

Analysis of the Role of Electric Vehicle Technology Innovation in Supporting Sustainable Development and Reducing Air Pollution in Cities

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Abstract—Electric vehicles are considered as one of the technological innovations capable of supporting sustainable development while reducing air pollution in Indonesian metropolitan cities. This research aims to explore the role of electric vehicles in addressing environmental and economic challenges, using a qualitative method based on document analysis. Primary data was collected from official government reports, academic studies, public policies, and international publications related to electric vehicle implementation. The results show that electric vehicles have great potential in reducing carbon emissions and improving urban air quality. However, successful implementation depends on infrastructure readiness, incentive policies, and consistent education campaigns. This research underscores the importance of collaborative strategies between government, industry and society in accelerating the adoption of electric vehicles as part of the solution for sustainable development.

Keywords— *electric vehicles; technological innovations; sustainable development.*

I. INTRODUCTION

Metropolitan cities in Indonesia face major challenges related to air quality and environmental sustainability. One of the problems is that air pollution, which mostly comes from fossil-fueled motor vehicle emissions, has become a serious

problem that affects people's health and quality of life. This is also triggered by the increasing use of motorized vehicles in Indonesia. Given that the transportation sector contributes 44% of pollution in Indonesia, transportation is closely related to the achievement of SDGs in Indonesia, especially efforts to reduce CO₂ emissions [1]. Based on data obtained by the Indonesian Central Bureau of Statistics, it shows an increase in motorized vehicles in 2021 - 2022. according to a report published in the World Health Organization. (2018) air pollution is one of the main causes of various respiratory diseases in urban areas [2]. This shows the importance of adopting more environmentally friendly transportation solutions.

TABLE I. PRESENTS THE DEVELOPMENT OF THE NUMBER OF MOTORIZED VEHICLES IN 2021-2022 IN INDONESIA

Type of Motor Vehicle	Development of the Number of Motorized Vehicles by Type (Unit)	
	2021	2022
Passenger Car	16.413.348	17.168.862
Bus Car	237.566	243.450
Goods Car	5.299.361	5.544.173
Motorcycle	120.042.298	125.305.332
Amount	141.992.573	148.261.817

Source : Badan Pusat Statistik Indonesia

Based on these data, the increase in motorized vehicles observed is closely related to the growth in population in Indonesia, especially in urban areas, as well as increased economic activity and employment levels in the community [3]. On the other hand, Indonesia is one of the countries most

affected by climate change, which is largely caused by the use of motorized vehicles that use fossil fuels with a dense population and rapid economic growth as well as increasing vehicle use activities, especially in cities such as Jakarta, Surabaya and Bandung, which will result in sustainable levels of air pollution. fossil fuel vehicles contribute to greenhouse gas emissions and hazardous air pollutants such as PM_{2.5} and NO_x [4]. So air pollution is a serious problem that must be considered in sustainable development.

Electric vehicles are one solution that has the potential to reduce air pollution and support sustainable urban development. The development of electric cars and motors can lead to a reduction in the release of pollutants such as CO, NO_x, HC, SO₂, and PM. Electric vehicles offer advantages in addressing air pollution and greenhouse gas (GHG) emissions compared to internal combustion engine (ICE) vehicles that use fossil fuels. This is because electric vehicles produce very low air pollution even close to zero compared to internal combustion engine vehicles [5]. In Indonesia, efforts to encourage the growth of electric vehicles are contained in presidential regulation number 55 of 2019 concerning the Acceleration of the Battery-Based Electric Motor Vehicle Program. However, the development of electric vehicle technology in Indonesia still has to face challenges such as limited charging infrastructure, high production capital for electric vehicles, and more expensive electric vehicle prices [6]. In addition, the lack of public awareness of the benefits of using electric vehicles is a challenge in itself.

This research brings novelty by focusing on the role of Electric Vehicle Technology Innovation in Supporting Sustainable Development and Reducing Air Pollution in Indonesia, especially in metropolitan cities. The main impact of this study lies in the strategic recommendations that can be implemented by policy makers and related industries. This study contributes to the growing literature on electric vehicles by providing an in-depth analysis of the relationship between electric vehicles, air pollution reduction, and sustainable development.

