THE PARTICIPANTS' ROLE OF DPD REAL ESTATE INDONESIA IN REGIONAL POLICY FORMULATION IN MEDAN CITY

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ABSTRACT

Objective: In the process of formulating the policy agenda, both in the central and regional governments, the influence of actors is very large. This happened with the Medan City Government, whose kinship structure is still well preserved in order to create separate opportunities for particular groups to form relationships with power holders who abuse their authority in the process of developing a policy agenda. This can be studied by looking at Regional Regulation Number 3 of 2011 on Rural and Urban Land and Building Taxes.

Method: The method of this research is descriptive research with a qualitative approach, and it employs William Dunn and Budi Winarno's theory of public policy as well as Gidden, Gaffar, Thoha, and Truman's theory of interest groups.

Result: The results of this research show that in the stipulation of Regional Regulation Number 3 of 2011 in Medan City, there is a role for legislative interest groups who fight for personal and group interests on behalf of the people's interests to put pressure on the Medan City government so that PBB is low in proposing tariffs and selling value of tax objects for the property business (on behalf of the real estate group) due to orders from property entrepreneurs engaged in.

Conclusion: This interest group has the most clout, particularly in providing legal input and information on whether or not a regional regulation has been issued. Meanwhile, the legislature serves as a sponge for those who defend and fight for the community's interests. Furthermore, other mass organizations are more actors who oversee the process of developing regional regulations rather than the legislative process of defending and fighting for the community's interests.

Keywords: pressure group, public policy, medan city, regional regulation.

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O PAPEL DOS PARTICIPANTES DA DPD IMOBILIÁRIA INDONÉSIA NA FORMULAÇÃO DA POLÍTICA REGIONAL EM MEDAN CITY

RESUMO

Objetivo: No processo de formulação da agenda política, tanto nos governos centrais como regionais, a influência dos intervenientes é muito grande. Isso aconteceu com o Governo da Cidade de Medan, cuja estrutura de parentesco ainda está bem preservada, a fim de criar oportunidades separadas para que grupos específicos formem relacionamentos com detentores de poder que abusam de sua autoridade no processo de desenvolver uma agenda política. Este aspecto pode ser estudado através da análise do Regulamento Regional n.º 3 de 2011 relativo aos impostos sobre os solos e edifícios rurais e urbanos.

Método: O método desta pesquisa é a pesquisa descritiva com uma abordagem qualitativa, e emprega a teoria de políticas públicas de William Dunn e Budi Winarno, bem como a teoria de grupos de interesse de Gidden, Gaffar, Thoha e Truman.

Resultado: Os resultados desta pesquisa mostram que, na estipulação do Regulamento Regional Número 3 de 2011 em Medan City, há um papel para grupos de interesse legislativo que lutam por interesses pessoais e de grupo em nome dos interesses das pessoas para pressionar o governo da Cidade de Medan para que o PBB seja baixo em propor tarifas e valor de venda de objetos fiscais para o negócio imobiliário (em nome do grupo imobiliário) devido a ordens de empresários imobiliários envolvidos.

Conclusão: Este grupo de interesse é o que tem mais poder, em particular no que respeita à prestação de informações e de contributos jurídicos sobre a adoção ou não de um regulamento regional. Enquanto isso, a legislatura serve de esponja para aqueles que defendem e lutam pelos interesses da comunidade. Além disso, outras organizações de massa são mais atores que supervisionam o processo de desenvolvimento de regulamentos regionais do que o processo legislativo de defesa e luta pelos interesses da comunidade.

Palavras-chave: grupo de pressão, política pública, cidade de medan, regulação regional.

1 INTRODUCTION

The Regional People's Representative Council (DPRD) is a legislative organization that represents the people of the region. The Regional People's Representative Council implements the legislative role in the regions with the agreement of the regional head. In Law Number 32 of 2004, which has been changed to Law Number 23 of 2014, in article 236 paragraph (2), it states that "Regional regulations are stipulated by the regional head after obtaining approval from the government together with the DPRD".

The governor and regent/mayor have executive and permanent legislative power, though the legislative function must be carried out with the approval of the DPRD as a partner and controlling agency for regional government power. One form of partnership between the regional government and the DPRD is cooperation in making regional regulations (Perda) to implement regional autonomy in accordance with their respective
functions. One form of partnership between the regional government and the DPRD is cooperation in making regional regulations (Perda) to implement regional autonomy in accordance with their respective functions. The two institutions build a working relationship that is mutually supportive and not an opponent or competitor to each other.

