

ANALYSIS OF INVESTMENT SUPPORTER ON INCREASING PASSION OF INVESTMENT AT SEMARANG CITY

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ABSTRACT

The research aims to identify of investment supporter at the city of Semarang. Variables of this research are institutional role, zoning of city, available of infrastructures, investment information system and increasing passion of investment. The method used to survey on identification from respondents from entrepreneurs about several of investment supporter at the Semarang City. The analytical method to identify of several variables about investment supporter at Semarang City is used multiple regression. The results of the study are known that in investment supporter of Semarang City are institutional role, zoning of city, available of infrastructures and investment information system. Results of hypothesis test recognized that institutional role 0.049, zoning of city 0.188, infrastructure 0.018, and investment information system 0.023. Based on the results account of hypothesis test are known that most influence is available of infrastructures, and zoning of city is not influence significance. The results of the study are useful to provide recommendations to the government about how the government to improve several infrastructures of city to support investment, thus increasing the competitiveness of the city of Semarang.

Key words: institutional role, zoning of city, available of infrastructures, investment information system, passion of investment.

Introduction

Hardiwinoto (2011) explains that the institutional aspect is very important for economic development. Institutional serves to coordinate all the resources available and spread in the community into a united force as a bargaining position to face the economic system that is not conducive. Institutional as container and norms, or a set of rules, procedures, which are very important for the development of the organization and built by considering the basic principles, namely; the principles of necessity, effectiveness, efficiency, flexibility, benefits, equity, and sustainability.

Sharma dan (2013) studied the growth of investment in India, in the last 15 years found that investment growth is the result of the contribution of stakeholder organizations. Investment under the organization is almost perfectly 18% grown. Growth investment in India strongly supported by the institutional or stakeholders. Then in research of Hardiwinoto et al (2014) found that the determining factors the availability of investment growth among Good infrastructure.

While in the study of Wei and Leung (2005) explains that the disagreements zoning investment. Zoning has an impact on the process and the impact of globalization exist that impede the flow of capital or facilitating cross-border interaction, intensifying global competition, thus stimulating economic growth in the city. Foreign investment is considered as a major force to drive the job growth, technology, and trade. Diverse establishment of investment or development zones, such as export processing zones, economic zones, high-tech areas, and finance, have been created to attract foreign investment (Wei and Leung, 2005).

The growth investment means increasing production capacity so as to increase the purchasing power of people. Then increase the rate of economic growth, which ultimately leads to increased regional competitiveness (Besley, 2007). However, many obstacles faced by local governments in encouraging investment. These constraints can be eliminated if there is a system of information and a good investment plan can be used to determine the type of investment.

Through determination of multiple variables to support investment, Semarang city will increase passion investment. Semarang city as a center of investment activities must be able to determine what supporting factors can stimulate investment. Superior investment is certain investments which are developed in a region so as to encourage other investments flourish. Such investments could trigger an increase in production volume in the aggregate (Nadiri, 1994; Besley, 2007; Renneboog, 2008). Investments will utilize natural and human resources in the region, thus increasing revenue for the community and the government, so as to increase the competitiveness of the city (region) (Carleton, 1998; DelGuercio, 2012).

Hadiwinoto (2011) also explained that the development of the institutional superstructure or the achievement of climate-related investments. Reform of economic institutions at various levels are able to reduce the practice of high cost. Intended reforms include attempts to resolve once deregulations synchronization between sectors and between central and regional governments as well as institutional capacity building. Thus for the implementation of the simplification of licensing procedures for business start-ups, improvement of the tax system, law enforcement to improve security on investment. For reduce transaction costs and the practice of high-cost, gradually necessary deregulation of the completion of the bureaucracy.

Semarang city requires investment continues to increase multiplier. Investment multiplier effect creating result of production and huge incomes to impact on the purchasing power (demand aggregate), then the increasing of production and investment (Kuznets, 1969; Zubairy 2009; Leeper, 2010). In this case it is necessary to establish the supporting factors to stimulate investment.

Research Aims

- a. To identify factors that may be supporting of investment in Semarang City.
- b. Investigate and analyze the influence of the investment supporting factors that can stimulate investment in the city of Semarang.

