

**FOREIGN INVESTMENT AND REGIONAL
DEVELOPMENT VISION; (REVIEW OF WIDI
INTERNATIONAL FISHING TOURNAMENT-WIFT 2017
EVENTS)**

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Abstract

The development of investment in Indonesia is an indicator of the progress of economic growth in Indonesia. Investments made correctly can support the improvement of the welfare of the Indonesian people. One of the challenges in implementing investment in Indonesia is the implementation of regional autonomy in Indonesia. The era of regional autonomy in Indonesia began in 2001 after the enactment of Law no. 22 of 1999 concerning Regional Government and later updated by Law no. 32 of 2004. Meanwhile, the source of funding is regulated in Law no. 25 of 1999 concerning Financial Balance between the Central Government and Local Government, which was later updated by Law no. 33 of 2004. The important meaning of this regulation is that there is a system of financial distribution that is fair, proportional, democratic, transparent and efficient in the framework of implementing decentralization by taking into account the potential, conditions and needs of the regions as well as the amount of funding for the implementation of deconcentration and co-administration. In the context of such regulations on regional autonomy, the management of management resources through regional potentials through leading sectors such as tourism, fisheries, agriculture and other potentials is also regulated. *Widi International Fishing Tournament (WIFT) 2017* is one of the instruments to drive the people's economy. Of course, the roles of local governments and the private sector are very important through breakthroughs in medium and long term programs that are in line with the regional development vision.

Keywords: foreign investment, regional development

A. INTRODUCTION

Fundamental changes taking place at the national, regional and global levels have demanded new policies and instruments in the implementation of relations between countries. The advancement of information and communication technology has

pushed the globalization of interdependence between countries and between problems increasingly tightly. As a result, a created *borderless world* which seemed to form a *global village* for the world community. In line with the globalization process, actors in international relations also expand, not only covering the State (*state actors*), but also extending to *non-state actors* such as international organizations, LSM, Multinational Companies (*MNC's*), regional, minority groups, even individuals. The variety of actors involved in foreign relations apart from creating a process for strengthening Indonesian diplomacy. It is hoped that the empowerment of all foreign relations actors can realize a diplomacy that views the substance of the country's problems integrative and involves all components of the nation in a synergy called *total diplomacy*.

The enactment of Law Number 23 of 2014 concerning Regional Autonomy, which indirectly tore down the "wall" between the central, regional and international relations actors, which in fact used to be the implementation of Foreign Policy under the authority of the Central Government, without involving the regions. To expedite the running of the national development program, every sector deemed potential to sustain a builder must optimize its management and even development. One of them is the tourism sector, because in addition to contributing to income, tourism can also create national integration and friendship of nations with mutual understanding of the way of thinking of the culture of each nation. With the enactment of the Regional Autonomy Law as well, the targets to be achieved by the Central and Regional Governments are explicitly directed at empowering and promoting regional potential within the framework of the Unitary State of the Republic of Indonesia (*NKRI*).

B. METHOD

This type of research is a qualitatively discrete research that is research on data collected and expressed in the form of words and images, words arranged in sentences, for example sentences interviewed between researchers and informants. Data obtained using interviews and documentation.

C. RESULTS

1. Foreign Investment in the Era of Regional Autonomy

Era of autonomy demands that each regional government (*pemda*) be independent and creative, seek financing sources, and actively seek various opportunities that can be used as a source of regional cash income. Many regional regulations (*perda*) and policies are formulated in order to increase local revenue (*PAD*). In general, regional regulations and policies implemented by local governments are not far from matters of taxes, levies, permits and bureaucratic

Foreign Investment and Regional Development...

services that, whether they are aware of it or not, can burden business activities so that investment attractiveness in the regions is low. In accordance with the results of a study by the Regional Autonomy Monitoring Committee (KPPOD), currently there are still many regions that think that the success of regional autonomy is due to the increase in PAD. The level of PAD is used as a parameter to measure the success of the implementation of regional autonomy. The target of increasing PAD has often triggered the emergence of various policies *counter-productive* against the business and investment climate.

In fact, the investment climate in the mining sector which can increase economic activity, both on a local scale and with major errors in encouraging the capacity of the local government, private sector and communities in South Halmahera Regency as the implementing area for WIFT 2017. However, it is unfortunate that until now the natural resource potential of the tourism and fisheries sector management has not been maximally managed, and has not been able to stimulate economic activities that can create a labor market, a competitive business climate, increase the circulation of money, and generate regional income through taxes and levies. The current condition is that the government has not been able to provide guarantees and commitment to security and business comfort for both foreign and local investors to develop businesses in the regions. Some things that haunt investors and pioneers who develop businesses in one area have not been answered, namely legal certainty and security guarantees, supporting infrastructure conditions, and a simple, fast and transparent bureaucracy.

