

The Effect of Implementation OD Specially Economic Zones on Regional Physical Facilities and Infrastructure in Muara Satu District Lhokseumawe City

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Abstract

The purpose of this study is to analyze: 1. the influence of environmental conditions on the improvement of physical facilities and infrastructure in the Muara Satu sub-district 2. the influence of inter-organizational relationships on the improvement of physical facilities and infrastructure in the Muara Satu sub-district 3. the influence of resources on the improvement of physical facilities and infrastructure in the Muara Satu sub-district 4. the influence of the implementor's institutional character on the improvement of physical facilities and infrastructure in the Muara Satu sub-district. The method used is correlational quantitative, using the exposed facto method. The results of this study are (1) the environmental condition variable has a significant influence on the physical facilities and infrastructure of the area in Muara Satu District, Lhokseumawe City. (2) The inter-organizational relationship variable has a significant influence on the physical facilities and infrastructure of the area in Muara Satu District, Lhokseumawe City. (3) The resource variable has a significant influence on the physical facilities and infrastructure of the area in Muara Satu District, Lhokseumawe City. (4) The variable character of the implementor institution has a significant influence on the physical facilities and infrastructure of the area in Muara Satu District, Lhokseumawe City.

Keywords

special economic zones;
regional physical facilities;
infrastructure



I. Introduction

The government's efforts in regional development in Indonesia are currently making several programs aimed at reducing disparities between regions. One of the government programs carried out to develop the area is the establishment or establishment of a Special Economic Zone (SEZ) based on Law No. 39 of 2009 concerning Special Economic Zones and Government Regulation No. 29 of 2011 concerning the Implementation of SEZs in Indonesia. The SEZ development aims to accelerate regional development and as a breakthrough model for regional development for economic growth, including industry, tourism and trade so as to increase employment opportunities. In terms of development, each SEZ location consists of one/more zones which are divided into; Export Processing, Logistics, Technology Development, Industry, Tourism, Energy, and Other Economics.

Arun Lhokseumawe SEZ is one of the SEZ locations in Aceh Province and has a strategic location with easy access. Arun Lhokseumawe SEZ is located in North Aceh Regency and Lhokseumawe City, Aceh Province and was formed based on Government

Regulation No. 5 of 2017. inaugurated by the President of the Republic of Indonesia, Joko Widodo on December 14, 2018. This SEZ focuses on several sectors, namely energy, petrochemicals, agro-industry supporting food security, logistics and the kraft paper-producing industry. From the energy sector (oil and gas) LNG regasification, LNG Hub/Trading, LPG Hub/Trading, Mini LNG Plant PLTG will develop with the development of environmentally friendly power plants or clean energy solution providers. Logistics infrastructure was also developed to support inputs and outputs from the oil and gas, petrochemical and agro-industry industries, through the improvement of port and dock infrastructure to international standards.

II. Review of Literature

2.1. Policy Implementation

The implementation of a policy is basically a multi-organizational change or transformation, where the changes implemented through this policy implementation strategy link various layers of society. Therefore, Internal Main Factors Public Policy Supporting Factors Related Parties Related Conditions Main External Factors Success is largely determined by the right policy strategy and being able to accommodate different views and interests in society. Based on the views of several experts regarding policy implementation, it can be concluded that the implementation of a policy not only highlights the behavior of the administrative institutions or agencies responsible for a program and its implementation towards target groups, but also needs to pay close attention to various networks. Political, social, and economic forces that directly or indirectly affect the behavior of the various parties involved in the program, and which ultimately has the expected or unexpected impact on the program.

Indicators of policy implementation according to Rondineli and Cheema (1983) in Purwanto and Sulistyastuti (2012) identify four factors that affect implementation performance, namely: 1. Environmental conditions, which are related to geographical, social, economic conditions where the implementation is carried out. Quality policies will not succeed when implemented in situations and environmental conditions that are not conducive to efforts to achieve goals 2. Relations between organizations, namely good support and coordination between one government organization and other government organizations, in an effort to implement implementation 3. Resources, namely resources the resources possessed by the implementor in supporting the implementation of implementation in the field and within the organization itself. 4. The character of the implementor institution, namely the ability of the implementor to carry out the implementation given to him and in accordance with the duties and functions of the implementing institution itself.

2.2 Special Economic Zone

Special Economic Zone (SEZ) is an industrial area that is provided with facilities and incentives as well as adequate infrastructure and has the advantage to maximize industrial activities, exports, imports and other economic activities that have high economic value and added value. (Ministry of Industry. 2007). Special Economic Zones are certain areas where special provisions apply in the fields of customs, taxation, licensing, immigration and employment which has high economic value. Based on the above understanding, it can be seen that the objectives of developing Special Economic Zones include: assisting or supporting the local economy, creating jobs, improving the industrial structure in the location, increasing exports and increasing foreign exchange reserves. For this reason, the

regional approach to investment development must be characterized by: 1) Reasonable (economically, socially and politically feasible), 2) Sustainable (long-term oriented), and 3) Measurable (clear in instruments and targets) (Sihaloho and Muna, 2010).

