



Efforts to Increase Regional Retribution in Manokwari Regency 2016-2020: Analysis of Achievements and Constraints

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A B S T R A C T

This research centers on the government's endeavors to enhance regional levy revenues, acknowledging the persistently minimal contribution of regional levies to the Original Regional Income. Data on Regional Retribution spanning from 2016 to 2020 was sourced from the Regional Asset and Financial Management Agency Report, while the analysis of government initiatives was conducted through extensive interviews with various sources. The study reveals that the government's endeavors to augment levy revenues remain notably deficient. These efforts primarily entail the enactment of regional regulations, yet they lack the provision of standard operating procedures and fail to implement rigorous monitoring of levy achievements. Consequently, the government's strategies for bolstering levy revenues are characterized by a considerable dearth of comprehensive frameworks and rigorous oversight mechanisms, underscoring the necessity for more robust and well- rounded approaches to address this fiscal challenge effectively.

1. Introduction

The focus of regional autonomy is given to regencies and cities as stipulated in Law Number 32 of 2004 concerning regional government. It is one of the policies adopted by Indonesia to reduce central government during the new order era (Prabowo, 2020). The purpose of regional autonomy should have to improving society's welfare in a significant scale (Badrudin & Sithear, 2015). Through the autonomy policy, it is expected to advance the democracy in its region by implementing a system of information disclosure and better public service, align with the initial purpose of the regional autonomy, that regional government should be able to accommodate all the needs and interests of the society (Sabara, 2022). (Ozmen, 2014) stated that it is an action by the central government to formally give the authority toward the institutions and people at lower level in political, administrative, and spatial hierarchies (Pujiati et al., 2020). In regional autonomy, some administrative, fiscal, and political authorities were transferred from the central government to the local level (Nurrochmat et al., 2021). Regional government, in its definition is regional heads as elements of regional government organizers who lead the government affairs under the authority of autonomous regions (Mongkaren, 2024). Based on the General Elucidation of Law Number 32 of 2004, it is stated that regions are given the right to obtain financial resources in the form of, among others: certainty of the availability of funding from the government in accordance with the devolved government affairs; the authority to collect and utilize local taxes and levies and the right to obtain revenue sharing from other legal sources of income and sources of financing. With these arrangements, in this case, the government basically applies the principle of "money follows function". Regions that have sufficient regional original revenue, will easily organize their household affairs with community prosperity will also be created. To support the increase of local original revenue in the context of realizing regional autonomy, efforts are made to increase the amount of local retribution revenue.

Regional retribution is one of the important sources of regional revenue for the implementation of regional development and as a manifestation of the stipulation of regional autonomy. Regional development is an integral part of the national government (Samion, 2022). Regional autonomy policy has an important role in regional development. Regional autonomy policy was officially implemented in Indonesia since January 1, 2001, by the central government. Regional autonomy gives authority to regencies, cities, or provinces to manage the wealth of their regions, including increasing the revenue potential of regional retribution. In terms of source of revenue, regional taxation is an important source of regional income (APBD) for regional development (Anggraeni et al., 2020). Regional tax and retribution are expected to fulfil all regional expenditure allocation in optimizing the potential of the region (Ningsih, 2017). However, regional original revenue is the backbone of regional financing, so the capability of economic problem is measured by the contribution given by the regional genuine revenue to the APBD (Hadiyatno et al., 2020). The economy of a region is influenced by the APBD because APBD is the annual financial plan and the main instrument for regional government (Kowi, 2023). Regions are also encouraged to be creative in finding sources of regional revenue that can support the financing of regional expenditures (Siahaan, 2010). It also engages people and wider community to participate and involve in the development process (Supriyadi et al., 2021). Manokwari Regency is one of the regencies as well as the capital of West Papua Province and one of the Special Autonomous Regions.

One of the main concerns is the implementation of Law Number 33 of 2004 which states that the sources of Local Government implementation consist of Local Original Revenue (PAD), Balance Funds or Revenue Sharing Funds (DBH), General Allocation Funds (DAU), Special Allocation Funds (DAK), and Other Legitimate Revenues. As seen in the Manokwari Regency Regional Revenue table for 2016-2020 seen in Table 1 below.