Theoretical Overview and Hypothesis Development Institutional Roles and Passion of Investments

Institutional regulation is defined as behavior that is generally accepted by the members of a social group or rules that restrict human deviant behavior (humanly devised) to build the structure of the interaction of political, economic and social (Yustika, 2006). Investments have as significant positive effect oneconomic growth. The government policy to encourage investment growth by promoting investment is expected so that the economic growth can be increased. Nugroho (2008) says that institutionally among others about licensing bureaucracy, the governments should keep trying to simplify. The government should simplify the local regulations which is not pro with the investment. The support area carrying out correctly will be awarded prizes (awards) and funding.

The policy should be taken in regard to human resources is how the link between the world of education with the world of work. There fore the apprenticeship program in various fields of business for the earners that is very beneficial to bridge between the world of education with the world of works should also be encouraged by the government.

The relaxing of some rules and laws regarding employment so as not too biased defend workers also need to be done by the government so that the investors interested in investing. Seventh, about political stability and security is already good. All you need to do is take care not to unravel. About the local culture that can be done by the government is doing the research and then spread to the business world to ensure that the culture could strengthen the market for the products that produced by the investors.

Hardiwinoto (2011) explains that the institutional aspect is very important to economic development. Institutional serves to coordinate all the resources available and spread in the community into a united force as a bargaining position to face the economic system that is not conducive for the majority of people who are poor. Institutional as container and norms, or a set of rules, procedures, which are very important for the development of the organization and built taking into account of the seven basic principles, as follows:

- a. The principle of needs, institutional constructed functionally required in each sub system components have to meet the needs.
- b. The principle of effectiveness, institutional as a tool developed in each sub system as a means of achieving the desired objectives effectively.
- c. Principle of efficiency, growth of the institutional element must be selected the most efficient option, which is relatively the most in expensive, easy, and simple but still able purposes.
- d. The principle of flexibility, institutions developed customized with the available resources and local culture.
- e. Benefit principle, institutional development is capable of providing great for the community.
- f. The principle of equity, institutional development providing benefit-sharing proportionally to each involved.
- g. The principle of sustainability, institutional development as supporting services, namely local government agencies and financial institutions)

Hadiwinoto (2011) explained that the development of the institutional related to the achievement of a healthy.

Investment climate necessary for economic institutional reforms at various levels are able to reduce the practice of high economic cost. Intended reforms include attempts to resolve once deregulation synchronization between sectors and between central and regional governments as well as institutional capacity building for the implementation of the simplification of licensing procedures for business start-ups, improvement of the tax system, law enforcement to improve security and order sought. To reduce transaction costs and the practice of high-cost economy, gradually necessary to the completion of deregulation regulatory and licensing procedures.

Kuznets (1969) explains that the economic growth shown by the increase in production capacity in the long term to provide a variety of goods and services. The increase in production capacity is determined by the progress and adjustment of technology, the role of institutional, and the ideology of development. Sharma (2013) found that investment growth is result of the contribution of stakeholder organizations. Growth of investments in India strongly supported by the institutional stakeholders.

City Zoning and Passion of Investments

Ernawi (2007) stated that the essence of spatial planning is a system that integrates national development into an equivalent integrated, both across regions, across sectors and across stakeholders, including infrastructure development. The integration is very important in improving synergy, effectiveness and efficiency in the implementation of development has become a reference for all stakeholders in carrying out the function of filling the building.

Transport infrastructure is an important element in shaping the structure of space and directs the pattern of development of the region or areas. Transportation system to encourage interaction between the public, so as to build eliminate obstacles due to cultural differences that exist in society. It can support the development of the region in order to achieve balance and equitable development among regions. Thus the policy of infrastructure investment must be conducted with due regard to the carrying capacity of the environment and socio-economic conditions of society, so that the infrastructure can not just make mobility launch an economic commodity.

City is a region or area or a place where people are used to the concentration of activities, namely as a center of commerce, industry, distribution node, settlement, or the capital region. Mean while, outside the central area of concentration is referred to as hinterland, agricultural areas, or rural areas (Darwent, 1969; Cameron, 1970; Tarigan, 2004).

The advantages area becomes the concentration of economic activity is the creation of economies of scale and economies of agglomeration. It is said to economies of scale, because the production has been based on specialization, so the production becomes larger and the cost per unit becomes more efficient (Nadiri, 1994; Besley, 2007; Baron, 2008). Economies of agglomeration is an advantage because in that place there is a wide range of uses and facilities that can be used to facilitate the activities of the company, namely banking services, insurance, overhaul, the electric company, water company, places skills training, media to advertise their products, and other etc. Derwent (1969), Cameron (1970) and Tarigan (2004) describes the relationship between the more developed regions (cities) with other under developed areas, are:

- a. *Generative*: that is the mutually beneficial relationship between the more developed regions with the area behind him.
- b. *Parasitive*: namely the relationship which the city area (more developed regions) is not much help or help area behind it, and can even shut down various businesses started growing area behind it.
- c. *Enclave* (closed): namely the area of the city (more developed regions) seemed to be detached completely with the surrounding area more backward.