The main criteria for selecting SEZ locations determined by the SEZ National Team are 1) Local Government Commitment, 2) Spatial Planning, 3) Accessibility, 4) Infrastructure, 5) Land, 6) Manpower, 7) Supporting Industries, 8) Geoposition, 9) Environmental Impact, 10) Territorial Boundary.

2.3. Area Development

According to Law Number 26 of 2007 concerning Spatial Planning, an area is a space which is a geographical unit and all related elements whose boundaries and systems are determined based on administrative and/or functional aspects. Sirojuzilam and Mahalli (2010) region is a group of areas that are located close together and inhabited by a number of residents over a certain territory or space.

Nasution (2009) regional development is a process of community empowerment with all its potential and includes all community activities in an area, both economic, social and cultural aspects, as well as other aspects. Sirojuzilam (2005) argues that regional development basically means increasing the value of regional benefits for the community, a certain area is able to accommodate more residents, with a level of community welfare that on average has many facilities/infrastructure, available goods or services and business activities increasing community, both in terms of type, intensity, service and quality. In regional development, they often face the fact that the available funds are limited while the proposals from each sector are quite a lot (Tarigan, 2006). On the other hand, sustainable development must be able to put pressure on economic, social, political and institutional mechanisms, both from the private and government sectors, in order to create a rapid improvement in people's living standards (Mahalli, 2005).

III. Research Methods

The type of research is correlational quantitative research, using the exposed facto method. The research was conducted in Muara Satu District, Lhokseumawe City. The reason for choosing the research location is because the Arun Lhokseumawe SEZ is in Muara Satu District and shows regional development in Muara Satu District. The population in this study were all heads of families (KK) who live in Muara Satu District, Lhokseumawe City, amounting to 8,257 households (RT). To answer the hypothesis and formulation of the first, second, third and fourth problems using multiple regression analysis.

IV. Discussion

The Arun Lhokseumawe SEZ is located in North Aceh Regency and Lhokseumawe City, Aceh Province and was established based on Government Regulation Number 5 of 2017. The Arun Lhokseumawe SEZ was inaugurated by the President of the Republic of Indonesia, Mr. Joko Widodo on December 14, 2018. This SEZ focuses on several sectors, namely: energy, petrochemical, agro-industry supporting food security, logistics and kraft paper producing industry. From the energy sector (oil and gas) LNG regasification, LNG Hub/ Trading, LPG Hub/ Trading, Mini LNG Plant PLTG will be developed with the development of environmentally friendly power plants or clean energy solution providers. Logistics infrastructure was also developed to support inputs and outputs from the oil and gas, petrochemical and agro-industry industries, through the improvement of port and dock

infrastructure to international standards. With the potential and opportunities it has, the Arun Lhokseumawe SEZ is projected to attract an investment of US\$3.8 billion and is projected to absorb 40,000 workers by 2027.



Figure 1. Profile of SEZ Arun

Implementation of Special Economic Zones with variable dimensions Environmental conditions (X1), relationships between organizations (X2), resources (X3), and institutional character of the implementor (X4) have a positive and significant influence on the physical facilities and infrastructure of the area in Muara Satu District, Lhokseumawe City. The results of this study are in line with the research of Hariani and Silvia (2017) which show that the infrastructure for the development of the SEZ Sei Mangkei in Simalungun Regency continues to increase. The existence of SEZ Sei Mangkei has a positive effect on the people of Simalungun Regency, especially in terms of the socio-economic community. The results of Ismaulina and Suryani's research (2019) show that human resources have a positive effect on investment growth at the Faculty of Economics and Business (BEI FEBI Investment Gallery) IAIN Lhokseumawe. Novitasari's research (2014) shows that the quality of Human Resources has a positive effect on employee performance.

Environmental conditions have a positive effect on the physical facilities and infrastructure of the area in Muara Satu District, Lhokseumawe City. Social, economic and environmental analysis in the construction of regional physical facilities and infrastructure is very much needed, so that in every program/activity that is in the development, social feasibility and environmental feasibility are still considered. The purpose of this social, economic and environmental analysis is to minimize social, economic and environmental impacts (negative impacts) due to planned investment programs/activities in the development of facilities and infrastructure for the Arun Special Economic Zone both during pre-construction, construction and post-construction. Efforts to spur socio-economic development, reduce disparities between regions, and preserve the environment in an area. Regional development policies are very necessary because the physical, geographical, social, economic and cultural conditions of the community are very different from one region to another so that the implementation of the regional development policy itself must be adjusted to the conditions, potentials, and problems in the area concerned (Ministry of Public Works and Public Housing, 2017).

