

## CHAPTER II

### DESCRIPTION OF RESEARCH SETTING

#### A. Tanah Bumbu Regency's Profile

Tanah Bumbu Regency is one of the districts in the province of South Kalimantan (Borneo), Indonesia which was established based on Law Number 2 of 2003 on April 8, 2003 concerning the Establishment of Tanah Bumbu Regency and Balangan Regency in South Kalimantan Province which was published on February 25, 2003. Then it was followed by the inauguration of the Regent of Tanah Bumbu on 8 April 2003 which was occupied by Dr. H. Zairullah Azhar, MSc. (the first regent of Tanah Bumbu Regency) as a complete sign of the establishment of the Tanah Bumbu Regency. Based on that, Tanah Bumbu Regency celebrates its anniversary on April 8 each year. (<http://dprd.tanahbumbukab.go.id>, accessed on April 1<sup>st</sup>, 2019). Thus, Tanah Bumbu Regency is a regency that is still classified as young regency, especially in the South Kalimantan Province.

The general condition of the area of Tanah Bumbu Regency can be seen through the following aspects:

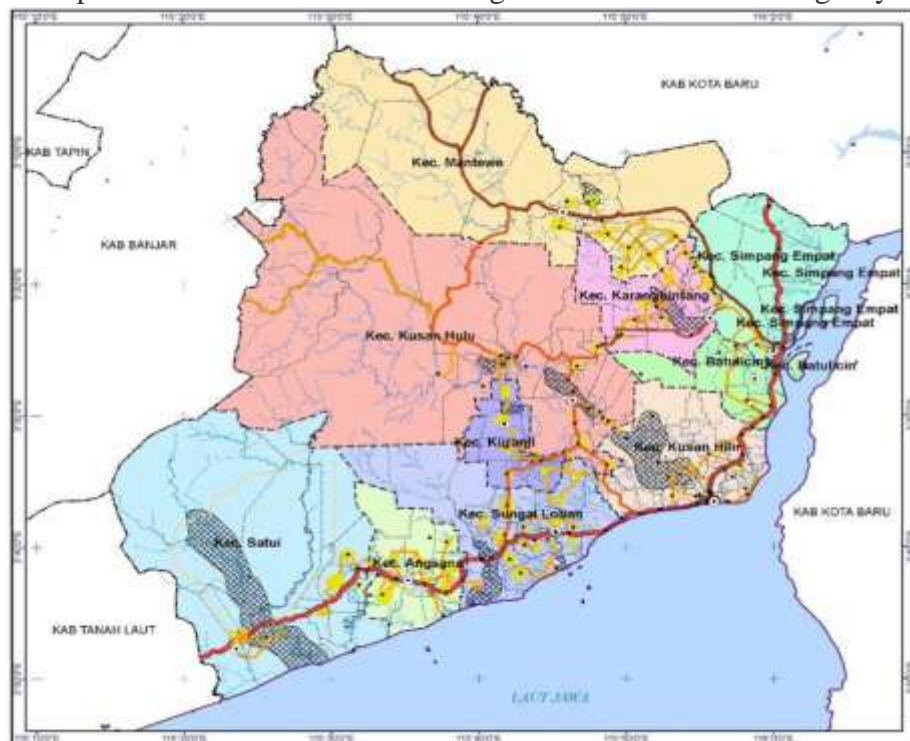
#### 1. Geographical and Administrative Region

Tanah Bumbu Regency is one of the 13 (thirteen) districts/cities in the South Kalimantan Province which is located right on the southeastern tip of Kalimantan Island. Geographically, Tanah Bumbu Regency is located at 2<sup>o</sup>52' - 3<sup>o</sup>47' South Latitude and 115<sup>o</sup>15' - 116<sup>o</sup>04' East Longitude, with the following boundaries:

- The north is bordered by Kotabaru Regency

- The south is bordered by the Java Sea
- The west is bordered by Banjar Regency and Tanah Laut Regency
- The east is bordered by Kotabaru Regency

