

THE ESTABLISHMENT OF A REGIONAL BUSINESS ENTITY OF SALT (BUMD) AS AN EFFORT TO IMPROVE THE WELFARE OF SALT FARMERS IN INDRAMAYU REGENCY

Riva Rachmi Kusumah
Wiralodra University, Indramayu, Indonesia
rivarachmikusumah@unwir.ac.id



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Abstract: Salt farmers in Indramayu Regency are an integral part of society, and therefore become subjects where social justice must be realized. Actually, salt farmers are still far from getting a decent life, so it can be said that salt farmers do not get justice both legally and economically. In social justice there is an understanding that the injustice that has existed so far must be addressed to the lowest point, Wealth, power and status of individuals, communities, and social goods (societal goods) and the State and Government are responsible for ensuring the basic quality of life for all citizens. that will be used in achieving this goal is to use a normative legal research method (doctrinal research) which mainly analyzes primary legal materials and secondary legal materials complemented by focus group discussions (FGD) and interviews due to their nature which focuses more on the conceptualization of ideas in the form of models, so that the results are expected to be applied by policy makers. The long-term goal and specific target to be achieved from this research is to conduct a study on the suitability of the current laws and regulations for the Protection and Empowerment of salt farmers with the needs of the people in Indramayu Regency. Second, an effort to solve the problem of local salt farmers, local salt producers, through legal participation in encouraging social change in the direction required by the law.

Keywords: Regional Regulation, Salt Farmers, BUMD, Indramayu Regency

1. INTRODUCTION

Pancasila as the foundation of the life of the nation and state has the precepts of social justice for all Indonesian people in the fifth precept, showing the founding fathers' view that social justice is the basic philosophy (philosophische grondslag) of life in the Indonesian state. As a basic philosophy of state life, social justice must be felt in the implementation of various public interests which are government affairs. One of the various government affairs is the implementation of marine and fisheries affairs related to the protection and empowerment of salt farmers. In the implementation of the salt business in Indonesia, salt farmers are still faced with problems that affect the welfare level of salt farmers,

Furthermore, it is not only salt problems that are found on a national scale. Based on the mapping of the problem of Determining Regional Development Priorities and Targets in the Medium Term Development Plan (RPJMD) of Indramayu Regency for 2021-2026 related to the Economic Aspects of the Fisheries and Marine Affairs Office, there are main problems related to business activities. salts include people's salt production which has not been optimal. As for people's salt, it can be used as a strategic commodity because until now the national salt needs have not been met domestically. Since 2011, people's salt production has always fluctuated, but in general it shows an increasing trend, from 186,478 tons in 2011 to 335,896 tons in 2018.¹ Thus, considering that Indramayu Regency is a coastal area located on the North Coast of Java, it is an area that has abundant natural resources from the marine sector. Optimal and sustainable utilization is one of the tools to be able to make these resources a strength for the welfare of the community and become a supporter of the regional economy. One of these natural resources is the pond area, which until now has not been optimally explored when juxtaposed between the existing potential and the production obtained.

Geographically, Indramayu Regency is located at a position of 107° 52' - 108° 36' East Longitude and 6° 15' - 6° 40' South Latitude with the west bordering Subang Regency, north bordering the Java Sea, south bordering Majalengka Regency, Sumedang and Cirebon Regency. Based on SIPD data in 2019, the administrative area of Indramayu Regency consists of 31 sub-districts, 8 sub-districts and 309 villages, 1,689 community units and 6,202 neighborhood units. Of the 31 sub-districts with a total area of 209,942 Ha, with a beach length of 114 km that stretches along the north coast between Cirebon-Subang where it is 12 miles long, related to the Mapping of the Potential of the Salt Tambak Area in Indramayu Regency, there are 3 (three) sub-districts namely, Kecamatan Losarang, Kandanghaur and Krangkeng sub-districts. The location of the three sub-districts can be seen in Figure 1. below:

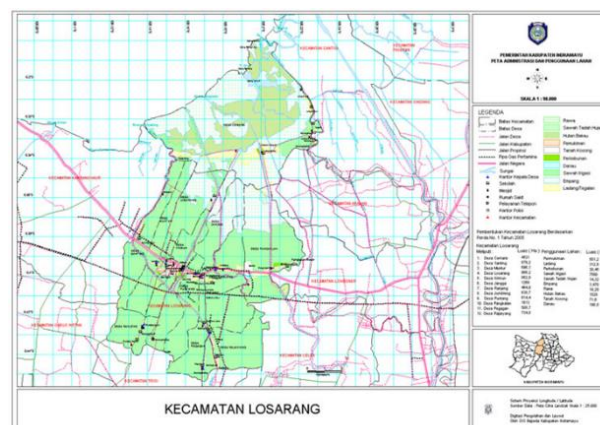


Figure 1. Map of Losarang District, Indramayu Regency

¹Regional Medium Term Development Plan (RPJMD) Kab. Indramayu 2021-2026 Mapping of Problems for Determining Priorities and Targets for Regional Development Number 1 Economic Aspects of the Affairs of the Department of Fisheries and Marine Affairs Chapter II, p.115