Some definitions of local economic development is mentioned that: a) development focused on poverty reduction, rural development, social polarization and change of mindset; b) local or regional economic terms describe a geographic area of government authority; c) competitiveness is the ability of a business to create a new balance (Kuznets, 1969; Nadiri, 1994; Besley, 2007; Baron, 2008).

By the term, local or regional economic terminology used to describe a geographic area or an area of government power which has close economic base and allowed the residents to work, creating and shopping center in the area. Local economic development is intended to describe the process by which local governments and the private sector is able to organize business activities, employment opportunities for a common goal (Darwent, 1969; Friedman, 1975; Todaro, 1995).

Local economic development objectives to provides employments opportunities and be able to improve society by using existing resources. Local governments can only tangible provincial government, city or county, district and even a collection of villages. Local economic development is a concept of economic development based on the utilization of human resources, natural resources and the resources of local institutions that exist in a community, by the community it self through local government and institutional existing community based (Kuznets, 1969; Scott, 1987; Nadiri, 1994; Besley, 2007; Baron, 2008; Aggarwal, 2011).

Understanding local economic development in the context of the city, namely the cooperation of local communities to create sustainable economic growth and improve the quality of economic development by way of utilizing resources sourced from the local community. Local economic development undertaken by the stakeholders (government, private and public) focuses on improving competitiveness, sustainable economic growth, and job creation through active participation or initiative from stakeholders (Kuznets, 1969; Scott, 1987; Baxter, 1993),

The cooperation is to achieve economies of scale, sharing of knowledge to improve product quality and improve the position of the competition, and ultimately will produce superior investment based on the local economy. Local economic development will be the capital in the competitiveness of each region.

Regional competitiveness is the ability of a region to generate income and employment opportunities are high on the domestic and international competition. The definition is prespective on national competitiveness, either explicitly or implicitly analogy or the adoption of the concept of national competitiveness into the concept of regional competitiveness (Sjafrizal, 1997). The adoption of the concept of national competitiveness in the concept of regional competitiveness remains relevant to the adjustment of certain adjustments.

Infrastructures Available and Passion of Investments

Infrastructures is all the means that can facilitate economic activities which can stimulate investment. Infrastructure can be seen from the length and width of the road, the availability of energy supply, ports and others. In a good state and the adequacy of the production process to distribution to the consumer going well. If the state of the infrastructures are still experiencing significant improvements orde formed, it can be one of the causes of low investment attractiveness. Permana and Alla (2010) suggests that the supply of electricity and infrastructures significantly influence the attractiveness of investment in the region.

Investment is an important factor in supporting the economic growth. One important consideration is the infrastructure factor which these factors can affect the smooth output distribution to consumers. Infrastructure that is used to produce goods and services is called physical capital (Mankiw, 2004). The same thing also expressed Todaro (2000) explains that the availability of infrastructure in a country is an important and determining factor for the rate of speed and the expansion of economic development. Permana and Alla (2010) indicates that the variable infrastructures availability including paved road length effect on investment.

Hardiwinoto, et al (2014) argued that the determining factors the availability of investment growth among good infrastructures. Sumantoro (1983) defines capital investment is activitiесе either directly or indirectly with the expectation of benefit in the future. Investment purposes can be seen from the two interests, the interests of investors (micro) and the interests of the government (macro) (Kuznets, 1969; Scott, 1987; Jones, 2002; Bruckner, 2010).

Micro investment purposes can be seen from the interests of investors, investment either directly or indirectly. Investment destination based on the consideration that is both economical and orientation that; business opportunities for profit, invest in the hope of obtaining greater added of value than the capital invested, keeping at the same time avoid losses caused by the falling value of money (Kuznets, 1969; Scott, 1987).

Macro investment purposes can be seen from the interests of the government. Government in implementing development may not be able to implement their own without involving the wider community, both individuals and private national and foreign private. Similarly, in the financing of investment for development activities, the government will not be able to provide the investment fund it self without any community involvement. Government can be to provide or to invest the several infrastructures. The government investments will contribute in no small means for development activities which in turn will be able to realize the people's welfare (Jones, 2002; Bruckner, 2010).

