



## THE CONVERSION OF LPG GAS TO NATURAL GAS: STUDY ABOUT GOVERNMENT POLICY OF NATURAL GAS CONVERSION IN INDONESIA

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**Abstract.** *This paper is a literature study and field research to the theme that was raised, the conversion of LPG gas to natural gas: a study about government's policy of the conversion Indonesia's natural gas. There are three questions in this paper: first, how is the concept of government policy towards the conversion of Indonesia's natural gas? Second, how is the impact of government policies on natural gas conservation in Indonesia? Third, how is the implementation of government policy? By using the concept of analysis to explain the first question, it's about how the concept of government policy towards the conversion of natural gas in Indonesia. The second question is how the impact of government policies on natural gas conversion in Indonesia. And the field approach to explain the third questions, how is the implementation of government policies towards the conversion of natural gas in Indonesia. The results of this paper itself are, first knowing the concept of government policy on natural gas conversion in Indonesia, knowing the impact of government policy on natural gas conversion in Indonesia. Third, is to know the implementation of government policies of natural gas conversion in Indonesia.*

**Keywords.** Conversion, LPG Gas, Natural gas, Government Policy

### INTRODUCTION

Indonesia is famous for its oil-producing countries in the past then Indonesia government implemented the use of LPG 3 kg continuously for decades, at that time Indonesian oil was still abundant. However, Indonesia is experiencing an energy crisis.

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When it is deficit and needs import, then this becomes a problem. Inevitably Indonesia did import gas to meet domestic's need in the country, conditions that occur and the dark future of Indonesia's natural gas are also triggered because there is no strategy of using gas as a primary energy substitute for petroleum which is increasingly scarce and expensive. Moreover, the government is increasingly active in providing subsidized LPG 3 kg on a large scale and this can worsen Indonesian nation future. LPG should only be used as a bridging or temporary program before fully using natural gas. The government should build gas infrastructure immediately as long as many and possible. This gas pipeline will facilitate gas provider to distribute their gas to housing. The conversion LPG to natural gas is an appropriate policy by the government. Various considerations issued by the government by importing more than 80% of LPG, especially those brought in from the Middle East make the policy of converting gas 3 kg to natural gas a solution to reduce the use of LPG in the community. The demand on the market which is increasing especially on LPG usage among households cannot be tolerated, because this gas our country cannot produce itself, finally the government imports gas to meet the demand on the market until use state budget funds (APBN). By various concerns, the government is firm in taking action by converting gas 3 kg to natural gas.

PT. National Gas Company (PGN), which is a State-Owned Enterprise (SOE) which is engaged in the sale and distribution of natural gas before the issuance. The law of Oil and Gas NO 22 of 2001 has run its business in a monopoly and protected by the State. The law No. 22 of 2001 concerning Oil and Natural Gas has the potential to change many things regarding the management of the oil and gas industry. The law 22/2001 is intended to create independent and transparent oil and gas business activities, competitiveness, environmental preservation, and to encourage the development of national potentials and roles. In Law No. 22/2001 there is a firmer division between the functions of government, regulators and business actors, the breakdown of business chains into several main activities and the emphasis on liberalization of the downstream sector. The use of natural gas as a fuel for cooking needs is a very safe energy. The use of gas as a stove fuel is widely known in our country. This natural gas is a superior in the wide community. The household gas network still faces various problems, especially the availability of gas pipeline infrastructure. To date, the gas network program in several cities still uses the budget from the state budget (APBN). This gas pipeline

program for households is not very attractive for businessmen. In addition, the availability of the gas pipeline infrastructure to households that are still minimal, the margin obtained by the gas businessmen is not much. These various obstacles become problems for the government to conduct massive jargas construction throughout Indonesia. The Oil and Gas Downstream Regulatory Agency (BPH) also stipulates the profit margin for the businessmen that gets the assignment of the household segment jargas will not be more than 5%.

