Offline Consultation Needs On Online Licensing Services Through Online Single Submission (OSS) System

Yulia Eka Susanty
Magister Program Polytechnic STIA LAN Jakarta

Abstract.
Using a digital system through the Online Single Submission (OSS) is expected to ease conducting business in Indonesia, which previously tended to be convoluted and overlapping. The procedure and time for issuing permits using this system are shortened and encourage the acceleration of business licensing. However, the results are not optimal, so many business actors still consult the Ministry of Investment/BKPM about the licensing process through the OSS. This study aimed to analyze the factors that cause the high demand of business actors for consulting services, and to formulate strategies as policy recommendations to reduce the need for consulting services so that the OSS service system can be used optimally. A literature review was conducted with a qualitative approach. This article was obtained from the last three years with ten essays that were discussed comprehensively. The comprehensive results obtained in the study state that there are several obstacles behind the high need for consultation carried out by business actors, namely: 1. Limited technology and communication capabilities 2. Understanding of business guidelines or system mechanisms that are not yet optimal 3. Barriers to internet network connections 4. Socialization on business actors who have not been maximized 5. A limited number of human resources. Based on this analysis, in bridging the obstacles that occur in the field, the Government can provide technical guidance to business actors regarding the use of the OSS system and create a helpdesk service related to the implementation of the OSS system in the regions.

Keywords: Online Single Submission, E-government, Information Technology, Public Service, Licensing System

1. Introduction
Public service is one sector that is of great concern to the Government. The Government has issued various policies to improve the quality of public services, one of which is public services reform. Public service reforms implemented by the Government have a significant influence on the institutional system, management, and human resources of the existing apparatus in Indonesia. The Government's licensing service sector is a substantial concern, especially regarding the quality of public services closer to the community's expectations. The public as customers needs fast service by guaranteeing
certainty of permits, ease of access, timeliness, and transparency along with technological developments so that complicated and slow bureaucratic procedures must be trimmed immediately.

Based on Law No. 25 of 2009, public services are activities or series of activities in the context of fulfilling service needs by laws and regulations for every citizen and resident of goods and services or administrative services provided by public service providers (Government). The demand for public services continues to increase yearly, both in terms of quantity and quality. The market for public services can be seen from the increasing number of people, welfare, needs, education level, and the expanding variety of jobs required.

Public service is not only an administrative matter but also the fulfillment of the public’s wishes. The primary purpose of public services is to fulfill users’ needs to obtain the desired and satisfying service. (1). Therefore, it is necessary to prepare public service administrators to achieve exemplary service quality, as stated by Sumartono in (2). The same thing says that public services are community rights that contain the principles: simplicity, clarity, the certainty of time, accuracy, security, responsibility, completeness of facilities and infrastructure, ease of access, discipline, courtesy, friendliness, and comfort (3).

The Government continues to reform to improve the service system in the licensing service sector to increase investment, both from foreign and domestic investment. The increase in investment is expected to encourage national development and achieve optimal economic growth. The service system should improve the quality of services that can help the community overcome their problems. The Government as the regulator, has mandated the Ministry of Investment/BKPM to support strategic policies in the investment sector.

The Ministry of Investment/BKPM is a government agency under and directly responsible to the President. Based on Law No. 25 of 2007 concerning Investment, The Ministry of Investment/BKPM has a strategic role in coordinating the implementation of investment policies, both coordination between Government agencies, between Government agencies and Bank of Indonesia, and between Government agencies and Regional Governments, as well as between Regional Governments. Besides acting as a proactive advocate in the investment sector, the Ministry of Investment/BKPM also plays a very active role as facilitator between the Government and investors. The Ministry of Investment / BKPM is undoubtedly needed to coordinate the community’s needs for ease of doing business in Indonesia to create a compelling investment climate.
Business actors/investors certainly expect the presence of a system that can accommodate and facilitate investment activities, both online and offline approaches. The online method chosen by the Government is using a digital system approach. The digital platform built by the Government in the investment sector is the Online Single Submission (OSS) system. The digital system was initially intended to provide ease of doing business in Indonesia, which previously tended to be convoluted and overlapping. Research (4) states that the procedure and time for issuing OSS permits are shorter and encourage business licensing acceleration. Other research shows that the OSS system is evidence of the rapidly growing information technology advancement, which significantly impacts the economy (5). Along with technological developments, improving the quality of public services must also continue to be carried out to realize optimal public benefits.

