Fiscal Policy Analysis Bekasi District 2021 Fiscal Year

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ABSTRACT

This study aims to analyze the fiscal policy implemented by the Bekasi Regency local government. The goal is to improve the financial structure by increasing regional financial capacity, which ultimately creates a positive fiscal gap as an indicator of policy success. This study used a qualitative literature review approach, where data was gathered through observations, literature study, and the examination of various secondary sources. The collected data was then analyzed using a descriptive model, which involves describing the data as it is without any alterations or modifications. The findings revealed that the Bekasi Regency Government has put in place various measures to achieve a positive fiscal gap. These include Extensification, which involves maximizing Regional Original Revenue (PAD), and Intensification, where the Tax Object Sale Value (NJOP) is adjusted to optimize the revenue from Fees for the Acquisition of Rights on Land/Building (BPHTB).

Keywords: Bekasi Regency; Fiscal Policy; Financial Structure

INTRODUCTION

Regional financial policy today has become a very important issue, especially in the era of regional autonomy, through law no. 23 of 2014 concerning Regional Government implicitly emphasizes that regions are required to be able to create conditions that are conducive to creating a climate for development and public services in the regions that are adapted to the needs and conditions of their communities.

Furthermore, regions are required to be able to innovate in order to increase the fiscal gap in the regions by utilizing the authority they have. The direction of this innovation is to strive to provide public services and facilities. through various development programs that can take advantage of developments in technology and science, giving rise to various innovative applications and/or adaptive programs at the regional level that make it easier for people to access public services, in addition to contributing to the region in terms of fiscal revenues from these public services.

The philosophy of fiscal policy is based on Keynes' theory which was born as a reaction to the great depression that hit the American economy in the 1930s. Keynes criticized the opinion of classical economists who stated that the economy will always reach full employment so that every additional government spending will cause a decrease in private spending (crowding out) by the same amount or in other words every additional government spending will not change aggregate income. Keynes argued that a free market system would not be able to make adjustments towards full employment conditions. To achieve this condition, government intervention is needed in the form of various policies, one of which is fiscal and monetary policy. (Setiawan, 2018)

The aim of this research is an effort to analyze how the implementation of fiscal policy in Bekasi Regency stimulates or increases regional financial capacity, regional financial management and regional financial supervision. This policy is expected to increase the contribution of Original Regional Income to the APBD. Based on Law Number 23 of 2014 concerning Regional Government article 285, regional income sources consist of Original Regional Income, Transfer Income, and other Legitimate Regional Income. Regional revenue management aims to optimize regional income sources in order to increase regional fiscal capacity in order to maximize regional government administration in providing services and welfare to the community. Regional income budget policies include how regions are able to manage Original Regional Income, Transfer Income and other Legitimate Regional Income to provide regional expenditure funds. And none other than that fiscal policy is a stimulus rather than increasing Original Regional Income (PAD) which has a big influence on the development of a region. This means that the availability of funds in the region is influenced by the extent of the region's ability to create sources of revenue in the region.

LITERATURE REVIEW

Public policy

James Anderson (1979) as quoted by Riant Nugroho (Nugroho. D, 2004) defines public policy as a relatively stable, purposive course of action followed by an actor or set of actors in dealing with a problem or matter of concern. This means that in a relatively stable period of time, a public policy is a deliberate action and is followed by an actor or group of actors to overcome problems or issues that are of great concern to these actors and must be addressed immediately, for example the regional financial condition which is experiencing a deficit and is felt to be very serious. If policy actors are concerned, action must be taken, one of which is by creating a policy to overcome the deficit problem.

Thomas R. Dye (1981) provides a basic understanding of public policy as what the government does or does not do. This understanding was then developed and updated by scientists working in public policy as a refinement because if this meaning is applied, the scope of this study becomes very broad, apart from the study which only focuses on the State as the subject of study, (Subianto, 2020)

Public policy itself consists of several process stages, as stated by Nugroho (Nugroho. D, 2004), namely: 1. Policy formulation 2. Policy implementation 3. Policy evaluation and additions 4. Policy revision, to create more adaptive or appropriate policies with the conditions of the evaluation results. In this regard, regional financial policy is an effort made by regional governments to overcome development and public

service problems in the region through planning and budget allocation. Development and public services in the regions are the authority of the region and to make this happen, budget allocations are needed, so the regional government needs to make policies - fiscal gap policies in the region can be covered with various sources of revenue that are the authority of the region

Fiscal policy

Fiscal policy is an economic policy in order to direct economic conditions to become better by changing government revenues and expenditures, (Rahayu, 2014).Fiscal Policy is a series of activities related to the effectiveness of the income and expenditure budget, which seeks to maximize financial capacity by accumulating sources of original revenue. In the regional context, fiscal policy means seeking to receive regional income from the original regional revenue sector in the form of directed regional taxes and levies. To create fiscal decentralization and regional financial independence, this is very important because one indicator of the success of regional government administration is the creation of regional financial independence. In this way, regions have more freedom in allocating budgets for development and public services, which do not always depend on funding transfers from the central government.

