



## Community Participatory Supervision In State-Owned Asset Auction Implementation In KPKNL Semarang

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### Article info

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### Abstrak

Pelibatan masyarakat dalam setiap kegiatan penyelenggaraan pemerintahan merupakan keharusan untuk mewujudkan good governance, termasuk pelaksanaan lelang barang milik negara oleh KPKNL Wilayah Semarang. Partisipasi masyarakat dalam bentuk pengawasan partisipatif merupakan salah satu unsur penting dalam pelaksanaan lelang. Penelitian ini mempunyai tujuan untuk mendeskripsikan mengenai urgensi partisipasi masyarakat (pengawasan partisipatif) dalam pelaksanaan lelang barang milik negara serta menganalisis implikasi dari pelibatan dan ketidakterlibatan masyarakat dalam pelaksanaan lelang barang milik negara di KPKNL Wilayah Semarang. Penelitian ini mengkombinasikan penelitian hukum doktrinal dan penelitian hukum non doktrinal dengan spesifikasi penelitian deskriptif analitis untuk dapat menjawab permasalahan-permasalahan tersebut. Hasil penelitian menunjukkan bahwa KPKNL Wilayah Semarang telah melibatkan masyarakat dalam pelaksanaan lelang barang milik negara. Pelaksanaan lelang yang sudah bersifat online, memudahkan masyarakat untuk melakukan pengawasan partisipatif terhadap kegiatan pelaksanaan lelang barang milik negara. Peran serta aktif masyarakat mendorong terwujudnya good governance dalam kegiatan lelang barang milik negara, khususnya di KPKNL Wilayah Semarang.

### Abstract

Community involvement in every activity of government administration is imperative to achieve good governance, including the auction of state-owned asset by KPKNL Semarang Area. Community participation in the form of participatory supervision is an important element in the auction of state-owned goods. This research aimed to describe the urgency and to analyze the implications of community involvement and non-involvement in the implementation of state-owned asset auction at the KPKNL Semarang. This research combined doctrinal legal research and non-doctrinal legal research with descriptive analytical research specifications to be able to answer these problems. The results showed that the Semarang KPKNL had involved the community in the auction of state-owned asset. The implementation of an auction that has been already online ease the public to carry out participatory supervision of the auction activities for state-owned goods. The active participation of the community encourages the realization of good governance in the auction activities of state-owned goods, especially at KPKNL Semarang.



## 1. Introduction

Buying and selling system by auction is known as developing system in the world. This development changes with the times, communication, technology and information in order to meet the needs of human life. Auction can be interpreted as a form of sale of goods carried out in front of the crowd or the general public in which the price of the auctioned goods offer can increase or decrease to reach the agreed price (the price that occurs), the auction can be submitted either in writing or oral prior to the implementation of the auction must be preceded by a notification regarding the existence of an auction of goods. (Usman Rachmadi, 2016, p.34) Bachtiar Sibarani stated that auction sales are essentially the sale of goods to the public or in public through an auction mechanism. Basically, it results in sales at a high and reasonable price, therefore the use of the auction mechanism as a market mechanism has been approved and required by the applied Prevailing Laws (Bachtiar Sibarani, 2006, p.18)

Auction in Indonesia still currently refers to or based on the *Vendu Reglement*. It is a legacy regulation from the era of the Dutch East Indies Government. At first, the *Vendu Reglement* was a regulation at the level of a Government Regulation, but due to a parliament or *Volksraad* had not yet been formed in the Dutch East Indies at that time; *Vendu Reglement* was designated as the highest auction regulation (equivalent to Law). This is because the *Vendu Reglement* was promulgated in *Staatsblad* 1908 Number 189. Therefore, it is not wrong if the *Vendu Reglement* is referred to as the Auction Law. The *Vendu Reglement* has undergone several changes and was most recently amended by *Staatsblad* 1941 Number 03.

