

Investment Growth Review in Subang Regency within the Framework of Collaborative Governance for Investment Promotion

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Abstract. Benchmarking economic growth in a region can be observed through investment. According to data from the Investment Activity Report (LKPM), the investment level in Subang Regency has not yet reached the targeted achievements. Conversely, Subang Regency has a jawara niaga program aimed at boosting investment growth through the Investment and Integrated One-Stop Service Office (DPMPTSP) by promoting investments both domestically and internationally. This situation is assumed to result from the minimal involvement of various actors, where investment promotion should rightfully be the responsibility of multiple stakeholders. Therefore, this research aims to emphasize the collaborative framework in investment promotion in Subang Regency. This study employs qualitative research methodology to determine the most suitable collaborative framework for investment promotion in Subang Regency. According to the research findings, collaborative forums emerge as the key initial step that can be taken to enhance investment in Subang Regency.

Keywords: Investment, Collaboration, Promotion

1 Introduction

Investment plays a crucial role in propelling the economy of a region [1]. The lives of the region's population are significantly influenced by the role of investment, particularly in economic growth [2]. In the context of economic growth, the impact of investment extends to the lives of a country's population [3]. Investments contribute to the development of natural resources in regions, subsequently boosting local income through tourism and entrepreneurial activities [4]. However, Subang Regency continues to grapple with challenges in increasing investments within the region [5]. The involvement of multiple actors in investment promotion remains minimal, necessitating a robust collaboration framework [6]. to augment investment in Subang Regency. Investment is a vital component in driving the country's economy [7]. According to Law Number 25 of 2007 concerning Investment, investment is categorized into two types: Foreign Investment (PMA) and Domestic Investment (PMDN) [8]. Additionally, investment is a macro target of the 2020-2024 National Medium-Term Development Plan (RPJMN), aiming for an average economic growth of 5.7-6.0 percent per year in Indonesia. The government's effort to achieve this goal includes targeting an investment growth of 6.6-

7.0 percent [9]. Similarly, Subang Regency has prioritized investment in its 2018-2023 Regional Medium-Term Development Plan (RPJMD). Mission 4 of Subang Regency aims to enhance community welfare through development in populist economy agriculture, creative industry, marine and aquaculture, as well as exploring potential based on culture and local wisdom. This is with the objective of realizing investment growth in various businesses towards Jawara Niaga, targeting increased investment interest and realization through investment promotion strategies [10]. However, investment growth in Subang Regency, as per LKPM online data until 2023, has not shown significant changes.

Table 1. Investment Realization of Subang Regency

| Year | InvestmentRealization |
|-------------------------|---------------------------|
| 2018 | IDR 178,459,746,195 |
| 2019 | IDR 1,962,964,856,705 |
| 2020 | IDR 833,370,383,672 |
| 2021 | IDR 25,552,732,901,282 |
| 2022 | Rp. 3,027,487,523,811 |
| 2023 (Third Quarter) | IDR 3,602,333,511,567 |

Source: DPMPTSP online LKPM, 2023.

To address the need for increased investment in Subang Regency, a collaborative framework is essential. Currently, there is a lack of multi-actor involvement in investment promotion, as highlighted in the LKIP DPMPTSP Subang Regency Year 2022, citing weak coordination between DPMPTSP Subang Regency and relevant agencies [5]. This research aims to underscore the significance of a collaborative framework in boosting investment in Subang Regency and proposing efforts to enhance the involvement of multiple actors in investment promotion.

2 Research Methods

This research adopts a qualitative research method to identify an appropriate collaboration framework for investment promotion in Subang Regency. Data collection includes interviews with relevant agencies and OPDs, observations, literature studies, and analysis of journals and publications pertinent to the research.

3 Discussion

The collaborative governance model emerges to address increasingly complex public problems. Overcoming these challenges requires the involvement of various actors, making collaborative governance an initiative to enhance the effectiveness of public management by engaging diverse parties in the governance framework. Ansell and Gash introduced four main variables in collaborative governance: initial conditions, institutional design, facilitative leadership, and collaboration processes [11]. So that when viewed from the four variables of *collaborative governance*, the results obtained from collaboration in investment promotion in