In the process of formulating the policy agenda, both at the central and regional governments, the influence of actors is very large, as happened to the Medan City Government, whose kinship system is still well maintained, and this system has also provided its own opportunities for certain groups to build relationships with power holders who use their authority in the process of formulating the policy agenda. One of the evidences that can support this argument is the stipulation of regional regulations carried out by the Medan City Government, which is intended to meet the needs and demands of the community, as stated in Regional Regulation Number 3 of 2011 concerning rural and urban land and building taxes.

The DPRD, as the holder of the legislative mandate, and the government, in this case the relevant agencies and the mayor, will play an important role in the ratification until the enactment of Regional Regulation No. 3 of 2011 concerning rural and urban land and building taxes in Medan City. The existence of this interest group has a significant impact on the existence of the existing rules in the regulation. As a result, indications such as the articles of order are unavoidable. The articles of order are the result of manoeuvring with other interest groups outside the government, such as property developers (Real Estate Indonesia), tax mafias, and land mafias, to smooth out projects in Medan City. This is accomplished by manufacturing rubber goods, which will indirectly benefit developers and other interested parties while also lowering Medan City's PAD. According to Giddens, social forces that exist outside of the subject as an individual determine, influence, and produce him. It's referred to as the "Duality of Structure" by Giddens (Barker, 2011).

According to this interpretation, this interest group refers to what Giddens stated: that this group exists to create certain interests in order to create what is known as a structure. And Regional Regulation No. 3 of 2011 is a tool for shaping the structure.

One form of the rubber article in Regional Regulation Number 3 of 2011 concerning rural and urban land and building taxes in Medan City is Article 5 related to tariffs. There are two rates in this article, one for NJOP up to Rp. 1,000,000,000, which is set at 0.2%. Above Rp1,000,000,000, NJOP is set at 0.3%. The editor of this article
provides a fairly comprehensive overview of how tax rates are applied in Medan. However, if you look closely, you will notice that the article does not regulate the NJOP limit, both low and high, by using the infinity range below and above 1 billion. The provisions will serve as a model for how property developers, land mafias, and tax mafias can work against their own interests.

Lubis (2018) revealed the truth about the decline in regional income in Medan City, stating that the growth rate of realized Land and Building Tax (PBB) revenue in Medan City fluctuated. He mentioned the truth about the decline in regional income in Medan City, stating that the growth rate of realized Land and Building Tax (PBB) revenue in Medan City fluctuated. The highest growth rate occurred in 2003 (53.8%), with the criteria of being less successful, and the lowest in 2013 (-14.83%), with the criteria of being unsuccessful. The average growth rate of PBB revenue is 14.06%, with the criteria for growth not being successful. Then it is known that the level of effectiveness of PBB revenue in Medan City has fluctuated over a period of 15 years, with an average percentage of 115.89% in the very effective category. The highest level of effectiveness occurred in 2015 at 145.98% in the "very effective" category, and the lowest level of effectiveness occurred in 2016 at 78.19% with the criteria of being less effective because the target was too high. Furthermore, the study found that the contribution of PBB in Medan City was categorized as "very poor," with an average percentage of only 9.32%. The highest contribution was in 2009 at 10.85% with fewer criteria, and the lowest was in 2013 and 2014 at 7.15% with very poor criteria. Several factors hinder the effectiveness of PBB revenue in Medan City, including: (1) the revenue target is too high; (2) public awareness is low; (3) many tax objects are unknown to their owners; and (4) socialization is not maximized.

The results of the above study indicate that there is a tug-of-war condition between political interests and the role of interest groups to intervene and try to influence political decisions between the Mayor of Medan (executive) and the DPRD City of Medan (legislative) so that the policy towards the issuance of Regional Regulation Number 3 of 2011 is effective. The Medan City Government, through the mechanism of the Medan City Regional People's Representative Council (DPRD), has drawn up and put the regulatory policies related to this land and building tax into Medan City Regional Regulation No. 3 of 2011 concerning the United Nations Rural and Urban Development.
This condition shows an indication of the existence of agents related to the dynamics of the formulation and the implementation of Perda No. 3 of 2013. The view of agents comes from Giddens' understanding of agents and the structure in which agents arise for two reasons, namely, that they consist of any undefined or unaffected human action, and such an action is something spontaneously created in the absence of the original created metaphysical and mystical form. Based on the description of the conditions above, researchers are interested in seeing the role of interest groups in the formulation of public policies in Medan City, especially regarding Regional Regulation No. 3 of 2011 concerning rural and urban land and building taxes.

