

Benefit-Cost Analysis in Indonesian Legislation: Promise, Practice, and Barriers

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Abstract

The use of benefit-cost analysis (BCA) has been widely promoted by Indonesian policymakers and is mandated by law. This study aims to assess the use of BCA in the Indonesian legislative process. Drawing on a review of over 70 academic papers between 2019-2025, and interviews with key stakeholders, the research finds that despite both verbal and written commitments, evidence and BCA are rarely integrated into the policymaking process. The findings highlight the gap between policy intentions and actual practice, revealing challenges such as a lack of institutional capacity, limited access to relevant data, and political considerations that undermine the use of evidence-based tools. This study makes a significant contribution by providing an empirical assessment of the effectiveness of guidance for utilizing a benefit-cost analysis in the Indonesian policymaking and legislation process. It offers insights into the barriers hindering the full implementation of BCA and evidence in the legislative process, providing valuable recommendations for policymakers, scholars, and practitioners aiming to strengthen evidence-based decision-making in emerging economies.

Keywords: Benefit-Cost Analysis, Legislation, Academic Draft, Indonesia.

I. INTRODUCTION

A. Background

Benefit-Cost Analysis (BCA) is a method to decide if a policy or project is worthwhile by comparing its monetary benefits with its monetary costs.¹ Robinson and others explain that BCA measures how policies affect overall welfare by looking at what people are willing to pay for certain outcomes.² Zerbe explains that doing a BCA involves several steps: setting the scope, turning benefits and costs into monetary values, applying discount rates, calculating Net Present Value (NPV) or Benefit-Cost Ratio (BCR), and testing for uncertainty through sensitivity analysis.³ Jiang (2021)

¹ A. R. Zerbe, *A Primer for Understanding Benefit-Cost Analysis* (Philadelphia: University of Pennsylvania, 2015), 1.

² L. A. Robinson et al., "Conducting Benefit-Cost Analysis in Low- and Middle-Income Countries," *Journal of Benefit-Cost Analysis* (2019).

³ Zerbe, *Primer*.



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points out that BCA's role is to measure all policy impacts – both good and bad – on the whole community, to help allocate resources efficiently.⁴

However, some studies question BCA's reliability. Flyvbjerg and Bester found that cost and benefit estimates are often biased, leading to poor public investment choices.⁵ Acland (2021) also criticizes BCA for ignoring fairness and rights when focusing only on willingness-to-pay, arguing that analysts must decide carefully what to include.⁶

Sunstein has three key concerns when applying BCA to policymaking: distribution, welfare, and knowledge.⁷ Distribution refers to how benefits and costs are spread across different groups—since BCA can unintentionally favor certain segments, policymakers must ensure fairness. Welfare highlights that the goal is to improve well-being, not just financial outcomes; measures like willingness to pay may miss important aspects such as dignity or quality of life. Knowledge stresses the importance of accurate and sufficient data, because even well-structured analyses can fail if they are based on incomplete or outdated information.⁸

The OECD's Best Practice Principles for Regulatory Impact Assessment (RIA) lay out a minimum architecture: define the problem and objectives, identify alternatives, analyze benefits and costs (including distributional effects), select a preferred option, and plan monitoring and evaluation.⁹ The EU's Better Regulation Toolbox operationalizes these steps for primary and secondary legislation – linking legal basis, subsidiarity/proportionality tests, quality standards for evidence, and oversight.¹⁰

When drafters publish impact assessments and explain how analysis informed choices, they improve the “reason-giving” record that courts, parliaments, and the public use to review legality and rationality. In the U.S., guidance under Circular A-4 and agency playbooks (e.g., HHS) require transparent benefit-cost analysis and consideration of reasonable alternatives—practices that reduce vulnerability to

⁴ W. Jiang, “The Origin of Cost-Benefit Analysis,” *Cost Effectiveness and Resource Allocation* 19, no. 1 (2021): article 54.

⁵ Bent Flyvbjerg and Dirk W. Bester, “The Cost-Benefit Fallacy: Why Cost-Benefit Analysis Is Broken and How to Fix It,” *arXiv* (2021).

⁶ Daniel Acland, “What's In, What's Out? Towards a Rigorous Definition of the Boundaries of Benefit-Cost Analysis,” *Goldman School of Public Policy*, University of California Berkeley (2021).

