



RESEARCH ARTICLE

Harmonization of Financial Management Arrangements in Public Service Agency-Based Aviation College

Yudhisari Sitompul^{1*}, Dian Anggraini Purwaningtyas²¹Faculty of Law, Indonesian Christian University, Jakarta, Indonesia²Air Navigation, Indonesia Aviation Polytechnic, Banten, Indonesia

ARTICLE INFO	ABSTRACT
Received: Dec 29, 2024	Public service agencies' public services are closely related to services to the community, the government is the party with the greatest responsibility, as well as for aviation service colleges in the form of public service agencies that have assets to be optimized to improve welfare but have limited regulations that cover them. The purpose of this study is to conduct a qualitative analysis of regulatory aspects that can be harmonized to utilize assets in aviation education in the form of public service agencies. The method used is critical of 3 theories, namely the theory of development law, the theory of legal systems, and the theory of legal certainty, and from inductive analysis with data triangulation, 3 success factors are obtained, namely harmonization of regulations in the form of public service agencies in implementing regulations, public service agencies as important entities in managing state assets and the role of government as supervision and facilitation.
Accepted: Feb 8, 2025	
Keywords	
Aviation School Asset Public Service Agency Harmonization Law	
*Corresponding Author: syudhisari@gmail.com	

INTRODUCTION

A Public Service Agency (PSA) is an effort to improve services to the community to advance welfare and innovation for public service models. In the service sector for the implementation of aviation vocational education, regulations in the implementation of education governance have several overlapping regulations. From 7 (seven) aviation vocational schools managed by the Ministry of Transportation in Indonesia, PSA status is a challenge in its implementation, especially from the perspective of the law that covers it. PSA financial management is given flexibility as in Indonesia Law Number 1 of 2004 in Article 1, this is adopted and implemented as a form of service to the community in the form of providing goods or services that are sold without prioritizing profit-seeking and carrying out its activities based on the principles of efficiency and productivity (Undang-Undang Republik Indonesia Nomor 1, 2006). In aviation vocational schools at the Ministry of Transportation, especially at the Indonesian Aviation Polytechnic Curug (PPIC) which has large assets, both infrastructure in preparing educational facilities, forming Human Resources and Assets that can be used to improve welfare or can contribute to the community, it requires flexibility in financial governance that is more agile but accountable (Haryono & Nuryati, 2024). Entrepreneurial strategies that the government can develop based on the best practice of Osborne and Ted in developing the concept of an entrepreneurial government whose essence is a government bureaucracy that is oriented towards a culture of centralization, structuring, formalization, and apathy but rather on decentralization of empowerment, partnership, functionality and democratization has the potential to become a new model concept in BLU governance at aviation vocational schools (Anthopoulos et al., 2021). Another concept of governance which is consensus reached by the government, citizens, and private sub-sectors for the implementation of government

in a country, Good Corporate Governance (GCG) Where effective decision-making is built from an organizational culture that aims to achieve profitable, efficient, and effective business in managing risk and responsible by considering stakeholder interests (Karyatun et al., 2023), the purpose of GCG is to realize the implementation of solid and responsible state governance, as well as efficiency and effectiveness by maintaining the synergy of constructive interactions between the domains of the state, private sector and society (Muhammad Adil et al., 2022). However, the role of government in public services has limitations, especially in the budget found not comparable to what is needed. A Public Service Agency (PSA) is a structure that carries out government and business functions (Osborne et al., 2021). Before becoming a PSA, assets cannot be easily optimized to seek income such as renting, so with PSA management, and the flexibility to manage assets with existing regulations, BLU managers can contribute income to the country. PPIC has the potential for asset development, but several regulations related to asset management and operations have not been optimized, such as the rental of aircraft owned by PPIC, based on Aviation Law number 1 of 2009, aircraft owned for flight training cannot be used for commercial activities except with the permission of the Minister, in the Regulation of the Minister of Finance Number 129 / PMK.05 / 2020 concerning guidelines for managing Public Service Agencies for asset management is contradictory to the condition of assets at PPIC such as aircraft, laboratories, and other infrastructure and also teaching staff. From these problems, this study has a research question on how to harmonize financial management regulations in civil service universities with BLU status. The purpose of this study is to find the best legal concept for the continuity of BLU in order to contribute to national development.

