The Analysis of Market Retribution toward Local Income in Malang
(Case Study in Oro-oro Dowo Market after Revitalization)

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Abstract
The purpose of this study is to determine the role of market retribution oro-orodowo districts klojen Malang to increase Local Revenue through local levies. This research uses quantitative descriptive method. This is evident during the fiscal year 2015-2017 the realization of revenue retribution on the market Oro-oroDowo District Klojen Malang city before and after the implementation of Revitalization Improvement. Based on the results of research that has been processed by using the method of potential analysis, growth rate, contribution, effectiveness and efficiency of market levies. The results are: (1) The growth rate of retribution of Oro-oroDowo Market, Klojen Sub-district, Malang City before and after revitalization was implemented during the last 3 years (2015-2017) has increased with an average rate of 18.8% per year. The highest growth rate occurred in 2017 after the revitalization of the market is implemented with a growth rate of 21.75%. (2) Contribution Acceptance of market retribution to increase of improved local government revenue in Malang City during the last 3 years (2015-2017) on average equal to 0.0189% per year. Because the percentage of regional retribution contribution according to Dipdagri, Kepmendagri No.690.900.327, with an average market contribution of 3.43% indicates very little contribution in increasing local government revenue. (3) The effectiveness of retribution of Oro-orodowo market klojen Sub-district Malang city 2017 (sample year) is 40.44%. This indicates that the collection of market levies is quite effective. (4) Efficiency of retribution of oro-orodowo market klojen sub-district Malang city 2017 (sample year) is 59.28%. This shows that market levies can be said to be quite efficient.

Keywords: market retribution, Local Government Revenue, effectiveness, efficiency, and contribution.

Introduction
Malang City is one of the area in East Java that has a potential of natural resources and socio-economic potential that can be developed and utilized to improve the welfare of its community. All forms of natural wealth and potential in the city of Malang in the future is very important to be managed and utilized optimally, for the welfare of the community can be realized. The city of Malang, which is the principle of forming regional autonomy, has the authority to manage the regional finances without any interference from the central government. One of the sources of local revenue is the Local Revenue.

Oro-Oro Dowo Market is one of the traditional market in Malang. This market stands for 3,400 square meters. This market has 241 merchants spread over 41 booths, 32 street vendors, and 168 counters. This 2 loft market is located at Guntur Street, Malang City. In the implementation of the collection of market levies, currently still can not be said optimal because there are traders who still have not paid the right amount.
Table 1 Target and Realization of Oro-oroororo Dowo Market, Klojen Sub-district, Malang 2015-2017.

<table>
<thead>
<tr>
<th>Year</th>
<th>Target (IDR)</th>
<th>Realization (IDR)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2015</td>
<td>75.600.000</td>
<td>73.155.000</td>
</tr>
<tr>
<td>2016</td>
<td>85.680.000</td>
<td>84.789.500</td>
</tr>
<tr>
<td>2017</td>
<td>103.680.000</td>
<td>103.232.500</td>
</tr>
</tbody>
</table>

Source: UPT Office Pasaroro-ororodo.

The revitalization process of Oro-oroororo Dowo’s market is derived from the Ministry of Trade of the Republic of Indonesia. According to Minister Thomas, Oro-oroororo Dowo Market is one of the people’s markets that meet national standards with various facilities such as toilets, nursing mothers, security, comfort and air circulation. With this revitalization of the people’s market, it is expected that the income of traders can increase two to three times more than before.

Based on the explanation above, the effort to increase the original income of the region can be done by increasing the efficiency of limited resources, facilities and infrastructures as well as improving the effectiveness by optimizing the existing potential, as well as exploring the source of income from taxes and levies with the existing provisions. Retribution which in this case is one of retribution levy that can be picked up from market, that is market retribution. Therefore, the researcher wishes to research and analyze the role of market retribution before and after the implementation of revitalization process in Oro-ororodo market to support the original income of Malang city area.

