

The Free Nutritious Meal (MBG) Program from the Perspective of Fiscal Policy

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Abstract

The Makan Bergizi Gratis (MBG) Program is one of the Indonesian government's priority policies aimed at improving the nutritional quality of the population while strengthening human resource development through food-based interventions financed by state expenditure. This study aims to analyze the MBG Program from the perspective of fiscal policy, particularly regarding its implications for the State Budget (APBN), socio-economic impacts, and the government's fiscal sustainability. The study employs a descriptive qualitative approach using a literature review method through the analysis of various scientific journals, regulations, government reports, and publications from relevant national and international institutions. The findings indicate that the MBG Program represents a form of expansionary fiscal policy that functions not only as an instrument of social protection but also as a long-term investment in human capital development. The implementation of this program has been shown to contribute to improving children's nutritional quality, reducing the risk of stunting, increasing educational participation and quality, and strengthening local economies through the involvement of food-based micro, small, and medium enterprises (MSMEs) and domestic supply chains. In addition, the MBG Program generates a multiplier effect on the economy through increased consumption, production, and employment absorption. However, the program also poses various fiscal risks, including increased pressure on the State Budget (APBN), potential budget inefficiency, and challenges related to the accurate targeting of beneficiaries. Therefore, the success of the MBG Program is highly dependent on effective governance, implementation efficiency, strengthened monitoring systems, and the government's ability to maintain a balance between social objectives and long-term fiscal sustainability.

INTRODUCTION

In carrying out its governmental functions, the state has the responsibility to create social welfare through various economic instruments, one of which is fiscal policy. Fiscal policy is an important instrument used by the government to regulate economic conditions through the management of state revenues and expenditures. According to Mankiw (2021), fiscal policy refers to the use of taxation and government spending to influence economic stability, growth, and public welfare. In practice, fiscal policy is implemented through the State Budget (APBN), which serves as the government's primary tool in performing allocation, distribution, and stabilization functions within the economy. In Indonesia, the management of the APBN is legally regulated under Law Number 17 of 2003 concerning State Finance, which emphasizes the principles of efficiency, transparency, and accountability in public financial management.

From the perspective of public economic theory, government expenditure is not merely viewed as consumptive activity but also as a strategic instrument to improve public welfare and

encourage economic development. Stiglitz and Rosengard (2015) explain that government spending directed toward social sectors can create a multiplier effect on the economy through increased public consumption and domestic production activities. In addition, Wagner's theory of the law of increasing state activities explains that the development of a country's economy tends to be followed by an increase in the proportion of government expenditure within the economy (Bird, 1971). This indicates that state intervention through social spending is increasingly important in addressing various development issues, including nutritional problems and the quality of human resources.

One of the major challenges in Indonesia's human development today is the high prevalence of stunting and malnutrition among children. According to the Ministry of Health of the Republic of Indonesia (2025), stunting is a condition of impaired growth in children caused by chronic malnutrition over a long period, occurring from pregnancy until the child reaches the age of two years. Nutritional problems during the first 1,000 days of life not only affect children's physical growth but also influence cognitive development, learning abilities, and future productivity. Various studies indicate that nutritional problems are multidimensional and influenced by factors such as poverty, limited access to nutritious food, low educational attainment, and unequal healthcare services. These conditions make nutritional issues a strategic concern that must be addressed comprehensively through integrated public policies.

Within the framework of Human Capital Theory, investment in health and nutrition is regarded as a long-term investment in human resource development. This theory positions humans as economic assets whose quality can be improved through education, health, and nutritional fulfillment. Individuals with good health and nutrition tend to have higher productivity and better learning abilities. Therefore, government policies in the nutrition sector not only affect public health but also have implications for long-term economic growth and national competitiveness.

As a response to these issues, the Indonesian government initiated the *Makan Bergizi Gratis* (MBG) Program as a form of nutrition-based social expenditure policy. This program represents a form of social transfer categorized as an in-kind transfer, namely assistance provided directly in the form of goods or services to the community. According to Alderman and Yemtsov (2014), in-kind transfers are considered more effective in ensuring the fulfillment of specific basic needs, particularly in nutrition and education interventions. The MBG Program targets vulnerable groups such as school students, toddlers, and pregnant women to improve community nutritional quality while simultaneously supporting human resource development from an early age.

