

“Problems” Shopping And Effectiveness Of Small Business Development (Study At The Pondok Aren Tax Office)

Rachmad Utomo, Kuwat Slamet, Sopian

Abstract: The large number of SMEs in Indonesia contributes to the difficulties of governments to develop the most efficient and effective ways to foster their better lives. Tax Service Office of Pondok Aren in South Tangerang Indonesia (hereinafter abbreviated as KPPA) develops SMEs in accordance with Law Number 20 Year 2008. KPPA together with the tax-friendly community (USP community) has a "problem shopping" activity. From the paradigm of public administration, the Pondok Aren Tax Office starts a new round of application of the New Public Service (NPS) concept. They prioritize social values rather than just economic values (tax payments). In this study it was found that the street bureaucracy can use the concept of the New Public Service (NPS) when absorbing the needs of its citizens and what ways residents feel comfortable. The local wisdom approach must be thickly identified first. Only after that, will also have an impact on the use of the budget can be more effective.

Index Terms: UMKM (SME's), New Public Service, problem shopping, USP community

1. INTRODUCTION

Citizen participation will grow if government conditions open a democratic atmosphere. In practice, a good political atmosphere is not enough if the operational mechanisms carried out at the level of the bureaucracy are not responsive. They must meet face to face with citizens, see, hear, what problems are needed for the solution. SME have the same characteristics as problems developing their businesses. SME owners are citizens who also have the same rights to be served by the state which has its limitations in formulating the problems faced daily. In other side state has limited resources as well as area size monitoring, number of complaint reports and other routine activity volumes. The interaction from the people to the country in the form of information "what is your real problem?" will be effective if the community plays an active role too. Communities consisting of small business owners are required to contribute "problems". Problems collected are "offered" to the government to be facilitated according to the available budget. This pattern becomes a continuum between NPS and NPM in turn. The needs of the citizens who are represented by small business owners as improving their standard of living are social problems that can be effectively absorbed from the government's budget adequacy approach.

2. LITERATURE REVIEW

New Public Management (NPM) emerged from the idea that government must be run like a business organization. NPM is pushing for a new model that is inspired by market orientation, focusing on economic performance and contracting between the private sector and the government. This model has a community-centered view that consumers, where they will not be involved in the management phase of government services, but they can choose other parties if their needs are not met, and the calculation of profit costs is one measure of success (Osborne, 2010). The influence of

NPM is quite thick applied in the tax administration. The tax office was reorganized into small, medium to large tax offices (small, medium and large tax offices). The segmentation of supervised taxpayers is adjusted to the tax office by entering the scale of turnover, tax payments and the specificity of the economic performance strategy. This is reasonable because the success measure of tax administration is to increase revenue through taxpayer compliance. However, the use of NPM also has an impact, namely the inequality of results due to various resource limitations, regulations and various fragmented problems (Batley and Mcloughlin, 2009). Reforming the tax administration organization should have its main objective, but in its journey sometimes other objectives emerge such as ensuring the response rate of reducing poverty, promoting exports, which sometimes conflict with the main focus. This condition results in the awkwardness of deciding what is most important to be done simultaneously (Pollitt and Boukhaert, 2011). Then what about SME's whose tax obligations are not large (0.5% of turnover per month, within a year limit of not more than Rp. 4.8 billion), their awareness is not good, many of them do not have a NPWP, causing huge costs not comparable to their tax payments? Let's first review the NPS. NPS sees that every citizen is a human who must be respected, upheld in value. NPS is a combination of various multi-theoretical approaches; democracy, social, economic and cultural. NPS measures that success is not just productivity, there are social values that must be preserved. Social values form social capital that holds people together. Three community groups; government, private and civil servants who are glued together facilitate the process of better government governance (Cohen and Arato, 1997). The assessment of program success is not only seen as a value of efficiency but also in the process of success of the government, the private sector, the community working together to participate in achieving common goals. Development programs must also create not only economic value but also social value. The view of profit and loss and cost efficiency that is not fully understood can create a loss of coherence power between government institutions (Denhardt and Denhardt, 2007). From a cultural perspective, each country has unique and distinctive historical cultural roots. This is the level of compatibility that should be proposed so that slowly changes in values that are believed to be infused

