

Effectiveness of Investment Management in Makassar City

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Abstract. *Investment management is an effort to save and place funds in a certain period in order to gain profit and increase investment value. This study aims to analyze the effectiveness of investment management in Makassar City. This study uses a qualitative research approach with data collection methods, namely observation, in-depth interviews and documentation. The informants in this study are parties who are authorized and directly involved in investment management in Makassar City. Data sources consist of primary and secondary data. While the data analysis technique used is an interactive analysis model. The results of the study show that the effectiveness of investment management in Makassar City can be said to be quite good. This is evidenced by the increase in investment in Makassar City so that investment targets can be achieved. DPMPTSP as the leading sector also involves and integrates with cross-sectoral government and non-government in an effort to increase investment and optimize digitalization, technology and information in investment services in Makassar City.*

Keywords: *Effectiveness, Investment Management, Digitalization*

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INTRODUCTION

In the development of a region, effective management is important to do. Effectiveness in public policy can be formulated as the level of realization of targets that indicate the extent to which policy targets have been achieved. The effectiveness of public policy is seen from the achievement of targets that have been set in the policy.

Effectiveness comes from the word "effect" which is interpreted as a causal relationship and effectiveness can be seen as a cause of other variables. Effectiveness also means that previously planned goals can be achieved or in other words, targets are achieved because of the process. According to Gibson et al. (1985) (in Pasolong, 2013) stated that effectiveness is the achievement of targets from joint efforts. The degree of target achievement indicates the degree of effectiveness. it can be concluded that effectiveness is the achievement of goals. Meanwhile, Gibson (1985) views the concept of organizational effectiveness from three perspectives, including individual effectiveness, group effectiveness and organizational effectiveness.

Duncan in Steers (1985) stated that achieving organizational effectiveness essentially has 3 (three) elements, each of which emphasizes the strategic role of the organization must have the ability to correlate the organization's vision and mission as the spirit that inspires every organizational activity, both in the process of formulating and determining policies, implementation stages and evaluation actions carried out (Azhar et al., 2013; Jabbar & Hussein, 2017; Ruky, 2022). As a system in which people work to achieve common goals, organizations are required to have integrity because with integrity, organizational strength can be built and maintained and weaknesses can be minimized. Duncan in Steers (1985) classifies three indicators of effectiveness, namely goal achievement, integrity, and adaptation.

One of the areas of governance that must be effective, especially in local governments, is investment management (Anam, 2022). This is because investment will encourage an increase in the regional economy. Based on Law Number 25 of 2007 concerning Investment, investment is defined as all forms of investment activities, both by domestic investors and foreign investors to conduct business in the territory of the Republic of Indonesia. Domestic Investment (PMDN) is an investment activity to conduct business in the territory of the Republic of Indonesia carried out by domestic investors using domestic capital (Al Akbar, 2022; Kansil & Chang, 2024; Susanti, 2022). Foreign Investment (PMA) is an investment activity to conduct business in the territory of the Republic of Indonesia carried out by foreign investors, both those who use foreign capital entirely or those who collaborate with domestic investors (Putri, 2022; Sari, 2020; Maryam & Brawijaya, 2023).

The Investment and One-Stop Integrated Service Office as a regional apparatus organization has a major role in organizing public services and increasing regional competitiveness through investment affairs and one-stop integrated services (Djira et al., 2020; Siwi et al., 2021). Therefore, DPMPTSP is required to be able to make various efforts to improve the investment climate, one of which is in Makassar City.

Investment management in Makassar City has so far experienced various problems and challenges (Utama, 2018). Based on initial findings, it was found that there are no regulations related to the provision of incentives and ease of doing business in Makassar City. This regulation aims to attract investors to invest in Makassar City in order to create a better investment climate, increase access and economic capacity and increase regional economic growth (Ginting et al., 2018; Samirin et al., 2014). This regulation contains the criteria for providing incentives and facilities, the forms of incentives and facilities provided, the types of businesses or investment activities that receive incentives and/or facilities, and the procedures for providing incentives and facilities (Flambonita & Novianti, 2021; Zakariya, 2023).

Another problem is the unavailability of data on all potential large-value investments in the form of IPRO (Investment Project Ready to Offer). IPRO is an investment proposal that contains aspects of the market, legality, organizational management, financial, social, environmental, and technical aspects that will be information for investors to attract their interest in investing in Makassar City. Based on this explanation, the focus of this study is to analyze the effectiveness of investment management in Makassar City.

METHODS

This study uses a qualitative research method. The qualitative research method in this study is a method that aims to explain or describe problems systematically, factually and accurately regarding the facts (Moleong, 2017). The location of the study is the Makassar City Government, in this case the leading sector in investment management in Makassar City is the Makassar City Investment and One-Stop Integrated Service Office which is based on the problem, namely investment management in Makassar City. For data collection, the author obtained secondary data or information directly. The informants in this study are people who are authorized to provide information regarding the effectiveness of investment management in Makassar City, namely the Makassar City Investment and One-Stop Integrated Service Office. The data obtained include primary data and secondary data. Primary data in this study are the results

of interviews with researchers directly and observations about investment management in Makassar City, while secondary data consists of data related to the effectiveness of investment management and management from the internet, books, journals and previous research. In this study, the main data collection techniques are in-depth interviews, participant observation, namely observations where researchers are involved in the daily activities of people being observed or used as sources of research data. And documentation studies, namely studying documents or records of past events. As well as data analysis techniques in this study using interactive model data analysis techniques from Miles et al. (2014).