National energy needs are increasing every year, people are encouraged to start and be active in switching from LPG 3 kg gas into downstream gas or natural gas which is well known as gas piping to meet gas needs. Besides being environmentally friendly, this gas is also cheaper than LPG, and this gas is more abundant in our country. Increasing the use of natural gas will help the government in reducing LPG subsidies. LPG majority still imports, while natural gas from the country. The desire of consumers who wants to consume more natural gas for households is more and more. It can be seen from the increasing number of new customers each year. Domestic natural gas is one solution to reduce dependence on LPG imports. Is this very economical? and in fact the use of subscription gas is more convenient, easy, and not afraid to run out when cooking. It also well known to be very safe to use. The use of this gas, we do not need to change gas or dismantle the labirator again, and no longer need to carry heavy LPG gas to the store.

## **LITERATURE REVIEW**

### **The Concept Policy: Conversion to Natural Gas**

Policy is a government instrument, not only in the sense of government that only concerns the state apparatus, but also the governance that touches on the management of public resources. Policies are essentially decisions or choices of actions that directly regulate the management and distribution of natural, financial and in the public interest, that is, the people, population, community or citizens. Policy is the result of the existence of synergy, compromise or even competition between various ideas, theories, ideologies and interests that represent a country's political system. Policy is a series of actions / activities proposed by a person, group, or government in

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an environment, especially where there are obstacles and possibilities where the policy is proposed to be useful in overcoming it to achieve the intended purpose<sup>1</sup>. This does not mean that the meaning of 'policy' is only the property or dominant of the government. Non-governmental organizations, such as non-governmental organizations (LSM), social organizations (such as youth organizations, family welfare education / PKK) and other voluntary institutions also have policies. Public policy has at least three interrelated dimensions, namely as an objective, as a choice of legal action (authoritative choice), and as a hypothesis (hypothesis)

Public policy as a goal of public policy finally involves public achievement. That means, public policy is a series of government actions designed to achieve certain results expected by the public as a government constituent. Public policy is as a choice of legal action, in a legal policy or authoritative because it is made by an institution that has legitimacy in the government systems. The decision binds civil servants to act or direct the choice of actions or activities such as removing draft laws or government regulations for consideration by parliament or allocating budgets to implement certain programs. Public policy as a policy hypothesis is based on the theory model or hypothesis about cause and effect. Policies always rely on assumptions about behavior. Policies always contain incentives that encourage people to do something policy must be able to unite estimates of successes that will be achieved and mechanisms to overcome failures that might occur. Basically, public policy is a decision that is intended to overcome mistakes in carrying out certain activities, or to achieve certain goals carried out by agencies that have authority in of carrying out the tasks of government and development, taking place in one particular policy. The policy was born from the policy formulation system, in terms of policy formulation according to William 1998, there are stages that must be carried out sequentially, namely: first, the agenda organizer, second, policy formulation, third, policy adoption, fourth, policy evaluation<sup>2</sup>.

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<sup>1</sup> Agustino, Leo. 2006. *Dasar-dasar kebijakan publik*. Bandung: CV. Alfabeta. P. 76

<sup>2</sup> Dunn, William N. 2003. *Analisis Kebijakan Publik*. Yogyakarta: Gajah Mada University press. P. 74

A public policy cannot be released without evaluation. Policy evaluation is conducted to assess the effectiveness of public policies to be held accountable to the public in order to achieve the goals. Evaluation is needed to see the gap between expectations and reality. If the policy is seen as a sequential activity, then policy evaluation is the last step in the policy process. At this step, the policies that have been implemented will be evaluated to see the extent which policies that have been made are able to solve the problem. Public policy is basically made to achieve the desired impact. Therefore, it is determined the measure or criteria that become the basis for assessing whether public policy has achieved the desired goal<sup>3</sup>. Evaluation is the process of determining the value of a thing or object based on certain references to determine a particular goal. In a company, evaluation can be interpreted as a process of measuring the effectiveness of the strategy used in an effort to achieve company goals. The data obtained from the measurement will be used as an analysis of the next program.

