



## Government Policy in the Management and Handling of Investment in Southeast Minahasa

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### Abstract

**Background.** The issues that have hit Southeast Minahasa Regency in the last five years are related to investment development, low technical policy formulation in the field of investment, considering that many things related to investor perception have not provided strong support for the implementation of increased investment activities.

**Purpose.** To find out and analyze the influence of government policies, economic growth rates, export imports, stock prices, national stability and banking institutions as factors that affect Southeast Minahasa investment

**Method.** This research is survey with quantitative research. The population and sample are 80 respondents (full sample). Data collection techniques use observation, interviews, questionnaires, and documentation techniques. The data were analyzed by multiple linear regression.

**Result.** Investment is greatly influenced by government policies, economic growth rates, imports and exports, stock prices, national stability, and banking institutions in Southeast Minahasa Regency.

**Conclusion.** Government policies in managing and handling investments in Southeast Minahasan affect the level of economic growth, exports and imports, stock prices and national stability.

**Keywords:** policy, government, management, investment, Minahasa

### INTRODUCTION

The issues that have hit Southeast Minahasa Regency in the last five years are related to investment development, low technical policy formulation in the field of investment, considering that many things related to investor perception have not provided strong support for the implementation of increased investment activities. There are still many considerations for investors in this case investors who want to make investments considering that Southeast Minahasa Regency is still found to have many licensing activities and the implementation of public services related to investment have not been carried out based on the implementation of cooperation in the investment sector in accordance with the preparation of the investment plan

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that is implemented, in conducting various identifications related to the sources of regional potential as a whole and the importance of planning and controlling investment development for investment.

In Presidential Instruction No. 3 of 2006 concerning investment policy packages, which includes general aspects including strengthening investment service institutions and synchronizing regional and central regulations in developing and increasing investment access in a region. Included in Presidential Regulation No. 42 of 2006 concerning the Policy Committee for the Acceleration of Infrastructure Provision (KKPPI), the development of the Indonesian Special Economic Zone (KEKI), the Revision of the Employment Investment Law and the Tax Law, it is an activity that has not been implemented properly, which triggers the emergence of investor perceptions that affect investment activities.

The reality that is seen today is that there are several factors that affect investment, including government policies, economic growth rates, import exports, stock prices, labor force, national stability and banking institutions owned by Southeast Minahasa Regency in increasing the investment enthusiasm of investors to invest their capital.

There is a phenomenon that uncertain government policy factors, and frequent revisions related to decision-making in the investment sector where there are many laws, government regulations, regional decisions and regional regulations that have not optimized and provide support for the realization of an investment activity that is able to contribute to increasing investment activities every year.

In addition, it is known that an investment will experience a good increase if the economic growth rate of a region or region experiences a significant increase, but due to many things that are not supportive in this case related to the economic and monetary crisis, including the reduction of fuel subsidies and the allocation of budget and income that is less than proportionate, it has an impact on the economic growth rate experiencing stagnation every years, sometimes even investment decreases due to the level of economic growth in an unstable region.

In addition, an element that plays an important role in a trade activity in a region is import and export activities. Where exports and imports are an economic activity that has a great impact on determining whether or not investment activities are implemented in a region. Dominant export activities in a region will have a positive influence in that region. Compared to the number of import activities that occur. This import export activity has an influence on investment.

In affecting the level of investment sensitivity in a country, many are determined by changes in value related to stock prices. The stock price is in principle an indicator of an assessment of the level of profit from investment activities that are access to investment. The change in the value of stock prices affects the level of investment activity in a region.

Likewise, in investment activities that are widely carried out by a country, ensuring national stability is what determines the implementation of investment activities that can be carried out properly. On the basis of these considerations, it is necessary to have access to an assessment of the conditions of national stability that occur in a region, including things that result in a low level of investor interest to invest such as the occurrence of uncertain political conditions in a region, the occurrence of demonstrations and various activities that cause anxiety and hesitation among investors to invest their capital.

Just like banking institutions, they also play an important role in providing various information, data, and access that can support the implementation of an investment activity can occur and carry out various agreements and transactions to be able to increase investment activities.

The investment activity in question in this case is the occurrence of an agreement between investors both from domestic and foreign investment who invest their capital and become an investment for a region to develop.

Investment is an assessment in looking at a developing area. The more investors who invest their capital in a region, the region will become the main destination for investors with the consideration that the region has investment policies that can support the growth rate of the region, including in import and export activities with consideration of favorable stock prices, guaranteed national stability and the prospect of banking institutions playing an active role.

