

## Application of Online Based Licensing Services Innovation

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### **Abstract**

*In connection with service Investment licensing now has developed a service system whose main purpose is directed to the creation of ease of service Investment permit both foreign and domestic, without reducing the requirements that must be met by applying the concept of "one roof service system." Previously, the concept of investment licensing service that carried was "one stop service system" by relying on "one door service system." However, the concept of licensing services does not bring much change to the lower level, where investors still feel the convoluted procedure where the requirements, time and cost to be incurred by investors cannot be measured or ascertained.*

*Integrated Licensing Service Agency of Sidoarjo Regency made a breakthrough online package service with the intention of simplifying the process of permission at the same time and facilitate the submission of application through internet media. It aims to provide convenience and alternative means of applying for permits.*

*Research methods used by Miles, Huberman, and Saldana (2014: 31-33) in the analysis of qualitative data there is three flow of activities that occur simultaneously. Activities in data analysis are Data Condensation, Data Display, and Conclusion Drawing / Verifications. This research is divided into 3 (three) stages. They are first collecting primary data and sekunder through interview, observation and documentation, research location and preparation of research result of the application of public service innovation in Integrated Licensing Service Agency of Sidoarjo Regency. Both process analysis and application of public service innovation, modeling. The third is the implementation of the innovation model design of licensing service based online with the good and the formulation of the recommendation of the innovation model of licensing service based on online license in the Integrated Licensing Service Agency.*

*Outcomes in the form of Scientific Publications in International Journal reputable in the journal Society for International Development and textbooks*

**Keyword:** *application, innovation, service License, online*

### **INTRODUCTION**

Precisely starting in 1995, when Sidoarjo Regency was appointed to represent East Java Province in conducting trials on the implementation of Regional Autonomy, the Sidoarjo Regency Government has always tried to improve services to the community. The intended service efforts include providing easy licensing services, transparent fees, timely licensing completion, and others.

To realize this desire, the Sidoarjo Regency Government first established an Integrated Service Unit (UPT) which was established in accordance with the Sidoarjo Regent Decree Number: 310 of 1997, which is basically a forum for coordinating integrated service patterns between government agencies in providing services in one place / location, in accordance with the authority limits of each agency. The number of licenses managed by the UPT includes around 11 types of licenses.

Based on the above, the Government of Sidoarjo Regency established the Office of Licensing and Investment in accordance with Regional Regulation No. 2 of 2001 concerning the Establishment and Organizational Structure of Sidoarjo Regency Offices and Sidoarjo Regent Decree Number 16 of 2001 concerning Implementation Guidelines of Regional Regulation Number 2 the Year 2001 with 15 permits handled. This policy was taken not apart from the commitment of the Sidoarjo Regency Government to always provide and improve services to the community properly and professionally as the essence of the implementation of regional autonomy.

Regent Regulation Number 18 of 2011 concerning Amendments to Sidoarjo Regent Regulation Number 57 of 2008 concerning Details of Tasks, Functions and Work Procedures of the Sidoarjo Regency Integrated Licensing Service Agency (25 Types of Permits) and Regent Regulation Number 38 of 2012 concerning Second Amendment to Sidoarjo Regency Regulations Number 57 of 2008 concerning Details of Tasks, Functions and Work Procedures of the Integrated Licensing Service Agency of Sidoarjo Regency (37

Types of Permits) as Implementation of Government Regulation Number 41 of 2007 concerning Regional Device Organizations, then there is a change in nomenclature to become Integrated Licensing Service Agency (BPPT) in accordance with Regulations Regions Number 21 Year 2008 concerning Sidoarjo Regency Regional Organization and Regent Regulation Number 57 Year 2008 concerning Details of Tasks, Functions and Work Procedures of the Integrated Licensing Service Board of Sidoarjo Regency.

