

UDC 332

**THE IMPLEMENTATION OF REGENT REGULATION NUMBER 6 OF 2016  
ON STANDARDIZATION OF COTTAGES BUSINESS TO INCREASE BADUNG  
LOCAL OWN-SOURCE REVENUE OF BALI PROVINCE**

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**ABSTRACT**

Badung district as one of the regions applying local autonomy made a policy of tourism accommodation stipulated in the Regent Regulation Number 6 Year 2016 on Standardization of Cottages Business. This regulation was a follow-up of building structuring & supervision of accommodation service in Badung District, as a technical requirement for accommodation service with a narrow area of land by following the standard of cottages business. The objectives of this research were to determine how the implementation, implementation strategy and supporting factors are of Regent Regulation Number 6 Year 2016 on the Standardization of Cottages Business. This was a descriptive qualitative research. In order to collect the data, the researchers conducted an observation and interview with information sources relating to the implementation of that regulation. The research result showed that the implementation of this research was not optimum yet, there was a violation of the implementation and the license. Badung tourism service as the executor seems like ignoring that matter since the government wants to have a local revenue increase accepted from the tax determination for business by 10%. The implementation strategy was conceptualized as a Tourism Village, but the condition at field did not support. Supporting factors of this regulation implementation were communication and good cooperation among the executors, potential of spatial planning implementation, and the potential to increase Badung local own-source revenue. While the inhibiting factors were the target group behavior diversity and commitment degree as well as executors' ability.

**KEY WORDS**

Policy implementation, regent regulation, cottages business, local own source revenue.

Bali as one of the provinces in Indonesia becomes a tourism destination that experiences tourism industrial development especially in terms of accommodation facility development. Until today, Bali has had more than 28,000 hotel rooms started from the cottage and losmen class until five stars hotel. The development of accommodation facility is intended to support tourism and tourists who come and is a priority to support tourism development in Bali. According to the data from Bali Central Statistics Agency, tourism accommodation growth is concentrated in South Bali region, one of them is Badung District. The development of accommodation facility in Badung District gives a positive and negative impact. The positive impact is the increase in Badung income. While the negative impact accepted by the government or the local society is the impact on the environment and open green space.

In responding to that problem, Badung Local Government decides to do a structuring and supervision by issuing Regent Regulation Number 36 Year 2016 concerning Minimum Standard of Land Area and Supporting Facilities of Hotel and Condotel. However, according to the coordination meeting discussing that Regent Regulation No.36 year 2016, it is found that the development of accommodation facilities are considered not appropriate with land area, that is narrow land area but having more rooms.

For that matter, Badung Local Government through the Tourism Service proposes a policy for accommodation facilities with a narrow land area by issuing Regent Regulation Number 6 on Standardization of Cottages Business. Cottages business is a business to provide accommodation in form of residential building resided by the landlord and utilized

partly to be rented by giving an opportunity to tourists to interact with the landlord's daily life. Every business must complete its technical requirements such as business license, Tourism Business Registration (TDUP), certificate, and certification of cottages business as well as the provision of total room at least one room and at most 5 rooms especially for being rented.

According to the report of accommodation service in Badung District Year 2016, there are 775 cottages that have had business license and TDUP. However, there is still cottages business which has not able yet to show the license or is still in a processing stage but has been operating by 92 cottages business. The implementation of this Regent Regulation is constrained by doing technical requirement and license processes such as Building Permit (IMB) and capacity allocation of cottages business. The implementation of this policy gets a difficulty since the building has been built previously that causes the expense of the room capacity and is influenced by government interest in increasing local income by ignoring cottages business that has no license yet but has been running operationally.

According to the explanation of the background above so that the researchers carried out a study entitled "The Implementation of Regent Regulation Number 6 year 2016 on Standardization of Cottages Business in Increasing Badung Local Own-Source Revenue in Bali Province".

## **LITERATURE REVIEW**

According to Friendrich and Agustino (2016), a policy is a set of practice proposed by someone, group or government in a particular environment where there are obstacles and opportunities to the implementation of that policy in terms of realizing the purposes. While Dunn (as quoted in Pasolog, 2008) stated that public policy is a set of choices that connect each other made by an institution or government officials that relate to the government's duty. Grindle (1980) wrote some views of the implementation of policy by saying that generally, the implementation duty is forming a relationship that eases policy purposes which can be realized as an impact of a government activity.

