



Policy Implementation of One-price Fuel Oil Distribution: An Empirical Study in Indonesia

Milwan Milwan^{1*}, Hary Kurniawan¹, M. Entang Adhy², Udin Udin³

¹Universitas Terbuka, Indonesia, ²Universitas Padjadjaran, Indonesia, ³Universitas Muhammadiyah Yogyakarta, Indonesia.

*Email: milwan@ecampus.ut.ac.id

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ABSTRACT

This study aims to analyze the factors that influence the implementation of one-price fuel oil distribution based on the theory of Meter and Horn (1975), namely policy standards and objectives, resources, communication between organizations, characteristics of implementing agencies, economic, socialization and political environment, and attitude of the implementers. This study uses qualitative methods. By using purposive sampling, data are collected through interviews, documentation, and field observations. Data further are analyzed using data reduction, data presentation, and concluding. The results show that the implementation of one-price fuel oil distribution in Indonesia had generally been running effectively, but in some areas, there are still many obstacles. In addition to road constraints, the arises problem often is the constraints of human resources involved in the distribution of fuel oil, where the implementers carry out their activities outside of the predetermined standard operating procedures. To overcome this obstacle, the oil fuel control and oversight team carries out monitoring and outreach activities to be able to participate in overseeing the distribution of fuel oil to all districts in Indonesia.

Keywords: Policy Implementation, Oil Distribution, One Price

JEL Classifications: D04, E64, Q31, R12

1. INTRODUCTION

National development carried out by the government is a tangible manifestation of efforts to create a just and prosperous society. To achieve this, the implementation of development is carried out in a planned, comprehensive, integrated, directed, gradual and sustainable manner. In the implementation, the government continuously compiles and implements national programs that can be enjoyed by the people of Indonesia with a principle of justice. The main development undertaken by the government is to build infrastructure as a means of supporting national economic growth.

One of the priorities of national development programs is the one-price fuel oil program. This program is the government's effort to resolve the gap in fuel prices in the country, especially for the outer, frontier and remote areas. The inhibition of regional development in

the outer, frontier and remote areas is one of the factors causing the high disparity in fuel prices that must be purchased by the outermost, frontier and remote communities when compared to urban areas so that it impacts on the slow movement of the economy in a region. The basic policy of one-price fuel oil is (1) Nawacita President Joko Widodo point 3 that building Indonesia from the periphery by strengthening regions and villages within the framework of a unitary state; (2) Regulation of the Minister of Energy and Mineral Resources No. 36 of 2016 concerning the acceleration of one price of certain types of fuel oil and special types of fuel oil nationally.

The implementation of the one price fuel oil program is an effort by the Government to eliminate the disparity in fuel prices so that all regions in the outer, frontier and remote areas can enjoy the same fuel oil prices as urban areas. To succeed in the program of activity referred to, the Government assigned Pertamina Limited

Liability Company (LLC) to carry out these activities. The first task of LLC. Pertamina in running the one price fuel oil is in the regions of North Kalimantan and Papua, without any subsidies in its distribution, although it is not easy, LLC. Pertamina has run the One Price fuel oil program well. Until December 2018, LLC. Pertamina has realized the one price fuel oil at 131 points, the 131 points consist of 54 points that were realized in 2017 and 77 points of progress in 2018 realization. 191 About Provision (2014) there are three categories of types of fuel oil, namely:

1. First, certain types of fuel oil whose prices are determined by the Government and given subsidies, namely diesel oil and kerosene
2. Second, special assignment type of fuel is not given subsidies, given an additional fee of 2% and distributed in non-Java, Madura, Bali regions, namely RON 88 Gasoline
3. Third, general types of fuel oil outside the specific type of fuel oil and special assignment type of fuel such as Peralite and Pertamina series.

Types of fuel oil regulated for this program are 48 diesel oil (gas oil) and kerosene as well as Special Assignment fuel oil namely RON 88 gasoline. "The base price and retail price are determined by the minister of human resources energy." Then at the location certain institutions that do not yet have a particular type of fuel oil and a special type of fuel oil assignment, the downstream Oil and Gas Regulatory Agency (OGRA) will provide new assignments to the business entity receiving the assignment to carry out the supply and distribution of this fuel. Also, the business entity receiving the assignment provides incentives in the form of higher profits to the distributors in certain regions. Thus, the business entity is obliged to appoint a new distributor and the distributor is not burdened with distribution costs if there is not yet in the location as presented in Figure 1.