This research has the objectives of 1) to find out and analyze the influence of government policies 2) Economic growth rate 3). Export imports 4) stock prices, 5) national stability 6) banking institutions as factors that affect Southeast Minahasa investment. This research is survey with quantitative research. The population and sample are 80 respondents (full sample). Data collection techniques use observation, interviews, questionnaires, and documentation techniques.

## **METHOD**

The data analysis used is Multiple Linear Regression

To test the hypothesis that has been proposed in this study, the following analysis methods are used:

1. Descriptive analysis of investor perceptions that affect investment in the economic sector in Southeast Minahasa Regency.
2. Multiple linear regression analysis method to analyze investor perceptions that affect investment in the economic sector in Southeast Minahasa Regency with the formula: (Sarwono, 2005:47)

$$Y = a + \beta_1 X_1 + \beta_2 X_2 + \dots + \beta_k X_k \text{ (untuk regresi linier berganda)}$$

Where:

Y = Investment

X1 = Government Policy

X2 = Economic Growth Rate

X3 = Import Export

X4 = Stock Price

X5 = National Stability

X6 = Banking Institution

1-6 = Regression Coefficient (Parameter)

a = Constant (Intercept)

e1 = Error factor

Then each variable will be studied which is analyzed using multiple linear regression by looking for the formulation of the correlation coefficient value (R) to see the relationship of variable X to variable Y. To obtain the determinant coefficient, the value of the correlation coefficient can be calculated with the formula:

$$R = R \times R \text{ or } R^2$$

Information:

R = Correlation Coefficient

R<sup>2</sup> = Determinant Coefficient

In general, it can be said that the magnitude of R<sup>2</sup> is  $0 < R^2 < 1$ . (Sarwono, 2005:50) correlation coefficient (R) is used to see the magnitude of the contribution of all independent variables together to the bound variable, namely by looking at the magnitude of the total determination coefficient (R<sup>2</sup>).

The operational definition is used so as not to cause double interpretation, namely by providing limitations on the variables used in this study, namely:

Variable	Definition	Indicators	Measurement
Y	Investment is a provider to earn income through investment activities	<ul style="list-style-type: none"> <li>· Foreign capital</li> <li>· Domestic capital</li> </ul>	Likert Scale 5,4,3,2,1
X1	Government policy is a regulation that regulates investment management	<ul style="list-style-type: none"> <li>· Regulations of the Law</li> <li>· Agency/Agency</li> <li>· Policy mechanism</li> </ul>	Likert Scale 5,4,3,2,2
X2	Economic growth rate is an index used in measuring economic improvement	<ul style="list-style-type: none"> <li>· Real market sectors</li> <li>· Inflation rate</li> <li>· Sector contribution (revenue)</li> <li>· People's purchasing power</li> </ul>	Likert Scale 5,4,3,2,3
X3	Import and export is a trade activity that affects the activities of the	<ul style="list-style-type: none"> <li>· Comparative</li> <li>· Competitive</li> </ul>	Likert Scale 5,4,3,2,4
X4	Stock price is the value of capital goods invested	<ul style="list-style-type: none"> <li>· Stock purchase</li> <li>· Stock sales</li> <li>· Stock transaction activities</li> </ul>	Likert Scale 5,4,3,2,5
X5	National stability is a condition that affects investment activities	<ul style="list-style-type: none"> <li>· Security level</li> <li>· Riot</li> <li>· Social inequality</li> <li>· Poverty</li> <li>· Political nuances</li> </ul>	Likert Scale 5,4,3,2,6
X6	Banking institutions are a forum that manages investment funds to be used	<ul style="list-style-type: none"> <li>· Storage access</li> <li>· Management</li> <li>· Investment channeling</li> </ul>	Likert Scale 5,4,3,2,7

## DISCUSSION

Investor data that affects investment is seen from the percentage level that still needs to be improved or optimized in increasing the occurrence of investment or that supports the high interest for investors to glance at and be interested in investing in their capital, especially in Southeast Minahasa Regency which is the main choice in making investments in North Sulawesi Province in general and Southeast Minahasa Regency in particular in order to improve the welfare of the community and increase access to community income obtained through investment activities that have a positive impact on the development of Southeast Minahasa Regency now and in the future. For more details, see table 1 as follows:

