



The Implementation of One-Stop Integrated Services in Attracting Investment to North Sumatera Province

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Abstract: This study aims to analyze the implementation of the One-Stop Integrated Service at the One-Stop Integrated Investment and Licensing Service (DPMPTSP) of North Sumatera Province and what factors hinder increasing investment. This research method is qualitative with the type of data in the research using primary data through interviews with informants, then secondary data is obtained by conducting an analysis of literature and literature related to research. The analysis technique in this research through reducing data, presenting data and drawing conclusions. The results of this research shows that in order to attract investors to invest in North Sumatera Province, the DPMPTSP of North Sumatera Province tries to create positive image by removing negative images of poor licensing services. In addition to creating positive image the DPMPTSP of North Sumatera Province tries to implementing the One-Stop Integrated Service policy which is not yet complete, in the sense that there is still a gap in authority between agencies so that it has not fully met the expectations and satisfaction of users of licensing services and besides that, a complex bureaucracy which makes it difficult for investors to manage business the permits. This causing fluctuate on investment growth. In the context of licensing and non-licensing services the Governor of North Sumatera delegated authority in accordance with the regulation of North Sumatera Governor Number 39 of 2020, delegates its authority to the North Sumatera Province's DPMPTSP in particular to provide licensing services and supported community as users of licensing services.

Keywords: Implementation, One-Stop Integrated Service, Investment, North Sumatera Province.

INTRODUCTION

Public service as one of government's main functions is an effort to fulfill the society's needs for the procurement of goods and services needed by the community. Public services are increasingly important to the enactment of regional autonomy, the regional government as an autonomous region has broad freedom to regulate and manage the interests of its people to obtain quality public services and continue to improve from time to time. These demands are

growing in tune with the growing awareness that citizens have the right to be served and its government's obligation to fulfill these needs.

Recently, one of problems which stumbling the business process is getting a license and bureaucracy issue, in which many business people think that the licensing process handled by the government is far below standard, such as unclear rules, difficult and confusing process as well as lack of clarity regarding the timeliness of permits which not suitable and the lack of clarity over financing. Apart from this problem, the obstacle to investment licensing is many government agencies are visited to obtain permits. This situation makes the community or business actors feel dissatisfied, which in turn gives negative feedback to the government that lead to reduces the trust.

An Efforts to conduct massive transform and modifications to the government administration system, especially those related to institutional characteristics, management as well as apparatus resources, which is called as bureaucratic reform (Riyanto & Prasetyo, 2021). As a reaction to the management and functions of government, a new managerial economic paradigm, bureaucratic reforms were conceived to achieve a better public service. In order to implement public services, the Governor of North Sumatera issued regulation Number 39 in 2020 concerning the implementation of One-Stop Integrated Services. The North Sumatera Governor's Policy Number 39 of 2020 is a new regulation that has been force for three years. The basis for this rule is to ensure that the obligations of service providers and protect the right of society to invest in business actors. Furthermore, the Provincial Government of North Sumatera also issued regulations through the Decision Letter of the Investment Service and Integrated Licensing Services of North Sumatera Province Number 20 of 2019 concerning stipulations on licensing and non-licensing service standards and operational standards in an effort to boost and guarantee the quality of service to the business users and realize the implementation of excellent service which exceed the service standards. Where all permits and investment license are conduct through one-stop method or through network of websites by filling out the proposed form, whereas the procedure is carried out as soon as possible with transparency.

Quoted data from the Investment Service and Integrated Licensing Services of North Sumatera Province, the investment target and investment realization for foreign and domestic investment entering North Sumatera Province in 2018 which is Rp. 23.00 trillion, in 2019 an amount had increased to Rp. 33.91 trillion, in 2020 with total of Rp 42.6 in 2021 with amount of Rp. 24.00, while investment realization in 2018 and 2021 tended to fluctuate before and after the Governor Regulation Number 39 of 2020 has been issued.

The Governor of North Sumatera's policy regarding implementation has brought issue relates to public service reform in North Sumatera Province. To meet with the needs and expectations from licensing services recipients, the service principle need to be applied based on provisions of the North Sumatera's Governor The background to the issuance of this policy is an efforts in licensing service activities which are one of the instruments to encourage investment growth. Investment growth is closely related to several factors, including potential resources, supporting infrastructure, and conducive investment climate, all of that factors have significantly impact to the services and ease of doing business in the field of investment licensing.