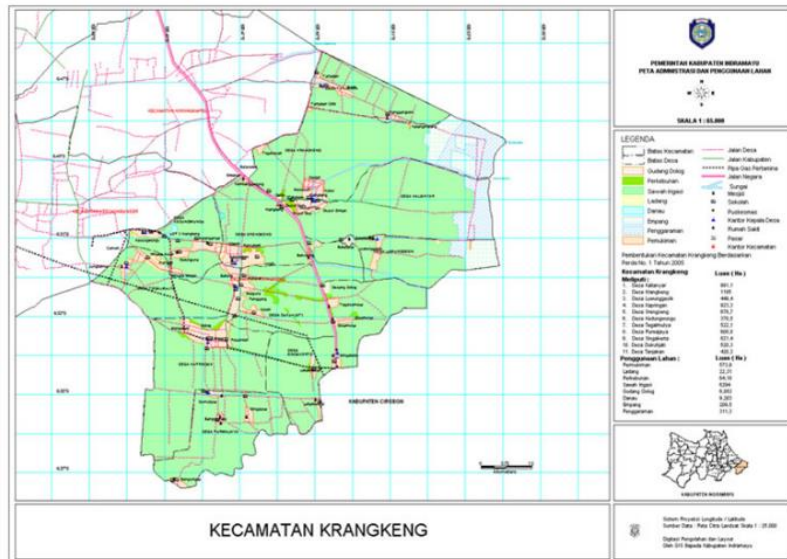


Figure 2. Map of Kerangkeng District, Indramayu Regency

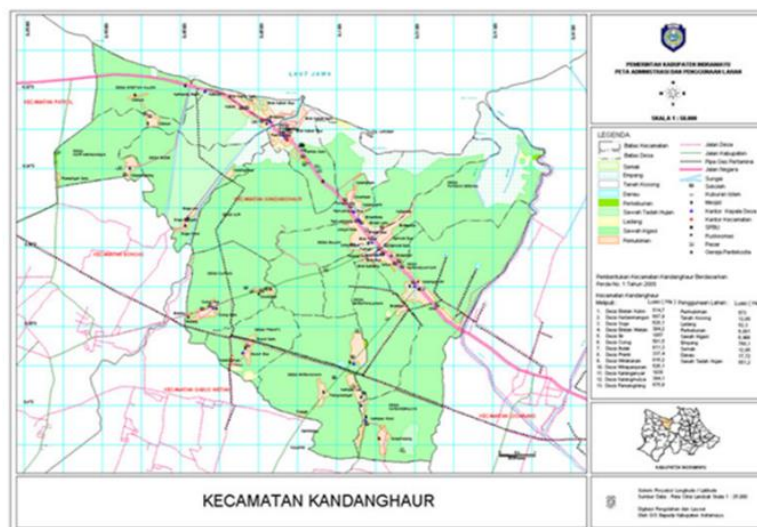


Figure 3. Map of Kandanghaur District, Indramayu Regency

Salt farmers in Indramayu Regency are an integral part of the people of the Republic of Indonesia, and therefore become subjects where social justice must be realized.² Actually, salt farmers are still far from getting a decent life, so it can be said that salt farmers do not get justice both legally and economically. In social justice there is an understanding that the injustices that have existed so far must be addressed to the lowest point, wealth, power and status of individuals, communities, and social goods (societal goods) and the State and Government are responsible for ensuring the basic quality of life for all citizens.

In an effort to improve the welfare of salt farmers, the Government has established a policy through Law Number 7 of 2016 concerning the Protection and Empowerment of Fishermen, Fish Cultivators and Salt Farmers. The legislation regulates the protection and empowerment of salt farmers. The definition of protection for salt farmers as stated in Article 1 Number 1 of Law 7/2016 is all efforts to assist salt farmers in dealing with the difficulties of doing salt business, while the definition of empowering salt farmers is stated in Article 1

²Academic Paper of the Draft Regional Regulation of Indramayu Regency concerning the Protection and Empowerment of Salt Farmers in 2021, page 4.

Number 2 of Law 7/2016 is all efforts to improve the ability of salt farmers. to carry out the salt business better.

In the Development of People's Salt Business (PUGaR) in Indonesia, there are 9 regions that have potential for salt business including:

1. Aceh Province (Aceh Besar, Aceh Utara)
2. Banten Province (Serang)
3. West Java Province (Indramayu)
4. Central Java Province (Brebek, Demak and Jepara)
5. East Java Province (Gresik, Sampang, Pamekasan and Sumenep)
6. NTB Province (West Lombok, East Lombok and Bima)
7. Gorontalo Province (Pohuwato)
8. Province of South Sulawesi (Pangkep) and
9. Province of NTT (Kupang).

For Saltwater Business Development Activities in West Java Province, especially in Indramayu Regency As with other provinces, there are several similar problems according to the National Scale Problem Inventory List, but in the Study of Preparation of Academic Papers related to the Protection and Empowerment of Salt Farmers in Indramayu Regency, the researcher examines more deeply related problems that are felt directly by the salt business actors.