RESULTS AND DISCUSSION

Investment management in Makassar City in this case the leading sector is the Makassar City Investment and One-Stop Integrated Service Office analyzed using the effectiveness approach by Duncan in Steers (1985) which consists of three dimensions, namely goal achievement, integrity, and adaptation, which as each dimension will be explained below.

Achievement of Goals

Achievement of goals is the overall effort to achieve goals must be viewed as a process. Therefore, in order to achieve the final goal, stages are needed, both in terms of the stages of achieving its parts and stages in terms of its periodization. Achieving goals consists of several factors, namely time period and targets which are concrete targets.

In managing investment in Makassar City, the leading sector is the Makassar City Investment and One-Stop Integrated Service Office (DPMPTSP). The role of the Makassar City DPMPTSP is to assist the Regional Head in this case the Mayor of Makassar in implementing regional government in the field of investment and one-stop integrated services and organizing administrative services in the field of licensing. Investment management at DPMPTSP is under the auspices of and implemented by the Investment Sector. There are two types of investment managed by the Central Government, namely Foreign Investment (PMA) and Domestic Investment (PMDN) (Panatagama, 2024; Wicaksono, 2021). To achieve the goal of increasing investment in Makassar City, the Makassar City Government, especially DPMPTSP, has made various efforts, namely promotion, establishing cooperative relationships with various parties both abroad and domestically, which are the forerunners of the presence of investors who want to invest in Makassar City.

In addition, DPMPTSP also optimizes data digitalization so as to provide easy investment services and make it easier for prospective investors to access information and data, especially maps of investment potential in Makassar City. Investment management carried out by the Makassar City Government certainly has targets and objectives as stated in the RPJMD (Regional Medium-Term Development Plan) which is the basis and guideline for local governments in implementing 5 (five) year development. Meanwhile, the investment target stated in the RPJMD of the Makassar City Government for 2021-2026 is 2 (two) trillion. So in managing investment in Makassar City, it has a target of 2 trillion with a period of 5 years. However, the central government also provides investment targets to the provincial government, so that the South Sulawesi Provincial Government divides and determines the value of the investment target for each district/city in South Sulawesi Province, one of which is Makassar City. The realization of Makassar City investment in 2022 and 2023 can be seen in the table below.

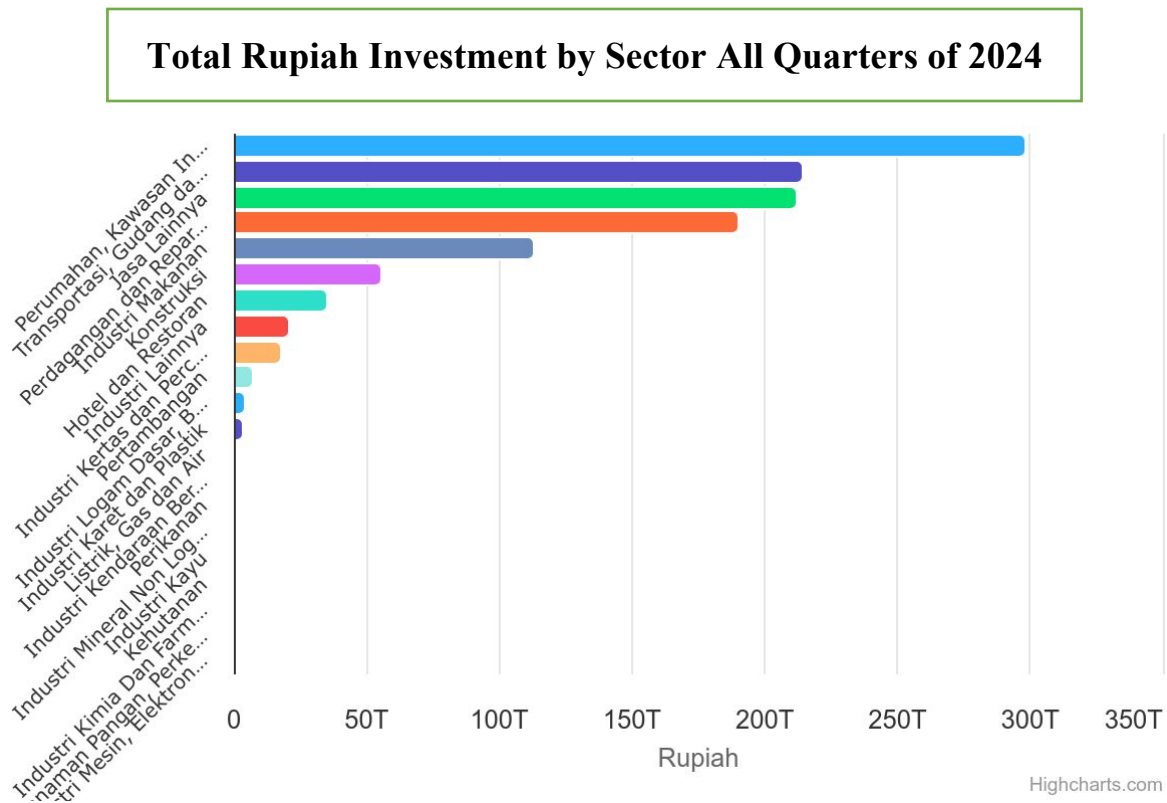
Table 1. Makassar City Investment Realization in 2022-2023

