



The Effectiveness of the Supervision Function of the Legislatives Council of Bangli Regency on Investment Growth Towards Good Governance in Bangli Regency

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Abstract. Regional autonomy has provided a more open space for regions in managing their respective regional potentials in order to realize people's welfare. Regional government administrators who serve as executive institutions in the regions must be able to execute regional autonomy as effectively as possible, and the effectiveness of legislative institutions' work as supervisory institutions must also be supported. One of the supervisory functions is applied to activities related to regional potential management and investment. This research was conducted with the aim of analyzing the effectiveness of the oversight function of the House of Representative of Bangli Regency (DPRD Bangli) on investment in order to realize good governance in Bangli Regency. This type of research is using normative juridical research with a descriptive quantitative. Observation, interviews, and documentation studies are used as collection methods. Data were then examined using a normative approach. The results of the study show that the DPRD Bangli supervision function on investment in order to realize good governance in Bangli Regency has not been running effectively. The obstacle faced by the DPRD Bangli in carrying out its supervisory function on investment in order to realize good governance in Bangli Regency is that there are violations related to investment procedures in Bangli Regency due to a lack of valid data and information as a basis for making decisions related to investment policies and regulations in Bangli Regency.

Keywords: Investment, Effectiveness, Investment, Good Governance.

1 Introduction

Regional autonomy has provided a more open space for regions to manage their respective regional potentials in order to realize people's welfare. The Central Government has given a number of authorities to Regional Governments to manage their own affairs and households at their own initiative or discretion per conditions and needs of the region. Regional governments through regional autonomy are expected to be able to maximize the management of regional potentials to enhance welfare.

According to Article 18 paragraph (1) of the Republic of Indonesia's 1945 Constitution (UUD RI 1945), the country is split into provinces, regencies, and cities, each of which has a regional administration that is subject to legal restrictions. Further emphasis is placed on the fact that province, regency, and municipal regional governments regulate their respective governments in accordance with the idea of autonomy in Law Number 23 of 2014's paragraph (2).

The power granted to the regions by the national government through regional autonomy is expected to accelerate economic growth and achieve economic equality and social welfare. This authority must be able to be carried out optimally by regional government administrators as executive institutions in the regions and also supported by the effectiveness of the performance of Regional House of Representative (DPRD). The Regional Revenue and Expenditure Budget (APBD), which compiles regional finances, is a crucial component of implementing autonomy Suci (2020). The realization of regional autonomy requires regional financial management and control regional financial policies in an effective, efficient, transparent and accountable manner Jaka (2007). The existence of a regional autonomy system also gave rise to regional institutions which have the responsibility to regulate regional needs and order Kurniawan (2010). Based on UUD RI 1945, the implementation of state administration is carried out by executive, legislative, and judicial institutions (*trias politica*). Therefore, in implementing the administration of the State, the people's conscience requires an administration that can effectively perform its duties and duties seriously and responsibly so that development reforms can be efficient and effective. Thus, state administrators in carrying out their functions and duties must be honest, fair, open and reliable and able to free themselves from corruption, collusion and nepotism. Good governance can be achieved when the functions and authorities of each state institution are effective. The interaction between the executive and the legislature in the regions by creating a Checks and Balances mechanism at the local level is one of the main conditions for the realization of good government.

The consequence of regional autonomy is the need for adjustments to institutional arrangements and patterns of relations between financial supervisory and auditing institutions in the regions. Supervision is the duty and authority of the DPRD in accordance with Law Number 23 of 2014. Law Number 27 of 2009 states that the DPRD has three main functions, namely making laws (legislative function), preparing the budget (budget function), and supervising executive performance (supervision function). DPRD has the right to oversee the implementation of the budget system to create an effective and efficient government.

Supervision is one of the most important pillars in the state process. The oversight function is carried out to ensure the realization and effectiveness of the policies that have been set. Implementing supervision by DPRD is becoming increasingly important, because local governments are given the authority to manage various affairs and policies at the regional level. If the implementation of local government policies is carried out in accordance with what has been determined, the DPRD can carry out its oversight function to a minimum. But if there are many irregularities in the implementation, then the implementation of this function must be maximal. The DPRD's supervisory function is closely related to the legislative function, because it involves

the implementation of the regional regulations themselves and the implementation of public policies contained in the regional regulations.

Bangli Regency is the Regency with the smallest Regional Original Income in the Province of Bali as shown in Table 1.