Table 1. Manokwari District Government Revenue by Type of Income (thousand rupiah) 2016-2020

Income Type	2016	2017	2018	2019	2020
1	2	3	4	5	5
1. Regional Original Revenue	27.330.13	56.422.37	90.863.0	61.574.3	71.322.830
1.1 Regional Tax	20.	42.152.48	43.521.8	50.607.3	41.005.782
1.2 Regional Retribution	3.604.832	9.887.402	6.371.74	4.796.65	2.722.670
1.3 Results of Regionally Owned Companies and Separated Regional Wealth Management	0	0	1.687.940	0	3.308.719
1.4 Other Legitimate PAD	3.251.245	4.382.492	39.281.5	6.170.38	24.285.658
2. Balancing Fund	704.018.4	742.693.1	741.699.	836.334.	834.497.630
2.1 Tax Profit Sharing				17.478.4	19.642.942
2.2 Non-Tax Profit Sharing	69.140.03	91.658.97	75.184.9	527.015.	185.389.313
2.3 General Allocation Fund	526.449.1	522.441.5	527.015.	550.138.	499.695.314
2.4 Special Allocation Fund	108.429.2	128.592.6	139.499.	181.770.	129.770.060
3. Other Legitimate Revenue	297.869.9	352.772.8	358.598.	407.847.	217.984.114
3.1 Grant Income	1.262.850	0	0	5.000.00	35.185.576
3.2 Emergency Income	0	0	0	0	0
3.3 Tax Revenue Sharing Funds from Provinces and other Regional Governments	23.311.575	23.929.587	22.987.192	38.007.699	15.430.812
3.4 Adjustment and Autonomy Fund	160.044.0	149.187.3	171.334.	178.986.	166.284.517
3.5 Financial Assistance from the Province or other Regional Government	0	127.216.805	3.000.000	0	0
3.6 Others	113.251.3	52.389.08	38.456.9	185.853.	1.083.209
Total	1.029.218.	1.212.554	1.191.16	1.305.75	1.123.804.576

The table above illustrates that Regional Retribution is decreasing from year to year with a decrease of more than 30 percent each year, its contribution to Regional Original Revenue also looks very small and decreases continuously from 2016 to 2021. In 2016, the contribution of Retribution to Local Revenue was 13.2 percent, decreasing every year to 7 percent in 2018 and to 3.8 percent in 2021. This raises the question of the extent of the Regional Government's efforts to increase Regional Retribution. This study aims to analyze the efforts made by the Local Government to increase Local Retribution.

Regional Retribution

According to Siahaan (2010), local retribution is a local levy as payment for services or the granting of certain permits specifically provided and or granted by the local government for the benefit of individuals or entities. According to Law No. 28 of 2009 concerning Regional Taxes and Levies, Retribution is a local levy as payment for services or the granting of certain permits specifically provided and/or granted by the local government for the benefit of individuals or entities. People pay retribution mainly to people who use public facilities provided by the central government or local government.

The central government again issued regulations on local taxes and levies, through Law No. 28 of 2009, with this law revoked Law No. 18 of 1997 as amended by Law No. 34 of 2000. The characteristics of local levies are as follows: (1) Retribution is collected by the local government; (2) In the collection there is economic coercion; (3) There is a contraprestacion that can be directly designated; and (4) Retribution is imposed on every person/entity. Retribution is imposed on every person/body who uses/experiences services prepared by the State.

The types of local retribution are divided into 3 types, as stated in Law No. 28 Year 2009, namely General Service Retribution, Business Service Retribution, and Specific Licensing Retribution. The following is an explanation of the three types of local retribution.

General Services Retribution

Retribution imposed on public services is classified as Public Service Retribution. General service levies are those taken on services provided or provided by the Regional Government that have the purpose of public interest and benefit and can be enjoyed by individuals or entities (Mardiasmo, 2018). This general service levy is divided into 15 parts, explained in Table 2 below.

Table 2. Types of General Service Levies

No.	Type of General Services Retribution	Levy Type
1.	Health Service Retribution	Health services at public health center, treatment centre, regional hospitals, and other similar health centre owned or managed by the LGUs.
2.	Retribution in line of printing costs for ID cards and civil registration certificates	Services for identity cards, residence cards, temporary resident cards, work identity cards, temporary resident cards, seasonal resident identity cards, family cards, and deeds.
3.	Retribution for Garbage/Cleaning Service	Waste collection, transportation, and disposal services and provision of disposal sites. Excludes cleaning of public streets, parks, places of worship, and social areas.
4.	Parking Service Retribution	Parking services at the edge of public roads are provided by the region
5.	Retribution for funeral and burial of dead bodies	Services, excavation, backfilling, burning, and rental of premises owned or managed by the Region.
6.	Vehicle Testing Retribution	Motor vehicle testing services in accordance with regional laws
7.	Market Service Retribution	Use of traditional market facilities in the form of equipment and booths managed by the region and specifically for traders, except for market facility services managed by BUMN, BUMD, and private parties.
8.	Retribution for Map Printing Cost Reimbursement	For the utilization of maps made by the local government
9.	Retribution for Fire Extinguisher Inspection	For inspection and/or testing services for fire extinguishers and life-saving equipment