Based on the problem formulation and following the suggestion of Akhmad and Amir (2018); Akhmad et al. (2019); Sihombing and Lisdiyono (2018), this study aims to analyze (1) the policy implementation of the one price fuel distribution in Tanjung Selor district, Bulungan regency, North Kalimantan – Indonesia, and (2) the constraints faced in implementing the policy of distributing one-price fuel oil as presented in Figure 2.

2. LITERATURE REVIEW

Meter and Horn (1975) define the implementation of public policy as actions in previous decisions. To achieve the goals set by an organization requires businesses that change decisions into operational actions within a certain time and to continue the business to achieve changes large or small as expected by an organization. Three things related to policy implementation are (1) the existence of policy objectives or objectives, (2) the achievement of objectives and activity, and (3) the existence of activity results. The meaning of implementation Meter and Horn (1975) according to said that: "Implementation is the implementation of actions by individuals, officials, government agencies, and private groups to achieve the ideals outlined in certain decisions."

Some experts put forward several theories of policy implementation, including:

1. Merilee Grindle's Theory

Grindle (2017) according to implementation success is influenced by 2 large variables, namely the environment in the implementation and the content of the meaning and purpose of the implementation. Both of these variables include the interests of the target group contained in the contents of policy. These two variables include the group goals of a policy, the types of benefits received by the target group and how far a change is desired by a policy, it relates to whether the program is made right, whether the implementer has been in policy in detail and whether existing resources support a planned program.

This Grindle model looks unique because in its understanding comprehensively in the policy context, specifically relating to the implementation, the recipient of the implementation and the area of conflict that might occur to the implementers, as well as the state of the implementer's available resources. In implementing the conflict area and the readiness of the resources the implementation must not be separated, because these two things are a unity.

2. Theory of Edward III

Edward III (1980) assumes that four variables affect implementation, namely:

- a. Communication, i.e., reduction in implementation distortion is the success of policy implementation, where it provides conditions so that the implementer can know what needs to be done so that the goals and objectives of the policy are transmitted to the target group
- b. Resources, which are important variables in policy implementation. If a policy has been made in good communication clearly and consistently but the implementer is lacking in resources, then the implementation will not run well and efficiently. These resources can be in the form of human resources and financial resources
- c. Disposition, which is part of the commitment, honesty and democratic nature possessed by the implementation. A good disposition from the implementation will have a good impact on the implementation in carrying out the policy as expected by the policymaker. Vice versa, if the disposition of the implementer is not good or not as expected by policymakers, the implementation process will be ineffective and inefficient
- d. Bureaucratic structure, which is an organizational structure that has a significant influence on policy implementation. Variables that are very influential on the bureaucratic structure are standard operating procedures (SOP) and fragmentation. So that implementation can run well, then the organizational structure must be made simple so that the bureaucracy is not complicated so that the implementation can run well and flexible.

Edward III (1980) according to important sources so that implementation can run well include adequate staff with certain expertise following the needs of a policy so that it can be implemented properly. There is two main characteristics bureaucratic structure according to Edward III (1980) namely: Fragmentation and SOP: "SOP or work procedures are basic measures that develop as an internal response to the limited time

and resources of the implementers and the desire for uniformity in working in complex and widespread organizations. Whereas fragmentation comes from pressures outside bureaucratic units, such as legislative committees, interest groups of executive officers, state constitutions and the nature of policies that influence government bureaucratic organizations.”

3. Theory of Mazmanian and Sabatier
Environmental, characteristics of a problem, and legislation becomes the three main variables affect the success of implementation. These three variables Mazmanian and Sabatier (1983) according to is the main variable that must be considered in influencing the successful implementation.
4. Theory of Meter and Horn
Meter and Horn (1975) according to the implementation process is a performance in implementing a policy with a high level of performance connected to various other supporting factors. In this study, researchers chose the Meter and Horn theory which is used as a reference because in this theory can explain the implementation process which is an abstraction or performance of a study by connecting various variables determined by the following Meter and Horn.

