



# INSTITUTIONAL HISTORY OF OTORITA AGENCY IN INDONESIA

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**Abstract** The purpose of this research is to find out the history of the implementation of the otorita before otorita of the nusantara capital city. The method used in this research is a normative legal research method using a statute approach and historical approach. The result of this research is that the implementation of the otorita agency was carried out before otorita of the nusantara capital city was implemented. The first time an otorita agency was implemented in 1964, there were at least 9 (nine) otorita bodies that had been implemented. The otorita agency is only given the authority to carry out development and is temporary until the development process is complete. Thus, the position of the otorita agency was an auxiliary state's organ, namely supporting the process of implementing economic and tourism development in Indonesia at that time.

**Keywords:** Otorita Agency, Otorita of The Nusantara Capital City.

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## I. INTRODUCTION

The concept of implementing the transfer and development of the national capital with otorita of the nusantara capital city as a state institution responsible regarding the process of implementing and building the nation's capital, apparently is not a new concept in Indonesian state administration. This is because for the first time in 1964 an otorita agency was formed to complete the construction of the Trans-Sumatra highway. In 1996, an otorita agency was again formed to carry out the process of building the Jakarta capital hall. In 1970, the implementation of the otorita agency was also carried out again to carry out development at the Jatiluhur public company. In 1973, the Batam Otorita was formed for the Batam Island industrial area development project. In 1976, an otorita agency was formed to carry out the development of hydroelectric power and the Asahan aluminum smelter.

In 1980, an otorita agency was also formed to carry out the construction of the Jakarta-Cengkareng international airport. In 2016, 2017 and 2018, the implementation of the otorita agency was carried out again to manage the Lake Toba tourism area, Borobudur tourism and Labuan Bajo Flores tourism. At least the implementation of the otorita agency had been carried out nine times before the nusantara capital otorita was finally formed.

There are several things that differentiate the concept of implementing the otorita agency and the nusantara capital otorita. The most basic difference is that the nusantara capital otorita was formed by law, whereas the previous otorita agency was only formed by government regulations, presidential regulations and presidential decrees. Based on the legal sources for its formation, the nusantara capital otorita is higher than the previous otorita agency. The concept of implementing the nusantara capital otorita was also formed not only to carry out the transfer and implementation of development of the nusantara capital city, but also to become a regional government, especially the nusantara capital city, led by the head and deputy head of the otorita without going through a general election process, but directly appointed by the president.

Institutionally, the Indonesian capital city otorita cannot be called a regional government, because this is contrary to the concept of regional government based on the constitution. Article 18 of the 1945 Constitution of the Republic of Indonesia states that regional governments are provinces and districts/cities, so there are no other interpretations regarding the form of regional government. Therefore, based on this background, the author wants to explain historically the implementation of otorita bodies in Indonesia to find out the concept of the implementation of otorita bodies before the otorita of the capital city of the nusantara.

## **II. DISCUSSION**

### **History of the implementation of otorita agency in Indonesia**

The implementation of the otorita agency began for the first time at the end of the old order regime, namely in 1964. In 2022, the implementation of the otorita agency will be carried out again in Indonesia, namely the nusantara capital otorita. Below the author tries to describe the implementation of the otorita agency based on the year it was formed, as follows:

#### **1. Trans Sumatra Highway Otorita**

Sumatra has long been a sector of the country's economy, because the islands in Sumatra are centers for wood plantations, mining and tourism destinations.<sup>1</sup> Therefore, it is necessary to immediately seek to utilize the potentials found on the island of Sumatra by building connecting roads between regions in Sumatra and Sumatra with Java to launch nation building.

The implementation of the construction of the Trans-Sumatra highway is regulated by Presidential Regulation Number 17 of 1964 concerning the Trans-Sumatra Highway Otorita. In the provisions of Article 1 of Presidential Regulation Number 17 of 1964 concerning the Trans-Sumatra Highway Otorita, with the issuance of this regulation, a highway construction and construction organizing body was established. In this provision, the name of the otorita which is domiciled in Jakarta and can establish project offices and representative

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<sup>1</sup>Martin Sitompul, The Long Road Connecting Sumatra, *Historia: The Past is Always Current*, 2020, Accessed via page:<https://historia.id/economic/articles/jalan-panjang-mengcepatan-sumatra-P1Rq0/page/1>, On January 18 2023, at 22.14 WIB.

offices in Sumatra is referred to in this provision. This is the first time Indonesia has introduced an otorita system in national development efforts. The Trans-Sumatra highway construction otorita is led by general leadership and directors. Based on the provisions of Presidential Decree Number 212 of 1964 in the second point set that the general leadership of the otorita for the construction of the Trans-Sumatra highway is held directly by the president of the Republic of Indonesia.<sup>2</sup>

