

# Public policy for the sustainable industries in Semarang Regency

## *Kebijakan publik untuk industri berkelanjutan di Kabupaten Semarang*

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### **Abstract**

The spatial planning policies had become the mediators for political, social, economic, and environmental relations. This study aims to describe the implementation of public policy from the perspective of Dye theory about a spatial planning for industries in Semarang Regency. The primary data used in this study was from nine informants of nine companies which applied for a location permission license for industrial activities. The secondary data was from the Semarang Public Works Office. The study shows that there were nine investment activity plans for industries in Semarang Regency. Initially, the nine applications were not granted permission from the relevant agencies because they were not in accordance with the provisions of spatial planning. However, after being considered by the government in terms of public policy, the nine companies obtained location permission licenses to utilize the land under certain conditions. Thus, the public policy is essentially designed by the government to guarantee and fulfill the needs of the community to conduct investment activities such as industry. The spatial planning policies had become the mediators for political, social, economic, and environmental relations. Thus, harmonization of political, social, economic and environmental aspects would create sustainable development.

**Keywords:** industry; investment; public policy; spatial planning

### **Abstrak**

*Kebijakan perencanaan tata ruang telah menjadi mediator untuk hubungan politik, sosial, ekonomi dan lingkungan. Studi ini bertujuan untuk menggambarkan pelaksanaan kebijakan publik dari perspektif teori Dye tentang penataan ruang untuk industri di Kabupaten Semarang. Data primer yang digunakan dalam studi ini berasal dari sembilan informan yang merupakan perwakilan dari masing-masing perusahaan yang mengajukan permohonan ijin lokasi untuk kegiatan industri. Data sekunder berasal dari Dinas Pekerjaan Umum Kabupaten Semarang. Hasil studi menunjukkan bahwa terdapat sembilan rencana kegiatan investasi untuk industri di Kabupaten Semarang. Pada awalnya kesembilan permohonan tidak mendapatkan ijin oleh instansi terkait karena tidak sesuai dengan ketentuan penataan ruang. Namun setelah dipertimbangkan oleh pihak pemerintah dari sisi kebijakan publik, maka kesembilan perusahaan mendapatkan ijin lokasi untuk memanfaatkan lahan dengan persyaratan tertentu. Dengan demikian, kebijakan publik pada hakikatnya dirancang oleh pemerintah untuk menjamin dan memenuhi kebutuhan masyarakat dalam melakukan kegiatan investasi seperti industri. Kebijakan perencanaan tata ruang telah menjadi mediator untuk hubungan politik, sosial, ekonomi dan lingkungan. Dengan demikian, harmonisasi aspek politik, sosial, ekonomi dan lingkungan akan menciptakan pembangunan berkelanjutan.*

**Kata kunci:** industri; investasi; kebijakan publik; tata ruang

## **Introduction**

Today, the world faces five of the biggest environmental problems. The five problems include a) air pollution, b) deforestation, c) destruction of biodiversity, d) fertile soil erosion and e) population explosion pressure (Deutsche 2018). In Indonesia, the agricultural area is shrinking due to the conversion of agricultural to the non-agricultural area. The agricultural area, based on statistical data in 2014, reached 41.5 million hectares. However, currently, there are only 11 million hectares. An increased development in various sectors is inseparable from the needs for land, while the available land area is limited (Media Tata Ruang 2016a). In addition, there are threats of damage of around 36 thousand hectares of karst and limestone areas in West Java Province, spreading

across 11 districts. The damage is caused by mining activities and extractive industries without reclamation. The increasing supply of cement for the construction of large-scale infrastructures such as toll roads, airports, ports, power plants, property, and other businesses has spurred massive karst mining and expansion of the new cement plant establishment (Media Tata Ruang 2016b).

One of the policies regarding the environment is related to spatial planning. Empirically, the implementation of spatial planning policies in various regions is certainly different. This difference is caused by regulations taken by the local authorities. In other words, the implementation of spatial planning policies is very contextual. Policies on spatial planning now receive a special attention from the government. In Indonesia, Law Number 26 of 2007 concerning Spatial Planning is a land policy instrument that forms the basis of land use policy and planning. It is designed so that each element can be controlled and directed, so as not to add complexities to spatial problems. However, in fact, this law is not only intended to anticipate the form of a city or a certain spatial pattern, but also to try to improve the efficiency and distribution of the urban land and maintain the carrying capacity of the environment (Djonoputro 2016).

It has been a decade since the implementation of Law No. 26 of 2007 concerning Spatial Planning, but it still leaves many questions, especially about the quality of spatial plan products, limited planning costs and poor cognition in the planning process (technocratic, participatory and legislative). The economic growth, investment, and acceleration of basic infrastructure development are hampered due to space conflicts. Strategic projects are crashed with the plan products at national and local levels. In addition, there are fundamental conflicts among sectors such as the Public Works, Marine, Environment and Forestry, as well as the endless conflicts in Agrarian and Spatial Planning sector. The government's decision to invalidate the conflict resolution institutions, The Spatial Planning Coordinating Board or *BKPRTN-Badan Koordinasi Penataan Ruang* caused even more challenges. Indonesia is still taken hostage by a variety of overlapping land arrangements and land-grabbing on a global scale (Djonoputro 2016).

Nationally, there are still problems in the preparation of the Spatial Detail Plan or *RDTR-Rencana Detail Tata Ruang*. Constraints to the spatial settlement are a result of the scarcity of large-scale base maps. The facts show that only 40 *RDTRs* which have been completed (the Regional Regulations or *Perda* have already been issued) of a total of around 1.800 *RDTRs* prepared by the district or city government. This condition is actually beyond the authority of the Geospatial Information Agency or *BIG-Badan Informasi Geospasial*. This happened because the resolution of the regional regulations was related to political and social elements. For example, in Central Java Province, none of the regulations have been issued even though more than 20 *RDTR* maps have received *BIG* recommendations. The governor's regulation regarding the *RDTR* has not yet been released due to the lack of approval from the *DPRD-Dewan Perwakilan Rakyat Daerah* or Regional House of Representatives members. Likewise, in East Java Province, *BIG* has recommended around 60 *RDTR* maps, but only 23 local regulations have been completed. Therefore, the issuance of the *RDTR* Regional Regulation is not only related to the mapping issue but also related to the process of resolving regional regulations at the provincial level. The availability of *CSRT-Citra Satelit Resolusi Tinggi* or High-Resolution Satellite Imagery for several regions can be used as the capital to resolve the *RDTR* map. At present, around 750 *RDTR* maps are in the process of assistance at *BIG* and it is likely that the recommendation process will be accelerated soon (Ministry of Agrarian and Spatial Planning 2018).

