

Challenges of Regional Government in the Disruptive Era:

Implementation of Online Single Submission (OSS) in Sidoarjo Regency

Muhammad Fajrus Shodiq*, Eka Kurniawan Putra

Master of Public Policy Program, Faculty of Social and Political Sciences
Airlangga University
Surabaya, Indonesia

*muhammad.fajrus.odiq-2018@fisip.unair.ac.id

Abstract—The industrial revolution 4.0 resulted in the impact of digitalization which increasingly urged the public sector to expand. The development of governance today must be in line with developments in the global context, if not then organizations in the public sector will always encounter obstacles in answering the challenges that exist. Through the Online Single Submission (OSS) policy, the Sidoarjo Regency Government tried to build an efficient and effective administration and public service system to realize the competitive power of regional development. Online Single Submission simplifies the bureaucratic mechanism to facilitate business people. This study aims to analyze the implementation of the Online Single Submission policy in the Sidoarjo Regency Government by using the Edward III model approach as an analytical knife, while the main aspects studied in policy implementation include: communication, bureaucratic structure, resources, disposition. The method used in this study is a qualitative research method with descriptive study, we conducted interviews and documentation in the data collection techniques, informants in this study were three people who were bound and in direct contact with the Online Single Submission program while the technique of analyzing data using analysis interactive. The findings in the field that we have found show various dynamics in the process of implementing these policies which are still classified as running in one year.

Keywords—policy implementation, online single submission, regional development

I. INTRODUCTION

Today change creates great opportunities and risks. Opportunities to foster economic and social well-being are at an unprecedented pace. We can eliminate tedious and dangerous work, reduce accidents and prolong healthy life, creating happiness in life through various positive changes. Changes arising from the effects of distortion cannot be avoided and we must embrace change to survive. But we cannot know the detailed impact of the disruption. The disruption of change happens quickly and violently but at least we can anticipate and plan for change. The presence of the internet in the revolution era scheme 4.0 [1] has its own impact

on changing human lives. Even today, the internet and its use have turned into the highest realm of "high politics". In addition to the various positive impacts that can be felt, the internet has become a place of unprecedented opportunities, a source of vulnerability, interference in the familiar international order, and often described as a potential threat to national security [2].

In the context of governance, disruption-era governance becomes a challenge. Acceleration and convenience in public services is one element that must be manifested in governance in public policy. In the perspective of public policy that is fast and provides opportunities for the community to develop independently in the process of formulation, implementation and evaluation of policies can provide benefits to improving aspects of community welfare in a sustainable manner. Public policy is a product that fights for various needs and interests of the public [3]. In this way, interaction, processes, and activities between the community and the government are needed that are mutually beneficial or symbiotic mutualism so that later they will be able to answer the challenges and demands and the public interest.

To improve responsive governance, public organizations or government must prioritize efficiency and improve services to the community [4]. the development of public services in Indonesia, regulated in Act Number 25 of 2009 concerning Public Services, explained that public services are activities or a series of activities in the framework of meeting service needs in accordance with statutory regulations for every citizen and population of goods, services, and/or administrative services provided by public service providers. As a good regulator who holds control of the conditions of the community or the people they lead, it needs regularity in the legalization of licensing to the government. The existence of a licensing service mechanism is important because it can increase business opportunities for the community.

The existence of Government Regulation Number 24 the Year 2018 regarding Electronic Single Integrated Business Licensing (PBTSE) has become a reformative policy in the

leadership of President Joko Widodo. The policy is present in the context of business licensing services that apply in all Ministries, Institutions and Local Governments throughout Indonesia, which so far have been carried out through the One-Stop Integrated Licensing (PTSP). Apart from PTSP, the public can access the OSS System online wherever and whenever. OSS is used in the management of business licenses by business actors with the following characteristics: In the form of business entities or individuals; Micro, small, medium and large businesses; Individual businesses/business entities both new and existing before the operation of OSS. Businesses with capital originating entirely from domestic sources, as well as foreign capital compositions.