There are several regulatory changes, including the replacement of directors with general leadership, and general leadership with high leadership. The high leadership of the otorita is led directly by the president of the Republic of Indonesia and the general leadership of the otorita is carried out by the minister of highways of Sumatra.<sup>3</sup> To carry out daily work in the construction of the Sumatran highway, the Sumatran highway minister formed an implementing agency for the construction of the Sumatra highway, here after referred to in Presidential Regulation Number 13 of 1965 as the implementing agency. The implementing agency is led by a board of directors, which in this presidential regulation is hereinafter referred to as the board of directors.<sup>4</sup>

In 1967 the government planned to increase efficiency usefulness in carrying out the task of building the Trans-Sumatra highway. The government's actualization at that time was the issuance of Presidential Decree Number 168 of 1967 which was motivated by the issuance of the Provisional People's Consultative Assembly Decree Number XXIII/MPRS/1966 concerning Renewal of Economic, Financial and Development Policy. The MPRS decision was issued because the country is currently experiencing a rapid economic decline due to deviations from the pure implementation of the 1945 Constitution.<sup>5</sup>

Based on Presidential Decree Number 168 of 1967 in point d, weighing section explain that the transfer of responsibility delegated to the minister/department of public works is no longer to the chairman of the Trans-Sumatra highway construction otorita. Through this regulation the construction of highways cross Sumatra is a special project responsible to minister/public works department. Thus, after the issuance of Presidential Decree Number 168 of 1967, Presidential Regulation Number 17 of 1964, jo. 13 of 1965.

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<sup>2</sup>Presidential Decree Number 212 of 1964 concerning the Establishment of Presidential Staff for the Trans-Sumatra Highway.

<sup>3</sup>Article 9 and Article 10 paragraphs (1) and (2) Presidential Regulation Number 13 of 1965 concerning Amendments or Additions to Presidential Regulation Number 17 of 1964 concerning Highway Authorities.

<sup>4</sup>Article 13 paragraph (1) and paragraph (3) Presidential Regulation Number 13 of 1965 concerning Amendments or Additions to Presidential Regulation Number 17 of 1964 concerning Highway Authorities.

<sup>5</sup>Article 1 MPRS Decree Number XXIII/MPRS/1966 concerning Renewal of Economic, Financial and Development Policy.

## **2. Development Otorita Project Capital Hall Building Jakarta**

Jakarta's capital hall is national project which is intended to be the property and pride of all Indonesian people, not just the people of Jakarta. Development Jakarta's capital city hall building is under construction project which is national, and by there fore it is necessary to establish an otorita agency tasked with carrying out the construction of the Jakarta capital hall and securing the necessary development financing.<sup>6</sup> The otorita agency was formed through Presidential Decree Number 57 of 1966 concerning the Development Otorita Project Jakarta Capital City Hall building, actualization of construction and improvements the capital city of Jakarta as Capital City.

The otorita for the construction of the Jakarta capital hall building is the second otorita to be implemented after the Trans-Sumatra highway otorita which was promulgated through Presidential Decree Number 57 of 1966 concerning the Development Otorita Project Capital Hall Building Jakarta. Otorita agency for implementation responsible directly to the president of the Republic of Indonesia, the otorita agency is led by the general leadership and also members of the general leadership. In carrying out their duties, the general leadership of the otorita agency can appoint or appoint experts and other supporting staff needed to carry out the activitiesthe way development work.<sup>7</sup>

The formation of an otorita agency for the construction of the Jakarta capital hall building project through Presidential Decree Number 57 of 1966 as a form of effort realize development of the capital city of Jakarta asthe nation's capital. The Otorita is given authority by the state based on this regulation to conduct business in everything field by mobilizing funds and forces, especially in the Jakarta area and in any region. Through the respective regional governments to obtain financial resources to finance the construction of the Jakarta capital hall building.<sup>8</sup>

Provision implementing regulations for the construction of the Jakarta capital city hall are outlined in ministerial regulations and ministerial decisions. Presidential Decree Number 57 of 1966 was formed because of Law Number 20 of 1964 concerning the Designation of Jakarta as the National Capital of the Republic of Indonesia which was later amended by the provisions of Law Number 11 of 1990 concerning the Composition of the Special Regional Government for the National Capital. Canceled by Law Number 34 of 1999 concerning the Provincial Government of the Special Capital Region of the Republic of Indonesia, Jakarta, then canceled by Law Number 29 of 2007 concerning the Provincial Government of the Special Capital Region of Jakarta as the Capital of the Unitary State of the Republic of Indonesia.

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<sup>6</sup>Presidential Decree Number 57 of 1966 concerning the Authority for the Construction of the Jakarta Capital City Hall Building Project.

<sup>7</sup>Second point, Presidential Decree Number 57 of 1966 concerning the Authority for the Construction of the Jakarta Capital City Hall Building Project.

<sup>8</sup>Fifth Point, Presidential Decree Number 57 of 1966 concerning the Authority for the Construction of the Jakarta Capital City Hall Building Project.

