

Optimising Modal Shift among Youth through Social Movement Funding

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Summary

Indonesia's cities are dominated by cars. This is a legacy of policies that prioritised car ownership. However, a growing youth movement advocating for cycling, walking, and public transport offers hope. Social movements, such as Colombia's Bogotá's Ciclovía, can shift public opinion by strategically communicating the environmental and health benefits of sustainable mobility. Innovative financing methods like Social Impact Bonds and Cash Waqf-Linked Sukuk can help fund this shift, paving the way for a future where walking and cycling are the preferred choices for young Indonesians, leading to healthier and more sustainable cities.

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Imagine a world without private motor vehicles (PMVs). This utopia embraces public ownership of all motor vehicles. The streets would be alive with pedestrians, cyclists, and users of human-powered vehicles, their interactions and activities filling the air. In such a place, people would thrive in health and happiness. Preserving the environment would always come first, and energy would be used wisely, with little or no pollution or congestion.

Unfortunately, our reality is far from this ideal. Our society clings to the use of PMVs, particularly motorcycles, a trend further bolstered by government policies. The focus on road infrastructure at the expense of multimodal public transportation systems and urban planning that catered to PMVs has led to sprawling cities with limited walkability and inadequate public transport options. This has given rise to numerous issues: congested roads, high pollution levels, and detrimental health effects. It is a situation that demands our immediate attention and action.

Like many developing countries, Indonesia has struggled to address significant challenges in its urban transportation landscapes.

Recent data from detik.com, as the Minister of Transportation revealed, shows that the Jakarta Metropolitan Area (*Jabodetabek*), a regional agglomeration where 33 million people reside, experiences a staggering 88 million daily trips (Alhikam, 2020). The Jakarta Department of Transportation's data shows that by 2023, public transit's share in Jakarta's mobility is only 10%. It is still far from the 60% target set by the Jakarta Transportation Master Plan, ratified with a Presidential Decree in 2018 (ITDP Indonesia, 2023).

However, the hope for a change still exists. Recent studies indicate a growing awareness among Indonesian youth regarding the environmental and health issues caused by car-centric development. The youth are key to transforming our mobility landscape and are crucial to this change. Their opinions and actions are believed to drive meaningful change toward more sustainable transport choices (Møller et al., 2018; Bessaha et al., 2021). Some findings show a positive trend in public transport provision in Indonesia (Berawi et al., 2018; Surya et al., 2022). This newfound awareness among Indonesian youth and the condition of supporting infrastructure development provides a unique opportunity to optimise the modal shift towards more sustainable transportation options (Rukmana, 2018).

A Legacy of Car-centric Development

Government policies significantly shape societal norms and behaviours, including our mobility choices (Bali et al., 2021). The current state of motor vehicle dominance and mobility challenges in Indonesia results from decades-long policy decisions and societal norms that prioritise car ownership and road infrastructure over sustainable transportation alternatives. Understanding how that could happen from a historical point of view explains the entrenched motor culture and its impact on public opinion and mobility preferences.

Indonesia's post-independence era witnessed a rapid shift towards urbanisation and industrialisation. During this transformative period, the government implemented a policy system with the aim of fostering economic growth and modernisation. Investments were heavily directed towards road infrastructure and automotive manufacturing. This policy emphasis on motorisation led to a public perception that car ownership equates to progress and prosperity. In contrast, other modes of transportation, such as walking, cycling, and public transit, were overlooked and underdeveloped.

The 1990s signalled a change in Indonesia's motorisation trajectory with the advent of deregulation laws and market liberalisation initiatives. The aforementioned measures, designed to promote economic growth and draw in foreign capital, resulted in an increase in motor vehicle imports, the accessibility of low-cost cars, and a consequent rise in car ownership. Driven by government subsidies and consumer demand, the automotive sector flourished, solidifying the car culture that permeates Indonesian society.

The Rise of Sustainable Mobility in Indonesia

Auspiciously, promising indicators of change have recently been seen in the mobility paradigm shifts and public transport services observed in Indonesia's metropolitan centres.

The younger generation, in particular, has the power to change the way we think about mobility. Their thoughts and deeds have the power to significantly alter the landscape in favour of more environmentally friendly transit choices.

Over the past years, Indonesia's policies on motor vehicles and mobility have undergone a significant reevaluation. This shift is a response to growing concerns about environmental degradation, public health, and urban livability. The increasing recognition among policymakers, urban planners, and civil society actors of the detrimental effects of car-centric urban development has spurred a drive towards sustainable mobility alternatives and a reduction in personal vehicle reliance.

The rise of youth-led advocacy campaigns and grassroots projects promoting bike infrastructure, pedestrian-friendly streets, and growing public support for enhanced public transportation systems signals a paradigm change in favour of eco-friendly mobility. Drawing inspiration from successful urban transformation initiatives in other nations, these groups actively challenge the status quo of car dominance in Indonesian cities.

Social Movement, Public Opinion, and Policy Change

Globally, successful social movements have assumed a crucial role in shifting public opinion that could lead to changes in policy direction (Harris, 2021; Giugni & Yamasaki, 2009). Through engaging in actions, such as protests, advocacy campaigns, support mobilisation, awareness raising, and social media leveraging, for example, movements can strategically shape the narrative around specific topics so that they are more salient and politically relevant (Wasow, 2020; Wallace et al., 2013). Framing issues differently can broaden the scope of the debate, reaching a wider audience (Benford & Snow, 2000; Daby & Moseley, 2021).