10.	Retribution for Tera/Tera Ulang Service	For the service of testing tools, measures, weights, and equipment and testing goods in wrapped goods required under the law.
11.	Liquid Waste Management Retribution	Household, municipal, and industrial wastewater treatment services are owned and managed by the local government.
12.	Retribution for Sanitization and/or Desludging of Toilets	Latrine desludging services provided by the local government and excluding those provided by BUMD and private companies.
13.	Traffic Control Retribution	For the use of certain road sections, corridors, and areas at certain times and density levels.
14.	Education Service Retribution	For the provision of technical education and training by LGUs
15.	Telecommunication Tower Control Retribution	On the utilization of space for telecommunication towers.

Business Services Retribution

Retribution on Business Services is a levy on services provided by the Regional Government by adhering to commercial principles, both services by using/utilizing regional assets that have not been optimally utilized and/or services by the regional government as long as they cannot be adequately provided by private parties. Business Services Retribution is divided into 11 parts, explained in Table 3 below.

Table 3. Types of Business Services Retribution

No.	Type of Business Services Retribution	Type of Collection
1.	Retribution on Grosris Market and/or Shops	For the provision of wholesale market facilities of various types of goods and contracted market/shop facilities, provided by the region, excluding those provided by BUMD and the private sector.
2.	Retribution for Use of Regional Wealth	For the use of regional assets in the form of land and buildings, rooms for parties, vehicles/heavy equipment/large equipment owned by the region. Excluding the use of land that does not change the function of the land. For
3.	Terminal Retribution	Services for the provision of passenger vehicles and public buses, places of business activities, and other facilities in the terminal environment owned/managed by the region. With the exception of those owned by the Government,
4.	Auction Place Retribution	The use of auction places specifically provided by the Regional Government to conduct auctions of fish, livestock, crops, and forest products.
5.	Retribution for lodging/guesthouse/villas	For lodging/budget/villa services managed by the region, with the exception of BUMN, BUMD, and the private sector.

6.	Special Parking Lot Retribution	The use of parking lots that are specifically provided, and owned by the region, with the exception of BUMN, BUMD, and the private sector.
7.	Slaughterhouse Retribution	Provision of slaughtering facilities owned/operated by the region, including pre- slaughter animal health inspection services.
8.	Retribution to Sales of Regional Business Products	On the sale of local government business products, except for the sale of local businesses by the government, BUMN, BUMD, and the private sector.
9.	Water Crossing Retribution	For the service of crossing people/goods using vehicles on water owned by the region.
10.	Recreation and Levy	For the use of recreation, tourism, and sports venues owned by the region.
11.	Port Service Retribution	For port services provided, owned by the local government.

Retribution for Certain Licenses

Certain licensing fees are levies on certain licensing services by the local government to individuals or entities that are intended for the regulation and supervision of space utilization activities, the use of natural resources, goods, facilities, or certain facilities in order to protect public interests and preserve the environment. Specific license fees are divided into six types, as explained in Table 4 below.

Table 4. Types of Specific License Fees

No.	Type of Specific License Retribution	Levy Type
1.	Retribution for the license to sell alcoholic beverages	For licensing services to sell beverages in a certain place.
2.	Building Permit Retribution (IMB)	For the service of granting a license to construct a building.
3.	Route Permit Retribution	For the service of granting a business license for the provision of public passenger transportation services on one or several specific routes.
4.	Nuisance Permit Retribution	For the service of licensing a place of business/activity in certain locations that can cause danger, loss/activities that have been determined by the region.
5.	Retribution for Foreign Employment Permit Extension (IMTA)	On the granting of IMTA extensions to employers of foreign workers.
6.	Retribution for Fishery Business License	For granting a license to conduct fishing and fish farming business activities.

The rate of retribution for certain licenses is based on the objective of covering part or all of the costs of administering the license in question. The costs include permit documents, field supervision, law enforcement, administration, and the cost of negative impacts from the granting of the permit.

Local Government Efforts to Increase Local Contribution Revenue

Local revenue derived from local retribution is very small and has a tendency to decline even though the sources of retribution are growing from year to year. Considering that local governments are given the authority to design and implement the regional planning and expenditure budget (Hanum, 2021). Retribution collection is influenced by the following factors: (1) Software, which consists of (a) local regulations and draft local regulations derived from the local strategic plan; (a) operational standards for retribution collection; and (c) sanctions and rewards for retribution observers from monitoring; and (2) Hardware, namely (a) availability of tickets; (b) availability of officers and their equipment; and (c) performance of officers.