Apparently the term otorita agency is also known in Law Number 29 of 2007, in the provisions of Article 31 of Law Number 29 of 2007. There is only one article and it is not detailed in the diction that the otorita agency refers to the otorita agency for building halls. the capital city of Jakarta or other otorita bodies in Jakarta, because based on the provisions of existing laws and regulations, relating to the capital city of Jakarta starting from Law Number 20 of 1964, Law Number 11 of 1990, Law Number 34 In 1999, and Law Number 29 of 2007 there was no formation of an otorita agency through this law. It was only in the provisions of Presidential Decree Number 57 of 1966 that the basis for the reminder was Law Number 20 of 1964 concerning the Designation of Jakarta as the Capital of the Republic of Indonesia.

### **3. Jatiluhur Otorita Public Company**

The Jatiluhur Otorita was formed in 1970 through Government Regulation of the Republic of Indonesia Number 20 of 1970 concerning the Establishment of Company General Jatiluhur Otorita. Before becoming the Jatiluhur otorita, apparently it was first regulated in the Government Regulation of the Republic of Indonesia Number 8 of 1967 concerning the Establishment of the Jatiluhur State Company, it was stated that a Jatiluhur Lake management and supervisory body was formed, hereinafter referred to as the Jatiluhur State Company or in this regulation referred to as PN Jatiluhur.<sup>9</sup>

The purpose of it was founded Jatiluhur District Court is a form of effort to help build the national economy in accordance with the government program at that time by prioritizing the needs of the people and peace and harmony. Employment within the company, towards a just and prosperous society materially and spiritually.<sup>10</sup> To achieve this goal, the Jatiluhur District Court is guided by the basic commercial healthy person to be in charge of carrying out the operation of the Jatiluhur reservoir, and utilizing all the wealth exploitation and continued development.

Meanwhile, the aim of the Jatiluhur Otorita is to help develop the national economy in accordance with wisdom government with regional development in mind. Republic of Indonesia Government Regulation Number 20 of 1970 concerning the Establishment of the Jatiluhur Otorita Public Company was amended through Republic of Indonesia Government Regulation Number 35 of 1980 concerning Amendments to Republic of Indonesia Government Regulation Number 20 of 1970 concerning the Establishment of the Jatiluhur Otorita Public Company with the consideration that to improve guidance and supervision of activities It is deemed necessary for the Jatiluhur Otorita Public Company to place the Jatiluhur Otorita Public Company under the relevant technical minister, namely replacing the duties of the Minister of Public Works and Electrical Power by being delegated to the Minister of Public Works

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<sup>9</sup>Article 1 paragraph (1) Republic of Indonesia Government Regulation Number 8 of 1967 concerning the Establishment of the Jatiluhur State Company.

<sup>10</sup>Article 5 paragraph (1) Republic of Indonesia Government Regulation Number 8 of 1967 concerning the Establishment of the Jatiluhur State Company.

together with the Minister of Finance and the Minister of Home Affairs.<sup>11</sup>

Government Regulation of the Republic of Indonesia Number 35 of 1980 provisions of Article 2, Article 7 paragraph (1), and Article 9 of Government Regulation of the Republic of Indonesia Number 20 of 1970. Government regulations concerning Jatiluhur otorita public companies are replaced by Government Regulation of the Republic of Indonesia Number 42 of 1990 concerning Companies General Jatiluhur Otorita. Through the Republic of Indonesia Government Regulation Number 42 of 1990 concerning the Jatiluhur Otorita Public Company, the regulations are more detailed, starting from the structural leadership and fields covered, and the company's articles of association.

#### **4. Batam Island Industrial Regional Development Otorita (BP Batam)**

In 1971 when it was built by the Batam Otorita (currently called BP Batam), this city became an industrial area working environment with its development entrusted to the government agency at that time called the Batam Island Industrial Area Development Otorita or better known as the Batam Otorita.<sup>12</sup>

The existence of institutional bodies business Batam authorities can not be separated from the central government's policy to treat Batam City specifically in order to stimulate the investment climate and national economic growth by exploiting the potential and strategic location of Batam City accordance with Presidential Decree number 41 of 1973.<sup>13</sup> Based on Government Regulation Number 34 of 1983, the Batam District area which is part of Riau Islands Regency, based on PP Number 34 of 1983 Batam was developed into a municipality with an administrative nature and its position is at the same level as a district/municipality other level II areas.<sup>14</sup>

After being upgraded to the status of Batam municipality, it has the task of carrying out government and community administration as well support development carried out by the Batam Otorita (BP Batam). Then through PP Number 46 of 2007 the Batam Otorita was changed to the Batam Concession Agency (BP) which is under the Batam, Bintan, Karimun free trade zone regional council chaired by the governor of the Riau Islands.

The Batam Otorita's initial goal was to make Batam Island an industrial

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<sup>11</sup>Article 1 letter b Government Regulation of the Republic of Indonesia Number 35 of 1980 concerning Amendments to Government Regulation of the Republic of Indonesia Number 20 of 1970 concerning the Establishment of the Jatiluhur Authority Public Company.

<sup>12</sup>Regional Office of the Directorate General of Treasury, Riau Islands Province. BP Batam Institutional and Governance Study. Batam. 2014. Pp. 5.