- *Rachmad Utomo: Lecturer of the Tax Department, STAN State Finance Polytechnic. Email: rachmad.utomo@gmail.com*
- *Kuwat Slamet: Lecturer of Tax Department, STAN State Finance Polytechnic. Email: kuwatslamet@gmail.com*
- *Sopian: Lecturer of Accounting Department, STAN State Finance Polytechnic. Email: sopianaja142@gmail.com*

support government programs (Christensen and Laegreid, 2011). NPS prioritizes dialogue for the first time with the community to find out what their needs are, before implementing the program. The presence of the government by including the UMKM scheme as a participant contributing to the development provides input for improving the welfare of the population itself (Oni and Daniya, 2012; Ahmad & Ahmad, 2018). The government must provide a comprehensive scheme involving SME's, not just low tax rates. Obeng (2018) researched and found social capital pumping enthusiasm to develop SME's businesses. In Indonesia, as native call mutual cooperation (gotong royong) has the value of a sense of togetherness, increasing interaction between the perpetrators. Gotong royong is one of the cultural heritages believed by the Indonesian people to solve common problems. A sense of togetherness is more important than technical guidance. The spirit to try to be better is driven by the close working network of social communities (OECD, 2009; Bevir, 2007; Rondinelli, 2007; Cheema, 2007). High and low quality of input from citizens for improving public services will also depend on how broad the bureaucracy provides the space and opportunities for brainstorming provided by the government (Sjoberg, Mellon and Peixoto, 2017). Realizing that in practice is not easy, both NPM and NPS share the good. When starting from the bottom up, what pattern is best suited to involving the needs of the community so that the program runs effectively? The next section presents findings in the field.

3. RESEARCH METHODS

This study uses an ethnographic study model. The study was conducted at the Pondok Aren Tax Office (KPPA) in South Tangerang Indonesia from March to June 2019. The reason is because sometimes there are real cultural phenomena but the meaning does not appear explicitly. Qualitative research studies can provide richer interpretations, denser contextual, and more authentic according to the original state (natural). The qualitative study design was developed to be open to various changes needed, flexibly adjusting the conditions in the field of observation. The main focus is the culture of mutual cooperation (gotong royong) which is a human behavior interaction between the KPPA and USP, and fellow SME's, the researchers chose to use ethnographic methods. Mutual cooperation (gotong royong) for the people of Indonesia is a culture and culture in everyday life. Spradley (1980) ethnographic method is believed to be able to learn and explore everything that is used can be in the form of archives, artifacts or relics and express the meaning that is believed by community groups. Analysis through four stages: domain analysis (domain analysis), conducted when researchers come to the object of the research site, make descriptive observations to obtain things that are still general or comprehensive and then arranged categories (domains) that are useful for the next stage; Taxonomy analysis determines the specific domain that is the focus of research. Domains that have the most prominent and dominant value of existence begin to be classified according to their internal structure (Atkinson et al, 2001; O'reilly, 2009); Componential analysis (componential analysis) is done through observation and selected interviews based on special characteristics in each structure in the group. Sharpening to contrast each element of each domain is done. Cultural theme analysis (cultural theme analysis) provides conclusions from all

relationships that exist in all domains that cause the involvement of each specific element to be the main shaper of cultural phenomena. Observation was carried out by visiting the SME's training activities conducted by KPPA, interviewing the informants of the actors consisting of the head of the office, head of the extensification section, executors, UMKM actors and training participants. Collecting artifacts in the form of documents relating to business development programs for SME's at KPPA.

