

Application Of Online To Reduce Levies In Investment

Jopinus

Universitas Efarina Simalungun, Indonesia

Email: jsefarina@ygmail.com

Abstract

Direct application or online system has a significant impact in services. One of the benefits of an online system of public service offices like an investment sector is to avoid levy. This paper used an exploration design to trace the effects of the online submission system in some of Investment Offices in Indonesia and its effectiveness in the public sector. Data found that the Direct application that has been installed in three Regencies of Indonesia revealed that entrepreneurs, traders, owners of companies and investors find it much easier to submit documents and transparent. It concluded that the online system impacted the business and investment sectors in regional and public services.

Keywords: *Direct application; online submission; investment; office; levy; transparent*

1. Introduction

The development of internet-based information technology that has been widely used by the public at large has pushed the existing Government Apparatus, both at the central level to the regional level to take advantage of the existence of this technology in providing public services to the public. Basically, public services are all service activities carried out by public organizers in an effort to meet the needs of service recipients and the implementation of applicable regulations (Mulyadi, 2016). The application of One Stop Integrated Services (PTSP) and Online Single Submission (OSS) is expected to be effective in reducing bureaucracy and making it easier for business people.

Based on (Articles 90-96 PP 24/2018) ministries / agencies, provincial governments, and district / city governments use the OSS (Online Single Submission) system in the context of granting Business Licensing that becomes their respective authority. There are only 2 Types of Business Licensing: Business Licenses and Commercial / Operational Permits. In line with Law No. 25/2007 concerning Investment, which implies that licensing and non-licensing services are carried out in one place (article 1, paragraph 10) and referred to as "One Stop Integrated Services (PTSP) which aims to provide ease of service, fiscal facilities and investment information "(article 26). Ease of service itself is basically based on the concept of poverty in service compared to investment carried out in an integrated offices (PTSP) system and has the characteristics of services, among others:

1. Simplicity: must be easy to understand and implement.
2. Clarity and certainty: clear and certain officers' rights and obligations and investment.
3. Security: the process and results of services must be safe and comfortable (legal certainty).
4. Openness: everything about the rights and obligations process is conveyed openly to requested or unsolicited investments.
5. Efficient: there is no publication of the requirements by some service units.
6. Economical: service costs are reasonably determined by considering service values.
7. Punctuality: no need to linger.

Related to service quality and customer satisfaction expectations which are basically influenced by several factors include personal needs, past travel, word of mouth recommendations, alternative and situational negotiations that are beyond the control of the service provider. Public services by utilizing information and communication technology devices that have been promoted by the government for the efficiency of public services are called as e-Government (Rafida, 2019). The Integrated Investment and Licensing Services Agency is an element of the implementation of the tasks of the Regional Government in the field of organizing the promotion and cooperation of one-stop investment and integrated services, led by a Head of Agency responsible to the Regent through the Regional

Secretary (Haeruddin, 2019). In carrying out its duties, the Integrated Investment and Licensing Services Agency has a function (Sesotyaningtyas, 2012). The One Stop Investment and Services Office have the task of carrying out part of the tasks of the Regional Government in the field of investment services which includes licensing and non-licensing. The implementation of an online system helps people get services that are easy and fast because filling out forms online can be done anywhere and anytime (Febryan, 2013).

Meanwhile, there are 5 points of view used by customers in seeing the quality of service performed by an organization: 1. Direct evidence, including physical facilities, personnel appearances and communication facilities; 2. Reliability, namely the ability to provide the promised service with a precision and satisfaction; 3. Capture, namely the desire to provide responsive services; 4. Guarantee, which is owned by personnel includes knowledge, ability, courtesy and trustworthiness; 5. Sympathy, including ease in good communication relationships, attention and understanding the needs of customers.

2. Research design

This Explorative research aims to gather data, analyze the quality of public service delivery and improve the investment climate in the regions, especially in the area of administration of licensing services, the government has taken various policy steps; data on One Stop Integrated Services (PTSP) related to licensing providers, starting from the application stage to the document issuance stage (submission of permits to the applicant), is conducted in an integrated manner in one place. Data analysis of the Implementation of One Stop Integrated Service (PTSP) is a form of business in carrying out government activities that are more effective and efficient as the object of this research. With the existence of a good PTSP, the government can carry out licensing services in an integrated manner by taking into account environmental conditions and the community (Faried, 2012) for eliminating illegal levies.

