

## Legal implementation of salt economy infrastructure policy: A case study from Indonesia's regulation No. 15/2023 in Sumenep and Sampang

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### Abstract

The purpose of this study is to examine the readiness and availability of infrastructure and facilities for the salt industry based on the criteria in Permen KKP Number 15 of 2023 in Sumenep and Sampang Regencies, as well as the form and responsibilities of the local government in the hierarchy of authority for the fulfillment of infrastructure and facilities for the salt industry. The research method used is empirical legal research with a factual approach and a legal approach. Research data sources were obtained through interviews and literature reviews. Informants were selected using purposive sampling techniques from salt farmers and the local governments of Sampang and Sumenep districts. The data obtained were then analyzed using qualitative legal analysis. The findings of this study reveal that the availability of infrastructure in both Sampang and Sumenep districts is sufficient and in accordance with Article 3(2) of Permen KKP 15/2023 to be designated as a People's Salt Economic Center (SEGAR). The second finding concerns the form and responsibilities undertaken by the local governments of Sampang and Sumenep districts in fulfilling the infrastructure and facilities for salt production, which support the designation of Sampang and Sumenep as People's Salt Economic Centers (SEGAR).

**Keywords:** Salt production, Infrastructure and facilities, SEGAR

### Introduction

The largest salt fields in Indonesia are found on Madura Island, where each district has the potential to become a salt center. It is therefore not surprising that Madura is known as the salt island. The potential for salt ponds in Madura is found in Sumenep District and Sampang District. The potential for salt ponds in Sampang Regency, Madura, is very significant, with its land area estimated to be the largest in East Java. Similarly, Sumenep Regency also has substantial potential for producing sufficient salt production to support the national salt self-sufficiency program. (KKP. 2020:49)

Although Indonesia has the potential to produce salt, domestic salt production projections still fail to meet Indonesia's salt needs. This is because the salt produced by the people does not meet the specifications required by the salt industry. In addition to weather factors, the low productivity and quality of people's salt are also influenced by inadequate technology, as well as insufficient infrastructure and facilities. (Rosilowati Rintiyani at.al, 2022:47) These factors can lead to the helplessness of salt farmers in the salt production process, so a community empowerment program is needed to address the issues faced by the community. (Amelia, 2011:2) <sup>[1]</sup> The government has issued several regulations and policies as efforts to meet national salt needs, including the Salt Production Development Policy for the People (PUGaR) since 2011. PUGaR focuses on enhancing human resource and institutional capacity to increase production by the People's Salt Business Groups (KUGAR), encompassing skills, expertise, and knowledge. (Direktorat Jenderal KP3K, 2011:55) <sup>[5]</sup> However, as of 2023, Indonesia has yet to meet its national salt needs and quality standards, leading it to continue importing salt. (Okvianti and Teti Sugiarti, 2021:741-761)

Under Article 3(3) of Presidential Regulation No. 126 of 2022 on the Acceleration of National Salt Development

(hereinafter referred to as Perpres 126/2022) (State Gazette 2022/No. 209), the government targets that by 2024 at the latest, national salt needs must be met from domestically produced salt. As a follow-up to the national salt industry development acceleration program, Ministerial Regulation No. 15 of 2023 on Procedures for Designating People's Salt Economic Zones (SEGAR) was subsequently issued, hereinafter referred to as Ministerial Regulation KKP 15/2023. The People's Salt Economic Zone (SEGAR) is an integrated salt production area encompassing five business processes: pre-production, production, post-production, processing, and marketing. The government's program to accelerate salt production development is implemented in the People's Salt Economic Zone, where the area eligible to become a SEGAR zone must meet four criteria stipulated in Article 3 of Permen KKP 15/2023, namely: Availability of land for salt production; Availability of infrastructure and facilities for salt production activities; Existing salt market share; and Support from the Central Government, Local Government, and/or stakeholders.

The availability of infrastructure and facilities is regulated in Article 3(2) of Ministry of Marine Affairs and Fisheries Regulation No. 15/2023, which includes irrigation channels, production roads, salt storage facilities, seawater retention ponds, water distribution equipment such as windmills or water pumps, geoisolators, seawater salinity measurement devices, and transportation equipment, as one of the criteria for the establishment of the People's Salt Economic Zone, which can serve as a solution to meet national salt needs. The fulfillment of infrastructure and facilities aspects can maximize the production process to improve the quality and quantity of people's salt. Therefore, this study was conducted to determine the readiness and availability for the development of the SEGAR Zone, specifically in Sumenep and Sampang Regencies as People's Salt Production Centers. It also aims to determine the responsibilities of the

Sampang and Sumenep Regency Governments in meeting the infrastructure and facilities criteria for the salt industry, whether they are oriented toward supporting the SEGAR program.