4. RESULT AND DISCUSSION

Indonesia has always known the gotong royong which means working together helps each other help. This social capital is not new even since before Indonesia's independence, the population of the archipelago has a hereditary culture of mutual cooperation in building their hamlet. It can be said that mutual cooperation (gotong royong) is reflected in the emergence of mutual assistance activities to achieve a goal from the various collections of contributions of energy, funds and time and thoughts among the actors involved. In mutual cooperation (gotong royong) the parties involved realize that no one has all the complete resources. This concept is applied by KPPA. Before the existence of normative rules requiring each tax office to conduct an SME's guidance program, KPPA had tried to explore the social capital of mutual cooperation (gotong royong). They realized from the beginning that the tax office unit had limitations in number of employees, budget, target performance orientation, business development skills and social networking. This deficiency has become the main key believed by the Head of KPPA in fostering small and medium businesses to want and care for taxes. This deficiency is an advantage for KPPA. This deficiency means that there is room for other parties to be invited to participate in developing SME's. SME's as a representation of a weak economic community also have various obstacles in developing their businesses: lack of marketing access; financial assistance services; product development assistance; and bookkeeping. Nwaizugbo, Aghara and Oparah (2013), Koranteng (2017) and JICA (2018) revealed that SME's often have apathetic attitudes towards tax collection and are skeptical of government programs. This attitude also contributed to the negative impact on the level of tax compliance. This condition is of concern to governments in all countries including the Directorate General of Taxes in Indonesia. When compared with data on the number of MSME business units released by the Ministry of Small and Medium Enterprises Cooperatives until 2017 there were at least 59 million business units but those who have NPWP are only around 1.5 million or in other words only 3% are registered as taxpayers. The KPPA is aware that the tax administration organization is based on the calculation of the efficiency of supervision costs versus the outcome of tax revenue. This count should not be missed with greater oversight costs. This organizational model fits the NPM paradigm. SME's in accordance with government regulation No. 23 of 2018 are only required to pay a tax of 0.5% of turnover. The number of entrepreneurs at this level is very large but inefficient when the tax office resources are mobilized to oversee this. The amount of tax money generated will never be able to pass the tax payer results with progressive normal rates. Problems faced by SME's are still traditional in nature, such as how to do simple recording, marketing products, business continuity, how to set product

prices, including business capital. The main objective established by the Tax Office is to increase state revenue through tax compliance rather than providing guidance for SME's. However, KPPA realizes they are also future economic actors for prospective taxpayers. KPPA starts by going down to meet them and release their attributes as tax inspectors. They establish dialogue in lower-class coffee shops, dialogue among themselves small business actors. Asking what the constraints of the business are, not what the tax obligations are. Tax talks have never actually been done. Exploring what is needed by small entrepreneurs is presented at the tax office such as business development seminars, simple accounting to the bazaar. Various business development activities or accounting training are one of the themes of the tax counseling event. Traditional tax education has been recognized as ineffective so far marked by the lack of presence of SME's actors. On the other hand, the needs-based counseling program is always fulfilled by business actors because it does not touch the tax issue at all. SME's who have always thought that if they could not deal with the tax office, they would certainly be told to pay, be subject to sanctions or fines would slowly disappear. Thanks to the tax office concerned about the needs of SME's. The longer KPPA becomes, the more it is realized that it is not always possible to continue to carry out activities due to limited resources not having special expertise in accordance with the specific needs of these business actors, the greater the number of participants on the other hand, the limited budget. It needs to be an independent and empowered continuity. The impetus from the KPPA to form the Tax Friends SMEs community was finally realized. Based on the group members it is known; for members who have just joined intend to do business do not know where to start they are welcome to try to market products from members who already have a business. Doing this practice they will understand what and how to market the product. The profit sharing system depends on the agreement of both parties. This cognitive learning helps understand the types of businesses that are suitable for themselves. For members who are already running, they have the obligation to help those who are just starting a business and have established a type of business. Training among them include: improving the quality of products such as how to make chocolate cake better; packaging the product; using smartphone media to market and market online.