Figure 2.1  
Map of Division Administrative Region of Tanah Bumbu Regency



Source: *The Local Government Work Plan (RKPD) of Tanah Bumbu Regency for 2018*

Tanah Bumbu Regency was formed in 2003, and consisted of 5 sub-districts and 116 villages/urban villages. In its development there have been several administrative divisions of sub-districts and villages. In 2006 there was a division of 5 sub-districts and 4 villages/urban villages, so that the sub-districts increased to 10 (ten) and villages/urban villages to 120 (one hundred and twenty). The ten sub-districts are namely Kusan Hilir, Sei/Sungai Loban, Satui, Kusan Hulu, Batulicin, Simping Empat, Karang Bintang, Angsana, Mantewe, and Kuranji.

In 2009, the administrative division of village became 136 villages. In 2011 the expansion of village areas in 10 sub-districts became 145 villages and 5 urban villages. Furthermore, in 2014 there was a reduction in a number of village in Mentewe Subdistrict, as many as 1 (one) village, namely Gunung Hatalau Village.

Now, in 2019, Tanah Bumbu Regency is divided into 10 sub-districts with 144 definitive villages and 5 urban villages, with the capital of sub-district located in Batulicin. The large area and the division administrative region of Tanah Bumbu Regency according to sub-district can be seen in table 2.1.

Table 2.1  
Division Administrative Region of Tanah Bumbu Regency 2015

<i>No.</i>	<i>Sub-district</i>	<i>Village</i>	<i>Urban Village</i>	<i>Large Area (km<sup>2</sup>)</i>	<i>Percentage (%)</i>
1	Kusan Hilir	34	1	401,54	7,92
2	Sei/Sungai Loban	17	-	358,41	7,07
3	Satui	16	-	876,58	17,3
4	Angsana	21	-	151,54	2,99
5	Kusan Hulu	7	-	1.609,39	31,76
6	Kuranji	11	-	110,24	2,18
7	Batulicin	10	2	127,71	2,52
8	Karang Bintang	12	-	118,02	2,33
9	Simpang Empat	7	2	302,32	5,97
10	Mantewe	9	-	1.011,21	19,96
<i>Tanah Bumbu</i>		144	5	5.066,96	100,00
<i>South Borneo</i>				37.530,52	13,50

Source: <https://tanahbumbukab.bps.go.id/> accessed on March 30, 2019.

Based on the table above, Tanah Bumbu Regency has a large area of 5,066.96 km<sup>2</sup> (506,696 Ha) or 13.50 percent of the total area of South Kalimantan Province. Sub-district with the largest area is Kusan Hulu covering 31.76 percent of the total area of Tanah Bumbu Region, meanwhile the Sub-district with the narrowest area is Kuranji having the

smallest area of 110.42 km<sup>2</sup> or 2.18 percent of Tanah Bumbu Region. Consecutively from the widest sub-district after Kusan Hulu is Mantewe, Satui, Kusan Hilir, Sei/Sungai Loban, Simpang Empat, Angsana, Batulicin, Karang Bintang and Kuranji.

## 2. Demography Aspect

Population increase is caused by birth rates, and migration of residents from other regions, because Tanah Bumbu Regency is considered potential so that it becomes a destination. The average population growth in 2015 to 2017 is 2.7% and can be seen on table below.