By considering what has been described above, the researcher are intends to conduct research towards "The implementation of One-Stop Integrated Services in attracting Investment to North Sumatera Province."

LITERATURE REVIEW

Public Service

Service is a form of activity/benefit which offered by organization or individual elements to all consumer elements (those served), which in this case are more intangible or cannot be owned (Trilestari, 2004). According to Kotler, service would be start from consumer needs and end with customer satisfaction and positive perceptions of service quality (Gunawan & Prasetyo, 2019; Situmorang et al., 2020). Meanwhile, the public is a number of people who have jointly thoughts, feelings, hopes, attitudes as well as actions which are right and appropriate based on the values and norms that they have agreed upon (Nurcholis, 2011). Elicied to the Decree of the Minister for Administrative Reform Number 63/KEP/M.PAN/7/2003, public service is a form of service process activity which performed by public service providers as an effort to fulfill the wants and needs of the elements of the community served. From public service theory, the excellent service can be realized if there is a benchmark of public service provided to the community as a form of the process of meeting community needs. This standard itself has been regulated through Government Regulation Number 65 of 2005 concerning Guidelines for the Preparation and Implementation of Minimum Service Standards. Community satisfaction as one of measurement tool to assist quality of a process of administering public services which provided by the government bureaucracy to elements of society as public service recipients.

One-Stop Integrated Services

Based on Presidential Regulation Number 97 of 2014 concerning the Implementation of One-Stop Integrated Services, hereinafter abbreviated as PTSP is an Integrated service in one unified process starting from application stages to the completion of service products through one door. Based on Dewa in Santhi & Griadhi (2015) the concept of One-Stop Integrated Service is one of concept to process licensing and non-licensing activities, where the management process from the application stage to the issuance of permit documents is conduct by an integrated manner in one place, adhering to the principles of simplicity, transparency, accountability, ensuring certainty of costs, time, and clarity of procedures. The One-Stop Integrated Service Delivery Model, which in this case is licensing services, is one model of public service management which conduct by government bureaucratic institutions. The Process of Implementing One-Stop Integrated Services, in this case, is licensing services conducted by the government for the community in fulfilling their needs about licensing sector. Through the concept of implementing one-stop integrated services, applicants only need to come to one place and meet with the front office staff. The process in implementing One-Stop Integrated Licensing Service should be also supported by the values of professionalism from the elements of public service providers, in this case the government bureaucratic institutions also in the process of implementing licensing services from the elements of the government institution to elements of society as Public service recipients.

Investment

The investment is referred to Law Number 25 of 2007 which divide investment as foreign investment and domestic investment. Furthermore, through Article 1 Paragraph 4 of Law Number 25 of 2007, investment could be defined as an individual or business entity which performed an Investment as Domestic Investors or Foreign Investors. Domestic investment according to the provisions of Article 1 paragraph (5) of Law Number 25 of 2007 and Article 1 paragraph (5) of Presidential Regulation No.76 of 2007 concerning Criteria and Requirements for completing the Business Fields That Are Closed and Business Fields Open With Requirements in the Investment Sector, what is meant by Domestic Investment is an investment activities which conduct within territory of the Republic of Indonesia by the use

of domestic capital. Meanwhile, foreign investment is an investment which conduct outside territory of the Republic of Indonesia that performed by foreign investors, either by implementing full foreign capital or joint ventures with domestic investors.

Previous Research

Research conducted by Pramita et al (2014) revealed that the implementation that conduct by IILSA in Pasuruan City has been well accomplished, although there are a number of things that need to be improved related to the internet connection, there are still have an obstacles in carrying out operations in the SIUP delivery service and also the lack of available facilities and infrastructure. Susilowati (2008) in her research stated that the implementation of Mayor Regulation No. 23 of 2011 cannot be separated from the implementation of public administration at Salatiga City Government level which essentially inseparable by the development of thoughts of public administration. One aspect of development which expected to immediately improved and become a concern of the community in developing the economic sector. Acceleration of economic growth are supported by domestic industry that is resilient to crises which lift the investment from both domestic and foreign investors to the regions therefore it can become a catalyst for moving the wheels of the economy in the region.

