

ISSUANCE OF SOCIAL BONDS AS A MEANS OF REALISING THE ASTA CITA PROGRAM

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Abstract: Asta Cita as the President's work programme has been outlined as a National Priority in the RPJMN 2025-2029. One of the strategic programmes formulated in the President's work programme is the 6th Asta Cita, namely in the field of economic equality, especially those related to the programme to accelerate the provision of housing for the people. However, in the current financial condition of the country, it is not possible for the financing of housing provision to be borne entirely by the state budget. For this reason, financing instruments through the capital market are needed, one of which is the issuance of socially oriented debt securities (social bonds). The main problem examined in this study is the relationship between the realization of the housing provision programme for the people and the social bond financing instrument. This research method is normative legal research and has an explorative character, using a statute approach that will examine the object of research in the form of norms regulated in applicable laws and regulations in Indonesia and several conventions or international treaties and agreements. In addition, this study also uses a conceptual approach, related to the doctrine of the theory relevant to the points of this study. The results of the study show that to realize economic equality, especially related to the programme to accelerate the provision of housing for the people, social bonds can be used as one of the capital market instruments as an alternative to housing financing for the people. Social bonds are one of thematic bonds in the capital market in addition to green bonds, sustainable bonds and sustainability-linked bonds, whose existence is regulated in POJK No. 18 of 2023, which are debt securities whose proceeds are used for financing or refinancing socially oriented business activities including to support government subsidized housing loans (KPR) for low-income people.

Keywords: Social Bond, Economic Equality, Public Housing, Asta Cita

I. INTRODUCTION

The declining socio-economic level in Indonesia is thought to be strongly influenced by geopolitical conditions. This geopolitical condition is one part of the rapid global changes in all fields or what is known as the global megatrend. This situation or better known as the current global paradigm is an increasingly difficult condition for Indonesia to fulfil the achievements of the Sustainable Development Goals (SDG'S). In response to this condition, the government developed President Prabowo Subianto's work programme, known as Asta Cita. (Nanda Aulia Rahmawati et al., 2024) The work programme has been stated as a National Priority in the 2025-2029 RPJMN. The Asta Cita programme is expected to be used as a solution or to address global megatrends and to fulfil the Sustainable Development Goals (SDG's).

One of the strategic programmes formulated in the President's work programme is the 6th Asta Cita in the field of economic equality, especially related to the programme to accelerate the provision of housing for the people. This is due to the lack of home ownership (backlog) in Indonesia which has reached 12.7 million. It is certainly not possible for the financing to be covered by the State Budget (APBN) only. For this reason, financing innovations are needed that can accommodate or facilitate public housing financing in order to realize economic equality in Indonesia.

On the other hand, there are financing instruments that are developing in the international capital market and are driven by a common awareness to realize the goals as formulated and agreed upon in the SDG's. (Endarto, 2024) This financing instrument is also developed in Indonesia through the Financial Services Authority as the authority in the capital market based on the Financial Services Authority Regulation No. 18 of 2023 concerning the Issuance and Requirements of Debt Securities and Sustainability-Based Sukuk ('POJK No. 18 of 2023').

POJK No. 18 of 2023 replaces the Financial Services Authority Regulation No. 60 of 2017 concerning the Issuance and Requirements of Environmentally Sound Debt Securities (Green Bond) (Hadi et al., 2022). The regulation of POJK No. 18 of 2023 aims to realize sustainable development and be able to maintain national economic stability that prioritizes harmony between sustainable economic, environmental and social aspects. One of the newly regulated capital market instruments is socially oriented debt securities (social bonds). From the description of the background above, the main problem that is relevant to study is the relationship between efforts to realize the housing provision programme for the people with social bond financing instruments.

II. RESEARCH METHOD

The method of this research is normative legal research and has an explorative character, which is a research to explore a new phenomenon that may not have been or rarely used as an object of research before. Social bond is a new study in the field of financial law and the Indonesian Capital Market. The approach used in this research is a statute approach that will examine the object of research in the form of norms regulated in the legislation that apply in Indonesia and several conventions or international treaties and agreements. (Marzuki, 2019) In addition, this study also uses a conceptual approach, related to the doctrine of the theory relevant to the subject of this study. (Irwansyah, 2020)

The legal materials used in this research are primary legal materials in the form of laws and regulations, international treaties that have been ratified by Indonesia. While secondary legal materials in the form of legal journals and textbooks related to the topic in this study. The collection of legal materials is obtained through literature study. All legal materials are selected, described and analysed to be associated with laws and regulations and formulated

systematically in accordance with the subject matter through the approaches used in this study.(Irwansyah & Yunus, 2021)

III. RESEARCH RESULTS

A. Asta Cita as an Effort to Fulfil the Sustainable Development Goals

Sustainable development has become a global plan with reference to the SDG's, a long-term world programme initiated by the United Nations in order to optimize all potential and resources owned by each country. In principle, the SDGs have an orientation to 'end extreme poverty, fight inequality and injustice, and protect our planet'. (Endarto et al., 2025) The Indonesian government, realizing that it is part of the international community, has also committed and participated in the success of the SDGs, which it normatively ratified through Presidential Regulation No. 59/2017. (Endarto et al., 2022) As a result, Indonesia is also legally bound by these global commitments.

