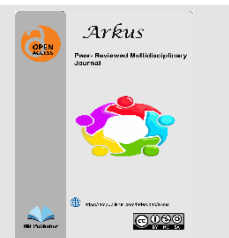




ARKUS

Journal Homepage:

<https://hmpublisher.com/index.php/arkus>



Administrative Burdens at the Department of Industry and Trade, Central Java Province, Indonesia

Lubna Firdausa H¹, Harumsari Puspa W^{1*}, Tiara Aurora Alia S¹

¹Faculty of Law, Universitas Negeri Semarang, Semarang, Indonesia

ARTICLE INFO

Keywords:

Administrative burden
Central java province
Compliance burden
Department of industry and trade
Government policy

*Corresponding author:

Harumsari Puspa W

E-mail address:

harumsariwardhani@students.unnes.ac.id

All authors have reviewed and approved the final version of the manuscript.

<https://doi.org/10.37275/arkus.v10i1.419>

ABSTRACT

The objective of this article is to elucidate the administrative onus within the Department of Industry and Trade in the Central Java Province. Various perspectives, including expert analyses and interviews with sources, might be employed to elucidate this issue. This research employed methodological strategies such as informant interviews, historical reviews, and evaluations grounded in specific facts. This paper employs a normative legal methodology, utilizing primary data sources such as interviews and secondary data sources such as literature reviews, including legal and non-legal materials. Based on this analysis, it can be deduced that there exists a theory regarding administrative burden, specifically the concept of compliance burden. The government's policies have consequential effects on the community. There are signs of bureaucratic obstacles inside the Industry and Trade Department of the Central Java Province.

1. Introduction

Administrative burdens pertain to the routine aspects of a citizen's daily existence. Administrative load is commonly characterized as the challenges individuals face when implementing policies.¹ In simpler terms, administrative load refers to the consequences or outcomes of a complex and challenging process. The impact of the administrative load encompasses the expenses associated with acquiring knowledge, adhering to regulations, and the mental strain endured. Etymologically, the word "administration" is derived from the English term "administration", which is formed from the infinitive form "to administer" and is understood as meaning to manage. The term "administration" can also be derived from the Dutch word "administratie", which

encompasses the concepts of managing organizational activity and resource allocation.² According to this definition, administrative burdens refer to the burdens associated with administrative administration, organization activity management, and inefficient resource management, which subsequently affect residents.

Dr. Sondang Siagian defines administration as the complete process of collaboration between multiple individuals, guided by certain rationales, in order to accomplish set objectives.³ According to the book "Administrative burden policymaking by other means" by Pamela K. and Donald P. Moynihan, administrative burdens refer to the bureaucracy, confusing paperwork, and complex regulations that are encountered in public policy.⁴ The public policy expert

used the term "administrative load" to describe the presence of bureaucracy, complicated paperwork, and intricate regulations. According to the book "Key Administrative Burdens Faced by Revenue's Small and Medium-Sized Business Customers," it is disclosed that businesses and citizens allocate both time and financial resources to adhere to administrative requirements. The expenses accrued throughout this process of ensuring compliance are commonly known as "administrative burdens."⁵ This implies that adhering to regulatory governance incurs both temporal and financial expenses, which is commonly referred to as an administrative burden.

Central Java Province being highly populated and economically promising in Indonesia, plays a crucial role in the management and growth of the industrial and commercial sectors. In order to accomplish this objective, the Central Java Department of Industry and Trade (Disperindag) plays a crucial role in devising and executing diverse policies, programs, and initiatives that bolster economic expansion, enhance competitiveness, and augment economic competitiveness. Nevertheless, the Department of Industry and Trade and the community frequently face administrative challenges in connection with these endeavors. Complex and onerous administration, time-consuming bureaucratic procedures, and cumbersome regulations can impede the growth of business and commerce, so they should ideally be streamlined to encourage growth.