Problem Formulation

a. How is the growth rate of Oro-ororodo Dowo market Levy in Klojen sub-district of Malang City?
b. How is the contribution of Oro-ororodo Dowo market retribution in Klojen sub-district to the increase of original income in Malang City?
c. How is the effectiveness of acceptance of market retribution of Oro-ororodo Dowo Klojen sub-district of Malang City after revitalization?
d. How is the efficiency of market retribution acceptance Oro-oroDowoKlojen sub-district of Malang City after the revitalization?

Research Objectives
a. To know the growth rate Retribution of Oro-oroDowo market in Klojen sub-district of Malang City;
b. To know the contribution of Oro-oroDowo market retribution in Klojen sub-district to increase the original income of Malang City
c. To know the effectiveness of acceptance of market retribution Oro-oroDowoKlojen district of Malang City after the revitalization;
d. To know the efficiency of acceptance of market retribution of Oro-oroDowoKlojen sub-district of Malang City after revitalization;

Local Own-Source Revenue (PAD)
The original revenue of a region is the income that earned by the region which is levied according to the local regulations in accordance with the laws and regulations. Local revenues as a source of local revenue should be increased to bear some of the expenditure expenses required for the implementation of governance and development activities that increase annually so that independent autonomy outside, real, and responsible autonomy can be carried out (Darise, 2006)

According to Law No. 33 of 2004, the original Revenue is the Regional Revenue derived from the result of the separated regional wealth management, and other valid Original Regional Revenue, which aims to provide flexibility to the region in exploring funding in the implementation of regional autonomy as an embodiment the principle of decentralization. According to Halim (2012: 101) the source of local revenue is separated into four (4) types of income are as follows:

a. Regional tax is regional income derived from tax. Local taxes are divided into two types that are:
   - Provincial Tax
   - District / City Tax

b. Regional redistribution is income derived from retribution. Levies that can be picked up by the provincial and district / city governments are divided into three (3), as follows:
   - Public Service Levy
   - Business Service Levies
   - Specific Licensing Levies

c. The outcome of property management that separated from region is the revenue of the region derived from the management of the region’s wealth into income in detail according to the object of income which includes:
   a) Share of capital participation in regional / local-owned enterprises
   b) Share of capital participation in state-owned enterprises / SOEs
   c) Share of capital participation in private owned companies or community business groups.
   d) Others PAD is a legally acceptable local taxes derived from others belonging to the local government. This type of opinion includes the following income objects:

d. Outcome of the sale of regional assets that are not separated
e. Giro service
f. Interest income
g. Acceptance of claims for damages
h. Income tax penalties
Potential Analysis, Growth Rate, Contribution, Effectiveness & Efficiency of market retribution.

a. Market Levy Potential Analysis

Potential is the power, strength, ability to generate acceptance of area and ability that deserves to be optimally accepted, that is summing factor that support the potential of retribution of market service such as kiosk / booth area, street vendorage area, and area of levy counterson, number of market days per year. The formula for Market Service Levy Potential based on Regional Regulation as follows: Calculation of the amount of retribution revenue potential that refers to research Rachmawan (2009) with Formula Namely:

\[
\text{Potential} = \text{Principal of Retribution} \times \text{Amount of Levy object} \\
= (\text{Tariff Levy} \times \text{Area of Retribution Object}) \times \text{Number of Retribution Objects}
\]

Retribution rates: tariffs set by PD managers. Market
Area of Levy: Area of kiosk (per meter\(^2\))
Number of retribution objects: number of kiosks

b. An analysis of the rate of Growth of Market Levies

This analysis is used to calculate the growth rate of market retribution acceptance in Malang City. According to Alishbana (2000: 8) in the journal Efficiency and Effectiveness Analysis of Market Levies in Sidoarjo Regency. The formula is as follows:

\[
G_x = \frac{X_t - X_{(t-1)}}{X_{(t-1)}} \times 100\%
\]

Information :