3. Result and Discussion

Result

Illegal levies are a crime committed by every legal subject, both a person and a legal entity that is directly or indirectly related to the misuse of state finances (Suparni & Sianturi, 2011). Illegal levies indeed damage the image of the government in the eyes of the public. This is very ingrained in the Indonesian government environment. Moreover, in every permit process, it is never free from extortion. Apriansyah (2018) The role of the Ministry of Law and Human Rights, in the implementation of prevention, enforcement and legal functions within the Ministry of Law and Human Rights, is already running in every Regional Office and UPT, although it has not been maximized. Respondents' responses to this matter have show that in terms of membership composition 93% of respondents considered it appropriate. The effectiveness of overcoming extortion 86% of respondents rated it as effective; the emergence of fear from employees by 88% indicates that the extortion eradication program within the Ministry of Law and Human Rights is already running. Increased integrity and accountability among the employees we surveyed showed an average increase of around 60%.

Data of application of online submission system shows that the Bogor City Investment Agency is intended to make the licensing process transparent and open. This online licensing system is expected to make people know all information quickly, easily, and precisely. Requirements, service flow, completion period, and proposed permit progress can be seen by accessing the internet. The public can take care of licensing anywhere and anytime by filling out the permit registration form and entering customer data by writing on the Investment Agency's website (Wibawa, 2012). The online system that is implemented in Bogor City Investment Agency is intended to solve the problem of manual service system. The implementation of online systems makes licensing services fast, easy, and smooth. However, this system is still not widely used. The majority of people still use the manual

licensing system. Online licensing system problems currently being faced are human resources who have not been able to operate technological equipment, technical constraints such as power outages that have caused internet network failures, organizational culture that has difficulty accepting new things, and public ignorance about online licensing systems that have resulted in information technology-based public services that have not can be implemented (Tahir, 2011).

The OSS model is to cut down the problems that have been hindering licensing services such as illegal levies which often occur in the offices of investment agencies (Ferdian, 2016). Based on Law Number 25 of 2009 concerning Public Services Article 5, states that "The scope of public services includes public goods and public services as well as administrative services that are regulated in legislation" (Fadilah & Prabawati, 2019). In a service in the field of investment, it is considered as excellent service if the design and procedures recognize several principles, including:

1. Give priority to customers: The customer is basically the owner of the services provided. Without customers there will never be service.
2. An effective system: An investment service is an arrangement that facilitates the work of various units of a service organization. This integration must be seen as a service process that runs thin and smooth in the eyes of the customer.
3. Serve with conscience: A service can be determined as a face-to-face process between officers and customers. In this face-to-face attitude and behavior displayed to be very important, good attitudes and behavior can often cover some of the shortcomings and weaknesses that have a service organization.
4. Continuous improvement: A phenomenal situation occurs in the problem of customer satisfaction, namely, "The better quality of service will result in customers being difficult to satisfy because the demands and needs for satisfaction are higher. Thus the spirit of learning by doing is a way out for continuous improvement or renewal".
5. Empower customers: Empowering customers means providing types of services that can be used by customers in an effort to solve customer problems, for example by utilizing an on-line system with information technology

Quality is a dynamic condition associated with products and people and the environment that meets or exceeds expectations. These four sources are the basis of service organization public accountability, which focuses on customer satisfaction.

- a. Implementation of the preparation of the Integrated Investment Board and Licensing Services Agency;
- b. Implementation of support for the implementation of the Regional Government in the field of Investment and Integrated Licensing Services;
- c. Administration of Investment, Administration Services and Integrated Licensing Services;
- d. Implementation of the Investment, Coordinating Process and Integrated Licensing Services;
- e. Monitoring and evaluating, the process of providing Investment and Integrated Licensing Services;
- f. Implementation of the Agency's administrative affairs; and
- g. The implementation of other tasks given by the Regent in accordance with the duties of agency function.

4. Discussion

The Regency's One-Stop Investment and Integrated Service Office is one of the regional government apparatuses in the Regency that implements a one-stop service system as a service agency that is specifically tasked with providing services on licensing that directly touches the community. Ease of Online Single Submission (OSS) with the Electronic Business Licensing Services in its implementation that can be accessed by operators via online, but the responsibilities and roles of the Investment Agency of Regency continue to apply in accordance with the main tasks and functions as well as existing regulations in improving the quality of services (Rizal et al. 2018). The government has implemented the Online Single Submission (OSS) as a system that integrates all business licensing services that are the authority of Ministers / Institutional Heads, Governors, or Regents / Mayors conducted electronically. Through the licensing system reform, we encourage standardization

to make the licensing bureaucracy at the central and regional levels easier, faster, and also more integrated (Nugraha, 2018). Additionally, Tangkilisan (2013) says that public administration can be divided into three groups namely: macro, medium and micro public policies:

