

Investment in Aceh (Such Factors Obstacle and Support and also Increasing Strategy of Investment Strategy)

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Abstract--*Invesment is one of the important role in economic growth. The research has the purpose to :*
1) identify the cases that become to the obstacle and supoorted factors for investment in Aceh province. The kind of this research is qualitative research in term of arrange the the strategic policy that will be developed with the participatory approach from the stakeholder element with the bussiness man and private sector . The Sampling method is purposive sampling method to some informan of stakeholders and selected businessman. Furthermore the data was analysed using the SWOT and QSPM analysis and formulate the strategy and operational steps in increasing the invesment in Aceh Province. The result of this analysis showed the cases which is become to the obstacles factor for investment and they are : 1) Lack of the productive economic and it was shown by low of amount and of Processing industry in Aceh ; 2) the quality of human resources quality not supported to the direction of regional potential in that area; 3) the obstacles of Infrastructure and non infrastructure that still not maximum in taking the benefit and advantage; 4) The illegal cost or “pungli” still taken out of formal cost that become to the conditional; 5) Complicated and not transparant process of birocration and not straight to the target;6) Lack of careness of local bussinessman in Aceh to work on investment in priority sector in Aceh; 7) goverment local budgeting using still not straight to the target. The supported factor in this investment are ; 1) farming sector because Aceh was agro industry so the farming sector become to the priority; 2) Gardening Potential still dominated by coconut palm gardening; 3)other priority comoditysuch as coffee, cocoa, cloves and areca nut has potential value for growing the gardening comodities; 4) The development of infrastructure has shown the development; 5) Uderwater Tourism development through the syariah tourism (halal tourism); 6) potential sector of fishing and maritim; 7) the area of specific economic and area of Industry of Aceh. Some strategies were formulated so that will occur the increasing of invesment in Aceh that was ; 1)enlarge the production capacity; 2) revitalization of infrastructure that will support the production; 3) regulation statement that will support the bussiness world;4) increase the productivity of human resources; 5) support the development of agroindustry and processing in the region. After SWOT analysis has been done then also be strengthened by using the QSPM analysis by the result of analysis strategy and based on the highest result was ; 1) increasing the productivity of human resource or labour quality 2) conducting all kind of promotion activity 3) increasing the availability and quality of infrastucture 4) statement of law certainty 5) increasing the community participation and also security guaratee.

Key words--*Invesment, Islam Sharia, strategy, security guaratee*

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I. INTRODUCTION

Economic growth as activity development in activity in economic that caused good and services were produced increasing the welfare. A high of economic growth and sustainability is the pre condition for Economic growth of economic growth. Economic development in a country can be measured by economic growth condition to show the production growth of good and services in an economic region in certain time. To support the regional economic the source of cost can be found from export, the abroad assistance, foreign investment and domestic saving [1].

Development of investment was the important factor in defined the level of income, investement activity and make possible a community to do economic growth increasingly and work opportunity and increase the national income and increasing the level of welfareess [2].

Investment is the main important thing for economic growth, Investment could be used as the tool to recovery the economic activity,create the workfiled, and decrease the poverty. Without investment, it's impossible and difficult to do bussiness expansion. So the foreign capital investment, capital investment in the country is a solution to fulfill the need of investment.

Investment or capital invetment in developement has assisted to increase the economic growth in developed country or in developing country. The advantage of investment can be felt to develop country because the ability in providing the capital is relatively low. In fact, in the other side, bussiness to make faster the economic growth nee a huge and large capital. Because of that, One of aspect in Policy of Deevlopement need to do many effort to get the investment so it will get more fund for develeopement. Investment can be defined as palcement a number of fund at this time by wishes to get the benefit in the future [3].

Investment is one of economic moveables strengthen process of a country, because in term of economic policy some countries do their hard effort to increase their invesment. One of the way how to increase the investment is expected through the foreign investment. Investors will be invited come to a country expected can bring the fresh fund or *fresh money* and hopefully that funds cand move the company and industrial wheel and at the turn could move the economic activity in a country.

According to Ida Bagus Rahmadi Supancana (2006: 2) [4] investment is an activity was conducted by an individual (*natural person*) or law institution (*judicial person*)in the effort to increase and or to enhance the capital value, as well as in cash (*cash money*), equipment, un moveable assets, right of intelectual wealth or skill. The bussiness activity runs basicly has an objective to increase the economic development. Economic development that involved private party, as well as from foreign capital investment or capital invesment inside the country have important role in economic activity, because however the economic growth will closely related with the level of capital investement, so, to reach the hight economic growth also need high capital investment.[5]

Aceh province is one of the region that has history and its own character specifically. In territorial, Aceh is the west province from the Nort Sumatera Island in Indonesia and has experienced the long lasting conflict and tsunami and earthquake disaster in 2004 it was destroyed all economics activity in the most of area in this region [6] In the result of conflict and disaster is low of growth in economic and infrastructure because

cut off the access and damaging of public facilities and its automatically restrain the investment growth in Aceh [7]

Because of that, The increasing of investment need to be conducted and do the best effort on it as maximum as possible, By increasing the investor interest to do investment in Aceh. Investment in conducive climate can make a law certainty, Political stability and security guarantee, government policy that pro and support to investment, also available to the adequate of public structure and infrastructure, tha is the main factor that could increase the interets of investors candidate.

