

Market Retribution: Optimizing Local Revenue In Cirebon City

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Abstract

The purpose of this study is to analyze the optimization of local revenue (PAD) from Pasar Pagi levies managed by the Berintan Regional Market Company. This study is located in the Pasar Pagi Cirebon. The research method used is a qualitative research method with data collection techniques through observation, interviews, and documentation. The results of the study indicate that the Pasar Pagi fee payment system is still manual in terms of recording and reporting. Additionally, the actual collection of Pasar Pagi fees has not reached optimal levels and does not meet targets due to a decline in purchasing power, which has impacted the income of Pasar Pagi vendors. As a result, the Pasar Pagi fee revenue does not align with the nominal amount specified in Mayor's Regulation No. 80 of 2021, which requires Type A traditional markets to pay for three types of services: 1) daily service fees, 2) daily cleaning service fees, and 3) daily order maintenance service fees. In total, vendors at the Pasar Pagi are required to pay a daily fee of Rp.18,000. In practice, Pasar Pagi vendors pay fees ranging from Rp.3,000 to Rp.10,000 per kiosk per day, which impacts market fee revenue and its contribution to Local Government Revenue (PAD). Collaboration between vendors, market managers, and the Public Market Corporation is necessary to address these issues and achieve optimalization of Pasar Pagi fee revenue.

Keywords: Optimization, Local Revenue (PAD), and Market Retribution

INTRODUCTION

The Indonesian government system during the reform era shifted from implementing a centralized government system to decentralization or autonomy. One of the characteristics of the autonomy system is the independence of local governments in carrying out their duties in managing their own regions. Decentralization aims to enable local governments to innovate in developing opportunities in their regions so that they can optimize regional revenue (Susilo, 2022).

Local revenue (PAD) is revenue derived from the local economy and is an important source of funding to support regional development (Amiruddin et al., 2022). It is mentioned in several explanations that revenue is obtained from the potential of the region through the tax sector, levies, or legitimate regional products, which can then be used to fund regional development. In order to manage PAD well and meet targets, it is necessary to manage funding sources that support regional revenue optimally.

The local revenue (PAD) of Cirebon City comes from various types of local taxes and levies regulated in Local Regulation (Perda) of Cirebon City Number 1 of 2024 concerning Local Taxes and Levies. According to Article 4 of the Local Regulation, the types of local taxes consist of:

- Rural and Urban Land and Building Tax (PBB-P2)
- Tax on Acquisition of Land and Building Rights (BPHTB)
- Tax on Certain Food and/or Beverage Sales (PBJT)
- Advertising Tax
- Groundwater Tax (PAT)
- Swallow's Nest Tax
- Motor Vehicle Tax (Opsen PKB)
- Motor Vehicle Transfer Tax (Opsen BBNKB) DDTC Taxation

In addition to taxes, this local regulation also governs various types of local fees, including General Service Fees and Business Service Fees, which cover the provision of business activity spaces such as markets. Fees from markets, such as Pasar Pagi, are an important source of local revenue for the city of Cirebon.

Pasar Pagi, as one of the main traditional markets in the city of Cirebon, makes a significant contribution to local revenue through the fees charged to vendors. In 2024, the fee for stalls at the Pasar Pagi increased to Rp22,000 per day, while for open-air stalls it increased to Rp9,000 per day, representing an increase of over 100% compared to the previous rates. This increase is regulated in the latest Cirebon Mayor's Regulation of 2024. However, following complaints from vendors, The Regional Owned Enterprise (Perumda) of Pasar Berintan on Cirebon city has granted leniency by adjusting the rates to Rp10,000 for stalls and Rp5,000 for open-air stalls. Additionally, The Regional Owned Enterprise (Perumda) of Pasar Berintan is committed to renovating facilities at Pasar Pagi to enhance services and comfort for vendors and visitors.

Revenue from market fees does not go directly into the regional treasury, but is managed by the Regional Owned Enterprise (Perumda) of Pasar Berintan. The profits generated by Perumda Pasar Berintan are then deposited into the regional treasury as part of the PAD. Thus, market fees at Pasar Pagi play an important role in supporting development and public services in the city of Cirebon.

