ANALYSIS OF INVESTMENT INCREASE CONTRIBUTION TO GRDP IN 2020 CENTRAL JAVA PROVINCE

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ARTICLE INFO	ABSTRACT
Received: **May, 26th 2021** Revised: **June, 8th 2021** Approved: **June, 16th 2021**	*One of the ways for the government to find out the level of economic growth is by calculating the value of national income, especially which is the focus of the government to be able to increase the per capita income of the community in each region so that it can contribute to local revenue which will also increase national income, the government's strategies and efforts to increase it. This research method uses descriptive analysis presented with statistical data, statistical data used in the form of tables, diagrams, graphs and others. Descriptive analysis using various sources of literature and articles as material for analyzing research problems to describe the investment contribution of Central Java province to increasing national income. The conclusion that can be drawn from the results of the analysis of the article is the strategy of the regional government of Central Java Province to increase local revenue and support efforts to increase national income through investment by setting up investment licensing regulations for both PMA/PMDN easily and transparently as well as promotion and training to increase regional investment figures, besides that the most important point to increase investment realization is the consistency of innovation and creativity of the government and the community to form new ideas that can compete with the global market.*

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INTRODUCTION

The economy of a country has many components as a measure of the achievement of economic success, including the level of income, poverty, labor, education, and so on which have binding characteristics on the value of a country's income (Warsita, 2011). In general, economic growth can be measured through an increase in the amount of national income during a certain time/period (Adyatma & Oktaviani, 2015). The high value of a country's national income can be an indicator of the results of the assessment of the amount of goods and services that can be produced in a certain period by the Indonesian state (Purba & Darmawan, 2018). The magnitude of the production value shows the level of community welfare and the ability of the community to earn income according to the standard provisions set by the Indonesian government, especially Indonesia as a developing country that continues to strive to implement strategies to increase national income for a high level of economic growth.

Aside from being a measurement of the level of economic growth, national income can also be an appropriate benchmark for determining the success and failure of a country's economic strategy (Anwar, 2014). This is because the determination of the level of state income, especially which is directly practiced in Indonesia, uses measurements of the price level of goods, employment opportunities, education, per capita income, and the position of the balance of payments abroad (exports/imports) (Paramita, 2016). From several analyzes, the discussion and application of theories related to national income as one of the indicators of Indonesia's economic growth often becomes the pros and cons by critics of the macroeconomic component as the basis of calculation used for measuring national income. One of the supporting components of national income is found in GRDP, namely the amount of added value for goods and services produced by various production units in all regions of a country within a certain period of time with a calculation period of usually one year being one of the government's focuses in the last 5 years to measure the level of economic growth (Lumy, Kindangen, & Engka, 2021).

Due to the many factors related to the calculation of national income which is basically influenced by various supporting components both from internal and external to the state, related to these calculations there is the application of theories and principles of calculating national income in Indonesia in order to achieve the goals of prosperity and welfare of the community (Rakhmawati, 2015). To achieve this goal, the increase in Indonesia's national income needs to experience a consistent increase based on several components that have been calculated.

Based on these problems, the author will analyze the strategy for the contribution of increasing investment figures as a supporting factor for increasing regional gross domestic product as one of the components of calculating national income. The author will analyze in more detail, especially in the area of Central Java Province as one of the provinces with a fairly dense population. The high level of human resources in Central Java should be able to increase the per capita income which can boost the value of the original income of the Central Java region. From that side, the author will analyze how investment can be a solution to increasing regional income as in the study (Arliman, 2018). With the quality of creative and innovative human resources to be able to realize investment, both for the community and the government who work together to realize the

investment realization target.

Investment can be interpreted as "an activity carried out by an individual (natural person) or legal entity (juridical person), in an effort to increase and or maintain the value of its capital, both in the form of cash (cash money), equipment (equipment), immovable assets. , intellectual property rights, and expertise (Hayati, 2016). According (Hasibuan, 2019) on this basis it is necessary to build awareness and understanding of investment. In this case, the author will analyze the important part of investment that needs to be made by local governments as a form of regional autonomy that implements independence in each region. To achieve this, it is necessary to design priorities and development strategies by increasing regional investment both from the domestic sector and from abroad, policies that can be carried out by the government by directing the elimination of high-cost economies, investment licensing procedures, guaranteeing legal certainty, guaranteeing business certainty, reduce policy overlap between the center and the regions, improve investment institutions that are competitive, transparent and non-discriminatory, and create targeted incentives in an effort to spread investment more and more (Republik Indonesia, 2012).

Investment is a very important object in economic growth which is indirectly related to the value of national income (Jufrida, Syechalad, & Nasir, 2016). The role of investment as one of the chains to generate national income that does not only focus on one industry but directly on several industries from the largest to the smallest units (Basmar et al., 2021). The seriousness of the Indonesian government to increase the investment rate, especially Central Java Province in order to achieve regional original income which is relatively the same as some surrounding areas so that there is a balance of regional welfare by implementing a strong strategy and exploring the potential results of Central Java as the government's effort to achieve the goal of high national income value (Anas, 2015).   Therefore, here the author will analyze problems related to the contribution of increasing investment in Central Java Province as a component of increasing the value of national income which is analyzed from the point of view of regional success with strategic planning and creative and innovative work efforts as part of the factor in increasing Indonesia's national income The object of the problem in writing this article focuses on strategic analysis of the contribution of investment to the value of the gross regional domestic product of Central Java Province in 2020 as one of the components of national income which will be analyzed in depth related to internal and external factors that affect the achievement of investment realization targets so that it can it is known the value of the investment contribution achievement on the gross regional domestic product.

