CHAPTER 10

Conclusion and Recommendation

Since SCBA is still evolving and in the implementation is still adjusted with the area condition, SCBA is a suitable instrument to see the sustainability of a project. It means the project should bring benefit not only in term of Return on Investment (ROI) but also how a project affecting the surrounding area in positive effect. By SCBA, it can be known in what aspect mitigation should be taken to prevent unexpected future impact. During this research, the application of SCBA in assessing a project can be viewed by the process to measure the project's feasibility. A future vision to applying SCBA in Indonesia and some requirements for a successful application is obtained from applicability results.

SCBA in the Netherlands is still developed from its guideline, the values, and its grip in the level of decision making, in Indonesia, it is a new instrument. Many obstacles rise to answer the main research questions during this research. Here some recommendations are also given in order to get better in implementing this instrument for every project and decision case in Indonesia.

In this chapter, the final conclusion and recommendation will be presented in order to answer the main research questions:

a) How is the feasibility of Banger Project Polder using Socio-Economic Cost and Benefit Analysis?

From the calculation in chapter 6 (section overview table of cost and benefit) it can be summarized that by SCBA it can be measured what could be happened in the future after the project is executed. It is only 2 terms; the project will bring benefit to the inhabitants in the area or vice versa, people will get the negative impact of it. SCBA result can be used to find out recommendation on how to handle future condition. So, unexpected effect of a project can be minimized.

Per month, each inhabitant gets benefit as saving cost about IDR 760.000 or IDR 9 million per year or around EUR 760 per year. It is a huge benefit for those who have low income, below minimum wage. So, people can allocate the benefit to increase their wealth/prosperity, for instance it can add their needs of food or better assets. A project that brings much benefit to the surrounding area can be categorized as sound investment project. It is good for kind of project which the government will invests many budgets for the execution or the government as the primary investor. It indicate whether the project is feasible or not to be supported financially.

From the calculation table above, in the final result it can be viewed that the project brings benefit to the inhabitants. It means the result is positive; NPV is based on the final result. So, it can be concluded that NPV>0 and it means the Banger Polder Project is feasible. It brings many benefits to the inhabitants than its costs.

As a recommendation, in the process of describing the welfare impact and expressing in money, the researcher should aware with what approach and assumption they use. It can be accepted if the assumption used closer with the real value in the inhabitants. For instance, using the level of income or different type of house to classify the stage of inhabitants are closer than only used an assumption of similar income and type of house. Also for the survey, if a research needs to do, validity of the data is determined by how many respondents they get compared with total people in the area. As long as the respondents are willing to tell detail information to the surveyor, the data is more valid. Appropriate strategy should be properly constructed if a survey is planned, for example bring one inhabitant to accompany during the survey. The questionnaire also more effective when tests it to several
respondents first, then see what question is not sufficient, before spread it into larger number of respondents.

b) Does the value show significant change in the result due to the use of those values? How much its sensitivity if the value is changed?

Sensitivity is measured whether the ranking between the autonomous development and the alternative changes. It means, the result is sensitive due to a changed value if then the rank changes. Autonomous development become better than the alternative or conversely, after the value is changed.

Based on chapter 7.4 about the result sensitivity, the result still shows that the Banger Polder Project brings benefit to the inhabitants. By the changes of discount rate, the inhabitants get benefit of the project for millions rupiahs per household every year. The sensitivity refers to the impact which frequently affecting the inhabitants, for instance the medical expenses, also shows that the project brings many benefits to the inhabitants. It means, the result is not sensitive because the final result is positive.

c) Will SCBA be applicable to use as an analysis tool in Indonesia?

The study and conclusion conducted in this research lead the recommendation that social-economical cost benefit analysis can be applied in Indonesia. However, to be better applied, the outcome of this cost benefit analysis should be regulated and legalized during policy making steps.

The recommendations based on these arguments:
1. The benefit of applying SCBA is high, as its function, to know the feasibility of project with valuating welfare and physical impacts. In example, by showing the value of nature, make it reasonable to save it from misleading construction/agenda.
2. Legalization will make the analysis binding to the stakeholder and as a neutral decision tool. As explained before, many decision maker were got influenced from politician/parties.

After legalization of SCBA several points should be considered by Indonesia governments, which are:
1. Policy about accessibility of data for researcher to do SCBA analysis.
2. An agency, which the member is professional with economic background, who will evaluate the result of SCBA.

Other stakeholder (university, researcher, private companies) who willing to have this analysis applies in Indonesia, can do this following step:
1. Making article about SCBA in press media, such as news paper and magazine, or science journal.
2. Giving lecture or presentation about SCBA to government, explained about how the method is and what the benefit is.

Future possibilities:

There are many possibilities to implement SCBA within any assessment of a project in Indonesia. Other instrument has been used for instances AMDAL - which similar with EIA – but it has different view in the process of assessment. The purpose of SCBA is suitable for Indonesia government since they prefer to see every advantages/disadvantages of a decision in term of money. It is more visible than the final result is only some paragraph tell about the effect if a project is executed. Indonesia also has many educated human resource to do this kind of analysis. But, the recommendation above should be conducted to get easier implementing Socio-economic Cost Benefit Analysis for every decision making in Indonesia.