Table 2.2  
Population of Tanah Bumbu Regency by Gender in 2015-2017

No.	Sub-district	Population								
		2015			2016			2017		
		M	F	Total	M	F	Total	M	F	Total
1.	Kusan Hilir	26.182	24.467	50.649	26.923	25.159	52.082	27.638	25.827	53.465
2.	Sungai Loban	11.916	10.667	22.583	12.253	10.969	23.222	12.579	11.260	23.839
3.	Satui	32.968	28.062	61.030	33.901	28.856	62.757	34.801	29.622	64.424
4.	Angsana	10.468	9.145	19.613	10.764	9.404	20.168	11.050	9.654	20.704
5.	Kusan Hulu	11.212	9.836	21.048	11.529	10.114	21.644	11.835	10.383	22.218
6.	Kuranji	5.605	4.871	10.476	5.764	5.009	10.772	5.917	5.142	11.059
7.	Batulicin	8.875	7.987	16.862	9.126	8.213	17.339	9.368	8.431	17.800
8.	Karang Bintang	10.284	8.824	19.108	10.575	9.074	19.649	10.856	9.315	20.171
9.	Simpang Empat	40.912	42.563	83.475	42.070	43.767	85.837	43.187	44.930	88.117
10.	Mantewe	10.945	9.326	20.271	11.255	9.590	20.845	11.554	9.845	21.398
	Total	169.367	155.748	325.115	174.159	160.155	334.314	178.785	164.408	343.193

Source: The Local Government Work Plan (RKPD) of Tanah Bumbu Regency in Year 2018

Population density in Tanah Bumbu Regency is a comparison between the population and the area. Sub-districts that have a fairly large density from year to year are Simpang Empat, Karang Bintang and Batulicin Sub-district, as described below.

Table 2.3  
Distribution and Population Destiny by Sub-district of Tanah Bumbu  
Regency 2015-2017

No.	Sub-district	Large Area (km <sup>2</sup> )	Population Density		
			2015	2016	2017
1.	Kusan Hilir	401,54	126,14	129,71	133,15
2.	Sungai Loban	358,41	63,01	64,79	66,51
3.	Satui	876,58	69,62	71,59	73,49
4.	Angsana	151,54	129,42	133,09	136,62
5.	Kusan Hulu	1.609,39	13,08	13,45	13,81
6.	Kuranji	110,24	94,87	97,56	100,15
7.	Batulicin	127,71	132,03	135,77	139,38
8.	Karang Bintang	118,02	161,90	166,49	170,91
9.	Simpang Empat	302,32	276,11	283,93	291,47
10.	Mantewe	1.011,21	20,05	20,61	21,16
Tanah Bumbu		5.066,96	1.086,24	1.116,98	1.146,65

Source: <https://tanahbumbukab.bps.go.id/> accessed on March 30, 2019.

### 3. Vision and Mission

The vision and mission of Tanah Bumbu Regency are as follows:

#### a. Vision

The realization of Tanah Bumbu Regency as the Main Maritime Axis and the Center for Trade, Industry and Tourism. Kalimantan is based on Local Excellence and Regional Strategic Potential towards Advanced, Prosperous and High Intellectual of Tanah Bumbu.

#### b. Mission

- 1) Organizing the arrangement and management of ports as terminal points in order to encourage the utilization of maritime superiority and to manage coastal areas that are able to encourage the optimization of the economy of the community and tourism.
- 2) Enhancing industrial and trade activities based on people's economy through the expansion of opportunities and protection for

industry players in order to encourage the competitiveness of local communities amid regional and national flows.

- 3) Managing and using of natural resources that are sustainable and environmentally sound and maintaining the local wisdom to bring prosperity.
- 4) Organizing programs to strengthen the quality of human resources that have competitiveness amid the competition of the ASEAN Economic Community on the basis of people who have a moral character and have local roots.
- 5) Carrying out good, effective and clean governance and bureaucracy.

Source: <http://www.tanahbumbukab.go.id/> accessed on April 2<sup>nd</sup>, 2019.