However, the current global paradigm makes it increasingly difficult for Indonesia to fulfil the SDG's achievements. To strengthen the commitment to meet the SDG's, the government developed a Presidential work programme known as Asta Cita and has been outlined as a National Priority in the 2025-2029 RPJMN. The Asta Cita programme is expected to be used as a solution to face the global transformation paradigm or respond to global megatrends as well as to meet the achievement of SDG's. One of the strategic programmes formulated in the President's work programme is the 6th Asta Cita, namely building from villages and from below for economic equality and poverty eradication. Thus, the 6th Asta Cita is in line with the orientation of the SDG's, namely ending extreme poverty, tackling inequality and injustice. In the more specific aspect of economic equity, one programme is also elaborated, namely accelerating the provision of housing for Indonesians who do not yet have a place to live.

If we look at the concept of SDG's, where the concept of sustainable development or the 2030 Agenda emphasises 5 principle elements, which are:

1. *People. We are determined to end poverty and hunger, in all their forms and dimensions, and to ensure that all human beings can fulfil their potential in dignity and equality and in a healthy environment;*
2. *Planet. We are determined to protect the planet from degradation, including through sustainable consumption and production, sustainable managing its natural resources and taking urgent action on climate change, so that it can support the needs of the present and future generations;*
3. *Prosperity. We are determined to ensure that all human beings can enjoy prosperous and fulfilling lives and that economic, social and technological progress occurs in harmony with nature;*
4. *Peace. We are determined to foster peaceful, just and inclusive societies which are free from fear and violence, there can be no sustainable development without peace and no peace without sustainable development;*
5. *Partnership. We are determined to mobilize the means required to implement this Agenda through a revitalized Global Partnership for Sustainable Development, based on a spirit of strengthened global solidarity, focused in particular on the needs of the poorest and most vulnerable and with the participation of all countries, all stakeholders and all people.*(Berkelanjutan et al., 2022)

By referring to the 5 elements in sustainable development, which are people, planet, prosperity, peace and planet, basically, SDG's is a development concept that maintains the improvement of people's economic welfare on an ongoing basis. In addition, it is a development concept that maintains the quality of the environment and development that

ensures justice and the implementation of governance that is able to maintain the improvement of the quality of life from one generation to the next. (Berkelanjutan et al., 2022) From the concepts and understanding related to sustainable development, it can be said that basically the economic equality and poverty eradication programmes as proclaimed in the Asta Cita are in line with the spirit outlined by the SDGs. This can be seen from one of the programmes in it, which is accelerating the provision of housing for Indonesians who do not yet have a place to live, which is the implementation of SDG's at least in the context of improving the economic welfare of the community on an ongoing basis.

B. Characteristics of Social Bond as a Sustainable Financing Instrument

When looking at the development of social bond instruments globally, its development began to be perceived during the Covid-19 pandemic. At that time, alternative funding innovations were needed to cope with the outbreak and efforts to address the impact of the pandemic, which was the drastic decline in economic and social growth. This can be seen from several studies that show that the issuance of social bonds is needed to meet the funding needs of the impact of the decline in economic and social conditions that occurred as well as the consequences of the crisis caused by the COVID-19 pandemic itself. (Peeters et al., 2020)

Although on the other hand, it cannot be denied that the issuance of social bonds is also oriented towards fulfilling the achievements of the SDGs. Where the SDGs themselves have 17 goals and 169 underlaying targets with the strategic plan being 'to end extreme poverty, fight inequality and injustice, and protect our planet'. (UN Global Compact, 2019) The idealistic goals formulated and set out in the SDG's serve as global development guidelines to end extreme poverty, eradicate inequality and injustice and maintain the sustainability of the earth. The Indonesian government has also committed and participated in efforts to succeed or achieve the SDGs, with the enactment of Presidential Regulation Number 59 of 2017 concerning the Implementation of Achieving the Sustainable Development Goals. (Irhamisyah, 2019).

Through commitments based on the ratification, it can be seen that the movement of Indonesia's achievements is showing a positive trend. Based on the SDG Index Scores, Indonesia's position has shown an increase in the fulfilment of the Sustainable Development Goals at least in 2022 it has been ranked 97 out of 165 countries. But the reality that occurs directing the SDG's concept also affects the financial industry which is required to develop the concept of a sustainable financial system. (Indriastuti et al., 2025) One of the things formulated in the sustainable financial system is the roadmap for finance, where OJK as the financial services authority in Indonesia, must formulate a work programme known as the sustainable finance framework. (Hayati et al., 2020) The Sustainable Finance Roadmap includes four main principles, namely risk management principles, sustainable priority economic sector development principles, environmental and social governance and reporting principle dan capacity enhancement and collaborative partnership principle. (Amatul Haq et al., 2019)

