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## **The Plastic Excise Policy Debate in Indonesia: A Narrative Policy Analysis Approach**

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### **Abstract**

The plastic excise policy in Indonesia has been a subject of debate since its proposal was submitted in 2016. This policy aims to reduce single-use plastic consumption and address the growing plastic waste problem. However, there are significant differences in opinion regarding its effectiveness and impact. This study uses Narrative Policy Analysis (NPA) to explore the policy's narratives and counter-narratives articulated by policy actors, industry stakeholders, and the public. Using a post-positivist framework, this study analyzes the construction and framing of policy through discourse. Data were collected via media content analysis and document study, focusing on news articles and government publications from trusted sources between 2016 and 2025. The analysis identifies the dominant narrative supporting the policy, particularly from the Ministry of Finance, and the counter-narratives from the Ministry of Industry and various industry associations. Findings suggest that although the policy has strong support from civil society and environmental organizations, it faces opposition due to concerns about its impact on production costs and industry competitiveness. To resolve the tensions between these narratives, the study recommends a more inclusive policy development process and the integration of the plastic excise policy with a broader waste management strategy.

**Keywords:** plastic excise policy, narrative policy analysis, plastic waste

### **1. Introduction**

Plastic waste is one of the largest contributors to overall waste in Indonesia. In the data released by the Ministry of Environment and Forestry (KLHK) through the KLHK National Waste Management Information System (SPSN) portal, as shown in Figure 1, in 2023 plastic waste ranked as the second largest waste composition by type of waste at 18.36%. The total amount of national waste reached 12,213,499 tons, indicating that the amount of plastic waste generated during 2023 was 2,242,398 tons (KLHK, 2024). In a report issued by the Sustainable Waste Indonesia Institute, the recycling rate for plastic waste in Indonesia was only 7% annually (Republika, 2024). Based on the comparison of the two reports, it can be concluded that in 2023,

approximately 2,085,430 tons of plastic waste were not recycled and had the potential to pollute the environment.

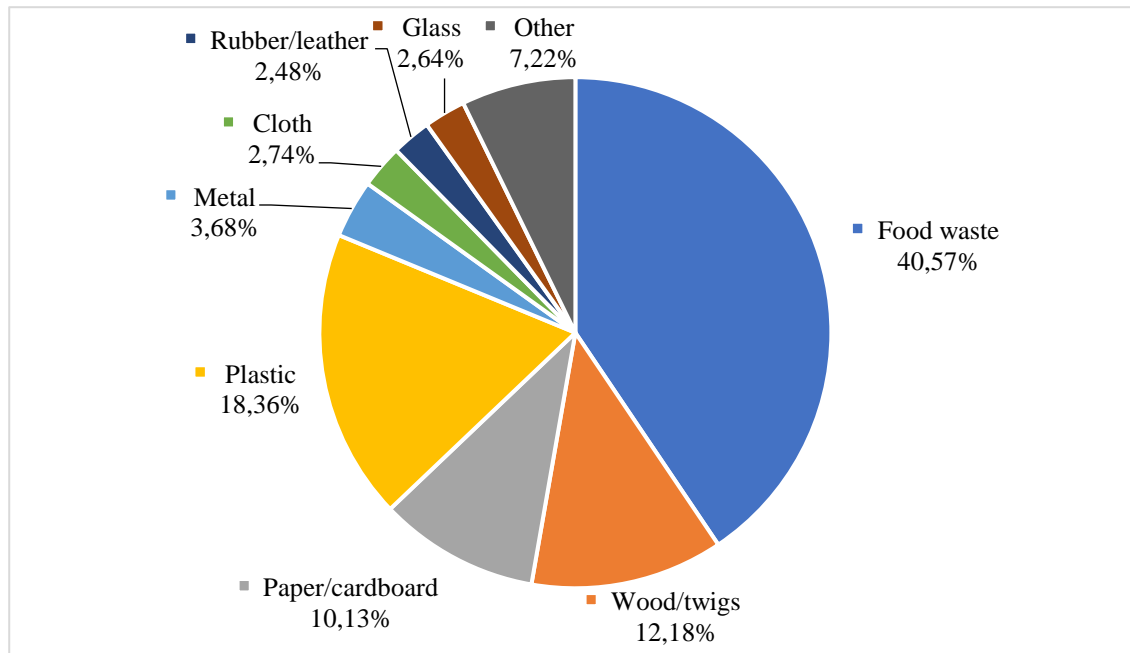


Figure 1. Waste Composition by Waste Type in 2023

Source: SPSN KLHK (2024)

Plastic is a material that is difficult to decompose and takes a very long time to degrade naturally, ranging from tens to hundreds of years. The process of plastic degradation not only takes a long time but also releases microplastic particles that pollute the environment and damage the ecosystem (Thompson et al., 2009). Some plastic products that are major contributors to plastic waste are plastic bags, plastic straws, and plastic bottles. For example, plastic bags take about 20 years to decompose, whereas plastic straws can take up to 200 years and plastic bottles take up to 450 years to fully degrade (Jambeck et al., 2015). Therefore, more effective plastic waste management strategies and stricter policies are urgently needed to reduce the environmental impact of plastics.