## **B. Profil of The Investment and One-Stop Service Agency of Tanah Bumbu Regency**

### **1. History**

Based on The Accountability Report on Government Agency Performance (LAKIP) of the Investment and One-Stop Service Agency of Tanah Bumbu Regency in 2017, previously, the Investment and One-Stop Service Agency (DPMPTSP) named as the Regional Investment and Licensing Service Agency (BP3MD) was formed in 2008 based on the Regional Regulation No. 17 of 2007 concerning the Establishment of Position, Principal Task and Organizational Structure of the Regional Technical Agency of Tanah Bumbu Regency, which amended by the Regional Regulation No. 20 of 2011 concerning Amendments to Regional

Regulation No. 17 of 2007. The Investment and One-Stop Service is one of the regional work units in the Tanah Bumbu Regency which was formed based on the Regional Regulation of Tanah Bumbu Regency Number 19 of 2016 concerning the Formation and Composition of the Regional Apparatus (Gazette of Tanah Bumbu Regency Number 19) and the Regent Regulation Number 37 of 2017 concerning the Main Tasks, Functions and Work Procedures of Organizational Elements of the Investment and One-Stop Service Agency in Tanah Bumbu Regency. One of the basic philosophies of establishing the Investment and One-Stop Service Agency (DPMPTSP) is the facilitation of licensing administration for MSMEs that are transparent, easy and accountable. The large role of the Corruption Eradication Commission (KPK) in the initial formation of DPMPTSP has made BP3MD's active role in the eradication of illegal levies and gratuities.

## **2. Vision and Misssion**

The vision and mission of the Investment and One-Stop Service of Tanah Bumbu Regency are as follows:

### **a. Vision**

Realization of investment climate in industry and trade.

### **b. Mission**

- 1) Encouraging the investment climate in industry and trade
- 2) Improving the quality of service standards for Regional Work Units (SKPD).

Source: <http://dispmptsp.tanahbumbukab.go.id/> accessed on March 30<sup>th</sup>, 2019.

### 3. Principal Tasks and Functions

The tasks and functions as referred to in paragraphs (1) and (2) of the Regional Regulation No. 20 of 2011, the Investment and One-Stop Service Agency of Tanah Bumbu Regency have the following job descriptions:

- 1) Formulating technical policies in the field of Investment and One-Stop Integrated Services in accordance with policies stipulated by the Regent based on applicable laws and regulations;
- 2) Establishing technical policies in the field of Investment and One-Stop Integrated Services;
- 3) Implementing policies, guidance, control, supervision and regulation as well as the implementation of activities in the field of investment;
- 4) Implementing policies, guidance, control, supervision and regulation as well as the implementation of activities in the field of licensing and non-licensing services;
- 5) Implementing policies, guidance, control, supervision and regulation as well as the implementation of activities in the field of complaints and controls;
- 6) Coordinating with relevant agencies;
- 7) Fostering and coordinating the management of Regional Technical Implementation Units;
- 8) Controlling management of administrative activities;
- 9) Coordinating and fostering a technical team;
- 10) Coordinating and fostering technical implementation units;
- 11) Coordinating the implementation of functional office activities;