3. RESEARCH METHOD

This study was conducted in Tanjung Selor subdistrict, Bulungan regency – Indonesia because there were many problems in distributing the one-price fuel oil. The following Table 1 is the information of Tanjung Selor subdistrict based on the village office.

This study used qualitative research methods. The use of qualitative research is based on the consideration that in the implementation of the distribution of one-price fuel oil in Tanjung Selor district, Bulungan district involves various aspects that must be explored more deeply and comprehensively. Qualitative research approaches are considered relevant to be used in this study because it intends to understand phenomena about what is experienced by research subjects such as behavior, perception, motivation, actions, etc. holistically, by means of decryption in the form of words and languages, in a special natural context by utilizing various natural methods (Moleong and Lexy, 2007).

The selection of informants in this study was carried out through a purposive method chosen from those who were involved in

the distribution of one price fuel, namely: (1). The Downstream Oil and Gas Regulatory Agency; (2). Department of Energy and Mineral Resources of North Kalimantan Province; (3). Economic Bureau of North Kalimantan Province; (4). Economic Section of the Bulungan Regency Regional Secretariat; (5). Bulungan resort police; (6). LLC. Pertamina; (7). LLC. Elnusa Petrofin; (8). Fuel distribution institutions in Tanjung Selor District; (9). BBM consumers.

4. RESULTS AND DISCUSSION

4.1. Implementation of the Policy of the Distribution of One-price Fuel Oil in Tanjung Selor District

The legal basis for a one-price fuel policy in Bulungan Regency refers to “Peraturan Menteri Energi dan Sumber Daya Mineral Indonesia Nomor 36 Tentang Percepatan Pemberlakuan Satu Harga Jenis Bahan bakar minyak Tertentu dan Jenis Bahan bakar minyak Khusus Penugasan Secara Nasional (2016).” Based on the results of interviews with the Bulungan district government apparatus Cq., the economic section of the regional secretariat of the regency of Bulungan that the regional government of the regency of Bulungan does not specifically make rules regarding the distribution and trading of fuel oil in the regency of Bulungan. This is because the rules related to the control of fuel oil have been regulated by Undang-Undang Republik Indonesia Nomor 23 Tentang Pemerintahan Daerah (2014) namely attached to the central government Cq. oil and gas downstream regulatory agency. In connection with the limitations of human resources in the oil and gas downstream regulatory body, the oil and gas downstream regulatory agency involves the regional government in supervising the distribution of fuel oil in the regions.

In connection with the activities of controlling and supervising the distribution of fuel oil requiring a legal umbrella, the regional government feels that it is not enough just to direct the downstream oil and gas regulatory agency to the regional government Cq. related technical agencies. In this case, the control and supervision activities of fuel use a legal umbrella namely the Indonesian Trade Law No. 7 of 2014. This is more specifically regulated in Undang-Undang Perdagangan Indonesia Nomor 7 Tentang Perdagangan (2014) Article 25 Paragraph (1) which reads “The Government and Regional Governments control the availability of essential goods and/or important goods in the entire territory of the Unitary

Table 1: Area and population density by village in Tanjung Selor District in June 2017

S. No.	Village/village office	An area		Population density (person/Km ²)
		Km ²	%	
1	2	3	4	5
2	Gunung seriang	226,26	15,85	4,23
3	Tanjung Selor Hulu	204,33	14,32	23,54
4	Jelarai Selor	199,35	13,97	24,42
5	Gunung Sari	99,67	6,98	15,23
6	Bumi Rahayu	99,67	6,98	11,60
7	Apung	99,67	6,98	24,87
8	Tengkapak	127,00	8,90	7,91
9	Tanjung Selor Timur	22,50	1,58	180,13
10	Tanjung Selor Hilir	348,86	24,44	80,36
Total		1427,31	100,00	34,25

Source: Badan Pusat Statistik Kabupaten Bulungan (2018)

Republic of Indonesia in adequate quantities, good quality, and affordable prices.” Further in the attachment Undang-Undang Perdagangan Indonesia Nomor 7 Tentang Perdagangan (2014) explains that what is meant by important goods is “strategic goods that play an important role in determining the smoothness of national development, such as fertilizer, cement, and fuel oil and gas.”