In addition to its social objectives, the MBG Program also has the potential to create a multiplier effect on the domestic economy. In Keynesian economic theory, an increase in government expenditure can generate broader economic impacts through rising consumption, production, and public income in a chain reaction process. The implementation of the MBG Program is expected to increase demand for local food products, create business opportunities for micro, small, and medium enterprises (MSMEs), and stimulate economic activities in the food distribution and service sectors. Thus, the program functions not only as a social protection instrument but also as an economic stimulus capable of strengthening the community economy.

However, the implementation of the MBG Program requires substantial budget allocations, thereby posing challenges to the country's fiscal sustainability. According to Mankiw (2021), an increase in government expenditure that is not balanced by a corresponding increase in state revenue may widen the budget deficit. In the Indonesian context, the government must

maintain a balance between financing social programs and preserving fiscal capacity so as not to disrupt the stability of the APBN. Therefore, proper fiscal management is required through the optimization of state revenue, spending efficiency, and budget reallocation to ensure that the program can be implemented sustainably.

Previous studies on nutritious meal programs have generally focused more on health and educational aspects. Wang et al. (2021) examined the influence of school feeding programs on educational participation and student health but did not relate it to fiscal policy. Rozak et al. (2025) discussed the impact of the MBG Program on students' learning concentration without reviewing its implications for the APBN. Meanwhile, Basit and Ramadani (2025) highlighted the economic impact of the MBG Program on local economies but did not discuss fiscal sustainability. On the other hand, Salim et al. (2026) examined the fiscal burden of the MBG Program on the APBN but did not integrate aspects of human capital and multiplier effects into the analysis. Based on these conditions, there remains a limitation in studies that comprehensively connect the MBG Program with fiscal policy, social transfers, human capital development, and multiplier effects within a single analytical framework.

Therefore, this study aims to analyze the Makan Nutrizi Gratis (MBG) Program as an expansionary fiscal policy instrument that carries simultaneous social, economic, and fiscal implications. This research is expected to contribute academically to the development of fiscal policy studies based on human development while also serving as a consideration in formulating effective and sustainable social policies in Indonesia.

METHODS

Research Approach

This study employs a descriptive qualitative approach to analyze the Free Nutritious Meal Program (MBG) from the perspective of fiscal policy. This approach was selected because it is capable of providing an in-depth understanding of public policy phenomena, particularly regarding the implementation of government programs and their implications for the country's fiscal conditions. According to Sugiyono (2019), descriptive research aims to systematically, factually, and accurately describe phenomena without manipulating the object of study. In addition, John W. Creswell (2014) states that qualitative research is used to understand the meaning and context of social problems more comprehensively.

In this study, the analysis focuses on the position of the MBG Program within the national fiscal policy framework, particularly regarding program financing schemes, state fiscal capacity, government spending priorities, and their implications for the sustainability of the State Budget (APBN). The analysis was conducted through the interpretation of data and information to identify patterns, relationships, and potential policy impacts in the medium and long term. The analytical process refers to the qualitative data analysis model proposed by Matthew B. Miles, A. Michael Huberman, and Johnny Saldaña (2014), which includes data reduction, data presentation, and conclusion drawing.

Literature Review

The literature review was conducted as a conceptual and theoretical foundation for understanding the MBG Program from a fiscal policy perspective. According to Mestika Zed (2008), library research is research conducted through the collection of data and information from various relevant literature sources.

In this study, the literature review was carried out by examining: (1) academic literature related to fiscal policy, public economics, and the financing of social programs; (2) scientific journals discussing food programs and social protection; (3) regulations related to the MBG Program, such as Presidential Regulation Number 83 of 2024 and Presidential Regulation Number 115 of 2025; and (4) official government documents, including the National Medium-Term Development Plan (RPJMN) 2025–2029. Literature sources were obtained through academic databases such as Google Scholar and official government portals.