The strategy is an art and science that use and develop strength (ideology, politics, economics, social, cultural, security and defense) to achieve the goal has been set (Sumarsono, 2006). According to Goldsworthy and Ashley (as quoted in Salusu, 2008), there are seven basic rules in formulating a strategy having to explain and interpret the future, strategy directive must be able to decide plan, strategy must focus on the competitive advantage, have to be applied from up to down, strategy must have external orientation, flexibility is essential and strategy must focus on the long-term result.

## **METHODS OF RESEARCH**

This was descriptive research with a qualitative approach. The focuses of this research were 1) The Implementation of Regent Regulation Number 6 Year 2016 concerning Standardization of Cottages Business, including (a) the organization of cottages business, (b) Tourism Business Registration (TDUP), Business Certificate, and Business Certification of Cottages Business, (c) Guidance and Monitoring. 2) Implementation Strategy of Regent Regulation Number 6 Year 2016 on Standardization of Cottages Business, including (a) the organization of cottages business, (b) TDUP, Business Certificate, and Business Certification of Cottages, (c) Supervision and Monitoring. 3) Supporting and Inhibiting Factors of The Implementation of Regent Regulation Number 6 Year 2016 concerning Standardization of Cottages Business. The type of data used was primary and secondary data, while the sources of data were informant, circumstances, and document. Data collection technique, the researchers applied 3 techniques of data collection by Creswell (2012), i.e. conservation, interview, and documentation. Data analysis technique used interactive analysis by Miles, Huberman, and Saidana (2014) comprised four activity plots, i.e. data collection, data condensation, data display, and conclusion drawing.

## RESULTS AND DISCUSSION

*The implementation of Regent Regulation Number 6 Year 2016 concerning Standardization of Business Cottages.* Generally, the organization of cottages business in Badung District was not implemented optimally yet, it tended to use the term of villa than cottage. It was caused by the community's view that considered the term of villa has more sales-value. Cottages business that should be a residential building and lived by its landlord and some of the rooms were rented to tourists gave them chance to interact with the landlord's daily lives, but in reality, the landlord rented all of that. At the licensing stage, there is still some cottages business that has not license yet but has operationally run. In 2016 there was 82 cottages business that could not show its business license yet. Guidance and monitoring by the government were conducted through technical guidance and technical training for the workers, but at the field was found that there was a reluctant of the landlord or the manager to send the employee to follow the training, and there are several businesses that do not receive an invitation letter from tourism service. Monitoring was conducted 5 months in a year, in which the monitoring team goes to each sub-district to give guidance. Administrative sanction was imposed by tourism service and in cooperation with Public Order Agency, in 2015-2017 there was no report of cottages business which acted in a violation, while according to the prior explanation, a violation has happened.

If related to the implementation policy theory by Merilee S. Grindle, the success of the implementation of Regent Regulation Number 6 Year 2016 can be measured from the content of policy and context of policy.

### *Content of Policy:*

- Interest that Influences

There are two parties having an interest in performing regent regulation number 6 year 2016, i.e. Badung Tourism Service and Cottage entrepreneurs. The government obliges to set again the accommodation business with narrow land area using technical requirement of cottages business. While the entrepreneur wants its business keep running well even has made a violation.

- Type of benefits

In order to anticipate the development of accommodation service with a narrow land area but having more rooms, overcoming the decrease of open green space and government's effort in increasing competitiveness of middle-low society and increasing Badung Local Own-Source Revenue.

- A degree of Change Expected

Change expected is cottage entrepreneurs' behavior or mindset changes to follow the policy stipulated in the regent regulation so that there are no more entrepreneurs that develop its business first and then make a license. This policy is also expected to bring a good change for accommodation service entrepreneur with narrow land are.

- The Position of Policy-Making

Regent regulation Number 6 Year 2016 is determined by Badung Regent together with Badung Tourism Service having authority to the organization of policy in the field of tourism.

- Program Executor

The executor of this regulation is the Regent, Badung Tourism Service, Investment and One-Stop Service Office (DPMPTSP), Public Order Agency, Departments concerned with sociology and labor affairs, business Certification Institution, Badung Indonesian Hotel & Restaurant Association (IHRA).