Policy evaluation is divided into three types: first, policy evaluation is understood as an analytic activity. Concerning the interests and ideology of the policy evaluations is focus on the operation of certain policies or programs. Second is systematic policy evaluation. Look objectively at the policy programs that are implemented to measure their impact on society and see the extent which stated goals have been achieved. Evaluate policy performance by conducting a comprehensive assessment of achievement of targets (output), achievement of policy objectives (outcomes), gaps between targets and objectives by achievement, Comparison (benchmarking) with the same policies elsewhere that are successful, Identification of success supporting factors and failure causes gaps, and provide recommendations for overcoming gaps.

The function of the evaluation itself consists of four parts, First, the explanation through evaluation can be portrayed the reality program implementation and can be made a generalization about the patterns of relationships between the various dimensions of reality that are observed. From this evaluation the evaluator can identify problems, conditions and actors that support the success or failure of the policy. Second, abodiance through evaluation can be known whether the actions are taken by the

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<sup>3</sup> Winarno, Budi. 2002. *Kebijakan Publik: Teori dan Proses*. Media Pesindo: Yogyakarta. P. 153

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actors, both bureaucracy and other actors in accordance with the standards and procedures set by the policy. Third, the audit through evaluation can be known whether the output really reaches the hands of the policy target, or there are actually leaks or deviations. Fourth, accounting with evaluation can find out what are the socioeconomic consequences of the policy.

Gas is a phase of objects such as liquid, gas has the ability to flow and can change shape. However, unlike liquids, unrestrained gases do not fill a predetermined volume, instead they expand and fill any spaces where they are. The kinetic energy in a gas is the second greatest form of substance after plasma. The addition of this kinetic energy gas atoms and molecules often bounce off each other especially if this kinetic energy increases. The word "gas" was probably made by a flandrian chemist as a spelling of the pronunciation, for the Greek word, Chaos (mess). The main composition of natural gas is methane (80%), butane (4%), isobutane, and the remaining pentane. In addition to this composition, natural gas also contains helium, nitrogen, carbon dioxide, and other carbon-carbon. Natural gas does not smell, but to find out the leak is added to the smell of odor so that leakage can be detected. To facilitate the transportation of liquefied natural gas so it is called liquefied natural gas or LNG (Liquified Natural Gas). First, gas is transparent. Second, gas is distributed evenly in any space. Third, gas in the chamber will put pressure on the wall. Fourth, the historical volume of a gas is the same as the volume of the container, if the gas is not contained, the volume of the gas will become infinite and the pressure will be infinitesimal. Fifth, gas diffuses in all directions whether there is external pressure or not. Sixth, if two or more gases mix, the gases will be distributed evenly. Seventh, gas can be compressed with external pressure. When the outside pressure is reduced, the gas will expand. Seventh, when it is heated the gas will expand, when cooled it will shrink.

Criteria are benchmarks or indicators of public policy evaluation. The criteria for evaluation are described retrospectively, William N. Dunn provides criteria for evaluating public policies, which are as follows, first, effectiveness, is pleased with whether an alternative achieves the expected results to achieve the expected results expect or achieve goals by holding actions. Effectiveness is usually always measured by matters relating to the product unit or its monetary value. Second, efficiency, it refers to the amount of effort needed to produce a certain level of effectiveness. Efficiency is

the relationship between effectiveness and effort used. Efficiency is usually measured by calculating the resources used to achieve the highest effectiveness. Third, adequacy, it regards to the extent which a level of effectiveness satisfies the needs of values, or opportunities that create problems. Fourth, Equity (Justice) is closely related to legal and social refers to the distribution of effects and effort between groups within a particular society. Fifth, Responsiveness (Responsivity), it regards to how far a policy can satisfy the needs, preferences or group values in a particular society, (Winarno, 2002: 189). Sixth, Appropriateness is closely related to the substantive rationality that underlies the purpose of the policy<sup>4</sup>.