This research contributes to the growing literature on electric vehicles by providing an in-depth analysis of the relationship between electric vehicles, air pollution reduction and sustainable development. As well as the importance of collaborative strategies between government, industry and society in accelerating the adoption of electric vehicles as part of the solution for sustainable development

The theory used in this study is the Theory of Sustainable Development (SDG) by emphasizing environmental and economic aspects. This research is relevant to previous research conducted by ferlia in 2023 [8] stating that 60-70% of air pollution is caused by exhaust emissions from motorized vehicles, one of the solutions to reduce these carbon emissions by adopting electric vehicles, this statement shows that the use of electric vehicles can significantly reduce carbon emissions. However, research on the interaction between incentive policies, infrastructure readiness, and public education in Indonesia is still limited.

Therefore, this study aims to explore the potential of electric vehicles in reducing air pollution in Indonesian metropolitan cities, analyze the main challenges faced in the adoption of electric vehicles, and provide recommendations for strategies to support the adoption of electric vehicles as part of sustainable development.

II. METHOD

This research used a qualitative-based literature review or desk study method as the research design. This approach was chosen to explore the role of electric vehicle technology innovation in addressing environmental and economic challenges, as well as supporting sustainable development and reducing air pollution. Primary data was collected from official government documents, academic studies, public policy reports, and international publications obtained through databases [9]. Therefore, this study aims to explore the potential of electric vehicles in reducing air pollution in Indonesian metropolitan cities, analyze the main challenges faced in the implementation of electric vehicles, and provide recommendations for strategies to support the adoption of electric vehicles as part of sustainable development.

The sampling process was purposive, selecting relevant documents, journal articles and reports based on search keywords, such as “electric vehicles”, “technological innovation”, “sustainable development” and “air pollution”. Data source selection considered credibility and relevance, including official government reports as well as articles from trusted online media [10].

The operationalization of variables in this study is done by identifying key concepts such as technological innovation of electric vehicles as independent variables, and their contribution to sustainable development and air pollution reduction as dependent variables. The analysis includes the linkages between infrastructure, incentive policies, and community participation in supporting the adoption of electric vehicles. This operationalization is done by identifying the relationship between the analyzed variables in depth [9].

The data were analyzed using a qualitative approach based on document analysis. This process involved deductive and inductive thinking to understand the dynamic relationship between technological innovations in electric vehicles and their impact on the urban environment. Document analysis was conducted systematically, using scientific logic to draw in-depth and comprehensive conclusions regarding the contribution of electric vehicles to sustainable development and air pollution [11].

III. RESULTS AND DISCUSSION

Electric vehicle technology is one of the innovations in metropolitan cities in Indonesia in facing environmental challenges and a sustainable economy. Electric vehicle innovation plays a very important role in providing environmentally friendly transportation solutions, with minimal maintenance and maintenance costs. One of the ongoing initiatives is the shift of fuel and vehicle types to electric vehicles [12]. In Indonesia, efforts to accelerate the electric

vehicle program are contained in Presidential Regulation Number 55 of 2019. This is in line with the International Energy Agency (IEA) statement that electric vehicles are a good choice for more environmentally friendly transportation because they produce low emissions and reduce dependence on fossil fuels. Electric vehicles use batteries as their main power source so they are environmentally friendly. In addition, the use of batteries can encourage the use of renewable energy sources and reduce the spread of carbon dioxide. So, electric vehicles can help develop environmentally friendly infrastructure in Indonesia.

As many as 90% of roads in Indonesia are used for transportation, causing an increase in carbon dioxide levels. The increase in carbon dioxide is largely due to the increased use of fossil fuel vehicles in Indonesia [12]. Indonesia can take an example from other countries such as Norway which has integrated electric vehicle policies into its transportation policies and switched from conventional vehicles to electric vehicles [13]. Thus, electric vehicles are considered to help develop environmentally friendly infrastructure and reduce greenhouse gases, especially in Indonesia's metropolitan cities.