The results of the Focus Group Discussion (FGD) between the Legal Studies Institute and the Indramayu Salt Farmers Union and the Fisheries and Marine Service Office of Indramayu Regency found several problems including the following:

- a. there is no guarantee on the price of salt.
- b. depending on the activities of salt farmers on weather conditions.
- c. easy to get salt farmer insurance.
- d. priority of regional products in the fulfillment of industrial activities in the region.
- e. the need for a laboratory / salt quality detection tool to get the results of the quality standardization of salt in order to be able to meet industrial salt (standardization is hampered).
- f. Warehouse.
- g. mitasi (weather) Information related to weather forecasts from BMKG for example rainfall will be high so that it is taken into consideration by salt farmers who want to carry out salt production activities.

Based on this, in an effort to improve welfare, one of the supporting factors is through legal protection regulated in regulations to protect and empower salt farmers. Article 16 of Law 7/2016 explains that in the implementation of protection, the Central Government and Regional Governments are responsible for the protection of salt farmers.

Based on this, the target of the regulation on the protection and empowerment of salt farmers, the West Java Provincial Government establishes a policy through the West Java Provincial Regulation Number 12 of 2019 concerning the Protection and Empowerment of Fish Cultivators and Salt Farmers. Therefore, in order to support the welfare of salt farmers, namely providing legal protection through regulations that aim to protect and empower salt farmers. The Regional Government of Indramayu Regency is responsible for providing salt business infrastructure and facilities that can support the increase in the people's salt business through the establishment of a Regional Regulation on the Protection and Empowerment of Salt Farmers.

Indramayu Regency, by Law no. 23 of 2014 concerning Regional Government, is given the authority to carry out Autonomy and Co-Administration. Jimly Asshiddiqie said that the State of Indonesia is a unitary state. The original power lies with the central government, but the limits of the government's authority are determined in the constitution and laws, while the

powers that are not stated in the constitution and the law are defined as the authorities owned by local governments. Such constitutional arrangements mean that the Unitary State of the Republic of Indonesia (NKRI) is organized under a federal arrangement or arrangement of a federalistic nature.

The formation of an autonomous region is the birth of an autonomous status based on the aspirations and objective conditions of the people in a certain area, these aspirations are realized by holding decentralization which is also called autonomy, because autonomy is given to the community and not to the region or regional government. Bagir Manan said that the basis for granting autonomy was not just the distribution of government administration, but so that government could be efficient and effective.

Autonomy is a state order (*staatsrechtelijke*), not just a state administration order (*administratief rechtelijke*) as an autonomous state order relating to the basics of the state and the organizational structure of the state. There are at least three main principles of the rule of law, namely: the Constitution as a written basic law that regulates the relationship between the government and its people, the division of power guarantees the independence of judicial power and the distribution of state and government power.

Regional government problems continue to emerge as a juridical reality that requires in-depth scientific study. The government tends to experience practical difficulties that have not appeared in the administration of government before the rolling reform era gave birth to the Regional Government Law. *Perda* is a written regulation formed by the Regional People's Representative Council (DPRD) and regional heads as a legal product in the region. This is in accordance with Article 18 paragraph (6) of the 1945 Constitution, which states that regional governments have the right to determine regional regulations and other regulations to carry out autonomy and assistance tasks.

The Regional People's Representative Council (DPRD) has the function of forming a regional regulation that places legal products as part of the national legal system. Regional regulations are subject to basic principles or principles in the national legal system, meaning that the formation of Regional Regulations departs from the regional mysticism originating from Pancasila and the Basic Law so that it does not come out of the national legal system. Pancasila and the 1945 Constitution are placed as sources of law and legal ideals (*rechtsidee*) of Regional Regulations. The mechanism for the formation of regional regulations must reflect the general principles in the Pancasila precepts, namely: the principle of divinity, the principle of humanity, the principle of unity, the principle of democracy and the principle of social justice.

Article 7 paragraph (1) of Law no. 15 of 2019 concerning the Formation of Legislations, states that Regional Regulations are in the hierarchy of laws and regulations, namely under the Presidential Regulation. In areas that are special in nature, the existence of regional regulations is increasingly recognized, such as the Papua Province known as the Special Regional Regulation, while in the Province of Nanggro Aceh Darussalam, the *Qanun* is known. This understanding means that in implementing regional autonomy, a legal framework is needed that underlies it.

In general, regional regulations are regional level laws and regulations, formed by government institutions at the regional level in the context of implementing regional autonomy. Article 1 paragraph 25, Law no. 23 of 2014 states that Regional Regulations, hereinafter referred to as Regional Regulations or referred to by other names, are Provincial Regulations and Regency/City Regional Regulations. Article 236 paragraph (1) states that in order to carry out Regional Autonomy and Co-Administration, the Region shall establish a Regional Regulation. Regional regulations are formed by the DPRD with the joint approval of the Regional Head.

In formal household teaching, it is the regional initiative or initiative that really determines whether an affair is the authority of the region or not. This means that something that is not the authority of the center will automatically become the authority of the region if it is managed by the region, while if it is not managed by the center, it can take back the matter and become a central affair. The regional authority to be managed by the region must of course be regulated in a regulation, which is called a regional regulation (Perda).