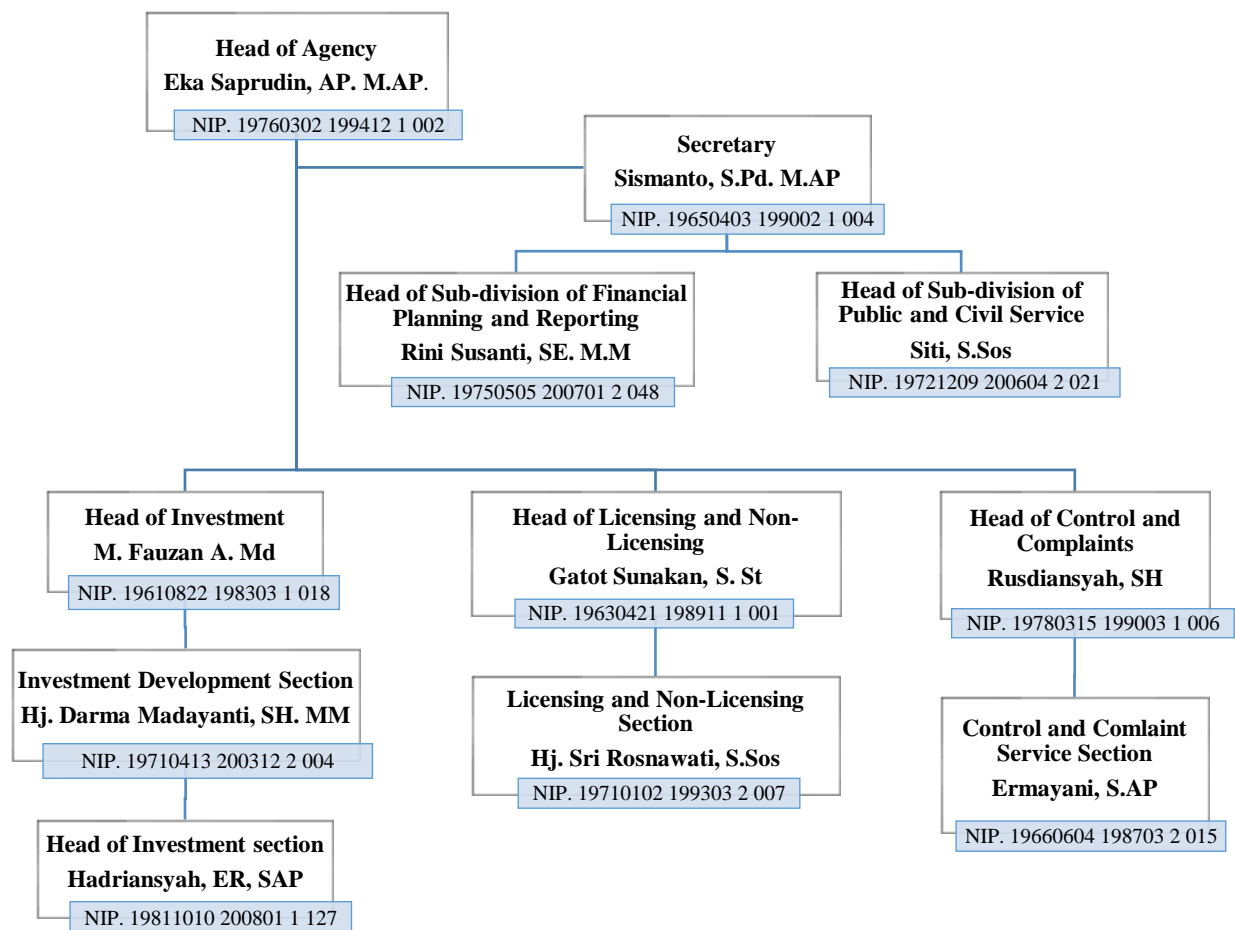
- 12) Evaluating and reporting on the implementation of tasks; and
- 13) Carrying out other tasks given by the Regent according to the field of duty.

Source: <http://dispmptsp.tanahbumbukab.go.id/> accessed on March 30<sup>th</sup>, 2019.

#### 4. Organizational Structure

To carry out its duties and functions, the Investment and One-Stop Integrated Service Agency has the following organizational structure.

Figure 2.2  
Organizational Structure of The Investment and One-Stop Service Agency  
of Tanah Bumbu Regency



Source: *The Investment and One-Stop Service Agency of Tanah Bumbu Regency*

## 5. Goal, Target, Strategy and Policy Direction

In the Strategic Plan of the Investment and One Stop Service Agency of Tanah Bumbu Regency for 2016-2021 it explains the goal, target, strategy and policy direction of the agency. Strategy is a steps that contain programs in an effort to realize the vision and mission that has been set. Whereas, the policy is an action which is taken by government agency in order to achieve goals.