⁷ Cass R. Sunstein, *The Cost-Benefit Revolution* (Cambridge, MA: MIT Press, 2018), open excerpt via SSRN (2020), 3-4
https://papers.ssrn.com/sol3/Delivery.cfm/SSRN_ID3516919_code647786.pdf?abstractid=3516919&mirid=1 (SSRN)

⁸ Sunstein, *Cost Benefit Revolution* 3-4

⁹ Organisation for Economic Co-operation and Development (OECD), *Regulatory Impact Assessment* (Paris: OECD Publishing, 2020)
https://www.oecd.org/content/dam/oecd/en/publications/reports/2020/02/regulatory-impact-assessment_0bf78a03/7a9638cb-en.pdf

¹⁰ European Commission, *Better Regulation Toolbox* (Brussels: European Commission, 2023).
<https://commission.europa.eu/system/files/2023-09/BR%20toolbox%20-%20Jul%202023%20-%20FINAL.pdf>.

“arbitrary and capricious” challenges and strengthen rule-of-law values.¹¹ Empirical reviews similarly argue that higher-quality RIAs make it easier to defend rules and to course-correct when evidence changes.⁷

BCA frameworks help lawmakers see not only whether benefits exceed costs, but also who gains and who bears burdens. Sunstein’s “cost-benefit revolution” in public law reframed legislation as a fact-intensive enterprise that makes distributional and knowledge assumptions explicit – supporting welfare-increasing choices and targeted mitigations (e.g., for SMEs or vulnerable groups).¹² OECD and EU guidance now mainstream distributional analysis and administrative-burden checks inside impact assessments.¹³

Most OECD countries and a growing number of non-OECD jurisdictions now require some form of RIA for primary and/or secondary legislation, with toolkits adapted to local legal systems. The World Bank’s global indicators and databases document this diffusion and provide model clauses and templates, helping legislatures embed EBP even where analytical capacity is still maturing.¹⁴ In the United States (US) according to Sunstein, many public officials work with common belief that “no action may be taken unless the benefits justify the cost”.¹⁵ In the US Congress, however, Sunstein adds that the BCA implementation in lawmaking is complicated due to political reasons.¹⁶

In Indonesia, in the Annex I of Law No. 13 of 2022, which amends Law No. 12 of 2011 on the Formation of Laws and Regulations, includes provisions on the technical drafting of Academic Papers (Naskah Akademik) for Bills, Provincial Regulations,

¹¹ Office of Management and Budget, Circular A-4: Regulatory Impact Analysis: A Primer, n.d., https://www.reginfo.gov/public/jsp/Utilities/circular-a-4_regulatory-impact-analysis-a-primer.pdf

¹² Sunstein, Cost Benefit Revolution 3-4

¹³ Organisation for Economic Co-operation and Development (OECD), *Regulatory Impact Assessment* (Paris: OECD Publishing, 2020) https://www.oecd.org/content/dam/oecd/en/publications/reports/2020/02/regulatory-impact-assessment_0bf78a03/7a9638cb-en.pdf; dan European Commission, *Better Regulation Toolbox* (Brussels: European Commission, 2023) <https://commission.europa.eu/system/files/2023-09/BR%20toolbox%20-%20Jul%202023%20-%20FINAL.pdf>; Claire A. Dunlop and Claudio M. Radaelli, “Impact Assessment in the European Union: Lessons from a Research Project,” *European Journal of Risk Regulation* 6, no. 1 (2015): 35–46, <https://www.law.berkeley.edu/wp-content/uploads/2019/10/Dunlop-and-Radaelli-2015-Impact-Assessment-in-the-EU.pdf>. (UC Berkeley Law)

¹⁴ European Commission, *Better Regulation Toolbox* (2023), Tools on evaluation/fitness checks and the Regulatory Scrutiny Board; and OECD, *Better Regulation Practices across the EU* (2022), evidence on quality improvements after RSB interactions, https://www.oecd.org/content/dam/oecd/en/publications/reports/2022/06/better-regulation-practices-across-the-european-union-2022_51d00421/6e4b095d-en.pdf. (European Commission, OECD) World Bank, *Global Indicators of Regulatory Governance: Worldwide Practices of Regulatory Impact Assessments* (2017), <https://documents1.worldbank.org/curated/en/905611520284525814/Global-Indicators-of-Regulatory-Governance-Worldwide-Practices-of-Regulatory-Impact-Assessments.pdf>

¹⁵ Sunstein, Cost Benefit Revolution 3-4

¹⁶ Sunstein, Cost Benefit Revolution 3-4

and Regency/Municipal Regulations. One of the key components is outlined in Chapter II, which addresses theoretical and empirical assessments in the formulation process. The Law No. 13 of 2022 emphasizes the importance of conducting a systematic analysis of the implications arising from the implementation of new legal norms or systems introduced by legislation. This analysis should cover both social impacts on the public and financial implications for the state budget.