Administrative burden in this context encompasses many procedures and regulations that necessitate compliance, such as obtaining business licenses, conducting market surveillance, and overseeing trade activities. It also includes internal administrative tasks related to organizing and executing the program. In addition to impacting the operational effectiveness of the Department of Industry and Trade, the excessive administrative burden also has a negative impact on business entities, particularly micro, small, and medium businesses (MSMEs). Increased administrative complexity will impede innovation, restrict company growth, and reduce the

competitiveness of micro, small, and medium enterprises (MSMEs) at the local level. Consequently, this will adversely affect economic growth and job creation.

2. Methods

Methodological steps used in this study include interviewing sources to get data, looking at a lot of relevant research history, and making decisions based on real-world evidence. The research in question employs a normative legal approach, which is a methodology in legal science that specifically examines and evaluates legal norms and relevant concepts. Within the scope of composing this paper, the author examines pertinent reading material that is applicable to this inquiry. The author utilizes primary data acquired via interviews with sources, while secondary data encompasses references to legal publications, relevant legislation, and other legal texts to substantiate the existing primary data.

3. Results and Discussion

Theory of administrative burden

Baldwin et al. developed the notion of "compliance burden" in their 2012 book titled "Understanding Regulation: Theory, Strategy, and Practice." This theory examines the administrative and economic consequences that occur when firms or individuals are required to adhere to government regulations. The compliance burden encompasses the financial and operational challenges encountered when adhering to legal obligations, including the investment of time, money, and energy. Baldwin et al. emphasize that regulations of greater complexity result in a greater burden of compliance. These implications might impede organizational efficiency and innovation, as firms may prioritize regulatory compliance over resource allocation for innovation.⁶

The reality in policy implementation related to administrative burden

When the government implements a policy, it is inevitable that there will be deviations from the

expected outcomes. For instance, the government gives rise to hurdles and challenges, which are referred to as "administrative burdens".⁷ In a broader sense, the term "administrative burden" encompasses any obstacle that hinders someone from accessing or retaining the benefits they are entitled to. Additionally, several jurisdictions create bureaucratic obstacles to certain behaviors they aim to restrict, such as voting, abortion, and adoption by same-sex couples. This paper provides an overview of several types of administrative load, their negative consequences, and a wide array of potential remedies to alleviate the strain on individuals participating in social safety net programs. It also highlights the significant measures that governments have implemented in this regard.

While several programs are under federal administration, others are managed by state or municipal authorities, some with or without federal direction. Hence, policymakers at every level of government have the chance and obligation to diminish administrative burdens. Below are a few strategies that might be employed to mitigate the administrative workload: By employing outreach and marketing strategies, institutions can enhance knowledge of the benefits they offer. Additionally, lowering onerous paperwork requirements and streamlining the application process for programs can further facilitate efficiency. Adequate funding and staffing are also crucial for the optimal functioning of current institutions. Administrative costs are commonly perceived as mechanisms designed to exclude individuals who lack the necessary qualifications or belong to minority groups. However, politicians have prioritized preventing assistance from reaching populations considered unworthy rather than only offering services. Consequently, they have established numerous obstacles for participants to overcome, resulting in people who are most in need of support frequently being denied access.⁸ Administrative burdens, in fact, demonstrate inequity since they disproportionately affect minority communities, particularly those with low socioeconomic status, in contrast to the burdens that

benefit the entire society. Consequently, individuals who are most affected by the administrative load are generally those belonging to marginalized groups, including people of color, people with disabilities, women, LGBTQ individuals, and the elderly.