Data and Analysis Techniques

This study uses secondary data obtained from various official and reliable sources. Secondary data refers to data that has been collected and published by other parties and subsequently reused for research analysis purposes (Sugiyono, 2019). The research data sources consist of literature from nationally accredited SINTA-indexed journals, international articles, reports from international institutions, government documents, and related regulations published during the 2020–2026 period. The literature was selected using purposive sampling techniques with the following criteria:

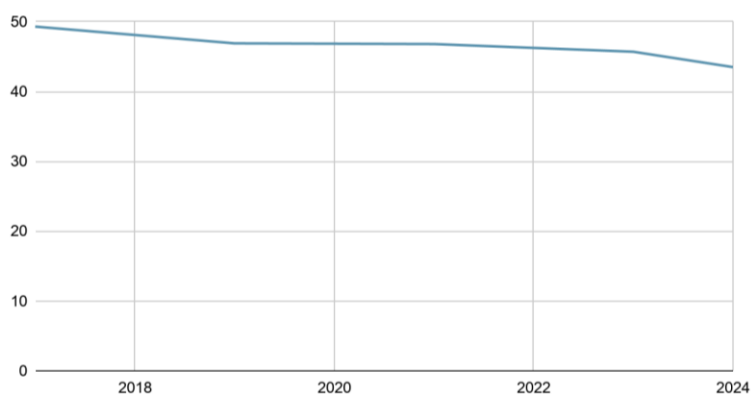
1. Discussing fiscal policy, MBG, nutrition, or human capital.
2. Relevant to the Indonesian context.
3. Published in credible journals or institutions.

The data analysis technique was carried out through several stages, namely data collection, data reduction, thematic classification, content analysis, policy analysis, and conclusion drawing. To maintain the validity of the study, source triangulation was conducted by comparing data from journals, government reports, and international institutions.

RESULTS

OVERVIEW OF THE MBG PROGRAM

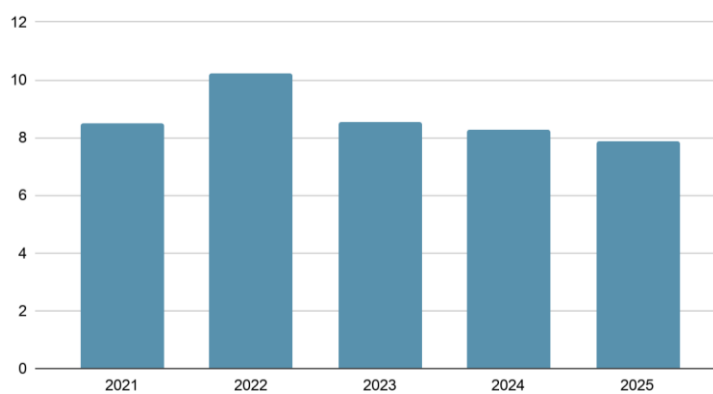
Picture 1. Proportion of the Population Unable to Afford a Healthy Diet in Indonesia (%)



Sources: The State of Food Security and Nutrition in the World

The Makan Bergizi Gratis (MBG) Program is one of Indonesia's national priority programs that began to be implemented in 2025 with the primary objective of improving the nutritional quality of the population, particularly school-age children, while supporting long-term human resource development. The program is administered by the National Nutrition Agency, which was established through Presidential Regulation Number 83 of 2024 as the institution responsible for the planning, coordination, and implementation of national nutrition policies.

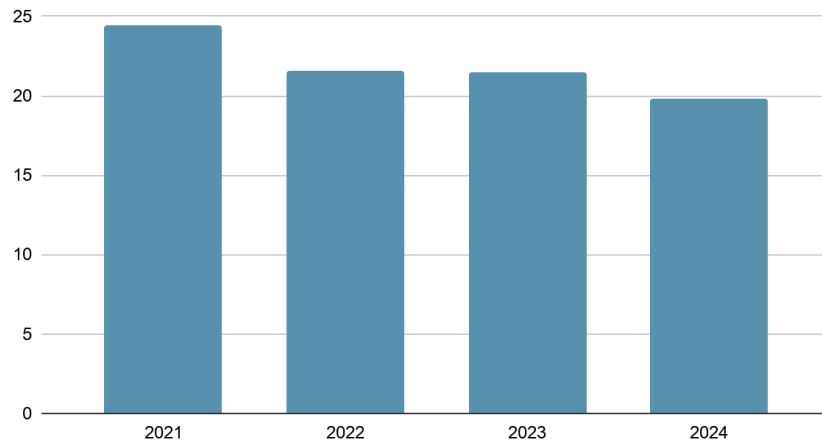
Picture 2. Prevalence of Food Consumption Inadequacy