Normatively based on Law Number 15 of 2019 Amendments to Law Number 12 of 2011 concerning the Establishment of Legislation, understanding the meaning of an academic text is a text of research results or legal studies and other research results on a particular problem that can be accounted for scientifically regarding the regulation of the problem in a Draft Law, Draft Provincial Regulation, or Draft Regency/City Regional Regulation as a solution to the problems and legal needs of the community.

The academic paper that is the basis for the preparation of the draft regional regulation must include 3 (three) main reasons or foundations. These foundations are philosophical, juridical, and sociological.

1. Philosophical Foundation

The philosophical basis is a consideration or reason that illustrates that the regulations formed take into account the views of life, awareness, and legal ideals which include the spiritual atmosphere and the philosophy of the Indonesian nation which originates from Pancasila and the Preamble to the 1945 Constitution of the Republic of Indonesia.

2. Sociological Foundation

The sociological basis is a consideration or reason that illustrates that regulations are formed to meet the needs of the community in various aspects. The sociological basis actually concerns empirical facts regarding the development of problems and needs of society and the state.

3. Juridical Platform

The juridical basis is a consideration or reason that illustrates that regulations are formed to overcome legal problems or fill legal voids by considering existing rules, which will be changed, or which will be revoked in order to ensure legal certainty and a sense of community justice.

The juridical basis concerns legal issues related to the substance or material that is regulated so that it is necessary to form new laws and regulations. Some of these legal issues, among others, are outdated regulations, inharmonious or overlapping regulations, types of regulations that are lower than the law so that their enforcement power is weak, the regulations already exist but are inadequate, or the regulations do not exist at all.

Thus, from some of these problems, efforts need to be made to alleviate the problem of salt farmers in Indramayu Regency.

The specific objectives of this research are: First, to conduct a study on the suitability of the current laws and regulations for the protection and empowerment of salt farmers with the needs of the people in Indramayu Regency. Second, an effort to solve the problem of local salt farmers, local salt producers through legal participation in encouraging social change in the direction required by the law. So that the output of this research is the concept of regulation which changes can be felt directly by the subject concerned by formulating the policy "Formation of Regional-Owned Enterprises (BUMD) for Salt Business in Indramayu Regency aims to determine the exact price of salt,

2. RESEARCH METHODS

The specification of this research is descriptive analytical, with a normative juridical approach, namely research that aims to describe the facts accompanied by an accurate analysis of the laws and regulations research that focuses on the discussion of secondary data in the

form of legal materials, both primary, secondary and tertiary, which is supported by primary data. Data collection techniques were carried out through library research, namely to obtain legal materials, both primary, secondary, and tertiary. Primary legal materials are materials derived from statutory regulations, including the 1945 Constitution, Law Number 7 of 2016 concerning the Protection and Empowerment of Fishermen, Fish Cultivators, and Salt Farmers, Government Regulation Number 54 of 2017 concerning the Establishment of BUMD and others.

Secondary legal materials relate to legal materials that explain statutory regulations, namely bills, doctrines, and others. While tertiary legal materials in the form of writings from journals, magazines, social media, and others.

Technical analysis of the data used in this study is descriptive normative analysis, namely the qualitative description and description of the legislation on salt farmers and the mechanism for the formation of Regional Owned Enterprises (BUMD) for Salt Business.

3. RESULTS AND DISCUSSION

3.1. The Role of the Government in Providing Protection to Salt Farms in Indramayu Regency

Indramayu Regency was formed based on Law Number 14 of 1950 concerning the Establishment of Regency Areas within the Province of West Java (State Gazette of the Republic of Indonesia of 1950) as amended by Law Number 4 of 1968 concerning the Establishment of Purwakarta Regency and Subang Regency by amending the Law Number 14 of 1950 concerning the Establishment of Regency Areas within the Province of West Java (State Gazette of the Republic of Indonesia of 1968 Number 31, Supplement to the State Gazette of the Republic of Indonesia Number 2851) The establishment of Indramayu Regency was based on the following considerations:

- a) The development and progress of West Java Province in general and Indramayu Regency in particular.
- b) There is a growing aspiration in the people of Indramayu Regency for the need to improve governance, implementation of development, and community development in order to ensure development and progress in the future.
- c) The development of the population, area, economic potential, socio-cultural, socio-political, and the increasing workload and volume of work in the field of governance, development, and society.

With the formation of Indramayu Regency, it is hoped that it can encourage the improvement of services in the fields of government and development as well as society along with the echo of regional autonomy. The challenge faced today is to build the infrastructure to bring its potential into reality. Indramayu Regency has a strategic location because it is traversed by a regional route that connects the capital city of West Java Province, namely Bandung and the capital city of Jakarta. Geographically, Indramayu Regency is at a position of 1070 51' – 1080 32' East Longitude and 060 13' – 060 40' South Latitude, with an area of approximately 209,942 hectares of Indramayu Regency, with a beach length of approximately 147 Km which stretches along the north coast of the Sea. Java between Cirebon Regency - Subang Regency, where as far as 4 miles from the coast is the authority of the Regency,

North : Java Sea
South side : Majalengka, Sumedang and Cirebon Regencies
West Side : Subang Regency
East : Java Sea and Cirebon Regency

The development of the administrative area in Indramayu Regency until 2020 consists of 31 sub-districts, 309 villages and 8 sub-districts. As for some areas directly adjacent to the sea along the north coast of Indramayu, there are 11 sub-districts with a total of 38 villages.