The public policy and spatial planning must pay attention to the balance of the economy, ecology, and social environment. Overlapping arrangements and spatial concepts that are thought to contradict sustainable development can be seen nationally such as the reclamation issues in Bali and the North Coast of Jakarta, then in the Central Java region such as the resistance of the Samin community in the Kendeng mountain range (Pati, Central Java) who through their social system and customary institutions, did not approve the construction of a cement factory in the karst mountains. The main reason was that it would damage the land use and result in low water uptake, which in turn reducing soil

fertility under the Kendeng mountains. In terms of ecology, mining will certainly have a negative impact, but it will have a positive impact on investment (Huruta & Kurniasari 2018, Omah Kendeng 2014).

Semarang Regency also faces a polemic related to the public policy and spatial planning. The problem that always arises in the last four years (2014, 2015, 2016 and 2017) is the overlapping space for one's interest toward other interests. This happened because of different perceptions between the government and the community which is looking at a certain region. The facts on the field show that spatial plans are sometimes more likely to side with the capital owners or investors. Furthermore, Public Works Agency (2017) reported that the spatial issues in the Regional Spatial Planning Coordinating Board or *BKPRD-Badan Koordinasi Penataan Ruang Daerah* from January 2014 to December 2017 reached 59 applications; 32 of which were approved, 20 were rejected, two were still under discussion, and five were returned to an integrated licensing service agency.

Most of the licensing issues are generally related to the industrial investment. There are many licensing requests for industrial establishments. However, referring to the Semarang Regency spatial pattern map in Attachment VI of Regional Regulations Number 6 of 2011, the requested location is actually designated as an urban or rural settlement and plantation area. Based on the provisions of Article 69 of Regional Regulations Number 6 of 2011 which regulates the general provisions of zoning regulations for urban settlement designation areas, mentions that the space utilization for an industry is not permitted in urban or rural and plantation areas. This request was initially rejected, but in the end, the permission was granted or accepted by the Semarang District BKPRD (Public Works Agency 2017).

This study refers to previous studies (Akinwale 2012, Adams et al. 2002, Emiliani 2001, Rakotomavo 2012, Cilliers, Diemont, Stobbelaar, & Timmermans 2012, Read & Sanderford 2017, Komyagin 2016, Festervand 2002, Pieke 2002, Long 2014, Oliveira 2015, Batudoka 2012, Wirasaputri 2014, Junita & Buchori 2016, Sjöholm 2007, Jahid 2012, Firman 2007) which focus on spatial planning and investment (industry) policy. While researches by Peranginangin (2014), Nurhidayati (2013), Setyati & Utomo (2015) focus on spatial planning, public policy and investment (industry). Most of the previous studies only explained the role of spatial planning for investment and only a few have reviewed the role of public policy for an industry in the process of sustainable development. Public policy studies include describing public policy efforts, evaluating the effects of environmental forces on the content of public policy, analyzing the consequences of various institutional statements and political processes on public policy. This study is important to describe and explain the implementation of public policy from the perspective of Dye (2002) theory of spatial planning for industries in Semarang Regency. The Dye policy triangle can be used to picturize how public policy in Semarang Regency is designed and implemented. The public policies are influenced by the socio-economic conditions of the people, both with regard to the level of education, community income, poverty, quality of life, and competitiveness. The institutional and political systems influence and are also influenced by the socio-economic conditions of the Semarang society.

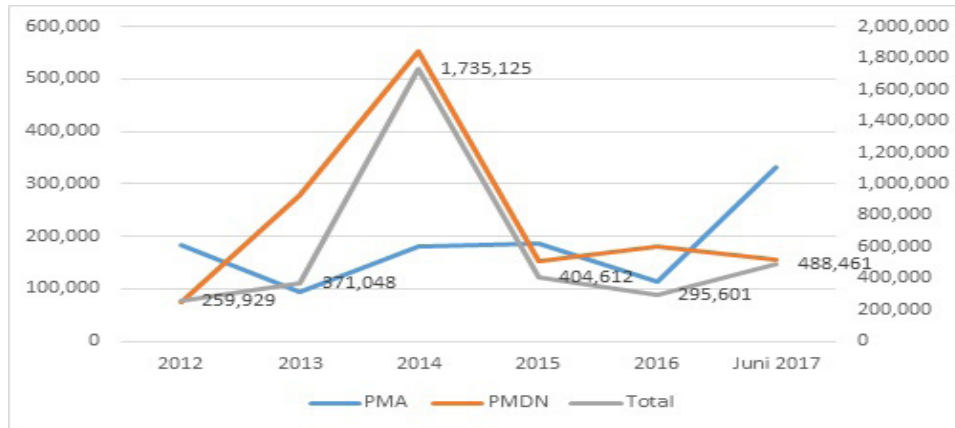
## **Research Method**

This study used a qualitative approach with a case study strategy (Yin 2003). This method seeks to provide an honest and thorough explanation of a particular case in such a way. Thus, it allows the reader to penetrate into what appears on the surface. Furthermore, to examine the truth of the author's interpretation by reviewing a number of suitable objective data, to be used as a foundation in developing the case study. The types of data used in this study were primary and secondary data. The primary data were obtained from nine prospective informants who were the investors or the representatives. The selection of informants was based on the consideration that the informant understood or experienced both from the policy making side to the parties who experienced the impact of public policy. While the secondary data were obtained from the reports of the One Stop Investment Service and Integrated Services, Public Works Agency, Small and Medium Enterprises Agency, Cooperatives and Industry Trade, and the Semarang Regional Development Planning Research Agency. The data from government agencies are used to strengthen and support findings from the field. Meanwhile, the compiled data were analyzed using a descriptive analysis technique.

## Results and Discussion

### Investment development in Semarang Regency

The interesting thing about Semarang Regency was that there was a significant investment development. This was showed in the project development and the value of the investment invested in the Semarang Regency from 2012 to June 2017 which can be seen in Figure 1.