## **METHODOLOGY**

This is a qualitative study whose results are explained with descriptive analysis explanation. the data is taken from the Government of Indonesia's policy through PT Gas Indonesia's policy on the conversion of LPG gas to Natural gas.

In sharpening the analysis of the results of this study. The researcher also conducted a literature study from a legal aspect to elaborate a discussion of the results of this study. thus, it is expected to obtain comprehensive ang results connected from the real aspects in the field with aspects of the study of legal literature.

## **FINDINGS AND DISCUSSION**

### **The Impact of the Government Policy**

The use of natural gas as fuel for cooking needs is a very safe source of energy. The use of gas as a stove fuel is widely known in our country. This natural gas as a fuel is a superior in the wider community. The household gas network still faces various problems, especially the availability of gas pipeline infrastructure. Until now, the gas network program in several cities still uses the budget from the state budget (APBN). This gas pipeline program for households is not very attractive for gas trading businesses. In addition to the availability of the gas pipeline infrastructure to homes that are still minimal, the margin obtained by the gas trading business entity is not much. These various obstacles become obstacles for the government to conduct massive

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<sup>4</sup> Ibid, 184-189

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jargas construction throughout Indonesia. The Oil and Gas Downstream Regulatory Agency (BPH) also stipulates that the profit margin for the business entity that gets the assignment of the household segment jargas will not be more than 5%.

The positive and negative impacts of the community depend on the mindset of each individual or any individual as follows: the effectiveness, maximum lack maximum implementation. That the more rational organization, the greater the ability gained toward goals, the more effective the organization will be. Thus effectiveness is seen as the ultimate goal by most organizations at least theoretically. So what is meant by the effectiveness of the policy is the successful implementation of the policy can be achieved in a timely manner. The existence of jargas can facilitate housewives in carrying out household needs. "So, mothers do not have to worry about cooking at any hour because the gas will not run out, 24 hours flow. The effectiveness of government policies to encourage exports and reduce imports can be seen. The effectiveness of the policy was considered able to reduce the current account deficit in quarter IV-2018. Efficiency, the community will feel the big benefits in using this natural gas because it is more efficient, easy, cheap, practical, and flows 24 hours a day without fear of running out and no need to bother lifting, not only that the jargas are also clean. This program is an affirmation of our government's support for the community. The government's statement related to the jargas program is the government's concern for the people of the lower people. Efficiency is a measure of success that is assessed in terms of the amount of resources / costs to achieve the results of the activities carried out.

Adequacy, in this case a new natural gas policy for some people who use it to get satisfaction it can meet the wishes of people who do not want to bother with mutually LPG / gas 3 kg again. Having no shortcomings in terms of its availability this gas will always be there and has no target in its use. Everyday use of this gas will always increase if the community feels the results after a few months. The existence of natural gas completes the conversion made by the government to cooking fuel for household needs, from kerosene fuel, 3 kg gas to this gas. Justice, the selling price for natural gas has also been determined by BPH Migas and the level of reasonableness has been adjusted to be affordable by the community. It is not new anymore if in Indonesia gets criticism related to justice in development because it results in disparities between



regions and social classes. There are significant gaps in per capita income, quality, and quantity of infrastructure. In a functioning government, the perception of distributional justice of government officials is very important because it determines how the government distributes development elements.

Therefore, the government is required to be able to produce innovative and creative public policies. For this reason, community plays a very significant role. Responsiveness, a policy will run well and smoothly if a form of sensitivity from the community to start learning and carrying out a policy from the government, the government must also have sensitivity to carry out the policy in order to deliver services. Accuracy, jargas development is considered to be able to increase national natural gas production for efforts to meet domestic needs and create public welfare throughout the territory of Indonesia. Not only in the capital but at this time, natural gas itself has been built in various regions and towns. The government is committed to encouraging and accelerating the jargas program, so that more people will benefit from this natural gas. This program is the government's effort to provide alternative energy for domestic energy needs that can be used for the entire community. The acceleration of jargas development has become government mitigation in suppressing the dependence on 3 kg / LPG gas imports.