References:

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The city of Cirebon is an autonomous region with abundant potential, supporting the optimization of Local Own-Source Revenue (PAD). One potential source of local revenue that can be developed is revenue from market fees (Handayani, 2017). The Regional Owned Enterprise of Pasar Berintan is a regional-owned enterprise responsible for managing markets in the City of Cirebon. There are ten traditional markets managed by this corporation, one of which is the Pasar Pagi in the Kejaksan area, which serves as the economic hub for the community. The Pasar Pagi operates from early morning until late at night, equipped with adequate facilities to support trading activities, and houses 511 vendors providing daily necessities for the community.

Economic activities of the community, one of which occurs at the market, serve as a place where the community engages in the circulation of money through buying and selling transactions, which impacts the improvement of economic well-being. Through this economic improvement, it can be utilized as a potential source of revenue for the Cirebon City Government. Therefore, proper market management influences market revenue collection. One of the sources of revenue that can support local government income is through the market, specifically from the management of market revenue (Wende dkk., 2020)

Market levies contribute significantly as a source of local revenue (PAD). Cirebon has a traditional market called Pasar Pagi, which is open every day to the general public. There are kiosks, stalls, stands, and meat stalls that support buying and selling activities at Pasar Pagi. If market retribution tariffs are collected properly, market retribution revenue will become one of the sources of regional income. It is hoped that market retribution revenue will continue to increase so that the local revenue obtained can fund regional development needs (Damirah et al., 2024).

According to Arizaldy (as cited in Rajab, 2020), the factors determining the success of market fee revenue include the number of vendors, the size of kiosks, stalls, and open spaces, as well as the fee rates and the performance of collectors. If many people utilize local government services, this will be followed by an increase in revenue collection, as seen in regional economic development. Therefore, the presence of vendors impacts market revenue collection (Rajab, 2020).

Optimization is the achievement of results in line with expectations, meaning that optimization is an effective and efficient outcome as desired. Additionally, optimization is also defined as a measure of whether all needs are met through the activities carried out (Poerwadarminta, Ali cited in Irmawati et al., 2024).

Meanwhile, according to Winardi (in Irmawati et al., 2024), optimization is a measure viewed from the perspective of effort and is the reason for achieving goals. Optimization is the maximum effort in activities to achieve the expected results. Based on the above discussion, optimization can only be achieved if it is implemented effectively and efficiently (Irmawati et al., 2024).

Cirebon Mayor Regulation No. 80 of 2021 concerning the Management of the Berintan Regional Public Market Business Field shows that market retribution management by market managers is paid to the Regional Owned Enterprise of Pasar Berintan for three types of services, namely daily services, order services, and cleaning services, at predetermined rates. In reality, vendors do not pay according to the rates specified in the regulation due to an

imbalance between the declining income of Pasar Pagi vendors, which ultimately causes the income from Pasar Pagi to decline every year.

In its implementation, the income from Pasar Pagi levies does not meet the budget target due to a decline in people's purchasing power, which has an impact on the welfare of vendors, and the levies are not paid according to the rates specified in the regulation. Market retribution management plays an important role because optimal retribution not only has an impact on local revenue (PAD) but is also expected to create a comfortable market environment and support the sustainability of vendors' businesses in fulfilling their welfare. In addition, market retribution is considered important because it affects Local Own Source Revenue (PAD) as well as the income of Pasar Pagi vendors. If market fee revenue decreases annually, it becomes an obstacle to achieving the target for local revenue (PAD).

The theory used in analyzing the problems in this study is based on David Easton's theory for analyzing policy optimization using four dimensions, namely Input, Process, Output, and Feedback. David Easton's theory is a system model in political science that can explain policy implementation through interaction with society.

In Easton's theory, there are four dimensions with parameters for analysis, including input through the parameter of retribution policy based on Mayor Regulation No. 80 of 2021, demands from vendors to the government, and support provided, including vendors' compliance with regulations, although this has not yet been optimized. Then there is the process dimension, which includes policy implementation through the retribution method and retribution supervision. The output dimension covers the results obtained from retribution revenue and contributions to local revenue (PAD). The final dimension is feedback, which includes obstacles and barriers in policy implementation and the impact of policy optimization. Through evaluation, it is hoped that the feedback received will provide input for the improvement of future policies so that they can help ensure that policy implementation is carried out optimally.