Information Systems and Passion of Investments

Internet-based mapping system called GIS (Geographic Information System) is designed to work with data that spatial or geographical co-ordinates. GIS has the capability to process data and perform certain operations by displaying the data for mapping geographic information to access investment.

The concept of sustainable development requires the main points of natural resource management policies that need to be planned according to the carrying capacity of the environment. Conditions of both natural and social environment (bio-physical, social, culture) constructed in accordance with the zone designation, such as industrial zones, plantations, agriculture and others. Ithas been planned in the city zoning or spatial (Indonesia, RTRW = rencana tata ruang dan wilayah), so as to avoid the use of space that is not in accordance with the carrying capacity of the region. RTRW part of the invesments information system.

The investment information system aims to realize the investment information service licensing and non-licensing easy, fast, precise, transparent and accountable. So effectively the objectives to be achieved, so that the electronic system will create the integration of data and services (licensing and non-licensing) so as to improve the alignment of policies in the service of international and local government agencies. Investment information system has had three main menu, namely: Investment Information, Investment Supporter, and the Public Utility can be Accessed:

1. Legislation investments.
2. The potential and investment opportunities.
3. List of closed business field and opened business field with requirement.
4. Type, procedures for the application process, cost and service time licensing.
5. The procedure for revocation of licensing and non-licensing.

6. The procedure for submission of reports of investment activities.
7. Procedures for complaints about investment services.
8. The reference data used in the service of licensing and non-licensing investment.
9. Data development investment, industrial estates, utilities prices, wages and land.
10. Information of international agreements in the field of investment.

In the Services menu Investment, the investor will be treated to information about:

1. Services licensing and non licensing.
2. Service delivery.
3. Service revocation and cancellation of licenses and non licenses.
4. Service and cancellation imposition of sanctions.
5. Service process permit applications.
6. The audit trail (audit trail).

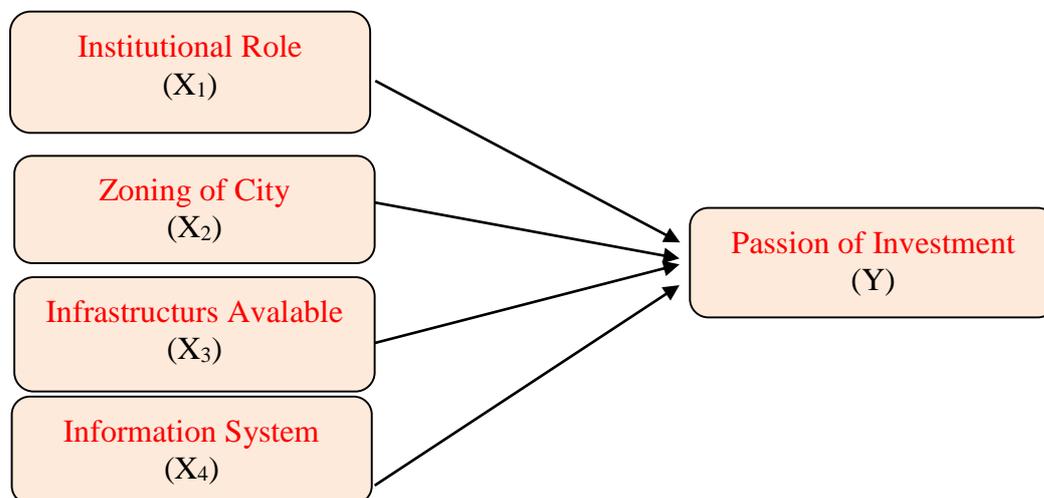
On the menu supporters, the information presented in the form of:

1. Setting the use of an electronic network.
2. Management of electronic security systems and electronic networks.
3. Management information displayed National Single Window for Investment (NSWI).
4. Complaints against service licensing and non-licensing and problems in use.
5. Reporting the development of investment and decision-making analysis tools associated with capital investment.
6. The management of knowledge to support decision-making analysis in the development of investment policies.
7. Provision usage guidelines.

To avoid a buse of the right of access to information most people, investors can freely access the entire contents of the menu Investment Information. On the menu Investment Services, the public can only access the sub-menu Licensing Services and Non-licensing, especially on the option: Registration of Investment. While the Support menu, the public can freely access the sub-menu Usage Guide Services Complaints Against Non-Licensing Licensing Services.