In the Explanation of Article 31 paragraph (1) it is mentioned, that what is meant by technical considerations is that the facilities for transporting natural gas through pipes that have more capacity can be utilized to other parties without disturbing the operational activities of the facility owner . Whereas what is meant by economic considerations is that other parties who will utilize natural gas transportation facilities through the pipeline must consider the economic interests of the facility owner, among others, regarding the rate of return. More concretely, the provision is then regulated in Minister of Energy and Mineral Resources Regulation (ESDM) No. 19 of 2009 concerning natural gas business activities through pipelines. The consideration of this regulation is in the context of increasing the utilization of natural gas for domestic needs and increasing the development of natural gas infrastructure through capital-intensive and high-risk pipelines and in order to create a healthy investment climate and

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guarantee investment returns for business entities in the business of natural gas through pipelines.

In article 9 of the ministerial regulation, it is stated "in carrying out business activities of natural gas trading through business entity pipes as referred to in article 6, it is obligatory to use transmission pipes and / or distribution pipes that are available for use in the transmission section and / or certain distribution network areas. "Article 12 which is intended, reads:" business entities holding business licenses for natural gas through downstream Dedicated pipes and special rights as referred to in Article 11 are prohibited from carrying out business activities of transporting natural gas through their pipes in downstream Dedicated pipes. "

The policy of 3 Kg to Natural Gas Regulation of the Minister of Energy and Mineral Resources Number 29 of 2017 concerning Permits for Oil and Gas Business Activities. The purpose of the ESDM No. 29/2017: first, Improve a more conducive investment climate and for the smooth implementation of oil and gas business activities. Second, Arranging licensing for oil and gas business activities so that licensing becomes simpler, more transparent, effective, and accountable. ESDM Minister Regulation No. Natural Gas Infrastructure Policy 4 of 2018 concerning Natural Gas Exploitation in Oil and Gas Downstream Business Activities 4/2018: first, Increasing the utilization of natural gas for domestic needs. Second, increasing the amount and quality of natural gas infrastructure. Third, Ensuring the efficiency and effectiveness of the implementation of the provision of natural gas as an energy source and raw material for domestic needs. Providing legal certainty in doing business for business entities. Fulfillment of natural gas consumer rights in accordance with statutory provisions.

In PP No. 36 of 2004 concerning downstream oil and gas business activities, giving responsibility to the oil and gas BPH as the regulatory body to carry out the regulation, stipulation and supervision of the activities of supplying and distributing fuel and transporting natural gas through pipelines organized by business entities that obtain business licenses from minister. Based on the idealism written in the Act, BPH Migas has a big role and responsibility. As the only body in charge of implementing the regulation, stipulation and supervision of oil and gas downstream activities.

### **Implementation in Indonesia: Conversion of Natural Gas**

Analysis data that used in this study is qualitative analysis. This data analysis is done so that the process of compiling the data obtained in this study can be interpreted, which consists of three components of analysis, namely: Reduction of data, Presentation of data, and Verification of data<sup>5</sup>. Researchers used qualitative data analysis and used policy evaluation indicators because reality in the field and in theory from several experts was very relevant and could be justified. Effectiveness is an alternative policy to achieve the results expected or has. Included in effectiveness are: Expectations, namely the desired results by all parties in a policy. Realization, namely real activities and have results in accordance with what is expected in supporting a policy. In reality existing in the community today the expectations of the government and the community are contradictory to the unequal understanding of this understanding resulting in gaps in its implementation and disrupt the implementation of the policy itself.