Therefore, optimizing the retribution of Cirebon City's Pasar Pagi is a very relevant issue to be discussed. With the right management strategy, the potential contribution of retribution to PAD can be significantly increased, supporting sustainable development in Cirebon City. This study aims to identify problems in the management of Pasar Pagi's retribution and provide recommendations for effective optimization measures.

Based on the background of the problems described above, the problems in this study can be formulated as follows: (1) whether market retribution revenue that does not meet the budget target has a significant effect on local revenue (2) what causes the decline in market retribution revenue that does not meet the tariff in the regulations each year (3) what is the solution from the Regional Owned Enterprise of Pasar Berintan in an effort to optimize local revenue (PAD) from Pasar Pagi Cirebon's retribution revenue

Based on the description of the problem formulation above, the objectives of this study are (1) to analyze whether market retribution revenue has a significant effect on local revenue (2) to determine the causes of the decline in market retribution revenue that does not meet the rates specified in the regulations each year (3) to analyze the solutions of the Berintan Regional Public Company in optimizing local revenue (PAD) from Pasar Pagi Cirebon's retribution revenue.

RESEARCH METHOD

The type of research appropriate for the problem being studied is qualitative research using a descriptive approach. This study aims to examine the problem of how to optimize market retribution in supporting local revenue (PAD) with a focus on the Pasar Pagi in Cirebon City.

This research uses the subjects of Pasar Pagi Management and the Regional Owned Enterprise of Pasar Berintan Kota Cirebon (Perumda Pasar Berintan). The data sources for this research are primary and secondary data. Primary data was obtained through direct observation with the Head of Pasar Pagi Management, Head of General Affairs, Head of Finance, and Head of Internal Supervisory Unit. Meanwhile, secondary data was obtained through documents, journals, and previous research as references and comparisons.

There were two locations in this research, namely Pasar Pagi Kota Cirebon, which is one of the largest traditional markets managed by Perumda Pasar Berintan Kota Cirebon. It is located on Jalan Siliwangi No. 212, Kejaksan Subdistrict, Kejaksan Village, Cirebon City. The second location is Regional Owned Enterprise (Perumda) of Pasar Berintan, located at Jalan Kesambi No. 63, Kesambi District, Cirebon City. The research took place over approximately two months, from December to January.

Data collection techniques were carried out through observation, interviews, and documentation. Data validity was tested using triangulation techniques. Data analysis was conducted using descriptive analysis techniques with several stages, namely 1) Data reduction, where the researcher summarized the data sources obtained from the field 2) Data presentation, in this qualitative study, data was presented narratively 3) Conclusions, after the data was reduced and processed, conclusions could be drawn from the results of this study.

RESULTS AND DISCUSSION

The results of the study on the optimization of local revenue (PAD) from market fees at the Pasar Pagi in Cirebon City were analyzed using David Easton's theory (Prof. Drs. Budi Winarno, MA, PhD) in the book *Public Policy: Theory, Process, and Case Studies*, pages 101-102. It is explained that David Easton's theory can be used to analyze the optimization of Pasar Pagi retribution policy on PAD, which has four indicators, namely Input, Process, Output, and Feedback. The following are the results of the analysis based on the above theory.

Input Analysis

David Easton's theory analyzes the input dimension through local government policy parameters in managing market levies, as outlined in Mayor Regulation No. 80 of 2021, which describes the overall market management policy in the city of Cirebon. It also discusses demand indicators, which are needs expected by individuals or groups that are conveyed to the government or relevant parties. This theory views demand as part of the input that influences output in a system model. David Easton's theory presents a political system model that introduces the concept of demand dimensions, providing insights into how societal demands are formed. Within this indicator, there are support parameters used to analyze support from the government or society, such as adequate facilities and so on.