First, macro level makes the public policies such as the Republic of Indonesia Constitution, Laws or Government Regulations substituting Laws, Government Regulations, Presidential Regulations, and Regional Regulations. Secondly, medium structure has is a middle process of implementation. This policy is in the form of Ministerial Regulations, Ministerial Circular, Governor's Regulations, Regents' Regulations, Mayor Regulations, Joint Decrees or Joint Ministerial Decrees, Governors and Regents or Mayors. Third is a micro regulation. The form of this policy is a regulation issued by certain public officials under the minister, governor, regent and mayor. Public services provided by the government can be classified into two main categories, namely: Basic Needs Services and General Services. Services basic needs include; health, basic education and basic needs of the community. While public services include; Administrative Services (ID cards), making Birth Certificates, making Death Certificates, Land Certificates, BPKB (Ownership book of Vehicles) , STNK (Registered Number of Vehicles) , IMB (Building Construction Permits), Passports, Goods Services (for example electricity supply, telephone network, clean water supply), and Services, for example organizing transportation, health care, tertiary and tertiary education, postal services, solid waste and others (Mahmudi, 2010).

The application of e-Government is an automation process that must be carried out by government organizations in providing services to the public more efficiently, effectively, and transparent and on target. In addition, one of the advantages of e-Government (Said, 2018) is to improve relations or relations between the government, the private sector, and the community, an openness that removes feelings of mutual suspicion and resentment or displeasure from all parties. Law No. 25 of 2009 which regulates public services, several provincial and district / city governments make efforts to improve poor service performance and try to ward off negative assumptions that have so far affected the performance of government apparatus services, such as service mechanisms that are considered to be long-winded / convoluted procedures in managing a particular permit, difficult to access, uncertainty of costs, the existence of illegal fees and coupled with unprofessional public service providers (Bilyastuti, 2019). Those efforts made by the district government to realize community welfare in bureaucratic services (Kurniawan, 2007).

In establishing a business, one thing that should not be missed is completing business licensing, one of which is the Trade Business License (SIUP). The meaning of the Trade Business License itself is a license granted to carry out trade business activities in accordance with the Decree of the Minister of Industry and Trade of the Republic of Indonesia Number: 289 / MPP / Kep / 10/2001 Concerning the "Standard Provisions for the Granting of Trading Business Permits (SIUP) ", which aims to provide business certainty and legal certainty, so that the entrepreneur in carrying out his activities feels safe and protected (Intan, 2014). For example, the Jakarta Governor Regulation No. 281 of 2016 manages the One-Stop Integrated Investment and Services Office; it is an element of implementing government affairs in the field of investment and the administration of licensing and non-licensing services. The agency has the duty of service and the signing of permits and non-licenses which are its authority and carry out planning, development and promotion, public complaints and communication services, management of information technology systems and archives as well as control and guidance for the implementation of investment (RENSTRA, 2017-2022, DPMPSTSP DKI Jakarta Province) .

Basically, public service is the provision of services to the community for the needs of the community in terms of quality and quantity in the life of the State or government system. The government as a tool of the state is obliged to provide fulfillment of every need of the community this is very necessary given that one of the indicators of success in the government system carried out by the bureaucratic apparatus is the existence of community satisfaction over the services they receive, this is a measure of the ignorance of service in implementation government bureaucracy (Umar, 2015). The issue of illegal levies in smoothing the licensing process is not uncommon, but it is very well known to the public, and the government seems to keep quiet so that the state of the bureaucracy from the past until now remains the same only to benefit through illegal levies in the licensing process. The condition of licensing bureaucracy in Indonesia is arguably very sad. Many investors

who want to invest in business feel the process is very long, complicated and costly. Not only big investors, even people who want to take care of small business licenses also feel complicated because of this very complicated licensing process. Such conditions can be an opportunity for unscrupulous government officials to extort illegal levies with the lure of the licensing process being accelerated.

5. Conclusions

Data analysis concludes as follows:

- (1). The 2018 Online Submission System (OSS) of Indonesia is an automation process that has been applied in providing services to the public more transparently. It shows that the online system impacts on the business and investment sectors in some regions.
- (2). Data analysis concluded that the application of e-Government is an automation process that has been implemented providing services to the public more efficiently, effectively, and transparent and on target. It makes illegal levies reduced in business licenses and permits in Indonesia.

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