The efficiency is the amount of effort needed to produce a certain level of effectiveness. Included in efficiency are: Resources, namely the good potential of the good potential of human potential or infrastructure facilities to support a policy. Optimization, namely the process or deed to make the best and highest thing. Differences that occur are inevitable in a new policy change that will be implemented within the community. Every society has a different mindset, moreover with a difference of underdeveloped thought, who has an advanced mindset will surely follow the new policy pattern of the government, while those who have a backward mindset will reject all changes with the various reasons they propose. And a policy also will not run optimally. Adequacy is the extent of the effectiveness of a policy made by government officials to satisfy the needs of values, or agreements that create problems. Which includes adequacy, namely performance, performance is assessing how someone has worked compared to predetermined targets. As happened the government itself has tried as much as possible to implement the target to be achieved

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<sup>5</sup> Sugiyono.2005. *Memahami Penelitian Kualitatif*. Bandung : Alfabeta. P. 98

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by conducting socialization to the community to hold a meeting to mediate a difference in mindset and minimize a problem that will occur.

Justice is closely related to legal and social rationality and refers to the distribution of effects and efforts between groups within society. Which includes justice is public accountability. Public accountability is a measure that shows whether the activities of a person or an institution can be accounted for in accordance with applicable norms and values. Do not see that group members who are or are not all equal, starting from the validity of the price of natural gas, and those who receive natural gas do not see the lower, middle and upper classes. Responsiveness is how far the policy can solve the problems, preferences, or values contained. Included in responsiveness are: first, government responsiveness. Second, community responsiveness Accuracy is related to the rationality of substance that refers to the value or self-esteem of the policy objectives and to the strength of the assumptions underlying the objectives of the policy. Which includes accuracy, namely: first, the impact on government officials. Second, the impact on policies for the community.

The government itself seeks to build infrastructure for sustainability and the interests of its people for the progress of the nation, the government itself wants to minimize a gap from various regions. Not only for the capital city or big cities but this policy is to be synchronized so that there is no gap between regions. For people who have long implemented the policy will be able to answer and assess whether this policy is good for the people or not. As for the community itself, they are unable to answer and account for all their reasons for rejecting this new policy because they have not felt it optimally and for now the use of natural gas in the area is still free by the government. And for the next few months the results will be known because the actual tariffs have been withdrawn by the government and the prepaid method is the same as the electricity token payment that is calculated per meter in its use. In this thesis, the author tries to examine a reality that occurs in the sub-district regarding evaluation of government policies related to the transition of 3 kg gas to natural gas. Based on the results of interviews and observations regarding the evaluation of government policies related to the transition of 3 kg of gas to natural gas as follows: Not yet implemented optimally, Still a trial phase for the use of natural gas in some areas that use natural gas

The study found that the first impression obtained from the informants, is that the people who implement government policies not all people can accept the changes that occur around their environment. And to change a mindset in people who are backward through the process and need time to get sympathy from them as a whole. In addition, the behavior and culture of the people who are accustomed to using 3 kg of gas (LPG) are still difficult to change. The government itself does not anticipate the surprise of a government policy related to the transfer of 3 kg of gas to natural gas. The habit of the community in using 3 kg of gas has been running in the past few years and now must suddenly switch course must use natural gas. This is what makes the people themselves are not ready to accept this transition and Indonesian people are still attached to their loyalty to the culture that they have been holding. In other words, the surrounding community is difficult to move on in the future of cultural civilization. And regarding the response that local government officials showed was also very enthusiastic in implementing this new policy from the central government. The regional apparatus also participates in accessing this policy which is nothing but for the advancement of their own regions. Not only that the community also has their respective opinions on this policy, some of them accept and directly implement this natural gas for their household needs, there are also those who reject it rawly for the various reasons they give.