A more detailed explanation of analyzing Easton's theory of input indicators is as follows:

Table 1 Regulation of the Mayor of Cirebon No. 80 of 2021 concerning the Management of the Business Field of the Regional Owner Enterprise of Pasar Berintan Cirebon city

Table 1. Classification of Traditional Markets

No	Classification of Traditional Markets			
	Traditional Market Type A	Traditional Market Type B	Traditional Market Type C	Traditional Market Type D
1.	Operates daily	Operates at least 3 (three) days in 1 (one) week	Operates at least 2 (two) days in 1 (one) week	Operates at least 1 (one) day in 1 (one) week
2.	Have at least 400 (four hundred) vendors	Have at least 275 (two hundred seventy-five) vendors	Have at least 200 (two hundred) vendors	Have at least 100 (one hundred) vendors.
3.	Have minimum land area of 5.000 m ² (five thousand square meters)	Have minimum land area of 4.000 m ² (four thousand square meters).	Have minimum land area of 3.000 m ² (three thousand square meters).	Have minimum land area 2.000 m ² (two thousand square meters.).

Source of Data: Cirebon City Regulation No. 80 of 2021

Based on the table above in Cirebon Mayor Regulation No. 80 of 2021, Pasar Pagi is classified as a type A traditional market because it operates every day, has more than 400 vendors, and covers an area of more than 5,000 square meters. In Easton's theory, the input dimension is used to analyze the implementation of market retribution policies that apply to vendors in carrying out economic activities in traditional markets, one of which is Pasar Pagi, to meet the needs of increasing regional income, which has been regulated in regulations that are obeyed by vendors.

The information from the table above shows that Pasar Pagi has significant potential because it is a type A traditional market that operates every day from morning to night, selling a complete range of community needs, with a fairly large market area and a strategic location in the city center.

Pasar Pagi is one of the markets that has the potential for continuous improvement through various efforts, such as the development of a digital-based traditional market while maintaining traditional values. Because Pasar Pagi is a type A traditional market, in accordance with the regulations stated in Perwali No. 80 of 2021, Pasar Pagi can implement a digital system in market management, one of which is retribution revenue management. By striving to improve management through the adaptation of digital technology, Type A traditional markets can optimize their potential to maximize revenue collection.

Demands

The findings from interviews with the Pasar Pagi manager on input indicators (demands) revealed that there were several complaints and demands from vendors to the Regional Owner Enterprise of Pasar Berintan regarding cleanliness, security, and order. In particular, Pasar Pagi vendors currently have complaints about the lack of shoppers at the traditional market due to competition from modern markets and online shops, which has affected the vendors' income.

Market cleanliness will provide comfort to visitors, so by maintaining the cleanliness of the market environment, vendors and visitors will feel comfortable in buying and selling

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activities. The cleanliness of the Pasar Pagi has been implemented quite well and order services in the Pasar Pagi have been carried out well, because vendors and market visitors comply with the rules applied in the Pasar Pagi. Although order and cleanliness in the Pasar Pagi area are already quite good, it is necessary to further improve implementation. The main problem complained about by vendors is the lack of buyers in the Pasar Pagi, so that market managers and Regional Owned Enterprise Market can provide more support and attention to overcome the decline in market visitors.

Support

Table 2. The Amount of Vendors and Facilities

No	Name	Vendor	Facility
1.	Kiosk	305 vendors	675 area
2.	Stalls	178 vendors	100 area
3.	Bases	2 vendors	654 area
4.	Meat Stalls	26 vendors	58 area
Amount		511 vendors	1.487 area

Source of Data : The Data of Pasar Pagi Cirebon

Based on the table above, Pasar Pagi Cirebon has several facilities provided, namely kiosks, stalls, platforms, and meat stalls so that vendors in the market can carry out buying and selling activities safely and comfortably. In addition to building facilities, there are service facilities managed by the market manager, including cleaning services, parking services, clean water services, and fire extinguishers. The data shows that of the 1,487 places provided, there are 511 vendors who occupy these facilities to run their businesses at Pasar Pagi. This number shows the enthusiasm of the community in running their businesses at Pasar Pagi because of its strategic location close to the city center and the market's opening hours from morning to night every day.