RESEARCH METHODS

This research method uses descriptive analysis presented with statistical data, statistical data used in the form of tables, diagrams, graphs and others. As a form of real data analysis without statistical testing to describe in detail the information presented. Descriptive analysis using various sources of literature and articles as material for analyzing research problems to describe the investment contribution of Central Java province to increasing national income. The main data source is from the analysis of the contribution of increased investment 2020 GDP of central java province and related institution data that are relevant to the research as well as data sources that are processed to produce new data as supporting evidence for research conducted done.

The data collection technique used in this article uses a literature study, taking this literature study is done by collecting data relating to secondary data collection from

several academic sources relevant to the research problem. Data analysis for processing from various sources of data that has been obtained is analyzed by reading, studying, reviewing

RESULTS AND DISCUSSION

The achievement of the investment realization target that has been given a target by the central government to be realized is as much as the target of achieving the investment value from both PMA/PMDN for the last 5 years in Central Java Province still tends to be inconsistent in maintaining the investment target achievement figure that has been determined. a big event in early 2020 that made the world economy greatly decline due to the Covid-19 pandemic, of course it was a very big step for the regional government of Central Java Province to maintain investment achievement targets, based on press release data from the Central Java Province DPMPTSP with total investment realization in Central Java in 2020 amounted to IDR 50.24 trillion, exceeding the target set at IDR 24.89 trillion (202%).

Based on the data below, it can be seen that the largest contribution in achieving the investment realization target in 2020 is supported by an increase in domestic investment, especially from the MSME sector, based on some news information and research that has been carried out due to the lack of activity and productivity of human resources during the Covid-19 pandemic. 19 which is very influential on the lack of income per capita of the community because many companies are closed due to the pandemic, this forces the community to be more innovative and creative in forming businesses for survival, this is the point of success of the Central Java provincial government which of course also cannot escape the quality of qualified human resources to form a small business that can even become a big business in the midst of a pandemic situation that is still not over, even based on calculations from Central Java Province DPMPTSP data, the value of domestic investment has increased by 111.65% from 2019, this is shows that the quantity of regions to manage the investment rate is very high in order to boost the gross regional domestic product which of course also greatly influences the value of national income from the high per capita income of the people of Central Java Province.

Figure 1 FDI/PMDN Investment Realization in Central Java 2015-2020
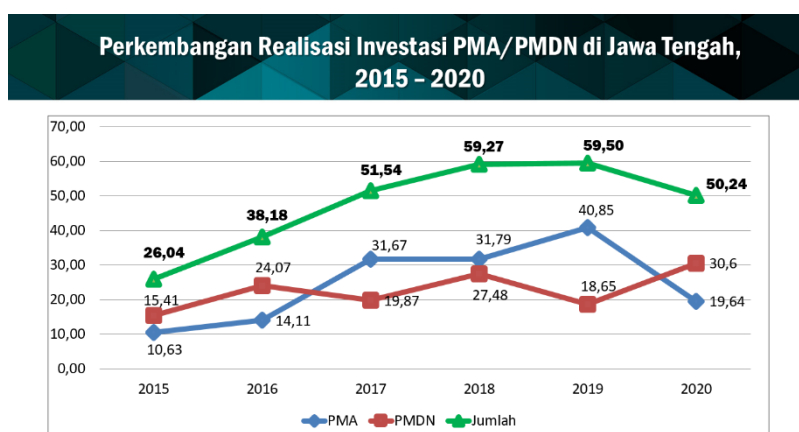
Source: DPMPTSP Central Java Province, 2021

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Table 1 Percentage of Investment Value in PMTB 2015-2020

	2015	2016	2017	2018	2019	2020
Gross Fixed Capital Formation	3 2.335.2 02,14	24 6.247.08 8,50	264.716.1 06,23	285 .045.112, 84	298.877.2 69,25	278.024 .570
Investment Realization	2 6.040.6 84,60	38. 183.372, 80	51. 539.187,8 8	59. 269.113,3 2	59. 503.280,0 0	5 0.242.4 81
Percentage	**1 1,2082 3894**	**15, 5061215 3**	**19, 46960788**	**20, 79288879**	**19, 90893458**	**1 8,07123 769**
	1 1%	15 %	19 %	20 %	19 %	1 8%

Source: Data processed, Central Bureau of Statistics, 2021

Based on the analysis of the value of GRDP in 2020, the Gross Fixed Capital Formation in TW III shows a contribution of 29% of the Gross Regional Domestic Product, this refers to the component of GDP with the largest contribution, namely Household Consumption Expenditure of 59% which is used for all expenditures consumption activity (government spending).

In addition, the rate of economic growth can be seen from the PMTB figure which has a fairly high contribution, especially for investment activities. This is because the results of GRDP expenditure for PMTB financing which consists of 6 constituent components including Buildings, Machinery & Equipment, Vehicles, Other Equipment, CBR, and Intellectual Property Products which are a form of Regional Investment or Assets. For this reason, it can be said that investment contributes to the value of gross regional domestic product.

From the data above for approximately 6 years, it can be concluded that there is an increase in the contribution of investment realization to PMTB except in 2020 there is a decline due to the COVID-19 pandemic, so it can be concluded from the data that investment has a high enough contribution to the quality of the increase in GDP through the high value of PMTB from the realization of PMA/PMDN investment, so that investment indirectly contributes to the high value of the Gross Regional Domestic Product of Central Java Province in 2020.

CONCLUSION

The conclusion that can be drawn from the results of the analysis of the article is the strategy of the regional government of Central Java Province to increase local revenue and support efforts to increase national income through investment by setting up investment licensing regulations for both PMA/PMDN easily and transparently as well as promotion and training to increase regional investment figures, besides that the most important point to increase investment realization is the consistency of innovation and

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creativity of the government and the community to form new ideas that can compete with the global market.

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