<sup>13</sup>Azura Adawiyah R., AM Rusli, Andi Lukman Irwan, Analysis of Land Authority Regulations in Batam City, Government: Journal of Government Science, Volume 14 Number 1 ISSN 1979-5645, e-ISSN 2503-4952, Makasar, 2021, p. 56.

<sup>14</sup>Ari Pratama, Granting Land Rights Above Management Rights in the Management of Free Trade Areas and Free Ports in Batam City, Thesis, Padang: FH Andalas University, 2016, p. 17.

development area that was ready to compete with neighboring countries. The Batam Otorita was formed at that time because Batam was only a sub-district under the Riau Islands Regency government. It was proven then that the government's decision was right. With all the privileges given by the government at that time, in a short time Batam was transformed into a developed industrial area and became an investment destination for foreign investors. The peak occurred at approx 1980-an until the early 1990s. At that time the name Batam was very popular and the flow of immigrants, especially those looking for work, increased sharply.<sup>15</sup>

Through Law Number 53 of 1999 concerning the Establishment of Regency Pelalawan, Rokan Regency, Hulu Regency, Regency Rokan Hilir, Siak Regency, Karimun Regency, Natuna Regency, Regency Kuantan Singingi, and Batam City, the Batam administrative municipality changed its status to an autonomous region, namely the Batam City government to carry out government and development functions by involving the Batam otorita agency (BP Batam). Law Number 53 of 1999<sup>16</sup> has mandated the issuance of a Government Regulation that regulates the working relationship between the Batam City government and the Batam Business Board. In this case, the Batam City government which is the organizer and the Batam business entity are only included. However, until now the government has not yet issued it product the law in question. Apart from that, the existence of the two institutions which are supported by different legal structures and substances causes Batam Island management policies to become disharmonious. This disharmony ultimately leads to overlapping authority.<sup>17</sup>

The solution provided by the government was precisely to issue a Government Regulation. On September 17 2019, the government issued Government Regulation Number 62 of 2019 as a second form of amendment to Government Regulation Number 46 of 2007 concerning the Batam Free Trade Area and Free Port. This regulation becomes the legal umbrella for the activities of the Batam free trade area and free port council in appointing the mayor of Batam City as head of the new Batam business entity.<sup>18</sup> This is based on the mandate of Government Regulation Number 62 of 2019 which states that, "the head of the Batam free trade area and free port management agency as referred to in paragraph (1) is held ex-officio by the mayor of Batam."<sup>19</sup>

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<sup>15</sup>Regional Office of the Directorate General of Treasury, Riau Islands Province. BP Batam Institutional and Governance Study. Batam, Ibid, p. 6.

<sup>16</sup>Article 21 paragraph 3 Law Number 53 of 1999.

<sup>17</sup>Alexander Yanuard Dalla and Friska Natlia Hutabarat, Overlapping Authorities for the Development of the Batam Special Economic Zone, Research and Development Agency (BPP) Ministry of Home Affairs, May 2018, p. 144-146.

<sup>18</sup><https://batam.tribunnews.com/2019/09/28/resmi-dilantikjadi-Head-bp-batam-ini-besar-menanti-rudi>, accessed, January 18 2023.

<sup>19</sup>Article 2 a paragraph 1 point a Government Regulation Number 62 of 2019.

## 5. Asahan Otorita

The Asahan hydropower project was inaugurated by Soeharto on January 20 1982, and the first phase of operation of the aluminum smelting plant (PPA) in Kuala Tanjung was also inaugurated directly by Soeharto in 1984.<sup>20</sup>The Asahan project is a project that utilizes Lake Toba water for hydro electric power generation Sigura-Gura and Tangga in North Sumatra. This project is also an integrated project which includes several main units and infrastructure that support each other. The scope of activities includes industry, electricity, ports, roads, urban areas, water purification, telecommunications, export and import trade. These activities are organized and supervised by various technical departments. To facilitate coordination between government agencies and prevent overlaps in regulation and supervision, the government established a coordination forum that covers all Asahan project activities, namely the Asahan Project Development Otorita.<sup>21</sup>

The Asahan project development otorita was formed on January 22 1976 with Presidential Decree Number 5 of 1976 concerning the Establishment of the Development Otorita and Central Development Agency for Hydroelectric Power and Smelting Aluminum Sharpening.<sup>22</sup> In carrying out its duties, the Asahan Otorita is responsible to the President<sup>23</sup> through a supervisory body chaired by the coordinating minister for the economy with members consisting of the minister of home affairs, minister of finance, minister of mining, minister of industry, minister of transportation, minister of public works, minister of labor and transmigration, governor of North Sumatra, and head of the investment coordinating body.<sup>24</sup>

On July 7 1975, the Master Agreement for Asahan Hydroelectric and Aluminum Project was signed between the government of the Republic of Indonesia and the Japanese government in Tokyo, Japan. The scope of this agreement includes the establishment of an aluminum smelting plant and the construction of a hydroelectric power plant (PLTA) located in North Sumatra. For implement this mega project, a joint venture consortium was established between the Indonesian government and Nippon Asahan Aluminum Co., Ltd, with the name PT Inalum on January 6 1976 in Jakarta. In accordance with the master agreement, PT Inalum's operational period is 30 years from the start of operations on November 1 1983 to October 31 2013. The aim of establishing

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<sup>20</sup>Azizul Kholis, *Public Policy Ideas and Discourse*, Madenatera Medan, Medan, 2017, p. 2.

