
GOVERNMENT AND PRIVATE COOPERATION IN INFRASTRUCTURE DEVELOPMENT CASE STUDY IN MAKASSAR CITY TOLL ROAD DEVELOPMENT

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Abstract

The purpose of this study is to investigate how the public-private partnership model based on the construction-operation-transfer model in the case of infrastructure development in Makassar City is utilized in the construction of the Makassar City Toll Road. After satisfying the requirements set in each case, a public-private partnership contract is concluded. The construction of toll roads is basically done by the government, the Ministry of Public Affairs and a corporate body (in this case PT Bosova Margautama Nusantara) using a build-operate-transfer model (generally a model involving two parties). is constructed by public service users, governments, and service providers are involved in building and operating the infrastructure. After granting the right of use for 35 years as the organizer, it will be handed over to the government after the concession period.

Keywords: *Public Private Partnership, Build Handover.*

1. INTRODUCTION

Regional development is an integral part, the design of national development within the framework of achieving development goals adapted to regional potential, values and development concerns. The key to the success of regional development lies in the efficient and effective achievement of national development goals, including evenly distributing results throughout Indonesia and realizing true goals. The purpose of democracy is to position the region as a vehicle for civic education at the local level, which as a whole forms national unity and is a fundamental element in accelerating the realization of just, prosperous and affluent societies. As a result, it will contribute to the civic education of the country. (Ashkin, 2012).

The dynamics of increasingly advanced people's livelihood development and the increasing burden on governments as managers of governments have created a need to delegate some of the government's role of managers to the private sector. The government's ability to use these funds to develop the region is very limited. For this reason, local governments seek financial resources through partnerships with third parties in order to carry

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out their operations effectively and efficiently. The government's involvement in economic sectors, where agreements and business contracts are prioritized, is inseparable from the government's objective of strengthening the country through the accumulation of wealth and capital. Therefore, priority should be given to economic development, especially the construction of facilities and infrastructure for public services (public infrastructure). The term generally refers to structural networks such as roads, railroads, waste disposal facilities, airports, ports and other infrastructure facilities, but also to facilitate the smooth running of collective economic activity and control the flow of production of goods and services. It also supports distribution. For example, roads can facilitate the transport and delivery of raw materials to factories and their subsequent distribution in markets to reach communities (Juwana, 2000).

The application of public asset management is prevalent in several countries and implemented in various cooperation models. Also, Makassar City, South Sulawesi, one of Indonesia's largest cities, is introducing a model of working with the private sector in the management of public assets, including the management of public assets to be handed over. Investment in private property, including construction of toll roads.

Toll roads are public roads that are part of the road network and toll roads as national roads. The required fare amounts vary by class of vehicle and are stipulated by Presidential Decree. Makassar Toll Road is a toll road connecting Makassar City, Panakkukang and Soekarno-Hatta Port (JAP). Pettarani, Industrial Zone, Hasanudun Airport. This toll road is 11.57 km long and 2 x 2 x 3.5 meters wide. This means that there are two 2-lane roads with a width of 3.5 meters. The toll road was opened on September 26, 2008 by President Susilo Bambang Yudiyono. Construction began in May 2007 he. (<http://dishubkominformakassar.go.id>).

A public-private partnership is a form of agreement or contract between the public and private sectors and consists of several clauses. That is, the private sector performs government functions for a period of time, after which the public sector receives compensation for performing any of the following: Use functions directly or indirectly (William, 2009).

The government has implemented a policy of private participation in toll road development through a public-private partnership model or national budget for road financing, allowing the government to allocate its budget to other infrastructure.

It is considered more appropriate to build toll roads under public-private partnership programs implemented under a build-operate-transfer (BOT) model. A Build Operate Transfer (BOT) is a grant of concession to the private sector for a specific period of time.

The private sector builds, finances, operates the infrastructure, and turns it over to the government at the end of the contract term. The implementation of such public-private partnerships or public-private partnerships in infrastructure development is also stipulated in Presidential Decree No. 56 of 2011 on State Cooperation with Enterprises in Infrastructure Development.

2. LITERATURE REVIEW AND HYPOTHESIS

A public-private partnership or public-private partnership is a cooperation between the government of a central or local (county/city) government and a national or local private corporate partner in providing infrastructure such as toll roads, electricity and drinking water. enterprise. foreign company. This cooperation includes efforts to build and improve management capacity and maintain infrastructure to increase the quantity and quality of public services (Bappenas, 2009).

(William. J, 2009), a public-private partnership is a form of agreement or contract between the public and private sectors and consists of several clauses: When the private sector performs government functions for a period of time, the private sector receives rewards for performing those functions, either directly or indirectly. Indirectly, the private sector is responsible for the risks arising from the implementation of these functions. Instead of providing infrastructure, the concept of public-private partnerships can be used. Public-private partnerships can strengthen public-private relationships and collaborate on development. The benefits that can be achieved in this relationship are innovation, then agreements on finance, technical capabilities and efficiency. .