According to Keban (2004), public policy is an understanding of the philosophical concept as a product, a process, and a framework. As a philosophical concept, policy is defined as a set of principles or desired conditions; as a product, policy is defined as a set of conclusions or recommendations; and as a process, policy is defined as a means for an organization to learn what is expected of it. Policy is a process of bargaining and negotiation to formulate issues and methods of implementation, namely programs and mechanisms for achieving their products, and as a framework, policy is a process of bargaining and negotiation to formulate issues and methods of implementation.

Dunn (2003) argues that the policy analysis process is a series of intellectual activities carried out in the context of fundamentally political activities. Political activity can be defined as a policy-making process and realized as a series of interdependent stages arranged in a time sequence of agenda setting, policy formulation, policy adoption, policy implementation, and policy assessment. In addition, it involves organs (actors) that are very representative of the public's interest in making policies. (Anderson, 1984) discuss who should be involved in policy formulation. According to (Winarno, 2006), the following actors should be involved in policy formulation:

An interest group is a group of people who come together because they share common attitudes, beliefs, and/or goals. Interest groups are essentially organized human associations with membership, leadership patterns, financial resources to finance activities, and communication patterns both within and outside the organization. According to Almond (1995), structural functional theory applies to the political system.

Interest groups have 4 (four) roles in the state's life, namely (1) catalyzing system change by advocating and trying to form collective community awareness of important issues in life. Through this role, interest groups seek to develop the political will and
community initiatives to jointly influence policy; (2) Monitoring or supervise government administration. Criticism to protest if evidence of abuse of power and violation of the law by state administrators is discovered; (3) facilitate citizens' reconciliation with the judiciary. This interest group defends the general public, who are frequently victims of government violence and legal injustice, and (4) implements a number of community empowerment programs (Gaffar, 1999).

Interest groups can become pressure groups when they use extraordinary political tactics and pressure to influence policy so that the government and political officials are willing to agree to their demands (Duverger, 1984). Movement tactics or strategies carried out by interest groups in conveying their demands through the following ways:

- Submitting demands/aspirations to political parties
- Participating in policy formulation
- Lobbying and negotiating with political officials
- Capitalizing on personal relationships with political elites
- Submitting criticism and aspirations through mass media

Non-conventional movements are forms of violent political participation such as demonstrations, strikes, roadblocks, large-scale convoys, and other acts of violence.

The role of non-state or transnational actors is growing in an era of borderless globalization. Although he is classified as an unofficial actor, his influence in making public policy decisions is enormous. This is because of their advantages (capital, people skills, technology, market access, information, and trading networks). They typically participate in policymaking alongside political parties and individual citizens. These groups are referred to as informal because, despite actively participating in policy formulation, they lack the legal authority to make binding decisions.

2 METHOD

This study's research design is a descriptive method with a qualitative approach. The basic reasons for using a qualitative approach are as follows: first, researchers want to find meaning, understanding, and understanding of a phenomenon, event, or human life by being involved directly and/or indirectly in the setting being researched, contextual, and comprehensive. Second, describing the facts about the problem being investigated as they are, accompanied by an adequate rational interpretation. In the context of this study, the researcher attempted to collect various informant perspectives
on the role of interest groups and the existence of regional regulation (Perda) No. 3 of 2011 in Medan. The researcher attempts to collect all available information and compares it to existing facts. Throughout this process, the researcher visited various factions in the Medan City DPRD.

3 RESULTS AND DISCUSSION

In every policy-making process, especially in Regional Regulation Number 3 of 2011 in Medan City, the role of the elite becomes a determinant of the issuance of a policy that will apply to society in general and to the future development of Medan City. The role of the DPRD elite can be seen through the activities of their duties and functions, namely as makers of laws and regulations to stipulate Regional Regulation No. 3 of 2011 and as a group capable of providing control over the implementation of local government.