According to the statement above, the administrative load is believed to have a negative impact on society as a whole. Failure to provide deserved benefits to individuals in society can lead to the disruption of economic stability and hinder growth. If those who meet the criteria for receiving benefits do not receive adequate assistance from social safety net programs, it will result in a decrease in consumer expenditure. Additionally, when people encounter avoidable situations as a result of inadequate assistance, the costs to society may rise. Expanding Medicaid and alleviating enrollment barriers can steer individuals towards accessing preventive and primary healthcare, which is more cost-effective than seeking emergency room treatment for untreated conditions in the future.⁹

Administrative expenses at the Department of Industry and Trade of Central Java Province

The Department of Industry and Trade's supervision branch is responsible for overseeing the circulation of goods and trade activities, including the enforcement of Indonesian National Standards (SNI), warranty card instructions, goods labels, and imported goods in circulation. The Trade Supervision Division in the Department of Industry and Trade is responsible for carrying out various key activities and functions, including Distribution: The trade supervision division is tasked with ensuring an equitable distribution of essential items, such as LPG gas and subsidized oil, in order to prevent shortages in society after that comes the responsibility of overseeing the use and distribution of illegal and harmful goods, like borax, which can be used in hospitals but not in food establishments or other places. Licensing: The Department of Industry and Trade's supervisory division is responsible for issuing the necessary permissions to business entities in order

to legitimize the goods in their products in compliance with predetermined regulations. Consumer protection is a measure used to proactively address public grievances and prevent them from occurring. It is closely linked to K3L, which pertains to ensuring safety, efficiency, and environmental sustainability.

Furthermore, the supervision division of the industry and commerce department is responsible for monitoring and addressing public grievances related to industry and trade, in addition to its other roles and responsibilities. In this case, people have the option to file complaints through the designated complaint channel, which entails reporting to a group under the control of the central Java provincial government.

Alternatively, complaints can be submitted in the form of written letters delivered to the Provincial Department of Industry and Trade. To file a complaint, you have the option of contacting the Provincial Department of Industry and Trade in Central Java or utilizing their social media platforms. Central Java is on Instagram. The Central Java Provincial Industry and Trade Service's supervision division faced administrative challenges while performing its duties. Specifically, during inspection tasks at various business premises for random sampling, some of these premises refused to cooperate with the inspections. Received from the Provincial Department of Industry and Trade Central Java lacks the authority to dictate terms to business owners, yet it also fails to obtain inspection findings from these businesses.^{10,11}

4. Conclusion

The imposition of administrative duties is widely regarded as having a negative impact on society at large. The burden of compliance refers to the administrative and economic consequences that companies or individuals experience when they are compelled to adhere to government laws. This load encompasses the costs and challenges associated with meeting legal requirements, including the time, expenses, and exertion involved. The government can consider a number of options to reduce the administrative burden the nation is currently

experiencing. These include conducting outreach and marketing campaigns to enhance awareness of available benefits, streamlining document requirements, simplifying program registration procedures, and providing adequate funding and placement. Employing the appropriate personnel will yield advantages for current organizations, enabling them to operate with optimal effectiveness.

5. References

1. Brown J. Ask an expert: what is administrative burden? University of New South Wales. 2022.
2. Pasolong H. Theory of public administration. Bandung: Alfa Beta. 2014.
3. Herd P, Moynihan DP. Administrative burden: policymaking by other means. 2018.
4. Revenue Research Unit. Key administrative burdens faced by revenue's small and medium sized business customers. 2008.
5. Moynihan D, Herd P, Harvey H. Administrative burden: learning, psychological, and compliance costs in citizen-state interactions. *J Public Admin Res Theory*. 2014; 25(1): 43–69.
6. Baldwin R. Understanding regulation: theory, strategy, and practice. Oxford University Press. 2012.
7. Randall S. Book review: administrative burden: policymaking by other means. *Am Rev Public Admin*. 2019; 50(1): 113-5.
8. Veronica G. Talk policy: administrative burdens with Pamela Herd and Don Moynihan (Transcript). Progressive Policy Institute. 2021.
9. Kimberly A. How preventative care lowers healthcare costs. Balance. 2021.
10. Herd P, Moynihan D. Health care administrative burdens: Centering patient experiences. *Health Serv Res*. 2021; 56(5): 751-4.
11. Christensen J, Aarøe L, Baekgaard M, Herd P, Moynihan DP. Human capital and administrative burden: the role of cognitive resources in citizen-state interactions. *Public Adm Rev*. 2020; 80(1): 127-36.