Article 5 of *Vendu Reglement* becomes the basis for expanding the implementation of the auction which can be held by the State (government) or by private parties. The expansion of this enforcement aims to increase the State's (Dutch Indies Government) revenue from the auction tax sector. Besides, it was also to protect the interests of Dutch East Indies officials who moved from the Dutch

East Indies to sell their assets. The provisions of Article 5 of the *Vendu Reglement* were strengthened by Decree of the Minister of Finance Number 47/KMK.01/ 1996 dated January 25, 1996 concerning Auction Hall and Decree of the Head of the State Receivables and Auction Affairs Agency Number 1/PN/1996 concerning Auction Hall and State Auction Office (that has now changed its name to the State Wealth and Auction Service Office or KPKNL), so that the private sector (in the form of a Limited Liability Company) can implement the auction.

Article 1 number 11 Regulation of the Minister of Finance Number 27/PMK.06/2016 concerning Instructions for Implementation of Auction states that the KPKNL (State-owned asset and Auction Service Office) is a vertical agency of the Directorate General of State Finance (DJKN) that is under and directly responsible to the Head of Regional Offices. The vertical agency in question is that the KPKNL is an apparatus of government departments or institutions that are not departments, but KPKNL has a work environment that is in the territory of the Directorate General of State Finance (DJKN) that causes KPKNL is under DJKN (Directorate General of State Assets) and must be responsible to the head of the DJKN regional office.

KPKNL is a government agency in carrying out the main tasks as an auction organizer; it must be in accordance with the prevailing auction procedures or regulations in order to realize good governance (good governance system) in the implementation of the auction, especially in relation to the auction of state-owned asset (BMN). This is because BMN is an item purchased or obtained at the expense of the State Budget or derived from other legitimate acquisitions (vide Article 1 number 10 of Law Number 1 of 2004 concerning State Treasury).

Subir Kumar Roy argued that good governance ensures and promotes participations of all the actors in the society in achieving equity, transparency, greater accountability, pluralism, vibrating rule of law with a true democratic spirit, that may only curb corruption, violence and poverty

etc. (Subir Kumar Roy, 2016, p.209) Kadek Wibawa stated that the main key to understanding good governance is understanding the principles in it and starting from these principles, a measure of the performance of a government will be obtained. (Susila Wibawa, 2019, p.230) One of the most important keys in the implementation of the auction by KPKNL in relation to good governance is the application of the principle of community participation or involvement in the auction implementation at KPKNL.

Community participation is collaboration between the people and the government by involving mental/thoughts and emotions/feelings that encourage them to be involved in planning, implementing and evaluating development in order to build themselves, life and the community environment in accordance with their rights and obligations. (Any Wahyu Purwandari, 2015, p.379) Good governance has the concept of changing the position or pattern of relations between government (government) and society from a "hierarchical" (top-down) character to "heterarchical" (equal), through paradigm changes (philosophy), and the concept of thinking; Therefore, the supervision carried out by the community (participatory) is part of the implementation of good governance. (Kadek Wibawa, 2019)

The development of community participation to be involved in the implementation of the auction carried out by the KPKNL, especially the Semarang KPKNL is very much needed to realize good auction management in the future. Such comprehensive participation is built on freedom of assembly and expression, as well as the capacity to participate constructively. The participation of the public and other stakeholders is intended to ensure that any policies taken can reflect the aspirations of the community, reduce fraudulent actions or acts committed by the Semarang KPKNL in the implementation of the auction. The implementation of auctions involving the community at an empirical level still often encounters obstacles, especially related to the openness of the KPKNL and still collided with the old bureaucratic pattern of the view

that the government is the ruler, so it has the authority to involve or not involve the community. Such thoughts need to be overhauled; they need to be reconstructed to face the digitalization of government in the future. Based on this description, this paper aimed to describe the urgency and to describe the forms of community participation, particularly in relation to participatory supervision in the implementation of auctions for state property held by the KPKNL Semarang.