The use of electric vehicles can help address air pollution problems in urban areas. The development of electric cars and electric bicycles has great potential to reduce emissions of pollutants such as CO, NOx, HC, SO2, and PM. Of the total CO2 emissions, the three main sectors contributing the most emissions are electricity (42%), transportation (23%), and housing (6%). Electric vehicles have superior benefits in sustainable development efforts and reducing air pollution compared to internal combustion engine (ICE)-based vehicles in reducing greenhouse gas emissions and air pollution. Electric vehicles reduce greenhouse gas impacts by reducing air pollution through vehicle exhaust gases [12]. When compared to combustion engine-based vehicles, electric vehicles produce much lower levels of air pollution, even close to zero. The advantages of electric vehicles include high efficiency, minimal environmental impact, low noise levels, energy sources derived from various alternative sources, easy maintenance, and dependence on renewable energy [14]. Therefore, electric vehicles play a role in driving the progress of the sustainable transportation industry as well as supporting sustainable development and reducing air pollution in metropolitan cities.

In metropolitan cities such as Jakarta and Surabaya, which are high in motorized vehicle use activities and dense population settlements and even result in congestion, it is inseparable from the problem of air pollution, which is mostly produced by fossil fuel motor vehicle fumes. The transition to the use of electric vehicles in metropolitan cities is one of the most appropriate technological innovation solutions. The adoption of electric vehicles reduces emissions of pollutants such as CO, NOx, HC, SO2, and PM so as to create clean air quality and reduce the risk of respiratory diseases that are often experienced by urban residents.

The challenges of electric vehicle (EV) deployment include various aspects that require serious attention. On the production side, many manufacturers are reluctant to take the risk of developing EVs due to profit uncertainty, and the need for large-scale capital is a major constraint. High initial production

costs and challenges in achieving scale efficiency also make it difficult. In addition, the high price of electric vehicles compared to traditional cars makes consumers tend to delay the purchase of electric vehicles. Therefore, proper incentives are needed to create a balance between producers and consumers [7].

Limitations in battery technology are also a major challenge in the adoption of electric vehicles. Electric vehicles have a shorter range compared to fossil fuel vehicles, limiting their use especially for long-distance travel. This problem is further compounded by the lack of charging infrastructure in various regions, making it difficult for users to charge the battery quickly. Although battery capacity has increased, significant technological advances are still needed to support the transition to electric mobility, so as not to hinder the easy and widespread use of electric vehicles [15].

In addition, imports of electric vehicles in Indonesia are subject to high taxes, such as Goods Import Tax (PIB), Luxury Goods Tax (PPnBM), Income Tax (PPn), Value Added Tax (VAT), and Vehicle Registration Fee (BBNKB). These taxes make the price of electric vehicles in Indonesia much higher than other countries such as China, where electric vehicles can be purchased starting from IDR 60 million, thus electric vehicles in China are available at a much cheaper price [16]. This situation will not only hamper consumer interest, but also slow down the growth of the domestic electric vehicle market.

In this regard, the legal uncertainty surrounding the change of government in 2024 is also a challenge as it could disrupt the sustainability of the ecosystem policy for battery-based electric vehicles (KBLBB), which was first introduced by President Jokowi's administration. To overcome these challenges, active collaboration between the government, the automotive sector, and the private sector is required to actively work together to increase the availability of charging stations, lower production costs, and ensure sustainable policies that facilitate the shift to a green economy that supports sustainable development and reduces air pollution [5].

Electric vehicles have great potential in reducing carbon emissions and improving urban air quality as a solution to support sustainable development. The strategy to accelerate the shift to electric vehicles in Indonesia has been the focus of the government, especially after the issuance of Presidential Regulation No. 55/2019. However, the successful implementation of electric vehicles is highly dependent on infrastructure readiness, incentive policies, and consistent education campaigns. The Indonesian government has established various policies to encourage the transition to electric vehicles. One of them is the provision of monetary incentives to both consumers and producers.

The incentives provided to consumers and manufacturers of electric vehicles include various schemes that reduce the financial burden. Consumers get benefits such as 0% PPnBM tax based on Government Regulation No. 74/2021, 0% BBN-KB tax in DKI Jakarta according to Governor Regulation No. 3/2020, as well as down payment exemption and low interest rates according

to BI Regulation No. 22/2020. On the other hand, manufacturers receive incentives in the form of tax holidays as stipulated in Law No. 25/2007, Minister of Finance Regulation No. 130/2020 and Investment Coordinating Board Regulation No. 7/2020. There are also tax allowance incentives as stipulated in PP 9/2016 and Ministry of Industry Regulation No.1/2018. These incentives also include import duty exemptions for the import of electric vehicle components as per PMK No. 188/2015 [17]. This policy aims to increase the competitiveness of electric vehicles compared to fossil fuel vehicles, so as to accelerate the market penetration of electric vehicles in Indonesia as well as to encourage industrialization and attract investment in the electric vehicle sector.