The following is the medium-term goals and objectives formulation of the Investment and One Stop Service Agency, as well as the strategy and policy direction of the regional head's vision and mission as stipulated in the Regional Medium-Term Development Plan, as follows:

Tabel 2.5  
Goal, Target, Strategy and Policy Direction by Vision-Mission of Tanah Bumbu Regency

<b>VISION :</b>			
The realization of Tanah Bumbu Regency as the Main Maritime Axis and the Center for Trade, Industry and Tourism in Kalimantan Based on Physical Excellence and the Potential of Regional Strategies Towards Advanced, Prosperous and High Intellectual of Tanah Bumbu”			
<b>MISSION (2nd):</b>			
Enhancing Industrial and Trade Activities Based on People's Economy Through Expansion of Opportunities and Protection for Industry Players To Support the Competitiveness of Local Communities Amid Regional and National Flows.			
<b>Goal</b>	<b>Target</b>	<b>Strategy</b>	<b>Policy</b>
Increased Performance of Local Government	Realizing the Quality of Public Services	Increasing the Quality of Public Services	Improve service quality standards for Regional Work Units

*Source: The Strategic Plan (Renstra) of the Investment and One-Stop Service Agency of Tanah Bumbu Regency for 2016-2021*

A goal is something that will be achieved or produced in a period of one to five years. To ascertain the medium-term goals and objectives of the

Investment and One-Stop Service Agency, the following is formulation of medium-term goals and targets.

Tabel 2.6  
Medium-term Goal and Target of the Investment and One-Stop Service Agency

Goal	Target	Performance Indicator	Target of Performance						
			2015	2016	2017	2018	2019	2020	2021
Creating an investment climate in industry and trade	1. Increased Investment Plan and Realization	1. Percentage of Investment Plan	79,5	79,5	84,5	91	94,5	100	100
		2. Investment Realization Percentage	100	84,52	88,10	92,85	96,43	100	100
	2. Increased Services for Licensing	3. Community Satisfaction Survey (SKM)	80	100	100	100	100	100	100

*Source: The Strategic Plan (Renstra) of the Investment and One-Stop Service Agency of Tanah Bumbu Regency for 2016-2021*

## 6. Service Field

### a) Investment

Direct investment in the real sector has a dominant role in regional economic development. In addition to this activity that has a multiplier effect on regional revenue growth, investment can encourage an increase in the purchasing power of the society where the investment is planted. Based on the Local Government Work Plan (RKPD) of Tanah Bumbu Regency for 2018, the domestic investment activities in Tanah Bumbu Regency existing investment is dominated by plantation sector companies. In terms of Foreign Direct Investment (FDI), it dominance comes from mining service companies. The number of FDI in 2016 was 83 companies and almost 57.83 percent were investments in mining services or mining support services. The increase in the

mining industry will certainly have a tremendous effect on the regional economic growth of Tanah Bumbu Regency, as happened in 2005 where the economic growth of Tanah Bumbu Regency reached 7 percent.

#### b) Permit or License

There are several types of service for licensing whose its management had delegated from the Regent of Tanah Bumbu to the Investment and the One Stop Service Agency of Tanah Bumbu Regency, as described in table 2.9.

Therefore, the submission of several licenses can be done at the Investment and One-Stop Service Agency in Tanah Bumbu Regency, with the way the applicant comes directly to the service by bringing certain provisions in accordance with the permit that wants to be submitted.