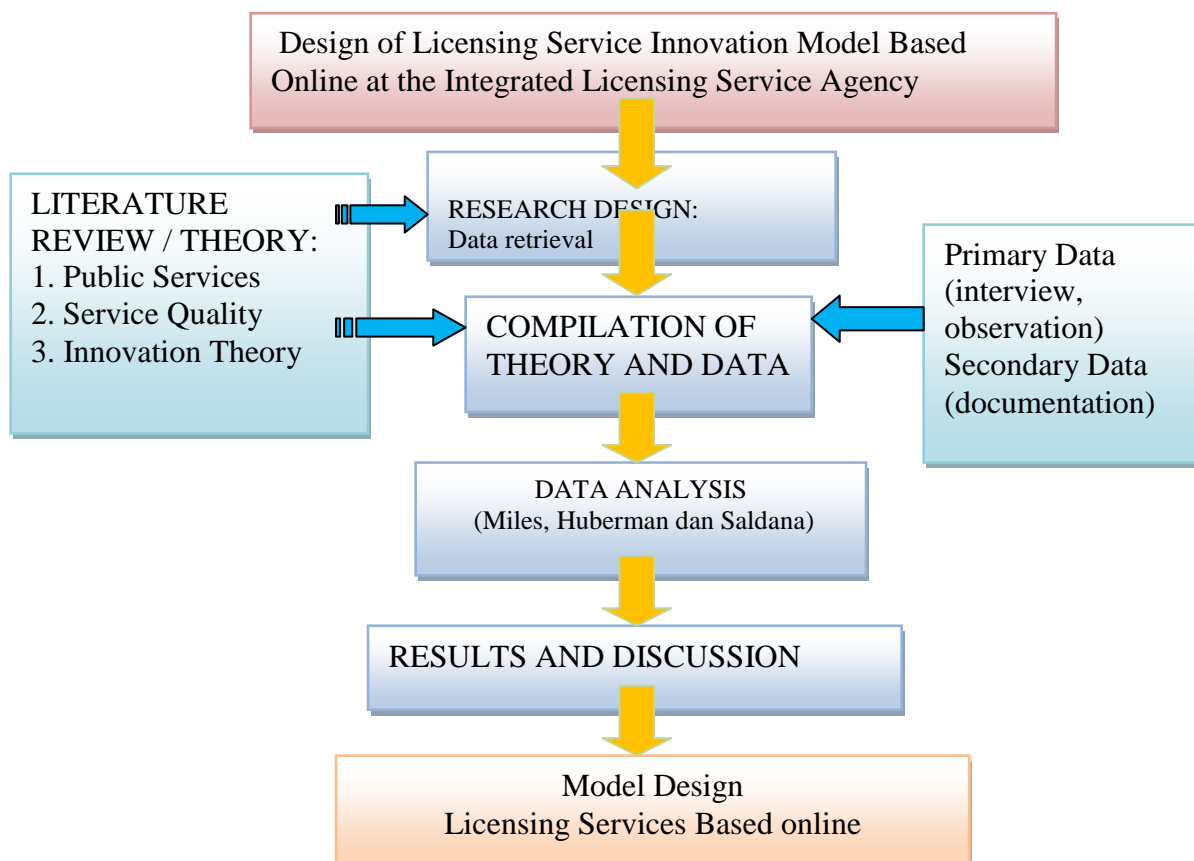
Then based on Regional Regulation Number 21 of 2008 and Sidoarjo Regent Regulation Number 38 of 2014 concerning Details of Tasks, Functions and Work Procedures of the Integrated Licensing Service Board of Sidoarjo Regency, then on November 1, 2014, BPPT's authority became 40 Types of Permits and dated January 1, 2015, BPPT's authority become 73 types of permits.

The Integrated Licensing Service Agency has the task of coordinating and administering and administering services in the licensing sector in an integrated manner with the principles of coordination, integration, synchronization, simplification, and security. The number of permits handled is 73 types of permits; this shows the consistency and commitment of the Sidoarjo Regency Government in order to improve service to the community in the field of licensing.

### RESEARCH METHODS

The design of this study used research models such as participant action research, action research diagnosis and empirical action research (Kemmis & Taggart, 1988). In addition to the high level of scholarship. The type of this research was also chosen according to the purpose of the research, namely to produce a draft licensing service model based on an integrated Licensing Service Agency.