Research by El Anshori et al (2014) found that the different forms of PTSP institutions had an impact in terms of carrying out the coordination function. A PTSP unit in the form of office will experience problems in terms of mobilizing the technical team. Furthermore, Rijal et al (2018) explains that in order to implement all the principles of One-Stop Integrated Services, regulatory arrangements are needed to avoid overlapping. In service performance, placing a technical team in One-Stop Service office by providing salary incentives which balanced to the responsibilities of the technical team. Lastly, research by Ginting et al (2018) which explains that One-Stop Integrated Service is often related to the performance of civil servants who provide satisfactory service indirectly to the public. Community satisfaction could be measured by the Community Satisfaction Index (IKM) through reference of Ministry of Administrative and Bureaucratic Reform in Regulation No. 25 of 2004 concerning the Community Satisfaction Index (IKM). The purpose in assessing community satisfaction through the Community Satisfaction Index (IKM) is to explore the development of unit performance in the service of government agency itself which is conducted by relevant agencies on a regular basis in order to create policies in order to improve public services.

Conceptual Framework

The implementation of one-stop integrated services is adjust to Edward III model which fits and closely related to the issue that has been studied. This conceptual framework could be drawn as follows:

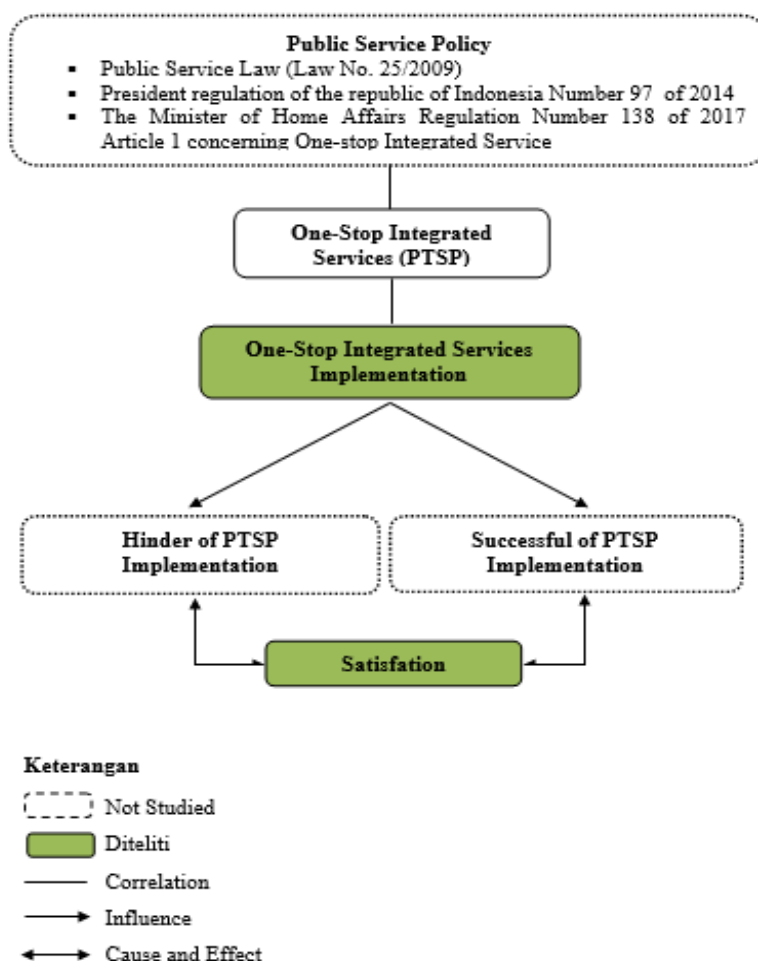


Figure 1. Conceptual Framework

RESEARCH METHODS

The method used in this study is qualitative method to learn further relates to Implementation of One-Stop Integrated Services in the North Sumatera Province and One-Stop Integrated Licensing Service (DMPPTSP) in an efforts to boost the investment. The type of research used qualitative descriptive which studies current phenomenon relates to the problems and work procedures that might apply. This research has been done at the DMPPTSP office of North Sumatera Province by considering that there were deficiencies and advantages in the implementing public services with One-Door Integrated Service in submitting licensing or non-licensing matters and the result stated that so far this implementation are still not done well, this situation was illustrated from the results of feedback responses of the people who performed the management and those phenomena appears regarding to this matter.

