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## THE IMPLEMENTATION OF THE GENERAL PRINCIPLES OF GOOD GOVERNANCE ON PUBLIC SERVICE INVESTMENT LICENSING POLICY IN REGENCIES / MUNICIPALITIES OF YOGYAKARTA SPECIAL PROVINCE (DIY), INDONESIA

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### ABSTRACT

*This paper aims at: 1) providing an overview of the implementation of the general principles of good governance on public service investment licensing policy in regencies / municipalities of DIY; 2) identifying barriers and constraints in the implementation of the general principles of good government on public service investment licensing policy in regencies / municipalities of DIY.*

*The method used in this study is a socio-legal research with a qualitative approach. The collected data is in the form of primary legal materials- the law related to public service investment licensing policy- and secondary legal materials which include documents related to the implementation of the general principles of good governance on public service investment licensing policy in regencies/municipalities of DIY. The data collection was done by using interviews, documentation and observation. The subjects of the research were officials / staffs at regencies and municipalities which become the research samples, officials at the Board of Investment DIY, and people who utilize public services investment licensing in Yogyakarta.*

*The research findings show that Yogyakarta Municipality and Sleman regency rank first and second in DIY regarding the implementation of public services, especially investment licensing services and have applied general principles of good governance in accordance with Article 4 Public Service Act in Indonesia regarding the process of granting investment licenses within the region. This paper will present the implementation of the general principles of good government in Yogyakarta and the obstacles encountered during the implementation of these principles.*

*Keywords: The implementation of the General Principles of Good Governance, Public Service of Investment Licensing, Regencies and municipalities in Indonesia*

### INTRODUCTION

The following article describe the implementation of the general principles of good governance on Public Service Investment Licensing Policy performed by the Yogyakarta municipality which get best first rank regarding the licensing services in DIY Indonesia. This paper is divided into several parts namely, introduction, discussion, and conclusions. The introduction section describes the background of the problem and research objectives. The discussion section explains: 1) the policy of investment licensing services in Indonesia; 2) the description of licensing services in Yogyakarta; 3) the description of the implementation of good governance general principles regarding the investment licensing services in Yogyakarta. The last section of this paper presents the conclusions of the research that has been discussed in the previous section.

This study is conducted since there are a lot of problems regarding the public services in Indonesia such as public services tend not to have the responsibility, responsiveness, and not representative. Added to this, there are many services in the field of education, health, transportation, social facilities, and a range of services managed by the government does not satisfy the public. Even, the private sector services are much better. These symptoms have been explained by Norman Flynn (1990:38). According to him, public services which are hierarchically managed by the government tend to be over bureaucratic, bloated, wasteful, and under performing. (Anonim. Research findings on public services in the era of decentralization, Bappenas. Retrieved from [www.bappenas.go.id](http://www.bappenas.go.id), January 4, 2012). However, not all regions / areas in Indonesia obtain such a negative portrait.

However, there are some areas of which officials have implemented good governance supported by a good setting, for example Yogyakarta municipality which has achieved the best four in the world in 2012 regarding the licensing services. It can be seen from the research Report of *Doing Business* in Indonesia 2012 issued by Indonesian IFC Advisory Services and Global Indicators and Analysis Department of the World Bank Group in collaboration with the Regional Autonomy Implementation Monitoring Committee (2012:2) which reported that the position of cities in Indonesia with the easiest to set up business processes is occupied by Yogyakarta. In terms of public service on licensing, Yogyakarta municipality and Sleman regency got the first and second rank respectively in 2012. The research was conducted in those two areas to get a picture of the implementation of good governance general principles regarding licensing public services in some parts of Indonesia.

The objective of writing this paper is to describe the implementation of the general principles of good governance on Public Service Investment Licensing in Yogyakarta municipality which has implemented good services on the investment licensing in DIY, Indonesia. With regard to this, Yogyakarta municipality is a role model for District / other cities in order to create good and