\(G_x\): Growth Rate of Market Retribution per year
\(X_t\): Realization of acceptance market levy in certain year
\(X_{(t-1)}\): Reaction of acceptance of market levy in the previous year

c. Contribution Analysis of Market Levy

Analysis of this contribution is used to calculate the contribution of acceptance of market retribution to local revenue, formula that used is:

\[
\text{Contribution} = \frac{\text{Actual Acceptance of Market levy}}{\text{Actual PAD Receipts}} \times 100\%
\]

d. Analysis of Market Levy Effectiveness

Effectiveness by Jones and Pendlebury (1996) in the Effectiveness and Effectivity of Hotels and Restaurants Taxes Improving Own-Source Revenue Kendari District, is a measure of success or failure of the organization in achieving a goal. To calculate the management of market retribution effectiveness, use the following formula:

\[
\text{Market retribution effectiveness} = \frac{\text{Actual acceptance of market retribution}}{\text{Market retribution potential}} \times 100\%
\]

Results

Analysis of Market Loyalty Potential Oro-or Dowo Year 2017
The following description of the calculation of the market retribution potential of Oro-or dowo after revitalization with the assumption of all booth, street vendor, and counters filled all, the merchant pays
according to the provisions that have been set in local regulation Malang city number 3 2015, and no tariff changes.

a) Calculation of Potential of Levy Receipts to Traders who occupy Booth / kiosk.

Potential Receiving Booth = (Rate x Booth Area / kiosk) x Number of Kiosk

= (IDR.700,00 x 12 m2) x 41
= IDR.123,984,000,00 / year.

b) Calculation of Potential Acceptance of Retribution to Merchants who occupy Street vendor.

Acceptance Potential Street vendor = (Rate x Area Street vendor) x Number of Street vendor

= (IDR.600,00 x 6 m2) x 32
= IDR. 41,472,000,00 / year.

c) Calculation of the Potential of Levy Receipts to Merchants who occupy Counters.

Counter Acceptance Potential = (Rate x Counter Area) x Amount Counter

= (IDR.500,00 x 2,625 m2) x 168
= IDR.79,380,000,00 / year.

Total Potential Acceptance of retribution from Merchants who occupy Booth / Emer, and Counter in 2017 in oro-orodowo market is IDR.244,836,000,00 / year.

Table 2 Potential of Levy Receipts from Oro-orodowo Market Traders in Klojen Sub-district, Malang City in 2017

<table>
<thead>
<tr>
<th>Year</th>
<th>Type of Rate</th>
<th>Number of Booth, Street vendor&amp;Counter</th>
<th>Broad (Booth, Street vendor&amp;Counter)</th>
<th>Rate</th>
<th>Potential Receipts (IDR)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2017</td>
<td>Types of acceptance of retribution from merchants who occupy booth / Kiosk.</td>
<td>41 Booth</td>
<td>12 m²</td>
<td>IDR3.024.000/m²/year</td>
<td>IDR123,984,000</td>
</tr>
<tr>
<td></td>
<td>Types of acceptance of retribution from merchants who occupy street vendor.</td>
<td>32 Street vendor</td>
<td>6 m²</td>
<td>IDR1.296,000/m²/year</td>
<td>IDR 41,472,000</td>
</tr>
<tr>
<td></td>
<td>Types of retribution receipts from merchants who occupy counter.</td>
<td>168 Counter</td>
<td>2,625 m²</td>
<td>IDR472,500/m²/year</td>
<td>IDR 79,380,000</td>
</tr>
<tr>
<td>Total</td>
<td>241</td>
<td></td>
<td></td>
<td></td>
<td>IDR244,836,000</td>
</tr>
</tbody>
</table>

Source; UPT Office Market Oro-orodowo (processed)
Table 3 Comparison of Potential and Realization of Market Duty Levies of Oro-orodowo