In this case the researcher uses a policy evaluation analysis because a public policy cannot be released without evaluation. Policy evaluation is carried out to assess the effectiveness of public policies to be held accountable to the public in order to achieve the goals set. Evaluation is needed to see the gap between expectations and reality. If policy is seen as a sequential activity, then policy evaluation is the last step in the policy process. Public policy is basically made to achieve the desired impact. This theory is applied which aims to see a policy that can work well or not well in the community. The evaluation stage of this policy is also useful to see what obstacles are happening in the community. Therefore, it is determined the criteria or criteria that become the basis for assessing whether public policy has achieved the desired goal. This shows that the evaluation of this policy has been proven in the field because there are still differences of opinion and also differences between the mindsets of people and

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different governments. So the policy evaluation analysis itself is part of the analysis of public policy, only at one stage of the process and into a different analysis of courses, the purpose of the evaluation analysis is more on measuring the effects and impacts of a program / policy on society, rather than measuring efficiency, honesty in implementation, and so on. - other related to the implementation standards.

In implementing policy evaluations, general criteria are used which are intended to provide direction for evaluators. The criteria formulated will be made as one of the benchmarks in determining whether a policy is successful or failed. The results of the evaluation will be analyzed as a consideration for policy makers to make adjustments or changes for the improvement of the natural gas policy. This shows that a public policy is not permanent but needs adjustment, because the policy is strongly influenced by political, economic, social, cultural, technological and information factors that are always dynamic. The government's efforts before implementing the policy need an analysis to read a situation in the area to be carried out this policy aims to the government can take and be firm with what will happen in the environment. So thus the government is able to overcome all the problems that will occur and more precisely to minimize problems that arise with differences in mindset and culture. In this new policy, it turns out that the government wants to help ordinary people meet their household needs. Moreover, the community has their own arguments for not implementing this policy, especially for the people who have the underdeveloped knowledge and backward thinking makes it difficult for them to be invited to go forward.

The conversion Assists in terms of outlining a dual process of social influence. If the individual's view is different from the majority's view, then it will cause inner turmoil in the individual, thus motivating the individual to reduce conflict by using a comparison process. The comparison process can lead to public compliance and acceptance of the majority position and this is done to avoid exclusion and ridicule that would potentially occur if the individual still maintains the difference. Conversion theory distinguishes the differences that underlie motivational and cognitive processes that arise when people experience disputes from members of the majority and minority groups. The following are the basic assumptions that exist in conversion theory: first, conversion is generated by a consistent minority behavior; Conversions produced by

minorities will imply real changes in decisions or second opinions. The stronger the conflict caused by the minority, the more radical the conversions will result. Third, At least where perception is involved, the process of adjustment (repentance) will be more pronounced if the source of influence is absent.

How households decide how much of their income will be consumed now and how much will be saved for the future This is an individual decision making. But the answer contains macroeconomic consequences. The consumption decision is very important for long-term analysis because of its role in economic growth. Consumption decisions also play a role in determining aggregate demand. Consumption is two-thirds of GDP (Gross Domestic Product), so fluctuations in consumption are an important element of booms and economic recession. John Maynard Keynes and the Consumption Function John Marynard Keynes began in 1936 to introduce a general theory of consumption by making the consumption function the center of his economic fluctuation theory. There are several important conjectures used by Keynes in the consumption function. First and foremost, Keynes suspects that the marginal propensity to consume the amount consumed from each additional dollar is between zero and one. Keynes states that the ratio of consumption to income, called the average propensity to consume, decreases when income rises. He believes that saving is a luxury, so he suspects rich people save in a higher proportion of their income than the poor. Keynes argues that income is an important determinant of consumption and the interest rate has no important role. This assumption is contrary to the beliefs of the classical economists before. Classical economists argue that higher interest rates will encourage savings and discourage consumption. Keynes states that the influence of interest rates on consumption is only theoretical.