In this regard, policies are needed that can increase the effectiveness of regional tax and levy collection, namely by intensification and extensification. Intensification is increasing genuine regional revenue from all legitimate sources of regional revenue, which can be done through pattern pick-up, persuasion or coercion, while extensification is trying to explore the potential of existing regions to become legitimate sources of revenue, this requires an innovative and creative attitude. regional government, (Ferizaldi, 2016)

Measuring the performance of regional fiscal policy can use five variables, namely (General allocation funds, Routine Expenditures, Expenditures for Transportation, Taxes and Retributions) (Sebayang, 2005). FurthermoreAccording to (Suparmoko, 2016) the objectives of decentralization policy are: 1). Realizing justice between regional capabilities and rights. 2). Increase in Original Regional Income (PAD) and reduction in subsidies from the central government. 3). Encourage regional development in accordance with the aspirations of each region. In this regard, fiscal decentralization can be realized by creating local policies by utilizing existing authority to be explored according to its availability.

METHODS

The research conducted in this study adopts a library research or literature study methodology, relying on diverse literature sources to gather research data. A qualitative approach is employed as the data generated manifests in the form of descriptive narratives or textual information. Library research, also known as literary research, entails an investigative process centered in the library or literature. In this particular study, the research process involves the exploration of studies that share similarities or relevance, as highlighted by Purwanto (2016). Library or literature studies are characterized by certain attributes: researchers engage directly with data, primarily sourced from existing literature rather than firsthand field observations; the information derived from the library serves as a secondary source rather than originating as primary data; and library data is not constrained by spatial or temporal limitations (Z, 2008).

Moreover, this study employs two distinct data collection techniques: primary data and secondary data. The primary data source involves observational data, meticulously recorded and subsequently analyzed using literary studies. On the other hand, secondary data refers to information readily available, sourced from Regional Government Reports, Publications, and mass media. The data analysis and interpretation encompass systematic organization and retrieval of research findings, incorporating observations and other relevant elements. This process contributes to an enriched understanding of the research focus, allowing the researcher to compile, refine, condense, and present the findings effectively, as expounded by Tohirin (2012).

RESULTS AND DISCUSSION

Fiscal policy is basically a policy that is decided and managed by the Ministry of Finance and generally aims to manage and maintain the welfare of the money circulation sectors because the main point or most prominent thing about fiscal policy is taxes. In connection with research regarding Fiscal Policy Analysis in Bekasi Regency FY 2021, it is of course related to the form and type of fiscal policy taken and implemented by the Bekasi Regency Government itself so that it can creating a fiscal level as seen from its Original Regional Income (PAD). One form of fiscal policy taken by the Bekasi Regency Government in optimizing its Original Regional Income (PAD) is as follows:

Viewed from an extension perspective, in optimizing Original Regional Income (PAD) the Bekasi Regency regional government is encouraging tax extension through digitalization of PAD which was prepared by the Regional Digitalization Acceleration and Expansion Team (TP2DD). This involves Bappeda which is also collaborating with the West Java Regional Police Traffic Directorate and the Metro Police which is expected to increase motor vehicle tax revenue, as well as supervision. The PAD target in 2022 is set at IDR 22.8 trillion, up from 2021, namely IDR 21 trillion. Then IDR 1.5 trillion is targeted to start from regional taxes, regional levies, wealth and others with an intensification and extensification process (Pemerintah Kabupaten Bekasi, 2021).

Apart from that, through a special policy of using local products through the "BEBELI" policy where the Bekasi Regency Government implements a special policy for all State Civil Apparatus (ASN) to require the purchase of goods produced by local Bekasi Regency Micro, Small and Medium Enterprises (MSMEs) via the e-catalog application or Bekasi brave shop Dare to Buy (BEBELI). Bekasi Berani Beli (BEBELI) itself is an electronic shopping application to support the use of domestic micro, small and medium enterprise products. The launch of BEBELI is also a follow-up to the direction of Indonesian President Joko Widodo as stated in Presidential Instruction Number 2 of 2022 regarding accelerating the increase in the use of domestic products and products of micro businesses, small businesses and cooperatives in order to make the proud national movement made in Indonesia a success in the implementation of government procurement of goods and services. BEBELI has grouped sellers based on their respective sub-district regional clusters to facilitate product delivery. A total of 250-300 small business actors assisted by the Bekasi Regency Cooperatives and MSMEs Service have also stated that they are ready to join this online shop application.