Subang Regency show that the initial condition that occurs is that the Subang Regency Regional Government realizes the great potential possessed by the region in the investment sector supported by the development of the Rebana Area, in supporting this potential the Subang Regency Government issued Regional Regulation Number 1 of 2023 concerning Ease of Investment in the Subang Regency Region. In addition, with the investment potential of Subang Regency so that the collaboration process is currently being maximized, the Regent of Subang Regency is committed to creating an Investment Friendly Subang climate and targeting an investment value of Rp. 3 Trillion. With the institutional design in the form of basic rules used in the collaboration process in Subang Regency in this investment growth effort is through Regional Regulation Number 1 of 2023 concerning Ease of Investment in Subang Regency, which is intended to provide ease of investment for business capital owners in the Regency and open opportunities for BUMDs, Cooperatives, MSMEs, and BUMDes of Subang Regency to work together. This regulation also regulates how the local government facilitates business actors in terms of ease of development, fulfillment of needs and provision of facilities and infrastructure to support the ease of business actors in carrying out business activities in Subang Regency. The Regent of Subang Regency also said at the Subang Economic Forum that pentahelix collaboration is needed to encourage the progress and acceleration of the Subang Regency economy. Another aspect is related to transparency. Transparency in the process of implementing collaboration is one of the things that is important and must exist, because in collaboration transparency can help all parties to understand the objectives and a clearer view of what is to be achieved or produced from the process of implementing this collaboration. Based on various studies, in realizing transparency in collaboration it is necessary to manage public information disclosure, public information disclosure in Subang Regency has been planned and contained in Subang Regent Regulation Number 320 of 2022 concerning One Data Indonesia at the Subang Regency Level, but until now the program has not been running so that transparency in collaboration can be said to have not run optimally, because public information disclosure is very important to guarantee the rights of citizens to know public policy-making plans, public policy programs, and public decision-making processes, as well as the reasons for making a public decision and realizing good state administration, which is transparent, effective and efficient, accountable and accountable in accordance with the objectives of Law Number 14 of 2008 concerning Public Information Disclosure. In addition, the investment potential website of Subang Regency is still not maximized. Meanwhile, leadership in implementing collaboration, there is usually a great desire from stakeholders to participate, so this is where leadership is needed that can be accepted and trusted by stakeholders. High levels of conflict/disagreement may occur or be encountered during collaboration, and there is likely to be great distrust among stakeholders. A collaboration urgently needs strong leadership as it increases the likelihood of success and is respected and trusted by all stakeholders. In the implementation of collaboration in Subang Regency, DPMPSTP as the leading sector has its own way and affirmation in ensuring the involvement of all collaboration actors, one of which is by taking steps so that all stakeholders participate and contribute according to their respective tasks and functions. Facilitative leadership is one of the most important factors in supporting the success of collaboration, facilitative leadership is one of the 19 success factors of collaboration according to Mattessich and Monsey, this facilitative leadership is included in the environment or environment group which means that a collaboration implementation can be successful if there is a supportive environment, one of which is characterized by the presence of facilitative leaders. Furthermore, there is a need to increase the competence of human resources who participate in collaboration so that this collaboration can run optimally, the need for increased

human resources is also supported by research from one of the academics in Subang Regency which in his research has the result that the readiness of Subang Regency human resources is still quite sufficient and it really needs an increase because with the continued development of civilization, it must be followed by the development of human resources owned by a government in this context is the Subang Regency Regional Government. So that the collaboration process that occurs according to Ansell and Gash, consists of 5 (five) stages, namely face-to-face dialogue, building trust, mutual understanding, commitment in the process and intermediate results. Overall, all parties think that the current forum is good enough, but there are still some notes that need to be evaluated, such as the absence of community involvement and forums that provide space to express problems but have not been accompanied by problem solving. In order to reach a mutual agreement, a collaboration process begins with a face-to-face dialog. Face-to-face dialog that exists in Subang Regency in the realm of increasing investment is through business meetings, the Subang Economic Forum and the Subang Investment Summit. In building trust, the implementation of collaboration has indeed been running and is accompanied by various supporting elements. The purpose of building trust between stakeholders is so that all actors understand the goals to be achieved and believe that the process of implementing this collaboration is not only in the interests of one or several parties but for the benefit of all parties, namely Subang Regency, from the observations made by researchers, it can be seen that the existing trust between stakeholders has begun to form even though it is not yet fully maximized, this is because there are still a handful of parties who consider this collaboration process only for the benefit of some parties, However, this is not a problem because most stakeholders have great trust in this collaboration process, besides that, researchers see that building trust in Subang Regency is not so difficult because the existing stakeholders are those who are competent in their respective fields and know each other well so that building trust is not a difficult thing. Meanwhile, the understanding of the other stakeholders involved can be seen that the stakeholders so far can understand the role of the collaboration forum that has been provided by continuing to improve the forum. From the results of observations and interviews that the researchers have conducted, the researchers see that so far the stakeholders have indeed had the same shared understanding, this can be seen from the interview answers given and the duties carried out when in a forum, the stakeholders understand and carry out their respective roles according to their duties. The shared understanding in this collaboration process is to understand that the investment potential in Subang Regency is very large considering the prospect of Subang Regency as a promising industrial area and even has a city branding "The Gate of Investment in the Rebana Region" so that it needs to be understood that the pentahelix of Subang Regency must unite and work together to be able to realize these goals. The joint understanding is also emphasized regarding the flow of investment in accordance with applicable regulations and the readiness of stakeholders to handle this so that the realization of investment-friendly Subang can be truly implemented. It should also be understood that this collaboration is a step change that is carried out jointly by all Subang Regency stakeholders and for the benefit of all Subang Regency people so it is not only the interests of some groups, this needs to be emphasized and understood together so that in carrying out every collaboration process all parties can give their best performance without any other purpose other than public interest behind it. The Subang Economic Forum was also created to remind and understand again about the common goals to be achieved so that all stakeholders have a common agreement. Then, the commitment carried out in the implementation of collaboration is to commit to achieving the objectives of the collaboration, namely increasing investment and increasing PAD through promotional activities. This is in

accordance with the Subang Regency Regional Development Plan (RPD) 2024-2026 document which states that one of the strategic issues is accelerating economic growth through improving a conducive investment climate. And the temporary result that has been achieved is an increase in the value of investment which can even exceed the target of West Java Province even though it has not been able to achieve the investment target of Subang Regency.

4 Conclusion

The collaboration process conducted by the Subang Regency Regional Government in promoting investment needs improvement. Some actions that can be taken include integrating the Subang Regency innovation potential system, enhancing the quality of collaboration forums, boosting the competence of stakeholders, and designing a legal framework to regulate collaboration in Subang Regency.

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