Source: Department of Fisheries and Marine Affairs of Indramayu Regency in 2021

NO	KECAMATAN	LUAS LAHAN GARAM TAHUN 2019	LUAS LAHAN PRODUKSI 2019 (Ha)	JUMLAH PRODUKSI 2019 (TON)	Produktivitas 2019 Ton/Ha
1.	Losarang	1.453,32	1.427,32	194.904,96	134,11
2.	Krangkeng	687,53	687,53	100.104,70	145,60
3.	Kandanghaur	444,10	444,10	66.025,34	148,67
4.	Cantigi	126,51	126,51	0,00	0,00
5.	Indramayu	5,50	5,50	71,58	13,02
JUMLAH		2.716,96	2.690,96	361.106,58	132,91

Source: Department of Fisheries and Marine Affairs, Indramayu Regency

Local Salt Entrepreneur

Salt is not only a strategic commodity in the economy, even during the Dutch colonial era, salt was used as a political commodity. Salt is seen from a strategic point of view because everyone consumes it while it is referred to as a political commodity because it involves the nation's economic interests. This is because salt is needed both in terms of the basic needs of the community and the needs for industry.

In Indonesia, salt production can be divided into two, namely, salt produced or originating from PT Garam or Persero and salt originating from the people called people's salt. According to the Ministry of Maritime Affairs and Fisheries (KKP), what is meant by people's salt and PT. Salt, are as follows: 1) people's salt, namely salt that comes from and is produced from salting areas other than those managed or cultivated by PT. Salt. 2) PT. Salt is a State-Owned Enterprise (BUMN) which is the only one engaged in the production of salt. Salt marketing and trade will not be separated from the ministry of commerce.³

People's salt production in Indonesia has an area of 0.5 to 3 hectares with different locations or scattered. With these scattered conditions, it is difficult to develop salt production on a large, efficient and integrated scale. Because good salt production must have a unit of land covering an area of about 4 thousand to 6 thousand hectares so that it can produce good salt production.⁴ Seeing these conditions is certainly a dilemma for the government. On the one hand, it must protect salt farmers considering that 85% of salt production in Indonesia is produced from people's salt while the production produced by PT Garam is only 15%. In addition, smallholder salt farmers still face obstacles in producing quality salt that can meet the requirements desired by the industry. So that the majority of industrial needs still use salt imported from various countries.

³ Kurniawan, Tikkyrino and Achmad Azizi, "Impact of Import Policy and Institutions on the Performance of the National Salt Industry", Journal of Sosek Kp Policy, Vol.3, No.1, 2013

⁴Zamroni Salim, Ernawati Munadi, Salt Commodity Info (Jakarta: 2016), p.1

In this case, improving the quality of people's salt at the level that must be met for industrial salt seems to need to be done in the right way or solution that must be done by both the government and salt farmers. Therefore, basically people's salt can be improved for the needs of industrial salt. Based on the needs of the industry, there are quite a lot of opportunities for salt farmers to take advantage of their salt production to be better which in turn can increase the welfare of salt farmers. Therefore, the certainty needed by salt farmers is related to the price of salt in the market if the people's salt production can or is able to meet the needs of industrial salt.⁵

Activities of Salt Farmers in Indramayu Regency



Source: Department of Cooperatives, SMEs, Trade and Industry of Indramayu Regency in 2016

Indramayu Regency is one of the largest salt producing areas in West Java. The production capacity of salt in Indramayu Regency is 321,232, 89 tons with a production value of Rp. 192,739,734,000. In Indramayu, the salt production centers are spread over several sub-districts, namely Kandanghaur District, Losarang District, Krangkeng District and Cantigi District. The number of salt farmers in Indramayu is 3,582 people.

From the description above, it can be deduced that the official website called ghanimiofficial.com which can only be accessed via the internet either by smartphone or computer, where this is called the "electronic system". Law Number 19 of 2016 concerning Amendments to Law Number 11 of 2008 concerning Information and Electronic Transactions (hereinafter UU ITE) and Government Regulation Number 82 of 2012 concerning Implementation of Electronic Systems and Transactions (hereinafter PP PSTE) both state that the electronic system can be in the form of applications, computers, or smartphones, used to manage electronic information which is the substance or content of an electronic document. In brief, electronic documents owned by the online shop ghanimi in the form of product images uploaded by the owner or manager. While the information about each product image is called electronic information.⁶

1. Salt Import Policy

The policy regarding the import of salt in this country has been around for a long time. However, over time the number of imports is increasing from year to year. A country that has great potential and islands to produce salt, but the amount of salt produced by this country has not been able to meet the needs of the desired salt for industry.