In order to accelerate the achievement of national economic development, it is necessary to increase investment through the preparation of areas that have economic and geostrategic advantages. The area is prepared to maximize industrial activities, exports,

imports and other economic activities that have high economic value. In its development, in order to be able to keep the management of SEZ development in line with the dynamics of the world economy and technology, the government is transforming its SEZ development policy by emphasizing the orientation towards the realization of SEZs which does not only emphasize regional economic growth acceleration and equitable development nationally (KEK Generation 1), but also encourage the establishment of SEZs that are able to build added value on mastery of technology and human resources (KEK Generation 2), which is realized through the development of SEZs for Health, SEZs for Education, SEZs for Digital Economy and SEZs for Maintenance Repair and Overhaul.

The development of Special Economic Zones is directed at providing optimal contributions to the achievement of the 4 (four) national priority agendas contained in Nawacita, namely: 1) Developing Indonesia from the periphery by strengthening regions and villages within the framework of a unitary state; 2) Improving the quality of life of Indonesian people; 3) Increase people's productivity and competitiveness in the international market; and 4) Realizing economic independence by mobilizing strategic sectors of the domestic economy. The targets for the development of special economic zones are to: 1) increase investment through the preparation of areas that have geoeconomic and geostrategic advantages; 2) Optimizing industrial activities, exports, imports, and other economic activities that have high economic value; 3) Accelerating regional development through the development of new centers of economic growth to balance development between regions; and 4) Realizing a breakthrough model for regional development for economic growth, including industry, tourism and trade so as to create jobs.

The relationship between organizations has a positive effect on the physical facilities and infrastructure of the area in Muara Satu District, Lhokseumawe City. The role of organizational communication is very important to create harmony and smoothness of the tasks and work of an organization, such as in an office or the implementation of tasks carried out by government officials. Organizational communication is a form or application of vertical communication messages that can be understood, among others, through the relationship between superiors and subordinates; in the form of orders, instructions, advice from leaders to their subordinates and related to office work assignments and horizontal organizational communication, namely organizational communication processes that create relationships between employees and other employees. Thus, it can be understood that organizational communication is an effort to create a condition that can facilitate the implementation of tasks for government officials. Communication is the process of delivering accurate, clear, consistent, and comprehensive information as well as coordination between relevant agencies in the implementation process. In general, there are three important things in the policy communication process, namely transmission, consistency and clarity (Mahendra, 2021). Communication management consists of two different basic concepts. The two concepts are management and communication. The management concept is more about how to manage. While the concept of communication as a process of information transmission and the process of interaction of ideas. Although both concepts show differences because they originate from two different studies, these two concepts can be integrated into one specific study in communication studies. In the era of information globalization, the concept of communication management is increasingly being used, especially institutions that want to run programs (Irma, 2020). The government apparatus is the driving force in the development of organizational communication, without the role of the government apparatus, the organizational communication process will not be able to run as expected. Organizational commitment divide into three dimensions, which are: affective, continuance and normative (Mont and Lindhqvist in Syakur, 2020). Affective commitment came from emotional or

psychological attachment with the organization. The organizational commitment is not just loyalty to the organization, but it is also a continuous process in which employees express their concern to the organization in the form of success and high achievement (Kerr and Kaufman-Gilliland in Syakur, 2020). Having committed employees would bring benefit to the organization, such as developing extra role behavior (ERB) which is an innovative and positive spontaneous attitude for organization, beyond normal attitude that based on the urge to obtain return (Alonderiene and Majauskaite in Syakur, 2020). Organizing is the preparation of organizational structure related to the objectives and in accordance with the resources owned without ignoring the surrounding environment. Organizing is done after finishing setting goals and planning carefully, steadily, neatly, carefully, and precisely (Irma, 2020).

In an organization or institution there are usually people who work together to achieve organizational goals. Every organization, especially an office organization, of course requires a variety of information, has a purpose, has a structure, meets performance needs, develops duties and responsibilities, and can achieve the expected work results. In creating a maximum cooperative relationship within an organization, it is necessary to have communication between them which is called organizational communication. Organizational communication can be understood as an organizational behavior in which each person or group will be involved in the interaction process and give meaning to what is happening (Khomsahrial Rimli, 2011).

V. Conclusion

- 1) The environmental condition variable has a significant influence on the physical facilities and infrastructure of the area in Muara Satu District, Lhokseumawe City.
- 2) The relationship variable between organizations has a significant influence on the physical facilities and infrastructure of the area in Muara Satu District, Lhokseumawe City.
- 3) The resource variable has a significant influence on the physical facilities and infrastructure of the area in Muara Satu District, Lhokseumawe City.
- 4) The variable character of the implementor institution has a significant influence on the physical facilities and infrastructure of the area in Muara Satu District, Lhokseumawe City.

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