Prior to the enactment of Law No. 13 of 2022, the earlier Law No. 12 of 2011 did not mandate or even explicitly mention the use of benefit-cost approaches in the formulation of legal norms. However, the Secretariate of Parliament issued the Academic Draft Guidance that consists of BCA and RIA in providing analysis within the Academic Draft. The introduction of BCA signifies a shift toward evidence-based policymaking, encouraging lawmakers to assess not only the legal soundness of a provision but also its practical feasibility, sustainability, and long-term impact. By requiring an estimation of both the costs to be borne and the benefits to be gained, this reform enhances the transparency, accountability, and overall quality of lawmaking in Indonesia.

This study aims to assess the application of BCA in the Indonesian legislative process. Drawing on observations from one co-author, a review of over 70 academic papers, and interviews with key stakeholders, the research finds that despite both verbal and written commitments, evidence and BCA are rarely integrated into the policymaking process. This paper aims to assess the application of the benefit-cost approach and even adopt complementary analytical tools such as RIA or ROCCIPI, as encouraged by Law No. 13 of 2022 in the legislative process.

B. Research Question

1. Were the laws enacted in 2019–2025 supported by the benefit-cost analysis?
 - How does their use vary?
2. How were those academic drafts developed?
3. What are the challenges in utilizing and conducting the benefit-cost analysis in the legislative process?

C. Research Method

In this paper, we examine 74 Academic Papers that have been produced between 2019–2025. Our objective is to assess whether these papers have effectively implemented the benefit and cost approach as mandated by the law. In next stage, we are going to interview stakeholders from Expert Staffs of parliament, government officials, and scholars and researchers who have the experience in the legislation process.

II. DISCUSSION

A. Results/Findings

Based on our analysis on 2019–2024 Academic Papers, there are still no papers that perfectly fulfills all the steps of Benefit-Cost Analysis. We categorized Academic Papers into 3 types: comprehensive BCA, partial BCA, and no BCA. From 74

Academic Papers, none of them had a complete BCA in accordance with the criteria. Four papers used BCA without complete stages, seven only identified the use of BCA, and 63 Academic Papers did not use BCA at all. In addition, there are 2 academic papers that partially use RIA or ROCCIPI method and 1 that identifies the use the method. RIA or ROCCIPI is still used partially because some stages are not complete yet, especially in the BCA part. These figures provide a valuable snapshot of the legislative pipeline and offer a foundation for assessing how widely the principles introduced by Law No. 13 of 2022. The results of our assessment can be seen in the table below.

| No | Title | Year | BCA | EBC/RIA/ROCCIPI |
|-----|---|------|------------|-----------------|
| 1. | Academic Papers of the Bills on Textiles | 2025 | Partial | Partial |
| 2. | Academic Papers of the Bills on Second Amendment to Law Number 22 of 2004 on the Judicial Commission | 2020 | Partial | Partial |
| 3. | Academic Papers of the Bills on Amendment of Law Number 28 of 2009 Regional Taxes and Regional Levies | 2020 | Partial | N/A |
| 4. | Academic Papers of the Bills on New and Renewable Energy | 2019 | Partial | N/A |
| 5. | Academic Papers of the Bills on Teachers | 2019 | Identified | Identified |
| 6. | Academic Papers of the Bills on Charities | 2024 | Identified | N/A |
| 7. | Academic Papers of the Bills on Museums | 2024 | Identified | N/A |
| 8. | Academic Papers of the Bills on Amendments to Law Number 38 of 2004 on Roads | 2020 | Identified | N/A |
| 9. | Academic Papers of the Bills on Solok Regency in West Sumatra Province | 2023 | Identified | N/A |
| 10. | Academic Papers of the Bills on Solok City in West Sumatra Province | 2023 | Identified | N/A |
| 11. | Academic Papers of the Bills on East Kalimantan Province | 2021 | Identified | N/A |
| 12. | Academic Papers of the Bills on Second Amendment to Law Number 17 of 2008 on Shipping | 2024 | N/A | N/A |
| 13. | Academic Papers of the Bills on Bantaeng Regency in South Sulawesi Province | 2024 | N/A | N/A |
| 14. | Academic Papers of the Bills on Barru Regency in South Sulawesi Province | 2024 | N/A | N/A |
| 15. | Academic Papers of the Bills on Bone Regency in South Sulawesi Province | 2024 | N/A | N/A |
| 16. | Academic Papers of the Bills on Bulukumba Regency in South Sulawesi Province | 2024 | N/A | N/A |