Sources: Statistics Indonesia (Central Statistics Agency)

Conceptually, the MBG Program is designed as a direct intervention in the form of providing nutritious meals to its primary target groups, namely school students, as well as vulnerable groups such as toddlers and pregnant women. The need for this program is closely related to socio-economic conditions that still reflect limited access to nutritious food. A report by the Food and Agriculture Organization (2025) indicates that approximately 43.5% of Indonesia's population is still unable to access a healthy diet that meets nutritional standards. Meanwhile, data from Statistics Indonesia (2025) shows that around 8% of the population experiences inadequate food consumption. On the other hand, the prevalence of stunting based on the Indonesian Nutritional Status Survey remained at approximately 19.8% in 2024, reflecting the existence of chronic and structural nutritional problems.

Picture 3. Stunting Prevalence in Indonesia



Sources: Ministry of Health of the Republic of Indonesia

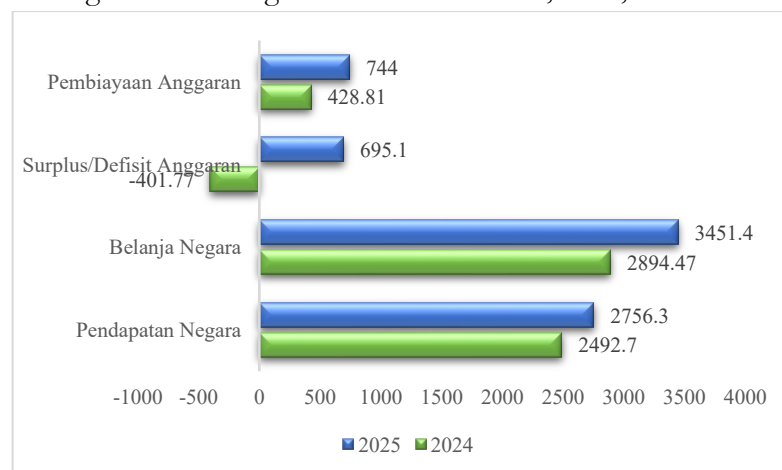
Within the framework of public economics, the MBG Program can be positioned not only as a social assistance program but also as a form of public investment in human capital. Literature suggests that nutritional interventions at an early age have long-term implications for productivity and economic growth. Therefore, theoretically, the MBG Program has the potential to generate economic benefits that extend beyond its short-term impacts.

In terms of scale, various initial government projections and official reports indicate that the program may potentially reach tens of millions of beneficiaries, with some scenarios estimating coverage of more than 70 million individuals. Consequently, the program's budget requirements are estimated to range from tens to hundreds of trillions of rupiah annually, depending on the implementation design and policy coverage established. Therefore, the MBG Program can be categorized as a social program with significant fiscal implications.

In this context, the implementation of the MBG Program needs to be analyzed not only from the perspective of its social benefits but also in terms of the country's fiscal capacity. This is important because large-scale programs such as MBG have the potential to influence the structure of government expenditure and overall fiscal policy priorities.

FISCAL CONDITIONS (STATE BUDGET/APBN)

Fig. 4. State Budget Realization in 2023, 2024, and 2025



Sources: *KiTa State Budget, Ministry of Finance*

Indonesia's fiscal condition is a fundamental factor in assessing the government's capacity

to support priority programs, including the MBG Program. According to reports from the Ministry of Finance of the Republic of Indonesia, state expenditure reached IDR 3,350.3 trillion, while state revenue amounted to IDR 2,842.5 trillion. Consequently, the budget deficit was recorded at IDR 507.8 trillion, or approximately 2.29% of GDP, which remains within the limits of national fiscal regulations.

The structure of state expenditure is dominated by mandatory spending, particularly in the sectors of education, health, and social protection. Social protection expenditure alone exceeds IDR 400 trillion annually, reflecting the government's commitment to public welfare. However, the large proportion of mandatory spending implicitly limits the government's fiscal space for expanding new programs.

From the revenue side, Indonesia's fiscal capacity still faces structural challenges. The tax-to-GDP ratio, which remains in the range of 10–11%, indicates that the country's ability to mobilize state revenue is still relatively limited. As a result, deficit financing still depends on debt instruments, although the government debt-to-GDP ratio, which ranges between 38–40%, is still considered manageable.