OSS is a system designed to provide ease of doing business and support the creation of a conducive investment climate in Indonesia. This OSS system implements Presidential Regulation Number 91 of 2017 concerning Acceleration of Business Implementation, which aims to resolve obstacles in the licensing process and increase investment ease (Ease of Doing Business/EODB). According to world bank data (6), there was an increase from rank 91 in 2017 to rank 72 in 2018 and rank 73 in 2019 and 2020 from 190 countries. Although there has been no increase in the EODB rating in 2020, Indonesia has carried out four types of reforms that the World Bank has recognized, namely dealing with construction permits, paying taxes, enforcing contracts, and protecting minority investors by utilizing information technology through an integrated licensing system (single submission). This integrated system provides all the information needed for business licensing to make the entire licensing application process faster. The goals of this OSS policy are:

1. Facilitate the management of various permits, both prerequisites for doing business (location, environmental, and building permits), standard certificates, and licenses to support business activities at the central or regional level with a mechanism for fulfilling the commitments the licensing requirements.

2. Facilitating business actors to connect with all stakeholders in obtaining permits safely, quickly, and in real-time.

3. Facilitating business actors in terms of reporting and solving licensing problems in one place.

4. Facilitate business actors to store all licensing data in one business identity (NIB).

The stages of applying for permits through the OSS system are made more straightforward than previous permits. In the process flow before the OSS system, business
actors/investors had to register their businesses through the Principle Licensing at the Ministry of Investment/BKPM using the SPIPISE system. Furthermore, at the construction stage, business actors/investors can manage facilities (import duties on production machines), permits from other Ministries/Institutions, and permits from the regions using the system applicable to the respective Ministries/Institutions and areas. The next step, if it is ready for commercial production, business actors are required to apply for a Business License through the SPIPISE system at the Ministry of Investment/BKPM and the fulfillment of other licensing standards at other Ministries/Institutions. This permits causes the licensing system in Indonesia to seem complicated and time-consuming, so the Government is trying to shorten the licensing time through the OSS system.

The online single submission (OSS) service at the Ministry of Investment/BKPM has been implemented since January 2019, but on its implementation, several problems are still encountered, including there are still many queues for face-to-face consultations carried out by business actors, there are still many complaints submitted by business actors, problems in the OSS system itself, and the lack of front office staff serving business actors who come directly to the Ministry of Investment/BKPM.

On the application of the OSS system, data were obtained regarding the confusion felt by business actors when operating the OSS system. This can be seen from the many queues of business actors who will consult face to face, and it becomes a question whether it is easy for business actors to take care of various permits with this system.

![Figure 1: Face-to-face OSS Consultation Queue. (Source: Ministry of investment/BKPM Process by Researcher).](image)

As a result, Face-to-face consultation data on the OSS system in 2019 an average of 4,045 consultations per month or around 202 face-to-face consultations per day. The number of front offices that serve face-to-face consultations is 20 people. On average, one front office person does ten consultations per day with an estimated time of ± 20
minutes per consultation queue. In April 2020, there was a decrease in the number of business actors who consulted face to face at the Ministry of Investment / BKPM due to the impact of the Coronavirus disease (Covid-19) pandemic that hit the world, including Indonesia. The Ministry of Investment closed the face-to-face consultation in April – May 2020 so that there were no business actors who consulted face-to-face. From June 2020 until now, the Ministry of Investment / BKPM has begun to open face-to-face consultations again with a maximum of 100 face-to-face queues per day. The number of business actors who come to the Ministry of Investment / BKPM is reduced.