The implementation of purchasing MSME products will later be regulated in a Regent's Regulation (Perbub) as one of the regulations in reducing regional inflation

rates. This is a new innovation policy for the Bekasi Government. In the future, not only government agencies, government agencies, the private sector, even all levels of society will also be required to make the BEBELI policy a success. This is one of the right steps in controlling the rate of regional inflation, and is a business opportunity in the economy of the people in Bekasi Regency and will grow the economy and enthusiasm of MSMEs because it involves ASN as well as other sectors (Dedy S, 2023).

Next, look at the PolicyIntensification, where the Bekasi Regency Government (Pemkab) targets Regional Original Income (PAD) of IDR 2.7 trillion in 2023 and has a strategy to achieve the PAD target, mainly through intensification mechanisms and exploring existing potential, namely by optimizing Acquisition Fee revenues Land/Building Rights (BPHTB) by adjusting the Sales Value of Tax Objects (NJOP) to achieve the PAD target. This is very urgent considering the inconsistency of the applicable tariffs (Hariani, 2023).

Furthermore, the Bekasi Regency Government will also maximize restaurant tax revenues from catering businesses. Currently there are still hundreds of companies that do not have a Regional Taxpayer Identification Number (NPWPD), so the potential for restaurant tax revenue from catering businesses is not yet maximized. Bapenda (Regional Revenue Agency) of Bekasi Regency which was specifically assigned to gather catering entrepreneurs.

Then, optimize groundwater tax revenues by coordinating with the West Java Provincial Government. Because the determination of permits for the tax sector is the authority of the province, even though the payment scheme in each city/district is by invoking the provincial DPMPTSP (One Stop Investment and Integrated Services Service), including Samsat which also concerns parking tax and several matters relating to provincial authority. and center to synchronize.

Simultaneously, the Bekasi Regency Government will explore the potential for advertising taxes. Because the acceptance of this sector is inversely proportional to the existence of advertising which is increasingly mushrooming in Bekasi Regency. Because many tax objects do not pay due to the fact that the permit period has expired, even though the activities are still ongoing, they are reluctant to extend the permit. The Bekasi Regency Government is also committed to continuing to maintain the investment climate and competitiveness by making licensing easier, including improving tax administration, improving regulations, and maintaining good regional conduciveness (Taufik D, 2022).

Next throughDiversification, In order to increase the PAD of Bekasi Regency, the Regency Government itself has made a diversification policy for Oil and Gas Regional Owned Enterprises (BUMD), where the development of the Regional Owned Enterprises (BUMD) business is important so that it continues considering that the decreasing gas reserves at the Tambun refinery automatically have an impact decreased gas allocation from Pertamina. The Bina Bangun Wibawa Mukti Limited Liability Company (BBWM) itself makes a sizable contribution to Bekasi Regency's Original Regional Income (PAD). This input of Regional Original Income (PAD) is quite a good achievement. In conditions of continued decline in gas supply, the Regency Government
Bekasi Also planning waste management innovations could be an additional option. For example, waste management at Burangkeng TPA where there is an additional five hectares of land and this could be a new business opportunity for Bina Bangun Wibawa Mukti (BBWM) (Bekasikab.Go.Id, 2022).

Types of Bekasi Regency Fiscal Policy: The first is Functional Policy. This policy was taken to improve the quality of the economy at a macro level, with impacts that will only be visible in the long term. Bekasi Regency itself, in this case, issued a start-up development policy in Bekasi Regency, especially by Diskominfosantik in collaboration with the Lyrid Team, which is a company operating in the IT sector. This policy was issued for the economic recovery of the community, especially those who have MSMEs. The community will be empowered by participating in training called Bootcamp Startup Accelerator activities which are a collaboration between the Bekasi Regency Government and Correctio Jababeka. This activity was also carried out through Fablab Correctio Jababeka in collaboration with Diskominfosantik Bekasi Regency and Lyrid, a software company based in the United States.

Second, namely deliberate/planned policy. This policy was taken by the Bekasi Regency Regional Government to deal with the Covid-19 pandemic problem yesterday by forming a team for the intensification and extensification of regional taxes and regional levies (PDRD) in order to optimize regional revenue potential to the maximum amidst the limited revenue potential due to Covid-19. Apart from that, the team does not only focus on PAD but also carries out the task of optimizing the receipt of revenue sharing funds for tax objects or subjects located in Bekasi Regency. The team's tasks are not only carried out by the revenue-generating regional work units (SKPD), but are also assisted by other SKPDs.