## 2. Method

This research combined doctrinal legal research and non-doctrinal legal research. Doctrinal law research was the total point of research on regulations related to auction law, so the approach in doctrinal law research used a statute approach. Doctrinal law research was carried out by searching and analyzing legal materials, both primary legal materials, secondary legal materials, and tertiary legal materials. (Wibawa & Susanto, 2020, p.1610) Non-doctrinal legal research focuses on qualitative methods. Qualitative research is research that is used to investigate, describe, explain, discover the quality or features of social influence that cannot be explained, measured or illustrated through a quantitative approach. (Wibawa & Susanto, 2020, p.1610)

Data collection was conducted by interviews and literature study. The collected qualitative data were presented in a more in-depth and more focused description. The research analysis used descriptive analysis and descriptive explanation was maximally supported by quantitative data collected as complementary material.

## 3. Result and Discussion

### The Urgency of Community Participation in Implementation of State-Owned Asset Auction by KPKNL Semarang

The auction of state-owned asset is a legal auction. It is stated in Article 61 paragraph (1) of Government Regulation Number 27 Year 2014 concerning State/Regional Property Management, in which the sale of state-owned asset in the context of the transfer

of state-owned goods must be carried out by auction, except in certain cases. The auction, especially the auction of state-owned asset that is not in accordance with the *Vendu Reglement and Regulation of the Minister of Finance Number 27/PMK.06/2016* is considered invalid or the auction may be canceled, on the grounds that each auction must be carried out by and/or in the presence of Auction Officer. The auction proceeds can be reused to buy new state-owned asset or replace old/damaged state-owned goods for government office/agency facilities in carrying out government functions.

KPKNL Semarang as an auction agency for state-owned asset covers 13 districts/cities, namely: Semarang City, Semarang Regency, Salatiga City, Temanggung Regency, Magelang Regency, Magelang City, Demak Regency, Grobongan Regency, Blora Regency, Kudus Regency, Jepara Regency, Pati Regency, and Rembang Regency. KPKNL Semarang manages around 500 government offices/agencies, such as: courts, prosecutors, the Central Statistics Agency (BPS), and others as the tender applicant party with the Semarang Region KPKNL. Based on data for 2019-2020, it was recorded that KPKNL Semarang carried out an average of 8-11 auction activities for state-owned asset.

In general, the implementation of the auction, as well as the implementation of the auction at the KPKNL Semarang, must guarantee legal protection. In line with Satjipto Rahardjo's opinion which stated that legal protection is an effort to protect a person's interests by allocating a human right to power to him to act in the framework of his interests. (Rahardjo, 2000, p.24) In relation to the implementation of the auction, the auction of state-owned asset based on the applicable regulations will guarantee legal protection for all parties without exception.

The current auction of state-owned asset must involve the community, including the auction held by KPKNL Semarang. Public participation is intended to ensure that every policy taken reflects the aspirations of the people, so as to anticipate various issues or problems that exist. (Sujatno Adi, 2009,

p.37) Public participation in the auction of state-owned asset is a form of cooperation between the community and KPKNL Semarang as a government agency to hold auction activities involving a mental/thought and emotional/feeling that encourages them to be involved in planning, implementing and evaluating development in the framework of building auction activities, especially the auction of state-owned asset in accordance with their respective rights and obligations.

The urgency of community involvement can be reflected in every stage of the auction of state-owned goods, starting from the stages of planning, preparation, implementation to post-auction. The community can become supervisors in every stage of the auction. Besides as participatory supervisor, the community can also be involved as a participant in auction activities for the state-owned asset.

The increased participation of the public from 13 districts (which are included in the Semarang Region KPKNL) participating in the auction of state-owned goods held by the Semarang Region KPKNL can make the auction of state-owned asset carried out by KPKNL Semarang better, and more open as regulated in statutory regulations. It means that KPKNL Semarang has implemented the concept of community participation in good governance reflected in the existence of equal relations between all parties and it is responsible for the successful implementation of development programs.