The OSS system is implemented throughout Indonesia to change the old paradigm that licensing is considered one of the causes that hamper investment activities. However, in practice in the field, many business actors still do not clearly understand the online system procedures in the licensing process. This can be seen from the number of business actors who conduct monthly consultations with the Ministry of Investment/BKPM.

The consultation that is quite a lot done by business actors becomes a different obstacle because the online licensing system should be carried out independently by business actors/investors. Several facilities have been provided to support the use of the OSS system, including the availability of technical manuals, simulations and video tutorials for data entry, information on the standard classification of Indonesian business fields (KBLI), which is used as a reference for business activities, business facilities, and regulations used as essential requirements for business licensing. An illustration of the use of these technical instructions can be seen on the website at www.oss.go.id.

![Figure 2: Business Licensing System Through the OSS System. (Source: www.oss.go.id).](image-url)
small businesses (Non-UMK), Regional Governments, Ministries and Institutions, Administrators of Special Economic Zones/Free Trade Zones, and Free Port (KEK/KPBPJM), data migration results from OSS 1.1, fiscal facilities/incentives, migration results, and changes in Environmental Permits. Business actors can use the OSS question feature found on the OSS website page if they need help from the OSS admin.

This study aims to analyze the factors that cause business actors’ high demand for consulting services and formulate strategies as policy recommendations to reduce the need for consulting services so that the OSS service system can be used optimally.

2. Method

The research methodology used in this article is a type of literature review research with a qualitative approach. This article was obtained from the last three years with ten essays that were discussed comprehensively. Implementing the literature review is to conduct a problem study by collecting related journals to get a data analysis.

2.1. Literature Review

2.1.1. Public service

Services can be defined as the activities of a person, group, or organization directly or indirectly to fulfill needs (7). Ivancevich, Lorenzi, Skinner dan Crosby (8) argue that service is an invisible product (cannot be touched) that involves human efforts and the use of equipment. In line with this opinion, Gronroos in (8) states that service is an activity or series of invisible activities (cannot be touched) that occur as a result of interactions between consumers and employees or other things provided by the company providing services intended to solve problems faced by consumers/customers.

According to Law No. 25 of 2009, public service is an activity or series of activities in the context of fulfilling service needs by laws and regulations for every citizen and resident of goods, services, and administrative services provided by public service providers. In summary, the nature of public services (services by the government/government to the broader community) according to (9) is:

1. Improving the quality or quality and quantity/productivity of the implementation of duties and functions of government/government agencies (institutions) in the field of public services;
2. Encouraging all efforts to streamline and streamline the implementation system and management so that public services can be carried out more efficiently and effectively;

3. Encouraging the growth of creativity, initiative, and community participation in development and improving the welfare of the wider community.

In terms of accelerating public service activities, especially in the field of investment, The President issued Presidential Regulation No. 91 of 2017 concerning the acceleration of business implementation as written in article 2 paragraph (b.2), by applying information and communication technology through an electronically integrated business licensing system (online single submission). This system serves to solve licensing problems and overcome obstacles to the implementation of business licensing by developing an online system. The regulation is under Presidential Instruction No. 3 of 2003 concerning National Policy and Strategy. The development of E-Government aims to use communication and information technology in the process of Government (e-government) to improve efficiency, effectiveness, transparency, and accountability of government administration. The OSS system itself was implemented after issuing Government Regulation No. 24 of 2018 concerning Electronically Integrated Business Licensing Services.

2.1.2. Public Service Standard

Public service is the most visible benchmark of government performance. The public can feel and directly assess the Government’s performance based on the services they receive. According to Dwiyanto (3), services by the bureaucracy should be driven by the vision and mission of the service. Still, it is caused by regulations and budgets that are not understood by the public because they are not disseminated transparently. For this reason, the quality of public services in all Ministries/Agencies and Regional Governments is a fundamental thing and must be improved immediately.