In this Regulation of the Minister of Trade it is expressly stated Number 20/M-DAG/PER/9/2005 concerning Provisions for the Import of Salt, that in "Article 4 paragraph 1) the determination of salt that can be imported to meet the needs of the iodized salt industry is

⁵Ibid.p.5

⁶Komang Frisma Indra Prastya, Ni Ketut Sari Adnyani, Si Ngurah Ardhya, Juridical Review on the Implementation of Online Sales and Purchase Agreements Through E-Commerce According to Article 1320 of the Civil Code and Law Number 19 of 2016 Regarding Information and Electronic Transactions, Singaraja: Journal of the University's Yustisia Community Ganesha's Education, Volume 4 Number 2, August 2021, page 621.

calculated based on the results of the agreement. Between technical agencies/institutions and related associations in the salt sector”. After that, the Regulation of the Minister of Trade of the Republic of Indonesia Number 44/M-DAG/PER/10/2007, as an amendment to the Regulation of the Minister of Trade of the Republic of Indonesia Number 20/M-DAG/PER/9/2005 (which has now been renewed again) was issued. Become the Regulation of the Minister of Trade of the Republic of Indonesia Number 63 of 2019 concerning Provisions for Salt Imports (Permendag RI No. 63/2019). Based on Articles 2 to Article 5 of the Minister of Trade of the Republic of Indonesia No. 63/2019), “That salt is a strategic commodity as food and industrial raw material, so that the activities of production, supply, procurement and distribution of salt are very important in order to support public health through consumption programs, increasing income and welfare of salt farmers as well as in order to meet the needs of domestic industry. . Whereas domestic salt production, both in quality and quantity, has not yet been able to meet domestic salt needs, especially salt as industrial raw material, so that imported salt is still needed.” That the salt that may be imported is for industrial and consumption salt. Salt for industrial needs is salt with a NaCl content of at least 97% which is used as an auxiliary industrial raw material.⁷

Previously, based on the updated Regulation of the Minister of Trade, Registered Importing Companies (IT) were able to import salt with the approval of the government under certain conditions. Imports that occur are carried out because salt production in this country has not been able to meet the needs needed by industrial salt. The import policy taken by the government is based on considerations for the fulfillment of domestic salt needs. However, it is undeniable that the consideration of the policies that have been taken can have an unfavorable impact on domestic salt production.

Based on the new regulation, the provisions regarding the determination of the standard price of salt for people’s salt no longer exist for quality 1 (K1) and quality 2 (K2). In the same regulation, the restrictions on salt imports now no longer exist, this is different from the old regulations, which limited the import of salt for both industry and consumption. Then the provisions contained in the regulation contradict the Ministry of Maritime Affairs and Fisheries (KKP) which prefers to prioritize the development of people’s salt production and limit salt import quotas considering that Indonesia has repeatedly targeted salt self-sufficiency, but the target has been repeatedly revised.

There are several obstacles that self-sufficiency in salt cannot be realized. First, the low quality of salt, the biggest obstacle faced by farmers in improving land quality is the limitations of technology and quality resources in managing salt ponds. Second, depending on the climate and the weather that occurs throughout the year greatly affects the people’s salt production, because the uncertain season can have a direct impact on the people’s salt production.

The three limitations of land, currently salt ponds are still concentrated in Java and Madura, while this country of Indonesia has natural beauty with the second longest beach in the world. This shows that this country still has potential land that can be used to produce salt. Fourth, the lack of precise equipment assistance provided by the Ministry of Maritime Affairs and Fisheries to salt farmers cannot be utilized optimally because the assistance comes after the farmers do not need it.⁸

Based on the regulations that have been stipulated that in order to prosper and increase the income of salt farmers, it is necessary to have provisions that regulate the import of salt as industrial raw material. It seems that the government itself is in a difficult situation to consider

⁷ Yety, Rochwulaningsih, People's Salt Trading System in Structural Studies, Citra Lekha History Journal, Vol. XVII, No. 1, 2013

⁸ Adhi Prasetyo SW, Salt Farmers Vs Salt Imports, State Budget Bulletin, Edition.18, Vol.1, 2016, p.4

in dealing with this import situation, on the one hand it requires supplies for industrial salt needs, but on the other hand it can cause a boomerang for local salt production.

The government, as in its policy regarding the import of salt, in this case cannot necessarily be implemented as expected. No matter how good the regulations are made on paper, in practice it turns out that there is a lack of ability to be able to control the situation and conditions in the field. In reality, the price of salt in the market is not profitable for the welfare of salt farmers and entrepreneurs and is controlled by certain companies, in this case the government has failed to protect people's salt when the harvest season has arrived, but it cannot be denied that imported salt is still flooding which results in a decline in salt prices. Local salt prices.

Regarding the problems related to the import of salt, many parties argue that whether the policies taken are in accordance with the data and research results that have been determined because the imported salt is used as a requirement for industrial salt, but in fact there is a loss to salt farmers which results in the price of salt on salt. Consumption fell due to imports. Whereas for salt consumption, this country is able to fulfill it.

2. The Impact of Salt Imports on the Welfare of Local Salt Farmers

Indonesia as a country that has a large enough potential to produce salt, but unfortunately the salt produced or produced by this country cannot fulfill the domestic demand for salt, especially for industry. Due to limited tools and income, farmers produce salt easily. As well as the difficulty of obtaining business capital, group organizations that are not well organized, and uncertain seasons make local salt business production not optimal.