**Figure 1.**

The development of investment value in Semarang Regency

Source: Investment and Integrated One-Stop Service Office (2017)

Note:

*PMA: Penanaman Modal Asing (Foreign Investment)*

*PMDN: Penanaman Modal Dalam Negeri (Domestic Investment)*

Figure 1 shows the investment from 2012 to 2016, showing a fluctuating trend. However, after 2016, there is a positive trend. This indicates that investment was one of the macroeconomic variables which played a considerable role in the economy of Semarang Regency. In 2016, most of the revenue from investment was contributed by the Manufacturing Industry sector of Rp 140.425 billion. Then followed by the trade, hotel and restaurant sector of Rp 128.604 billion, the transportation and communication sector for Rp 14.110 Billion, services sector for Rp 11.761 billion and agriculture sector for Rp 700 million. This is supported by the data reported by *Tribun Jateng* (2012) stating that despite the decline in the investment value in 2015 and 2016, in 2017, there was an increase in the investment value which was even more than the total investment value of the past five years. The increased investment value was expected to occur in the upcoming year, especially in the natural resource development sector.

The facts show that Semarang Regency has a very favorable geographical location, including: 1) Semarang Regency is close to Semarang City as the Capital City of Central Java Province, 2) Semarang Regency is located on the golden triangle trajectory of trade in Central Java namely Yogyakarta, Solo and Semarang, which is already famous for the slogan of “*Joglo Semar*”, 3) the ease of access in the form of Semarang-Solo Toll Road which facilitates the transportation of goods from production centers to ports and airports and 4) the competitive advantages in the form of land availability and market prices for investment activities, although it is necessary to pay attention to the Semarang Regency Regional Regulation Number 6 of 2011 concerning the existing Regional Spatial Planning (Regional Development Planning Agency 2015).

### Space utilization for the stone milling industry

The use of space as an industrial development location was submitted by Jati Kencana Lp (Limited partnership) located in Karangjati Village, Bergas District, Semarang Regency covering an area of  $\pm 2$  hectares. The main activities of this industry were ready-to-use stone and concrete milling

businesses. The fact showed that this industrial activity initially did not get the permission from the government to develop the land for industrial purposes. Overlapping spatial problems were carried out through several approaches such as sustainable regional, economic, environmental, socio-cultural and community participation approaches for the success of regional spatial plans (Akinwale 2012, Adams et al. 2002, Emiliani 2001, Rakotomavo 2012, Cilliers, Diemont, Stobbelaar, & Timmermans 2012, Read & Sanderford 2017, Komyagin 2016, Festervand 2002, Pieke 2002, Long 2014, Oliveira 2015, Batudoka 2012, Wirasaputri 2014, Junita & Buchori 2016, Sjöholm 2007, Jahid 2012, Firman 2007). This was also similar to what was stated by Mr. Dahwan (2018) as the manager of the company.

“Some of the land owned by this company is affected by the national project of Semarang-Solo toll road. Based on the regional regulations on spatial planning, the location of the expansion of this business is included in the allocation area for agricultural food crops. However, this location is directly adjacent to the industrial designation area. Later, this problem received the attention of the Semarang Regency government.”

According to Mr. Dahwan (2018), it was illustrated that the expansion of the industry did not get the permission to operate because it had clashed with the spatial regulations in Semarang Regency. The following is the location of the spatial utilization plan that can be seen in Figure 2.

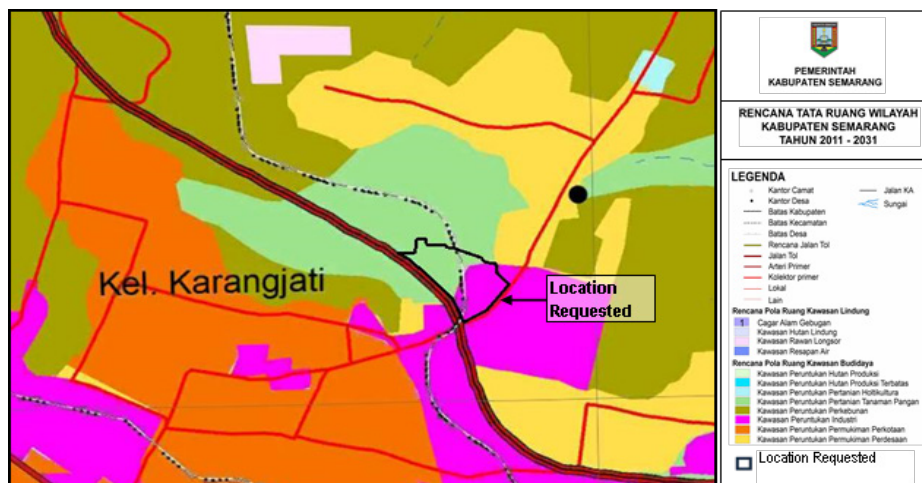


Figure 2.

The spatial map of the activity plan location of Jati Kencana Lp.

Source: Public Works Agency (2017)

Note:

Orange: Urban settlement area

Yellow: Rural settlement area

Purple: Industrial area

Light green: Agriculture area

Dark green: Plantation area

In terms of the public policy, the Semarang Regency government decided to provide recommendations on the application based on two considerations, namely: 1) the existence of toll roads caused the location which previously was agricultural land to be irrigated and its productivity became low, 2) the industrial development locations might be used by the companies only as open spaces for material storage or stockpiling, green open spaces and the construction of connecting roads bordering toll roads that can be utilized by the general public. This condition was strengthened by Dye’s (2002) view that public policies determined were influenced by the people’s socio-economic conditions. Further, the public policy also supported the conservation area management, mining and Green Open Space policies (Nurhidayati 2013; Peranginangin 2014; Setyati & Utomo 2015). Therefore, Jahid (2012) stated that the Law on Spatial Planning in terms of juridical is used to develop a spatial pattern in a dynamic environmental unity while maintaining the preservation of environmental capabilities.

## The Use of Space for Egg Processing Industry

The space utilization of the egg processing industry activities was submitted by Java Egg Specialties Ltd. covering  $\pm 2,957 \text{ m}^2$ , located in Ngenpon Village, Bergas District, Semarang Regency. Initially, the planned industrial activities did not get the permission from the government. This was confirmed by Mr. Andhika (2018) as the manager of the company.