A household is a group of people who inhabit part or all of a physical building and usually live and eat from one kitchen. Eating from one kitchen means financing the necessity if managing daily needs is managed together. The household is a residence or building for human habitation. Households have a sense of residence and its inhabitants and everything in it. A household is a basic housing unit where economic production, consumption, inheritance, raising children, and housing are organized and implemented. Household members are all people who reside in a house, both those

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who were at home at the time of enumeration or who were temporarily absent. Household members who have been away for 6 months or more and household members who have been away for less than 6 months but for the purpose of moving and guests who have stayed in the household for less than 6 months but will be residing for 6 months are considered as household members.

Public policy analysis (policy analysis) is a multi-disciplinary study of public policy that aims to integrate and contextualize capital and research from these disciplines that contain problem and policy orientation. Policy evaluation `in the perspective of the process flow or public policy cycle, is the final step in the process of implementing a policy implementation. Evaluation also assesses the relationship between theory (policy) and practice (implementation) in the form of policy impacts relating to these impacts as predicted or not. Public policy as a choice of legal action The choice of action in a policy is legal or authoritative because it is made by an institution that has legitimacy in the government system. Public policy as a policy hypothesis is based on theories, models or hypotheses about cause and effect. A public policy cannot be released without evaluation. Policy evaluation is carried out to assess the effectiveness of public policies to be held accountable to the public in order to achieve the stated goals.

Policies that need to be promoted related to energy sources and diversification of energy use. One of them is the policy in utilizing Indonesia's gas reserves to reduce the need for imported gas in 3 kg gas. This is a strategy from the government that is more concerned with the common interest, this policy that requires the public to participate in its implementation. From a policy will be born a law that covers the policy, a policy is legal and always has a rule of law in it. And more clearly the regulation of the law in article 31 concerning government regulation number 36 of 2004 concerning downstream oil and gas business activities. In this law it is clear in it regarding community programs, construction of pipelines in natural gas, and other regulations. From there there is a transition to 3 kg gas to natural gas in this motivational and cognitive process that arises when others experience disputes from members of community groups. Differences of opinion between the government and the community experienced an incident that was quite influential in the course of a policy. From this incident, one of the government's programs on evaluating policies



aims to find out the final results of a policy that is already running. From the evaluation itself will be born whether a policy will run well or still not good, then from this stage the government is able to see and be able to solve a problem that occurs in a society. The government must have a solution and must be able to minimize differences of opinion in the field between the community and the government so that the implementation of this new policy can be implemented well.

The construction of the gas pipeline at this time even a small town has gotten the gas pipeline. In addition, the behavior and culture of Indonesian people who are accustomed to using LPG are still difficult to change. The government seemed to underestimate the socialization, as if it had been announced to the mass media, all elements of society would understand and subsequently support the conversion program. The government did not anticipate the surprise of a new policy which will have an impact in the future. The habit of the people using LPG has been accustomed to the community since a few years ago had to suddenly be changed to natural gas. In the midst of this uncertainty many agents are used this incident by raising the price of LPG and it was not uncommon for the LPG to experience scarcity. And it is not uncommon for the public to still strongly choose LPG to weigh natural gas because the Indonesian people are attached to loyalty with culture, in the sense that it is difficult to move on in the civilization of future mass culture.

## **CONCLUSION**

Through the series of research processes above, and based on the formulation of the problem specified, the researcher can draw the conclusion that the government policy is related to the transition of 3 kg of gas to natural gas has not been implemented properly due to differences of opinion between the government and the community, the community and this community resulted in a policy not as much as possible in its implementation in the Mayangan District community itself. Changing habits in the community requires a very maximum effort by the government to attract the public sympathy to participate in the gas pipeline development program. And because of that difference, some of the natural gas areas in the sub-district are still not alive for the whole. And unexpectedly in other villages and still included in the Mayangan sub-

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district, the implementation of natural gas has been running a few months ago to precede the Mayangan kelurahan itself. From the policies that have been made and implemented within the community it is worth reviewing / re-evaluating to reduce all obstacles that occur in the community so that they continue to run according to the targets to be achieved.

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