Weather changes are also very influential, can cause salt fields to be uncultivated, so that salt farmers cannot produce. Therefore, according to the authors in this study, the actions taken by the government in the policy of importing salt have several negative and positive impacts for the government and society.

The positive impact is because the government has taken a policy to import salt from abroad, namely, the fulfillment of food industry salt, increased bilateral relations with importing countries and the fulfillment of the salt needs of the chemical or pharmaceutical industry. Because as we know Indonesia has not been able to meet the needs of industrial salt which is used as a raw material that requires high specifications, such as the food and beverage industry which requires NaCl salt with levels above 97%.

In addition, imported salt is also used by the pulp and paper industry, pharmaceuticals and others. Meanwhile, local salt has not been able to reach the sodium chloride content required by the industry. The lack of salt production is caused by human resources and the lack of technology provided by the government as a result many local salt farmers have not been able to produce the desired salt to meet the needs of industrial salt.

The negative impact of the salt import policy is regarding, the rupiah exchange rate greatly affects the purchasing power of the country, increasing the number of poverty and unemployment. In this case, according to the author, the negative impact of the import policy is greater than the positive impact obtained, considering that the depletion of local salt stocks in the market makes local salt entrepreneurs lose, especially at the point of increasing poverty and unemployment as a result of the impact of imports. As in Kerangkeng, on the coast of Indramayu, West Java, the price of salt has fallen to Rp 500 per kilogram from the previous high of Rp 2,000 per kilogram. Also hundreds of tons of salt from the area are still stored in warehouses and have not been absorbed.

By utilizing areas other than Java and Madura as a center for salt production. Such as East Nusa Tenggara which has great potential and a long coastal area, and a hot climate and high sea salt content. As well as the need for improvements in the reproduction of local salt such as providing assistance with tools that can be used to assist farmers in improving the

quality of local salt which is expected to be able to compete in a healthy manner in the international salt industry.

The positive impact of the government's salt import policy on the community is the fulfillment of public consumption salt needs. However, this has an impact on salt entrepreneurs and salt farmers from the import policy, which can make the selling price of local salt fall and can harm salt entrepreneurs, causing the local salt price to be unstable due to the invasion of imports.

The depletion of local salt stocks in the market and the economy of the salt industry will be sluggish. With these conditions, in order to realize a better salt industry, efforts must be made to improve the quality of the salt itself. In this case, the influence of salt imports for the welfare of salt farmers is very influential on the income of farmers where local salt has not been able to reach the level of quality desired by the industry.

3.2. Protection Model for Salt Farms with the Concept of Formation of Special BUMD for Salt

Based on Article 331 of Law No. 23 of 2014 concerning Regional Government, Regions can establish BUMD. The establishment of BUMD is stipulated by a Regional Regulation. BUMD consists of regional public companies and regional companies. The establishment of BUMD aims to: provide benefits for regional economic development in general; organize public benefits in the form of providing quality goods and/or services for the fulfillment of community needs in accordance with the conditions, characteristics and potential of the area concerned based on good corporate governance; and earn profits and/or profits.

Based on the provisions of Law no. 23 of 2014 concerning Regional Government, the regulation on Regional Owned Enterprises (BUMD) now refers to Law no. 23 of 2014 concerning Regional Government, which explains that what is meant by BUMD is a business entity whose entire or most of the capital is owned by the Region. Then according to Article 304 paragraphs (1) and (2) it is emphasized that regions can make capital participation in state-owned enterprises and/or BUMD. Regional capital participation can be increased, reduced, sold to other parties, and/or can be transferred to state-owned enterprises and/or BUMD;

Local governments are the spearhead of the state in realizing the ideals of Indonesian independence. Regions are given the opportunity to translate the achievement of the ideals of the life of the nation and state through regional autonomy or assistance tasks attributed to Article 18 of the 1945 Constitution. As an autonomous region, Law Number 23 of 2014 as amended lastly by Law Number 9 of 2015 concerning Regional Government (UU Pemda), regions can form Regional Owned Enterprises (BUMD) either in the form of Regional Companies or Limited Liability Companies (PT) which aim to become a business unit in order to increase income, as well as become a driving force for the local community's economy and balancing market mechanism that is entirely profit-oriented.

In order to realize these expectations, BUMDs are designed to be able to compete fairly and fairly with private business entities in order to earn profits and contribute to regional income in the form of dividends as part of the profits that must be deposited into the regional treasury in order to strengthen the Regional Revenue and Expenditure Budget (APBD) every year. Because BUMD needs to foster a corporate culture and professionalism, including improving management and supervision based on the principles of good corporate governance through corporate restructuring measures.

In an effort to improve the welfare of salt farmers, the Government has established a policy through Law Number 7 of 2016 concerning the Protection and Empowerment of Fishermen, Fish Cultivators and Salt Farmers. The legislation regulates the protection and empowerment of salt farmers. The definition of protection for salt farmers as stated in Article 1 Number 1 of Law 7/2016 is all efforts to assist salt farmers in dealing with the difficulties of doing salt business, while the definition of empowering salt farmers is stated in Article 1

Number 2 of Law 7/2016 is all efforts to improve the ability of salt farmers. To carry out the salt business better.