1. MATERIAL AND METHOD

2.1 Public Service and Legal Studies

Public services are services provided by the government or public institutions to the community with the aim of fulfilling basic needs and improving the quality of life of the community, covering various sectors, these activities are classified into 3 forms, namely bureaucratic institutions, Public Service Agencies and State-Owned Enterprises as public institutions. (Lukman, 2009). Public services require ongoing commitment, public service agencies that provide public services must be fast, efficient and responsive, public service agencies also provide flexibility in managing their income and expenditure.

Theory of Development Law is an approach in legal science that focuses on the role of law as a tool to encourage economic and social in a country. Law is not only a tool for regulating and maintaining order but also as an instrument or means to encourage social change and progress in order to achieve national development, this theory is influenced by Roscoe Pound who has a sociological jurisprudence school. (H'ng et al., 2022). The theory of legal systems sees law as a system consisting of various elements that are interrelated and interact to achieve certain goals for the needs of society. The main elements of the legal system are a). Legal norms; b). Legal institutions; c). Law enforcement officers; d). Society. In the context of public service agencies, this theory of legal systems is relevant and provides how these legal institutions can support or hinder the effective and efficient management of state financial resources, each element can change fundamentally and be replaced without disrupting the continuity of the system. (Ab. Halim & Amni, 2023). Friedman's theory that the effectiveness and success of the upstream system consist of three components, namely structure, substance, and culture. The relevance of the theory of the legal system to public financial management in public service agencies: a). Legal framework for financial management; b). Accountability and transparency; c). The role of supervisory institutions; d). Adaptation and legal reform (Arifianto, 2022).

2.2. METHOD

The research on Draft regulations related to PSA, this research is multidisciplinary legal research, compared with existing research in a country regarding public services of the PSA model. Completing this research using a legal perspective using a normative juridical approach and supported by empirical research by collecting information through interviews. The method used is critical of 3 theories, namely the theory of development law, the theory of legal systems, and the theory of legal

certainty, and from inductive analysis with data triangulation, three success factors are obtained, namely harmonization of regulations in the form of public service agencies in implementing regulations, public service agencies as important entities in managing state assets and the role of government as supervision and facilitation.

4. RESULT

Utilization of assets to improve public services, in PSA services can cooperate in the form of Joint Operation and Management Cooperation, these assets can be in the form of land, buildings, official vehicles, and infrastructure, while intangible assets such as Intellectual Property Rights, shares, and also securities, these assets are managed by the principles of transparency, accountability and efficiency for the public interest. As in Law Number 9 of 2004 concerning the State Treasury, it is explained that state assets in the form of State/Regional Property (BMN/D) are all goods purchased or obtained at the expense of the State/Regional Revenue and Expenditure Budget. In the implementation of assets, BMN, the form of BMN utilization is in the form of rent, loan, utilization cooperation, Build Operate Transfer (BGS), Infrastructure Provision Cooperation (KSPI), and Limited Cooperation, BMN is implemented with the provision that there are no or insufficient funds available in the state budget to meet the operational costs, maintenance and/or repairs required for the BMN KSP. In addition, PSA can also carry out Management Cooperation, namely cooperation in terms of human resources, namely the utilization of assets in PSA or other party assets by involving human resources or managerial capabilities from PSA or other party managerial capabilities. In the implementation of PSA at the Indonesian Aviation Polytechnic Curug, there are no specific regulations for asset utilization because not all assets owned have been included in a regulation issued by the Ministry of Finance or the Ministry of Transportation, this has hampered public services provided, while cooperation with the private sector or international institutions requires legal regulations to support cooperation with the private sector, in overcoming PSA managers in cooperation with other institutions, both ministries or BUMN and also the private sector. Another thing that can be provided by in terms of economic impact is that PSA can carry out joint operations with work partners and in the cooperation carried out, PSA is prohibited from transferring joint operation or management cooperation to other parties, joint operation on land and buildings can be carried out based on the Decree of the PSA leadership, in the context of joint operation on buildings and land is determined by taking into account the benefit period and its term of 30 years. All results obtained from the implementation of asset management and joint operation and Management cooperation results are PSA income that can be used to directly finance PSA so that income is in accordance with the Budget and Business Plan (RBA), innovation, and entrepreneur improve the public trust as a Reinviting Government (Baradei, 2022).