Based on findings in the field, the building facilities and services available at Pasar Pagi are adequate to support buying and selling activities. However, the availability of adequate facilities is not supported by the income earned by the market manager. This is because in the last two years, the realization of income has not met the budget target due to several factors. In addition to the payment of levies by vendors at Pasar Pagi not being in accordance with the amount stipulated in the applicable regulations, Most visitors also prefer to shop at nearby modern markets and online stores, which some people believe offer cheaper prices and can be delivered directly to consumers' homes without having to visit the market in person.

Process Analysis

Based on David Easton's theory, process indicators describe the mechanisms or procedures of a political system in managing inputs (demands and support), which then become outputs in the form of actions or policies. In the process dimension, the inputs and outputs obtained will be analyzed, processed, and then transformed into policy implementation to optimize the expected results, namely the optimization of local revenue from market fees in accordance with Cirebon Mayor Regulation No. 80 of 2021.

Thus, the process dimension is crucial in processing public demands and needs to find solutions to overcome existing obstacles, namely achieving the optimization of market fees toward PAD. The processing of public demands and support must be carried out through several

strategic stages involving various aspects of market management, policies, and public participation. Perumda has planned one initiative to address the issue by mentoring market vendors toward digitalization to compete with online shops.

Retribution Policy

Table 3. Daily Services at Traditional Markets

No	Types of Business Premises	Rate per m2 per day (in rupiah) Type A Traditional Market		
		Class A	Class B	Class C
1	Wholesaler	-	-	-
	Kiosk	4.050	3.375	3.150
	Stall	3.600	3.150	2.925
2	Multi-Story Store	2.850	-	-
3	Kiosk/Shop	2.700	2.250	2.100
4	Stall	2.400	2.100	1.950

Source of Data: Cirebon City Regulation No. 80 of 2021

Table 4. Cleaning Services

No	Types of Business Premises	Rate per unit, per day	
		Parent company/Wholesaler	Type A, B, C, D
1	Multi-Story Store	Rp. 6000,00	Rp. 4.500,00
2	Kiosk/Shop	Rp. 5.250,00	Rp. 3.750,00
3	Stall	Rp. 4.500,00	Rp. 2.400,00

Source of Data: Cirebon City Regulation No. 80 of 2021

Table 5. Public Order Services

No	Types of Business Premises	Rate per unit, per day
		Type A
1	Wholesaler	-
	Kiosk/Shop	Rp. 6.750,00
	Stall	Rp. 4.500,00
2	Multi-Story Store	Rp. 6.000,00
3	Kios/Toko	Rp. 4.500,00
4	Los	Rp. 3000,00

Source of Data: Cirebon City Regulation No. 80 of 2021

Based on an interview with the Head of Pasar Pagi, the daily market retribution payments from vendors do not meet the nominal amount stated in Regulation Number 80 of 2021, which stipulates that Type A traditional markets are required to pay for three types of services, namely

- 1) Daily Services = Rp. 2.700 Kiosk/day
Rp. 2.400 Stall/day

- 2) Cleaning Services = Rp. 3.750 Kiosk/day
Rp. 2.400 Stall/day
- 3) Public Order Services = Rp. 4.500 Kiosk/day
Rp. 3.000 Stall/day

If accumulated, the total retribution that must be paid by Pasar Pagi vendors is approximately Rp. 18,000 per day. In practice, vendors are only able to pay retribution of Rp. 3,000-Rp. 10,000 per kiosk/day due to the lack of buyers. Although they do not pay the amount specified in Regulation No. 80 of 2021, this is not a significant issue because it is considered a tolerated exemption by the market management, as there are no penalties in Municipal Regulation No. 80 of 2021 regarding fee pricing policies. Another factor causing retribution income to fall short of the target is the decline in consumer purchasing power in the Pasar Pagi, which has led to a lack of interest among the younger generation in continuing the business in the market. Vendors have complained to the Pasar Pagi management to address this issue, but the government's planned efforts to regulate retribution rates in order to optimize retribution income have not yet been implemented. The market management's efforts to address the issue of retribution income that does not comply with the current rates are limited to issuing appeals to vendors.

In Regulation Number 80 of 2021, there are no sanctions for vendors who do not comply with the payment according to the tariff, so the market management routinely gives appeals and socialization to vendors with the hope that vendors will pay a nominal fee of Rp. 18,000/day, but the appeals from the Pasar Pagi management are ignored.