As one of the regions implementing OSS policy in the region, the Government of Sidoarjo Regency through the Investment and One-Stop Integrated Service Office as an implementer in the implementation of OSS policy is contained in Government Regulation No. 62 of 2018 concerning OSS. Where licensing services in Sidoarjo Regency can be processed via the internet or by visiting the Public Service Mall that has been provided by the Sidoarjo Regency Government. This program has been running for about one year from its launch in August 2018. Therefore, related to the explanation which has been described previously, we try to analyze OSS services in Sidoarjo regency with the Edward III approach of policy implementation theory which includes several aspects including communication, resources, disposition and bureaucratic structure [5].

A. Related Work

In accordance with the topic and alignment with the existing discussion, that research on the implementation of policies has been investigated by several previous researchers which include Pujiastuti et al [6], about the Implementation of Integrated District Administration Services Policy (Patent) in the Districts of Sungailiat and Belinyu in Bangka Regency. Also research Anna [7] on Effective Policy Implementation in the State of China. Furthermore, research Tawaris et al [8] which tries to dissect Some of the Determinants of Successful Implementation of Regional Management Information System Policy. There are interesting cases in the policy implementation process of research De Corte [9] who try to describe the Implementation of Top-Down Policy and Social Workers as Institutional Entrepreneurs: The Case of Electronic Information Systems in Belgium. And the last is research from Fadhilah & Prabawati on the implementation of licensing services trying to integrate electronically online single submission (OSS) studies in the investment service and one-stop integrated service (DPM-PTSP) Nganjuk Regency [10].

II. RESEARCH METHODS

Research on OSS policy implementation in Sidoarjo Regency uses qualitative research methods. This qualitative approach was chosen because the approach seeks to gain an in-depth understanding of new information related to what was studied [11]. With this approach, it can describe reality,

circumstances, and phenomena that actually occur in the field factually. Meanwhile, the technique of determining the informants using a purposive sampling technique. Data is collected by conducting in-depth interviews and also reviewing documents relating to research that intersects with research on policy instruments. The informants in this study have been determined (Purposive Sampling) is the Office of Investment and Integrated Services One Door (DPMPSTSP) as an actor from the Sidoarjo district government who is directly involved in managing and at the same time responsible for the implementation of OSS in the Sidoarjo area. to test the validity of our data using data triangulation techniques (Sources) following the analysis of interactive data guidelines from theory [12], which include conducting research data collection, displaying research data, conducting an data condensation as well as the last one to draw a conclusion. This guideline is used because it is the responsibility of the validity of data from a researcher in conducting certain research.

III. RESULTS AND DISCUSSION

As the main actor involved in the OSS policy implementation process, the One-Stop Integrated Investment and Services Office (DPM-PTSP) has the task of carrying out government affairs in the field of investment and one-stop integrated services as well as assistance tasks given to Sidoarjo Regency. To carry out the tasks referred to in Sidoarjo Regent's Regulation Number 78 Year 2018 Concerning Position, Organizational Structure, Duties and Functions, And Work Procedures of the One-Stop Investment and Integrated Services Office of Sidoarjo Regency, the Department of Industry and Trade has the functions: (1) Policy formulation technical and investment program planning, non-licensing and licensing; (2) Implementing policies and coordinating investment, non-licensing and licensing; (3) Implementation of monitoring and evaluation of investment, non-licensing and licensing; (4) The administration of the One-Stop Integrated Investment and Service Office (PTSP) administration; (5) The implementation of other tasks given by the Regent in accordance with his duties. The main purpose of business licensing services through the OSS system is to increase investment value. For more details, here we explain the achievement of investment figures in Sidoarjo.

TABLE I. INVESTMENT VALUE TABLE IN SIDOARJO

Years	Investment Value (Rupiah)
2015	16.633.697.294.008
2016	16.908.099.687.084
2017	17.885.626.090.815
2018 (until July)	13.790.110.119.409
2018 (after OSS Policy)	23.832.580.166.842

Source: Dinas Penanaman Modal dan PTSP, 2019

Referring to the data described table 1 above, the existence of the OSS policy can increase the value of the investment in the Sidoarjo Regency in 2018. The success of the Sidoarjo government in increasing the value of the investment and regional income after the issuance of OSS policy needs to be

further studied. closely with Edward III's approach to implementing policies measured through aspects of communication, resources, disposition, and bureaucratic structure.