#### Research Questions

1. Do Sumenep Regency and Sampang Regency meet the criteria for salt production infrastructure and facilities based on Minister of Marine Affairs and Fisheries Regulation No. 15 of 2023?
2. What are the roles and responsibilities of the local governments in Sumenep Regency and Sampang Regency in the hierarchy of authority for meeting the criteria for salt production infrastructure and facilities?

#### Material and Method

In accordance with the provisions of Article 5(3) of Presidential Regulation No. 126/2022, the Minister of Marine Affairs and Fisheries has issued Regulation No. 15 of 2023 on the Procedures for Designating the People's Salt Economic Center (SEGAR). The People's Salt Economic Center, hereinafter referred to as SEGAR, is an integrated salt production area. With the issuance of Presidential Regulation No. 126/2022 on the Acceleration of National Salt Industry Development, SEGAR has been designated as an area for the acceleration of salt industry development. The acceleration of salt industry development in SEGAR is carried out through a salt industry business system that includes pre-production, production, post-production, processing, and marketing stages. The provinces designated as People's Salt Economic Centers include Aceh, West Java, Central Java, East Java, Yogyakarta Special Region, Bali, West Nusa Tenggara, East Nusa Tenggara, South Sulawesi, and Gorontalo. The procedures for designating People's Salt Economic Centers are regulated in Ministry of Marine Affairs and Fisheries Regulation No. 15/2023. Article 2 of Permen KKP 15/2023 stipulates the criteria for designating SEGAR in provinces with potential for salt industry development, including: availability of land for salt production; availability of infrastructure and facilities for the salt industry; existence of a salt market share; and support from the Central Government, Regional Governments, and/or stakeholders.

Article 10(1) of Presidential Regulation No. 126/2022 explains that the success of the implementation of the action plan for accelerating national salt industry development is measured based on the magnitude of performance indicator targets, which include: salt production in SEGAR, salt quality in SEGAR, and the absorption of salt production results in SEGAR.

The type of research used in this study is empirical legal research. Empirical legal research is a type of legal research that serves to examine the law by studying how the law works in society and the effectiveness of the law currently in force. This type of research is used to determine the implementation of infrastructure and facilities for the salt industry based on KKP Regulation 15/2023 concerning the Procedures for Establishing People's Salt Economic Centers in Sumenep and Sampang Regencies.

In this study, primary data was obtained by conducting interviews with the parties involved in this study, namely as follows: Head of the Aquaculture and Fisheries Division of the East Java Fisheries and Marine Affairs Agency, Head of the Aquaculture and Fisheries Division of the Sumenep and Sampang Regency Fisheries and Marine Affairs Agencies,

Head of the Legal Division/Legal Department of the Sumenep and Sampang Regency Local Governments, Legislative Division of the Sumenep and Sampang Regency Regional People's Representative Councils, Head of the Public Relations Division of PT. Garam, The Village Heads of Pangarengan and Apaan, Pangarengan Sub-district, Sampang Regency; the Village Heads of Karanganyar and Pinggir Papas, Kalianget Sub-district, Sumenep Regency; Salt Farmers; the People's Salt Business Group (KUGAR); and Salt Farmers affiliated with the Karanganyar and Pinggir Papas Village Salt Business Cooperative, Kalianget Sub-district, Sumenep Regency.

#### Result

Based on data from interviews conducted in several locations in Sampang and Sumenep Regencies, it is evident that the readiness of facilities and infrastructure for the salt industry in Sampang and Sumenep Regencies already meets the criteria outlined in Article 3(2) of Ministerial Regulation No. 15 of 2023 on the Procedures for Designating Community Salt Economic Centers. However, there are indeed some facilities and infrastructure that still require revitalization/normalization. Among these are, as stated by the Culture and Fisheries Division of the Sampang District Fisheries Office and the Village Head of Pinggir Papas in Sumenep District, the infrastructure and facilities for salt production businesses as stipulated in Article 3(2) of Ministerial Regulation No. 15 of 2023 have been fully met, but there are still some infrastructure and facilities that require normalization, such as irrigation channels and production roads. (Ramdhani, 2021)<sup>[13]</sup> However, overall, it is known that the availability of infrastructure and facilities for salt production businesses in Sampang District and Sumenep District is already ready and in accordance with Article 3(2) of Ministry of Marine Affairs and Fisheries Regulation No. 15/2023 to be designated as a People's Salt Economic Center (SEGAR).