Bulungan regency in referring to the law exercised several authorities in terms of:

1. Formed a control and supervision team for the distribution of 3 kg petroleum gas and liquified petroleum gas (LPG) in Bulungan Regency
2. Establishing and appointing fuel oil sub-distributors based on the Regulation of the Oil and Gas Downstream Regulatory Agency number 6 of 2015 concerning the distribution of specific fuel types and specific fuel types for assignments to areas where there are no distributors yet
3. Proposing the annual assignment of premium fuel oil quotas to the central government through the provincial government
4. Regulate the distribution pattern of fuel oil based on the type and designation of the vehicle by always coordinating with LLC. Pertamina
5. Monitor the amount of fuel oil realized by LLC. Pertamina to the one-price fuel distributor in Tanjung Selor city
6. Conducting supervision and coordination to the transportation of fuel oil which supplies fuel oil to channeling institutions in Bulungan regency
7. Supervise, foster and evaluate the distribution of fuel oil.

When making decisions related to the resolution of the problem of distribution of fuel oil, the Government of the Regency of Bulungan always conducts coordination meetings involving relevant technical agencies that are in the Control and Supervision Team for the distribution of fuel and 3 kg liquified Petroleum Gas in Bulungan Regency. The team formed in the Bulungan Regent Decree involved cross-sectoral technical agencies such as:

1. Bulungan Regency Regional House of Representatives
2. Bulungan police chief
3. Department of trade, industry, and micro, small and medium enterprises in Bulungan regency
4. Bulungan regency agriculture office
5. Bulungan district fisheries and maritime services
6. Transportation agency of Bulungan regency
7. Bulungan regency civil service police unit
8. Legal section of the Bulungan regency regional Secretariat
9. Economic section of the Bulungan regency regional Secretariat
10. Sub-district heads throughout Bulungan regency.

4.2. Inhibiting Factors in Implementing the Distribution of One Price Fuel Oil in Tanjung Selor District

The implementation of the distribution of one price fuel in Tanjung Selor City will be discussed in several interrelated factors referring to the Meter and Horn theory which has the potential to hamper implementation, as follows:

1. Policy standards and targets
The performance of policy implementation can be measured by the level of success of the size and objectives of policies

that are realistic with the socio-culture at the policy implementation level. Meter and Horn (1975) argued to measure the performance of policy implementation, of course, affirming certain standards and targets that must be achieved by the implementers of the policy, policy performance is an assessment of the level of achievement of these standards and targets. From the standards and objectives of the one price fuel policy, it can be divided into several aspects as follows:

a. Fuel allocation/quota

In determining the allocation/quota of district/city fuel oil, both the Specific Fuel Assignment and the Specific Fuel Type of the Central Government always refer to the realization of fuel oil in the previous year being covered by 20%. This has triggered problems in various regions, especially districts/cities far from LLC. Pertamina. The problem that often arises is because the specified allocation/quota cannot meet the community's need for fuel oil, both for special assignment fuels and certain types of fuels.

Determination of allocations/quotas using this method is considered to be very ineffective regional government to overcome the problem of fuel oil distribution in regencies/cities, because the government should determine the allocation/quota in addition to referring to the realization figure, it must also consider the geographical conditions and the availability of transport means of transport. Where in some cases in several districts/cities including Bulungan regency, the realization of fuel oil is classified as slow and almost every year is not fully realized due to the limitations of the transport fleet of LLC. Elnusa Petrifin as a transporter appointed by LLC. Pertamina in the Bulungan Regency area. This kind of thing happens, if the regency that still leaves quota/allocation in the previous year, then in the following year the area will not get an additional allocation or get a very small number. Expectations from the Government of the Bulungan Regency in the future determination of the allocation/quota of fuel can consider, the realization of the previous year, geographical location, transportation, and vehicle sales growth and economic growth of a region.

b. Selling prices at the level of fuel oil suppliers

Basically, the selling price of fuel oil at the level of fuel suppliers in Bulungan Regency in particular and the North Kalimantan region, in general, is the same, but what is often the problem is often the selling price of fuel is used as a political tool of the government, so that when there is an issue the price of fuel oil is carried out by the Government, then the public begins to take action to buy fuel oil repeatedly to be stockpiled and sold again with a relatively large price difference.