<table>
<thead>
<tr>
<th>Types of Retribution</th>
<th>Potential of Admission of Retribution After Revitalization (Rp)</th>
<th>Actual Revenue Retribution After Revitalization (Rp)</th>
<th>Difference ( IDR)</th>
<th>Prosentase %</th>
</tr>
</thead>
<tbody>
<tr>
<td>Types of Booth Retribution</td>
<td>IDR 123,984,000</td>
<td>IDR 56,200,500</td>
<td>IDR 67,783,500</td>
<td>47.86%</td>
</tr>
<tr>
<td>Street vendor Loan Types</td>
<td>IDR 41,472,000</td>
<td>IDR 15,020,000</td>
<td>IDR 26,452,000</td>
<td>18.68%</td>
</tr>
<tr>
<td>Types of Retribution Counter</td>
<td>IDR 79,380,000</td>
<td>IDR 32,012,000</td>
<td>IDR 47,368,000</td>
<td>33.45%</td>
</tr>
<tr>
<td>Total</td>
<td>IDR 244,836,000</td>
<td>IDR 103,232,500</td>
<td>IDR 141,603,500</td>
<td>99.99%</td>
</tr>
</tbody>
</table>

Source: UPT Office Market Oro-orodowo (processed)

Market Retribution Gap

For Oro-orodowo market retribution, the relationship between target, realization, and real potential can be demonstrated through the calculation of the market retribution potential of Oro-orodowo, Klojen District of Malang City, as follows:

Table 4 Relationship Between Target, Realization and Real Potential

<table>
<thead>
<tr>
<th>Market Type</th>
<th>Type</th>
<th>JML</th>
<th>Average Large</th>
<th>Tariff</th>
<th>Weekday</th>
<th>Acceptance</th>
</tr>
</thead>
<tbody>
<tr>
<td>1 (One)</td>
<td>Booth</td>
<td>41</td>
<td>12 m²</td>
<td>700</td>
<td>360</td>
<td>IDR 99,187,200</td>
</tr>
<tr>
<td></td>
<td>Street vendor</td>
<td>32</td>
<td>6 m²</td>
<td>600</td>
<td>360</td>
<td>IDR 33,177,600</td>
</tr>
<tr>
<td></td>
<td>Counter</td>
<td>168</td>
<td>2,625 m²</td>
<td>500</td>
<td>360</td>
<td>IDR 63,504,000</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td><strong>IDR 195,868,800</strong></td>
</tr>
</tbody>
</table>

Source: UPT Office Market Oro-orodowo (processed)
Calculation assumptions:
1) Residential correction factor = 20%
2) The opening day for Class 1 Market is 360 days
3) Width of Booth / Kiosk average = 12 m²
4) Average Street vendor Area = 6 m²
5) Average Counters = 2,625 m²

Based on the report of acceptance of market retribution of Oro-orodowo in 2017, where realization of Own-Resource Revenue from market retribution reach IDR.103,232,500 in comparison with the potential of IDR.195,868,800 seen that the effectiveness of levy the market of Oro-orodowo Subdistrict Klojen, Malang city is only 52.7%, which means that the acceptance of market levy can still be increased, where the measurement of effectiveness is based on the realization of 2017.
Growth Rate Analysis of Market Retribution Oro-orodowo

Table 5 Growth Rate of Market Levy Oro-orodowo sub district klojen Malang City Budget Year 2015-2017.

<table>
<thead>
<tr>
<th>No</th>
<th>Fiscal year</th>
<th>Actual Market Retribution Oro-orodowo (IDR)</th>
<th>Development (IDR)</th>
<th>G (Growth Rate)%</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>2015</td>
<td>73.155.000,00</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>2</td>
<td>2016</td>
<td>84.789.500,00</td>
<td>11.634.500</td>
<td>15.90</td>
</tr>
<tr>
<td>3</td>
<td>2017</td>
<td>103.232.500,00</td>
<td>18.443.000</td>
<td>21.75</td>
</tr>
<tr>
<td></td>
<td>Average</td>
<td>87.059.000,00</td>
<td></td>
<td>18.8%</td>
</tr>
</tbody>
</table>