The number of informants in this research are 13 people consisting of the DMPPTSP Secretary, Head of DMPPTSP Licensing Services, Head of DMPPTSP General and Personnel Sub-Division, Head of DMPPTSP Supervision Control Section, DMPPTSP Licensing Service Staff, Non State Civil Apparatus Technical Personnel (ASN) which is Frontliner of DMPPTSP Office and DMPPTSP Middle System Analyst as well as several representatives from companies in North Sumatera Province. The author used both primary and secondary data collection strategies in order to obtain materials and information needed in research towards the implementation of One-Stop Integrated Services in DMPPTSP

North Sumatera Province. The stages which conducting to this research are the preparation stage, the data collection stage, the data analysis stage and drawing conclusions.

This research used qualitative research method that is oriented to words or sentences to provide an explanation relates to implementation of one-stop integrated services in increasing investment. The data obtained was gathered in a different way than in the same process before going into the field and during fieldwork and interviews. Activities in qualitative data analysis are carried out interactively and continuously until the data is saturated at which point the analysis begins (Miles in Sugiyono, 2012). The analysis activity consists of several common paths, namely data reduction, data presentation and conclusions.

FINDINGS AND DISCUSSION

One-Stop Integrated Service at the Investment Service and One-Stop Integrated Licensing Service in the North Sumatera Province used service pattern for various types of permits held in one place which is starting from the application stage to the product completion stage and until the issuance of permit documents which could be done only in one door. The Investment Service and One-Stop Integrated Licensing Service of North Sumatera Province is a Regional Government agency of North Sumatera Province which assists the Governor in serving licensing and non-licensing activities in the investment sector which includes: energy and mineral resources, public works and public housing, agriculture, marine and fisheries, electricity, environment and forestry, transportation, cooperative trade and small and medium enterprises, culture and tourism, education, health, labor, industry, and non-sectors. One-Stop Integrated Services at the Investment Service and One-Stop Integrated Licensing Services for North Sumatera Province received delegation from institutions that have licensing and non-licensing authorities in accordance with North Sumatera Governor Regulation Number 39 of 2020 concerning the Implementation of One-Stop Integrated Licensing Services.

The Implementation of One-Stop Integrated Service policy has been strictly regulated by North Sumatera Governor with Regulation Number 39 of 2020 and also through Presidential Regulation Number 97 of 2014 concerning the Implementation of One-Stop Integrated Services, having the objectives as in chapter II article two reads: a) Provide protection and legal certainty to the public; b) Shortening the service process; c) Realizing service process which is fast, easy, inexpensive, transparent, certain, and affordable as well as d) Bringing closer and wider services to the community. The mechanism for issuing non-licensing permits, the One-Stop Integrated Service process by the Investment Service and the North Sumatera Province One-Stop Integrated Licensing Service is carried out by simple way so the public and business actors as service users can quickly adapt and understand the mechanism for submitting permits. The process in granting licensing services is conducted by certain types of permits or similar permits. The mechanism for licensing and non-licensing services in general could be written as follows: 1) business actors come/online via the ready-to-serve application (initial process of permit application) 2) document verification (related to back office/opd) 3) receipt/checking of files (front office/online staff) 4) survey/field review (technical team/investment service and one-door integrated licensing service for North Sumatera province) 5) determination of the results from the field review, determination of technical recommendations (feasible/not feasible) to grant permits as needed 6) printing of permits/making of rejection letters and 7) submission of permits/submission of permit refusal letters (front office/online officers).

The results from the interview above show the implementation of One-Stop Integrated Service at the North Sumatera Province DPMPTSP, which is the licensing bureaucracy that has not been effective, there are still found a feedback from customer who feels dissatisfaction to the process which did not match to the expectations of community as well

as investors. Facing this issue, there is necessary needed the role of state administration and governments in providing effective, efficient and professional services to the community and business actors. Furthermore, these One-Stop Integrated Service at the DMPPTSP of North Sumatera Province also has several supporting factors in managing the Services, based on results of interviews with the DMPPTSP Secretary in the North Sumatera Province it is found that there are three supporting factors which affecting One-Stop Integrated Service, namely Regulation of the Minister of Home Affairs Number 100 of 2016 concerning the Nomenclature Guidelines for Investment Services and One-Stop Integrated Services for provinces, districts and cities that uses as reference for public services administration at DMPPTSP of North Sumatera Province, secondly there is an efforts to support the implementation of independent One-Stop Integrated Service, these empowered by the Governor of North Sumatera to the DMPPTSP of North Sumatera Province through North Sumatera Governor Regulation Number 39 of 2020 replacing the previous Regulation, namely North Sumatera Governor Regulation Number 39 of 2011 concerning Duties, functions and job descriptions of the Investment and Promotion of North Sumatera Province. The replacement was conducted in line with changes in nomenclature, structure. And there are additional licensing and non-licensing objects with the aim to improve the quality of licensing and non-licensing services in North Sumatera Province. This policy has become strong legal basis that the Governor of North Sumatera has been transferred its authority to DMPPTSP of North Sumatera Province to manage this One-Stop Integrated Services. Through these regulations policy, the authority relates to licensing and non-licensing documents are in the hands of Regional Apparatus Organizations is no longer valid.