Table 1 Percentage of Economic Perception Affecting Investment in Districts North Minahasa

Yes	Economic Perceptions Affecting Investment	Percentage (%)	Information
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1	Government Policy	68,9	It is still being followed up optimally related to the frequent revision of laws and regulations
2	Economic Growth Rate	30,4 – 35,6	It has not been optimal to significantly improve the real sector
3	Export import	58 – 62,6	It is necessary to optimize export activities in real terms and impose duties
4	Stock Price	25,4	Profit Rate is still low
5	National stability	45,7	Elections and demonstrations
6	Banking Institutions	47,5	Access to data, information and transactions that still need to be improved

Source : BPPMD Province 2018

Table 1 above shows that the economic perception that affects investment has not reached the expected standard above 70%, so it is necessary to pay attention to the perception of these investors to be further improved, improved, and effective in its development and absorption so that investment in Southeast Minahasa Regency increases. On this basis, the researcher is interested in conducting a study and research on the perception of investors in relation to investment activities implemented in Southeast Minahasa Regency, so the researcher is interested in choosing the title: Analysis of investor perception that affects investment in Southeast Minahasa Regency.

In the journal article Junaidi vol 8 No 4. April 2 is also 009 "Indonesian Investment and Its Development" Investment is the first step of production activities, with this position investment can increase economic development activities and economic growth. Therefore, in an effort to grow the economy, each country always creates a climate that can excite investment. As a buffer for economic growth, investment development in Indonesia showed an encouraging situation in 2017 where Indonesia's total investment was Rp 575 trillion. (On the basis of applicable prices) this figure is almost 17 times compared to the previous 2 years. Only 12.75 percent and some 87.25 percent are public investments.

In the journal Adrian Sutawijaya Visual Vol 2 No 3 of 2013, with the title The Influence of Exports and Investment on Indonesia's Economic Growth in 2006-2016 it is said that private investment and government investment, oil and gas exports and non-oil and gas together affect economic growth in Indonesia, this shows a very significant influence. Increased investment will increase production capacity which ultimately leads to the opening of new jobs, technology and science are more advanced.

### Government Policy Theory

Government policy theory in the economic approach is known as the macroeconomic study aspect. The government policy theory used is using the functional theory introduced by Douglas in Abimayu (2006:18) stating that government policy is the function of a state in regulating the order of people's lives to achieve development goals.

The substance of a government policy theory is inseparable from the existence of a structural theory. Structural theory developed by Max Weber in Sulaiman (2005: 11) states that a government-run state must have structural strength in achieving an expected goal.

The structure in achieving a goal is usually in the form of an agency or institution that is given the authority to carry out an authority, the institution that will carry out government policies related to investment management activities, including in this case foreign investment which has a licensing service mechanism and investment facilities according to investment for PMA (Foreign Investment) and PMDM (Domestic Investment) (Silvera, 2005:89).

Government policies related to investment are implemented by the Regional Promotion and Investment Agency which is an institution that takes care of various investment activities. Policy theory regarding investment activities, using the theory of "profit". This theory was introduced by Barthony in Nasution (2005:125) that investment is a profit for a country that manages it in an organized or institutionalized manner.

The view of government policies towards several policies related to investment and investment institutions is in principle to provide opportunities and benefits for a country that has many areas to be able to develop and develop by utilizing investment funds and productive business activities for development progress. Understanding the importance of government policies, development and planning theory is a consequence of the need to apply this theory. Jhingan (2004:191) stated that one of the causes of a developed and developing country is if investment opportunities grow and develop in various development and planning activities. The existence of an investment for a country is a policy for the government to be able to provide the widest possible opportunities for FDI and PMDN to participate in improving economic conditions for a country to progress and develop by creating or growing various industrial sectors and companies that can create jobs and increase people's income. So the government's policy on investment is an added value in advancing national development (Nasution, 2005: 167).

A developed and developing country is undeniably influenced by the investment support that flows in a country, regions within a country and the development of regional potential that supports a series of development activities. Developed and developing

development is inseparable from the importance of investment. Investment is a driving force and smoothing economic activities in a region. On this basis, functions or policies play a great influence in development activities (Shita, 2004:19). The indicator of a government policy on investment refers to the applicable laws and regulations, management by the government, agencies or offices and the existence of a mechanism that is carried out in accordance with the procedures of a policy that can be implemented according to a series of activities or programs regarding investment (Aditya, 2003:81). For areas with great investment potential, government policies have the potential to have an impact. The existence of government policies is a law that must be complied with in carrying out investment activities, so that the principles of equity and balance are well distributed, the management will be accounted for according to the proportion of authority it has by implementing government policies in accordance with the procedural policy framework and having a clear mechanism in the implementation of the government policy (Susetyo, 2005: 169).