In this context, the opportunity for fiscal expansion remains available but is limited and requires strict prioritization. Therefore, the addition of large-budget programs such as MBG must be accompanied by a clear financing strategy to avoid placing pressure on fiscal sustainability.

SOCIAL CONDITIONS (NUTRITION AND FOOD SECURITY)

The social conditions of Indonesian society in terms of nutrition and food security still reveal significant structural challenges. Although economic growth has remained relatively stable, access to nutritious food has not been evenly distributed across all social groups. Data from the Food and Agriculture Organization (2023) indicates that approximately 43.5% of Indonesia's population is unable to afford a healthy diet. Meanwhile, data from Statistics Indonesia shows that around 8% of the population experiences inadequate food consumption.

Furthermore, the prevalence of stunting, which remains at approximately 20%, demonstrates that chronic nutritional problems continue to be a major issue in human resource development. These problems are not only related to food availability but are also influenced by purchasing power, distribution systems, nutrition education, and socio-economic inequality.

From the perspective of public policy, these conditions indicate the existence of market failure in the provision of equitable access to nutritious food. Therefore, government intervention through programs such as MBG can be viewed as a corrective effort to address these distortions, particularly for vulnerable groups.

THE POSITION OF THE MBG PROGRAM IN STATE EXPENDITURE

Within the structure of the State Budget (APBN), the MBG Program can be categorized as part of social protection expenditure in the form of in-kind transfers aimed at improving welfare while simultaneously enhancing the quality of human resources. Compared to cash assistance, this approach provides greater control for the government in ensuring the quality of benefits received by the community.

With an initial estimated allocation of approximately IDR 71 trillion, the MBG Program has the potential to become one of the significant components within the structure of state expenditure, particularly in social spending, which already exceeds IDR 400 trillion annually. This reflects a shift in fiscal policy orientation toward strengthening social investment.

However, the large scale of the program also generates substantial fiscal implications. Without an appropriate policy design, the program has the potential to increase pressure on the budget deficit. Therefore, implementation effectiveness, targeting accuracy, and spending efficiency are key factors in determining the long-term success of the program.

DISCUSSION

THE MBG PROGRAM AS AN EXPANSIONARY FISCAL POLICY

The Makan Nutrizi Gratis (MBG) Program represents a form of expansionary fiscal policy because it is implemented through increased government expenditure within the State Budget (APBN). The program is carried out through the financing of nutritious meals for students, toddlers, pregnant women, and other priority groups. In macroeconomic theory, an increase in government expenditure is a primary instrument of expansionary fiscal policy aimed at encouraging economic growth, increasing aggregate demand, and reducing unemployment (Wahyudi, 2020).

According to Dornbusch, Fischer, and Startz (2011), government expenditure is one of the components forming aggregate demand in the national income equation:

$$Y = C + I + G + (X - M)$$

An increase in the G (government spending) component will increase aggregate demand, thereby encouraging growth in output, income, and employment opportunities. In the context of the MBG Program, increased state expenditure for food procurement, meal distribution, program operations, and labor creates a financial injection into the economy that stimulates production and public consumption activities.

The MBG Program also generates a multiplier effect, namely a chain effect in which increased income in one sector triggers increased consumption and income in other sectors. The implementation of MBG stimulates various economic sectors such as agriculture, livestock, fisheries, the food industry, logistics, and local MSMEs involved in the program's supply chain. The involvement of these sectors increases production, expands employment opportunities, and strengthens public purchasing power (Fadhilah & Ariyanti, 2025).

Empirically, the government allocated IDR 71 trillion for the MBG Program in the 2025 State Budget (APBN). The program was initially intended for 17.9 million beneficiaries and was later expanded to reach a target of 82.9 million beneficiaries. By the end of 2025, budget realization had reached IDR 51.5 trillion, covering more than 56 million beneficiaries across 38 provinces and involving thousands of Nutrition Fulfillment Service Units (SPPG) and hundreds of thousands of national workers (Gideon, 2025).

The large budget allocation demonstrates that the MBG Program functions not only as a social assistance program but also as a fiscal instrument with significant impacts on the national economy. Government expenditure through MBG increases demand for domestic goods and services, encourages increased production capacity, and expands employment absorption. These conditions contribute to increasing national output and strengthening domestic economic growth (Basit & Ramadani, 2025).

