

Single Window Policy for Trade Licensing in Surabaya

Lanny Ramli, Luggas Radianto, Ayu Putri Azahrawany, Vidy Fauzizah Sampurno, Sandra Bagus M and Rintan Nur Indah Sari Anwar

Faculty of Law, Universitas Airlangga, Surabaya, Indonesia

Keywords: Bureaucracy, Effectiveness, Good Governance, Single Window.

Abstract: Responding to the current era of globalization, the Republic of Indonesia must be able to take advantage of opportunities by inviting as many investors as possible. The government responded this condition by issuing Presidential Regulation of the Republic of Indonesia No. 97 of 2014 on the Implementation of One-Stop Integrated Service. The motivation underlying this Presidential Regulation is to get closer and improve community service, and to shorten the service process in order to achieve the fast, easy, cheap, transparent, certain and affordable service. The issuance of Presidential Regulation is translated differently in every region in Indonesia, adapting to the capabilities of each local government, the availability of human resources, geographical conditions, and the needs of each region. Nevertheless, it can also be translated into innovation, such as movement made by government of Surabaya. The government aims to achieve a good and clean government, free from corruption, collusion and nepotism, and to improve the quality of public services, bureaucratic performance and accountability capacity, and to enhance apparatus professionalism. Surabaya City Government has established a licensing service in the form of Surabaya Single Window, by focusing on a user-friendly interface. This system will ease society, who is taking care of the licensing, as they only make face-to-face interaction with an online integrated system. Surabaya Single Window system is expected to reduce government's negative image and increase effectiveness. This system is beneficial for entrepreneurs who will run their business in Surabaya, because this system has supported Trading Business License.

1 INTRODUCTION

The globalization and digital era is now increasingly fading boundaries and distances. Customers have been able to choose goods and services from best sellers or providers according to them. Due to technological development, customers can access goods from sellers located around the world without having to meet them in person. Nevertheless, these conveniences have not been fully supported by local government in providing services to the community. During this decentralization era, licensing process is important, particularly in Indonesia. The need for change initiated by the central government and local government is still on the principle of effective bureaucracy, which is to encourage the efficiency of business process to the community.

The local government has not yet been able to achieve a big leap in realizing business process efficiency. The government still faces many types of licensing in the local area. This bureaucracy problem

might contribute to the weakness of investment competitiveness and the growth of private sector in the region. The achievement of business process efficiency is a mere impression of failure, if the government still cannot provide best solution for administrative and policy problems.

One step taken by government of Surabaya to achieve business process efficiency is by issuing the Mayor Regulation No. 28 of 2013 on the Procedure of Licensing and Non-Licensing Services in Surabaya. The purpose of this regulation formulation is to improve licensing and non-licensing services that are effective, efficient and transparent to the community, including business actors in the city. The government has made a remarkable effort, as this regulation gave birth to Surabaya Single Window (SSW) system. These products become pioneers in Indonesia in terms of effective, efficient and transparent licensing arrangements, as well as being the reference of other local governments in

licensing arrangements based on the meaning of outcome for society (Sugiyono, 2011)

1. Purpose and Objectives

This brief study was conducted using interactive analysis model proposed by Miles and Huberman (Sugiyono, 2011) to determine the impact of SSW application in Surabaya. The application has been successfully accelerated business process efficiency.

The results of this study could gain trust from public, particularly investors to make investments in Surabaya. Moreover, the results can help growing the business managed by private sector. Local governments should create effective, efficient and transparent licensing arrangements (Tangkilisan, 2005)

The discussion in this study is only limited to the licensing product in the form of Trade Business License or better known as Surat Izin Usaha Perdagangan (SIUP). SIUP is the most basic licensing product, and any kind of specific licensing product requires this license. All forms of business types are required to have SIUP, with the amount of capital capability affecting the type or category of SIUP classification, in which there is a business type group.

2 UNDERSTANDING OF PERMISSIONS

Some people argue that getting permission are complicated, difficult, time consuming and other negative things (Sutedi Adrian, 2011). According to the Act No. 30 of 2014 on Government Administration, permit is a Decision made by an authorized Government Authority as a form of approval of a citizen application in accordance with the prevailing legislation. According to the Minister of Home Affairs Regulation No. 20 of 2008 on the Guidelines for the Organization and Working Procedures of the Integrated Licensing Services Unit in the Regions, permit is a document issued by the regional government in accordance with regional regulation or other regulation constituting a proof of legality, providing a person or an organization a legal permission to conduct a business or activity.

Permission has significance for the holder in conducting legal relationship, either with government or other parties. Urgency of permission is as follows (Hadjon, 2009):

- As a legal base, certain activities can not be undertaken by the community without the

permission of the competent government organization;

- As an instrument to ensure legal certainty, generally made for some activities, both subjective and objective;
- As an instrument to protect the interests, either the interests of the applicant, the interests of the government, or other interests;
- As evidence for a claim, in the case of a dispute the permit may be used as evidence to resolve the dispute.