Salt farmers in Indramayu Regency are an integral part of the people of the Republic of Indonesia, and therefore become subjects where social justice must be realized. Actually, salt farmers are still far from getting a decent life, so it can be said that salt farmers do not get justice both legally and economically. To ensure the certainty of the salt farming business and the risk of loss due to a decrease in the selling price of salt, the Regional Government assigns a Regional Owned Enterprise or establishes a Regional Owned Enterprise that handles Salt Commodities.

The results of the Focus Group Discussion (FGD) with the Indramayu Salt Farmers Union and the Department of Fisheries and Marine Affairs of Indramayu Regency, there are several problems including:

- a) There is no guarantee on the price of salt;
- b) Ease of getting Salt Farmer Insurance;
- c) Priority of Regional Products in the fulfillment of Industrial activities in the Regions.
- d) The need for a laboratory / salt quality detection tool to get the results of the quality standardization of salt
- e) Warehouse;
- f) Mitigation (Weather) Information related to weather forecasts from BMKG for example rainfall will be high so that it is taken into consideration by salt farmers who want to carry out salt production activities.

The strategy of the policy formulation offered in this study is related to the establishment of BUMD (Regional Owned Enterprises) concerned with marine affairs, especially salt business. This issue is important to raise because the problems faced by salt farmers in Indramayu Regency are complex, for example there is no guarantee of the price of salt. Local government-owned enterprises exist to stabilize prices by determining the lowest retail price and can also accommodate and help distribute salt production when local salt farmers harvest salt in good weather conditions (a very large amount).

3.3. Research result

In the study of the nomenclature of the Content of the Draft Regional Regulation of Indramayu Regency concerning the Protection and Empowerment of Salt Farmers, they have the spirit and enthusiasm to be able to empower and develop human resources in the region, in addition to the provisions of laws and regulations that have given responsibility to the Regional Government to provide protection and Empowerment of salt farmers in the regions requires further regulation that is adjusted to the conditions and characteristics of salt farmers in Indramayu Regency. The DPRD of Indramayu Regency as the initiator seeks to realize the sovereignty and independence of salt farmers in order to improve the level of welfare, quality, and a better life based on the principles described in the previous chapter general principles in the preparation of regional regulations contained in general provisions, which direct where this regional regulation will reach, at the same time this provision will limit the scope of regulation. Furthermore, the main provisions of the scope of the regulation are described which contain the main principles to be regulated in the draft regional regulation.

In the last three years, researchers have focused on the field of study related to Legal Studies regarding Policy Formulation in Indramayu Regency with the outputs of Regional Legal Products in the form of Regional Regulations, while some of the footholds that became the initial basis for this research were In 2019 Researchers Prepared Academic Papers and RAPERDA on Protection and Empowerment of Fishermen and Fish Cultivators, In 2020 Researchers Researching the Implementation of Law Number 7 of 2016 concerning the Protection and Empowerment of Fishermen, Fish Cultivators, and Salt Farmers and in 2021

researching related to the Preparation of Academic Papers and RAPERDA on the Protection of Salt Farmers in Indramayu Regency (in the Contents regulated in this Draft Regional Regulation is how the Role of the Government is Present to provide Protection and Empower Salt Farmers) This can be seen in Figure 4:

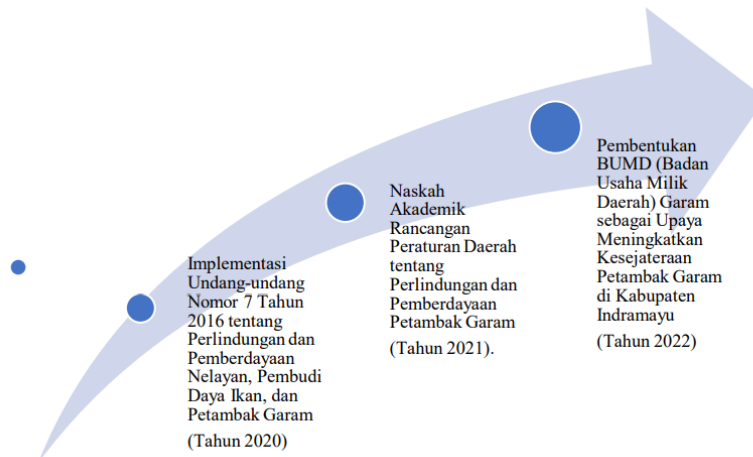


Figure 4. Road Map

4. CONCLUSION

Whereas based on the descriptions in the previous chapters, the preparation of the Draft Regional Regulation of Indramayu Regency concerning the Protection and Empowerment of Salt Farmers has academic merit. Furthermore, so that the Regional Regulation can become a comprehensive regulation and can be accounted for philosophically, juridically and sociologically, which will be effectively and efficiently enforced and accepted by the community, the main ideas and content that must be contained in this Draft Regional Regulation include regulating planning, protection of salt farmers, empowerment of salt farmers; funding and financing, supervision and community participation.

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