

# Implementation Of Investment Management Policy In Makassar City

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*Investment management in local governments requires policies that can regulate and guarantee the implementation of investments. Policy implementation is part of a series of public policy processes. The policy process is a series of interdependent stages arranged according to time sequence, agenda setting, policy formulation, policy adoption, and policy assessment. This research aims to analyze the implementation of investment management policies in Makassar City. This research uses a descriptive qualitative approach with data collection methods, namely observation, in-depth interviews, and documentation. The informants in this research are the authorities and are directly involved in implementing the investment management policies of the Makassar city government. The results of this research indicate that the implementation of investment management policies in Makassar City is still not optimal. This is because there are no regulations that can guarantee that investors can invest in Makassar City. Apart from that, in terms of offering investment opportunities in Makassar City, OPD is not yet fully able to provide the forms of investment. So most people stop at the initial meeting with investment, namely at the Cooperation Agency.*

**Keywords:** Policy Implementation, Management, Investment.

## Introduction

The development of capital investment is a policy that has quite a broad economic impact, namely increasing the number of goods and services, creating added value, using labor and other financial resources, increasing community income, as well as being a source of regional income in the form of taxes and levies.

Increasing sustainable economic growth can also be an attraction for investors to invest in the region. However, this also depends on Good governance and efforts by local governments to attract investment, both from within the country and abroad, to ensure that development

throughout the region runs optimally. Overall national economic growth is greatly influenced by investments made in a region. Investment also shapes the course of daily economic activities. The development of investment in an area is an indicator of the progress of economic growth in that area. Investments made appropriately can support improvements in community welfare. Effective investment will create new jobs, increase regional income, reduce poverty rates, and improve community welfare. Given the important role of investment in expanding the national economy, the government must pay attention to and support these efforts by enacting pro-investment laws designed to facilitate the investment process [2].

Investment is an important factor responsible for the economic growth and development of a country. Investment is a benchmark for whether a country can be said to have a good or low level of economic growth. The rate of investment affects the level of state welfare because investment encourages the state to create production to fulfill state affairs and the nation's welfare. Investment policy also has a positive role in reducing poverty and unemployment. Investment policy should be able to become the basis of a people's economy by involving the development of micro, small, medium, and cooperative businesses, accelerating national economic development by processing economic potential into real power, one source of funds in the country's national economic development is by inviting investors to be willing to invest capital. Through domestic investors (PMDN) and foreign investors (PMA) to do business in Indonesian territory.

Various policy packages implemented by the central government to encourage investment in Indonesia will not be effective without support and cooperation from regional governments. Regional governments must be in line with the central government in creating various development programs. Regional governments are also expected to be able to create a conducive investment climate by making regional regulations (perda) that are investment-friendly. Regencies and cities in Indonesia are given the authority to manage their resources and wealth with the capabilities and strengths of each region. Regional autonomy also places districts and cities as growth centers. Investment is the main thing for regional economic growth. Therefore, each region has designed various offers regarding regional potential to potential investors to invest capital in their region.

Based on Law Number 25 of 2007 concerning Investment, what is meant by investment is all forms of investment activities, both by domestic investors and foreign investors to conduct business in the territory of the Republic of Indonesia. Domestic Investment (PMDN) is an investment activity to conduct business in the territory of the Republic of Indonesia carried out by domestic investors using domestic capital. Foreign Investment (PMA) is the activity of investing capital to conduct business in the territory of the Republic of Indonesia carried out by foreign investors, either using foreign capital entirely or jointly with domestic investors [3,8].

In realizing investment in local government, there needs to be a policy that can regulate and guarantee the implementation of investment [5, 7]. Policy implementation is part of a series of public policy processes. The policy process is a series of interdependent stages arranged according to time sequence, agenda setting, policy formulation, policy adoption, and policy assessment [4,9]. Implementation of implementation is an important activity in the entire

program/policy planning process. [11] define public policy implementation as action in previous decisions. This action includes efforts to convert decisions into operational actions within a period as well as in the context of continuing efforts to achieve large and small changes determined by policy decisions carried out by public organizations that are directed at achieving the goals that have been implemented [6].

Makassar City is a fairly conducive area in South Sulawesi in terms of investment climate. This tendency is marked by high levels of Domestic Investment (PMDN) and Foreign Investment (PMA). This can be seen from the continued development of investment realization (PMDN and PMA) in the city of Makassar. This is demonstrated by the investment realization value in Makassar City in 2020-2021.