The objective of implementing investment can only be achieved if the supporting factors that hinder the investment climate can be overcome, among others, through improved coordination between Central and Regional Government agencies, creating a bureaucracy and a conducive business climate in the field of manpower and business security. Ironically, this condition is exacerbated by the rise of controversial cases involving the government and the private sector. According to the findings of the Ministry of Home Affairs during 2019, around 12 regional heads were involved in legal cases. In other words, on average every year there are regional heads in Indonesia with problems. The reality is quite sad, because regional autonomy has deviated from its function for the welfare of the people. A conducive investment climate occurs if the government, private sector and the general public can both take advantage of the existence of an investment. Local government tax revenues increase, business actors earn high profits, and labor is absorbed, thereby reducing the number of unemployed. This ideal condition can occur if there is a partnership pattern between the three parties above.

It is not a partnership (collusion) between the local government and the DPRD to produce a regional regulation that can extend the bureaucratic chain so that there is a gap to collect. Building a conducive regional investment climate cannot be separated from the national and international market information systems. Local governments and DPRD's must realize that there is intense competition between regions in competing for new investment. Local governments that are able to make their regions attractive for new investment will attract a lot of investment. On the other hand, Regional Governments whose regions are not attractive for investment, let alone the entry of new investment, the existing investments in that area are likely to leave or move to other regions.

Since regional autonomy was rolled out, there has not been much improvement in the real sector conditions in the regions, especially SMEs, which are still difficult to develop due to poor infrastructure that hinders investment growth, and guarantees business security. On the other hand, local government policies and regulations have not been able to support the real sector with the majority of the APBD being used for routine spending. There is almost no budget for incentives for the development of this productive business sector. The average economic growth in Indonesia is recorded at above six percent per year, not supported by the strength of the real sector. In fact, this condition can be overcome by optimizing the SME sector which has the potential to become a catalyst for national economic growth. This sector is able to absorb informal workers, opens up market 'fields' opportunities for regions, and has added value in the form of a multiplier effect on similar businesses in the same industry.

The solution to this condition can be started by re-examining the function of the government in marketing the potential of an area for the widest possible public interest. As a consequence, the government must be able to provide business security guarantees as an investment attraction, both legal certainty, infrastructure, and effective bureaucracy. Poor bureaucratic services can be overcome by developing clean behavior among top officials. Bureaucratic culture is generally paternalistic, so that the role model of the leader (patron) will determine the bureaucratic strata under him (the client) to do the same. Furthermore, any regional policies that are seen as distorting or disturbing the smooth running of the business and investment world must be reformed immediately. The selection of voices and aspirations of entrepreneurs must be carried out in order to obtain more objective input.

The system of local taxes and charges should also be designed to attract new investment and maintain the comfort of entrepreneurs. With the pretext of increasing PAD, local governments are often impatient to immediately ensnare investors who

Foreign Investment and Regional Development...

have just invested in the regions with various fees. The local government wants to be able to take advantage of the initial arrival of investors. In fact, to run a company to make a profit, investors need time and hard effort. However, even though the Regional Government provides “facilities” for investors and entrepreneurs in order to create a conducive business climate, the social and environmental impacts that occur must be maintained. Pro to investors does not mean that all types of businesses are eligible to be permitted, especially investments that are detrimental to the surrounding community. The government must tighten licensing for multinational business actors engaged in modern retail, such as hypermarkets. The government needs to think about strict requirements, so that the presence of hypermarkets does not harm local product producers and domestic farmers in the long term.

However, local producers and local farmers should be prioritized. The government must supervise the real realization of foreign investment whether it is in accordance with the Industrial Business Permit and Recommendations on the Official Report on Inspection of Industrial Business Permits issued by the Regional Promotion and Investment Agency (BPID). The presence of foreign investors should actually be able to assist local farmers and producers in marketing their products or commodities and creating jobs. Whether investment in the regions is attractive or not, for both foreign companies and domestic investors in each autonomous region, it must be different. The quality of policies and regional regulations formulated by the regional government greatly affects the investment climate in addition to the potential available resources.

D. DISCUSSION

1. Formulate a Regional Development Vision

Event *Widi International Fishing Tournament (WIFT)* carried out in 2017 yesterday is an international event which is followed by the participants at home and abroad as well as opened by Coordinating Minister for Maritime and Investment, Luhut B. Panjaitan. This event is expected to be able to move the economic sector of the people of South Halmahera, of course this requires a large contribution from all groups in the region. This requires a program plan that is ready for future regional development based on a development vision. Local governments and the private sector must move according to their vision and mission. The vision which then becomes the basis for realizing people's welfare. If we want to achieve a better condition in the future, then that desire will be easily achieved if we have a clear picture. Vision is to see as far into the future as possible, starting from what we see in the present. This is what is called a "vision". In short, a vision is a dream, but a

dream that may come true (*dream come true*), is not a utopia (delusion) without a foundation, in other words a vision is a dream based on reality.