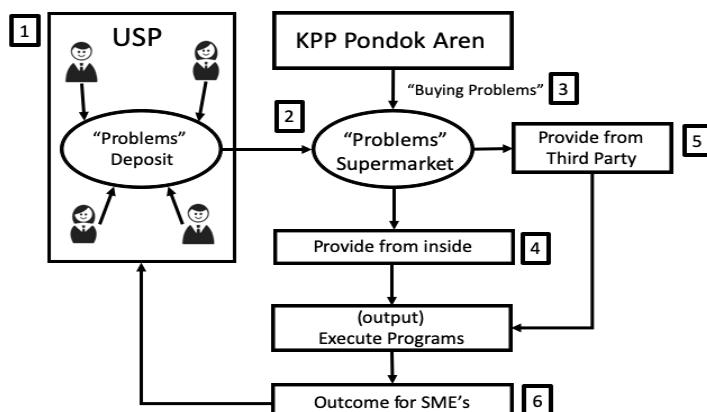


FIGURE 1: Problem Shopping Model at Pondok Aren KPP for SME's Development

Source: Findings Observation in Field

In the picture can be explained as follows: the first as a fixed location USP rented a place to gather and routinely contribute to problems in a kind of problem banks. Second, a dialogue with the needs of SME's was held with KPPA as a facilitator having the role of problem spending. At this stage the distance between the bureaucracy and the community is very familiar. It was found during the observation that between KPPA and USP there was no complicated bureaucratic flow, the atmosphere of being open to meeting the interests of each of them could be said to be very friendly, unlike customers with producers, but prioritizing the value of citizenship. Third, the expenditure problem in question is if the community feels the need for help from other parties, KPPA will try to provide it in accordance with the available resources. Fourth, this problem shopping activity becomes routine KPPA activities that are adjusted to the available resources. Specifically for recording and bookkeeping, KPPA collaborates with universities, namely STAN State Polytechnic (PKN STAN). PKN STAN which has the responsibility of tri dharma tertiary institutions has provided assistance in accounting procedures for SME's. Finally, armed with this problem bank, the KPPA is more effective in planning SME's development programs in its working area. In this community, business actors who have been successfully transformed into business communities, in a cycle of social responsibility appears to change the role of contributing, among others, to provide USP Griya (SME's shelter) rental fees. Does the development of SME's have an impact on increasing the number of taxpayers and tax revenue significantly? From the results of interviews with the Head of KPPA that the economic impact if in one work unit does not have a significant enough scale, but the social impact is more important. This framework of thinking becomes the spirit of KPPA in fostering SME's. People talk of tax especially SME's who are antipathetic to avoiding and being skeptical. At present they are no longer reluctant to remind each other in their social networks, for example the deadline for reporting Annual Tax Returns, due to pay taxes. Talking about tax awareness is not from the KPPA as the tax apparatus, but from their own awareness. KPPA realizes that the challenge going forward is to take care of the running of these community activities so that each interest meets at the same point. They need KPPA training to find and undoubtedly focus more on changing the attitude of SME's towards tax. Carrying out these activities must be mutual cooperation and long-term impact. Each region has a different local wisdom from one another. The approach taken by KPPA may not all be successful if adopted nationally, it needs to be adjusted.

5. CONCLUSIONS

KPPA as part of the government has a social responsibility to foster SME's. Coaching is not translated as simply aborting orders from his superiors or achieving performance indicators. They did it because they realized that SME's also had the right like other citizens to be respected, assisted and developed so that their lives would be better. By fostering SME's, the impact is increasing the sense of the presence of the state of their needs for weak economic actors. Mutual cooperation arises in the midst of society, so that it impacts on caring attitudes that ignite tax awareness. The local wisdom culture approach has been carried out by the KPPA.

The results achieved, the SME's actors were successfully encouraged to be independent and empowered by forming a community (USP). This community helps each other to help and is open minded about managing the problems of each member. Each member contributed a problem. Problems are arranged according to priority levels. Co-production occurred between USP, KPPA and PKN STAN. KPPA is more to facilitate, bring together experts, or finance as long as the budget is available. "Mutual cooperation" (gotong royong) social capital has provided power beyond mere measures of profit and loss. Hope in the future the SME's will realize that the state is always present. Realizing that problems can be solved better together. The spirit of mutual cooperation must be re-stated at the beginning when dialoguing with SME's. In terms of tax administration, it is not appropriate if the measure of success of this program is the economic value of the amount of NPWP (tax payer number) and the amount of tax paid (formal and material compliance), more precisely is the social measure that the government through the tax office or not place its citizens as people who are entitled to get assistance according to their needs so they can live better. The development of SME's is first returned to the principle of the purpose of its existence in accordance with Law Number 20 Year 2008, which is aimed at growing and developing its business in the context of building a national economy based on just economic democracy. The loss of apathy and skepticism about taxes is the main target of the tax administration which is characterized by the awareness that the tax office does not only collect taxes but also helps the continuity of their business development.

6. LIMITATION & SUGGESTION

This research field limits the service area of the Pondok Aren Tax Office in Tangerang Selatan, Banten Province, Indonesia. The condition of local cultural customs here are generally migrants from other regions to improve the economy because it is close to Jakarta. It takes a lot of adjustments when the "problem shopping" offered from the community to the government can not go well. The first paradigm used is NPS. Serve wholeheartedly by knowing what the SME needs to develop themselves. Suggestions for the tax office to adopt then there are prerequisites to be known, firstly to have established a permanent SMES community in that place as a source of input needs; second, intense communication between the tax office and the community; thirdly there are universities that have agreed to send students to accompany the training program, fourthly there is social capital which is the glue of the soul of the relationship of all parties.

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