Technology and infrastructure development are other important aspects in driving the adoption of electric vehicles. The government and the private sector continue to expand the construction of charging stations in strategic locations, including in big cities such as Jakarta and Surabaya, shopping centers, and major toll roads. The development of more efficient charging technology and larger battery capacity is a priority to increase the accessibility and attractiveness of electric vehicles [17]. People will be more interested in purchasing electric vehicles if there is adequate infrastructure. To overcome the limited number of electric vehicle charging stations, the Coordinating Minister for Maritime Affairs and Investment has given a gradual development assignment to PLN in accordance with Perpres 55/2019. This will make it easier for people to get access to charging stations. All type A terminals and railway stations are required to set up charging stations, or SPKLU (Public Electric Vehicle Charging Stations), as directed by the Ministry of Transportation through the Director General of Land Transportation. Budi Setiyadi, director general of land transportation, supports the plan to purchase battery-less motor vehicles using the battery swap concept. A number of companies, such as PT Oyika Power Solution and PT Swap Energi Indonesia, are already active in this sector. Later, he continued, consumers can exchange empty batteries with fully charged batteries by visiting the nearest micro outlets that offer battery exchange services [16].

Collaboration with various parties is one of the keys to the success of this strategy. The government is actively working with the private sector, local governments, and international partners to create a sustainable electric vehicle ecosystem. The country has abundant natural resources reserves, such as nickel in Sulawesi and copper in Papua, which are important for the production of electric vehicle batteries. However, critical components such as lithium still have to be imported through international partnerships. In this context, collaboration with lithium-producing countries such as Australia is necessary to strengthen the domestic battery sector.

In addition, the government should also work with local governments to consolidate dispersed resources to support production efficiency. This collaboration is important to strengthen the supply chain and domestic production [5]. In

this case, local government support through policy has also had a significant impact. In Jakarta, for example, electric vehicles are exempted from odd-even rules according to Pergub No. 88/2019. This policy not only provides practical incentives for electric vehicle users but also reduces air pollution due to the congestion of fossil fuel vehicles. With this combination of strategies, the Indonesian government hopes to achieve its electric vehicle production target of 600,000 electric cars and 2.45 million electric motorcycles by 2030 [17]. This strategy, if implemented consistently, has the potential to improve air quality, reduce greenhouse gas emissions, and potentially strengthen Indonesia's position as a major player in the global electric vehicle ecosystem.

Consistent educational campaigns also play an important role in encouraging changes in people's minds. The designation of electric vehicles as official cars, their integration into the public transportation system, and intensive socialization in various regions show the government's commitment to accelerating this transition. Pilot projects such as the electric vehicle tour from Jakarta to Jambi, a distance of about 826 kilometers, also demonstrate the benefits of using electric vehicles while educating the public about infrastructure readiness in various regions. According to Transportation Minister Budi Karya, this effort is a continuous recognition from the Ministry of Transportation of the urgency of the existence of electric vehicles in society. In order to accelerate electric vehicles, the participants of the electric car trip stopped at several SPKLU or public electric charging stations (SPLU). At each stop, socialization activities are carried out with various local governments and related stakeholders [16]. On the other hand, regulations related to battery waste handling have also begun to be considered to maintain environmental sustainability in the long term. The research and development program involving the Ministry of Industry is also an important step in ensuring that electric vehicles not only develop in terms of quantity, but also the quality of the technology [17]. Collaboration between government, industry and society is a key element in accelerating the adoption of electric vehicles to support sustainable development in Indonesia [5].

IV. CONCLUSIONS

The results of this study show that electric vehicles have great potential in reducing carbon emissions and can improve urban air quality. However, successful implementation in Indonesia depends on infrastructure readiness, incentive policies, and consistent educational campaigns. To realize the development of the adoption of vehicle technology innovation, strategies that can be carried out include implementing tax incentive policies, developing technology and infrastructure, collaborating with various parties such as the private sector, local governments and international partners to create a sustainable electric vehicle ecosystem and actively conducting educational campaigns to provide an understanding of the benefits of using electric vehicles to create sustainable development and reduce air pollution in Indonesia, especially metropolitan cities.

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