

## **CORRELATIONAL ANALYSIS OF LICENSING SERVICE PERFORMANCE AND REGIONAL INVESTMENT IN INDONESIA**

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Limited Budget for development has urged Government of Indonesia to improve investment climate through fixing business licensing services ecosystem. Thus, the Government of Indonesia formulated policies, such as development of Risk Based Analysis of Online Single Submission (OSS) as a system for a provision of integrated business licensing services, and improving performance of Investment Department One Stop Integrated Services (DPM-PTSP) in the sub-national level as the operator of OSS. This study aims to understand and analyze causal relationship between performances of business licensing services (variable x) and provincial investment realization (variable y) by using secondary data. The performance of business licensing services refers to the Decree of the Head of Capital Investment Coordinating Board (Badan Koordinasi Penanaman Modal – BKPM) on the Determining the Results of the Performance Assessment of One-Stop Integrated Services and the Performance Business Service Acceleration of Indonesia Sub-National Government, while the local investment data refers to Domestic Investment (Penanaman Modal Dalam Negeri - PMDN) and Foreign Investment (Penanaman Mmodal Asing - PMA) published officially by the Statistics Central Agency (Badan Pusat Statistik – BPS). This study employs quantitative approach and uses all sampling technique, namely all provinces in Indonesia. Data analysis will be carried out by using Simple Linear Regression (SLR) method to determine the effect of variable x on variable y.