Both the central and local governments have issued various regulations to address plastic waste pollution in the environment. Some of these policies include Law No. 18/2018 on Waste Management and Government Regulation No. 81/2012 on the Management of Household Waste and Waste Similar to Household Waste, which regulates waste management, which includes plastic waste. Additionally, restrictions on plastic bag usage have been enforced through the Circular Letter No. 8/PLSB3/PS/PLB.0/5/2016 from the Director-General of Waste Management, Ministry of Environment and Forestry, concerning Plastic Waste Reduction through the Implementation of Non-Free Single-Use Plastic Bags. Policies at the local government level have also been implemented, especially regarding the prohibition of the use of

disposable plastic bags, for example, in Padang City, with Padang Mayor Regulation number 36 of 2018 concerning Controlling the Use of Plastic Shopping Bags.

Plastic excise is one of the latest solutions proposed by the government, specifically the Ministry of Finance, to address the impact of plastic waste pollution. Within the scope of ASEAN countries, four countries have already implemented this excise, namely, the Philippines, Cambodia, Vietnam, and Malaysia (DGCE, 2020). Since it was raised as a public issue in 2016 by the Ministry of Finance, the development of plastic excise has not yet reached the implementation stage. After several times, excise revenue from plastics was included in the draft state budget, but in reality, the revenue plan was always canceled. As presented in Table 1, from 2018 to 2024, the policy was included in the Draft State Budget Law, but it was consistently omitted from the final State Budget (APBN) for each respective year.

Table 1. RAPBN Revenue Target from Plastic Excises

Budget Year	Plastic Excise Target
2018	IDR 500 billion
2019	IDR 500 billion
2020	IDR 100 billion
2021	IDR 1.5 trillion
2022	IDR 980 billion
2023	Not Targeted
2024	IDR 1.84 trillion
2025	Not Targeted

Source: Ministry of Finance, 2018–2025 (processed by the author)

The proposal for the plastic excise began in 2016, with the plan to expand excisable goods on plastic products motivated by the government's and the public's concern about the amount of plastic waste. Furthermore, the discussion on the extension of excisable goods (BKC) continued by involving various parties including the Indonesian Consumers Foundation (YLKI), the National Consumer Protection Agency (BPKN), and business associations such as GAPMMI (Indonesian Food and Beverage Association), ASRIM (Association of Soft Drink Industries), and ASPADIN (Association of Bottled Water Producers), which resulted in an initiative to prepare a Government Regulation Draft on the Imposition of Excise on Plastic Packaging Containing Beverages. The peak of the BKC extensification discussion occurred at the State Secretariat office in June 2016, involving more agencies, namely the Coordinating Ministry for the Economy, Cabinet Secretary, Investment Coordinating Board (BKPM), KLHK, Ministry of Industry and Ministry of Trade, with the conclusion that the imposition of excise on plastic packaging is not appropriate because it still holds higher economic value, making the waste generated relatively small (it is picked up by scavengers) and plastic bags are directed as excise objects (DGCE News Magazine, 2021).

Although the draft Government Regulation (PP) on plastic excise has been completed and passed through the harmonization process between relevant ministries, until now the policy has not yet

been enacted by the President of the Republic of Indonesia. One of the main reasons for this delay is the consideration of the readiness of the national economy in dealing with the impacts caused by the implementation of plastic excise. The Ministry of Finance stated that the implementation of plastic excise requires careful preparation, including the preparation of comprehensive regulations and coordination with various related parties so that its implementation can run effectively and in accordance with applicable laws and regulations (Kompas, 2017). In addition, the industrial sector, especially the plastics and retail industries, also voiced their concerns about the potential negative impact of this policy, such as increased production costs and prices of goods, which could affect people's purchasing power and the competitiveness of the national industry (Detik, 2019). Therefore, although the plastic excise policy aims to reduce single-use plastic consumption and support environmental sustainability, its implementation requires careful consideration so as not to cause unintended economic impacts (CNN Indonesia, 2022).

Since its initial proposal in 2016, the plastic excise policy has been a subject of considerable debate in Indonesia. The Ministry of Finance, the proponent of the policy, has advocated for its implementation, while the Ministry of Industry has expressed opposition, citing concerns about its potential negative impacts on the plastic industry and national industry competitiveness. (Ministry of Finance, 2019; Ministry of Industry, 2016). The Ministry of Finance argued that the imposition of excise on plastic packaging, especially plastic bags, can reduce the consumption of single-use plastics that contribute significantly to plastic waste in Indonesia (Ministry of Finance, 2019). However, the Ministry of Industry considers that the policy could increase the industry's operational burden, weaken competitiveness, and negatively impact national industry growth (Ministry of Industry, 2016). This divergence of views reflects the tension between environmental goals and economic considerations in Indonesia's public policymaking.