Arismunandar (2003:28) stated that government policies are a factor that determines the development or development of investment activities. Therefore, an investment activity must be adjusted to the process and flow of licensing services in accordance with government policies in accordance with the established policy format, such as the existence of a decree. The Head of BKPM no. 57-61/2004 which hinted that every investor must obtain a Letter of Approval (SP) from the Government (BKMP) to take care of a notary deed (PT), while PMDM goes directly to the location permit area, land certificate of land certificate, Disturbance Law Permit (UUD/H0) and IMB as a condition that they have followed the government's policy in carrying out investment development activities.

In carrying out its duties, BPPMD has the following functions:

1. Formulation of technical policies in the field of investment/investment
2. Licensing services and implementation of public services across districts/cities.
3. Technical coaching in the field of investment/investment across districts/cities.
4. Implementation of cooperation in the field of investment/investment with districts/cities.
5. Preparation of provincial investment/investment plans.
6. Identification of regional potential sources as a whole for the purpose of planning and controlling provincial investment/investment development on a macro basis.
7. Coordination of the implementation of investment/investment promotion activities.
8. Supervision and implementation of investment/investment in the region.

9. Provision of support for the implementation of technical guidance in the field of investment/investment.
10. Implementation of information systems in the field of investment/investment.
11. Preparation of spatial planning in the field of investment/investment.
12. Promotions and investment/investment information
13. Implementation of Sulawesi regional cooperation in the field of investment/investment.

Implementation of other activities assigned in the field of investment/investment.

1. Presidential Regulation No. 42 concerning the Policy Committee for the Acceleration of Infrastructure Provision (KKPPI) with the aim of encouraging foreign and domestic investment in the infrastructure sector.
2. Development of the Indonesian Special Economic Zone (KEKI) or *Special Economic Zone* (SEZ).
3. Revision of the Investment Law
4. Revision of the Law on Employment
5. Revision of the Law on Taxation and Customs.

All of these efforts are made by the government in encouraging economic growth. Investment activities need to be carried out in order to open new jobs, thereby reducing the unemployment rate which in turn can increase people's income and reduce poverty.

To carry out the above tasks and functions, BPPMD sets the vision of "Southeast Minahasa Regency Conducive in Investing", which encourages the creation of effective investment institutions, creates proactive investment services and improves the investment image of Southeast Minahasa Regency. The strategy implemented is to build an investment/investment image supported by accommodating investment services to increase regional competitiveness. In accelerating the creation of a conducive investment climate, the government strives to continuously improve the investment climate, through improvements in various fields. This can be seen from various regulatory improvements related to investment, including: 1. Presidential Instruction No. 3 of 2006 concerning Investment Policy Packages, which covers general aspects (including strengthening investment service institutions and synchronization of regional and central regulations), customs, taxation, employment, Small and Medium Enterprises and Cooperatives (SMEs).

### **Investment Growth Rate**

The success of a country in achieving economic activities is reflected in the level of economic growth it achieves. The level of economic growth is a value of trust for a country or region in managing economic development. The theory of "growth" introduced by Ritzer in Simamora (2004:71) states that economic growth is the level of success of management activities by optimizing greater output by minimizing the inputs used. Growth is a change from the level of achievement of realization that is greater than the set target.

The importance of the concept of economic growth for a region with investment activities has a close relationship. A country that is developed and developed in its economic field is inseparable from the great influence of investment in making a contribution to the country. Investment is the positive effect of a development activity in achieving national development goals (Sulaiman, 2005:133).

The economic growth of a country that has increased, directly or indirectly, is largely determined by the economic sectors that support the achievement of economic growth. Developed economic growth has an influence on increasing investment. Sectors that can increase the economic growth rate of a country are indicators include the real market sector, inflation rate, sector contribution (income) and people's purchasing power (Tirtomoyo, 2005:81).

On this basis, the economic growth rate is an assessment as a factor that determines the level of investment growth that can develop and advance. Usually, investors in making an investment, always consider the level of economic growth owned by a region, if the economic growth rate significantly increases, then the interest to invest is high, and vice versa, if the economic growth rate of a region is less significant, then investment enthusiasm is considered and sometimes considered an obstacle in carrying out investment activities (Mustafa, 2005:141).