In addition to its short-term impact on economic activity, MBG also constitutes a long-term investment in human resource development. Improvements in community nutrition, particularly among children and pregnant women, have the potential to enhance health, cognitive abilities, and labor productivity in the future. Therefore, MBG can be understood as an

expansionary fiscal policy with a dual function: stimulating economic growth while simultaneously improving the quality of human capital (Saputri & Utari, 2026).

POSITIVE IMPACTS OF THE FREE NUTRITIOUS MEAL PROGRAM

a. Improving Children's Nutrition

The Free Nutritious Meal (MBG) Program aims to improve the nutritional quality of children, pregnant women, breastfeeding mothers, and toddlers through the continuous provision of nutritious meals. The program forms part of the human resource development strategy toward Indonesia Emas 2045, targeting more than 92 million beneficiaries in the 2025–2029 National Medium-Term Development Plan (RPJMN).

Adequate nutrition plays an important role in physical growth, cognitive development, and children's learning abilities. UNICEF (2020) states that children with good nutritional status have greater opportunities to achieve optimal academic performance. In addition, the WHO emphasizes that malnutrition during school age can reduce concentration abilities and educational participation.

Through the MBG Program, children receive better nutritional intake, thereby improving learning focus, immunity, and school attendance. These conditions are expected to increase school participation rates and reduce the risk of school dropouts caused by economic limitations (Fitriana et al., 2022; Desiani & Syafiq, 2025).

b. Reducing Stunting

The MBG Program has become one of the government's instruments in reducing the prevalence of stunting in Indonesia. Based on the Indonesian Nutritional Status Survey (SSGI), the national stunting rate remained at 21.6% in 2022, although it had decreased compared to previous years. This condition indicates that nutritional problems remain a major challenge in national health development.

Through the provision of nutritious meals in schools, MBG helps fulfill children's nutritional needs, especially among vulnerable groups from low-income families. The program not only supports children's physical growth but also improves cognitive development and long-term health. Therefore, MBG contributes to reducing the risk of stunting, lowering morbidity rates, and improving the quality of human resources in the future.

c. Improving Educational Quality

Nutritional fulfillment through MBG has a direct impact on improving educational quality. Children who receive adequate nutritional intake tend to have better learning concentration, cognitive abilities, and classroom participation. Research published in the *Jurnal Basicedu* (2025) shows that nutritious meal programs improve learning focus and students' readiness to participate in educational activities.

In addition to improving concentration, MBG also contributes to better academic achievement and increased student attendance at school. The availability of nutritious meals serves as an incentive for families to send their children to school regularly, particularly among low-income communities. The further impact of these conditions is a reduced risk of school dropouts and increased opportunities to obtain better education.

In the long term, the MBG Program functions as a human capital investment because it helps create a healthier, smarter, and more productive generation. Therefore, MBG serves not only as a social program but also as a human resource development strategy that supports sustainable economic growth.

d. Encouraging Food-Based MSMEs

The MBG Program also creates economic impacts through the involvement of food-based MSMEs in the program's supply chain. The government involves thousands of MSMEs, village-owned enterprises (BUMDes), cooperatives, farmers, and local fishermen as suppliers of food ingredients for the Nutrition Fulfillment Service Units (SPPG). This approach creates a stable market for local businesses while strengthening regional economies.

The involvement of MSMEs in MBG encourages increased production, income, and business capacity. Many food businesses experience rising demand, leading to expanded business scale and greater labor absorption. In addition, MSMEs are encouraged to improve product quality standards, hygiene, and production capacity to meet the needs of the MBG Program.

From a macroeconomic perspective, the involvement of MSMEs in MBG creates a multiplier effect through increased domestic production and consumption activities. The allocation of the MBG budget not only impacts community nutrition fulfillment but also stimulates local economic growth, strengthens food security, and improves public welfare more broadly.

FISCAL RISKS

The Makan Nutrizi Gratis (MBG) Program represents a form of expansionary fiscal policy because it is implemented through increased government expenditure within the State Budget (APBN) to support public nutritional fulfillment. In macroeconomic theory, increased government spending can encourage economic growth and social welfare. However, the implementation of large-scale programs also has the potential to generate fiscal risks if not balanced by adequate state financing capacity (Mankiw, 2021).