Van Eeten (2006) explains that the narrative issued by the government will naturally bring its counter-narrative. This is because policy narratives are social constructions that are loaded with values and interests, causing diverse interpretations among policy actors. In the public policy process, narrative is not only a communication tool, but also an instrument of domination or resistance used by various parties to shape the understanding of an issue (Fischer, 2003). When the government frames a policy in the form of a dominant narrative, other actors, such as interest groups, industry associations, or civil society can develop counter-narratives to challenge the legitimacy of the narrative. Roe (1994) stated that in conditions of high uncertainty and complexity, such as in environmental issues and fiscal policy, narratives and counter-narratives become the main medium in articulating political and technocratic positions. Therefore, the dynamics between narratives and counter-narratives are inherent in the process of public policy formulation.

Several previous studies have discussed plastic excise. Irianto & Saputra (2022) discussed plastic excise policy formulation in which the main issues, related stakeholders, and perspectives of government informants were analyzed. Yolanda & Saputra (2021) discussed the extensification of plastic excise. Williemi & Julitawaty (2024) discussed excise extensification in relation to

improving public health. Rahmi & Selvi (2021) discussed the impact of plastic excise collection on plastic consumption in Indonesia. Gultom (2020) discussed plastic excise extensification and benchmarking with other countries. Purwoko (2012) discussed the effectiveness of excise on plastic bag products and its impact on the economy. Baidarus and Siburian (2018) discussed the impact of excise on plastic bags and its impact on plastic bag consumption and excise revenue. Saputra, et. al. (2023) discussed the determination of plastic excise rates and incentives that can be given to business actors. However, no study of plastic excise policy in Indonesia using narrative policy analysis has been conducted, which is the novelty of this research.

This study aims to analyze the plastic excise policy in Indonesia using Narrative Policy Analysis (NPA). The goal is to explore how different stakeholders—such as the government, industry groups, and environmental organizations—construct their policy perspectives through narratives. By using NPA, this research seeks to understand the underlying stories and frames that influence the policy debate, offering insights into how narratives shape public opinion and policy outcomes. This approach allows the study to examine the excise from different theoretical perspectives and explore its political, economic, and environmental implications.

## **2. Method**

This research uses a post-positivism approach that is suitable for interpretative analysis of complex public policy issues, such as the excise on plastic. In this paradigm, theory is used as an interpretative lens rather than an absolute truth. This approach was chosen to minimize cognitive bias in the interpretation of narratives and accommodate the diversity of realities reflected in policy discourse (Gray & Jones, 2016; van Eeten, 2006).

This research uses the Narrative Policy Analysis (NPA) method developed by Roe (1994) and further developed by van Eeten (2006). This method is part of an interpretative discourse analysis approach that is effective for understanding public policies that are full of uncertainty and controversy, where narratives play a major role in shaping public understanding and influencing decision-making (Roe, 1994; van Eeten, 2006). NPA views policy narratives as configurations of characters, storylines, and morals used by policy actors to frame problems and offer solutions. In this study, the analysis includes the dominant narrative constructed by the government, as well as counter-narratives put forward by civil society, industry players, and environmental activists. The analysis concludes with the formulation of a meta-narrative narrative that compares two conflicting narrative positions (Shanahan et al., 2018). This research focuses on two aspects of Narrative Policy Analysis (NPA), namely, form and content (Weible & Sabatier, 2018). Form (Narrative Structure) identifies four elements in the policy narrative structure: (1) Setting: The space and time context associated with the policy issue; (2) Characters: Characters in the narrative, including protagonists, antagonists, and victims; (3) Plot: The storyline that connects each character in a particular time and space; and (4) Moral of the story: The proposed policy solution or moral message. Furthermore, the Content of the policy narrative in the NPA concept consists of: (1) Policy Beliefs: The value system underlying the policy objectives; and (2) Strategies: Approaches used by the narrator to influence the policy process.

The level of analysis in this study is the meso level, which focuses on policy actors and groups that directly interact in the construction of policy narratives, specifically related to plastic excise. At this level, the main actors involved include technical ministries such as the Ministry of Finance and the Ministry of Industry, legislative bodies involved in making regulations, plastic industry associations, civil society organizations such as environmental NGOs, as well as mass media that play an important role in communicating narratives to the public. The selection of the meso level in this analysis allows researchers to explore in depth how policy narratives are formed and exchanged among these actors, as well as how these narratives can influence the policy formation process, both in terms of support and opposition to the proposed policy (Shanahan et al., 2018).