3 ANALYSIS OF RESULTS

The issuance of Surabaya Mayor Regulation No. 28 of 2013 on the Procedure of Electronic Licensing and Non-Licensing Services in Surabaya initiates the application of Surabaya Single Window Surabaya (SSW). It is a system that allows single data and information to be submitted, single data processing and synergy as well as decision-making in accordance with the duties and functions of each Regional Working Unit in terms of licensing and non-licensing services. The purpose of SSW is to shorten service time, and the process of data checking and requirements can be more carefully done. Moreover, all permission arrangements can be processed simultaneously.

The application of SSW gives a significant impact for economic and business growth in Surabaya. Utilizing the development of industrial electricity, consumers give exact figures that are in line with industrial growth in Surabaya. In 2012, there were 3,993 electricity users for industry, and 74,863 users for business. The number in the following year increased to 4,048 industrial users, and 88,662 users for business sector. The growth of electricity users continues to climb in 2014, reaching 4,082 industrial electricity users and 109,295 users for business. Those numbers quite describe the industrial and business development in Surabaya. This increment is directly or indirectly affected by the convenience provided by SSW system.

This convenience attracts many investors to make investment in Surabaya, therefore it has some potentials to be utilized by any party. Both domestic and foreign investors are interested and ready to take part in this opportunity. The indications are seen from the data of Surabaya government as follows:

Table 1: Realization of foreign capital investment in Surabaya.

Year	Investment (\$)	Investment (Rp)
2011	24,831,570	22,500,600,000
2012	12,176,402	298,717,956,292
2013	12,735,769	1,383,698,021
2014	45,294,933	0
2015	14,675,100	0

Table 2: Realization of domestic capital investment in Surabaya.

Year	Investment (\$)	Investment (Rp)
2011		725,625,178,209
2012		4,396,363,620,332
2013	1,935,500	490,271,432,498
2014		639,625,900,000
2015		828,416,500,000

There are many different types of licensing services offered by Surabaya government as a form of public services (Wijoyo, 2009). Nevertheless, there is one type of permit that becomes the most basic licensing, so that this license becomes the basis for the application of other specific permissions. This type of license is a Trading Business License (Surat Izin Usaha Perdagangan (SIUP)). From data provided by Surabaya government, the growth of SIUP management increases every year as follows:

Table 3: The growth of SIUP management.

Year					Total
	Micro	Small	Medium	Large	
2011	2,780	6,764	2,113	219	11,876
2012	4,654	6,714	2,383	283	14,034
2014	2,844	6,929	2,606	293	12,672
2015	3,004	7,347		281	13,333

SSW user interface is very interesting, even though there are still technical and non-technical issues. Technically, the web sometimes provides inadequate information or slower access that takes some times to upload data into the system. For non-technical issue, lack of socialization about the development of latest public services resulted in complaints, particularly for those who have difficulty in using SSW.

4 CONCLUSIONS

With the convenience of Surabaya Single Window (SSW) system, potential investors who make investment in Surabaya will improve the economy of the city. Moreover, SSW can reduce unprofessional service or not in accordance with the prevailing procedures. The application of SSW also provides a transparent supervision on the performance of Surabaya government, so that society can see the administrative process real-time. Public satisfaction index of local government will also increase.

5 SUGGESTION

Surabaya government deserves the highest appreciation for the application of Surabaya Single Window (SSW) system. Indeed, the system still needs development, both the user interface and the application to realize the habit of being paperless. It is not an easy task to change the habit, but it must be done. This attitude change serves as the basis of Surabaya government in facing the globalization and digital era, so that the city can get big benefit from business and investment sector. Those benefits can be utilized to develop society quality. Therefore, the process of socialization should be performed continuously.

REFERENCES

Hadjon, Philipus M (2009) Perijinan, Stensilan, Surabaya
 Peraturan Menteri Dalam Negeri No 20 Tahun 2008 tentang Pedoman Organisasi dan Tata Kerja Unit Pelayanan Perizinan Terpadu di Daerah
 Peraturan Walikota Surabaya Nomor 28 Tahun 2013 tentang Tata Cara Perizinan dan Non Perizinan Layanan Elektronik di Surabaya
 Sugiyono, (2011) Metode Penelitian Kuantitatif, Kualitatif dan R&D, Bandung
 Sutedi, Adrian (2011), Hukum Perizinan Dalam Sektor Pelayanan Publik, Sinar Grafika, Jakarta
 Tangkilisan, Hessel, Nogi S (2005), Manajemen Publik, Gramedia, Jakarta
 Wijoyo,Suparto,(2009).Pelayanan Publik, AUP, Surabaya