Table 1. Makassar City Investment Realization 2020-2021

No.	Investment	The year 2020	The year 2021
1	Domestic Capital Investment (PMDN)	IDR 7,453,875,500,000	IDR 7,571,355,800,000
2	Foreign Investment (PMA)	IDR 179,496,164,900	IDR 734,354,995,789
<b>Total</b>		IDR 7,633,371,664,900	IDR 8,305,710,795,789

Source: LAKIP DPMPTSP Makassar City, 2022

The table above shows the investment achievements from 2020-2021, Domestic Investment (PMDN) in 2020 investment was at IDR. 7,453,875,500,000 while in 2021 investment will be IDR. 7,571,355,800,000. Next is Foreign Investment (PMA) in 2020 investment is at Rp. 179,496,164,900, while in 2021 investment will be IDR. 734,354,995,789. The data above, it shows that in the realization of investment in Makassar City, domestic investment becomes investors in high numbers.

The One-Stop Investment and Integrated Services Service as a Regional Apparatus Organization has a major role in providing public services and increasing regional competitiveness through One-Stop Investment and Integrated Services. Therefore, DPMPTSP is required to make various efforts to improve the investment climate in Makassar City. Investment management in Makassar City is still experiencing various problems and challenges. There are no regulations regarding the provision of incentives and ease of doing business in Makassar City. This regulation aims to attract investors' interest in investing in Makassar City to create a better investment climate, increase economic access and capabilities, and increase regional economic growth.

Based on this explanation, the focus of this research is to analyze the implementation of investment management policies in the city of Makassar.

## Methods

This research uses a qualitative approach. The choice of this method is based on the theory or model used as a reference in data collection, namely then verified or confirmed with field data collected through qualitative analysis methods. This research focuses on the implementation of investment management policies. The research location was carried out in Makassar City. To collect data, researchers used observation and interview techniques. Data sources in this research were taken through primary data and secondary data. Primary data collection was carried out directly using in-depth interview methods. Secondary data collection was obtained through related office documents and online data searches. Informants in this research were selected according to the criteria set by the researcher by considering all the information needed to carry out the research. The data collection technique in this research is a systematic procedure using interview, observation, and documentation methods. Furthermore, to declare the validity of the data using four techniques, namely Trustworthiness (Credibility), Transferability (Transferability), Dependency (Dependability), and Certainty (Confirmability). According to Miles and Huberman, they divide the analysis into four activity streams, namely as follows [10]: namely data collection, data reduction, data presentation, and drawing verification conclusions.

## **Results and Discussion**

Investment management in Makassar City, in this case, the One Stop Integrated Service Investment Service, was analyzed using the policy implementation approach proposed by [11] which consists of six variables, namely policy standards and targets, resources, relationships between organizations, characteristics implementing agent, social, economic and political conditions, implementor disposition. The description of the research results for each policy implementation variable will be explained as follows.

### **Policy standards and targets**

Policy standards and targets must be clear and measurable so that they can be realized. If policy standards and targets are vague, there will be multiple interpretations and it will easily lead to conflict between implementing agents.

The results of the research findings show that the standards and policy targets in investment management in the city of Makassar are the standards and targets for the successful implementation of investment management in Makassar City, namely by increasing investment in Makassar City through various sectors, as well as the target of investment policy in Makassar City, in this case attracting investors both domestically and abroad to want to invest in Makassar City. However, in implementing the offer of investment opportunities in Makassar City, there are no appropriate regulations to provide guarantees for investors when investing in Makassar City.

### **Resources**

Policy implementation requires support from both human and non-human resources. Humans are the most important resource in determining the success of an implementation process. Certain stages of the entire implementation process require the presence of quality human resources by the work required by policies that have been determined apolitically.

The results of the research findings show that resources, in this case, human resources in investment management in Makassar City, are divided into 2, namely resources from the State Civil Apparatus and Non-State Civil Apparatus. The readiness of human resources in investment management has been provided with BIMTEK and training. This shows the placement of ASN based on the main tasks and functions of each field, one of the tasks being the preparation of investment documents and supervision. In implementing investment management, the Makassar city government, in this case, the One Stop Integrated Investment Service, prepares employees based on their skills, if employees can speak and have a good appearance, they will be placed in licensing services, for employees who are experts in the IT field, The task of making reports is usually placed in the back office of investment promotion. The Makassar City One Stop Integrated Investment Service always strives to provide licensing and investment services that can make it easier to process permits and investments. So that through that, it can attract the interest of investors both domestic and foreign to invest in Makassar City.

### Relationships between organizations

In many programs, implementing a program requires support and coordination with other agencies. For this reason, coordination and cooperation between agencies is needed for the success of a program. For this reason, good communication and coordination between agencies is needed to support the success of a policy program. The better the communication coordination between the parties involved, the assumption is that fewer errors will occur.