Table 1. Regency/City Regional Income in Bali Province 2017 - 2021

	Regional Income (Rupiah)				
	2017	2018	2019	2020	2021
Jembrana	121,342,475	126,477,267	133,698,784	148,045,103	185,004,035
Tabanan	426,635,751	363,370,469	354,558,239	313,042,530	362,314,631
Badung	4,172,457,396	4,555,716,407	4,835,188,460	2,116,974,302	1,750,345,226
Gianyar	662,753,475	770,204,849	997,478,368	545,869,873	430,172,109
Klungkung	153,210,776	186,974,284	225,063,772	220,893,875	254,494,496
Bangli	104,592,163	122,686,254	127,040,436	104,325,150	163,537,096
Karangasem	198,575,057	200,361,247	233,013,033	219,176,733	252,688,747
Buleleng	455,195,426	335,555,494	365,595,301	318,986,891	391,988,445
Denpasar	1,008,710,712	940,110,335	1,010,779,481	254494496	792,362,414
Bali	3,398,472,278	3,718,499,635	4,023,156,316	3,069,474,218	3,117,070,009

Source: BPS Bali, 2023

Based on Table 1. it shows that Bangli Regency has Regional Income (PAD) of IDR. 104,592,163 then experienced an increase in 2018 to IDR. 122,686,254 and in 2019 to IDR. 127,040,436. Bangli Regency's PAD has decreased to IDR 104,325,150 in 2020 and will then increase again in 2021 to IDR 163,537,096. In general, Bangli Regency is known to have the lowest PAD in Bali Province each year from 2017 to 2021 BPS (2022). This indicates that the effectiveness of regional potential management in Bangli Regency is not yet optimal. Investment is known to trigger an increase in local revenue due to an increase in input (capital) to manage regional potential so that output increases (regional income).

Investment is one of the driving factors for regional economic growth, creating jobs, improving infrastructure and changing the quality of life for the community in a better direction Wulandari (2019). Increasing capital investment is mandatory at terms of accelerating economic development and realizing political and economic sovereignty Suardhana (2019). With this increase in investment will lead to an increase in

people's welfare. The existence of investment is capital to encourage economic growth. With so many investments coming into the region, it will certainly have a positive impact on the region and society Hellen (2018). Investment in an area can also affect PAD. The positive impact of the investment is an increase in PAD. The more investment that enters an area, the greater the PAD value obtained and vice versa, if the smaller the investment that enters an area, the smaller the PAD obtained by that region.

Table 2. Foreign Investment in Bali Province by Regency/City 2019-2021

	Foreign Investment (Million IDR)		
	2019	2020	2021
Jembrana	6,180	1,722	55,661
Tabanan	196,395	94,481	1,066,835
Badung	4,382,400	2,783,261	2,315,029
Gianyar	585,735	234,196	618,811
Klungkung	87,780	273,871	123,249
Bangli	885	1,352	4,411
Karangasem	152,550	120,010	49,639
Buleleng	230,505	277,252	1,108,616
Denpasar	747,915	436,687	1,256,461
Bali	6,390,345	4,222,832	6,598,711

Source: BPS Bali, 2023

Based on Table 2, FDI investment has fluctuated in FDI investment income. Every year in each Regency/City in the Province of Bali there has been a significant increase and decrease in each Regency/City. Badung Regency occupies the first position by obtaining a value of IDR. 2,315,029 million rupiah and Bangli Regency occupies the lowest position by obtaining a value of IDR. 4,411 million rupiah BPS (2022). Bangli Regency still has a low investment value among other Regencies/cities in Bali Province. Investments made in Bali are mostly realized in the tourism sector Sumerti (2021). Bangli Regency has several obstacles related to tourism which make investment low, for example Bangli Regency is a Regency that does not have a sea, but Bangli Regency is famous for waterfalls and other natural beauty but cannot be managed optimally. Factors that encourage investors to invest in an area are market potential and geographical conditions of an area.

Table 3. Realization of Foreign Investment in Bali (Million Rupiah)

	Realization of Foreign Investment					
	2017	2018	2019	2020	2021	2022
Jembrana	1.501	0	6.180	1.722	55.661	107.299

Tabanan	129.297	1.143	196.395	94.481	1.066.83 5	670.349
Badung	4.899.094	251.581	4.382.400	2783.261	2.315.02 9	3.238.13 6
Kab. Gianyar	186.460	6.566	585.735	234.196	618.811	944.099
Klungkung	99.656	15.380	87.780	273.871	123.249	164.481
Bangli	0	0	885	1.352	4.411	8.597
Karangasem	170.756	272.339	152.550	120.010	49.639	55.008
Buleleng	3.429	1.758.680	230.505	277.252	1.108.61 6	126.336
Denpasar	700.163	32.906	747.915	436.687	1.256.46 1	1.136.54 1
Bali	6.190.356	2.338.595	6.390.345	4.222.832	6.598.71 1	6.450.84 8