### **Community Participative Implication in State-Owned Asset Auction by KPKNL Semarang**

The auction of state-owned asset by KPKNL Semarang is conducted in several stages, as follow:

- a. The first stage. The government office as headquartered at KPKNL Semarang submits a list along with state-owned asset that are considered to be state-owned goods to be registered with the Semarang KPKNL for auction.
- b. The second stage. KPKNL Semarang announces the submitted state-owned asset for the auction process



by setting the initial price, providing information on the state-owned goods being auctioned, providing photos of the auction object, and determining the time for the announcement of the auction winner.

- c. The third stage is the auction implementation stage.
- d. The fourth stage is determination of the auction winner according to the bid price submitted (agreed between the two parties).
- e. The fifth stage is returning the proceeds from the auction of state-owned goods that have been auctioned off to the auction applicant's office to be returned to the state treasury.

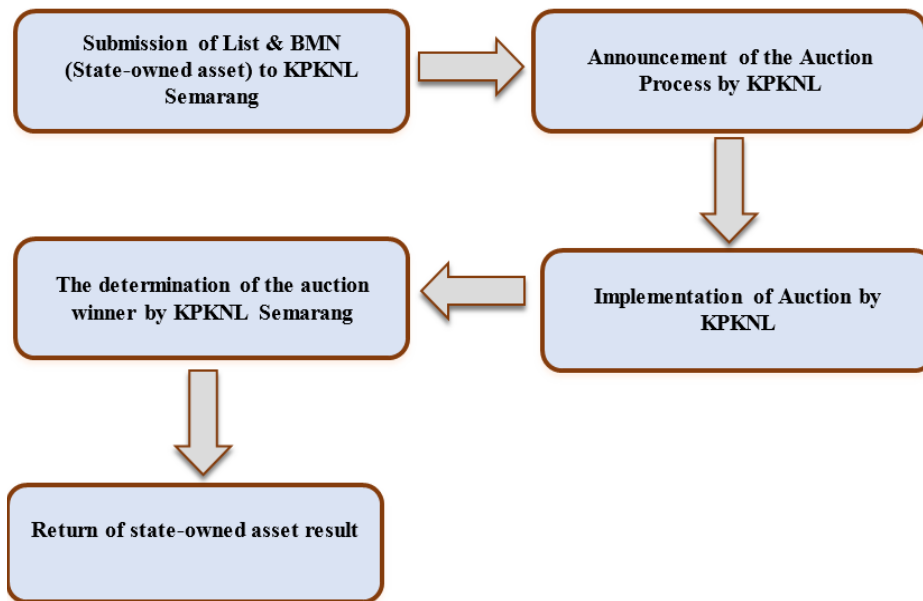
The stages can be illustrated in the Figure 1.

Regulations regarding public participation in government are clearly regulated in Law No. 28 of 1999.(Hidayat, 2013 p.30) The auction including the auction of state-owned asset by KPKNL Semarang has been carried out online by creating an application called "Lelang Indonesia". The presence of this application is expected to facilitate the implementation of auction activities because everyone who participates in the auction ac-

tivity does not have to be present in the auction process that will be guided by the auction official. The use of this application provides benefits, such as: making the auction more transparent, simple or uncomplicated, reducing fraudulent actions / acts committed by KPKNL Semarang in the implementation of the auction including the auction of state-owned asset. The "Lelang Indonesia" application is deemed to have complied with the laws and regulations, thus, the parties still receive legal protection.

The use of this application is not only used in the Semarang area KPKNL, but it is used in KPKNL throughout Indonesia. This application is easy to use because it is easy to get by accessing via the website: [www.lelang.go.id](http://www.lelang.go.id) or public can also download via the application in the playstore for android smartphone users.