The results of the study found that the retribution service recording system is still manual. All records of retribution income from daily services, cleanliness, and order are recorded in a special book managed by the finance department at Pasar Pagi, and every day, after the data is collected, it is deposited to The Regional Owned Enterprise of Pasar Berintan, and at the end of each year, the income is accumulated to determine whether the income achievement is optimal or not. Market managers hope for a shift toward a digital system to enhance efficiency and prevent data leaks. This should be considered by management when evaluating the digital recording and reporting system.

Implementation

Based on the findings, the has a resource tasked with conducting supervision, namely the Internal Supervisory Unit (SPI), which oversees every market and the internal performance of the municipal enterprise. The supervision system in the market uses tickets given to each vendor to pay for services or levies. Every year, SPI conducts regular checks to ensure that market levies are in accordance with daily deposits, and once a month, SPI monitors markets in the Cirebon City area, one of which is Pasar Pagi, with the aim of monitoring difficulties and obstacles and providing solutions. This supervision is carried out to prevent undesirable things from happening.

Field observations through interviews with the Head of the Perumda Market Internal Supervisory Unit revealed that in response to vendors' complaints, Perumda has a plan to provide guidance to vendors on digitalization so that Pasar Pagi can attract visitors to shop at the traditional market. This can be seen from several vendors who sell clothing, shoes, and other items, encouraging vendors to innovate by utilizing technology to keep up with the latest trends. Given the positive impact of the implemented program on merchants, the Perumda is confident in conducting further training. Although not all merchants have responded to the program, some merchants are enthusiastic about it as a solution to on-site issues, even though it has not fully resolved all obstacles.

The evaluation conducted by Perumda is currently seeking solutions to overcome the problems and demands of vendors, including socialization and assistance in coaching Pasar Pagi vendors to keep up with the latest trends by utilizing technology, especially for vendors who sell clothes, shoes, and others. In reality, Perumda has encountered obstacles caused by some vendors who are not enthusiastic and remain focused on offline sales, but the market managers and Perumda are also seeking other solutions, such as promotion and marketing through online media to introduce the Pasar Pagi to the public as a place to shop for the needs of the surrounding community. Improving the quality of Pasar Pagi services through the available facilities, goods or necessities provided, security, cleanliness and orderliness of Pasar Pagi in order to maintain the comfort of Pasar Pagi visitors when shopping. In addition to improving the quality of the market, Perumda also strives to evaluate the reform of the Pasar Pagi retribution system towards a digital retribution collection system to make it more efficient.

From September to December 2024, the Penggerak Muda Pasar Rakyat (PMPR) program was held at the Pasar Pagi, under the auspices of the Ministry of Trade. This program aims to meet SNI standards for people's markets, digitize markets, and increase the capacity of vendors. The impact of this program is that the SNI standard for Pasar Pagi, which was initially only 55%, has increased to 70% since the program was implemented. There has also been an increase in the number of vendors utilizing digitization in their trading. In addition, this program also provides training to vendors on business planning and environmental hygiene, with the material tailored to the needs of the vendors.

Output Analysis

The third dimension of David Easton's theory, namely output, which discusses policy evaluation indicators, describes output as the result obtained from a process that processes input (demands and support). In the output dimension, it leads to a policy decision to respond to the demands or needs of the community. When examining the implementation of the PAD policy regarding market fees in accordance with Cirebon Regulation No. 80 of 2021, analyzing the output dimension can be done through evaluation indicators related to the outcomes of the policy.

Table 6. Pasar Pagi Revenue Target for Fiscal Year 2023-2024

Year	Service	Revenue Budget Target	Realization	Percentage
2023	Public Order Services	186.515.000	140.357.000	75.25%
	Daily Services	808.840.000	601.933.000	74.41%
	Cleaning Service	248.930.000	184.050.000	73.93%

Year	Service	Revenue Budget Target	Realization	Percentage
2024	Daily Services	861.816.000	548.050.000	63.59%
	Cleaning Services	272.832.000	169.912.000	62.27%
	Public Order Services	210.846.000	139.809.000	66.30%

Source of Data: Pasar Pagi, Cirebon city

The data obtained from the table above shows that in Pasar Pagi, the market levy revenue in the last two years has decreased. The revenue comes from three types of services, namely order services, daily services, and cleaning services, which are collected every day by the market manager. At the end of the year, there is an accumulation of the planned revenue budget and the realized revenue budget.