Research Model and Hypothesis

Figure 1: Empirical Research Model



- H1: Institutional Role influences a positive effect on investments passion.
 H2: Zoning of City influences a positive effect on investments passion.
 H3: Infrastructures Available influences a positive effect on investments passion.
 H4: Investment Information System influences a positive effect on investments passion.

Research Methods

Variables Research and Operational Definitions

- a. Passion Investment was measured through indicators of investment quality and quantity of investment.
- b. Role of Institutional was measured through indicators of political will and the availability of investment support apparatus.
- c. Zoning of city was measured through indicators of certainty the location and connectivity efficient region.
- d. Infrastructures Availability was measured through indicators of Good infrastructure availability and utilization of efficient infrastructure.
- e. Investment Information System was measured through indicators of the availability of information about investment at city of Semarang.

Population and Sample

The population in this study are the entrepreneurs. The number of samples taken as many as 136 respondents.

Collecting Data Methode

Investigation and confirmation to employers about the perceptions associated with the variables indicators.

Analysis and Discussion

Results of Analysis

a. Respondents Age

The results showed that the respondents aged 41-45 years as many as 57 respondent (41.7%), 46-50 years as many as 42 respondent (30.6%). The majority of young respondents, namely the productive age group, can be seen in the following table.

Table 1: Description of Respondents Age

No	Age	Frequency	Percentage
3.	<35years old	11	8.1
4.	36 – 40 years old	15	11.0
5.	41 - 45 years old	57	41.9
6.	46 – 50 years old	42	30.9
7.	> 50 years old	11	8.1
Total		136	100.0

Source: Primary data are processed

b. Respondents Gender

Judg from many respondents sex with men and women can be seen in the following table.

Table 2: Gender Composition of Respondents

No	Age	Frequency	Percentage
1.	Male	76	55.9
2.	Female	60	44.1
Total		136	100.0

Source: Primary data processed

c. Respondents Education

Education respondents are divided into 3 categories, Diploma, S1 (scholar) and S2 (Master) is described in the following table.

Table 3: Description of Respondents Education

No.	Education	Frequency	Percentage
1.	Diploma	14	10.3
2.	S 1 (Scholar)	106	77.9
3.	S 2 (Master)	16	11.8
Total		136	100.0

Source: Primary Data processed

Results of Data Analysis

a. Test of Validity

Determination of r tables done by looking at the table r product moment with significance level of 5% $r_{table} = 136-3$ obtained value of r table = 0.279 less than r calculated at the level of $\alpha = 0.05$, it can be said the questions valid research instruments.

b. Test of Reliability

All the variables have more alpha coefficient to f 0.60, so that the instrument can be said reliably and can be used as a measuring tool.

Table5: Reliability Test Results Variable Research

No.	Variables	Cronbach's Alpha
1.	Institutional Role (X1)	0,869
2.	Zoning of City (X2)	0,895
3.	Infrastructures Available (X3)	0,845
4.	Information System (X4)	0,823
5.	Passion of Investments (Y)	0,811

Source: Primary Data processed

Classical Assumption Test

Before performing regression analysis, performed classical assumption test. A good regression model is a model that can meet the required classic assumption (Gujarati, 1995) include:

a. Normality Test Data

Data processing results showed that all the normal distribution of data and avoid deviations, so that the collected data is processed to study viable. The distribution of the data to form a pattern by following the diagonal line on the coordinates of 0.00 to 1.00. The data obtained normal distribution and no irregularities so that it can be continued in the next process.

b. Test of Multicollinearity

Seen from the detection of the correlation coefficient between independent variables in the correlation matrix provided that if the correlation value is greater than 0.9 means there multikolinearity symptoms. In this study of the correlation matrix shows that the value of the correlation coefficient between independent variables no greater than 0.9 which is equal to -0.615. That means there is no multicollinearity symptoms. From the graph scatterplot, dots randomly spread and spread both above and below the number 0 on the y axis by not form a clear pattern. It was concluded that the regression model did not happen multicollinearity.

Results of Multiple Linear Regression Analysis

The data processing obtained as in the following table.