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|-----|---|------|-----|-----|
| 17. | Academic Papers of the Bills on Enrekang Regency in South Sulawesi Province | 2024 | N/A | N/A |
| 18. | Academic Papers of the Bills on Gowa Regency in South Sulawesi Province | 2024 | N/A | N/A |
| 19. | Academic Papers of the Bill on Pancasila Ideology Development Agency | 2024 | N/A | N/A |
| 20. | Academic Papers of the Bill on Amendment of Law No. 30 of 1999 on Arbitration and Alternative Dispute Settlement | 2024 | N/A | N/A |
| 21. | Academic Papers of the Bill on Amendment of Law No. 12 of 2006 on Republic of Indonesia Citizenship | 2024 | N/A | N/A |
| 22. | Academic Papers of the Bill on Treaty Between The Republic Of Indonesia And The Russian Federation On Extradition | 2024 | N/A | N/A |
| 23. | Academic Papers of the Bill on National Law Development | 2024 | N/A | N/A |
| 24. | Academic Papers of the Bills on Lima Puluh Kota Regency in West Sumatra Province | 2023 | N/A | N/A |
| 25. | Academic Papers of the Bills on Agam Regency in West Sumatra Province | 2023 | N/A | N/A |
| 26. | Academic Papers of the Bills on Batang Hari Regency in Jambi Province | 2023 | N/A | N/A |
| 27. | Academic Papers of the Bills on Bengkalis Regency in Riau Province | 2023 | N/A | N/A |
| 28. | Academic Papers of the Bills on Bintan Regency in Riau Islands Province | 2023 | N/A | N/A |
| 29. | Academic Papers of the Bills on Indragiri Hulu Regency in Riau Province | 2023 | N/A | N/A |
| 30. | Academic Papers of the Bills on Kampar Regency in Riau Province | 2023 | N/A | N/A |
| 31. | Academic Papers of the Bills on Kerinci Regency in Jambi Province | 2023 | N/A | N/A |
| 32. | Academic Papers of the Bills on South Lampung Regency in Lampung Province | 2023 | N/A | N/A |
| 33. | Academic Papers of the Bills on Central Lampung Regency in Lampung Province | 2023 | N/A | N/A |
| 34. | Academic Papers of the Bills on North Lampung Regency in Lampung Province | 2023 | N/A | N/A |
| 35. | Academic Papers of the Bills on Merangin Regency in Jambi Province | 2023 | N/A | N/A |
| 36. | Academic Papers of the Bills on Padang Pariaman Regency in West Sumatra Province | 2023 | N/A | N/A |

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|-----|--|------|-----|-----|
| 37. | Academic Papers of the Bills on Pasaman Regency in West Sumatra Province | 2023 | N/A | N/A |
| 38. | Academic Papers of the Bills on Pesisir Selatan Regency in West Sumatra Province | 2023 | N/A | N/A |
| 39. | Academic Papers of the Bills on Sijunjung Regency in West Sumatra Province | 2023 | N/A | N/A |
| 40. | Academic Papers of the Bills on Tanah Datar Regency in West Sumatra Province | 2023 | N/A | N/A |
| 41. | Academic Papers of the Bills on Bukittinggi City in West Sumatra Province | 2023 | N/A | N/A |
| 42. | Academic Papers of the Bills on Jambi City in Jambi Province | 2023 | N/A | N/A |
| 43. | Academic Papers of the Bills on Padang City in West Sumatra Province | 2023 | N/A | N/A |
| 44. | Academic Papers of the Bills on Padang Panjang City in West Sumatra Province | 2023 | N/A | N/A |
| 45. | Academic Papers of the Bills on Payakumbuh City in West Sumatra Province | 2023 | N/A | N/A |
| 46. | Academic Papers of the Bills on Pekanbaru City in Riau Province | 2023 | N/A | N/A |
| 47. | Academic Papers of the Bills on Sawahlunto City in West Sumatra Province | 2023 | N/A | N/A |
| 48. | Academic Papers of the Bill on Movable Asset Security | 2023 | N/A | N/A |
| 49. | Academic Papers of the Bill on Enterprise | 2023 | N/A | N/A |
| 50. | Academic Papers of the Bill on Transfer of Sentenced Person | 2023 | N/A | N/A |
| 51. | Academic Papers of the Bills on Amendments to Law Number 10 of 2009 on Tourism | 2022 | N/A | N/A |
| 52. | Academic Papers of the Bills on East Aceh in Aceh Province | 2022 | N/A | N/A |
| 53. | Academic Papers of the Bills on Central Aceh Regency in Aceh Province | 2022 | N/A | N/A |
| 54. | Academic Papers of the Bills on West Java Province | 2022 | N/A | N/A |
| 55. | Academic Papers of the Bills on Central Java Province | 2022 | N/A | N/A |
| 56. | Academic Papers of the Bills on North Sulawesi Province | 2022 | N/A | N/A |
| 57. | Academic Papers of the Bills on North Sumatra Province | 2022 | N/A | N/A |