Service quality can be interpreted as something related to fulfilling customer (society) expectations/needs. Service is said to be of quality if it can provide appropriate products and services. According to Lewis & Booms (10), service quality can be interpreted as how well the level of service provided can meet customer expectations. The quality of service is not only determined by those who serve but is more determined by those who are served because they are the ones who enjoy the service so that they can measure the quality of service based on their expectations in fulfilling their satisfaction (11).
Zeithaml, et al. (1985) mentions two factors that affect service quality: expected service and perceived service. The key to ensuring good service quality is meeting or exceeding what customers expect from the service (12) (13). When customers assess the quality of service, they will compare it with an internal standard that existed before experiencing the service. According to Lovelock (14), the internal standard for assessing the quality is the basis of customer expectations. For this reason, it must be evaluated the extent to which the quality of public services provided by the government apparatus needs to be examined from the benchmark of the quality of the service itself.

Standards in terms of public services can be interpreted as a benchmark used as a guideline in service delivery and a reference for assessing service quality as an obligation and promise of the organizers to create fast, easy, affordable, measurable, and quality services.

In-Law No. 25 of 2009 Article 21, it is stated that the standards of public services, at least include: a. legal basis; b. requirements; c. systems, mechanisms, and procedures; d. settlement period; e. fees/tariffs; f. service products; g. facilities, infrastructure, or facilities; h. implementing competence; i. Internal monitoring; j. handling complaints, suggestions, and inputs; k. the number of implementers; l. service guarantees that provide certainty of services carried out by service standards; m. verification of service security and safety in the form of a commitment to give a sense of security, free from danger and the risk of doubt; and n. it is implementing performance evaluation.

3. Results and Discussion

The online licensing system that came into effect in July 2018 aims to provide convenience in the business licensing process in Indonesia. However, the implementation still has many obstacles, including:

1. Limited technology and communication skills

Research conducted by Syarif (15) said that business actors did not understand the use of the OSS system, so they could not register their business licenses independently for fear of errors in data input. A similar study from Soejono (16) conducted that business actors need assistance issuing business permits because of their limited ability to operate the OSS system.

2. Lack of optimal understanding of business guidelines and OSS system mechanisms

Research conducted by Sari (17) explains that business actors do not feel comfortable applying the OSS system because they are used to the old procedure, namely manually processing business permits. This study is in line with research conducted by Soejono.
that many business actors do not understand the procedures and steps in managing business permits through the OSS system.

3. There is an internet network connection barrier

This OSS system is a digital platform that depends on the internet network. Bandwidth and traffic systems are obstacles business actors face, so they sometimes find it challenging to enter the OSS website (18). The same thing happened to the research conducted by Widya (19) that there were frequent system errors at the time of issuance of the NIB, and the data that had been inputted into the OSS system was lost. In addition, the OSS system has not been able to reach remote areas with weak internet networks or regions that have not yet entered the internet network (17).

According to the APJI internet survey report throughout 2019-2020 (Association of Indonesian Internet Service Providers, 2020 (20), internet users are not evenly distributed throughout Indonesia.

The number of internet service users in Indonesia is 196.71 million, of the total population of 266.91 million or 73.7% of the total population of Indonesia. The most significant internet service users in Indonesia are on the island of Java at 56.4%, then Sumatra Island at 22.1%, then Sulawesi Island at 7.0%, followed by Kalimantan, Bali and Nusa Tenggara islands and Maluku and Papua with each of 6.3%, 5.2%, and 3.0%. This creates problems in implementing the OSS system because not
all business actors can access the OSS system properly, so it is difficult for business actors to obtain information about the OSS system and its application.

4. Socialization of the OSS system to business actors who have not been maximized

This research was conducted by Dawud (21) that the socialization and publication of the OSS system have not been conveyed evenly to business actors, causing business actors not to know the online licensing process. In line with research conducted Mudiparwanto & Gunawan (18), Widya (19), and Hidayat (22), it is stated that many business actors do not carry out the process of managing business license commitments after obtaining NIB and Business Permits from OSS system. This is due to the limited information received by business actors that the business license obtained through the OSS system will be effective if it has fulfilled the business license commitment.

5. Limited number of human resources (HR)

Research Mudiparwanto & Gunawan (18) and Robot (23) explains that the number of human resources who have understood the use of the OSS system in-depth and clearly in the regions is still limited, so business actors consult directly with the Ministry of Investment / BKPM. This opinion is in line with research conducted by Dawud (21) that human resources for licensing in Bandung Regency are still minimal by experts.