Based on empirical observations, there are several weaknesses in the implementation of online auctions, as follow: (1) The community does not know the location of KPKNL Semarang office as the auction implementation agency; (2) The auction participants do not know the condition of the state-owned asset being auctioned by KPKNL Semarang. This is because the auction participants do not need



**Figure 1.** Stages of Conducting State-owned Asset Auction at KPKNL Semarang

Source: processed by author from several sources

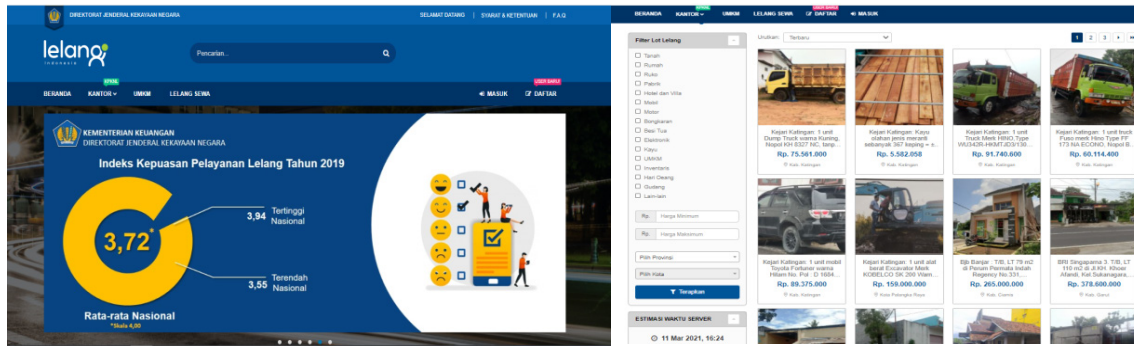


Figure 2. Application view of “Lelang Indonesia”

Source: [www.lelang.go.id](http://www.lelang.go.id)

to be present at the time of the auction. The implementation of an online auction of state-owned asset by KPKNL Semarang is in accordance with the Regulation of the Minister of Finance Number 27/PMK.06/2016 which is guided by legal principles in the auction legislation, including (Zulkarnaen, 2017): (1) The principle of openness means that all levels of society are aware of the auction plan and have the same opportunity in conducting the auction. The auction is conducted transparently in its implementation, there is no limited auction and no closed auction, all are open auction; (2) The principle of fairness, in the sense that the auction which is held online, automatically wins the participant who has the highest points or bid; (3) The principle of legal certainty means that the auction that has been carried out guarantees legal protection for the parties having an interest in the auction. For each auction, a minutes of auction will be made by the Auction Official that constitutes an authentic deed; (4) The principle of efficiency means that the implementation of online auctions can guarantee time efficiency in its implementation. This is because the online auction has been programmed from the beginning of the auction object to the announcement of the auction winner in a timely manner, so it is unlikely that the auction execution time will be delayed; (5) The principle of accountability requires that auctions conducted by auction officers as employees of KPKNL be accountable to all interested parties. The implementation of the auction guarantees the accountability of the auction officer as an employee of the KPKNL

which includes auction administration and management of auction money/result.

The aim of applying auction principles is to guarantee legal protection for all parties involved in the auction process as well as legal certainty and justice for all parties. The principles of auction are carried out by KPKNL Semarang in the auction of state-owned asset in order to realize the optimization of auction results. The implementation of good auction principles will minimize weaknesses in the implementation of online auctions, so that it will realize fair, safe, fast and efficient auction implementation, reasonable prices, and guarantee of legal certainty.

Furthermore, Usman Rachmadi stated that: (1) The creation of fair online auctions is because the auction is conducted openly (transparently), it does not prioritize among auction participants, equality of rights and obligations between participants will result in the implementation of an objective auction, and bring about justice because the implementation is supervised. straight from the center; (2) The implementation of online auctions is safer because the auction is witnessed, led and carried out by the Auction Official as an individual public official; (3) Fast and efficient online auction. This is because the auction is preceded by an auction announcement. Thus, the auction participants can gather on the day of the auction and at that time the buyer has been determined, and the payment is in cash; (4) Conducting online auctions can realize fair prices. This is because the formation of auction prices basically uses a competitive and transparent

bidding system; (5) The implementation of online auctions has provided legal certainty because each auction implementation minutes of the auction has been issued.