- Resources Used

Accommodation staff of accommodation service, the team of guidance and monitoring of accommodation service, and peace officer of public order agency of Badung District were the human resources used, while other resources in form of a source of fund used in the application of this policy were from Badung Local Budget.

### *Context of Policy:*

- Authority, interests and the strategy of the actor involved.

Tourism Service wants all businesses in accommodation service to operate legally in accordance with applicable laws. The government ignores cottages business that has no business license yet, expecting income received from the business tax in relation to the number of rooms rented.

- Institution characteristic and the applicable regime.

Badung local government cannot force the community to run a business in the field of tourism accommodation so that the government ignores the regulation set, and allow the running business operationally under the provision of determining business tax through Local Tax Identification Number (NPWPD) in accordance with the total room rented.

- A degree of Obedience and the Respond from the Executor

Cottage business entrepreneur tends to build the cottages first and then makes a license, that is done since they feel having lack of information in relation to the legality of accommodation service. While the government ignores the violation because they have an intention to increase local revenue received through business tax.

*Implementation Strategy of Regent Regulation Number 6 Year 2016 concerning Standardization of Cottages Business.* The failure of public policy tends to happen since there is no strategy prepared by the apparatus to perform the policy. Tourism Service as the leading factor of the policy stipulated in the Regent Regulation Number 6 Year 2016 only designs the implementation strategy in the concept of tourism village having a purpose to manage accommodation service development in South Badung region. This is an alternative offered by the government to tourists in enjoying nature. This implementation strategy is divided into three clusters of a region, i.e. Mengwi sub-district, Abianseman sub-district and Petang sub-district.

Implementation strategy of business license and administrative sanction, Badung Tourism Service follow the rule stipulated in the Ministerial Regulation Number 86 Year 2010 concerning registration procedures of accommodation business, Ministerial Regulation Number 9 Year 2014 regarding cottages business standard, and Ministerial Regulation no 18 Year 2016 concerning tourism business registration. While the implementation strategy in the monitoring and guidance was, Badung Tourism Service according to the recommendation from Badung IHRA established guidance and monitoring team of tourism accommodation service based on the regent's decree.

*Inhibiting and Supporting Factors of The Implementation of Regent Regulation Number 6 Year 2016 concerning Standardization of Cottages Business:*

*Inhibiting Factors:*

- Behavior Diversity of Target Group

The target group of this regent regulation was the entrepreneurs of a cottage. In general, an entrepreneur is heterogeneous, they build a cottage at first and then make a license, that is done since they fell having less information on the legality of cottage business. It actually is difficult for the government to perform policy stipulated in that regent regulation.

- Commitment Degree and Apparatus and Implementer Skill

The less firm owned by apparatus and the implementer in performing policy, the apparatus should commit to the goal that is making a reset of accommodation service with a narrow land area, it does not only increase local revenue by ignoring a business making a violation.

*Supporting Factors:*

- Hierarchy Alignment in and among the Implementer Institution

There is a unity of job description at Tourism Service and the existence of good communication among the Tourism Service and Investment and One-Stop Service Office (DPMPSTP) or Tourism Service and Public Order Agency. The existence of intensive coordination becomes one of the important components in increasing the opportunity of the success of the implementation of a policy.

- Potential to Increase Local Own-Source Revenue

The application of this regulation will cause more low-middle business with a narrow land area can be rented to tourists so that bringing potential in increasing Local Own-Source Revenue.

### **CONCLUSION**

The Implementation of Regent Regulation Number 6 Year 2016 is not optimally implemented yet. There is still violation made by entrepreneur, there is an omission by a government to that violation since the government expects income from business tax. A strategy designed is only an implementation strategy in a concept of tourism village, but that strategy is not in line with the fact at the field. The existence of hierarchy alignment, communication, and good cooperation among the sector and the potential to increase Local Own-Source Revenue become implementation supporting factor, while inhibiting factors are behavior diversity of target group, commitment degree, and apparatus skill.

### **SUGGESTIONS**

Badung local government holds evaluation in a detailed way about the implementation of that regent regulation, giving socialization to the entrepreneur on the technical requirement of cottages business. In addition is making a follow-up to the dissonance of strategy with the reality in the local area. In order to implement a policy, Badung Local Government has maintained communication and good cooperation among the apparatus in relation to increasing commitment and apparatus skill in policy implementation. In terms of increasing local revenue, Badung district does not forget the purpose of that policy.

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