According to Hemming (2006), fiscal risk refers to the potential pressure on state financial conditions caused by increasing government spending obligations that may affect the stability of the APBN. In the context of MBG, fiscal risks arise because the program requires a large budget, complex governance, and a broad distribution system. Therefore, the sustainability of the program must be supported by effective and efficient fiscal management.

a. Heavy Burden on the State Budget (APBN)

The MBG Program requires a very large budget allocation. The government allocated approximately IDR 71 trillion in the 2025 APBN for the initial implementation stage of the program, and the budget may continue to increase along with the expansion of beneficiaries. This condition may increase pressure on the APBN because the government must also finance other priority sectors such as education, healthcare, subsidies, and infrastructure.

According to Mankiw (2021), excessively large fiscal expansion without strong state revenue support may widen the budget deficit and increase dependence on government debt. Therefore, the implementation of MBG must be accompanied by a clear financing strategy so as not to narrow the country's fiscal space in the long term.

Research by Muhamad Refqi Salim, Muhammad Raka Harsyarudin, Muhammad Chairil, and Rulinawaty (2026) in the journal *Free Nutritious Meal Program and State Fiscal Burden: Social Investment or Budget Risk?* explains that MBG may become a fiscal burden if its implementation is not accompanied by a clear financing strategy and adequate budget efficiency. Large-scale social programs with tens of millions of beneficiaries have the potential to increase the APBN burden in the long run.

b. Potential Budget Waste

In addition to increasing pressure on the APBN, the MBG Program also carries the risk of budget waste. This risk arises because the implementation of the program involves a complex distribution chain, ranging from food procurement, meal processing, and logistics distribution to distribution for millions of beneficiaries across various regions in Indonesia. The complexity of program implementation increases the possibility of inefficiency, budget leakage, and weak supervision in the use of public funds.

According to Richard Hemming (2006) in *Public Expenditure and Fiscal Risk Management*, public expenditure that is not managed effectively can increase government fiscal risk because it causes wasteful spending and reduces the effectiveness of public policy. In the context of MBG, waste may occur in the form of rising operational costs, inefficient distribution, food quality that does not meet standards, or suboptimal food procurement.

In addition, the large scale of the program increases the risk of moral hazard and budget leakage in government procurement processes. If program supervision and evaluation are not carried out strictly, public funds intended for nutritional fulfillment may experience inefficiency or misuse.

Research by Agus Suprpto, Rizky Prasetyo, Dimas Wijaya, and Fajar Nugroho (2025) in the journal *Risk Assessment and Stakeholder Analysis of the Free Nutritious Meals Program (MBG)* states that the MBG Program faces risks related to operational cost overruns, weak inter-agency coordination, and governance challenges in implementing large-scale national programs. These risks may reduce the effectiveness of APBN utilization if not accompanied by strong supervision systems and fiscal management.

From the perspective of public economics, budget waste also creates opportunity costs, namely the loss of opportunities for the government to allocate funds to other more productive sectors. Therefore, budget management efficiency is an important factor in maintaining the fiscal sustainability of the MBG Program.

c. The Need for Accurate Targeting

The accuracy of beneficiary targeting is an important factor in maintaining the fiscal effectiveness of the MBG Program. Social assistance programs that are not properly targeted may lead to budget inefficiency because assistance is received by groups that do not urgently require it.

In the context of MBG, the government needs to prioritize vulnerable groups such as children from poor families, toddlers at risk of stunting, and pregnant and breastfeeding mothers. Proper targeting will help the government maximize the program's social benefits while maintaining efficient use of the APBN. Conversely, if the program is implemented too broadly without clear priorities, budget needs will continue to rise and increase the country's fiscal risks.

Thus, although MBG has major benefits in improving nutritional quality and human resources, the program also faces fiscal risks in the form of a heavy APBN burden, potential budget waste, and targeting challenges. Therefore, the success of MBG highly depends on governance effectiveness, implementation efficiency, and the government's ability to maintain long-term fiscal sustainability.