Data were collected via media content analysis and document study. The data collected included news articles from trusted online media as well as news releases from government and association websites. Media sources were selected based on the top three rankings in the Media Survey conducted by Ipang Wahid Strategik in 2023, with a sample size of 1,400 respondents from 33 provinces. From the survey results, the media that ranked among the top 3 references for political and economic reading were Kompas, Detik, and CNN Indonesia. The news articles collected were from the period January 1, 2016 to April 20, 2025, using the keywords: "plastic excise" and "excise on plastic". Article screening was performed using the Python application from the 3 news sites, resulting in 137 news reports.

Data were analyzed using illustrative methods that applied theoretical concepts as a framework for interpreting the empirical data (Neuman, 2014). Illustrative methods are qualitative research techniques that simplify complex cases by using detailed examples and empirical data to highlight key themes and recurring patterns. This approach is particularly useful in policy analysis, where complex policy debates, like the plastic excise policy, are framed within theoretical perspectives to provide clarity and insight. Two main techniques were used in this study: case clarification and pattern matching. Case clarification simplifies the complexity of a policy issue by applying theory to real-world cases, helping to break down the policy's key issues and arguments (Roe, 1994). Pattern matching is used to identify recurring narrative patterns and themes between different actors involved in the policy debate, allowing for the comparison of observed data with theoretical expectations to enhance the rigor of the analysis (Shanahan et al., 2018).

The steps of policy narrative analysis in this study are as follows: (1) identification of policy issues, particularly focusing on the plastic excise and the arguments behind it; (2) categorization of narrative types into policy narratives, non-narratives, and counter-narratives; (3) mapping of narrative elements, including characters, setting, conflict, and resolution; and (4) comparison of narratives to generate metanarratives that reveal the tensions and complexities of existing narratives (Roe, 1994; Gray & Jones, 2016). By using these methods, the study ensures a comprehensive and transparent analysis of the discourse surrounding plastic excise policy.



This research recognizes the limitations of using the media as a proxy for broader public discourse. The media can carry editorial bias and do not always represent the full spectrum of public opinion. In addition, the interpretive nature of NPA limits the generalizability of results, yet provides a more contextual depth of understanding (Miller, 2020; Fairclough, 2013).

### **3. Results**

Excise is a state levy on certain goods that have special characteristics, such as causing negative externalities, their circulation needs to be monitored, or their use needs to be controlled (Law No. 39 Year 2007). In the framework of public economics, excise serves as a corrective instrument against market failures, particularly negative externalities. Cnossen (2005) emphasized that a well-designed excise must consider the magnitude of externalities and the ability to efficiently change consumer behavior without causing excessive economic distortions. In this case, excise is not only a fiscal tool to increase state revenues but also a means to achieve social and environmental goals, such as reducing harmful goods and pollutant consumption (Cnossen, 2005; Purwoko, 2012).

Indonesia currently imposes excise duties on only three types of goods—ethyl alcohol, alcohol-containing beverages, and tobacco products (Law No. 39 of 2007 on Amendments to Law No. 11 of 1995 on Excise). However, the expansion of excisable goods is possible under the law, as long as the goods meet certain criteria, such as endangering health, polluting the environment, or incurring high social costs. Other countries, such as Japan, India, and Malaysia, have imposed excise duties on products such as sugar, detergents, and electricity that have environmental implications. This shows that excise can also function as an instrument for achieving environmental and intergenerational justice (Purwoko, 2012).

Excise on plastic products, especially plastic bags, has great potential to be implemented in Indonesia. A study by Purwoko (2012) showed that the imposition of a 15% excise could reduce demand by 18.88% of projected annual production, with additional state revenues reaching more than Rp700 billion. With a price elasticity of -1.259, plastic bags are categorized as goods whose demand is quite responsive to price changes. In this context, the implementation of plastic excise can be considered effective as an instrument to internalize negative externalities, reduce plastic waste, and at the same time create fiscal incentives for the innovation of alternative products that are more environmentally friendly (Purwoko, 2012). This agrees with Cnossen's principle that excise design should be based on control effectiveness and fiscal efficiency.

Policy-wise, the issue of plastic excise in Indonesia has been increasing since the early 2010s. Although it has not been formally implemented, various studies and policy discourses have reinforced its urgency. A study conducted by the Fiscal Policy Agency has developed scenarios for the implementation of excise rates of 5%, 10%, and 15% and analyzed their impact on national economic output, public income, gross value added, and indirect tax revenues. The analysis also identified that the imposition of excise has the potential to significantly reduce plastic bag consumption while providing policy space for consumption restriction through a price mechanism (Purwoko, 2012). Thus, the policy narrative on plastic excise in Indonesia can be

analyzed through the Narrative Policy Analysis approach (Roe, 1994) to understand the discourse dynamics between government, industry, and civil society actors in framing the problems and solutions to the plastic crisis.