Based on the cost-benefit analysis (CBA) of the infrastructure and facilities outlined above, the implementation of SEGAR in Sampang and Sumenep Regencies, as stipulated in Ministry of Marine Affairs and Fisheries Regulation No. 15/2023, should be supported by the local governments of Sampang and Sumenep Regencies, the East Java Provincial Government, and the central government. This is because the costs incurred are minimal, and the benefits obtained are greater than those of previous programs. However, overall, it is known that the availability of infrastructure and facilities for the salt industry in Sampang and Sumenep Regencies is already ready and in accordance with Article 3(2) of Permen KKP 15/2023 to be designated as the People's Salt Economic Center (SEGAR). The form and responsibilities of the Sampang Regency local government in providing facilities and infrastructure were carried out by the Sampang DKP before the SEGAR program was implemented. Although the allocation from the local budget (APBD) is limited, as explained by Mr. Mahfud, Sampang Regency is merely an object, while the authority lies with the central and provincial governments, following the enactment of Law No. 23 of 2014 on Local Government. The following is data on infrastructure and facilities assistance for the salt industry in Sampang regency from 2015 to 2022, along with their funding sources

Table 1

NO	Type Of Aid	National Budget	Provincial Budget	Regional Budget
1	Land Integration	2018, 2019, 2022		
2	GGR (People's Salt Warehouse)	2022, 2023		
3	Channel Normalization	2020, 2022		2021
4	Production Road Access	2015	2020	2021, 2022
5	Geomembran	2015	2020	
6	Pin assaults		2019, 2021	
7	GGN and supporters	2017		

Source: Sampang Regency Marine and Fisheries Service Data

From interviews conducted with informants in Sumenep and Sampang districts regarding the availability of salt production facilities and infrastructure, as well as the form and responsibilities of local government in providing salt production facilities and infrastructure, it was found that the salt production facilities and infrastructure in Sampang and Sumenep districts already meet the SEGAR criteria stipulated in Article 3 paragraph (2) of Permen KK P 15/2023. (Interview with Nasrul Hidayat, Head of the Legal Department of the Sampang Regency Government, conducted on September 4, 2023, at the Sampang Regency Government Office.)

The fulfillment of these facilities and infrastructure is relatively straightforward as it constitutes the implementation of Law No. 7/2016, further regulated in the Sumenep District Regulation No. 2/2022 and the Sampang District Regulation No. 7/2020, which were established prior to the issuance of Presidential Regulation No. 126/2022 and Ministry of Marine Affairs and Fisheries Regulation No. 15/2023 on the Establishment of SEGAR.

As previously outlined, the governments of Sampang and Sumenep Regencies, through their respective Fisheries and Marine Affairs Departments, have distributed various infrastructure and facility assistance, including central government, provincial, and regency/city-level assistance. Similarly, in 2021-2022, the Sampang District Government, through the Sampang DKP, provided assistance sourced from the District/City APBD, namely the normalization of channels and access roads for production, in addition to assistance from the central and provincial governments. (Pramono Hariadi, 2010) <sup>[6]</sup>.

## Discussion

The provision of these facilities and infrastructure can be categorized as a form of implementation of Sampang Regency Regulation No. 7/2020 in Articles 15 to 19. Regarding infrastructure in Article 15 paragraph (1), it is stipulated that the local government, through its agencies, shall provide infrastructure for the salt industry. The types of infrastructure are specified in Article 19(6) and must include at least: land, irrigation channels, production roads, salt storage facilities, and water retention ponds. The provision of this infrastructure is the responsibility of the central and local governments; however, business operators may also provide and/or manage salt production infrastructure, as regulated in Article 16(1) and (2).

Similarly, the provision of facilities is the responsibility of the local government in accordance with Article 18(1)(b) of the Sampang Regency Regulation. These facilities include

petroleum products and other energy sources, water pumps, windmills, geosolators, salinity measurement devices, salt purification or washing machines, simple transport equipment, iodization equipment, packaging equipment, soil preparation equipment, and temperature measurement devices or thermometers.