Departing from this view, the vision is not a wishful thinking that is far high floating without a foothold or back. In other words, vision is the way we see ourselves and the environment such as organizations, regions, regional areas, and so on. This view is about the *prototype* of the future desired or dreamed of, but still has its starting point from the existing reality or reality. The reality means that the existing empirical conditions, in the context of regional development, are the existing potentials that we can use or empower to pursue this "dream". For South Halmahera, which is generally the largest district in North Maluku and the majority surrounded by the sea, it has a strong cultural character, which is rooted in ancient times, of course it has a vision based on local wisdom. Therefore, the most important thing in realizing development is how to develop something based on its potential or based on its characteristics. We have the potential for fisheries, tourism, agriculture and various other potentials. Including the potentials that are local community identities. These three potentials must then become the main supporting sector for PAD (Regional Original Opinion), and the community must take part in realizing the regional development vision.

That framework needs to be developed. Because, there is no power to develop a region and a nation unless it comes from the strength of the region / local community or the nation itself. Regional strength is the strength of its regional culture. The strength of its regional culture is supported by its human strength, and humans are the people in it. So that everyone must be integrated with the potential around him. Local governments must learn from other regions how to prioritize leading sectors that can generate regional revenue, especially supporting the region's grand vision of the featured sectors with adequate budgets to support human resources and infrastructure. For this reason, it is important that local governments through related agencies as the *leading sector* in the planning schedule a fundamental change in the RAPBD in the following years as a response and adaptation to the impact of investment in the regions which at times can affect people's lives.

2. WIFT (Widi International Fishing Tournament); Opportunities & Challenges

Apart from the debate about the name of the event and the agenda being prepared, WIFT 2017 must be ready both in concept and in the field, such as access to transportation and telecommunications. The implementation of WIFT 2017 is not merely a means of fishing for mania to win the presidential trophy. But furthermore, WIFT 2017 is how to open the world's eyes about the tourism and fisheries potential of North Maluku in South Halmahere (Widi Island, Gane Timur Selatan), which is

no less beautiful and enchanting than Bali or Raja Ampat. Apart from the Sail Morotai that has been held in North Maluku, WIFT 2017 is an opportunity and must be able to arouse the passion of international tourism in North Maluku with the concept of "Pro-Investment Area" which does not give up the role or position of local communities, with the first and first priority of tourism development is build people, especially local communities and who directly interact with tourists so that equality can be achieved and the occurrence of mutual exchange and cooperation that mutual respect and enrich life. Tourism can be used to encourage changes in life and livelihoods through available job opportunities, increase in income, and improve the quality of life of the community. Tourism can also reduce population pressure to exploit land and environmental resources. Tourism in the autonomy era plays an important role in community development and regional development, especially in remote areas that have unique natural and cultural potential. The trend of increasing regional interest in developing tourism activities requires careful attention and handling. The challenge faced by the local government itself is how regional initiatives and initiatives develop themselves during this autonomy period which is very important for the consolidation of the national strategy in tourism development. The initiatives and initiatives that are meant are how local governments attract foreign investment to the regions.

E. CONCLUSION

In the General Elucidation of Law no. 25 of 2007 stated the importance of the role of local government. The government is required to establish good coordination between the central government and local governments. This coordination must be carried out in the spirit of regional autonomy. In developing opportunities for regional potential, coordination is an important point for investment (investment) in the regions, both in governmental affairs related to investment, as well as in the framework of regional capacity to invest. Therefore, coordination and regional potential must be used as a recommendation for regional financial management related to PAD (Regional Original Revenue) in the context of APBD. However, the significant increase in the number of legislative products (perda) related to levies and local taxes illustrates the excessive regional response in the face of regional autonomy. This actually becomes counterproductive because it adds to the burden on the public (society) and also hinders the entry of investment into the regions. The community does not contribute as expected (through the payment of levies and local taxes), and this could be due to the low *ability to pay* or the *willingness to pay* community's.

One of the factors that is believed to be the cause of the low level of these two things (ability and willingness to pay) is that there is no significant change in community welfare. Therefore, to overcome these problems the local government must work extra hard and wisely in responding to the social disparities that occur. Recognizing that North Maluku is an archipelagic province, it is specifically reminded that regional readiness is an important factor in determining the success of the region in implementing regional autonomy policies with the aim of community welfare. Hopefully the 2017 WIFT event can have an impact on improving the economy of the people of South Halmahera in particular, and North Maluku in general

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