<sup>21</sup>State Archives of the Republic of Indonesia, *Asahan Authority Technical Drawings: Asahan Project Series*, Directorate of Processing Deputy for Archives Conservation ANRI, Jakarta, 2013, p. 5.

<sup>22</sup>Article 3 Decree of the President of the Republic of Indonesia Number 5 of 1976 concerning the Establishment of the Development Authority and Central Development Agency for Hydroelectric Power and the Asahan Aluminum Smelter.

<sup>23</sup>Article 2 paragraph (1) Decree of the President of the Republic of Indonesia Number 5 of 1976 concerning the Establishment of the Development Authority and Central Development Agency for Hydroelectric Power and the Asahan Aluminum Smelter.

<sup>24</sup>*Op Cit*, State Archives of the Republic of Indonesia, *Asahan Authority Technical Drawings: Asahan Project Series*, Directorate of Processing Deputy for Archives Conservation ANRI, Jakarta, 2013, p. 6.



PT Inalum is to realize the Asahan project to build and operate an aluminum smelting plant and hydroelectric power plant.<sup>25</sup>

Since being acquired by the government, PT Inalum is currently developing downstream aluminum production by encouraging product diversification from aluminum ingots to aluminum alloy, billet and wire rod, as well as working on a new integrated smelting plant in the industrial area and international port of Tanah Kuning, Bulungan Regency, North Kalimantan and preparing to become the parent holding company for the mining sector company which is planning to acquire Freeport Indonesia.<sup>26</sup>

## **6. Jakarta-Cengkareng International Airport Development Otorita**

The construction of Soekarno-Hatta airport in 1980 was based on Decree of the President of the Republic of Indonesia Number 52 of 1980 concerning the Establishment of the Jakarta-Cengkareng International Airport Development Otorita.<sup>27</sup> Therefore, based on these considerations, the government considers it necessary to establish an otorita for the development of the Jakarta-Cengkareng international air port. The Otorita is tasked with controlling the implementation of the development of the Jakarta-Cengkareng international air port in accordance with the policies set by the government.<sup>28</sup>

In carrying out its duties, the otorita carries out the following functions:<sup>29</sup>

- a. Direction to projects so that planning and implementation of development programs can take place in an integrated manner and in accordance with policies set by the government
- b. Supervision of development implementation including tenders and appointment of contractors
- c. Supervision of project financial management, whether originating from the development budget or from foreign aid or loans provided for implementationdevelopmentthe air port
- d. Coordination and fostering cooperative relations with all government agencies both at the central and regional levels related to the implementation of the airport development.

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<sup>25</sup>Ibid, State Archives of the Republic of Indonesia, Asahan Authority Technical Drawings: Asahan Project Series, Directorate of Processing Deputy for Archives Conservation ANRI, Jakarta, 2013, p. 6.

<sup>26</sup>Op Cit, Fitri Zuriam Makmur, Legal Analysis of the Acquisition of PT. Indonesia Sharpens Aluminum From Foreign Investment to Become a State-Owned Enterprise, Faculty of Law, Muhammadiyah University, North Sumatra, Medan, 2019, p. 18.

<sup>27</sup>Point a considers the Decree of the President of the Republic of Indonesia Number 52 of

<sup>28</sup>Article 1, Decree of the President of the Republic of Indonesia Number 52 of 1980 concerning the Establishment of the Jakarta-Cengkareng International Airport Development Authority.

<sup>29</sup>Article 2 paragraph (1) Decree of the President of the Republic of Indonesia Number 52 of 1980 concerning the Establishment of the Jakarta-Cengkareng International Airport Development Authority

In carrying out its duties, the Jakarta-Cengkareng international airport development otorita must be directly responsible to the president of the Republic of Indonesia. The otorita formed based on Presidential Decree of the Republic of Indonesia Number 52 of 1980 concerning the Establishment of the Jakarta-Cengkareng International Airport Development Otorita was chaired by the Minister of Transportation, who at that time was Rusmin Nuryadin. The implementation of the Jakarta-Cengkareng international air port development otorita only took place 5 years after the issuance of Presidential Decree of the Republic of Indonesia Number 52 of 1980 concerning the Establishment of the Jakarta-Cengkareng International Air Port Development Otorita.