Although there are still many obstacles faced by business actors in implementing the OSS system, there will be an increase in investment realization. This can be seen from the realization of investment from 2019-2020:


**Figure 4:** Investment Realization Progress in 2019-2020. (Source: Press Release Report on Investment Activities of the Ministry of Investment/BKPM).

Investment realization in January – December 2020 is Rp. 826.3 T, an increase of 2.1% compared to the previous year, namely January – December 2019 of Rp. 809.6 T.
The Government is also trying to simplify the licensing process and overcome obstacles business actors face by updating the OSS system to a risk-based OSS System officially inaugurated by the President on August 9, 2021. The risk-based acceptance OSS is the implementation of the Job Creation Law No. 11 of 2020, which cuts down on complicated procedures and overlapping regulations. This risk-based OSS must be used by all business actors, Ministries/Agencies, Regional Governments, KEK Administrators (Special Economic Zones), and the KPBPB Concession Board (Free Trade Zone).

Based on Government Regulation No. 5 of 2021, 1,702 business activities have been implemented in the risk-based OSS system. Risk-based acceptance OSS provides services to business actors, divided into two major groups: Micro Enterprises (UMK) and Non-Micro and Small Enterprises (Non-UMK). The categories of business actors can be seen in the following figure:

![Figure 5: Categories of Business Actors. (Source: Ministry of Investment/BKPM Infographics).](image-url)

Micro Enterprises (UMK) can be in the form of individuals or business entities consisting of Unions or Partnerships, Foundations, Limited Liability Companies (PT), Limited Partnerships, other Legal Entities, Firm Partnerships, Civil Partnerships, Cooperatives, and Public Companies (Perum). Types of business Non-Micro and Small Business (Non-UMK) can be individuals, business entities, representative offices, namely: Representative Offices of Foreign Companies (KPPA), Foreign Electric Power Support
Services (KPPA), Representative Offices of Foreign Trading Companies (KP3A), Office Representatives of Foreign Trading Companies – Trading Through Electronic Systems (KP3APMSE), Foreign Construction Services Business Entities (BUJKA) and foreign business entities consisting of: Franchisors, Futures Trading, Operation of Foreign Electronic Systems (PSE) and Permanent Establishments.

Figure 6: Differences in Micro and Small Enterprises in OSS 1.1 and risk-based OSS. (Source: Ministry of Investment/BKPM Infographics).

Risk-Based Business Licensing is a form of business licensing based on the level of business activity risk, and the level of risk determines the type of business license. Business Risk is divided into four, namely: low, medium-low, medium-high, and high. The Government has mapped the level of business risk according to the business sector or KBLI (standard classification of Indonesian business fields). The current KBLI is the 2020 KBLI using a 5-digit line of business code.

Low and medium-low risk does not require verification or approval from the Ministry/Agency/Local Government. This means that the business licensing process is completed in a risk-based OSS system. Meanwhile, businesses with medium, high and
high-risk levels require verification or approval from the Ministry/Agency/Local Government. The implementation of this risk-based OSS system is expected to overcome the obstacles felt by business actors.

4. Conclusions

Based on the analysis and discussion in this article, the conclusions can be drawn:

1. Business actors are still constrained in implementing the OSS system due to minimal information, lack of socialization, unstable network, and ability to use information technology.

2. Human resources (HR) in the regions are still limited, so it is challenging to assist business actors.

3. Technical guidance is needed for business actors related to OSS system procedures/guidelines and making helpdesk services associated with the implementation of the OSS system in the regions, as well as socialization related to technical guidance on licensing mechanisms to business actors.

Recommendation

1. To conduct periodic evaluations of the problems business actors face in the field to reduce the need for face-to-face consultations.

2. To improve the ability of users to use information technology by providing regular training to officers and business actors.

3. To increase socialization regarding the renewal of regulations or licensing mechanisms to reduce errors by business actors in carrying out the business licensing process

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