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|-----|---|------|-----|-----|
| 58. | Academic Papers of the Bills on Maternal and Child Well-Being | 2021 | N/A | N/A |
| 59. | Academic Papers of the Bills on West Nusa Tenggara Province | 2021 | N/A | N/A |
| 60. | Academic Papers of the Bills on East Nusa Tenggara Province | 2021 | N/A | N/A |
| 61. | Academic Papers of the Bills on Riau Province | 2021 | N/A | N/A |
| 62. | Academic Papers of the Bills on South Sulawesi Province | 2021 | N/A | N/A |
| 63. | Academic Papers of the Bills on Central Sulawesi Province | 2021 | N/A | N/A |
| 64. | Academic Papers of the Bills on Banking | 2020 | N/A | N/A |
| 65. | Academic Papers of the Bills on Amendments to Law Number 22 of 2009 on Road Traffic and Transportation | 2020 | N/A | N/A |
| 66. | Academic Papers of the Bills on Amendments to Law Number 13 of 1998 on Welfare of the Elderly | 2020 | N/A | N/A |
| 67. | Academic Papers of the Bills on tentang Amendments to Law Number 3 of 2005 on the National Sports System | 2020 | N/A | N/A |
| 68. | Academic Papers of the Bills on Amendments to Law Number 2 of 2004 on the Settlement of Industrial Relations Disputes | 2020 | N/A | N/A |
| 69. | Academic Papers of the Bills on Bali Province | 2020 | N/A | N/A |
| 70. | Academic Papers of the Bills on Musics | 2019 | N/A | N/A |
| 71. | Academic Papers of the Bills on Government Internal Oversight System | 2019 | N/A | N/A |
| 72. | Academic Papers of the Bills on Foreign Relations | 2019 | N/A | N/A |
| 73. | Academic Papers of the Bills on Land Deed Official Position | 2019 | N/A | N/A |
| 74. | Academic Papers of the Bills on Amendments to Law No. 37 of 2008 on the Ombudsman of the Republic of Indonesia | 2019 | N/A | N/A |

Based on the data presented in the table above, we conducted a comprehensive review of 74 academic papers produced between 2019 to 2025. All of which should have adhered to Law No. 13 of 2022, particularly its mandate on the integration of evidence-based research and BCA. However, our assessment clearly reveals that none of these academic papers explicitly use evidence-based research, BCA, or contain any

reference to such method, with all entries are marked “N/A” under the evidence-based research and BCA column with the following details:

1. Absence of Structured Benefit and Cost Analysis (BCA)

Although Law No. 13 of 2022 mandates the inclusion of BCA in legislative drafting, we found no clear section in any of the reviewed papers that systematically quantifies or compares potential costs and benefits of the proposed laws. In lawmaking, Coates (2015) illustrates the essential components of an effective BCA by organizing them across two key dimensions: policy and law. On the policy side, it emphasizes the importance of conceptual clarity, including a well-defined framework, clear baselines, identification of regulatory alternatives, and evaluation of pros and cons based on credible evidence. It also stresses rigorous quantification through point estimates, monetization of impacts, causal inference, valuation of non-market goods, and accounting for externalities. On the legal dimension, the matrix underscores procedural requirements such as transparent disclosure of data sources, standardized formats, use of secondary statistics, and public feedback mechanisms. While some academic papers mention general advantages or policy justifications, these do not meet the standards of a BCA framework (e.g., financial metrics, stakeholder impact modeling, or economic simulations).

2. Lack of Regulatory Impact Analysis (RIA)

From our observation, none of the documents reference the RIA methodology. Ellig (2020) promotes that RIA may incorporate other forms of analysis beyond benefit-cost analysis, such as cost-effectiveness analysis as this is particularly useful when benefits are difficult to quantify. In addition, there is also distributional analysis which evaluates the impact of a policy on specific sub-populations of interest to decision-makers, including low-income groups, minority communities, rural areas, or small financial institutions.