The legal principle overcomes the conflicting norms in several conflicting laws, based on Aviation Law No. 1 of 2009 which prohibits holders of non-commercial air transportation permits from carrying out commercial air transportation activities. This prohibition is intended to maintain safety, avoid commercialization of assets intended for training, and ensure the focus of the use of training aircraft on educational functions. PSA regulations according to Law Number 1 concerning the State Treasury, in Article 68 that the establishment of PSA is to improve services to the community, advance public welfare and educate the nation's life, this antimony causes a dilemma, that vocational schools cannot rent out their training aircraft because of the prohibition of the aviation law (Perhubungan & Indonesia, 2009). Legal conflicts need to be unravelled regarding the regulations of Law Number 1 of 2009, Regulation Number 74 of 2012, recommendations for amendments to the aviation law, legal hierarchy, and the principle of *lex specialis*, then none is more priority, training aircraft still prioritized safety in their implementation, but government regulations specifically give authority to institutions so that there is a possibility of exceptions, especially if the operational objectives of the PSA are in line with public services (Lex et al., 2024). Regulation harmonization, a solution is needed through harmonization, such as amendments or clarifications to one of the regulations, for example, the aviation law includes exceptions for certain institutions such as PSA or government regulations, and state assets under its management can be leased in order to increase

revenue and support public services, this policy is intended to provide flexibility to institutions that need additional funds, especially to support operations and public service objectives. The relevant regulations of the Minister of Finance can be used as justification for PSA to lease its assets, but with strict conditions so that the assets can still be used for the public interest. The resolution of this antimony can be realized through a balanced approach, namely: a). Providing limited exceptions or amendments to the aviation law that allows asset leasing by PSA in the field of education; b). Regulating strict supervision and leasing restrictions only on institutions that meet education and training standards; c). Involving relevant ministries to formulate harmonious regulations between aviation safety and asset utilization for the benefit of education and public services.

The role of government in utilizing the existence of PSA from the theory of development law, the theory of legal systems, and the theory of legal certainty in utilizing assets in PSA.

The theory of development law is a theory whose approach is carried out by viewing law as an instrument to encourage and support the process of economic, social, and political development, this theory plays a role in achieving development goals where the government as a regulator has a great responsibility to ensure that laws are made and implemented to be able to support sustainable development (Hakim, 2022), then the theory of the legal system focuses on an integrated system consisting of components that are interconnected and work together to achieve order, justice and to achieve the goals of society, this theory helps and explains how rules, institutions, and legal processes can work together to know that PSA can operate by the objectives, namely efficiently, transparently and accountably (Kusumathias et al., 2023). As part of the legal system, the government has the responsibility to create a supportive legal framework, supervise the implementation of the law, and ensure that all components of the legal system function and are harmonious to support economic and social development. Then from the certainty of the law, the role of the government in utilizing PSA is very important in creating a stable and predictable environment where PSA can operate effectively and efficiently, and decision-making is transparent, consistent, and stable.


5. CONCLUSION

The laws and regulations governing public service agencies before and after their formation need to be harmonized to ensure legal clarity in their management, as in the theory of development law, disharmony of regulations causes clashes of rules that hinder the operation of public service agencies which have an impact on public services.

the existence of public service agencies as important entities in the management of state assets (Cepiku & Mastrodascio, 2021), in flight schools that have assets such as aircraft, laboratories, and simulators require optimal utilization, with the approach of legal system theory underlining the rules for the utilization of assets, then public service agencies as government institutions must meet the principles of Good Corporate Governance (GCG). the role of government to support public service agencies need to play an active role in facilitating and supporting public service agencies so that they can maximize their potential, including supporting regulations, legal certainty states that the government has a responsibility to support public service agencies as efficient and productive public service providers. the role of government in strengthening public service agency regulations ensures the sustainability of public service agencies as an integral part of national development (Manaf et al., 2023).