Source; UPT Office Market Oro-Oro Dowo (processed)

In table 5 above, it is known that the realization of market levy of oro-orodowo market during the last three years before and after the implementation of market revitalization has always increased. In 2015 the realization of market retribution revenue amounted to IDR73.155.000,00 and increase in the next year that is year 2016 with amount of retribution acceptance equal to IDR84.789.500,00 with development reach IDR11.634.500 and growth rate from acceptance retribution increased by 15.90% from the previous year. After the implementation of revitalization realized in the market oro-orodowo Then furthermore for the realization of revenue retribution in the oro-orodowo market in 2017 continues to increase with the achievement of IDR103.232.500,00 with the number of developments reached IDR18.443.000 with the growth rate increased to 21.75%. From the result of market retribution of oro-orodowo Klojen Sub-District Malang city for last 3 (three) years reaching average result with realization IDR87.059.000 per year with calculation of growth rate average reach 18.8% annually.

Analysis of Market Levy Contribution to Increasing PAD

Table 6 Contribution of Oro-orodowo Market Retribution Against Increasing PAD of Malang City Budget Year 2015-2017

<table>
<thead>
<tr>
<th>No</th>
<th>Fiscal year</th>
<th>Actual Market Retribution Oro-orodowo (Rp.)</th>
<th>Realization of PAD (Rp.)</th>
<th>contribution (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>2015</td>
<td>73.155.000,00</td>
<td>424.938.755,520,00</td>
<td>0.017</td>
</tr>
<tr>
<td>2</td>
<td>2016</td>
<td>84.789.500,00</td>
<td>447.332.655,830,00</td>
<td>0.018</td>
</tr>
<tr>
<td>3</td>
<td>2017</td>
<td>103.232.500,00</td>
<td>501.200.555,240,00</td>
<td>0.020</td>
</tr>
<tr>
<td></td>
<td>Average</td>
<td>87.059.000,00</td>
<td>457.823.988.863,00</td>
<td>0.0189</td>
</tr>
</tbody>
</table>

Source: Regional Financial Management Agency (DPKAD) Malang (Processed)
In the above table it can be seen that the contribution from Oro-orodowo market retribution to the increase (PAD) of Malang’s Local Revenue reaches an average of 0.0189% per year. By 2015, Oro-orodowo’s market levy contributes to the PAD of Malang at 0.017%. Then in 2016 the oro-orodowo market levy increased its contribution to PAD by 0.018%. And in the next year that is year 2017 contribution from result of oro-orodowo market retribution to PAD slowly increase with reach equal to 0.020%. The contribution of Oro-orodowo market retribution to increasing PAD of Malang every year has increased slowly. This is caused by the revenue and realization of Own-source revenue (PAD) of Malang City is increasing and growth in PAD is not comparable with increased acceptance of retribution in oro-dowo market with the increase of revenue or realization of Own-source revenue (PAD) Malang city, resulting in the contribution of oro-orodowo market retribution only increased slowly with the achievement of 0.017% increased to 0.018% and in 2017. Criteria of the percentage of market retribution contribution of Oro-orodowo regional levy by Home Ministry Number. 690,900,327, with the average market retribution levy of 0.0189% indicates that it is very less contributing to the increase (PAD) of Original Regional Income.

Table 7 Analysis Effectiveness of Market Levy Oro-oro Dowo Sub-district Klojen Malang Potential Market

<table>
<thead>
<tr>
<th>Types of Retribution at Oro-orodowo Market Year 2017</th>
<th>Number of Annual Retribution Receipts (2017) IDR</th>
</tr>
</thead>
<tbody>
<tr>
<td>Annual Retribution Market Acceptance</td>
<td>244,836,000,00</td>
</tr>
<tr>
<td>Acceptance of Levies on Cleaning Services</td>
<td>6,660,000,00</td>
</tr>
<tr>
<td>Admission Levy</td>
<td>3,768,000,00</td>
</tr>
<tr>
<td>Amount</td>
<td>255,264,000,00</td>
</tr>
</tbody>
</table>