### **The Narrative of a Plastic Excise Policy**

Indonesia's plastic excise policy has attracted much attention since it was first proposed in 2016. The government, through the Ministry of Finance, proposed an excise of IDR 30,000 per kilogram on single-use plastics as a strategic measure to reduce plastic consumption and mitigate negative environmental impacts. This proposal aims to internalize the negative externalities of plastic consumption and encourage more environmentally responsible consumption behavior, not just to increase state revenues (Ministry of Finance, 2019). Despite some challenges in the implementation of this policy, the plastic excise policy narrative has received significant support from various parties, both from within the government and civil society.

Support for the plastic excise policy also comes from the KLHK. KLHK considers that plastic excise can be an effective fiscal instrument in supporting plastic waste reduction policies in Indonesia. In line with this, the KLHK has implemented a non-fiscal policy in the form of banning the use of plastic bags in various regions, which shows the synergy between regulative and fiscal approaches in controlling plastic consumption (KLHK, 2019). In this context, the plastic excise policy is considered part of a broader strategy to address the plastic waste problem, which involves not only government regulations but also the active participation of the community and the industrial sector.

Not only did the government support this policy but also the legislative sector through Commission XI of the House of Representatives, which gave approval to the proposal to impose plastic excise. However, they emphasized that the application of plastic excise is not limited to plastic bags but also includes other single-use plastic products that contribute to the increasing amount of plastic waste in Indonesia (Kompas, 2025). This shows that the plastic excise policy has gained support from various levels of government, although challenges remain in terms of implementation and determining the right tariff.

In addition to support from the government and Parliament, non-governmental organizations (NGOs) also play an important role in supporting the plastic excise policy. The Indonesian Consumers Foundation (YLKI) urges the government to immediately implement an excise policy on plastics and sugar-sweetened beverages in packaging (MBDK), given the urgency of the environmental and health issues faced by the Indonesian people. YLKI considers the delay in implementing the plastic excise to be contrary to the urgent need to protect the younger generation from the health impacts associated with the consumption of plastics and packaging made from hazardous chemicals (Detik, 2024). In this case, NGOs play an important role in mobilizing public awareness of the adverse environmental and health impacts of plastics.

In addition, the public also expressed their support for the policy through various channels, including a petition asking the government to immediately implement the plastic excise. The



petition, initiated by artist Nadia Mulya, garnered support from 112,761 people (CNN Indonesia, 2017). The petition reflects the public's awareness and active participation in supporting pro-environment and public health-oriented policies. In this context, the involvement of various policy actors, industry sectors and civil society is crucial to ensure that the plastic excise policy is effectively accepted and implemented. Although its implementation is still pending, the widespread support for this policy shows that the plastic excise policy narrative has gained enough legitimacy to drive future decision-making.

### **Counter-Narrative of Plastic Excise Policy**

The policy of imposing excise on plastic in Indonesia has been rejected by various parties, including related ministries and industry associations. The Ministry of Industry expressed its objection to the plan, arguing that most of the industries that produce plastic bags are small and medium enterprises (SMEs) that have limitations in terms of technology and production capacity. The Ministry of Industry also believes that the plastic waste problem should be solved through improved waste management, not by burdening the industry through the imposition of excise. Taufiek Bawazier, Director of Downstream Chemical Industry of the Ministry of Industry, stated that plastic is not included in the category of goods subject to excise in accordance with Law No. 39 of 2007 on Amendments to Law No. 11 of 1995 on Excise, and the imposition of excise will increase production costs and increase product selling prices, which in turn will reduce the competitiveness of the national industry (Detik, 2019).

In addition, the Indonesian Olefin, Aromatic, and Plastics Industry Association (INAPLAS) also rejected the plastic excise policy. INAPLAS Secretary General Fajar Budiono expressed his concern regarding the purpose of this policy, whether for state revenue or environmental improvement. INAPLAS warned that the policy would burden the plastic industry, which has already been hit hard by regulations in several regions that prohibit the use of plastic bags. Fajar also added that although this policy is expected to reduce plastic consumption, the imposition of excise will worsen the condition of the industry, which is already under pressure from the cost burden (Detik, 2019).

The Indonesian Food and Beverage Association (GAPMMI) also voiced its opposition to the plastic excise plan. They argue that this policy will lead to a significant increase in the price of consumer products, which in turn will reduce people's purchasing power. GAPMMI warns that the price hike will reduce consumption, which in turn will lead to a decrease in sales volume and state tax revenues. Rising consumer goods prices may also reduce the competitiveness of local industries, ultimately harming the Indonesian economy as a whole (CNN Indonesia, 2017).

In addition, the Forum across Associations of Plastic Users and Producers (FLAPPP), which consists of 16 industry associations, also rejects the implementation of plastic excise. FLAPPP argues that plastic excise is not in accordance with the provisions in the Excise Law and will burden both industry players and consumers. They warned that the imposition of this excise could increase production costs, reduce demand, and weaken the competitiveness of the national industry. FLAPPP also considered that this policy could reduce new investment in the plastics sector, which is urgently needed to support national economic growth (Detik, 2019).