Then expansionary fiscal policy is a policy taken by the government when the economy is weakening by increasing the spending budget and reducing or eliminating taxes for certain sectors. The function of expansionary fiscal policy is to increase the purchasing power of goods so that companies can continue to produce without laying off workers. One of the things the Bekasi Regency Government is doing is increasing people's purchasing power by encouraging three main sectors, namely the large industrial sector, small and medium industries (IKM/UKM) and the agricultural sector.

For large industries, government policies such as relaxation, incentives and infrastructure will be monitored so that they can run. For small and medium industries and SMEs, capital assistance and marketing facilitation will be provided. Then for the agricultural sector, apart from the assistance that has been provided so far, such as seeds, fertilizer and other subsidies, sales of agricultural products through exports will also be facilitated. The policy implemented is a constructive breakthrough and is suitable for filling regional autonomy, especially regional fiscal decentralization, that the main objective of regional autonomy is to improve public services and advance the regional economy. Basically, the three main missions of implementing regional autonomy and fiscal decentralization are: improving the quality and quantity of public services and community welfare, creating efficiency and effectiveness in regional resource management and empowering and creating space for the community to participate in development (Mardiasmo, 2021).

Furthermore, looking at several details of the Original Regional Income (PAD) of Bekasi Regency, the Original Regional Income for Fiscal Year 2021 is budgeted at IDR 6,021,823,091,630.00 with a realization of IDR. 6,015,706,801,836.00 or 99.90%, there is a target shortfall of Rp. 6,116,289,794.00. Next, look at Regional Tax Revenue which includes 10 types of taxes, namely Hotel Tax, Restaurant Tax, Entertainment Tax, Advertisement Tax, Street Lighting Tax, Parking Tax, Ground Water Tax, Swallow's Nest Tax, Tax on Acquisition of Land and Building Rights and Property tax. This income

is budgeted at Rp. 2,065,328,229,205.00 with a realization of Rp. 2,008,212,803,072.60 or 97.23%, there is a target shortfall of – Rp. 57,115,426,132.40. Regional levy results include 20 types of levies, the budgeted income from regional levies is IDR. 167,329,690,000.00 realization of Rp. 154,235,916,565.48 or 92.17%, there is a target shortfall of Rp. 13,093,773,434,52.00. Regional levies are grouped into general service levies, business service levies and certain licensing levies.

Original Regional Income originating from Separated Regional Wealth Management Results is a Part of the Profit from Capital Participation in Regionally Owned Companies owned by Bekasi Regency which consists of the Regional Drinking Water Company (PDAM) Tirta Bhagasasi and PT Bina Bangun Wibawa Mukti, as well as income from the share profit on capital participation in PT Bank Jabar. This income is budgeted at Rp. 20,176,437,653.00 with a realization of Rp. 18,729,447,485.00 or 92.83% there is a target shortfall of Rp. 1,446,990,168.00.

In the 2021 Fiscal Year, Other PAD revenues are obtained from 9 types of income, namely current account services, interest income, regional compensation claims, income from fines for late work implementation, income from tax fines, income from retribution fines, income from refunds, income from public service agencies areas and income from excess returns. This income is budgeted at Rp. 299,673,834,154.00 realization amounted to IDR 362,821,578,640.92 or 121.07%, there was an excess target of IDR 63,147,744,486.92 (Badan Pusat Statistik Kabupaten Bekasi, 2022).

If we look at the target and budget realization as mentioned above, it can still be said to be realistic, where the difference in realization is still reasonable and there are several items that are in excess of the target, because realization is related to regional economic conditions, so fiscal decentralization will always be parallel to regional economic conditions.In the context of regional autonomy, one of the factors that influences regional economic growth is fiscal decentralization. Most economists believe that fiscal decentralization can encourage economic growth, improve equality, and improve the quality of public services and community welfare and others hold the opposite view (Saputra & Mahmudi, 2012).

CONCLUSION

The conclusion that can be drawn in the discussion of this research simply states the analysis that the fiscal policy implemented by the region, especially in Bekasi Regency itself is directed at improving a better financial structure through increasing regional financial capacity, regional financial management, and regional financial supervision. This policy is expected to increase the contribution of Original Regional Income. Bekasi Regency itself, if seen from the form and type of fiscal policy taken by the Regency Government to optimize its original regional income, can be said to have very little fiscal decentralization. The efforts that must be made in the future by the Bekasi Regency Government are to continue to innovate in making more innovative fiscal policies. according to regional conditions and characteristics.

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