Through the Decree of the President of the Republic of Indonesia Number 52 of 1985 concerning Changes to the Otorita for the Development of the Jakarta-Cengkareng International Air Port, it was stated that the first phase of the construction of the Jakarta-Cengkareng International Airport had been completed, and had been in operation since April 1, 1985. Thus, the first phase of construction had been completed. Jakarta-Cengkareng international air port, the duties and functions of the international air port development otorita have been declared complete, and the Jakarta-Cengkareng international air port development otorita was dissolved through Presidential Decree of the Republic of Indonesia Number 52 of 1985 concerning Changes to the Jakarta-Cengkareng International Air Port Development Otorita.

## **7. BP Lake Toba Otorita**

Tourism for many countries has been designated as a leading sector for increasing tourism destinations and investment, making tourism a key factor in export earnings, job creation, business and infrastructure development.<sup>30</sup> With government policy to open access to the formation of 10 new tourist destinations, including the development of Lake Toba tourism.

The Indonesian government clearly places tourism as a priority sector in the development program for 10 national tourism destinations. Six of them are national strategic areas referring to Government Regulation Number 50 of 2011 concerning the National Tourism Development Master Plan and the other four are special economic zones.<sup>31</sup> Based on Presidential Regulation Number 81 of 2014 concerning Spatial Planning of Lake Toba and its surroundings, the Lake Toba area will be developed with the concept of regionalization. Currently the Lake Toba area is designated as a National Tourism Destination and a Superior Tourism Destination in North Sumatra Province. Realizing this, the government designated the Lake Toba Area as a National Strategic Area in the tourism sector, which is hereinafter referred to

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<sup>30</sup>Mentari Puspa Wardani, Contribution to the Development of Lake Toba Tourism Through the BOP (Tourism Authority Agency) Scheme for Communities Around Lake Toba, Brawijaya University, Malang, 2016, p. 1.

<sup>31</sup>Malidya Puspita Ayu, Institutional Study of Integrated Tourism Development in the Lake Toba Region, Master of Tourism Planning, Bandung Institute of Technology, Bandung, 2018, p. 1.

as a national tourism strategic area.<sup>32</sup>

The Ministry of Tourism of the Republic of Indonesia launched a Tourism Otorita Agency in ten priority tourist destinations in Indonesia, starting in 2016.<sup>33</sup>The factor in the formation of a tourism otorita agency is a form of implementing synergy between the management of tourist destinations.<sup>34</sup>

Body executor The Lake Toba Otorita is a work unit under the Ministry of Tourism and Creative Economy which was formed based on Presidential Regulation Number 49 of 2016, to accelerate integrated tourism development in the Lake Toba area. BPODT is also a professionally managed public service agency that can prioritize efforts to synchronize and coordinate stakeholders, related to the investment business and tourism industry, between the regional government, central government and the Lake Toba community.<sup>35</sup>

Determination of a decree by the President Joko Widodo on June 1 2016, Presidential Regulation Number 49 of 2016 concerning the Lake Toba Tourism Area Management Otorita was signed. In this presidential regulation, it is stated that in order to carry out the development of the Lake Toba tourism area, an otorita agency to manage the Lake Toba tourism area will be formed which is under and responsible to the president.<sup>36</sup> The organizational structure of the Lake Toba otorita according to this presidential regulation consists of a steering committee of the implementing agency.<sup>37</sup>

## **8. Borobudur Otorita agency**

The Borobudur Otorita agency was formed in 2018 through Presidential Regulation Number 46 of 2017 concerning the Borobudur Tourism Area Management Otorita agency as a form of the government's objective view on improving the national tourism sector. Structurally, the Borobudur otorita agency is a work unit under the auspices of the Ministry of Tourism in accordance with the Ministerial Decree Tourist Number 10 of 2017 which is currently the Ministry of Tourism and Creative Economy.

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<sup>32</sup>Ibid, Malidya Puspita Ayu, Institutional Study of Integrated Tourism Development in the Lake Toba Area, Master of Tourism Planning, Bandung Institute of Technology, Bandung, 2018, p. 1. <http://www.kemenpar.go.id/userfiles/Paparan%20-%20BPDIP.Pdf>, Accessed on March 5 2023 at 23.03.

<sup>34</sup><http://nasional.kompas.com/Read/2016/01/29/23020801/Presiden.Bentuk.Badan.%20Otoritas.Khusus.untuk.Manage.Candi.Borobudur>, Accessed March 5 2023 at 23.16 WIB.

<sup>35</sup>Lake Toba Authority Implementing Body, Accessed via page: BPODT – Lake Toba Authority Implementing Body – Official Website, On March 5 2023 at 22.39 WIB.

<sup>36</sup>Op Cit, Mentari Puspa Wardani, Contribution to the Development of Lake Toba Tourism Through the BOP (Tourism Authority Agency) Scheme for Communities Around Lake Toba, Brawijaya University, Malang, 2016, p. 6.

<sup>37</sup>Article 3, Presidential Regulation of the Republic of Indonesia Number 49 of 2016 concerning the Lake Toba Tourism Area Management Authority.