The involvement of the community, especially the people of Semarang City and the surroundings to participate in the implementation of the auction of state-owned asset by the Semarang Region KPKNL is very much needed, not only to strengthen the smooth running of the auction process, but also to make the auction of state-owned asset realize the auction of state-owned goods in accordance with good governance by KPKNL Semarang. KPKNL Semarang in conducting public services, carries auction activities, especially the online auction of state-owned goods. It has involved community participation. This is in line with the provisions in Article 16 paragraph (1) and (2) Government Regulation Number 45 Year 2017 concerning Community Participation in the Implementation of Regional Government that basically states that public participation in the administration of public services that includes the entire process of providing public services must be carried out in accordance with prevailing laws and regulations.

The involvement of the people of Semarang City and its surroundings in the auction of state-owned asset is both a necessity and an obligation. The implication of an involvement from community participation is one of the pillars in carrying out the principles of the auction implementation conducted by KPKNL Semarang. Public participation means that the public is only participating as a buyer in the auction of state-owned asset, and the office or government institution that has its headquarters at KPKNL Semarang is the owner of state-owned asset to be sold by auction.

The form of community involvement other than being a buyer at the time of the auction is supervision in the implementation of the auction starting from the planning stage to the post-implementation stage. In the planning or pre-implementation stages, the community can be involved in determining the auction price. It can make corrections to

the condition or condition of the auctioned goods. At the implementation stage, the public can supervise the running of the auction. The public can file an objection if they see an event that is not in accordance with the procedures and provisions in conducting the auction. In the post-auction stage, community can be involved by supervising the publication of auction minutes, monitoring evaluation and reports on auction implementation.

KPKNL Semarang realizes that there is a need to increase the role and involvement of the community in the implementation of online auctions. In fact, there are still many people in Semarang City and its surroundings who do not know clearly and well about the implementation of the auction of state-owned goods by KPKNL Semarang. This is because community still thinks that the auction process for state-owned asset is too complicated and considers that state-owned goods are used goods and not guaranteed goods (auctioned under the real conditions).

Realizing this empirical condition, KPKNL Semarang organizes various activities in order to increase public participation in the auction, such as: (1) Organizing social events related to the explanation of the auction of state property; (2) Socialization of the introduction of the online auction application with the aim of increasing public attention and participation. The socialization is carried out by KPKNL Semarang by introducing auctions, especially the auction of state-owned asset through social media and YouTube channels, in the form of making an interesting post, containing photos of the auction object, the quality of the auction object, the price (starting from the limit price), and auction execution date. The various efforts of KPKNL Semarang have yielded good results. This is reflected in 2019 and 2020, it was noted that on average many people participated in the auction process carried out by the Semarang Region KPKNL. In 2020, the growth of community participation reached 15% this year compared to the previous year.

Participatory supervision in the auction of state-owned asset, besides in line with the principles of a good auction, it is also in

line with the general principles of good governance. This is in line with the construction of Article 10 paragraph (1) in conjunction with Article 44 paragraph (1) of Law Number 30 Year 2014 concerning Government Administration. Participatory supervision by the community is a form of collaboration between KPKNL Semarang and the community to create auction implementation that can realize good and correct auction implementation procedures and in accordance with the rights and obligations of the community.