“Our location is in the designation of urban settlements, making the Semarang District government does not give us the permission for the industry establishment. However, I heard from the regional regulation that there is a clause stating that the egg processing industry can be categorized as an industry that uses raw materials or the production process requires special locations, including the industrial processing of agricultural products in a broad sense and can be established in all Semarang Districts”.

From the description by Mr. Andhika (2018), it was illustrated that the expansion of the industry did not get the permission to operate because it had clashed with the spatial regulations in Semarang Regency. The land use which only considered the profit aspects had caused various problems regarding spatial planning. These problems occurred because of the lack of an analysis of the economic, social and cultural impacts (Akinwale 2012, Adams et al. 2002, Emiliani 2001, Rakotomavo 2012, Cilliers, Diemont, Stobbelaar, & Timmermans 2012, Read & Sanderford 2017, Komyagin 2016, Festervand 2002, Pieke 2002, Long 2014, Oliveira 2015, Batudoka 2012, Wirasaputri 2014, Junita & Buchori 2016, Sjöholm 2007, Jahid 2012, Firman 2007). The following is the location of the spatial utilization plan that can be seen in Figure 3.

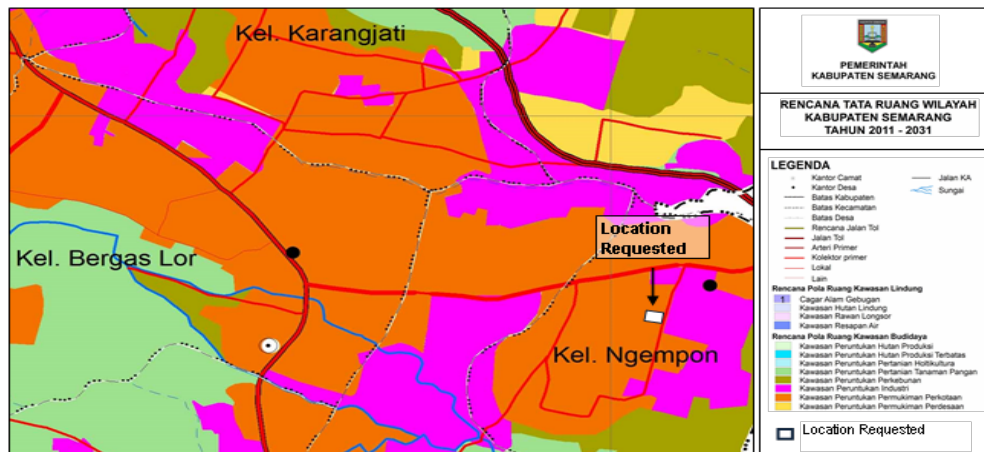


Figure 3.

The spatial map of the activity plan location of Java Egg Specialties Ltd.

Source: Public Works Agency (2017)

According to the consideration of the members of the Semarang Regency spatial planning coordination body, based on Article 35 paragraph 3 of the Regional Regulation Number 6 of 2011, it is stated that the industrial allotment areas that use raw materials or production processes require special locations to be established in all Subdistricts in accordance with applicable Laws. Further, based on the explanation of Article 35 paragraph 3 of the Regional Regulation Number 6 of 2011, what is meant by “industries that use raw materials or production processes require special locations” include mining product processing industry, fertilizer industry, paper industry and processing industry of agricultural products in a broad sense, and the industry in supporting strategic development activities such as toll roads. The egg processing industry could be categorized as an industrial processing of agricultural products in a broad sense that uses raw materials or the production process requires a special location. A public policy was made intentionally because it wanted to realize a certain goal. This was intended to meet the needs of the community in carrying out investment activities (Dye 2002). In line with Dye (2002), Oliveira (2015) found that development started with good spatial planning would increase investment, as well as the management of spatial planning that was full

of aesthetics. Therefore, participatory planning was the key to implement development (Komyagin 2016). However, the use of natural resources for investment purposes had been more influenced by political factors. As a result, it often ignored spatial functions and human aspects in the development process (Adams et al. 2002). Therefore, the stakeholders need to consider everything related to investment before deciding on the type of investment that will be realized. This means that we need to analyze all factors that support investment activities in order to minimize the occurrence of errors in implementing the investments.

### The use of space for food industry

The use of space as a food industry location was submitted by Choice Plus Makmur Ltd. located in Klepu Village, Pringapus District, Semarang Regency covering an area of ± 13.092 m<sup>2</sup>. Initially, the plan to establish this industry did not get the permission from the government. This was similar to what was stated by Mr. Sainan (2018) as the representative of the company.

“Our location is in the designation of urban settlements and plantations, making the Semarang Regency government did not give us the permission for the industry establishment. However, our location is directly adjacent to the industrial designation area, where previously a Building Construction Permission had been issued for industry and was integrated with two other industrial buildings”.

From Mr. Sainan’s (2018) description, it was illustrated that the activity of this industrial development plan did not get the permission to operate because it had clashed with the spatial regulations in Semarang Regency. The following is the location of the spatial utilization plan that can be seen in Figure 4.

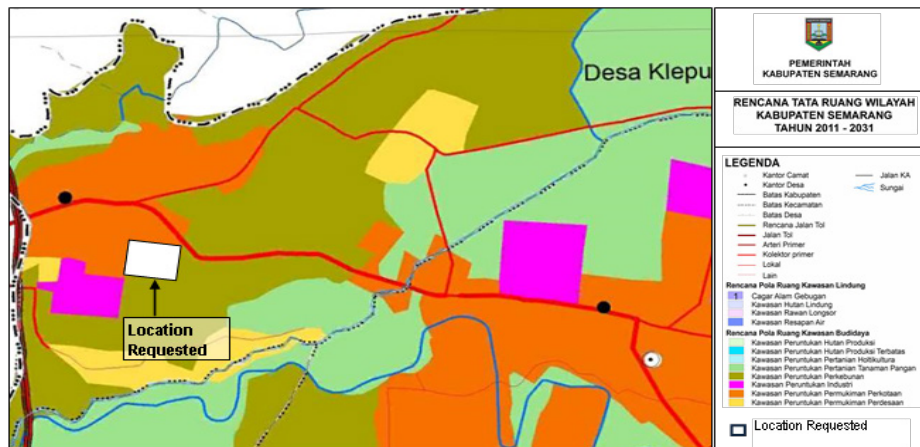


Figure 4.

