Head of the Medan City Transportation Service said that the assistance will be provided for the next 3 months or maybe until December 2022. In addition to public transportation drivers, Bobby Nasution as the Mayor of Medan makes a policy for people who use city transportation services to also get a subsidy of Rp. 1.500/person. So for example, the cost of public transportation is Rp. 6,500/person, then the community only needs to pay Rp. 5,000. While the remaining Rp. 1,500 will be paid by the Medan City Government on the condition that the angkot being ridden has a sticker attached as a sign that the vehicle is subsidized (Tim CNN, 2022).

The government has actually prepared 3 social assistances to maintain the purchasing power of the people affected by the fuel oil policy. A total of Rp. 24.17 trillion was allocated for 3 types of assistance, including direct cash assistance (BLT) of Rp. 12.4 trillion for underprivileged families. Wage subsidy Rp. 9.6 trillion for 16 million workers with a maximum salary of Rp. 3.5 million/month. Transportation assistance, as well as additional social protection for online motorcycle taxis, public transportation, and fishermen amounting to Rp. 2.17 trillion. BLT assistance of Rp. 600,000 will be distributed in two stages, namely in September and December and most of it will be distributed through PT. Indonesian post.

CONCLUSION

Based on the description above, it can be concluded that the increase in the price of fuel oil (BBM) since September 3, 2022, has resulted in unstable people's economic conditions. This affects people's income, public transport fares, purchasing power, and so on. The affected communities are also diverse, ranging from employees, drivers, housewives, to students. The government as the policy maker has certainly thought of alternative ways so that its citizens do not become difficult. Thus, the government has prepared three social assistances including direct cash assistance (BLT), wage subsidies, transportation assistance, as well as additional social protection for online motorcycle taxis, public transportation, and fishermen.

REFERENCES

- Akhmad, A. (2014). Dampak Kompensasi Kenaikan Harga BBM Terhadap Kemiskinan di Indonesia. *Jurnal Academia Fisip Untad*, 6 (2). <http://jurnal.untad.ac.id/jurnal/index.php/academica/article/view/4313>.
- Assingkily, M. S. (2021). *Pembelajaran PKn MI (Tinjauan Konsep dan Konteks Kurikulum Kampus Merdeka)*. Medan: CV. Pusdikra Mitra Jaya.
- Hrp, G.R., & Aslami, N. (2022). Analisis Dampak Kebijakan Perubahan Publik Harga BBM Terhadap Perekonomian Rakyat Indonesia.. *Jurnal Ilmu Komputer, Ekonomi, dan Manajemen*, 2(1). <https://ummaspul.e-journal.id/JKM/article/view/3601/1261>.
- Hartono, D. S. (2011). Dampak Kenaikan Harga BBM di Pasar Dunia Tantangan Bagi Perekonomian Indonesia. *Value Added: Majalah Ekonomi dan Bisnis*, 7(2).. <https://jurnal.unimus.ac.id/index.php/vadded/article/view/695>.
- Harunurrasyid, H. (2013). Pengaruh Perubahan Harga Bahan Bakar Minyak (BBM) Terhadap Tingkat Inflasi di Indonesia. *Jurnal Ekonomi dan Pembangunan*, 11(2).. <https://ejournal.unsri.ac.id/index.php/jep/article/view/4917>.
- Manurung, E. T. (2018). Diskriminasi Subsidi dan Alternatif Strategi Indonesia dalam Menghadapi Kenaikan Harga Bahan Bakar Minyak Dunia. *Prosiding Seminar Hasil Penelitian*.

- https://repository.unpar.ac.id/bitstream/handle/123456789/579/Prosiding_Elizabeth_Diskriminasi_Subsidi_dan_Alternatif-p_4.pdf?sequence=1&isAllowed=y.
- Muhardi, M. (2005). Kenaikan Harga Bahan Bakar Minyak (BBM) dan Implikasinya Terhadap Makro Ekonomi Indonesia. *Jurnal Sosial dan Pembangunan*, 21(4). <https://ejournal.unisba.ac.id/index.php/mimbar/article/view/189/pdf>.
- Mulyadi, M. (2018). Kesejahteraan, Kualitas Hidup dan Kaitannya dengan Lingkungan Hidup. *Prosiding Seminar Nasional Pelestarian Lingkungan*. <https://repository.unri.ac.id/handle/123456789/9538>.
- Murdiyanto, E. (2020). *Metode Penelitian Kualitatif (Teori dan Aplikasi disertai Contoh Proposal)*. Yogyakarta: Yogyakarta Press.
- Oktaviani, R., & Sahara, S. (2005). Dampak Kenaikan Harga BBM Terhadap Kinerja Ekonomi Makro, Keragaan Ekonomi Sektoral dan Rumah Tangga di Indonesia. *Jurnal Manajemen Agribisnis*, 1(3). <https://journal.ipb.ac.id/index.php/jmagr/article/view/3347>.
- Purnawati, T. (2022). *Dampak Kenaikan BBM Bagi Masyarakat, Harga-Harga Selangit?*. <https://www.cnbcindonesia.com/market/20220905113920-17-369292/dampak-kenaikan-bbm-bagi-masyarakat-harga-harga-selangit>. Diakses pada tanggal 22 September 2022 pukul 07.00 WIB.
- Rachman, A. (2022). *Sri Mulyani Beberkan Alasan Harga BBM Naik di Tengah Tren Penurunan Harga Minyak Dunia*. https://bisnis.tempo.co/read/1630033/sri-mulyani-beberkan-alasan-harga-bbm-naik-di-tengah-tren-penurunan-harga-minyak-dunia?page_num=2. Diakses pada tanggal 22 September pukul 08.00 WIB.
- Sudarso, S. (2018). Kebijakan Penanggulangan Kenaikan BBM Terhadap Masyarakat Nelayan di Kecamatan Pulau Laut Utara Kabupaten Kota Baru. *Jurnal INTEKNA Informasi Teknik dan Niaga*, 13(1), 18-30. <https://ejurnal.poliban.ac.id/index.php/intekna/article/view/134>.
- Suryadi, S. (2015). Dampak Kenaikan Harga BBM dan Elastisitas Konsumsi BBM Sektor Angkutan Umum. *Warta Penelitian Perhubungan*, 27(2). <https://ojs.balitbanghub.dephub.go.id/index.php/warlit/article/view/776>.
- Tim CNN. (2022). *17 Ribu Sopir Angkot dan Ojol di Medan Akan Dapat BLT Rp. 600 Ribu*. <https://www.cnnindonesia.com/ekonomi/20220919070942-92-849548/17-ribu-sopir-angkot-dan-ojol-di-medan-akan-dapat-blt-rp600-ribu>. Diakses pada tanggal 22 September 2022 pukul 01.00 WIB.
- Tursi, Y. (2017). Dampak Kenaikan Harga Bahan Bakar Minyak Terhadap Daya Beli Masyarakat Kelurahan Sukaraja Kecamatan Prabumulih Selatan. *Jurnal Manajemen & Akuntansi Prabumulih*, 1(1), 38-39. <http://jurnal.stieprabumulih.ac.id/index.php/stie/article/view/5>.
- Wardani, W., et.al. (2022). Dampak Kenaikan Harga BBM Terhadap Inflasi dan Implikasinya Terhadap Makro Ekonomi di Indonesia. *Jurnal Liaison Academia and Society*, 2(3). <https://j-las.lemkomindo.org/index.php/AFoSJ-LAS/article/view/338>.