Data obtained from the head of finance at Pasar Pagi shows that there is a gap between the realized revenue and the planned target. In 2023, the revenue budget from order services is 75.25%, daily services 74.41%, and cleaning services 73.93%. In reality, this revenue has not reached the planned budget target. Meanwhile, the revenue from market fees in 2024 showed a decrease compared to the previous year, with order services at 66.30%, daily services 63.59%, and cleaning services 62.27%. This is an important issue that needs to be examined in depth by all parties involved in its management because market levies are one of the sources of local revenue in supporting regional development, so efforts are needed to optimize revenue.

Although retribution revenue is already close to optimal and there are regulations governing retribution, there is a need to optimize local revenue from market retribution. This issue has become the focus of the local government in order to provide the right solution so that local revenue is optimized and vendors achieve economic prosperity. The retribution revenue paid by the Pasar Pagi manager is approximately 60-70% and has an impact on the Regional Owned Enterprise of Pasar Berintan, which is then required to manage 55% of the revenue from a total of 10 markets in the city of Cirebon that are managed by Perumda Pasar as local revenue. Of the 10 markets, there are 8 markets that are not yet optimal, one of which is the Pasar Pagi, and to achieve the target funds given to local revenue sourced from market levies by accumulating all market revenue and then depositing 55%.

The Head of the Finance Division stated that in the past two years, the revenue contributions from market fees have reached the 55% target because other markets have supported the shortfall in revenue from market fees. However, this is important to evaluate to achieve optimal revenue realization.

Efforts to Achieve Targets

The implementation of traditional market retribution management by Perumda to be more efficient can implement a management system by utilizing digital technology in managing ten markets, including Pasar Pagi, whose retribution system is still manual. The use of digital technology can increase the efficiency and transparency of market retribution revenue. According to the Head of Pasar Pagi Management, improving the market retribution

system by switching to a digital system can help market managers perform their duties more optimally.

In addition to the transition from a manual to a digital system, the lack of buyers shopping at the Pasar Pagi has become a focus for the government. Based on an interview with the Head of the General Affairs Division of Regional Owned Enterprise of Pasar Berintan, guidance and assistance will be provided to Pasar Pagi vendors so that they can take advantage of digital technology and not rely solely on income from visitors who come directly to the Pasar Pagi. This is important because market levies also have an impact on sustainable market development.

Information obtained from an interview with the Head of the Finance Division of Perumda indicates that the target realization rate for market fee revenue is set at 90%. In reality, the total revenue of the Regional Owned Enterprise of Pasar Berintan has only reached approximately 70%, and the target contribution for the local revenue (PAD) is 55%. Based on this revenue, there is no significant difference between the target and the realization of revenue, but the market levy revenue, which is not in accordance with the rates listed in Perwali Number 80 of 2021, has a significant impact on the levy revenue obtained. In addition, it affects the welfare of vendors. As there are fewer buyers, the vendors' income decreases and the payment of levies by Pasar Pagi vendors decreases in accordance with the sales results of the vendors.

Feedback Analysis

Response from Pasar Pagi vendors

The results of observations for feedback indicators in analyzing vendors' responses to policies or regulations show that vendors continue to pay levies even though the amounts are not accurate, and vendors expect policy implementers to pay more attention to conditions in the field regarding vendors' complaints.

The Market Management discussed with Regional Owned Enterprise of Pasar Berintan to address the optimization of targets and the realization of fee revenue to achieve the expected results. The relevant parties have implemented several strategies to optimize revenue collection, but these efforts have not yet been fully realized.

The head of Pasar Pagi said that the market management and Perumda carried out socialization activities for vendors regarding Cirebon Regulation Number 80 of 2021, which received mixed responses. Pasar Pagi vendors did not fully understand the policy because the majority of Pasar Pagi vendors are senior vendors who are accustomed to the manual system. This poses a challenge for Regional Owned Enterprise (Perumda) and market managers in socializing and implementing digital systems or sales efforts that do not only focus on the offline sector, as well as urging market vendors to comply with market retribution obligations in accordance with the regulations in Regulation Number 80 of 2021. With the compliance of market vendors, efforts to optimize PAD revenue from the Pasar Pagi retribution sector will slowly increase and reach their optimal level.