Based on the interviews, it can be viewed that the obstacles to the Implementation of One-Stop Services at the DMPPTSP of North Sumatera Province are service conditions, technical team limitations and empowerment. Elicited to these interview results which stated that the service conditions at the DMPPTSP of North Sumatera Province have not been fully maximized. This perhaps due to lack of human resources at the DMPPTSP of North Sumatera who seems incompetent in knowledge of one-stop investment services on the basic level, advanced level as well as sectoral level and electronic licensing system techniques. The next inhibiting factor is the lack in technical team. Structurally, there should be technical team at the DMPPTSP of North Sumatera Province whose job is to performed technical inspections directly to the field. Of course there is ones. However, its role seems not too dominant whenever it has an obstacle. All these facts have been analyzed with conclusion that the coordination function at the DMPPTSP of North Sumatera Province has not been well maximized. Lastly, the implementation of one-stop integrated services at the DMPPTSP of North Sumatera Province is still not yet complete, in the sense of authority. As matter of facts there are several sectors that are still under the authority of technical service, therefore it creates difficulties for the community and business actors in getting their licenses. Judging from this situation, it is certainly inefficient in terms of time and cost as well as it creates burdensome for investors because they have to deal with different agencies.

In realizing One-Stop Integrated Service activities at the DMPPTSP of North Sumatera Province, it has been received positive appreciation from the community and business actors with information disclosure and preventing corruption, collusion and nepotism. The DMPPTSP of North Sumatera Province has improved the implementation of one-stop integrated services in the application to get clear procedures and increased quality requirements at the management of investment and licensing services, availability of facilities. So as to create effectiveness of cooperative relations and investment promotion to attract investment interest which could help to improve licensing and investment process for public interest.

CONCLUSION

According to the findings of discussion which have been described above, it can be concluded that: In order to attract investors to funds their money in North Sumatera Province through DMPPTSP then it need to seeks to provide positive image by removing negative image of poor licensing services. In addition, by creating positive image it will added value to the Province of North Sumatera. The Provincial Government of North Sumatera in One-Stop Integrated Service through DMPPTSP of North Sumatera Province in implementing the One-Stop Integrated Service policy is not yet complete, in the sense of authority. The authority for licensing and non-licensing services still has gap between agencies so it has not fully met the expectations and satisfaction of service users. Licensing and besides that, a complex bureaucracy which makes difficult for investors to take care of their business licensing, this causing investment growth to fluctuate. Apart from that, the North Sumatera Province DMPPTSP were also faced the lack in human resources. Licensing service human resources were not fully adequate due to employee mutations, this greatly affected the implementation of public service policies. Furthermore, to sort of these inhibiting factors of One-Stop Integrated Service at the North Sumatera Province has supporting factors in the implementation of the One-Stop Integrated Service, including that the facilities and infrastructure owned are quite good and are supported by the actors involved in the implementation of the One-Stop Integrated Service. The Governor of North Sumatera has transferred his authority by issuing Governor Regulation Number 39 of 2020 which declared that the Governor has been delivered his authority in the context of licensing and non-licensing services to the DMPPTSP of North Sumatera Province in particular to providing licensing services which to accomplish the community needs as users of licensing services.

In order to attract investors to invest in North Sumatera Province through DMPPTSP, it is recommended to communicate further relates to the policy which signed by the Governor of North Sumatera that is the Regulation Number 39 of 2020 concerning the Implementation of One-Stop Integrated Services to other technical Regional Apparatus Organizations for its full empowerment of licensing and non-licensing to One Integrated Services to DMPPTSP North Sumatera Province. Moreover, it is also requires to increase human resources who are advanced and understand related to the field of licensing services which certainly affects the implementation of public service policies.

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