The Borobudur otorita agency is a work unit of the Ministry of Tourism and Creative Economy and has now been approved as a public service agency through the Decree of the Minister of Finance Number 259/KMK.05/2021 concerning Determination Borobudur Otorita Implementing Body at the Ministry of Tourism and Creative Economy as a Government Agency that Implements the Financial Management Pattern for Public Service Bodies.<sup>38</sup>

The organizational structure of the Borobudur otorita agency consists of a steering board and an implementing body.<sup>39</sup> The steering committee consists of a chairman who is also a member, led by the coordinating minister for maritime affairs, a daily executive chairman who is also a member, led by the minister of tourism and is now led by the minister of tourism and creative economy.<sup>40</sup> Although the steering committee does not explain who it is responsible to in this presidential regulation, hierarchically, because it functions as an assistant to the president, it is directly responsible to the president. Meanwhile, the implementing agency is part of the work unit under the minister of tourism and the creative economy, which is then formulated into the organizational form and work procedures of the implementing agency consisting of a head, financial officials and technical officials, the number and type of which are regulated and determined by the minister of tourism and the creative economy. approval from the steering committee.<sup>41</sup>

Position otorita agency Borobudur is in the Borobudur tourism area. The working team of the implementing agency is different from the membership of the steering committee in that it does not consist of ministries, but the number is adjusted to needs and must come from elements of civil servants.<sup>42</sup> The head of the implementing agency is appointed for a term of office of 5 (five) years and can be reappointed for a maximum of 1 (one) term of office.<sup>43</sup> The duties and functions of the implementing agency are further regulated through the Regulation of the Minister of Tourism of the Republic of Indonesia Number 10 of 2017 concerning the Organization and Work Procedures of the Borobudur Otorita Implementing Agency.<sup>44</sup>

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<sup>38</sup>Ministry of Finance, Progress of the Borobudur Authority Zone Development PPP Project, Accessed via the page:PPP-Progress of the Borobudur Authority Zone Development PPP Project (kemenkeu.go.id), Accessed March 10, 2023 at 03.47.

<sup>39</sup>Article 4 Presidential Regulation of the Republic of Indonesia Number 46 of 2017 concerning the Borobudur Tourism Area Management Authority.

<sup>40</sup>Article 5 Presidential Regulation of the Republic of Indonesia Number 46 of 2017 concerning the Borobudur Tourism Area Management Authority.

<sup>41</sup>Article 9 Presidential Regulation of the Republic of Indonesia Number 46 of 2017 concerning the Borobudur Tourism Area Management Authority.

<sup>42</sup>Article 11 Presidential Regulation of the Republic of Indonesia Number 46 of 2017 concerning the Borobudur Tourism Area Management Authority.

<sup>43</sup>Article 12 of the Presidential Regulation of the Republic of Indonesia Number 46 of 2017 concerning the Borobudur Tourism Area Management Authority.

<sup>44</sup>Article 2 Regulation of the Minister of Tourism of the Republic of Indonesia Number 10 of 2017 concerning the Organization and Work Procedures of the Borobudur Authority Implementing Body

## 9. Labuan Bajo Flores Otorita Implementing Agency

Labuan Bajo Flores otorita implementing agency is a work unit under the Ministry of Tourism and Creative Economy which was formed based on Presidential Regulation Number 32 of 2018 to accelerate integrated tourism development in the Labuan Bajo Flores tourism area which includes 11 coordinating districts and an area of 400 hectares located in the Bowosie Forest, West Manggarai Regency, East Nusa Tenggara Province.<sup>45</sup>

Through the Presidential Regulation of the Republic of Indonesia Number 32 of 2018 concerning the Labuan Bajo Flores Tourism Area Management Agency, it is a form of implementation in the context of optimizing management, development and construction area Labuan Bajo Flores tourism needs to take coordinated, systematic, targeted and integrated steps, so a formation is formed otorita agency area manager tourist Labuan Bajo Flores.<sup>46</sup>

Position otorita agency Labuan Bajo in implementing the development of the Labuan Bajo Flores area through Presidential Regulation of the Republic of Indonesia Number 32 of 2018 becomes the manager in the field tourism in the Labuan Bajo Flores tourism area with accountability system directly to the president.<sup>47</sup>

Organization structure otorita agency Labuan Bajo Flores tourism consists of a steering board and implementing agency. The steering board consists of a chairman who is also a member, led by the coordinating minister for maritime affairs, a daily executive chairman who is also a member, led by the minister of tourism and creative economy.<sup>48</sup>

The steering board is assisted in carrying out its duties by a secretary who is held by the secretary of the coordinating minister for maritime affairs and is assisted by a group of experts. The implementing agency is a work unit under the Ministry of Tourism and Creative Economy and is responsible to the minister of tourism and creative economy. The head of the implementing agency is appointed for a term of office of 5 (five) years and can be reappointed for a maximum of 1 (one) term of office.<sup>49</sup> The duties of the implementing agency are further regulated in the Regulation of the Minister of Tourism of the Republic of Indonesia Number 7 of 2018 concerning the Organization and Work Procedures of the Labuan Bajo Flores Otorita Implementing Agency.