To increase the economic through the foreign capital investment surely needs the Aceh govremnet to be more carefull in invited the foreign investors. The policies in making and deciding the rule and regulation or (*qanun Aceh*) could be accepted by public, Specially for all investors without decrease government policis itselfs [8]

Post of War conflict in Aceh and it was singed by Signing of *Memorandum of Understanding* (MoU) in Helsinki on August 16 th , 2005 (Hadi, 2007: 4).[9] It was couldn't deny that the conflict of war brought the good implication to the government system, administration, social and politic or in economic system even it was included in bussiness to increase the investment. But until today Phenomena of increasing of investment in Aceh Province still be done by legislative and executive. The efforts to increase the investment in Aceh Province was rolled by government could be known from programs that directly touched to economic growth in Aceh Province.

The phenomena of Investment increasing in Aceh Province was known not only because of war conflict, but also because of the damage of infrastructure post of tsunami and earthquake disaster on December 26 , 2004 [10] Both problem of war conflict and tsuami disaster have damaged all facilities in Aceh. And it has a big impact for war conflict and tsunami disaster caused decreasingly of economic activity because of cutting off the access tu support economic growth in Aceh Province even the tsunami and earthquake disaster also has damaged the public facilities and automatically has restrained the investment growth in Aceh [11]

Referring to the investment increasing strategy as well as the investment increasing strategy in the regions and other province in Indonesia or the investment increasing strategy which has natinal scale was known that the investment increasing strategy has correlated with infrastructures. There are some infrastructure that need to make the process become smoothly and in get the investor interest [12] Eventhough, the bussiness strategy has been conducted by the Aceh government since 2007 periode until 2012 periode, even in 2012 periode until now. But the fact, the increasing of investment in Aceh was not seen the excited signs for economic growth in Aceh Province. If it was reobserved to the capital market, so it was believed that an alternative cost for economic development wasn't enough only with the capital in the country or abroad , but the development cost need to be supported by the capital from private at once become the motorin economic activity (*private sector leads growth economy*), and through the goverment hand in market activity. Because goverment has made some rule and regulation at once to enhance those rule and regulations to create the regular capital market, reasonable and efficiently [13] This is assumed that the law certainty, political stability and security guarantee, the government policy that pro and support the investment could influence the condusive investment climate, even with the availability the adequate structure and infrastructure, it was certained that could increasing the interest for investor candidate that want to invest capital in Aceh province.

In 2010-2016 investment realization in Aceh experienced the significant development every year. In 2010 Realization of Foreign capital investment and Country capital investment as big as Rp 86,75 millions, increased to 463,80 %, in 2011 a number of Rp 489,13 Billions, increase 159,48 %, in 2012a number Rp 1.269,20 billion, increase to 301,13 % in 2013 a number Rp 5.091,12 quintillion increase to 301,13 %, In 2014 increase as big as 22,31 % become 6.226,85 quintillion, in 2015 as big as 5.728,00 quintillion, decrease 8,01 % in 2016 experience decrease as big as 13,17 % become 2.963.46 quintillion [14]

Total of investment realization in Aceh province tends to experience the increasing since 2010 until 2014, but in 2015 tends to get decreasing. Until the first semester of 2016, investment realization in the country will be decrease drastically. Foreign capital investment also fluctuative even decrease. The reach of highest Foreign capital investment in 2013 and in 2014 dan 2015 is decreasingly low. This condition was not expected, because of that Aceh government do many policies and many efforts were directed to the investment revitalization climate because the goal and objective of capital investment in Aceh referred to [15]

Many policies have been conducted by Aceh Government through the Investment and Promotion department, and it wasn't got an optimum result, So it need to be done the right strategy in increasing realization of investment in Aceh. Beside that, also need to be conducted the identification for obstacle of investment and some factors for supports the investment.

II. METHODS

The research used descriptive method by using qualitative approach that integrated the qualitative and quantitative data through the SWOT and QSPM Analysis. Study analysis writers conducted comes from unstructured observation but run the process of data collection through indeep interview to 18 persons of internal from government side and non-government people from local businessman competence and skilled informers to get the good input. To formulate the strategy using SWOT analysis. As the way to be used to identify internal and external factor systematically to formulate the strategy in an activity. Furthermore, many kind of alternatives strategy could be found from SWOT analysis then will be selected on of them through the QSPM analysis. QSPM was the analysis tools that used to decide the strategy that will be used based on the interest of existence alternative strategy. The calculation of QSPM based on the input from matrix score both in internal and external and also alternative strategy at the level of verification.

III. RESULT AND DISCUSSION

The obstacle and supported factors for Increasing the investment in Aceh:

The obstacle factor for development of investment in Aceh were: a). Minimum of productive economic activity; b) Unsupported of Quality human resources; c) Infrastructure and Non infrastructure that still not maximum; d) the existence of illegal cost or pungli; e) Process of complicated birocration and was not fair; f) less of attention local businessman to the area; g) the local budget allocation using still contains political element.

The supported factor for increasing the investment in Aceh are as followed : a) Farming sector; b) Gardening potential; c) development of infrastructure that has been shown to the progress direction; d)

developing of Syariah Tourism; e) Potential sector of maritime and fishery; f) The existence of Specific Area and economic (In Indonesia KEK) and Aceh Industrial Area (In Indonesia KIA)

Based on the IE matrix value has shown the quadrant position V (Five) This quadrant position shown the development of investment in Aceh that need the growth strategy. Those strategies has omitted the development of investment in Aceh could be stand on and maintained so that will have the better growth and development

IV. CONCLUSION

While based on Analytical matrix of SWOT, recommendation of strategy given was aggressive it means that organization or foundation in steadily condition, so that will be possible to do expansion and enlarge the growth and also to get the maximum progress and result the Strength opportunity that were :

1) Increasing and productivity of Human resource quality ; 2) Implementation of promotional activity; 3) increasing of availability and quality infrastructure; 4) State of certainty of law; 5) Increasing of community participation and also security

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