In theory, public-private partnerships are sustainable energy partnerships (long-term cooperation agreements) in project development to improve public services for development (public services), including:

- a. Government or Local Authority as Regulator
- b. Banks/Consortia as Funders and
- c. A private entity / BUMN / BUMD as a Special Purpose Company (SPC) is responsible for the implementation of the project starting from design, construction, maintenance and operation.

Factors driving the need for public-private partnerships include limited government, inadequate infrastructure in both quality and quantity, and expertise (technology) owned by the private sector (Dwinanta, 2010). .

3. RESEARCH METHODS

The type of research used in this study is qualitative. (Sugishirono, 2015), qualitative research methods are research methods based on post-positivism that study objects and states of nature. The purpose of this study is to clarify how the private sector cooperates in infrastructure development.

This survey was conducted within 2 months after he conducted this survey in PT Bosowa Marga Uta Manu Santa Ramakassar city. The location of this study was selected because it was proposed in consideration of suitability for the research theme. The property was chosen to see the form of cooperation between the government and the private sector in infrastructure development in the Makassar City Toll Road case study. Various data collection techniques are used in this study to obtain accurate data. Data collection techniques are very diverse. This study uses in-depth interviews, documentation, and observations.

4. RESULTS AND DISCUSSION

Geographically, the Makassar metropolitan area is located on the west coast of South Sulawesi. Makassar City is strategically located at the crossroads of the north-south traffic route in Sulawesi Province, which extends from the west to the east of Indonesia, and faces major challenges in terms of physical and social infrastructure development. What infrastructure provides can be defined as basic physical and social needs. The social organizational structure system necessary to ensure the economy of the public and private sectors as well as the services and facilities necessary for the proper functioning of the economy. The government's involvement in the economic sector, through the conclusion of agreements and business contracts, is inseparable from the government's goal of strengthening the country through the accumulation of wealth and capital. Therefore, priority should be given to economic development, especially the construction of facilities and infrastructure for public services (public services). infrastructure). The term generally refers to the technical or physical infrastructure that supports network structures such as road, rail, water, airport, power, telecommunication, port and other facilities. Private sector involvement in public services should include adequate monitoring and evaluation systems to ensure that the intended purpose of provision is achieved by the infrastructure, providing good service to the community. However, governments need to enact a set of regulations that can encourage the business community. Government contracts or agreements with private entities under the build-operate-transfer model. Private entities provide various funds to build infrastructure projects in the form of public facilities and infrastructure at relatively high costs that the government cannot afford. The government offers the private party the opportunity to build at an agreed value or price, and allows the private party to turn over the

building to the government after the building is completed and the concession period has expired.

Based on the research conducted, it can be concluded that the government always involves domestic and foreign private investors in any infrastructure development to save the budget, in this case the government has limited APBN capacity. are aware that /APBD. Governments are responsible for funding infrastructure expansion. Efforts are being made to allocate funds to match infrastructure needs with population growth rates. However, since the government cannot meet the entire funding needs due to the limited budget of the country, the participation of private investors is expected. The funding sources used are long-term, with many projects involving the construction of toll roads being implemented jointly by the government and the private sector.

The realization of this development, in addition to creating jobs, fulfilling the principles of development justice throughout the archipelago, equal distribution of development results and various other benefits, can also spur economic growth both sectorally, geographically and nationally. In addition to attracting foreign investors to invest in the country in the form of foreign investment, not just portfolio investment in the form of securities including shares whose sustainability is guaranteed. Projects that are actually the government's obligation to build them so that they cannot be entirely handed over to the private sector, examples of projects such as the procurement of transportation facilities, toll roads, ports and others.

Public private cooperation is an agreement between the government and the private sector in the provision of infrastructure where the funding, design, construction and operation of projects that were originally carried out by the government then as a whole become the responsibility of the private sector, thus the government and the private sector are important sectors with their respective roles to ensure that the combination of expertise and resources owned by both can provide the best results for the provision of infrastructure. The government has realized the important role of the private sector to meet this need because it has provided a means for the private sector to participate in infrastructure development.

4. CONCLUSION

Based on the research by the Department of Road Construction and researchers from PT Bosowa Margautama Nusantara, the researchers can draw some research conclusions. How public-private partnerships through the Build Operate transfer model are driving infrastructure development, including the construction of the Makassar City Toll Road.

In the construction of the Makassar city toll road infrastructure, government cooperation with companies and public-private partnerships in the contracting and construction and operation transfer has taken place after the government has signed new

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public-private partnership agreements in accordance with the requirements of each regulation. The cooperation phase between the Ministry of Public Works and the Economic Organization is PT Bosowa Margautama Nusantara, the essence of which is that the construction of the toll road will be built by the Economic Organization entitled to use it as the organizer for his 45 years. . At the end of the concession period, it will be handed over to the government. Construction of the toll road is financed from the company's capital. Using a “build-operate-transfer” concession model in a public-private partnership provides a win-win.

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