Table 6: Results of Multiple Regression

Model	Unstandardized Coefficients		Standardized Coefficients	T	Sig.
	B	Std. Error	Beta		
1 (Constant)	-1.860	2.274		-.818	.419
Institutional Role	.492	.241	.325	2.047	.049
Zoning of City	.157	.117	.192	1.345	.188
Infrastructure	.410	.164	.447	2.503	.018
Investment Information Systems	.399	.122	.337	1.768	.023

Source: Primary data processed

Based on the above calculation can be made the following equation:

$$Y = 0.325 X_1 + 0.192 X_2 + 0.447 X_3 + 0.337 X_4 + e$$

From the equation above, the results of which can be explained as follows:

1. Beta X₁: 0,325
Figure of 0.325 indicates that the positive sign means when the institutional variables increased by 1 point, the passion of investments increased by 0.325 points.
2. Beta X₂: 0.192
Figure of 0.192 indicates that the positive sign means that if the spatial increased by 1 point, the passion of investment will also increase by 0.192 points.
3. Beta X₃: 0.447
Figure of 0.447 indicates that the positive sign means that if the perception of infrastructures available increased by 1 point, the passion of investments increased by 0.447 points.
4. Beta X₄: 0.337
Figure of 0.337 indicates that the positive sign means that if the perception of information systems increased by 1 point, the passion of investments increased by 0.447 points.

Results of Hypothesis Test

- a. H1: that t count = 2,047 > t table of 1.991 with a significance value of 0.049 is less than 0.05. Determination t table done by calculating the degrees of freedom (n - p) = 136-3 = 133. Test 2 directions at t = 0.025 by looking at the table t get the figure of 1,991. Based on the results of these calculations where t-table = 1.991 while t count = 2,047 means t count > t-table. It can be concluded that the institutional (X1) significant positive effect on investments of passion (Y).
- b. H2: that the t-test = 1,345 < t table of 1.991 with a significance value of 0.188. It can be concluded that the spatial (X2) effect is positive but not significant to passion investments (Y).
- c. H3: that t count = 2,503 > t table of 1.991 with a significance value of 0.018. It can be concluded that the infrastructure (X3) significant positive effect on investments of passion (Y).
- d. H4: that t count = 2.412 > t table of 1.991 with a significance value of 0.023. Thus we can conclude that the infrastructure (X3) significant positive effect on investments of passion (Y).

Table 7: Hypothesis Test Results

No	Hypothesis	HypothesisSignificanceTest	Results	ResultDescription
1	H1	0,049	Accepted	
2	H2	0,188	Not accepted	Zoning of city affect positively but not significantly show that has an influence but does not become the principal determinant variable influencing investment arousal. Therefore, further research needs to be inserted in other variables
3	H3	0,018	Accepted	
4	H4	0,023	Accepted	

Source: Primary data processed

Table 8: Simultaneously Testing Results ANOVA^b

Model		Sum of Squares	Df	Mean Square	F	Sig.
1	Regression	1842.431	3	614.144	68.819	.000 ^a
	Residual	285.569	132	8.924		
	Total	2128.000	135			

The above table shows that the institutional, zoning of city and infrastructure simultaneously affect the investments of passion. It is shown that the value of F table is determined by the degree of numerator = p-1 = 3-1 = 2 degrees denominator = n-p = 136-3 = 133. At the significance level of 5% was obtained F count is greater than 68.819 F table by 2.72. Therefore it can be said there is a positive influence simultaneously between institutional variables (X1), zoning of city (X2), infrastructure (X3), and investment information system (X4) on passion of investments (Y). Results thus reinforced by p value < 0.05. The p value obtained is equal to 0,000, because p value < 0.05, it can be said that there is significant influence simultaneously between institutional variables (X1), zoning of city (X2), infrastructure (X3), and investment information system on passion of investments (Y).

Coefficient of Determination Testing Results

The coefficient of determination test results are presented in the following table

Table 9: Value Coefficient of Determination

Model	R	R Square	Adjusted R Square	Std. error of the Estimate
1	0,930	0,868	0,853	2,98731

Source: Primary data processed

The above table shows that the coefficient of determination, or R² 0.868 or 86.8%. Means that 86.8% of investment interest in this study is influenced by role of institutional, zoning of city, infrastructures available and invesment information system. It is shown that (100% - 86.8%) is 13.2 % influenced by other variables.

Discussion

The results showed that the city zoning does not significantly affect on passion of investment. This is because the city is not flexible zoning changes. City zoning is not easily changed according to changing investment opportunities. In other words that the change in investment opportunities much faster progress than change the zoning of city. It could even be said that the city zoning can inhibit the development of investment, because the invested less inline with the regional spatial plan (RTRW=rencana tata ruang dan wilayah). RTRW can be changed least five years. It thus clearly not in line with the development of investments that have developed over time.