A. Communication

In the theory of George C. Edward III explained that communication is the first step in implementing policies that will be implemented to achieve the target. Communication also determines the success of achieving the objectives of public policy implementation. The goal is to implement policies that are more effective and controlled as set goals. Some aspects contained in communication include transmission, clarity, and consistency.

- As a form of transmission in communication, the application of electronic service licensing policy through OSS, implementing parties that contribute to implementing the policy need to communicate more intensely. In this context, the Coordinating Ministry for Economic Affairs of the Republic of Indonesia has a special chat group with each representative from the Regional Government in each Regency or City in Indonesia. The creation of this group is considered effective and efficient in strengthening coordination between organizations in government institutions because there is a special admin in the chat group of the Coordinating Ministry for Economic Affairs which is the coordinator and consultant for local government representatives who experience obstacles and obstacles in implementing integrated licensing service policies through OSS in each field. In addition, since the implementation of the integrated licensing service policy through OSS starting on June 2018, the Coordinating Ministry for Economic Affairs of the Republic of Indonesia holds monthly coordination meetings and technical meetings with One-Stop Investment and Integrated Services in Regencies or Cities in Indonesia. During the meeting, discussions were held about the development of the latest related regulations and the development of OSS policy implementation in every Regency or City in Indonesia, including Sidoarjo regency.
- Related to the aspect of clarity, Sidoarjo Regency Investment and One Door Service have not experienced intense coordination with other Regional Apparatus Organizations related to licensing service issues in Sidoarjo Regency. This resulted in other Regional Organizations not being aware of the latest information developments related to the implementation of an electronically integrated licensing service policy through OSS. In addition, people who come to other Regional Apparatus Organizations to consult related to licensing services in OSS, do not get maximum answers

and information because many other Regional Device Organizations do not know the latest information regarding the application of license service policies in OSS. Therefore, the dissemination of information about OSS policy implementation is considered to be less than optimal because it is only concentrated in the One-Stop Integrated Investment and Services Office.

- To maintain the consistency of communication in running the OSS program, in addition to intense communication with the central government, the Investment Office and PTSP have sought to establish communication with the district government through intense socialization and assistance in optimizing the OSS program. besides the Investment Office and PTSP always carry out routine evaluations to create excellent service in the implementation of the OSS program.

B. Resources

The success of a policy is also influenced by the ability to process and utilize the available resources optimally. The resource indicator consists of several elements, namely: staff, information, authority, facilities

- In terms of human resources, the party that has the authority to implement the OSS policy is the Central Government, represented by an independent government agency appointed by the Central Government to manage the database system for all business permit applications through OSS. Regional Governments in Regencies or Cities overseen by the Office of Investment and Integrated One Door Services are assigned to carry out further verification, monitoring, and evaluation of licenses issued by OSS. The Coordinating Minister for Economic Affairs of the Republic of Indonesia explained that with the enactment of Government Regulation Number 24 of 2018 concerning Electronic Integrated Business Licensing Services on June 21, 2018, that all Local Governments in regencies or cities must implement the policy. At present, the number of Technical Officers responsible for licensing through OSS at the Sidoarjo Regency Integrated Investment and Services Office is three people. These three people have received intensive training and technical guidance at the Coordinating Ministry for Economic Affairs of the Republic of Indonesia, which is the coordinating ministry responsible for the successful implementation of OSS policies in every district or city in all regions of Indonesia.
- Related to the authority of each resource in managing permits in Sidoarjo regency is divided into two sections. The details of the distribution of authority in managing permits are as follows Table 2:

TABLE II. AUTHORITY OFFICIAL TASKS IN THE FIELD OF BUSINESS LICENSING

No	Division	Authority
1	Business Licensing Section I	Preparing materials for the implementation of coordination and processing of business administration services: Trading Business License (SIUP), Company Registration Certificate (TDP), Warehouse Registration Certificate (TDG), Modern Store Business License (IUTM), Shopping Center Business License (IUPP), Business License Traditional Market Management (IUPZT), Permit to Hire Foreign Workers (IMTA), Business License for Work Training; Preparing materials for the report on the technical implementation of business permit I; Carry out the administration of fields; Carry out other tasks assigned by the Head of Sector in accordance with the assignment.
2	Business Licensing Section II	Preparing materials for the implementation of coordination and administrative processing of business licensing services 2 including: Industrial Business License, Business License for Change, Business License for Expansion, Business License for Incorporating Investment Companies, Tourism Business Registration (travel services, providing accommodation, food and beverage services , tourism area services, tourism transportation services, tourist attractions, entertainment and recreation, tour guides, meeting organizing services, incentive travel, conferences and partnerships, tourism information services, tourism consulting services, tourism tirta, spa), parking permits, route permits, and business licenses for transportation administration; Prepare materials for the technical implementation of business licensing reports 2; Carry out Field Administration; Perform other items given by the Sector Head according to the price.