The mechanism of the plenary session of the discussion of Regional Regulation Number 3 of 2011 demonstrates that the interaction process between the executive and the legislature has a significant impact on the quality and validity of the Regional Regulation itself, particularly in the regions. 2011 Regulation No. 3 This supervisory function will color the dynamics of the executive-legislative relationship, which are broadly patterned in a balanced relationship between the executive and the legislature, as well as a relationship of legislative dominance over the executive. If the executive and legislature each have a balanced bargaining position, a balanced position can be formed.

People with authority to make policy are required to create a public policy. According to (Agustino, 2008), public policymaking officials are people with the legal authority to participate in the formulation and determination of policies, even though there are several people with the legal authority to act. Someone else, such as the leader of a political party or a pressure group, has control over you. Policymakers include the legislature, executive, administrator, and judiciary. Each institution has a unique role in policymaking.

Interest groups have an articulation function, namely to strengthen and streamline the delivery of community aspirations/demands so that they can influence government policies. In addition to the articulation function, interest groups also carry out the function of monitoring and criticizing the government's performance (Surbakti, 1992). In the process of formulating regional regulations, there are several main interest groups (actors) involved, namely the executive, legislature, and various community organizations that
are directly related to regional regulations. Legislative institutions play a more role as absorbers of those who defend and fight for the interests of the community.

The role of actors as members of the Medan City DPRD who have relationships with various social organizations (Ormas) and housing developers in Medan City so that they can influence policies, particularly articles in Regional Regulations, in the process of drafting Regional Regulation Number 3 of 2011. These actors are attempting to defend economic/commercial interests by leveraging political power in the Medan City DPRD.

According to Regional Regulation Number 3 of 2011 in Medan City, legislative interest groups fighting for personal interests and groups fighting on behalf of the people's interests have a role in pressuring the Medan City government to propose lower rates and the selling value of PBB tax objects for property businesses (on group name Real estate) as a result of orders from property entrepreneurs who are also involved in other property businesses for the benefit of their associates and relatives.

The role of the legislature as an interest group in Medan City, where factions in the Medan City DPRD are very thick with the practice of political transactions related to existing Regional Regulations (in this case, the Land and Building Tax Regulations), namely: First, by placing tariff articles and dividing them into five types of tariffs, opens up opportunities for speculators and property developers to control the commercial value of land, so many land Second, legislators who are also property developers belong to the faction that controls the Special Committee for the Determination of PBB-P2 Taxes and Regional Regulations. Third, by setting a high tax target, it is hoped that the income of members of the council will increase due to an increase in original regional income, which will increase allowances for members of the legislature, though setting targets without careful study and discussion guided by existing tax potential is risky.

In the context of Regional Regulation Number 3 of 2011, the role of the DPRD as a legislator is critical and, of course, fraught with conflicting interests. This is demonstrated by the tariff dynamics that occur. At the start of ratification, two tariff schemes were used, with lobbying for reductions kept under control. However, this condition is a legal action that is fraught with danger. As a result, it is necessary to intervene in order to reduce tariffs based on the number of NJOP's. In addition, five types of tariffs were chosen to allow for a reduction in NJOP tariffs above one billion and below five billion. The scheme indirectly benefits Medan City property developers. There are non-state actors who have large interests and participate in this vortex during the stage of
changing the tariff scheme in Perda no. 3 of 2011. DPD REI (Real Estate Indonesia) Medan City Branch is the non-state actor. The existence of this group is very strong in order to encourage changes in the city of Medan's land and building tax rates.

The legislature has the authority under the tariff formulation scheme in the regional regulation to summon interest groups such as community leaders, academics, and developers to test the legality of the regional regulations that will be ratified. Outside parties who participate in the dynamics surrounding the formulation of Regional Regulation No. 3 of 2011 are DPD REI itself. This group has the authority to criticize, consider, and provide input on regulations. The interview excerpt above reveals that DPD REI is interested in making every effort to submit an editorial that will not complicate its business in the future. For this reason, the existence of this group has the power to elaborate in more detail on the convenience rates for their business existence.

An interesting condition is an extent to which DPD REI's proposal, which in this case is only a second opinion, can influence tariff revisions in Perda no. 3 of 2011. This is because there are three members of the REI DPD who are also members of the Medan City DPRD. This also strengthens the vital role of DPD REI in providing input that will indirectly be accepted by the Medan City DPRD. In this case, there was a tug-of-war and more fluid political lobbies because DPD REI seems to have an extension to smooth out its steps to revise the land and building tax rate scheme in Medan City.