Ernawati (2007) stated that the essence of spatial planning is a system that integrates an integrated national development, both across regions, across sectors and across stakeholders (institutionals), including the development of infrastructures. The integration is very important in promoting the development of effective implementation of synergy and efficiency. RTRW can be a reference for all stakeholders in implementing the investment, however, when the RTRW been set in the legislation of each region, investors have become constrained by the investment, because it is not in accordance with the spatial or city zoning.

However zoning of the city as part of the information system investment is very decisive passion investment. This is evidenced in this study that a significant investment information system affects investment passion. Investment information system also has in it the availability of infrastructures and the role of institutions or bureaucracy and licensing.

Infrastructures of transportation are an important element in shaping the structure of space and directs the pattern of development of the region or regions. National road infrastructure development to encourage communication and interaction between the public, so as to eliminate obstacles due to differences in location and area. It can support the development of the region in order to achieve balance and equitable development among regions, so as to stimulate investment. In the context of sustainable development, transport networks can improve the service economy in balance among various sectors. Thus infrastructure development was held at the same time being part of the investment.

These results indicate that infrastructure is one of the main pre requisites of investment interest. It is shown that the most significant infrastructure variables among others. Availability of infrastructure reflects that the infrastructure is able to improve the movement of investment. Infrastructures available as an indicator of strengthening investment. In this case the infrastructures development has also become one of the investments in the real sector as well. Infrastructures development is also part of the GDP (gross regional domestic product).

Infrastructures investment in Semarang ranged from 5.0 to 7.0 % of total GDP. It is still under Vietnam (9.9%), India and China are above 10%. Infrastructures development for the future is how to continue to improve investment quality infrastructures or available that can boost the competitiveness of the region. In accordance with results of research that affects arouse almost significant infrastructures investment, for the construction of additional infrastructures are an investment in its self.

Increased production capacity can be done through physical investments and investments through institutional capacity building. Physical investment, through investment in infrastructures, such as roads, irrigation facilities, andso forth, may be implicated inthe more efficient production of goods and services.It was later implicated in increasing the production of goods and services, thus increasing the real income of the community, as supply increases.

Infrastructure capable of effecting change in output (GDP) between 0.07 to 0.44. This shows that the infrastructures affect the economic growth. Economic rate of return on infrastructures investment is around 19 - 11,7%, above thecost of debt which may range between 10% (Easterly & Seeven, 2003). Never the less, the development of infrastructures, the need to involve the private or the public role so there is no gap funding (funding gap). Investmentin infrastructures need to be oriented towards regional development and spatial planning in to basic instrument in synchronic sectoral development quality and dynamic infrastructures.

Although this study shows that zoningis not significant, but it has an important role in infrastructure development, including: a) infrastructures have been linked very strongly with economic growth of an area, b) areas that have infrastructure systems better to have economic growth and social welfare as well as the cultural life better, and c) the development of infrastructure aimed at

national strategic area, the center of national activities, and selected areas, namely in accordance with the spatial or zoning of city.

Infrastructures development aimed at improving the effectiveness or performance can be a power lever (leverage) most production capacity. Infrastructure development is done consistently based spatial planning. Various spatial planning policies to serve as guidelines that synergize the sectoral dimension and the dimension of the region (Center for Strategic Studies, 2009). Development investment through infrastructure development should be directed to the realization of the structure and pattern of spaces to support the realization of national spatial. It is intended to improve the functioning of the city as a center of investment activities. Through the development of infrastructures intended to encourage mutually beneficial synergy between activities and other investments. However sometimes hampered by non-compliance with the city zoning.

The availability of infrastructure is believed to be able to move the real sector, employment, increase private consumption and government, as well as trigger the production activities in other sectors. Infrastructures are one of the elements of production factors, such as electricity consumed by the industry to produce the product. Infrastructures also determines the level of social welfare. Drinking water and good sanitation, affordable transport and availability of electricity, is a basic requirement in modern society.

In addition to infrastructures and city zoning factor is the influence of institutional investment. Institutional existence becomes a strategy for revitalizing the real sector, as well as the revitalization of the business climate, which can increase investment. The biggest challenge to stimulate investment should be supported by improved investment climate and restore public confidence to invest. It thus takes planning and coordination both vertically (between central-provincial-district / city) or horizontally, unity of job in local government (SKPD = satuan kerja pemerintah daerah). Various surveys show that the main factors affecting investment in the region, infrastructures and institutional conditions of social, cultural and political.