The spatial map of the activity plan location of Choice Plus Prosperous Ltd.

Source: Public Works Agency (2017)

Based on the consideration of the members of the Semarang Regency spatial planning coordination body, the development of the food industry could be approved only if a site plan with two other industrial buildings must also be set up with a building coefficient with a maximum of 60% and the land included in the plantation designation could only be used as a green open space. In line with the regulation, Peranginangin (2014) found that the policies in the management of conservation areas were important along with the increasing impact of environmental damage. Nurhidayati (2013) also stated that the District Head’s decision regarding the granting of a Mining Business Permit was carried out not in accordance with the normative procedures and requirements for submitting the Mining Business Permit. The authorities as policy makers and investors as capital owners had far greater access to the resources. The absence of regional regulations regarding Regional Spatial Planning or zoning stipulations was one of the causes of many problems in the Mining Business Permit. Further, the public policy set by the Semarang Regency government also considered the socio-economic

conditions of their people (Dye 2002). The land use that only focused on profit (investment) had caused various problems regarding spatial planning. These problems occurred because of a lack of analysis of the impacts caused both economically, socially and culturally (Firman 2007, Sjöholm 2007).

### The use of space for galvalume industry

The use of space for the location of the Showroom, Warehouse and Galvalume Processing was submitted by Kepuh Kencana Arum Ltd. located in Karangjati Village, Bergas District, Semarang Regency with an area of  $\pm 8.800$  m<sup>2</sup>. Initially, the plan to establish this industry did not get the permission from the government. This was similar to what was stated by Mr. Wahyu (2018) as the representative of the company.

“Our industry is actually not an activity categorized as a heavy industry and does not cause waste. Our activities are only making Galvalume into ready-to-use products. If it is viewed from the side of spatial planning, indeed, our location is included in two spatial designations, namely settlements and industries in 1 field of Ownership Rights Certificate”.

From Mr. Wahyu’s words, it was illustrated that this industrial activity did not get the permission to operate because the location was not in accordance with the spatial designation. The following is the location of space utilization which can be seen in Figure 5.

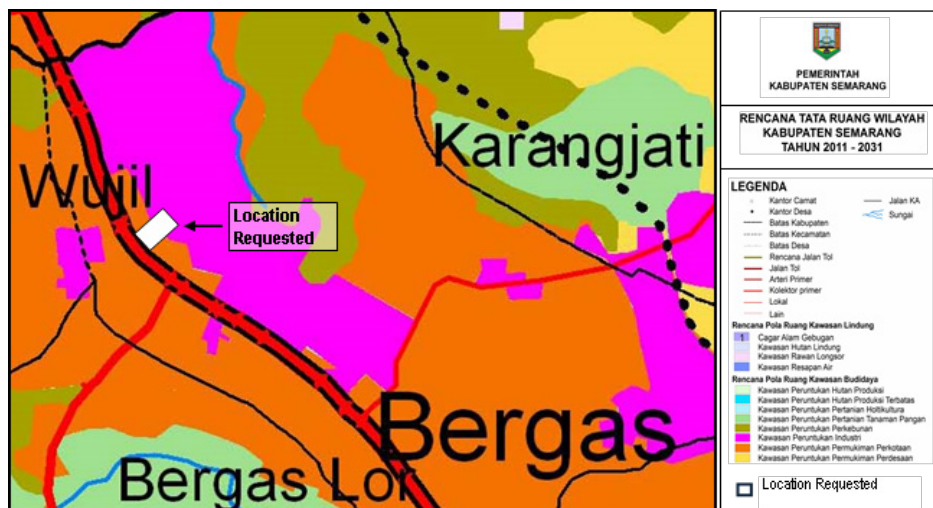


Figure 5.

The Spatial Map of The Activity Plan Location of Kepuh Kencana Arum Ltd.

Source: Public Works Agency (2017)

Based on the consideration of the members of the Semarang district spatial planning coordinating body, galvalume industrial activities could be approved under the requirements on the location of the area for urban settlements not to be utilized as an industry. However, it was used as a support for industrial activities. The use of space for parking, offices, and showrooms was in front of the location, while the warehouse and molding industry were in the rear location. The investment type must be in accordance with the direction of land use policy. The utilization of land use for investment purposes should not cause other problems with greater impact (Pieke 2002). In relation to spatial planning, the land use needed to be carried out with certain requirements (Dye 2002). One of the serious problems experienced by every country in various parts of the world was related to spatial planning. There were several factors supporting spatial-based economic development namely economic diversification, technology management, transparency and accountability, natural resources, investment in education, domestic private ownership, public and institutional involvement (Akinwale 2012).

### The use of space for ready-mix concrete industry

The use of space for the ready-mix concrete industry was submitted by Jati Kencana 2 Lp. located in Karangjati Village, Bergas District, Semarang Regency covering an area of  $\pm 11$  Ha. Initially, the



plan to establish this industry did not get the permission from the government. This is as stated by Mr. Dahwan (2018) as the representative of the company.

“Our industry is in the area of food crop agriculture and we will plan for the material buildup, green open spaces, and roads. Our industrial development locations are the locations affected by the toll road. According to the information obtained, the rice crop productivity is less than 4 tons per hectare, where there is no technical irrigation channel around this location and it coincides directly with the industrial location”.

According to Mr. Dahwan (2018), it was illustrated that this industrial activity did not get the permission to operate because the location was not in accordance with the spatial designation. The following is the location of the space utilization which can be seen in Figure 6.