This incident has become a problem in the field, where real fuel users do not get fuel oil as they should so that in a few moments the community's economy, in particular, becomes disrupted. In the future, the hope of the Regional Government and the community does not happen again and the selling price of fuel oil does not become a political tool of the Government so that the conduciveness of the people in the regions can always be maintained properly.

c. Target recipient of one-price fuel oil

One price fuel beneficiary group in Tanjung Selor Subdistrict is spread evenly, both in the city center and in the rural/remote

areas far from the center of the capital city of Tanjung Selor district. The problem that often arises is that the fuel distribution agency in Tanjung Selor sub-district should be a fuel distribution agency that serves fuel users throughout the Bulungan regency, especially the 8 sub-districts in the Bulungan regency that do not yet have a distribution agency. With the limited number of fuel oil distribution institutions in Tanjung Selor subdistrict, this has caused problems for regions far from the points of the channeling institutions. As an example of the case for residents in the District of Peso, the extraction of fuel was carried out at the Bunker Filling Station of LLC. Makbul in Tanjung Selor district. If the representatives of Peso Subdistrict residents lack information regarding the arrival of fuel at the Bunker Filling Station, then the allocation of their fuel oil will be diverted to other locations when fuel comes at the Bunker Filling Station. This problem is always repeated every year, because of LLC. Pertamina only added fuel distribution institutions in urban areas and it was very little or slow the process of adding institutions in remote areas that were very far from urban areas. The expectation from the Regional Government of the regency of Bulungan is that in every sub-district in the regency of Bulungan, there are at least 2 fuel distribution agencies at the same level as the Premium Fuel and Solar Oil distribution agencies or the Compact General Fuel Filling Station, so that the allocation of fuel oil for Tanjung District Selor is easy to monitor.

2. Resources

In the discussion of resources that are of concern are human, technological, financial and infrastructure resources. The success or failure of a program is largely determined by the factor of resources, where resources greatly affect almost all variables in all sectors. The following are the factors that influence resources in the Implementation of the distribution of one-price fuel oil in Tanjung Selor district:

a. Human resources

Human resources are the most important variable in the Implementation of the distribution of one-price fuel oil in Tanjung Selor district. In the distribution of one price fuel oil, human resources with certain qualifications are needed, bearing in mind that these activities are related to discipline, loyalty, and honesty.

Based on the results of coordination with the general fuel filling station, they and the premium and solar oil agents find it difficult to obtain a workforce that truly matches the criteria of being truly disciplined, loyal, and completely honest. To address this problem, channeling institutions carry out more intensive supervision of workers in the field. The form of supervision is carried out by always monitoring the CCTVs in each channel and then evaluating them every month.

Discipline is an inseparable variable from a job. Considering that the distribution of fuel oil has a very high risk and is directly related to community services, the discipline of human resources in this activity is mandatory.

Loyalty is expected to be a character that exists for fuel oil entrepreneurs and fuel distribution officials because it is expected that human resources must always be loyal to customers who use fuel oil that has the right to distributed fuel oil.

Honesty is part of the positive nature of humans. Honesty is also a part of self-esteem that must be maintained because it is of high value. Honest human resources are expected to be able to carry out their duties in the distribution of fuel oil with the mandate so that collusion between fuel officers with the person stopping the fuel oil can be minimized. Honesty is part of the positive nature of humans. Honesty is also a part of self-esteem that must be maintained because it is of high value. Honest human resources are expected to be able to carry out their duties in the distribution of fuel oil with the mandate so that the collusion between fuel officers with the person stopping the fuel oil can be minimized. Meter and Horn (1975) confirm that:

“Policy resources are no less important than communication. These policy resources must also be available to facilitate the administration of the implementation of a policy. These resources consist of funds or other incentives that can facilitate the implementation of a policy. Lack of or limited funds or incentives in policy implementation become a major contribution to the failure of policy implementation.”