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<sup>45</sup>Labuan Bajo Flores Tourism Authority, Labuan Bajo Flores Tourism Authority, BOPLBF-Profile (labuanbajoflores.id), Accessed March 13 2023 at 04.05 WIB.

Presidential Regulation of the Republic of Indonesia Number 32 of 2018 concerning the Labuan Bajo Flores Tourism Area Management Agency

<sup>47</sup>article 1 Presidential Regulation of the Republic of Indonesia Number 32 of 2018 concerning the Labuan Bajo Flores Tourism Area Management Agency.

<sup>48</sup>Article 5 Presidential Regulation of the Republic of Indonesia Number 32 of 2018 concerning the Labuan Bajo Flores Tourism Area Management Agency.

<sup>49</sup>Article 12 Presidential Regulation of the Republic of Indonesia Number 32 of 2018 concerning the Labuan Bajo Flores Tourism Area Management Agency.

## 10. Otorita of The Nusantara Capital City

Otorita capital of the nusantara through Law Number 3 of 2022, it is focused on implementing the development of the new national capital. Although, otorita capital of the nusantara is a regional government specifically for a capital city like Jakarta. The difference between the two is that the administration of government is otorita capital of the nusantara it is not stated that it is implemented based on the principle of regional autonomy, while Jakarta through Law of the Republic of Indonesia Number 29 of 2007 concerning the Provincial Government of the Special Capital Region of Jakarta as the Capital City of the Unitary State of the Republic of Indonesia in Article 1 paragraph (2) states that "Regional government of the Special Capital Region Province Jakarta is the administration of government affairs by the regional government and the Regional People's Representative Council of the Special Capital Region of Jakarta Province according to the principle of autonomy and assistance duties with the principle of the widest possible autonomy within the system and principles of the Unitary State of the Republic of Indonesia as intended in the 1945 Constitution of the Republic of Indonesia".

The institutional nature of management development capital of the nusantara namely by providing a load responsibility of the authorities capital of the nusantara executor maintenance development and governance in capital of the nusantara. Otorita capital of the nusantara is part of the central government which carries out the preparation and execution of development and continues as a manager capital of the nusantara (city manager),<sup>50</sup> with the characteristics of the otorita being only a city manager, in the capital city of the nusantara there is no need for practical political interference because the political aspect has been carried out at the central level (mutual agreement with the president and the DPR), and the otorita has a unique and special/discretionary task, and is multisectoral (collaborative).<sup>51</sup>

The following is a table regarding the governance, position and composition of the government of the Indonesian capital based on Law Number 3 of 2022 concerning National Capital:

Table 1. IKN governance, position and government structure.

Constitution	Governance	Position	Government Structure
Law Number 3 of 2022 concerning National Capital	The governance of the national capital is given to the national capital otorita as a regional government institution specifically for the nusantara capital located in East Kalimantan. The	The position of the capital of the nusantara is the national capital replacing Jakarta. The Nusantara Capital Otorita is a ministry-level institution that administers the	The government structure of the new national capital is a special regional government for the capital city. The concept of regional government for the capital of the

<sup>50</sup>Ibid, Academic Manuscript, Law Number 3 of 2022 concerning National Capital, p. 27.

<sup>51</sup>Ibid, Academic Manuscript, Law No. 3 of 2022 concerning National Capital, p. 27.

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national capital is no longer referred to as a provincial government, but is only referred to as a regional government specifically for the capital of the nusantara. Otorita of the nusantara capital city is not led by a governor, but by the head of the otorita who is appointed directly by the president, without holding elections, and there is no DPRD in the implementation of regional government specifically for the Indonesian capital.

regional government specifically for the nusantara capital city. The position and functions are further regulated by Presidential Regulation Number 62 of 2022 concerning the Nusantara Capital Otorita.

nusantara is something new and is not contained in the concept of regional government in the constitution. The capital city of Jakarta is led by a governor who is elected based on an election, while otorita of the nusantara capital city is led by the head of the otorita who has a ministerial level position, appointed, appointed and dismissed by the president. The head of otorita of the nusantara capital city reports directly to the president.

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### III. CONCLUSION

Based on discussion, the results showed that are the implementation of the otorita agency was carried out before the nusantara capital otorita was implemented. The first time an otorita agency was implemented in 1964, there were at least 9 (nine) otorita bodies that had been implemented. Among them are, the Trans-Sumatra Highway Otorita (1964), Development Otorita Project Capital Hall Building Jakarta (1966), Jatiluhur Otorita Public Company (1970), BP Batam (1971), Asahan Otorita (1976), Jakarta-Cengkareng International Airport Development Otorita (1980), BP Lake Toba Otorita (2016), Borobudur Otorita Agency (2017), And Labuan Bajo Flores Otorita Implementing Agency (2018). The otorita agency is only given the authority to carry out development and is temporary until the development process is complete. Thus, the position of the otorita agency was an *auxiliary state's organ*, namely supporting the process of implementing economic and tourism development in Indonesia at that time.

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