In 2017 and 2018 there has been no realization of foreign investment in Bangli Regency. FDI realization began in 2019, namely IDR 885,000,000 which subsequently experienced a significant increase, namely IDR 1,352,000,000 in 2020, in 2021 it became IDR 4,411,000,000 and in 2022 it amounted to IDR 8,597,000,000. Even though the realization of FDI in Bangli Regency has experienced a steady increase, in general, Bangli Regency has the lowest amount of foreign investment realization in the Province of Bali when compared to other districts or cities in the Province of Bali An initial interview with Jero Penyarikan A.Widata as the Inspector of the Bangli Regency Government said that violations were often found in investments and caused a number of investments in Bangli Regency to be cancelled. The occurrence of violations in the implementation of investments in Bangli Regency occurred due to the weakness of the DPRD Bangli in carrying out its supervisory function which in order to realize good governance, the government's supervisory function in this case is the DPRD Bangli must run optimally. The DRPD is the face of the people, the representatives of the people, the connector of the people's aspirations, the DPRD has a strategic position as a legislative body, one of which is the role of oversight over investment. There is DPRD oversight of investment in order to realize Good Governance in Bangli Regency.

2 Research Method

Empirical legal research is the type of research used, namely by studying the applicable laws and regulations. The approach used in this study is a descriptive quantitative approach. Data were collected using Observation, Interview, and documentation studies. This research was conducted in the Bangli Regency area, to be precise at DPRD of Bangli Regency. Research data was then analyzed with normative analysis

3 Result and Discussion

3.1 Supervision of DPRD Bangli Regency in Realizing Good Governance

Based on Bangli Regency Number 15 of 2016 Regulation Regarding the Labor Plan of the Regional Government of Bangli Regency, Article 2 states that the administration of development and governance is in accordance with Law Number 25 of 2004 in an effort to realize good governance. The authority of the DPRD is to be able to control the performance of the executive so that Good Government is realized as expected by the people. Regional Autonomy gives broad authority to the Regional Government and DPRD. Bangli Regency as one of the autonomous region able to carry out development management according to characteristics based on the needs of the community in the area. In the context of regional autonomy, the DPRD carries out a supervisory function, in particular, when the Regional Revenue and Expenditure Budget (APBD) is implemented. Control of the Accountability Report for the APBD's implementation is the last step that must be carried out by the DPRD in order to carry out the supervisory function which is carried out at the end of the fiscal year.

Good Governance described as frameworks of philosophical, theoretical and analytical concepts to improve ideology, paradigm, culture and management Duadji (2012). Good Governance covers all aspects of life in the form of legal, political, economic and social Ulum (2016). UNDP concluded the characteristics of Good Governance including Rosyada (2000): Inter-community participation in governance processes, fair law enforcement, transparency, consensus orientation, effectiveness and efficiency, accountability and strategic vision.

3.2 The Effectiveness of DPRD Supervision of Investment to Realize Good Governance in Bangli Regency

Effectiveness of law can be interpreted as the success of the law with regard to the successful implementation of the law itself, the extent to which the law or regulation runs optimally and efficiently and is right on target Midjan (2008). The effectiveness of the DPRD's supervisory function on investment in creating good governance in Bangli can be seen from the increase in the amount of investment coming into Bangli Regency as shown in table 4.

Table 4. Recap of Bangli Regency Investment Data for 2021 and 2022

No	Indicator	2021	2022
1	Domestic Investment	Rp 197.994.911.502	Rp 341.365.603.111
2	FDI	Rp 382.963.478.949	Rp 251.473.000.000
3	Number of Domestic Investment Investors	1.456	2.296
4	Number of FDI Investors	81	16
5	Labor Absorbed by Domestic Investment	2.277	7.487
6	Labor Absorbed by FDI	1584	79

Based on table 4, DPRD's supervisory function on investment towards good governance in Bangli Regency has not been running effectively as reflected in the decrease in foreign investment in Bangli Regency and the decrease in the impact of foreign investment on employment. FDI investment decreased by IDR 131,490,478,949, PMA investors decreased by 65 people and PMA absorbed workers decreased from 1584 people in 2021 to only absorb 79 workers in 2022 where the decrease was 1,505 people.

Results of interviews conducted with Drs. I Made Natis, MM as Chair of Commission III DPRD Bangli Regency explained that DPRD has a role and involvement in monitoring investment growth in Bangli Regency, namely participating in socialization related to regulations governing the investment climate in Bangli Regency. The DPRD of Bangli Regency as a political institution has a strategic role in carrying out the oversight function of development implementation, including oversight of investment growth. In terms of quantity and quality of human resources in supporting the DPRD's supervisory function, it is also considered quite good. Oversight by the Bangli Regency DPRD has fulfilled the principle of good governance, which are increasing the effectiveness of investment in the region so that employment has increased and promoted community participation as investors as seen from increased investment from within the country.