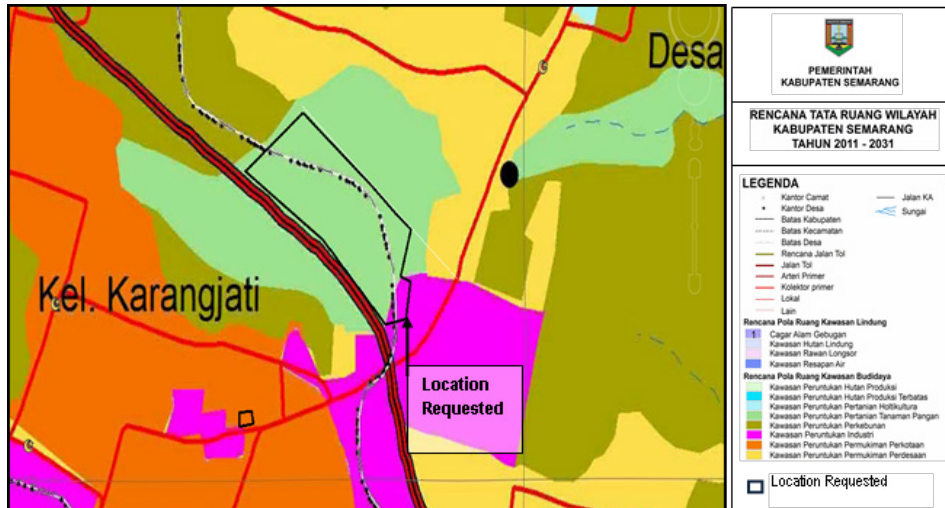


Figure 6.

The spatial map of the activity plan location of Jati Kencana 2 Lp.  
Source: Public Works Agency (2017)

Based on the consideration of the members of the Semarang Regency spatial planning coordinating body, some conclusions were taken that: 1) industrial location was, indeed, directly adjacent to the industrial designation area; 2) the existence of toll roads caused the location which previously was agricultural land to be irrigated and its productivity became low; and 3) the location of industrial development was an open space for stockpiling of materials, retention ponds, green open spaces and the construction of connecting roads and canals bordering the toll road and it could be utilized by the general public. In relation to spatial planning, the land use needed to be carried out with certain requirements (Dye 2002). Looking at the condition of the land, the application for industrial activity plans could be approved provided that it must meet the proportion of the area of space utilization as follows: 1) Green Open Space with a percentage of 60%; 2) roads and channels with a percentage of 7%; 3) retention pond with a percentage of 4%; and 4) material stockpiling with a percentage of 29%. Festervand (2002) stated that investing in developing countries needs to be considered with various considerations. This happened because developing countries began to analyze the profit and loss of investments from other countries based on the aspects of social impact. Furthermore, Pieke (2002) also stated that the type of investment must be in accordance with the direction of land use policy. It indicated that the use of land for investment purposes should not cause other problems with greater impact. In line with Festervand (2002) and Pieke (2002) stated that the land use issues were associated with urban-rural transformation. The issue of investment took precedence over the principle of land management. This condition triggered a trade-off between land use and investment.

### The use of space for the pharmaceutical industry

The use of space as a factory access road was proposed by Phapros Ltd., which was located in Pringapus Village, Pringapus District, Semarang Regency covering an area of  $\pm 830$  m<sup>2</sup>. Initially, the

applications for access to the company did not get the permission from the government. This is as stated by Mr. Adi (2018) as the company manager.

“The entrance access to our industrial location is in the area of agricultural food designation. Actually, the road area to be used is only a little. However, as it is included in the green area, it is necessary to get a consideration from the Semarang Regency government”.

According to Mr. Adi (2018), it was illustrated that the application for access to the entrance to this industrial location did not get the permission because the location was not in accordance with the spatial designation (Figure 7). Based on the consideration of the members of the Semarang Regency spatial planning coordinating body, some conclusions were taken that: 1) the location requested was the only approved factory access road that had been approved; 2) this location was directly adjacent to the industrial designation area; and 3) the utilization of space other than as the access road could also be used as a public parking lot or employees and shuttle vehicles for employees.

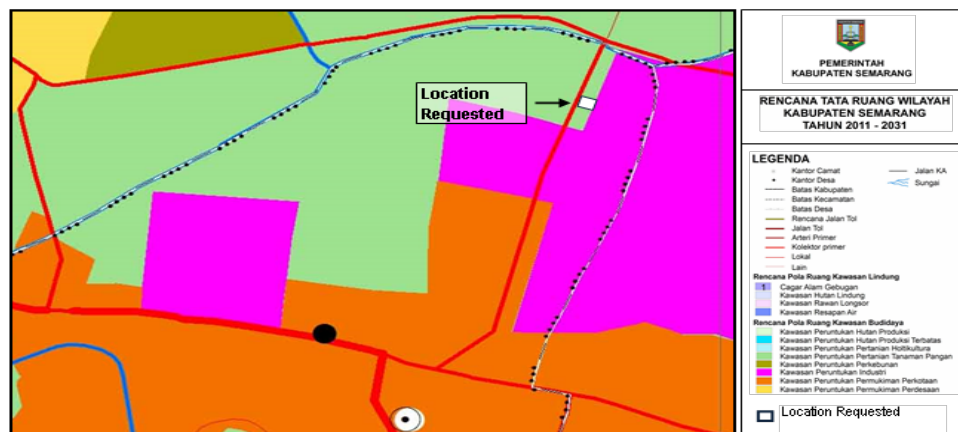


Figure 7.

The spatial map of the activity plan location of Phapros Ltd.

Source: Public Works Agency (2017)

This condition was supported by the zoning provisions in Article 61 Letter C stating that the applications for the construction of infrastructure for public interest are permitted, so the recommendations were recommended. In relation to spatial planning, utilizing the land needed to be done under certain requirements (Dye 2002). In line with Dye (2002), Long (2014) stated that the principle of land management needed to be prioritized in the investment activities. Furthermore, a good spatial planning would increase the investment, and management of spatial planning that was full of aesthetics (Oliveira 2015). Thus, the monitoring and evaluation of the existing spatial plan products need to be an attention to see whether the spatial plan products run according to their utilization or whether there had been any irregularities (Batudoka 2012).

### The use of space for apparel and food industry

The use of space for the plan to establish Apparel and Food Factory was submitted by Pasific Oriental Masindo Ltd. located in Kaliulo, Klepu Village, Pringapus District, Semarang Regency with an area of  $\pm 27$  Ha. Initially, the industrial development applications did not get the permission from the government. This is similar to what was stated by Mr. Agus (2018) as the company representative.

“According to the current regional regulations, our industrial development plans are in the area for food crop agriculture. However, previously we had a Building Use Right (HGB, Hak Guna Bangunan) for the apparel industry covering an area of  $\pm 13$  hectares with HGB number 175, 176 and 177 in 2005. Therefore, we really hope that our application can be approved”.

According to Mr. Agus (2018), it was illustrated that the application for this industrial development plan did not get permission because the location was not in accordance with the spatial designation. The following is the location of the utilization of space that can be seen in Figure 8.