Investment Type / Year	2022	2023
Foreign investment	Rp 454.177.653.252	Rp 652.837.747.931
Domestic Investment	Rp 3.483.455.700.000	Rp 5.238.910.600.000
Total	Rp 3.937.633.263.252	Rp 5.891.748.347.931

Source: DPMPTSP Makassar City, 2024

The table shows that there was an increase in total investment realization in Makassar City from 2022 to 2023, namely from 3.93 trillion to 5.89 trillion or around 49.87%.

Meanwhile, the investment realization of Makassar City as of March 2024 has reached a total investment realization of IDR 1,174,895,087,255 with Foreign Investment of IDR 219,141,087,255 and Domestic Investment of IDR 955,754,000,000. The total investment by sector for the January - March Quarter of 2024 can be seen in the image below



Source: DPMPTSP Kota Makassar, 2024

Based on the image above, it shows that the highest investment sector in Makassar City as of March 2024 is the housing, industrial and office sectors.

From the explanation above, it can be said that the Makassar City Government has achieved the investment target as stated in the 2021-2026 RPJMD of Makassar City

Integration

Integration is a measurement of the level of an organization's ability to conduct socialization, consensus development and communication with various other organizations. This integration consists of several factors, namely socialization procedures and processes (Ariyani et al., 2024). In managing investment in Makassar City, DPMPTSP as the leading sector integrates with several stakeholders, both across government sectors and non-government parties in realizing increased investment and achieving investment targets. In terms of promotion and socialization of investment potential in Makassar City, the Mayor of Makassar plays a major role in presenting investors who want to invest in Makassar City as the Mayor of Makassar has good connections at national and international levels as a potential for investment. Then the Cooperation Section of the Makassar City Regional Secretary also plays a role in investment in Makassar City as with the cooperation established between the Makassar City Government and various parties, both foreign and domestic, there will be opportunities for investment from the cooperation. Then, of course, DPMPTSP involves several technical OPDs that are the investment sectors that are run such as the Tourism Office, PUPR Office, Spatial Planning Office, Housing and

Residential Area Office, Transportation Office, Trade and Industry Office, Cooperatives and UMKM Office and Manpower Office.

Furthermore, DPMPTSP also involves the Investment Council which consists of members from the government, investor associations in this case the PHRI and Rei Associations and academics as providers of input and advice and conducting studies for better investment management in Makassar City. The Investment Council is also involved in decision making and formulation of investment management policies in Makassar City. The PHRI and Rei Associations also help in socializing and promoting investment potential in Makassar City to investors to invest in Makassar City. In investment management, socialization is also carried out by DPMPTSP through radio broadcasts, advertisements and videotrons to provide information related to investments to the public, especially to investors and business actors to report their business progress to LKPM and urge them to complete their administrative requirements.

Adaptation

Adaptation is a process of self-adjustment carried out to align something with changes that occur in the environment. There are several factors that influence adaptation, namely increasing capabilities, facilities and infrastructure. As a leading sector, DPMPTSP makes several efforts in responding to the changes that occur, one of which is by optimizing digitalization, technology and information (Hidayatullah & Shihab, 2021). With the presence of the OSS system and independent applications, namely Sipa'namamo (Investment Control Information System) created by DPMPTSP, it also provides easy services to investors and prospective investors in accessing information and data related to investment potential in Makassar City, getting easy investment licensing services and in reporting LKPM investors.

One of the efforts of the Makassar City Government to adapt to changes in investment management is by holding the largest festival on the coast of Losari Beach, namely the Makassar International Eight Festival and Forum F8 (Fashion, Folks, Fusion Music, Film, Food, Fruit, Fiction Writer, Flora & Fauna and Fine Arts) which is combined with MIF (Makassar Investment Forum) as an effort to socialize, promote and showcase the potentials that exist in Makassar City so that the event has a great opportunity to attract investors and invest in Makassar City.

CONCLUSION

Based on the results of the research and discussion above, the conclusion of this study shows that the effectiveness of investment management in Makassar City can be said to be quite good. This is evidenced by the increase in investment in Makassar City so that investment targets can be achieved. DPMPTSP as the leading sector also involves and integrates with cross-sectoral government and non-government in an effort to increase investment and optimize digitalization, technology and information in investment services in Makassar City.

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