FISCAL SUSTAINABILITY

Fiscal sustainability is one of the most fundamental issues in evaluating the long-term implementation of the Makan Nutrizi Gratis (MBG) Program. From the perspective of budgetary burden, the MBG Program targets 82.9 million beneficiaries with a budget allocation of IDR 71

trillion, and in 2026, President Prabowo announced an increase in the MBG budget allocation to IDR 335 trillion, reflecting growing fiscal pressure on the APBN from year to year.

In terms of funding sources, the government increased the MBG budget through budget reallocation across central and regional government institutions, with an accumulation target of IDR 306.7 trillion in accordance with Presidential Instruction Number 1 of 2025. This includes cuts to office operational expenditures, ceremonial spending, official travel expenses, and regional transfer funds. However, this budget reallocation approach risks reducing the capacity of other sectors. As an alternative, researchers from INDEF suggested that MBG financing should involve collaboration with the private sector and philanthropic institutions to reduce the burden on the APBN.

From the perspective of deficits and debt, the government risks increasing the national deficit to 3% of GDP if budget needs cannot be adequately fulfilled, whereas Government Regulation No. 23 of 2003 stipulates that the cumulative APBN deficit must not exceed 3% of GDP. Similar concerns have also been raised by international institutions, with the World Bank warning Indonesia to maintain compliance with debt ratio limits.

Implementation efficiency is a crucial factor. The lack of nutrition experts and accountants in remote regions causes the management of Nutrition Fulfillment Service Units (SPPG) to become less optimal, thereby increasing the risk of budget leakage and declining nutritional standards. In addition, limited explanations in existing technical guidelines, particularly regarding financial management and supervision mechanisms, may create significant gaps for irregularities to occur.

Nevertheless, the MBG Program is positioned as a long-term investment that not only addresses the basic needs of Indonesia's younger generation but also stimulates regional economies and supports MSMEs. The improvement in human resource quality resulting from the program has the potential to encourage productivity and sustainable economic growth.

Therefore, the MBG Program can be likened to a double-edged sword: it offers hope for improving human resource quality toward Indonesia Emas 2045, yet simultaneously carries fiscal and integrity risks that may disrupt national stability if not managed with great caution.

CONCLUSION

The Free Nutritious Meal Program (MBG) is one form of the government's expansionary fiscal policy aimed at improving the quality of human resources through nutritional interventions for school children, toddlers, pregnant women, and breastfeeding mothers. From the perspective of public economics, this program functions not only as a food-based social assistance program but also as a long-term investment in human capital development. Through improving the nutritional quality of the population, the MBG Program is expected to support improvements in public health, cognitive abilities, educational quality, and future labor productivity. In addition, the implementation of MBG also creates a multiplier effect on the domestic economy through increased food demand, the involvement of micro, small, and medium enterprises (MSMEs), and the absorption of local labor.

The findings of this study indicate that the MBG Program has significant positive impacts on improving children's nutritional quality, reducing the risk of stunting, increasing educational participation and quality, and strengthening local economies through the empowerment of food-based MSMEs. The program also reflects a shift in the government's fiscal policy orientation toward strengthening social investment and human resource development as the foundation for achieving Indonesia Emas 2045.

However, the implementation of the MBG Program also poses various fiscal challenges that require serious attention. The large budget allocation required for the program has the potential to increase pressure on the State Budget (APBN), reduce the government's fiscal space, and increase the risk of budget deficits if not balanced by adequate state revenue capacity. Furthermore, the complexity of the program's distribution chain increases the potential for inefficiency, budget waste, and leakage risks in public fund management. The accuracy of targeting beneficiaries is also an important factor in ensuring that the program operates effectively and does not create fiscal inefficiencies.

In the context of fiscal sustainability, the success of the MBG Program highly depends on the government's ability to maintain a balance between social objectives and the country's financing capacity. Therefore, transparent, accountable, and data-driven program governance is required, including strengthening monitoring systems, conducting periodic evaluations, improving distribution efficiency, and optimizing beneficiary targeting. The government also needs to strengthen financing strategies through the optimization of state revenue, appropriate budget reallocation, and collaboration with the private sector and philanthropic institutions to ensure the sustainability of the program without disrupting national fiscal stability. Thus, the Free Nutritious Meal Program can be viewed as a strategic policy with great potential to improve the quality of human resources and support long-term economic development. However, these benefits can only be achieved if the program is implemented effectively, efficiently, and sustainably within the framework of sound national fiscal management.

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