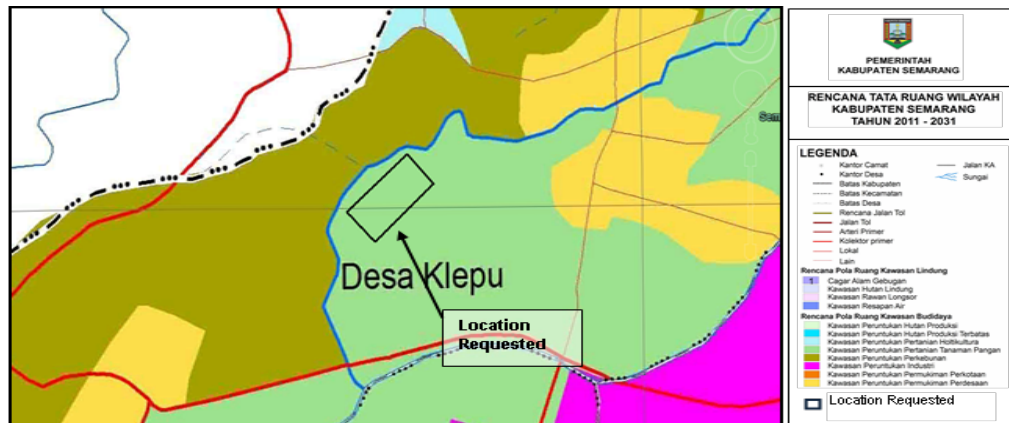


Figure 8.

The spatial map of the activity plan location of Pacific Oriental Masindo Ltd.

Source: Public Works Agency (2017)

According to the consideration of the members of the Semarang Regency spatial planning coordinating body focusing on the Article 61 of Semarang Regency Regional Regulation Number 6 Year 2011 regulating the general provisions of the zoning regulations for food crop agriculture areas, namely: 1) spatial use for low-density local residents and development supporting facilities and infrastructure for agriculture including agritourism are only permitted in paddy fields that are not irrigated on stretches that are integrated with existing settlements; 2) preventing the conversion of wet agricultural land, especially the irrigated paddy fields, into non-agricultural cultivated land; and 3) provisions on the prohibition of the conversion of the irrigated wet agricultural land into non-agricultural cultivated land except for the development of public interest must refer to the applicable legislation. In relation to spatial planning, utilizing the land needed to be done under certain requirements (Dye 2002). Therefore, the application for utilization of space could be approved with the following considerations: 1) the building rights or *Hak Guna Bangunan*) certificate no. 175 (covering 13.261 m<sup>2</sup>), no. 176 (covering 33.098 m<sup>2</sup>) and no. 177 (covering an area of 84.242 m<sup>2</sup>) in 2005, a total area of ± 13 Ha, the plan of use for the Establishment of a Garment Factory, on the basis of registration of the Decree of the Head of the Regional Office of the Central Java National Land Agency Number: SK. 127-550.2-33-2005 dated September 14<sup>th</sup>, 2015; and 2) the space utilization plan for the referred location is in accordance with the designation as stated in the issued building rights.

The Law on Spatial Planning was a juridical aspect used to develop a spatial pattern in a dynamic environmental unity while maintaining the preservation of environmental capabilities (Jahid 2012). Therefore, Oliveira (2015) stated the development starting with a good spatial planning will increase the investment. The spatial planning policies were closely related to investment. Spatial planning policy was a measuring tool in assessing investment feasibility. The spatial dimension included information about spatial structure plans and spatial pattern plans. Both of them could provide an indication of the exact location and certainty of regional development as a guarantee of the investment demand. Thus, the stakeholders need to consider everything related to investment before deciding on the type of investment that will be realized. It means that we need to analyze all factors that support the investment activities to minimize the occurrence of errors in the investments.

### The use of space for the pharmaceutical industry

The use of space for pharmaceutical industry activities was submitted by Erela Ltd., located in Ex. Langensari District of West Ungaran and Karangjati Subdistrict, Bergas District, Semarang Regency covering an area of ± 29.108 m<sup>2</sup>. Initially, the industrial development applications did not get the permission from the government. This is as stated by Mr. Purnomo as the company representative.

“Based on the certificates we have, the location of our company’s development plans is in Langensari Sub-District, West Ungaran District and Karangjati Sub-District, Bergas District.

However, after being checked with the spatial pattern map, it turned out that, based on the regional regulation on regional spatial planning (*RTRW*), the location is in Wujil Village, Bergas District. Thus, a special consideration is needed from the Semarang Regency government. This happened because the three urban areas have different spatial designations”.

According to Mr. Purnomo, it was illustrated that the application for this industrial development plan did not get the permission because studies were still needed to determine the suitability of the spatial plan. The following is the location of the utilization of space that can be seen in Figure 9.

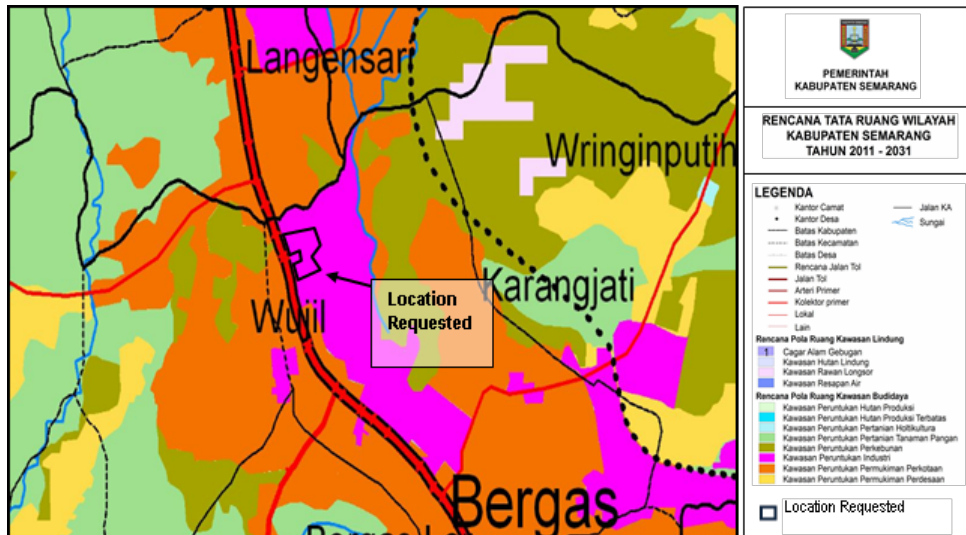


Figure 9.