The role of interest groups in working together to influence policies in Medan City between the executive, legislative, and private sectors in the political process in influencing Regional Regulation Number 3 of 2011. Interest groups include the executive, legislative, and private parties, and agency theory explains all political activities relevant to group struggle. The role actors involved in the preparation and enactment of Regional Regulation No. 3 of 2011 take place in the city of Medan.

The rate of growth in Land and Building Tax (PBB) revenue realization in Medan City varies. The highest growth rate was 53.8% in 2003, with the criteria of being less successful, and the lowest was -14.83% in 2013, with the criteria of being unsuccessful. With the growth criteria failing, the average growth rate of PBB revenue is 14.06%. This result demonstrates the existence of top-level lobbying between interest groups in order to exploit the dynamics of the implementation of Perda No. 3 of 2011, which appears to be flawed.
Land and Building Tax was originally a central tax, but according to Law Number 28 of 2009, it was determined to be a Regency/City tax as a source of regional original income. The Regional Regulation on Land and Building Tax must then adhere to the standards outlined in the higher legislation, namely Law Number 32 of 2004 Concerning Regional Government.

In Regional Tax and Levy Law No. 28 of 2009. As a result, the provisions of this law must serve as the foundation for the issuance of Regional Regulations concerning Land and Building Taxes. The most fundamental aspect of the proposed amendment to the draft Ranperda is related to the sale value of tax objects, as regulated in Chapters II and III because, in Law Number 28 of 2009 Article 80, the rate of land and building tax in rural and urban areas is set at the highest. By 0.3% per year. The Democratic Faction then proposes, based on the provisions of Article 182 of Law Number 28 of 2009, that the preparation stage for the transition of the Land and Building Tax as a regional tax no later than December 31, 2013, the promulgation of this Regulation while waiting for the readiness of regional apparatus and human resources. This Regional Land and Building Tax will go into effect on January 1, 2013.

Regional Taxes from observations in the field that, in fact, many regions carry out levies that hinder investment, we know that in the implementation of Regional Regulation No. 12 of 2003 concerning Medan City Regional Taxes, there are often complaints from the public about local taxes. The percentage of tariffs imposed on taxpayers has an unfavorable impact on the investment climate, and many local taxes result in high economic costs because they overlap with central levies.

The enactment of Law Number 28 of 2009 concerning regional taxes and regional levies has provided clarity and certainty for the community and the business world, regional taxes that can be collected in every Regency/City. As a result, the birth of regional regulation and the interests of the community cannot be separated. As a result, the issuance of a new regional regulation on regional taxes is expected to accommodate people's aspirations while increasing the city of Medan's original regional income. As a result, as stated previously, the issuance of this regional tax regulation must be more thorough, careful, and sensitive to ground conditions.

However, the Medan City Government maintains the sale value of the non-taxable tax object of Rp. 15,000,000 under the pretext of being in accordance with the Regulation of the Minister of Finance of the Republic of Indonesia, without mentioning the number
of the Regulation of the Minister of Finance of the Republic of Indonesia, in what year, and in what year. According to Article 77 of Law Number 28 of 2009 on Regional Taxes and Regional Levies, "the amount of the sale value of non-taxable tax objects is determined to be at least Rp. 10,000,000.00 (ten million rupiahs) for each taxpayer and the maximum provision is not exceeded." For this reason, the PDI-P faction still asks for the sale value of non-taxable tax objects to be set at Rp.45,000,000 for each taxpayer.

With the enactment of this Draft Land and Building Tax Regulation as a Medan City Regional Regulation, it is requested that the Medan City Government apparatus in charge of determining the tax rate of a Land and Building Tax object carry out the provisions stipulated in the Regional Regulation. As soon as possible, inform the public about well-prepared supporting tools such as software/hardware and human resources.

4 CONCLUSION

The main actors involved in the process of developing Regional Regulation No. 3 of 2011 in Medan City, namely the executive, legislative, and various community organizations with a direct interest in the regulation. This interest group has the most clout, particularly in providing legal input and information on whether or not a regional regulation has been issued. Meanwhile, the legislature serves as a sponge for those who defend and fight for the community's interests. Furthermore, other mass organizations are more actors who oversee the process of developing regional regulations rather than the legislative process of defending and fighting for the community's interests.
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