Moreover, public opinion and alliance with political actors within institutional arenas can enhance the policy impact of social movements, especially the ones involving litigation and lobbying strategies (Soule & Olzak, 2004; Giugni & Yamasaki, 2009). Strategic efforts to foster a two-way conversation between social movements and public opinion can significantly increase their combined impact on policy change.

Bogotá's Ciclovía - Pioneering Sustainable Mobility

One notable example is the "Ciclovía" movement in Bogotá, Colombia. This program, which began in the 1970s, is the pioneer program that turned miles of city streets into car-free zones every Sunday to encourage walking and cycling as attractive alternatives to driving. It started as a demonstration to protest how cars dominated the public space of Bogota, titled Gran Manifestación del Pedal (The Great Pedal Demonstration), and the event became institutionalised a few years later. As Ciclovía garnered the backing of legislators and the general public over time, expanded alternatives for public transit and permanent bicycle infrastructure were established. Bogotá is now a global leader in sustainable urban mobility, boasting a robust public transportation system and more than 400 kilometres of bike lanes.

The Ciclovía program, translated literally means "cycleway", is a financial sustainability model. It acquires and utilises funds from a mix of private and public sources. Today, 75% of its funding is retrieved from the government, primarily from taxes on phone bills, cigarettes, and alcohol (Sawin et al., 2018; Shah et al., 2022). The program is now coordinated under IDR (the District Institute of Recreation and Sport), a less bureaucratic institution than its previous coordinator. This flexibility has allowed the program to form partnerships with multiple agencies, non-profits, and the private sector (Montero, 2016), ensuring its continued success.

Financing a Sustainable Future

Various sources and mechanisms fund social movements. The first is from constituents and members who will benefit from the action. However, they often are powerless or simply can not provide sufficient funds for the movement's kick-off and maintenance. So, they need to search for external sources to acquire elite funding, including charity foundations, governments, NGOs, and corporations (Corrigall-Brown, 2016).

Social movement funding faces several limitations that can hinder its sustainability, efficiency, and impact. First, in many parts of the world, government funding for social movements is provided in the short term. However, they need to be funded sustainably and continually, a need that is becoming increasingly urgent (Wangari & Minja, 2021). Next, the institutional capacity of the Indonesian government is questionable, with several cases of corruption and poor project executions affecting its funded efficiency. The presence of corruption and poor executions can lead to mismanagement of funds, embezzlement, and diversion of resources meant for social causes, thereby hindering the effectiveness of social movements in achieving their objectives (Mulyaman et al., 2023). Last, social movements using government and other elite funding can be co-opted and deradicalised, potentially losing their original purposes (Chin, 2009). These limitations are a clear call for the need for financing mechanism alternatives for social movements.

Recently, we have seen advancements in innovative financing mechanisms that can be used to avoid the mentioned problems. These mechanisms are developing and gaining significance compared to direct mechanisms.

The Social Impact Bond (SIB) is a contemporary funding mechanism for social programs. It operates by attracting investments from the private sector, with returns contingent on the achievement of specific social objectives. Under this model, investors provide upfront capital for social interventions through an intermediary.

If the predetermined social parameter is met, the government reimburses the investors with a financial return. This innovative approach shifts the financial risk from the government to private investors (Warner, 2013; Lowe et al., 2019; Arena et al., 2014). Despite its involvement of elites, this mechanism is believed to alleviate the strain on social movements compared to direct funding.

In the Indonesian context, as a country with the largest Muslim population in the world, the opportunity for cash waqf is also promising. As a part of Islamic microfinancing, cash waqf mainly involves cash deposits in financial institutions like banks. These organisations often invest funds in profitable business activities, using the resulting profits for socially and religiously beneficial purposes. Due to its wider adoption, cash waqf has emerged as a promising tool for financing various initiatives, including financial technology startups, social welfare programs, and education services to support overall development processes while still executed in compliance with Islamic values (Nurjanah & Hasanah, 2021; Kamal, 2021).

Numerous strategies can optimise cash waqf fundraising. Cash Waqf-Linked Sukuk (CWLS) is one of the modern approaches, combining cash waqf with sukuk to create an investment instrument that serves social welfare purposes. The sukuk part of the cash waqf-linked sukuk works just like general sukuk: issued by the government or private sector, it provides routine rewards to its buyer until its maturity date. When the date comes, the issuer needs to buy back the certificates from the investors at their face value. An exception exists with Cash Waqf-Linked Sukuk (CWLS). Instead of a buyback, the issuer directly directs the returns from these certificates to social causes as cash waqf.

The Financial Services Authority (*Otoritas Jasa Keuangan/OJK*) plays a crucial role in the regulation and acceleration of the use of various financial instruments, including those mentioned. OJK Regulation Number 18/2023 has been instrumental in legalising and promoting financial instruments for sustainability, such as green bonds, social bonds, and sustainability-linked bonds, as well as sharia-based instruments like green sukuk, social sukuk, and sustainability-linked sukuk.

This regulatory framework provides a solid foundation for the use of these instruments in the financial market, ensuring their credibility and legitimacy (Kurnia, 2023).

Investing in Change

We stand at a pivotal moment where we can actively shape the realisation of a sustainable urban landscape that prioritises pedestrians and cyclists. It is imperative that we actively participate in strategic social movements aimed at shaping the attitudes of our younger generation toward mobility. By capitalising on financing opportunities, we can direct our communities toward a future in which walking and cycling are not simply alternatives but preferred forms of transport. In conclusion, optimising modal shifts among Indonesia's metropolitan youth involves deliberately altering their viewpoints through focused social movements and capturing funding possibilities. As one earth-nurturing society, we are responsible for setting the road for future generations to live healthier, more sustainable lives.

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