The research findings show that the implementation of investment management policies in Makassar City involves stakeholders from the public and private sectors. In implementing investment management in the city of Makassar, the stakeholders involved include the Spatial Planning Service, which plays a role in verification, especially in space utilization, the Public Works and Public Housing Department about buildings, and the Environmental Service for environmental procedures. In implementing investment in the city of Makassar, the Makassar City Cooperation section acts as a liaison in implementing cooperation between the Makassar city government and investors from various countries. The countries that have invested in Makassar City in the last three years (2020-2022):

Table 2. Capital Investment Source Countries in Makassar City 2020-2022

No.	Country	No.	Country
1	Malaysia	10	Sweden
2	Singapore	11	Russia
3	China	12	German
4	United States of America	13	India
5	English	14	Tunisia
6	Luxembourg	15	Australia
7	South Korea	16	Dutch
8	Belgium	17	Japan
9	British Virgin Island	18	Cayman Island

Source: Makassar City DPMPTSP, 2022

From the table above, in 2020-2022 18 countries are sources of investment in Makassar City, this can certainly help in increasing existing investment in Makassar City. Based on the investment realization report in Makassar City in 2022, the top 5 countries investing in Makassar City are obtained, namely:

Table 3. Country Source of Capital Investment in Makassar City in 2022

No.	Country	Investment Value
1	Malaysia	Rp. 170.68 Billion
2	Singapore	Rp. 41.50 Billion
3	India	Rp. 32.54 Billion
4	China	Rp. 22.08 Billion
5	Japan	Rp. 18.02 Billion

Source: Makassar City DPMPTSP, 2022

From the table above, it is clear that in 2022 there will be 5 countries that will have the top investment value in the city of Makassar. Malaysia as a neighboring country is at number 1 with the highest investment value of IDR. 170.68 billion, next is Singapore with an investment value of Rp. 41.50 billion, in 3rd place, is India with an investment value of Rp. 32.52 billion, China is in 4th place with an investment value of Rp. 22.08 billion, Japan is in 5th place with an investment value of Rp. 18.02 Billion.

Apart from coordinating with the government, the One Stop Integrated Service Investment Service also coordinates with non-government stakeholders who also coordinate in managing increased investment in the city of Makassar between the Investment Council and the Indonesian Hotel and Restaurant Association, the role of both is more about providing input and suggestions regarding with policies and ease of investing in the city of Makassar.

### **Characteristics of Implementing Agents**

What is meant by the characteristics of implementing agents includes the bureaucratic structure, norms, and relationships that occur within the bureaucracy, all of which will influence the implementation of a program. What is meant by the characteristics of implementing agents in investment management in Makassar City is supervision over the implementation of investment management.

The research findings show that the supervision carried out in the implementation of investment management policies in Makassar City is based on the Republic of Indonesia Investment Coordinating Board Regulation Number 5 of 2021 concerning guidelines and procedures for monitoring risk-based business licensing. The implementation of the supervision is carried out to ensure that the implementation of business activities is by the standards for implementing business activities carried out in the city of Makassar. However, the implementation of supervision is still hampered by network problems in the OSS system and supervision It will also be implemented when the business actor has approved it e-mail sent by the One Stop Integrated Service Investment Service. However, an obstacle is that

business actors often do not respond quickly to the supervision letters sent. So supervision is carried out manually.

### **Social, Economic and Political Conditions**

This variable includes the extent to which interest groups provide support for policy implementation; the characteristics of the participants, namely supporting or rejecting, the nature of public opinion in the environment; and whether political elites support policy implementation [1].

The results of the research findings show that in the implementation of investment management policies in Makassar City, support is obtained in the investment management of the Makassar City government and is supported by the Economic Diplomatic Corporation (EDC) Forum organizes national investment forums with an emphasis on world investment sectors through Makassar Investment Forum (MIF). The implementation of the Makassar Investment Forum (MIF) is expected to be a forum for meeting investment needs in the development of cities throughout Indonesia, especially of course for the city of Makassar. In implementing investment in Makassar City, the One Stop Integrated Investment Service prepares Regional Regulations relating to providing incentives to investors who will invest in Makassar City.

### **Implementor Disposition**

This variable is interpreted as the desire or agreement among implementers to implement the policy. If policy implementation is carried out effectively, the implementer must not only know what must be done but also must have the ability to implement it and have the desire to implement the policy.

The findings explain that in the implementation of investment management, the response and consistency of implementors have not been optimal. This is demonstrated through the readiness of each stakeholder in promoting investment opportunities in each OPD. This is through a statement made by the Head of the Makassar City Cooperation Agency, that the Cooperation Agency's role is as an opener in investments in the city of Makassar. However, in implementation, it is still not welcomed by OPD in terms of promoting investment opportunities.

### **Conclusion**

Based on the research results and discussion above, the conclusion of this research shows that the implementation of investment management policies in Makassar City is still not optimal. This is because there are no regulations that can guarantee that investors can invest in Makassar City. Apart from that, in terms of offering investment opportunities in Makassar City, OPD is not yet fully able to provide the forms of investment in it. So most people stop at the initial meeting with investment, namely at the Cooperation Agency.

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