Each stage of implementation requires quality human resources by the work required by a politically determined policy. In addition to human resources, financial and time resources become important calculations in the successful implementation of policies. As Derthicks points out: “The New Town study suggests that the limited supply of federal incentives was a major contributor to the failure of the program.”(Meter and Horn, 1975).

b. Technology

Technology is a whole means to provide goods needed for the survival and comfort of human life. Likewise, the current distribution of fuel oil can not be separated from technology that is useful to facilitate all activities related to the distribution of fuel oil in the Tanjung Selor subdistrict in particular.

c. Financial and infrastructure

Financial according to the big Indonesian dictionary online and according to linguists is about financial affairs. The word financial is always related to the economic field. Likewise, with the implementation of the distribution of one-price fuel oil in the Tanjung Selor sub-district, the word financial very often appears or is voiced by the Fuel Control and Supervision Team and the 3 kg Cylinder LPG in Bulungan district.

Infrastructure is all basic and social structures and facilities needed for the operational activities of the community or company. In the case of implementing the distribution of one-price fuel oil in Tanjung Selor district, the infrastructure in the spotlight is the availability of distribution agencies (premium diesel oil agents, general fuel filling stations, and bunker filling stations). Thus, the relationship between finance and infrastructure is very closely related, where the growth in the number of channeling institutions is highly dependent on financial availability.

According to the oil and gas downstream regulatory agency, it is often the locations/points inventoried by the oil and gas downstream regulatory agency and LLC. Pertamina as a suitable location/point to establish an infrastructure of channeling institutions collides with the financial problems of local investors and financial from LLC. Pertamina itself.

For example in the case of Tanjung Selor subdistrict, there are several locations/points recommended by the downstream oil and gas regulatory agency, the government of the regency of Bulungan and LLC. Pertamina was to be established as a distributor agency with the same class as the premium Kompak diesel oil agent, but to build a distributor agency requires huge funds, so that it is difficult to realize. Local entrepreneurs do not have enough financial resources to set up channeling infrastructure within the area recommended by the regional government and the oil and gas downstream regulatory agency because the financial figure reaches billions of rupiah. Vice versa, there are locations where local entrepreneurs have enough capital, but in the study of LLC. Pertamina transportation costs are borne by LLC. Pertamina is relatively very large so that to realize a channeling institution cannot be fulfilled by LLC. Pertamina. This problem does not only occur in Tanjung Selor subdistrict, but several regions throughout Indonesia also have similar things, so the government is forced to find solutions to ensure the availability and smooth distribution of fuel oil to all regions in Indonesia. The solution provided by the Government in overcoming financial and infrastructure is to socialize as much as possible Peraturan Badan Pengatur Hilir Indonesia Nomor 5 Tentang Pedoman Penerbitan Surat Rekomendasi Satuan Kerja Perangkat Daerah Untuk Pembelian Bahan bakar minyak Jenis Tertentu (2012). The more intensive socialization activities carried out by the downstream oil and gas regulatory body in the whole territory of the Republic of Indonesia republic, it is hoped that in regions that do not yet have a channeling institution can establish a fuel sub-distributor with relatively small capital and can be reached by local communities. For the Tanjung Selor sub-district, the location of the establishment of the fuel oil sub-distributor is still in the process of location inventory.

3. Characteristics of implementing organizations

The characteristics of the implementing organization cannot be separated from the bureaucratic structure which can be interpreted as the characteristics, norms, and patterns of relationships that occur repeatedly. Aspects to be further investigated from the characteristics of the organization are SOP for the distribution of fuel oil and the level of hierarchical supervision of the distribution process. The several implementing organizations that were examined in this study are (1) LLC. Pertamina as the operator appointed by the government distributed special types of assignment fuels and specific fuels; (2) LLC. Elnusa Petrofin as transportation of fuel oil in Tanjung Selor district; (3) Distribution agencies (premium compact diesel oil agents, public fuel filling stations, and bunker filling stations) in Tanjung Selor district.

4. Attitudes of implementers

The attitude and direction of the disposition of the implementers of policy standards and objectives are "crucial." Implementors might fail in implementing the policy because they reject what is the goal of a policy (Meter and Horn, 1975). Conversely, widespread and in-depth acceptance of policy standards and objectives among those responsible for implementing the policy is a great potential for successful policy implementation (Kaufmann, 1980). In the end, the

intensity of disposition of the implementers can affect the performance of the policy implementers. The lack or limited intensity of this disposition will lead to the failure of policy implementation.