Source: Dinas Penanaman Modal dan PTSP, 2019

- As a form of program optimization, facilitating physical resources, it is good enough but there are some things that need to be improved such as increasing bandwidth quota on the internet service network (server room). At present, there are two servers used by the One Door Integrated Service Office of Sidoarjo Regency and the Integrated Services Office, one server is for internal offices and the rest is for public services. However, servers for public services are still considered to experience frequent downtime and errors that hamper work in serving electronically integrated licensing services. This resulted in the public being represented by business people who had difficulty opening the OSS website and processing documents in the OSS application. In terms of providing services to the public, in addition to licensing facilities that can be accessed via online, physical services are also carried out through the Public Service Mall. To facilitate the facilities used to serve the community the government has also made OSS Corner placed in the sub-district, for the time being, the OSS Corner is located in the districts of Sedati, Waru, Taman, and Krian. However, from efforts to improve these facilities, it is still necessary to revitalize and maintain assets.

C. Disposition

Disposition is one of the factors that also influence the successful implementation of a policy. In this case, the implementer's response to the electronic licensing service policy at OSS was initially shocked and disappointed because the change in licensing service regulations sought through OSS

was considered too sudden and they considered that the licensing system that existed at the Sidoarjo Regency Integrated Investment and Services Office was considered as have a pretty good with the m-SIPPADU application system that can be accessed via a smartphone. The implementers consisted of Structural Officers and OSS Special Staff at the Sidoarjo Regency Investment and Integrated Services Office.

In dealing with changes in the rapidly changing work environment, the Sidoarjo Regency Regional Secretary held a tennis coordination meeting. In a coordination meeting, the Regional Secretary gave direction to officials and staff in the Sidoarjo Regency Investment and One-Stop Service to be able to quickly change and adapt to the latest policies. This is considered important because the electronic licensing service through OSS is a direct order from the President of the Republic of Indonesia. The President considered that the Government of Indonesia needs to streamline the licensing process through one door so that it can facilitate business people in managing business licenses. In addition, it is expected that there will be an increase in investment value and an increase in Indonesia's ranking in the Ease of Doing Business released by the World Bank. In implementing the electronic licensing service policy conducted in OSS, special training is carried out especially for OSS service special staff in the District or City. Therefore, the Coordinating Ministry for Economic Affairs held an intense coordination meeting with the Regency or City Integrated Investment and Services Office.

D. Bureaucratic Structure

Complex policies require the cooperation of many parties. The bureaucracy as the executor of a policy must be able to

support the policy that has been decided through good coordination. Two things can regulate the performance of the bureaucratic structure in a better direction, namely by doing: Standard Operating Procedures (SOP), and Fragmentation. The Implementing Agency in implementing the Electronic Integrated Business Licensing Services (PBTSE) policy through OSS is a special staff in the Investment Office and PTSP as representatives of the Regional Governments in the Regency or City and special staff in the OSS Institution in accordance with Government Regulation Number 24 of 2018. In 2019 currently of 93 types of permits, licensing procedures that can be accessed through OSS in Sidoarjo Regency, have reached 32 licenses, there is an increase from last year which only amounted to 11 permits. And of all these permits, there are Standard Operating Procedures (SOP) that bind bureaucracy to ensure the implementation of the OSS program. As a form of policy fragmentation in the internal of the Office of Investment and PTSP, there are 4 fields that have their own duties and responsibilities 4 of these fields namely:

1) *Licensing Sector in charge*: Licensing Section 1 and Licensing Section 2.

2) *Non-Licensing Sector in charge*: Non-Licensing Section 1 and Non-Licensing Section 2.