Abimayu (2006:13) stated that one of the considerations for the creation of investment and the number of investment investment activities if the economic growth rate of a region or region provides great opportunities in terms of the real market sector, inflation rate, sector contribution (revenue) and people's purchasing power are well implemented. Many activities in the economic sector have been sought to increase growth through the activities of the real market sector, namely activities that seek to stimulate (sensitivity), provide opportunities to strengthen the market handling base that can provide great access for a market to obtain the greatest market opportunities in producing a level of acceptance or opinion that has an impact on the economic growth rate of a country and region (Shita, 2004:19).

Usually investors in making investments, both foreign investment and domestic investment, indicators of economic growth levels are the main considerations for making investments.

The investors' reason is that if the economic growth rate is good, then the level of implementation of the real market mechanism is going well, the ability of the community to meet needs is adjusted to the inflation rate, the contribution of the revenue sector also increases, and this provides an opportunity for high purchasing power for people to increase their income, and this indicator of economic growth rate has a great influence on investment activities in a region (Sudono, 2004:77).

The level of economic growth is one of the assessments for investors. The investor's assessment is very realistic with the fact that the level of economic growth is an assessment in looking at:

1. The economic success of a country can be seen from the level of economic growth.
2. The level of community income is also seen from the level of economic growth achieved by a region.
3. The success of PAD is also reflected in the level of economic growth that is realized by the body.

Determining a level of economic growth achievement in a region is very important in measuring the benchmark for determining economic access from a developed and developing society in the economic field. Tirtomoyo (2005:66) stated that economic growth is one of the benchmarks in determining the success of a country in managing its economic sector to be able to become a well-established country in the economic field.

## **Export Import**

One of the factors that is considered for investment activities is the existence of trading activities. This trade activity is a means to carry out investment activities through import and export trade activities. The "Exchange" theory is one of the theories used to carry out trading activities. This theory was introduced by Hardjoejo (2003:39) who adopted various trading theories, one of which is the exchange theory that every trading activity occurs because of different needs between one party and another, so investment activities are required.

Another theory related to import and export activities is the "two gaps" theory introduced by Osh Lin in Jhingan (2004:122) which states that the occurrence of a trade activity (import and export) between one country and another is due to two differences. The two

differences are distinguished by the existence of an assessment of comparative advantage and competitive advantage.

The comparative and competitive advantage possessed by a country is a trigger for an investment activity. According to Herlambang (2004:16), export and import activities carried out by a country are the source of investment activities that enter and exit in a country based on considerations of comparative and competitive advantages and advantages.

The increase in import exports in developed and developing countries is inseparable from the role of investment. The application of the concept of needs and consumption is the basis for the emergence of various activities to carry out investment activities. In the concept of needs where everyone will carry out investment activities to meet their needs, namely carrying out transaction activities. Meanwhile, the concept of consumption needs is that everyone in carrying out investment activities is essentially to carry out activities to consume goods and services (Hardjoeno, 2003:152).

Access to an export-import activity implemented by a country is intended to be able to increase investment flows that occur in a country. Increasing the fulfillment of the needs of import and export activities means that the country provides opportunities to increase investment activities. In general, according to Mahendra (2004:73), import and export is an opportunity to increase investment, so as to support and identify opportunities for investment activities to be realized.

Marzuki (2003:57) states that import and export activities are a series in a country. The existence of import exports has a wide impact on the development of economic activities for a country to develop and develop.

The concept of investment related to import and export activities is the concept of *"take over"*, which is the taking of an investment value that occurs in a country related to the formation of trade activities through import and export. This means that the growth of various transactions and trading activities has a great impact on the occurrence of investment activities (Murdock, 2000:76).

Referring to the concept stated above, there are several postulates that can be used as a core *statement* that export activities are activities that support the realization of investment activities that are profitable for a country for the implementation of export and import policies that are widely open to investors (Sutojo, 2008:85).

## **Stock**

The concept of stock prices, which is widely applied in investment activities, in principle refers to a theory, in this case the theory of "added value" introduced by Largaining in Nasution (2005: 59) which states that the sales and purchase activities of a transacted goods or services are determined by the added value obtained by the parties involved. This is related to the activity of the value of the price as a product or service of wealth or capital that can be traded in a legal transaction activity that is mutually beneficial for the parties involved in it.