5. Communication between related organizations and implementation activities

Public policy can be implemented effectively, according Meter and Horn (1975) what is the standard goal must be understood by the implementors. Responsible for the achievement of standards and policy objectives, therefore standards and objectives must be communicated to the implementers. Communication within the framework of delivering information to policy implementers about what are the standards and objectives must be consistency and uniformity from various sources of information. In this study, aspects that are further investigated are clarity, consistency, and uniformity of standards and objectives.

6. Social, economic and political environment

The social, economic and political environment is an external environment that contributes to the success or hindrance of public policy. The non-conductive social, economic and political environment can be a source of problems from the failure of policy implementation performance. The relationship between the social, economic and political environment towards the distribution of fuel oil in Tanjung Selor district is very close. This is because fuel oil is the factor that most influences all sectors, especially the social, economic and political environment.

Social environment is a closely related factor to the distribution of fuel oil in Tanjung Selor district. Because the social environment of Tanjung Selor subdistrict is less concerned with appeals and invitations to participate in monitoring the distribution of fuel oil, the pattern of distribution of fuel oil in fuel distribution institutions has become abnormal and not on target. The allocation of fuel oil in fuel distribution agencies has so far been lacking supervision so that the allocation of fuel oil has been enjoyed more by the residents of fuel oil. Then the resident hoarded fuel oil in a place that was classified as very prone to fire and then sold to illegal consumers (unscrupulous companies and unscrupulous officers). The excessive purchase of fuel oil by the residents has caused the distribution of one-price fuel to be disrupted. The deviant behavior of the community was overcome by the fuel monitoring and control team by conducting a raid on fuel settlers at fuel supply agencies in Tanjung Selor district. This raid activity was very effective in suppressing the number of residents, as a deterrent effect provided by the Police Officers who were part of the team in the form of processing settlers using Law 22 of 2001 concerning oil and gas.

Economic environment is directly related to the distribution of fuel oil, especially in the Tanjung Selor district. Distribution agency (premium compact diesel oil agent, general fuel filling station and bunker filling station) is one of the important elements in the economic movement of the Tanjung Selor community because of almost every occurrence of activity uses almost all fuel oil. Therefore, the scarcity of general fuels, especially gasoline and diesel, has a very broad impact on various aspects of life. The most affected sector was in

Figure 1: Distribution flow of one-fuel oil

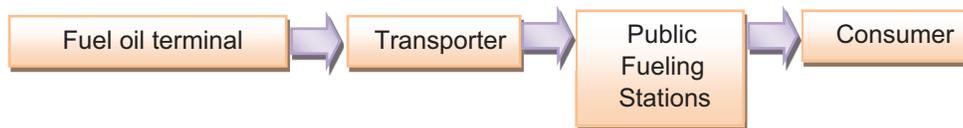
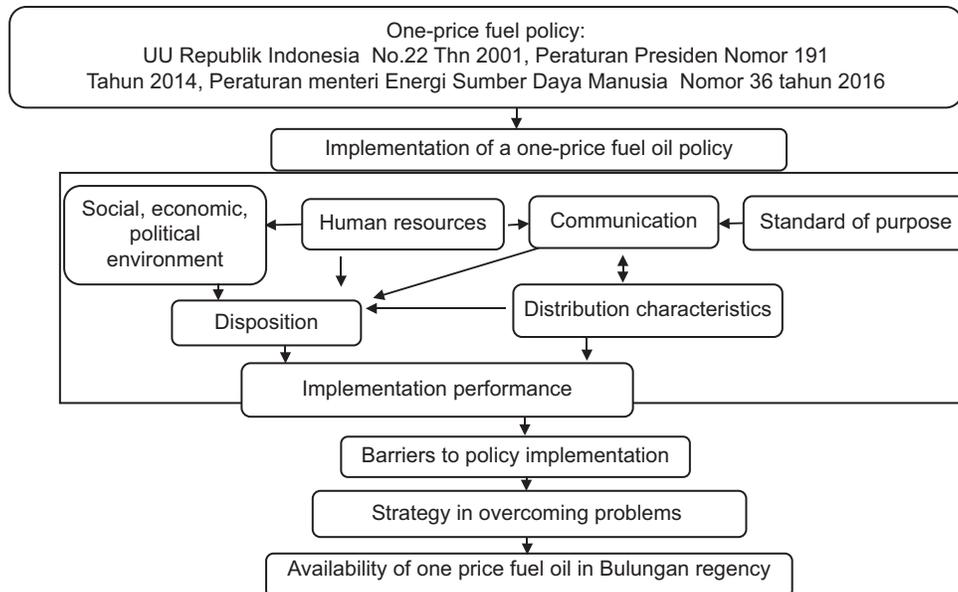