The four main principles are largely oriented towards sustainable development, and for this reason, a follow-up is needed in the form of arrangements related to sustainable financial system instruments that are more specific and known as thematic bonds. The definition of thematic bonds itself with reference to the opinion of Banu Turhan Kayaalp is *are fixed-income securities issued in capital to raise financing for projects and activities related to a specific theme, such as climate change, education, housing, ocean and marine conservation, and the Sustainable Development Goals, such sustainable finance instrument include green, social, sustainability, and sustainability-linked bond.* (Casanova & Miroux, 2021)

From this understanding, it can be seen that social bonds are one part of thematic bonds, which according to Sidorenko are *social bonds, raise funds for projects with expected positive social outcomes, helping issuers address social inequalities. Social project categories include affordable basic infrastructure (clean drinking water, energy, sanitation); access to health, education, and financial service; affordable housing; employment generation, and food security.* (Sidorenko, 2021) Thus, the concept of social bond in general is in fact one of the sustainable financing instruments. In addition, when referring to the definition of social bond itself, one of them aims to finance the fulfilment of affordable housing in line with the 6th Asta Cita, namely economic equality, especially those related to the programme to accelerate the provision of housing for the people.

C. Implementation of Social Bond as a Financing Instrument for the Asta Cita Programme

Since social bonds developed as an instrument in the global capital market, several companies in several countries have issued such as Thailand's Thaisofts Group, with assistance from the Asian Development Bank (ADB) and the Credit Guarantee and Investment Facility (CGIF), launched the first social bond issued by a nonfinancial corporate issuer under the Association of Southeast Asian Nation (ASEAN) social bond standards. (Lenzi, 2021) Thaisofts Group will use the proceeds from the bond to lend money to subsidiaries, for the purpose of financing and refinancing project and assets associated with job creation and economic advancement in local communities. (Asian Development Bank, 2021) This transaction will serve as a good case study how private companies can help promote social sustainability.

Similarly in Indonesia, following the issuance of POJK No. 18 of 2023 PT Sarana Multigriya Finansial (PT.SMF) supported by The Asean Development Bank (ADB) issued a social bond instrument worth 8 trillion which will be used to support government subsidised Housing Ownership Loans (KPR) for low-income people. This stems from the shortage of home ownership (backlog) in Indonesia, which has reached 12.7 million. (Zefanya, 2023) In the issuance, PT SMF has successfully raised IDR 500 billion through social bonds and IDR 200 billion through social sukuk. This innovative transaction demonstrates ADB's commitment to promoting inclusive social development in Indonesia, while supporting the development of sustainable capital markets. ((ADB), 2024) From the companies that have issued social bonds, it is increasingly confirmed that the orientation of the Indonesian capital market in the future is moving towards sustainable finance with the development of capital market instruments that have a sustainable character as stated in the document Strengthening Ecosystem for Sustainable Finance in ASEAN+3. (Number et al., 2023)

There is something quite interesting where the issuance of social bonds by PT. SMF, a company engaged in secondary financing, with support from The Asean Development Bank (ADB) shows the international world's trust in the development of social bonds in Indonesia. This is very reasonable because when viewed from the general explanation of POJK 18/2023, the issuance of social bonds in Indonesia refers to the standards for issuing debt securities based on sustainability issued by The International Capital Market (ICMA), namely the voluntary guidelines for Issuing Social Bonds. (Sidorenko, 2021)

However, what also needs attention is that the issuance of social bonds by PT SMF which is used to support government subsidised Housing Ownership Loans (KPR) for low-income people is in line with the President's work program, namely the 6th Asta Cita, which is realising economic equality, especially related to the housing provision program for the people.

This is in line with the spirit of social bond issuance which is not only profit-oriented, but for projects with expected positive social outcomes, helping issuers address social inequalities in line with the concept of social economic welfare, which is a fundamental principle as specified in the constitution of the Unitary State of the Republic of Indonesia. (Indriastuty & Fithri, 2024) In addition, the financing of housing provision programmes for the people in the future does not only depend on the state budget but can be pursued through financing innovations such as social bonds.

IV. CONCLUSION

From the discussion as outlined in the previous section, several conclusions can be drawn that basically the economic equity and poverty eradication programmes as proclaimed in the Asta Cita are in line with the spirit outlined by the SDGs. This can be seen from one of the programmes in it, namely accelerating the provision of housing for people who do not yet have a place to live, which is an implementation of the SDG's at least in the context of improving the economic welfare of the community on an ongoing basis.

The second shows that social bonds are generally one of the sustainable financing instruments. This refers to the orientation of social bonds aimed at financing the fulfilment of affordable housing in line with the 6th Asta Cita, namely economic equality, especially those related to the programme to accelerate the provision of housing for the people.

And finally, the issuance of social bonds that are used to support subsidised Housing Ownership Loans (KPR) for low-income people in line with the Asta Cita program, and thus the financing of housing provision programs for the people does not only depend on the APBN alone but can be pursued through financing innovations such as social bonds.

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