3) *Development and promotion division in charge*: Promotion Section and Development and Investment Policy Section.

4) *Control division which oversees*: Investment Development and Monitoring Section and Services, Information and Complaints Section.

IV. CONCLUSIONS AND RECOMMENDATIONS

Online Single Submission (OSS) Policy The Sidoarjo Regency Government tries to build an efficient and effective public service and administration system to realize the competitive power of regional development. OSS simplifies the bureaucratic mechanism to facilitate business people. In the one year that OSS policy is implemented, the success of the government in implementing the policy still needs to be evaluated. As a recommendation, there are a number of things that need to be developed further: (1) creating harmonization of Online Single Submission (OSS) policy implementers in Sidoarjo regency, this is because there is still a lack of understanding of stakeholders involved in implementing the Online Single Submission (OSS) program as a whole. (2) The need for synchronization to avoid overlapping rules in the implementation of Online Single Submission (OSS) in Sidoarjo

Regency. (3) Socialization needs to be carried out by the Investment Service of the Integrated Service of One Door Sidoarjo Regency in the implementation of Online Single Submission (OSS) to the community especially entrepreneurs who will make permits at the village level that are far from urban areas.

ACKNOWLEDGMENT

Our gratitude goes to the Sidoarjo Regency's One-Stop Investment and Integrated Services Office (DPMPSTSP) for providing access to interviews and providing information on data related to what the researchers did.

REFERENCES

- [1] K. Schwab, *The Fourth Industrial Revolution*, World Economic Forum, Geneva, Switzerland, 2016.
- [2] J. Nocetti, "Disruptive power: the crisis of the state in the digital age. By Taylor Owen; The real cyber war: the political economy of internet freedom. By Shawn M. Powers and Michael Jablonski: Cyber war versus cyber realities: cyber conflict in the international sy," *Int. Aff.*, vol. 92, no. 2, pp. 463–465, 2016.
- [3] N. Riant, *Public Policy Teori, Manajemen, Dinamika, Analisis, Konvergensi dan Kimia Kebijakan*. Jakarta: PT Elex Media Komputindo, 2014.
- [4] Nurmadi, "Inovasi Organisasi Publik: Implementasi Knowledge Management Mendorong Inovasi," *Jurnal Kebijakan & Administrasi Publik*, vol. 10, no. 2, pp. 133–148, 2006.
- [5] A. Leo, *Dasar-dasar Kebijakan Publik*. Bandung: Alfabeta, 2008.
- [6] Pujiastuti, T. Budi, Saptawan, Ardiyan, H. Purnama, and Dadang, "Implementasi Kebijakan Pelayanan Administrasi Terpadu Kecamatan (Paten) Di Kecamatan Sungailiat dan Belinyu Kabupaten Bangka," *Demogr. J. Sriwij.*, vol. 3, no. 1, 2015.
- [7] G.S. Anna L. Ahlers, "Effective Policy Implementation in China's Local State," *Mod. China*, vol. 41, no. 4, pp. 372–405, 2015.
- [8] F. Tawaris, Mario, Sondakh, Telly, Tulusan, "Faktor Penentu Keberhasilan Implementasi Kebijakan Sistem Informasi Manajemen Daerah," *J. Adm. Publik*, vol. 2, no. 29, 2015.
- [9] J. De Corte, J. Devlieghere, G. Roets, and R. Roose, "Top-Down Policy Implementation and Social Workers as Institutional Entrepreneurs: The Case of an Electronic Information System in Belgium," *Br. J. Soc. Work*, vol. 49, no. 5, pp. 1317–1332, 2019.
- [10] A. NUR FADHILAH and I. Prabawati, "Implementasi Pelayanan Perizinan Berusaha Terintegrasi Secara Elektronik Online Single Submission (OSS) Studi Pada Dinas Penanaman Modal Dan Pelayanan Terpadu Satu Pintu (DPMPSTSP) Kabupaten Nganjuk," *Publika*, vol. 7, no. 4, 2019.
- [11] J.W. Creswell and J.D. Creswell, *Research design: Qualitative, quantitative, and mixed methods approaches*. Sage publications, 2017.
- [12] J. Miles, M. B., Huberman, A. M., & Saldaña, *Qualitative Data Analysis: A Methods Sourcebook*. 2014.