Figure 2: Research thinking framework



the transportation sector. Often this economic environment is affected as a result of the social environment on the distribution of fuel that does not support participating in monitoring activities. In addition to the transportation sector, the agricultural sector and the fisheries sector were also affected. This has resulted in almost all sectors of the economy currently highly dependent on the smooth distribution of fuel oil. Thus, the distribution of fuel oil in an area including Tanjung Selor subdistrict, if it goes well, the economy in the area will grow well. To overcome and prevent the disruption of the economy of the Tanjung Selor community as a result of the uneven distribution of fuel oil, the regional government of the regency of Bulungan issued a letter of recommendation to purchase fuel oil. Letters of recommendation are given to businesses in the Micro, Small, Medium, Agriculture, and Fisheries business sector by Regulation of the Oil and Gas Downstream Regulatory Agency No. 5/2012. Business actors in the sector are permitted to purchase fuel with several other containers. Verified local government as stated in the recommendation letter.

Political environment is the environment that determines the direction of fuel distribution policy. This political environment will become dominant if the government makes the issue of fuel oil into its political campaign material. The issue of fuel oil has become popular in politics because politicians see the vital role of fuel oil in meeting the needs of people's lives today. The issue of rising fuel prices will cause inflation which will adversely affect society. The issue of rising fuel prices does not affect the distribution of fuel oil from the depot. This is because the fuel distribution process will significantly affect

if there are natural factors that damage the physical facilities of the road body that will be traversed by fuel oil transporters.

5. CONCLUSION

This study concludes that the implementation of one-price fuel oil distribution in Indonesia had generally been running effectively, but in some areas, there are still many obstacles. In addition to road constraints, the arises problem often is the constraints of human resources involved in the distribution of fuel oil, where the implementers carry out their activities outside of the predetermined standard operating procedures. To overcome this obstacle, the oil fuel control and oversight team carries out monitoring and outreach activities to be able to participate in overseeing the distribution of fuel oil to all districts in Indonesia.

This study theoretically provides some suggestion:

1. It is hoped that there will be further research on the distribution of fuel prices one next, by conducting studies of different problems, perspectives, and theories or using different research variables, to broaden the treasury of knowledge for researchers and readers
2. It is hoped that there will be research on the same research object using different research methodologies and data collection techniques.

This study practically also provides some suggestion:

1. Tanjung Selor subdistrict is part of the government of the Bulungan regency so in carrying out the implementation of the distribution of one price fuel oil in Bulungan Regency

in general and Tanjung Selor district in particular must have technical personnel who are truly competent in their fields, because in this study found related technical agencies that are do not understand the rules and technical implementation of the supervision and control of fuel oil distribution in Tanjung Selor district;

2. To overcome the problems in implementing the policy of distributing one-price fuel oil in Tanjung Selor district, Bulungan regency, taking into account the following matters:
 - a. The regional government of Bulungan regency through the monitoring and control team of the distribution of one-price fuel oil should increase intensive coordination activities with LLC. Pertamina is mainly concerned with the number of its transport fleet
 - b. The regional government of the regency of Bulungan through the monitoring and control team of the distribution of one-price fuel oil should coordinate and consult with the downstream oil and gas regulatory agency related to the activity of monitoring one-fuel oil price in Tanjung Selor district, Bulungan regency
 - c. The regional head of Bulungan regency should issue an appeal to the public to participate in the supervision of the distribution of one-price fuel oil in Bulungan regency in general and Tanjung Selor district in particular
 - d. The government of the Bulungan regency should immediately establish a fuel oil sub-distributor in an area where there is no oil fuel distributor so that the distribution of fuel oil in Tanjung Selor district is evenly distributed.

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