Community participation is highly important to take part in activities by involving other parties to appear consciously in social interactions in certain situations. Thus, community participation as part of auction implementation is active involvement in the process of organizing auction activities. The level of community participation is closely related to public trust, legitimacy, accountability, public service quality and preventing the public disobedience movement. (Nurkinan, 2018, p.36) The level of public participation in the implementation of state-owned goods auction activities is related to the principles of participation and openness as the main concepts in good governance. (Kadek Wibawa, 2019, p.626) The auction policy issued by the government has provided an optimal and comprehensive role for the community towards community involvement. (Sinaga, 2020)

#### **Implications without Community Participation in the Implementation of State-Owned Asset Auction by KPKNL Semarang**

The implementation of public services (including the implementation of auctions) in government affairs at this time, is not only the responsibility of the government alone, but also the joint responsibility of the government, the private sector and the community who have different roles to realize good governance. Good governance is a basis/guideline in governance and carrying out public service functions by the government. Community involvement in the auction is an effort to achieve good governance.

If there is no participation from community, the auction of state-owned goods

conducted by KPKNL Semarang can still run, but the process of carrying out the auction activities can't create a good government system. The implementation of the auction without the participation of the community is not in line with the mission of the Directorate General of State Assets, namely to have the function of implementing policies in the fields of state assets, state receivables and community-based auctions and openness. Another implication of the absence of community participation in the implementation of the auction of state-own asset will also not affect KPKNL because actually the ones who receive the consequences are the people themselves who have the right to obtain state-owned asset from the community themselves, not KPKNL.

The non-involvement of the society in the auction of state-owned asset can lead to risks, including: (1) The risk of many frauds committed by KPKNL due to the absence of community participation; (2) The risk of not realizing the strategic plan set by the KPKNL, especially the Semarang KPKNL due to the absence of supporting factors, namely the participation factor of the community; (3) The risks associated with the auction system in Indonesia that are compatible with the implementation of the democratic system of the Indonesian state. This is possible because there will be a backflow, that initially was given to the public at large, turning into activities given to parties who understand the process of auction activities in Indonesia.

A government that deliberately does not involve community participation in the implementation and supervision of government, including in the implementation and supervision of the auction of state property means ignoring the basic principles of good governance. Good governance in the implementation of the auction of state-owned asset can be realized if there is a synergy of roles from all parties or stakeholders, among others; the KPKNL as the government actor (auction organizer), auction applicant (government office or agency), the community (auction participant) and the implementation follows the prevailing laws and regulations



without any aggrieved parties. If the correlation between community participation in the auction of state-owned goods runs well, it will realize the auction of state-owned goods in accordance with the principles of good governance. The synergy of these three roles in the concept of good governance can be described as follows Figure 3.

Based on the figure above, the State Wealth and Auction Service Office (KPKNL) is an institution or agency formed by the state or government assigned to implement services for auction activities. KPKNL is a government actor in the concept of good governance. The auction executing agency or organizer is a representative of the private sector which also plays a role in organizing or implementing auction activities throughout Indonesia. The community is a civil society actor which is the third element in the implementation of the auction. The three components (KPKNL, the implementing agency or auction organizer, and the community) work as implementers with their own portion or role. The three actors work together to realize good governance in the implementation of a good auction (good controlling governance).

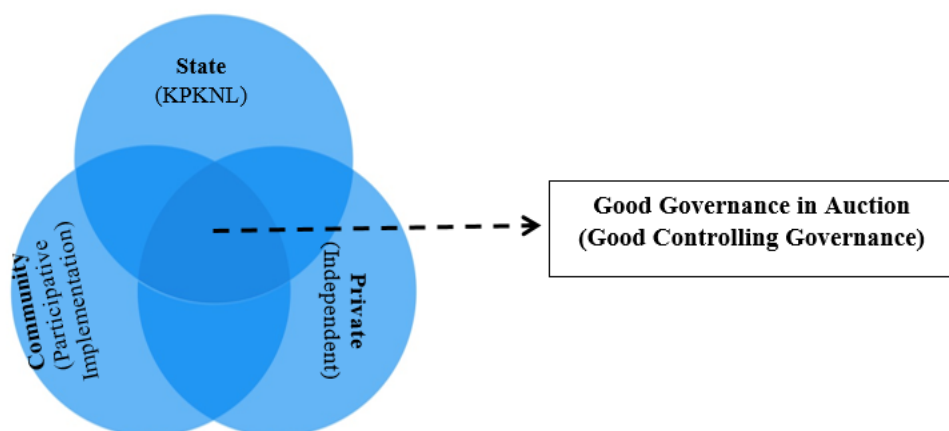
Hereafter, based on the explanation, the absence of community participation as supervisors in the auction of state-owned asset has a tendency that the auction does not apply the principles of good governance. This will open the opportunity for the auction of state property to be potentially fraudulent or unfair. However, normatively, based on the