REFERENCES:

- Ab. Halim, M. 'Afifi, & Amni, S. Z. (2023). Legal System in the Perspectives of H.L.A Hart and Lawrence M. Friedman. *Peradaban Journal of Law and Society*, 2(1), 51-61. <https://doi.org/10.59001/pjls.v2i1.83>
- Anthopoulos, L., Sirakoulis, K., & Reddick, C. G. (2021). Conceptualizing Smart Government: Interrelations and Reciprocities with Smart City. *Digital Government: Research and Practice*, 2(4), 1-28. <https://doi.org/10.1145/3465061>
- Arifianto, M. (2022). Analysis of the Court's Decision on Criminal Actions Harding Outbreak

- Management with Lawrence Friedman Theory Perspective. *International Journal of Social Science And Human Research*, 05(11), 5075–5081. <https://doi.org/10.47191/ijsshr/v5-i11-35>
- Baradei, L. El. (2022). *How Entrepreneurial Should a Government Be?*
- Cepiku, D., & Mastrodascio, M. (2021). Equity in Public Services: A Systematic Literature Review. *Public Administration Review*, 81(6), 1019–1032. <https://doi.org/10.1111/puar.13402>
- H'ng, Z. X., Soon, J. Y., & Althabhwani, N. (2022). Theory and Application of Roscoe Pound's Sociological Jurisprudence: Transgenderism. *SSRN Electronic Journal*, 10, 1–26. <https://doi.org/10.2139/ssrn.4083718>
- Hakim, L. (2022). Securities Crowdfunding As a Financing Alternative for Micro Business in Perspective Legal Theory of Development. *Res Nullius Law Journal*, 4(1), 32–41. <http://ojs.unikom.ac.id/index.php/law>
- Haryono, A., & Nuryati, D. (2024). *The Urgency of Improving Public Services in the Digital Era through Electronic-Based Government Systems*. 5(1), 185–194.
- Karyatun, S., Yuliantini, T., Tama Putra Saratian, E., Soelton, M., & Rahma Putri Riadi, E. (2023). 3,4,5,6  1 subur.karyatun@civitas.unas.ac.id Jl. Sawo Manila No.61, Pejaten Bar. 2(2), 236–245. <https://journal.unpas.ac.id/index.php/jrbm/index>
- Kusumathias, I. P., Rahayu, S., & Wiralestari, W. (2023). the Influence of Accounting Information System Implementation on Performance With Technology Acceptance Model (Tam) Approach in Public Service Agencies of Jambi Province. *Marginal Journal of Management Accounting General Finance and International Economic Issues*, 3(1), 211–230. <https://doi.org/10.55047/marginal.v3i1.949>
- Lex, A., Derogat, S., & Generalis, L. (2024). *Asas Lex Specialis Derogat Legi Generalis; Informasi dan Transaksi Elektronik; Judi Online*. 7(1).
- Lukman, M. (2009). *The Complementary Roles of Government and Social Sector in Poverty Alleviation in Indonesia*.
- Manaf, H. A., Mohamed, A. M., & Harvey, W. S. (2023). Citizen Perceptions and Public Servant Accountability of Local Government Service Delivery in Malaysia. *International Journal of Public Administration*, 46(12), 823–832. <https://doi.org/10.1080/01900692.2022.2025829>
- Muhammad Adil, Mediaty, & Haliah. (2022). Accountability and Transparency in the Public and Private Sector. *International Journal Of Humanities Education and Social Sciences (IJHESS)*, 1(6), 857–862. <https://doi.org/10.55227/ijhess.v1i6.167>
- Osborne, S. P., Nasi, G., & Powell, M. (2021). Beyond co-production: Value creation and public services. *Public Administration*, 99(4), 641–657. <https://doi.org/10.1111/padm.12718>
- Perhubungan, M., & Indonesia, R. (2009). *UU No.1 Tahun 2009.pdf*.
- Undang-Undang Republik Indonesia Nomor 1. (2006). *Indische Comptabiliteitswet. UU No 1 Tahun 2004*, 1–61.