Criticism of the plastic excise policy also comes from academics who consider that this policy is not effective enough in addressing the plastic waste problem. Several academics quoted by the mass media, as revealed by Kompas (2017), argue that the imposition of excise does not touch the root of the problem, namely waste management and the low level of recycling in Indonesia. They emphasized that more comprehensive policies, such as improving recycling infrastructure and educating the public to reduce plastic use, would be more effective eventually. In addition, academics also criticize that this policy as having the potential to worsen people's purchasing power, as there will be an increase in the price of goods that use plastic as packaging material. Detik (2019) cites the views of economists who state that the imposition of excise may have negative impacts on the industrial sector, especially those based on plastics, which will ultimately harm the Indonesian economy as a whole. As such, they argue that a more holistic waste management policy based on a planned and structured reduction in plastic use is more feasible.

### Narrative Policy Analysis

Table 2. Form and Content Analysis

Form (Narrative Structure)	
Setting (Time and Space Context)	Indonesia's plastic excise policy focuses on reducing plastic waste in the context of environmental management.
Characters	The Ministry of Finance as the protagonist, the Ministry of Industry and the plastics industry as the antagonists, and the public as the victims.
Plot	The storyline involves the imposition of an excise to reduce the use of plastics, with resistance from the industry and the impact on the economy.
Moral of the Story (Policy Solution)	The imposition of excise is an effort to reduce plastic waste, but other waste management needs to be supported.
Content	
Policy Beliefs (Value System)	Reducing plastic waste with excise will raise awareness and reduce plastic consumption that impacts the environment.
Strategies (Approach)	The use of excise as an incentive, accompanied by public campaigns and education on plastic waste.

Table 2, which presents the Form and Content Analysis, applies the Narrative Policy Analysis (NPA) framework developed by Weible and Sabatier (2018) to analyze the plastic excise policy in Indonesia. NPA focuses on the policy narrative, which is the story built by the main actors involved in policymaking. This analysis divides the plastic excise policy into two main components: form (narrative structure) and content (narrative content), each of which provides an overview of how the policy is structured and accepted by the public and policy actors. Through this analysis, we can understand the dynamics that occur in the implementation of the policy, including the roles of the various parties involved and whether they support or oppose this policy.

In the first part of the Form, namely Setting, the plastic excise policy in Indonesia is framed in the context of the increasingly urgent problem of plastic waste. This policy emerged during an increase in public awareness of the negative environmental impacts of plastic waste, which continues to increase in number every year. In Indonesia, plastic waste has become a significant environmental issue, with widespread impacts on ecosystems and people's quality of life. This policy was designed with the hope of reducing the consumption of single-use plastics, which are major contributors to plastic waste in the country. Therefore, the setting up of this policy occurs in a very relevant time frame, namely, in the modern era when there is an increase in the global community's awareness of sustainability and waste management.

The second element of form, character, identifies the main actors in this policy narrative. In the context of the plastic excise policy, the Ministry of Finance is the protagonist, pushing the policy to reduce plastic waste and support environmental sustainability. The Ministry of Finance acts as the agent that implements this policy with the aim of reducing the use of single-use plastics, which are increasing. In contrast, the Ministry of Industry and the plastics industry sector, as antagonists, opposed the policy, given its negative impact on the production costs and prices of plastic-based goods. This opposition is mainly driven by concerns over increased product prices, which could reduce people's purchasing power and hurt the industrial sector. Meanwhile, people who depend on plastic products are potential victims of this policy because they will feel a direct impact in the form of increased prices of goods that use plastic as packaging material.

Furthermore, the plot of this policy illustrates how the imposition of plastic excise can be introduced as a solution to reduce the consumption of single-use plastics. The narrative begins with an introduction of the growing problem of plastic waste, which is then followed by the proposal to impose excise as a way to reduce the use of plastic. This policy aims to encourage consumers and producers to switch to more environmentally friendly alternatives. However, this policy was rejected by the industrial sector, who felt that it would economically hurt them. The plot also reveals the tension between the larger environmental goals and industry players' economic impact. While the proposed policy solution is the imposition of excise as a way to reduce plastic consumption, there is criticism that this policy should be accompanied by a more holistic policy, such as improving plastic recycling infrastructure.

In the Moral of the Story section, the policy proposes that the imposition of excise is a necessary step to reduce single-use plastic consumption. However, there are views that this policy should be accompanied by other more comprehensive measures, such as waste management and public education. The moral of this policy is that excise can be an effective tool in reducing plastic waste, but it is not enough to rely solely on this instrument. This policy must be balanced with other measures that focus on raising public awareness about reducing plastic use, as well as better waste management-based on sustainability.

On the other hand, the Content of this policy consists of two main elements: Policy Beliefs and Strategies. The Policy Beliefs underlying this policy focus on reducing plastic waste as the main goal. Policymakers believe that by imposing excise on plastics, consumers and producers will be

encouraged to reduce the use of single-use plastics. This belief assumes that excisees can modify the behavior of the public and industrial sectors in reducing plastic consumption, which in turn will have a positive impact on the environment. Strategies used in this policy include the use of excise as an economic instrument to encourage behavioral change. In addition, there is a communication strategy that aims to increase public awareness of the importance of reducing plastic waste through wider campaigns and education.