Some vendors responded to the information provided by the Head of Pasar Pagi regarding the policy in Regulation Number 80 of 2021 concerning market levies, one of which was the tariff or nominal amount that must be paid. Most vendors objected to the nominal amount of Rp. 18,000 per kiosk per day because the number of visitors to the Pasar Pagi is unpredictable and the lack of buyers affects the sales of Pasar Pagi vendors who are able to pay levies ranging from Rp. 3,000 to Rp. 10,000. kiosks every day because the number of visitors to the Pasar Pagi is uncertain and the lack of buyers affects the sales of Pasar Pagi vendors who are able to pay levies ranging from Rp. 3,000 to Rp. 10,000 per kiosk depending on sales on that day.

Market Retribution Contribution

Market retribution revenue that does not comply with the rates specified in Regulation No. 80 of 2021 has a significant impact on PAD. If market retribution contributions continue to decline and do not reach the target, the imbalance between the target and actual revenue can hamper regional development programs, especially the development of Pasar Pagi.

The impact of suboptimal market fee revenue collection not only affects the local economy but also reduces infrastructure management efficiency due to insufficient funds from fees, diminishing consumer appeal, and shifting public perception of traditional markets—known to some as “traditional markets”—leading to a shift toward modern markets. This has resulted in weak sales in the Pasar Pagi, and ultimately reduced the contribution of the market retribution sector to the overall Local Revenue (PAD) because of the decline in vendors' income, so that vendors cannot pay retribution in accordance with the specified nominal value.

Based on the implementation of retribution tariff collection that is not in accordance with Regulation Number 80 of 2021, there are problems in governance related to market retribution. The inconsistencies in the implementation of this policy reflect the need to improve regulatory enforcement in order to increase vendor compliance and the need for reform and digitization of the retribution collection system so that its implementation is efficient. With improvements to the system, the contribution of market retribution in supporting local revenue (PAD) can reach its optimal potential.

CONCLUSION

Based on the results of this study on the Optimization of Local Revenue from Retribution at Pasar Pagi in Cirebon City, it can be concluded that Mayor Regulation No. 80 of 2021 concerning the Management of the Business Field of the Cirebon City Berintan Public Market Company in its realization, retribution revenue at Pasar Pagi has not been optimal because market vendors only pay a retribution of IDR 3,000-10,000 per kiosk per day, while the rate according to the regulation is IDR 18,000 per kiosk per day. The fact that retribution revenue has not reached the target has had an impact, but it is not significant because additional revenue from other sources of the Berintan Regional Owned Enterprise is allocated to the local revenue of Cirebon City. Market levy revenue in the last two years has not been optimal. The accumulated revenue earned by Perumda Pasar from December 31, 2023 to December 31, 2024 shows a decline in market levy revenue, with 8 out of 10 markets not reaching their budget

targets, while the other 2 markets experienced an insignificant increase in levy revenue as they did not fully reach their targets. This is because people prefer to shop at modern markets and online shops, resulting in a decline in people's purchasing power at Pasar Pagi. This has an impact on retribution revenue, which is a result of the imbalance between the income of vendors and the nominal amount that must be paid for retribution. Regional Owned Enterprise of Pasar Berintan is currently working on solutions to overcome this problem, including: Conducting socialization and assistance for Pasar Pagi vendors so that they can keep up with the latest trends by utilizing technology, especially vendors who sell clothes, shoes, and other items. The next step is promotion and marketing using online media, with the aim of introducing the community to Pasar Pagi as a place to shop for the needs of the surrounding community. Strive to improve the quality of Pasar Pagi services through the available facilities, goods or necessities provided, security, cleanliness and orderliness of Pasar Pagi in order to maintain the comfort of Pasar Pagi visitors when shopping. Evaluate the reform of the Pasar Pagi retribution system towards a digital retribution collection system to make it more efficient.

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