Similarly, regulations regarding the protection of salt farmers are also stipulated in Sumenep Regency, specifically in Sumenep Regency Regulation No. 2/2022. The implementation of salt farmer protection is also carried out, among other things, through the provision of infrastructure and facilities as stipulated in Articles 13 to 19. As explained by the informant from the Sumenep Fisheries and Marine Affairs Office (DKP), the local government of Sumenep Regency also contributes to the provision of infrastructure and facilities such as geomembrane assistance, salt warehouse assistance, channel normalization, and production facility revitalization. This aligns with the provisions of Articles 13 and 19 of the Sumenep Regency Regulation No. 2/2022, which state that the local government, within its authority as per applicable laws and regulations, provides salt production infrastructure and facilitates salt farmers in accessing production facilities through ensuring their availability.

The provision of facilities and infrastructure by the local governments of Sampang and Sumenep Regencies constitutes the implementation of salt farmer protection as stipulated in Article 9(a) of Sumenep Regency Regulation No. 2/2022 and Article 11(1)(a) of Sampang Regency Regulation No. 7/2020. Therefore, in addition to being a form of implementation of salt farmer protection, the provision of facilities and infrastructure through this Regional Regulation can facilitate compliance with the criteria of Article 3(2) of Ministry of Marine Affairs and Fisheries Regulation No. 15/2023.

Thus, when analyzed based on a cost-benefit analysis, in terms of costs, the provision of infrastructure and facilities for the salt industry in both Sampang and Sumenep Regencies is already regulated in Sumenep Regency Regulation No. 2/2022 and Sampang Regency Regulation No. 7/2020, the fulfillment of infrastructure and facilities as stipulated in Article 3(2) of Ministry of Marine Affairs and Fisheries Regulation No. 15/2023—including irrigation channels, production roads, salt storage facilities, seawater retention ponds, water distribution equipment such as windmills or water pumps, geosolators, seawater salinity measurement devices, and transportation equipment, have already been fulfilled by local governments and salt farmers themselves in each regency even before the issuance of the Ministerial Regulation. Therefore, no costs were incurred for the SEGAR program because the infrastructure and facilities were already in place due to the existence of Sumenep Regency Regulation No. 2/2022 and Sampang Regency Regulation No. 7/2020, which regulate the protection of salt farmers.

Meanwhile, the benefits of the Sumenep Regency Regulation No. 2/2022 and the Sampang Regency Regulation No. 7/2020 also encourage, particularly in terms of infrastructure for the salt industry, the designation of Sampang and Sumenep Regencies as SEGAR zones. This allows them not only to implement protection for salt farmers but also to benefit from the SEGAR program. The SEGAR program assists salt farmers in their business processes from pre-production to marketing, including



addressing the challenges they face, as the SEGAR program is an integrated program within a single zone. Therefore, the government focuses on developing the zone to achieve the program's target indicators.

Unlike the PUGAR program, which has also been implemented in Sampang and Sumenep Regencies with the allocation of assistance for salt farming facilities and infrastructure for the welfare of salt farmers in accordance with the Technical Guidelines for the Implementation of PUGAR, the SEGAR program can have a positive long-term impact on the national salt industry in Indonesia and the welfare of salt farmers because aspects from pre-production to marketing are considered in the SEGAR area to ensure that the quantity, quality of salt for consumption and industry, as well as its marketing, can meet national salt demand targets. The existence of Sumenep Regency Regulation No. 2/2022 and Sampang Regency Regulation No. 7/2020 also clarifies that local governments have the authority to provide infrastructure and facilities for salt production. However, this authority has not been specifically regulated in Ministry of Marine Affairs and Fisheries Regulation No. 15/2023. Therefore, based on a cost-benefit analysis, the existence of Sumenep Regency Regulation No. 2/2022 and Sampang Regency Regulation No. 7/2020 strongly supports the implementation of Ministry of Marine Affairs and Fisheries Regulation No. 15/2023.

### Conclusion

The availability of facilities and infrastructure for the salt industry in Sumenep and Sampang Regencies has met the criteria set forth in Ministry of Marine Affairs and Fisheries Regulation No. 15/2023, with a cost-benefit analysis indicating high feasibility thanks to the support of the previous PUGAR program. This supports the designation of both regions as SEGAR zones, as the program is integrated from upstream to downstream. Additionally, the role and responsibilities of local governments in providing infrastructure are clearly outlined in Presidential Regulation No. 126/2022 and reinforced by each region's local regulations. The implementation of these responsibilities is already underway, demonstrating the readiness of Sumenep and Sampang as Salt Industry Economic Zones (SEGAR).

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