### **Meta Narrative Analysis**

Table 3. Meta Narrative Analysis

Narrative	Counter Narrative	Reasons for the Differences
Plastic excise reduces plastic waste and supports environmental sustainability.	Plastic excise is ineffective without better waste management.	Proponents view excise as an effective incentive, whereas counter-narratives doubt its effectiveness.
Excisees can reduce plastic waste by changing consumer and producer behavior.	The excise will not be effective without changes to the waste management system.	While proponents believe excisees can change behavior, counter-narratives argue that waste management systems are more important.
Excise as an economic instrument to increase state revenues.	Plastic excise triggers price hikes, harms industry, and discourages investment.	Differences in the economic impact of excise on plastic

The first narrative meta-analysis (Table 3) shows that the plastic excise policy proposed by the Ministry of Finance aims to reduce single-use plastic consumption and address Indonesia's plastic waste issue. Proponents of this policy believe that by imposing an excise on plastics, consumers will be encouraged to reduce their use, while industries will seek more environmentally friendly alternatives. From this perspective, plastic excise can be seen as an effective tool for internalizing the negative externalities of plastic consumption and encouraging behavioral changes in the public and producers toward more environmentally responsible consumption.

However, counter-narratives have emerged from those who doubt the effectiveness of plastic excise without improvements in waste management. Opponents argue that although excise may reduce plastic consumption, the problem of poor waste management remains a major obstacle. They emphasize that without adequate waste management infrastructure, such as better recycling facilities and efficient waste sorting systems, this policy will not have a significant impact in reducing plastic pollution.

This divergence of views reflects disagreement on how the policy should be implemented to achieve the desired goals. Policy proponents view excisees as an effective fiscal incentive to

reduce plastic consumption and encourage greener behavior. On the other hand, opponents of the policy favor comprehensive waste management-based solutions, which they consider to be a more important and effective measure in addressing the plastic pollution problem. Therefore, this difference reflects two conflicting approaches: fiscal policy and waste management infrastructure-based policy.

In the second meta-narrative analysis, the narrative of the plastic excise proposed by the Ministry of Finance in Indonesia focuses on the goal of reducing plastic waste by changing consumer and producer behavior. Policy proponents believe that by imposing an excise on plastics, both consumers and industries will feel compelled to reduce the use of single-use plastics. Here, excise is considered a fiscal instrument that has great potential to create behavioral change at the consumer level and encourage producers to switch to alternative materials that are more environmentally friendly. This narrative agrees with the basic principles of Narrative Policy Analysis (NPA), in which fiscal policy serves as a tool to motivate social and environmental change through changes in economic behavior.

However, counter-narratives have emerged from those who argue that the plastic excise policy will not be effective without significant changes in the waste management system itself. Opponents of this policy focus on more fundamental issues related to waste management infrastructure, such as the lack of adequate recycling facilities and efficient waste sorting systems. They argue that while a plastic excise may reduce consumption, without proper waste management, this policy will not have a significant impact on reducing the amount of plastic waste that eventually ends up in landfills. In other words, this counter-narrative emphasizes that waste management is a more important key factor to ensure that the reduced plastic waste can actually be managed properly, not just reduced at the consumption level.

The difference between these narratives and counter-narratives lies in the different approaches to solving the plastic waste problem. Supporters of the plastic excise policy believe that the excise will change people's behavior, while opponents of the policy focus on waste management issues as a more effective measure. Within the framework of policy narrative analysis theory, these two views illustrate the tension between fiscal policies that aim to influence consumer behavior and policies that focus on managing waste infrastructure as a more comprehensive solution. Policy proponents put more emphasis on the direct effect of excise as an incentive for greener behavior, while opponents argue that without adequate infrastructure support, fiscal policy alone will not be enough to achieve the goal of sustainable plastic waste reduction.

In the third meta-narrative analysis, the narrative that supports excise as an economic instrument focuses on the potential of excise to increase state revenues. Proponents argue that plastic excisees will provide an additional source of revenue that can be used to fund environmental sustainability programs and other public projects. In the theory of policy narrative analysis, this narrative serves as a tool to motivate policies that support the state's fiscal goals, where excisees are seen as a way to achieve economic benefits while supporting long-term sustainability goals. This narrative emphasizes that apart from being an environmental instrument, plastic excise

enriches state treasury and serves as an alternative funding source that can be used to support broader policies related to plastic waste management.