**Picture 1.**  
**Flowchart of Research Design**



The objectives of this study include finding, reviewing and obtaining an overview of the implementation and effectiveness of online-based licensing service innovations in improving licensing and investment services in the Investment Office and One-Stop Integrated Licensing Services in Sidoarjo Regency

### RESULTS AND DISCUSSION

In East Java Province, Sidoarjo Regency is the first district in Indonesia that pioneered administrative service innovations that implemented the One Stop Integrated Service (PTSP) pattern, before there was a regulation from the government that regulated PTSP ([www.igi.fisipol.ugm.ac.id](http://www.igi.fisipol.ugm.ac.id)). In its journey in 2008 the nomenclature of the Licensing and Investment Office changed to the Integrated Licensing Service Agency (BPPT) of Sidoarjo, and in 2011 there were additional types of permits handled from 15 permits to 25 permits. In 2012 there were additional permits handled, from 25 permits to 37 permits and in 2015 from 37 permits to 73 permits. Seeing the many permits that were handled by BPPT, finally, in 2012 BPPT made a breakthrough so that the goal of service was fast, easy, simple, and accountable can be achieved in an effort to meet community expectations. So that in this case BPPT, which has special authority in licensing and investment, initiated a new program called the online licensing package program.

The online package program is expected to be a breakthrough for the public service system that seems long, complicated and long-winded. The presence of online packages is motivated by increasing authority. Permits that must be handled by the Investment Office and PTSP. The regular model that has been implemented is realized to take a long time. Various complaints from investors were often complained of because they had to go back to the Investment Office and PTSP many times, plus a long queue made some investors angry and demanded that the agencies be involved in improving better services. This situation made the Sidoarjo Regency Integrated One-Stop Service and Investment Service make a breakthrough online package service with the intention of simplifying the permit process at once and facilitating the submission of applications through internet media. This aims to provide convenience and alternative means of submitting permission applications.

Online Licensing, is a service through the Internet which consists of:

1. The package I: PSTS, IMB, HO, SIUP, TDI, TDP
2. Package II: PSTS, IMB, HO
3. Business Savings Package: SIUP, TDP
4. Tourism-saving packages: TDUP, TDP
5. Regular

There are two types of licensing packages offered. The package I consist of six types of licenses and package II consists of three types of licenses. In regular management (one by one), six permits in the package I will only be completed in 24 working days after all conditions are stated completely. Meanwhile, three types of permits in package II can only be completed in 21 working days.

With the package system, the time needed can be reduced to 14 working days (the package I) and 10 working days (package II). The program is considered to benefit the people who want to open new businesses such as retail and small, micro, and medium enterprises (MSMEs) when the service can be trimmed because the permit applicant does not need to submit the required documents one by one starting early. Because several permits that are combined actually require the same document.

Thus, the applicant must send a file once to fulfill the requirements of several types of permits. Although supported by the regent, the merging of permits in one package was not born immediately. There are several stages that go through. First, an analysis of 37 types of licenses in Sidoarjo. Next is an agreement about which permits can be combined.

The benefits and facilities obtained by the community with the package system in the past two years have managed 40 new permits in Sidoarjo with a package system. In addition to reducing licensing time, the Investment Office and PTSP make it easy by submitting permits online. Through its website, the public can upload the soft copy of the required documents and submit the original documents during verification or survey. In addition, the applicant can track the status of the permit that has been submitted through the same website.

Only, the licensing status tracking facility through the website is specifically given to one package licensing applicants. For regular licensing, still manually and to maintain service quality, the Investment and PSTP service continues to maintain ISO and consistently conducts internal and external audits and community satisfaction index surveys (IKM).

## CONCLUSION

Simplification of licensing procedures is very important to do as part of a series of efforts to encourage cost efficiency and reform of bureaucratic management of permits. This is intended to improve

the efficiency of service to the community in terms of managing permits. Simplification of procedures and ease of management through bureaucratic reform is very important to be carried out to increase public awareness in applying for formal activity permits. Public sector reform, including the investment licensing sector, has expanded widely after the decade of world war and forced the government to search all over the world, crossing between nations to find new ideas and for various different applications.

Therefore, to increase investment competitiveness, which at the end is also to realize people's welfare. Then investment licensing service model innovations need to be implemented, so that licensing service models are found that are in line with the principles of good governance, which are certainly also conducive to the growth of the investment climate.

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