The spatial map of the activity plan location of Erela Ltd.

Source: Public Works Agency (2017)

In relation to the spatial planning, utilizing a land needed to be done under certain requirements (Dye 2002). According to the review results by the members of the Semarang Regency spatial planning coordinating body, the following recommendations were taken: 1) in accordance with the certificate issued by the Semarang Regency Land Office, the location in question was in Langensari District of West Ungaran and Karangjati Subdistrict, Bergas District, 2) according to the Semarang Regency RTRW map, the intended location was in Wujil Sub-District, Bergas District including in the industrial allotment area, while the area adjacent to the intended location was included in Langensari Sub-District, West Ungaran Subdistrict, which mostly in the urban settlement designation areas; 3) the use of space for industrial activities was recommended in the locations included in the Bergas District area should be in accordance with the issued certificate; and 4) the use of space in the locations included in the West Ungaran District area in accordance with the issued certificate was recommended for Offices, Warehouses and Green Open Space or *RTH-Ruang Terbuka Hijau*. Furthermore, the public policy also supported the conservation area management, mining and Green Open Space policies. Peranginangin (2014) stated that policies in the management of conservation areas were important along with the increasing impact of environmental damage. In line with Peranginangin (2014), Cilliers et al. (2011) stated that spatial planning was very important for preserving the environment. Thus, the partnership between the private sector and the government were the alternative choices to face the development based environmental (Read & Sanderfords 2017).

### The use of space for furniture and wood industry

The use of space as an Industrial Expansion was submitted by Pinako Rotari Permai Ltd. which was located in Wonorejo Village, Pringapus District, Semarang Regency, covering an area of  $\pm 25.496$  m<sup>2</sup>. Initially, the industrial development applications did not get the permission from the government. This was as stated by Mr. Sugeng (2018) as the company manager.

“Our location is actually in accordance with the allotment of the spatial planning in the industrial designation area. However, because our industrial development location is a former

bengkok (crooked) land (the land originally owned by the village), Gedanganak Subdistrict and Ngempon Subdistrict, the government feels the need to conduct a review”.

According to Mr. Sugeng (2018), it was illustrated that the application for this industrial development plan did not get the permission because studies were still needed to determine the suitability of the spatial plan. The following is the location of the utilization of space which can be seen in Figure 10.

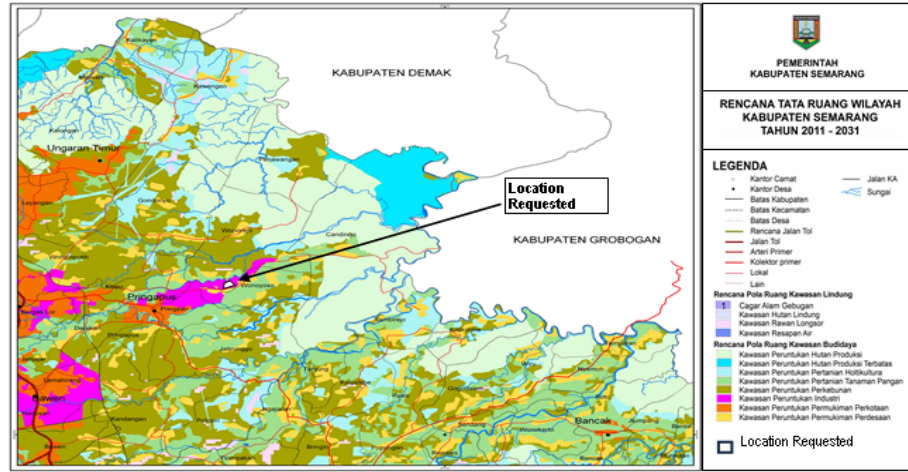


Figure 10.

The spatial map of the activity plan location of Pinako Rotari Permai Ltd.

Source: Public Works Agency (2017)

According to the review result by the Semarang regional spatial planning coordinating body members, a decision was made with the following considerations: 1) the recommendation holder of the space utilization permission was prohibited for changing, transferring or trading the recommendation permission for the use of space that had been obtained to other parties; 2) if the provision in letter a was violated, the Recommendation Letter for Space Utilization Permission was null and void by law and the land referred to in letter a was returned to its original function by the Recommendation Holder; and 3) the recommendation for space utilization permission was not a land acquisition permission.

By considering this, the application for the industrial development was approved. This happened because it had been in accordance with the provisions of the applicable legislation and recommendations did not need to include the former crooked land. In order to support this, it was necessary to harmonize the society, political system and public policy (Dye 2002). However, the investment activities without the environmental balance and spatial planning had caused new problems. The lack of a long analysis caused changes in economic, cultural and social factors (Jahid 2012). Thus, the harmonization of political, social, economic and environmental aspects would create sustainable development (Emiliani 2001).

## Conclusion

Public policy was generally determined by the government. The policy levels were at the general, implementation and technical level. A public policy was made intentionally because it wanted to realize a certain goal. The same thing also happened in Semarang Regency, where public policy was used to mediate spatial issues. There were nine land use location permissions which initially failed to obtain, but the existence of the public policy with certain conditions issued by the Semarang Regency government made the nine location use permissions to be approved by the government. Application for a location permit was filed by nine business entities including Jati Kencana Lp., Java Egg Specialties Ltd., Choice Plus Makmur Ltd., Kepuh Kencana Arum Ltd., Jati Kencana 2 Lp., Phapros Ltd., Pasific Oriental Masindo Ltd., Erela Ltd., Pinako Rotari Permai Ltd., and Pinako Rotari Permai Ltd.

Based on the nine cases examined in this study, there were nine land use location permits which initially did not get permission, but the existence of public policy with certain conditions issued by the Semarang Regency government made the nine location permits approved by the government. Thus, public policy was essentially designed by the government to guarantee and meet the needs of the community in carrying out investment activities such as industry. The spatial planning policies had become the mediators for political, social, economic and environmental relations. Thus, harmonization of political, social, economic and environmental aspects would create sustainable development.

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