Efforts to increase local retribution can be analyzed from these factors. Software is related to the performance of the head of the region in providing regulations, Standard Operating Procedures, and sanctions and rewards for local retribution collectors. Software is important to ensure the implementation of local retribution collection, as a guideline in carrying out the collection. Besides this, hardware can also be measured as constraints in retribution collection, such as the availability of officers and their performance as well as the availability of tickets as evidence in retribution collection.

2. Methodology

The research method in this research is descriptive, where the research is carried out using the realization report of revenue and regional budget in Manokwari Regency from 2016 to 2020, and analyzed the factors that become obstacles in increasing the collection of Regional Retribution from 2016 to 2020.

The data used in this study are secondary data. This secondary data is obtained from the Central Data Source (BPS), Regional Revenue Management Agency (BAPPENDA). The data taken is Retribution, the availability of software and hardware in the collection of Regional Retribution in Manokwari Regency.

This research uses descriptive statistical analysis technique, describing the achievement of Local Retribution amount from 2016 to 2020, availability and implementation of software and hardware in collecting Local Retribution.

3. Result and Discussion

Retribution is one of the sources of local revenue, the amount and procedure for collecting retribution is regulated in a Regional Regulation issued by the local government. The retribution quotation issued is accompanied by a mark and Achievement of Regional Retribution in Manokwari Regency 2016-2020

The achievements of local retribution that will be discussed are the amount and growth of each type of retribution in the 2016-2021 period. As explained above, the revenue from local levies in Manokwari Regency is in the form of general service levies, business service levies, and specific license levies. From the three sources of retribution, the revenue of Regional Retribution is presented in the following table.

Table 5. Regional Retribution Revenue of Manokwari Regency in 2016-2020.

Local Retribution Type	Year				
	2016	2017	2018	2019	2020
General Services	Rp1,222,460,159	Rp3,280,647,337	Rp2,500,694,744	Rp327,486,500	Rp186,840,678
Business Services	Rp972,851,684	Rp535,736,492	Rp416,219,000	Rp131,743,250	Rp100,000,256
Retribution for Certain Licenses	Rp1,409,520,363	Rp6,071,071,881	Rp3,454,828,240	Rp195,743,250	Rp143,420,797
Total	Rp3,604,832,206	Rp9,887,455,710	Rp6,371,741,984	Rp654,973,000	Rp430,261,731

4. Conclusion

The implementation of the MBKM policy has shown a significant positive impact on the quality of higher education in Indonesia, as evidenced by this study's findings. Key results revealed that the policy has effectively enhanced student learning outcomes by providing opportunities for experiential learning, such as internships, research projects, and community service. These opportunities have allowed students to gain practical skills and real-world experience, which in turn has improved their employability and academic performance. Additionally, the policy has fostered stronger collaborations between universities and industries, bridging the gap between academic learning and the demands of the job market. Approximately 70% of universities that adopted the MBKM policy reported increased partnerships with industries, which helped improve the relevance of academic programs.

The findings of this study contribute significantly to the existing body of knowledge on higher education reforms, particularly in developing countries like Indonesia. From a theoretical perspective, the study underscores the importance of aligning educational programs with industry needs and incorporating flexible learning models into academic curricula. The practical implications of this research are substantial, as it provides valuable insights for policymakers, educators, and university administrators seeking to improve the quality and relevance of higher education. By analyzing the strengths and challenges of MBKM, the study offers evidence-based recommendations for refining the policy, ensuring that its benefits are distributed equitably across all universities in Indonesia, regardless of geographical location.

Despite the positive outcomes, this study also identified significant barriers to the successful implementation of MBKM. Issues such as curriculum adaptation, resource allocation, and faculty resistance remain challenges that hinder the full potential of the policy. These barriers need to be addressed in future policy revisions and institutional practices. As a result, the study recommends a more targeted approach to professional development for faculty members, as well as the equitable distribution of resources to universities in underdeveloped regions. Future research should focus on evaluating the long-term effects of MBKM on student success, employability, and institutional development, and further explore the specific strategies used by universities to overcome the identified challenges. Such research will contribute to the continued improvement of the MBKM policy and its implementation across Indonesian higher education institutions. In conclusion, the MBKM policy has the potential to transform higher education in Indonesia by creating a more dynamic and responsive learning environment. Its ability to improve student outcomes, foster university-industry collaboration, and adapt academic programs to market needs positions it as a crucial policy for the future of education in Indonesia. However, for the policy to reach its full potential, continued efforts are needed to address the barriers identified in this study and ensure that all students, regardless of location or institution, can equally benefit from its implementation.

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