Source; UPT Office Market Oro-orodowo (processed)

In the realization of acceptance of market levy in the year 2017 that is IDR103,232,500,00. And total revenue retribution potential In market Oro-orodowo IDR255,264,000,00 from the calculation of the above table, to know the amount of effectiveness level of its market levy as follows;

\[
\text{Effectiveness of market levies} = \frac{103,232,500,00}{255,264,000,00} \times 100\% = 40,441\% 
\]

From the result above it can be in the know the level of effectiveness of retribution on the oro-orodowo market is 40.441%. The standard of measure of effectiveness according to Masrizal in his book on Regional Financial Management in 2008, when viewed from the level of effectiveness of market levies that is 40.441% can be categorized quite effective.

Efficiency Analysis of Oro-oro Dowo Market Levy

In the table above can be known the results of the salary of two employees in the market oro-orodowo that is IDR6,000,000,00 with the amount can be calculated level of market oro-dowo market retribution market efficiency the efficiency level of market retribution of oro-orodowo klojen sub-district of Malang city 2017 is 58,12%. With the standard measure of efficiency according to Masrizal in his book
on regional financial management in 2008, when viewed from the level of market retribution efficiency of 58.12% can be categorized as Efficient Enough.

### Table 8 Payroll Costs Retailer / Withdrawal Market Retribution Oro-orodowo

<table>
<thead>
<tr>
<th>Employee Category in Oro-oro Dowo market</th>
<th>Employee Salary in 1 Month</th>
<th>Employee Salary in 1 Year</th>
</tr>
</thead>
<tbody>
<tr>
<td>Salaries for civil servants</td>
<td>4200000</td>
<td>50400000</td>
</tr>
<tr>
<td>Salaries for non civil servants</td>
<td>800000</td>
<td>9600000</td>
</tr>
<tr>
<td>Amount</td>
<td></td>
<td>60000000</td>
</tr>
</tbody>
</table>

Source: UPT Office Market Oro-orodowo (processed)

**Conclusion**

Based on the results of research and discussion that have been put forward in the previous chapter, then obtained the following conclusions.

1. The growth rate of retribution of Oro-oro Dowo Market in Klojen sub-district of Malang before and after the revitalization was implemented during the last 3 years (2015-2017) has increased with an average rate of 18.8% per year. The highest growth rate occurred in 2017 after the revitalization of the market is implemented with a growth rate of 21.75%

2. Contribution The acceptance of market retribution to the increase of Own-source revenue (PAD) in Malang for the last 3 years (2015-2017) averaged 0.0189% per year. Because the percentage of regional retribution contribution according to Home Ministry Number.690.900.327, with an average market contribution of 3.43% indicates very little contribution in increasing PAD.

3. Market retribution effectiveness Oro-oro dowo sub-districtklojen Malang city 2017 (year sample) is equal to 40,441%. This indicates that the collection of market levies is quite effective.

4. Efficiency of market retribution of Oro-orodowosub-districtklojen Malang city 2017 (sample year) is 59,28% it indicates that market levy can be said quite efficient.

the suggestions that can be submitted are as follows.

1. For the Government
   a. The need for an intensive remodeling effort that is in the data collection subject and object of existing market retribution so that it can be in the real potential. Directly registering fixed traders and non-permanent traders, so that market retribution revenue will always experience a larger and more stable increase each year.
   b. Improving the effectiveness and efficiency of market levies by reducing leaks that occur in market retribution.
   c. Trawling the new levies that have not yet been levied on the collection of new levies that have not been subject to the collection of previous levies by improving the inspection and supervision activities in the field.

2. For Traders
   The traders in the oro-dowo market are expected to have an awareness of the obligation in paying levies, especially in this case the market levy which is adjusted to the tariff previously set in the Malang City Regulation Number. 3 of 2017.
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Peraturan Daerah Malang citynomor 3 year 2015 tentang retribusi pelayanan pasar.