However, counter-narratives have emerged from parties concerned that the implementation of a plastic excise will have a negative impact on the economy, mainly through increased prices of goods and its impact on industry. Opponents of this policy argue that the imposition of excise will lead to a spike in production costs, which, in turn, will increase the prices of plastic-dependent consumer goods, such as food packaging and basic necessities. They fear that this policy will hurt people's purchasing power, especially lower-class consumers. In addition, industrial sectors that depend on plastic as a key raw material will also experience a drag on competitiveness, which could slow investment and economic growth. In this case, the counter-narrative emphasizes the negative economic impacts that could arise from this policy, especially in terms of the price of goods and the potential for investment inhibition.

This difference between narratives and counter-narratives can be explained by the theory of policy narrative analysis, where each narrative reflects different interests and perspectives on the economic impact of plastic excise. Proponents of the policy focus on the fiscal benefits and long-term economic sustainability that can be achieved through additional revenue from the excise, while opponents prioritize the short-term economic impact on people's purchasing power and the industrial sector. Within the NPF framework, these two narratives reflect differences in the framing of the issue: one focuses on the long-term benefits for the country and the environment, while the other highlights the short-term negative consequences for the economy and industry competitiveness. Both arguments have legitimate grounds, but their differing views may affect the way the policy is accepted and implemented by various actors in the policy system.

#### **4. Discussion**

The plastic excise policy proposed by the Ministry of Finance, which aims to reduce single-use plastic consumption and tackle plastic pollution, showcases the dynamics of discourse among various policy actors with differing views. This study used Narrative Policy Analysis (NPA) to explore and analyze the conflicting narratives surrounding the policy. Proponents of the policy, including the Ministry of Finance, argue that the excise is an effective fiscal instrument for reducing plastic consumption and encouraging behavioral changes among consumers and producers. They believe that the imposition of excise serves not only as a means to internalize the negative externalities of plastic consumption but also as a tool to promote environmental sustainability and social change by altering economic behaviors.

On the other hand, the counter-narrative, primarily from the industrial sector, including the Ministry of Industry and plastic industry associations, expresses concern that the plastic excise will increase production costs, harming the competitiveness of the industry and raising consumer goods prices. Opponents argue that the policy does not fully consider the economic implications for industries reliant on plastics, such as packaging. They contend that effective waste management and infrastructure reforms should take precedence over fiscal policies like excise



and that focusing solely on taxation may not sufficiently address the root causes of plastic waste without substantial improvements in recycling systems and waste management.

This study employs narrative policy analysis to illustrate how these differing narratives not only reflect divergent opinions on the policy's solution but also highlight varied understandings of its effectiveness. While proponents see the excise as a tool to influence behavior and reduce plastic consumption, opponents emphasize the need for systemic change in waste management. This tension underscores the broader debate between policies focused on long-term behavioral change through fiscal mechanisms and those aimed at addressing the technical challenges of waste management.

Therefore, the analysis concludes that Indonesia's plastic excise policy should be understood within a more holistic framework that integrates fiscal policy and the development of robust waste management infrastructure. By considering these different perspectives, this research emphasizes the need for a more comprehensive approach that combines economic instruments with practical solutions for managing plastic waste, ensuring the policy's long-term sustainability.

From the narrative analysis of the plastic excise policy in Indonesia, it can be concluded that there is a tension between narratives that support excise as a fiscal instrument to reduce plastic waste and counter-narratives that doubt its effectiveness in the absence of reforms in more comprehensive waste management. To overcome this tension, several steps can be taken in the construction of future policy narratives.

First, the Ministry of Finance must strengthen the narrative of plastic excise policy by emphasizing that excise is not only a fiscal tool but also part of a broader environmental policy. This can be achieved by involving more stakeholders in the policy formulation process, including the industry sector, civil society, and academic institutions. A more inclusive approach will help alleviate uncertainty and clarify the purpose of plastic excise policy as an instrument that supports environmental sustainability while encouraging greener economic transformation.

Second, when developing a plastic excise policy narrative, it is necessary to integrate this policy with a more holistic waste management strategy. By prioritizing efficient waste management infrastructure, including improved recycling facilities and waste segregation, the plastic excise narrative can be strengthened with technical support that can address the root causes of plastic waste. In addition, public education and awareness-raising on the importance of reducing plastic use should also be part of this narrative.

Third, to overcome the discrepancy between narratives that focus on environmental goals and counter-narratives that emphasize economic impacts, transparent testing and evaluation of the economic impacts generated by the implementation of plastic excise are necessary. The government, in this case the Ministry of Finance and the Ministry of Industry, can work together to design an evaluation mechanism that involves empirical data and impact studies to ensure that this policy is not only effective in reducing plastic waste but also does not have an excessive

negative impact on people's purchasing power and industry competitiveness. With this evidence-based approach, the policy narrative can be more accepted by various parties involved in decision-making.

By considering these three aspects, the plastic excise policy can be more effective and accepted by the public and other stakeholders. Therefore, it is important for the Ministry of Finance to strengthen the construction of this policy narrative in order to produce a policy that not only reduces plastic waste but also provides broader social and economic benefits.

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