Capone (2011) mentioned that Regulatory Impact Analysis (RIA) serves as a tool to assist decision-makers by focusing on two essential elements: (1) clearly identifying and explaining the issue and the rationale behind the need for regulatory action, and (2) conducting an economic evaluation of the possible policy alternatives, including the choice to refrain from any intervention.

OECD (2020) believes that governments can demonstrate long-term commitment to RIA by embedding it into a broader regulatory reform strategy. This includes clearly defining what constitutes “good regulation” and ensuring that RIA contributes to principles such as necessity, effectiveness, proportionality, transparency, and accountability. RIA should not stand alone – it must be part of a policy cycle that includes consultation, monitoring, and review. Governments can also create strong internal mechanisms, such as mandatory RIA requirements for major proposals, early regulatory planning, departmental RIA units, and even budgetary consequences for non-compliance. In addition to internal structures, external safeguards are crucial to guarantee proper implementation. These include open consultations, public reporting on RIA progress, inclusion of specific impact

assessments (e.g., on consumers or small businesses), and external bodies to scrutinize RIA quality.

OECD also adds that for RIA to be effective, it must begin early in the regulatory process, clearly define the problem and objectives, consider all alternative solutions including non-regulatory ones, assess all potential costs and benefits, rely on evidence and expert input, and be developed transparently with stakeholders, with findings communicated clearly.

These elements were missing or only implied in a narrative form. The absence of structured alternatives analysis and measurement indicators shows that RIA is not yet institutionalized in the documents reviewed.

3. No Implementation of Rule, Opportunity, Capacity, Communication, Interest, Process, and Ideology (ROCCIPI) Methodology

The ROCCIPI method, which is meant to analyze legal problems comprehensively from multiple stakeholder perspectives, was not applied or mentioned in any of the documents. While some academic papers discuss stakeholder input or institutional arrangements, these discussions remain qualitative and lack ROCCIPI's systematic approach.

4. Descriptive Rather than Analytical

The majority of academic papers remain descriptive, focusing on legal history, institutional background, or political rationale without empirically evaluating the potential effects of proposed policies. Some papers refer to general data sources or stakeholder consultations but do not ground their conclusions in rigorous data analysis or structured empirical findings.

5. No Use of Primary Data or Field Surveys for Impact Assessment

Across all academic papers, we observed no application of primary research such as surveys, interviews, or statistical modeling that could support a truly evidence-based approach. Several papers refer to “desk study,” “literature review,” or government reports, but they do not use them as part of a methodologically sound impact evaluation.

The absence of evidence-based research and BCA is intriguing, especially considering that the regulation explicitly requires a systematic estimation of the financial and social impacts of legislative proposals. Despite being produced after the enactment of Law No. 13 of 2022, these documents did not show any sign of methodological shifts toward evidence-based policymaking. In other words, while the legal foundation for evidence-based research and BCA exists, the implementation remains absent in practice.

B. Discussion and Policy Implication

However, by 2025, this progressive framework has yet to be meaningfully utilized. Despite the passage of a substantial number of laws, the integration of benefit and cost analysis into legislative practice remains largely absent. This underutilization is a missed opportunity to institutionalize better regulatory quality and effectiveness. Consequently, this study seeks to examine the practical implementation and institutional barriers of the benefit and cost approach within the legislative process during this period, with a focus on evaluating whether the intended impact of Law No. 13 of 2022 has materialized in real-world lawmaking.

The findings highlight the gap between policy intentions and actual practice, revealing challenges such as a lack of institutional capacity, limited access to relevant data, and political considerations that undermine the use of evidence-based tools.

This study makes a significant contribution by providing an empirical assessment of the effectiveness of the Academic Draft Guidance in requiring policymakers to use the BCA in Indonesia. It offers insights into the barriers hindering the full implementation of BCA and evidence in the legislative process, providing valuable recommendations for policymakers, scholars, and practitioners aiming to strengthen evidence-based decision-making in emerging economies.

III. CONCLUSION

In conclusion, we find no evidence of evidence-based research in Indonesia's lawmaking process. Although the guidance in drafting the Academic requires lawmakers to conduct benefit-cost assessments during the academic paper stage, none of the 74 academic papers we reviewed fulfilled this requirement. We still need, however, to collect more data by interviewing stakeholders about their barriers to use and conduct a benefit-cost analysis.

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