Tabel 2.7  
Types of Permit or License Service

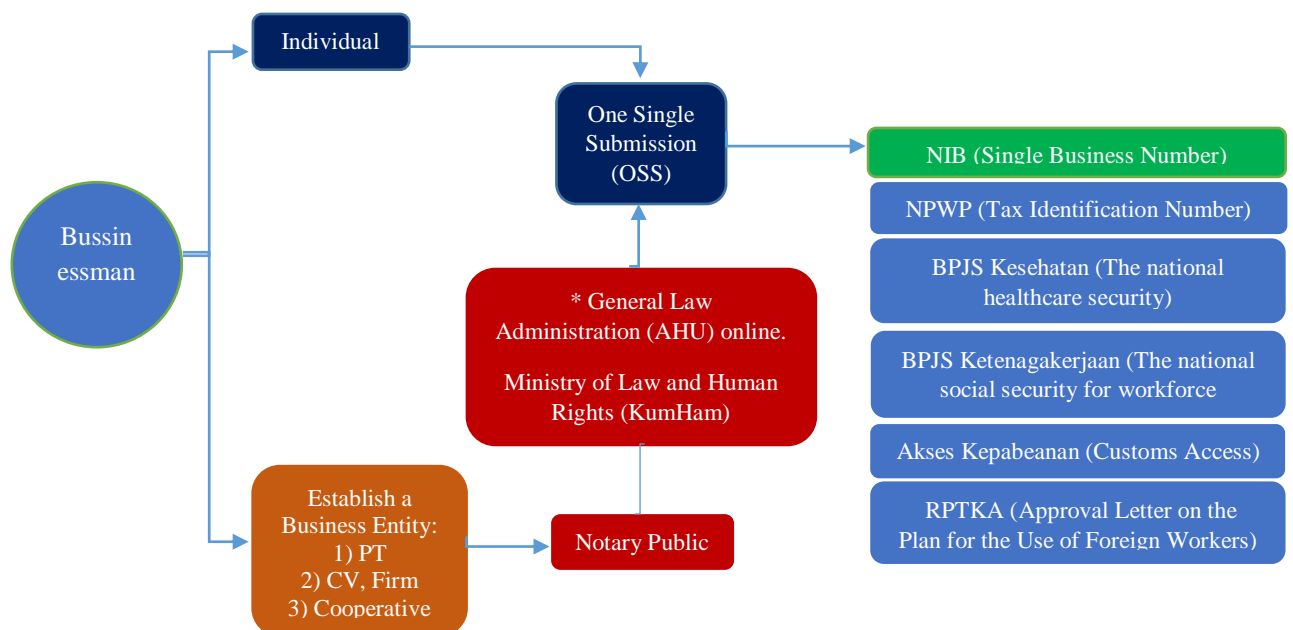
<i>Permit/License Types</i>	
SIO (Optical License)	SIPT (License of Traditional Medicine Business)
SIA (Pharmacy License)	IPPD (License of Trade Shows and Promotions)
HO (Hinder Ordonantie)	SPPL (Environmental Management Statement)
IR (Billboards Permission)	SIUJK (Construction Service Business License)
IUKKS (Electricity Sector)	IP (Animal Husbandry Business License)
IPB (Goods Stacking Permit)	TDP (Company Registration Certificate)
SITO (License of Drug Store)	IUTM (Modern Store Business License)
TDG (Warehouse Registration)	IPPM (Investment Principles License)
IPS (Shingle Collection Permit)	IMB (Building Construction License)
IUK (Tourism Business License)	SIP (Profession Practice License)
SIUP (Trading Business License)	SIUP (Fisheries Business License)
IUI (Industrial Business License)	SITU (Business Location License)
SIRTP (Food Household License)	IOP (Education Operating Permit)
IPPSBW (Permit for Management and Cultivation of Swallow's Nest)	IPSLB3 (Permit of Temporary Waste Storage of Hazardous and Toxic Substance)

Source: <http://dispmptsp.tanahbumbukab.go.id/> accessed on March 30<sup>th</sup>, 2019.

### c. OSS Service (Online Single Submission)

OSS service or Online Single Submission Service is an online management service of business permit document, namely TDP and SIUP. With this OSS service, the businessmen can do services easily, quickly and for free. The mechanism of OSS service system can be done by accessing the OSS site, that is [www.oss.go.id](http://www.oss.go.id) or visiting the agency directly if the businessmen does not understand or there are obstacles in the process of accessing the OSS site independently.

Figure 2.3  
OSS System Mechanism



Source: <http://dispmpstp.tanahbumbukab.go.id/> accessed on March 30<sup>th</sup>, 2019.