

ABSTRACT

In the beginning of Joko Widodo administration as the president Republic of Indonesia, Joko Widodo decide to change policy by decreasing the oil subsidy and follow the fluctuation of world oil price. This action was taken causes by the proportion of subsidies on fuel oil around 10% of national state budget. Another supporting factor is caused by OPEC as the exporter that burden national state budget if be included in subsidy. This thing triggered the writer to analyze the reason behind why President Joko Widodo decides to change into the new policy. The writer used the model of decision making process by David Easton, the model consists of four groups of decision making factors: inputs, political system, outputs and feedback environment. This research is also strengthened by the concept of international regimes which is the effectiveness of the regime as the dependent variable has three components outputs, outcomes, and impact that exists within the regime. Through the model of decision making process and concept of international regimes, the writer found the main reason of President Joko Widodo changing policy is by decreasing subsidy for fuel oil and follow the fluctuation of oil price state can do saving and using the state budget (APBN) for other state expenditure.

Keywords: Indonesia political system, Joko Widodo administration, Policy, Oil price, Subsidy, National State Budget, Indonesia Government, OPEC.