The next interview was conducted with Nyoman Purnamawati, SH., MH as the Head of the Bangli Regency Government's legal division who stated that the enforcement of legal products governing investment in Bangli Regency had not been implemented effectively due to the lack of optimal oversight from related parties, namely the Bangli Regency DPRD. Jero Penyarikan A. Widata as the Inspector of the Bangli Regency Government also revealed that the DPRD's supervisory function on investment in order to realize Good Governance in Bangli Regency was considered "Not Effective", this was indicated by a decrease in foreign investment in Bangli.

3.3 Obstacles Faced by the Bangli Regency DPRD in Investment Supervision in Bangli Regency

Based on an interview with Jero Penyarikan A. Widata as the Inspector of the Bangli Regency Government, it is known that there are still violations related to investment procedures in Bangli Regency. This violation caused a number of investments to be cancelled, one of which was one person on behalf of many businesses and even located in the same office and collaborated with a third party in making the business permit. Then the interview with Drs. I Made Natis, MM explained that the next obstacle was the lack of valid data and information as a basis for making decisions regarding investment policies and regulations in Bangli Regency. The lack of validity of the data makes a number of investment actors find loopholes to violate the rules that have been set. Another obstacle is the limited knowledge of investors or business actors in using the OSS system so that the dominant investors or business actors use third party services with not small service fees. Implementing the Risk-Based Online Single Submission (OSS) System for Risk-Based Business Licensing must be done by investors, Institutions, Regional Governments, Special Economic Zone Administrators, and

Free Harbor Free Trade Zone Concession Boards. Permits for business actors can be monitored at any time and at any time, which in this case refers to the extent to which the licensing process has progressed, technical requirements, and reporting can be monitored directly through the system. In addition to registering permits very easily, everything is done by the system, through the oss.go.id website. Besides that, through OSS the monitoring of the entire licensing process can not only be monitored by the Central Government, but also the Central Government, as well as the business actors themselves.

3.4 Efforts Made in Overcoming Obstacles to Investment Supervision in Bangli Regency

Investment has a very real contribution to economic development by increasing the national economy, creating jobs, increasing the competitiveness of human resources, acquiring technology, and accelerating economic growth both at the regional and national levels. The state opens up the possibility of providing investment opportunities with various kinds of conveniences.

Investment in Bangli Regency, in addition to increasing Regional Revenue (PAD) for Bangli Regency, also increases regional competitiveness, which will have an impact on development. Based on interviews conducted with Drs. I Made Natis, MM efforts have been made to overcome obstacles in investment supervision in Bangli Regency, namely: 1) verifying the validity of the data deposited by investors through field verification, always coordinating with the sub-district head, village head, to the local chief of village; 2) Through DPMPTSP, Bangli Regency conducts or socializes Technical Guidance to investors and business actors. This Technical Guidance activity was established by a Decree that included contributions from a number of the relevant Regional Apparatus Organizations. Technical guidance is separated into two categories: facilitation technical guidance and technical guidance for supervision and licensing. licensing and supervision Each Technical Guidance activity is conducted six times annually, while Facilitation Technical Guidance is conducted twelve times annually. Identification, facilitation, and assessment are the stages that evaluation activities go through. Additionally, investors or businesspeople who have made prior investments are invited to participate in this activity as resource people. The Special Allocation Fund, which is derived from the APBN, serves as the source of funding for this activity; 3) Provide field supervision and direction for company or investment projects. 3) Actively posting and even creating "podcasts" on social media, in this case Instagram, so that business actors can update news and activities related to investors, particularly in Bangli Regency. This is done so that investors and business actors continue to comply with applicable regulations.

4 Conclusion

The supervision of the Bangli Regency DPRD on Investment to Realize Good Governance in Bangli Regency has not been running effectively as seen from the decrease

in total investment, total investors and total workforce absorbed by foreign investment from 2021 to 2022. The obstacle faced by Bangli DPRD for the supervisory on investment to realize good governance in Bangli Regency are violations related to investment procedures in Bangli Regency due to a lack of valid data and information, limited knowledge of investors or business actors regarding the OSS system and the use of third party services in managing investment permits. The Bangli DPRD needs to collaborate with authorized institutions related to investment monitoring such as the Investment and Integrated Services Service and BPS Bangli Regency to collect valid data related to investment activities in Bangli Regency so that the Bangli DPRD can realize good governance by eliminating violations committed by investors in Bangli Regency. It is hoped that the DPRD Bangli will further promote public participation by urging the public to report indications of violations related to investment in Bangli Regency.

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