Auction Law, the auction can still run, it remains legal even though it does not involve the community in its implementation..

Community participation is very important to take part in activities by involving other parties to appear consciously in social interactions in certain situations. Thus, community participation as part of auction implementation is active involvement in the process of organizing auction activities. The level of community participation is closely related to the level of public trust, legitimacy, accountability, public service quality and preventing the movement of public disobedience. The level of public participation in the implementation of state-owned asset auction activities is related to the principles of participation and openness as the main concepts in good governance (Kadek Wibawa, 2019).

Semarang City people has quite a lot of participation in the auction of state-owned asset held by KPKNL Semarang. Correlation of public participation in the auction of state-owned asset will lead to an implication of the correlation of community participation in the auction of state-owned asset. The implication of the relationship between community participation in the auction of state-owned goods is an impact or a direct result of the relationship between community participation in the auction of state-owned asset.

The implication of the correlation of public participation in Semarang city is that many people have participated in or they have been involved in the implementation



**Figure 3.** Implementation of auctions in the framework of Good Governance

Source: (Kadek Wibawa, 2019, p.625)

of the auction of state-owned asset that can lead to the realization of good governance in the auction of state-owned goods by KPKNL Semarang. According to Dany Kuryanto's explanation as the Semarang KPKNL auctioneer through an interview, discussing the Semarang KPKNL, participation is not only from the people of Semarang, but also from outside Semarang City.

It is because the applicant for auction of state-owned asset (government agencies) requests the auction to KPKNL Semarang spread across 13 districts or cities which are the KPKNL Semarang, and for auction participants not only from Semarang city who participate in this auction process, but throughout Indonesia which follow this auction process.

The participation of Semarang people is currently far more than the participation of people who come from outside the city of Semarang. In conclusion, the implication of this relation is that the participation of Semarang people is quite a lot, but it is still less than the people who participate in KPKNL Semarang who come from outside the City. Dany Kuryanto as the Semarang KPKNL Auctioneer through interviews expected that in the future the participation of the Semarang City community will be increased in number with the aim that the people of Semarang City can experience state-owned asset through auction and can help smooth the process of auctioning state goods by KPKNL Semarang to continue realizing a good governance auction process.

#### 4. Conclusion

The development of governance requires the involvement or active participation of the community, including the involvement of the community in the auction of state-owned asset. The community can be involved as participatory supervisors, as auction applicants or as auction participants in the auction. The community in the concept of good governance plays an important role because it is one of the actors in the realization of good governance.

KPKNL Semarang as one of the government units organizing the auction

of state-owned asset has implemented community involvement in the auction. The community can be involved starting from the planning, preparation, implementation stages, to the post-auction stage. The implementation of online auctions makes it easier for the public to carry out participatory supervision of the auction activities for state-owned goods. The presence of the auction application is expected to facilitate public access to participate in auction activities for state-owned goods.

The absence of community involvement in auction implementation tends to lead to unfair and fraudulent auction practices. The efforts KPKNL Semarang to continue to increase community involvement in auction activities should be appreciated even though the absence of community involvement in organizing state-owned goods auctions does not affect the legitimacy of the auction.

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