Institutions will be able to become a means of symbiotic mutualism between small, medium and large. Liberalization of trade and investment gradually creates economic zoning requires the institutional such as law enforcement so that it becomes a factor that can be economic stability and acceleration. Among the institutional role is committed to the protection of various matters relating to investment activities.

The establishment of strong institutional and high credibility in order to maintain the sustainability of the investment process. Strong institutional development which can give a very positive influence for the growth of long-term investments (Thalo, 2004). Strong institutional role has helped create the expansion of private sector (investors) that a very large role in the dynamics of the economy. This set of laws and enforcement become a main stay for the market in running the economy. With weak institutional investment policies and programs become too weak. There fore, the necessary fundamental reforms with regard to the improvement of business and investment climate, namely institutional reform, particularly in the investment services (Rachbini, 2006).

Implementation of the investment is of tendelayed due to require 168 day sat a cost of an average of 14.5 percent of the average income. Coordination between levels of government, both vertically and horizontally, is very important. Legal certainty in the form of government regulations related to investment is expected by investors. The three main things want investor or entrepreneur is the simplification of the licensing system, the reduction of charges that overlap, as well as the transparency of licensing costs.

Overlapping national and local regulations may hamper the business climate is not healthy, it should be eliminated. Therefore, deregulation and synchronizing various local and national laws is the first step institutional reforms. Some supervisory issues that arise with the current system are: (1) local regulations submitted to the central government; (2) The regulatory review process is slow because the areas assessed borne by the central government; (3) many local governments have ignored the rules regarding problematic regional regulations.

Therefore, the reform needs to be done is: the provincial government was given the confidence and authority to: (1) review all local regulations of the local government district / city territory; (2) cooperate with the central government and other provinces standard assessment procedures and local regulations. The second fundamental change, bureaucrats and officials at central and local levels as predators and not become a facilitator for the business world.

Regulation of investment is not only associated with income, but with indicators of economic development of a better society. The investment climate has a clear role in affecting the level of investment, and government. Evidence is there to make sure that and incentives for to invest by reducing the costs, risks, and limitations which have an impact not worth. The investment climate is a collection of factors that make particular location and boost opportunities for companies to make productive investments and create jobs.

Research conducted Zubair, S. (2009) showed that every single rupiah increase in government investment will drive four rupiah private investment. Condition is complement between public and private investment in the area. Allocation of funds from central government to local governments actually getting decentralization.

Local government's role in building the institutional investment capable of creating a multiplier effect that encourages private investors. As a regulator, the local government also plays a role in providing services and the licensing process is fast and responsive. Institutionally required the realignment of the existing institutions and processes involved in the creation of a favorable investment climate, ranging from service agencies and the licensing of the roof (one stop service) to accounting and profitable areas. Accounting very significant role in government spending to investment in capital expenditures until the recording of transactions that became a source of local revenues to taxes and levies quoted investments have gone well.

Conclusion

1. The most significant infrastructure investment affecting arousal. Due to the construction of additional infrastructure is an investment in itself. Development of reliable quality infrastructure to attract and regional competitiveness in a global context can be improved. Infrastructure development aimed at improving the effectiveness of the performance or power can provide leverage (leverage) most besarpeningkatan production capacity.
2. The role of institutional and municipal infrastructure availability into absolute contributing factor to stimulate investment. Overlapping national and local regulations may hamper the business climate is not healthy, it should be eliminated. Therefore, deregulation and synchronizing various local and national laws is the first step institutional reforms.
3. Spatial town although not significant, but it has a positive effect in stimulating investment.
4. The system also determines the investment information in encouraging investment passion. Terkadang information therein including the city zoning, availability of infrastructure and the role of institutions, bureaucracy and licensing.

Suggestion

1. Development of quality of service and a strong institutional role for the availability of information and services that facilitate the investment.
2. Need to develop models of cooperation and partnership conducted both domestically and a broad, either with private or state.
3. Need to do further research to determine which sectors has good potential for profitable investment of investments **made by the government, private or foreign.**

Recommendation

1. The Government needs to strengthen the institutions. It needs to be facilitated by the certainty of licensing information, requirements and procedures so that investors have the assurance of business.
2. The government should increase the quality of infrastructure. It needs to be facilitated by the availability of infrastructure city.

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