In addition, determining the concept of stock prices also uses practical theory, in this case using the theory of winning or "win, theory" which is the principle that a sale and purchase activity depends on the value of the profit achieved and it is a form of victory (Luke, 2004:71).

An investment that is applied in a country or region, in essence, the existence of stock prices is a standard in determining the ownership of investments, loans, capital and financial assets. On this basis, stock prices have an influence on investment activities (Mahendra, 2004:19).

Creating a good investment condition, directly or indirectly investors consider the level of profit and the value of the stock price that occurs in a transaction. Sutojo (2004:136) stated that the share price set by the Company Commissioner will be a balance in determining the level of investment from each flow of shareholders to manage their shares into productive shares to obtain profits that become investment value for shareholders.

A shareholder in buying and selling shares as well as stock transaction activities is an indicator that has an impact on investment activities. Tirtomoyo (2005:192) stated that the sale of a share usually occurs when the company's profit level and *bargaining* position are in favorable conditions, so that shareholders sometimes release it to sell. Stock buying activities occur when the condition and position of shares are less exciting for the market segment, so many want to buy to gain profits by improving access to company management. Similarly, every stock transaction activity, both purchase and sale, has a profit value that can be utilized by shareholders.

The essence of the condition of the stock value for a company will affect investment activities. These activities will experience an increase or decrease related to access to sales and purchase of shares in accordance with the nominal value and appreciation value considered profitable by the shareholders. This is the role of stock buying and selling activities to get profits from real investment activities (Shita, 2004:71).

Nursharf (2003:89) stated that the success of development activities or increasing the selling and buying value of shares has a positive influence on investment activities. On the

contrary, there will be a decline or there will be unconstructive weaknesses in influencing investment market sentiment.

The concrete of an investment activity in principle seeks an understanding of the importance of investment activities that are realized in a country or region that can provide a strong perception for the development of stock ownership activities, including in this case access to sales activities, purchase activities and the number of transaction activities that occur in a stock container.

Marzuki (2003:16) stated that the increase in investment activities that occur in a country, investors always persuade stock value indicators that are corrected according to the level of share purchases, stock sales, and profitable stock transaction activities.

### **National Stability**

In a government or country that has well-running investment activities, it is greatly influenced by the condition of a country, in this case the realization of national stabilization. The underlying theory that the concept of national stability affects investment activities is the safe theory or "safe theory" introduced by Murdock (2000:154) which states that the success of an economic activity in a country must ensure the existence of safe national stability in a country. The economic activities in question are one of which is investment activities. Understanding national stability as a factor that affects investment activities, this is intended to overcome the existence of risk access that can harm or destroy the value of investments formed or held in a country. Therefore, the theory of "risk management" is used to overcome the level of national stability guarantees that affect investment activities (Albert, 2005:8).

On the basis of risk management considerations related to the level of national stability faced by a country, elements of stability need to be anticipated, including the level of security, riots, social inequality, poverty and the existence of political uncertainty that occurs in a country that can cause investment activities to decrease. National stability is basically related to things that endanger, threaten and complicate an investment activity to be realized, therefore the level of concern to make investments needs to be guaranteed by the realization of national stability in the form of increasing the level of security, avoiding various riots, improving social gaps, overcoming poverty problems and not intervening with political nuances (Nasution, 2005:201).

Every economic development activity, including investment activities, requires an atmosphere or nuances to create stable economic conditions to be able to carry out various

accessibility of investment activities properly. Ma'ruf (2001:143) provides an overview that the guarantee of national stability conditions is very decisive for success in making investments. The elements that need to be considered in making an investment are:

1. Paying attention to the security conditions of a country, whether national or domestic or local, which directly affect the accessibility of investment activities.
2. Paying attention to the level of social inequality or vulnerability that has an impact on investment activities, including in this case the existence of unqualified access in obtaining results from investment activities.
3. Pay attention to the occurrence of riots that can pose a risk of losing various investment assets that can harm investors in investing well.
4. Political conflicts that are horizontal and vertical affect the gap that occurs in carrying out investment activities.

## **CONCLUSION**

1. The level of economic growth owned by a region or region is a barometer in seeing the success of the community in strengthening or strengthening its economic sector, so that economic growth indicators are realized, where the real market is squirming, the inflation rate is increasing, the need for high revenue consumption in various aspects of development activities that encourage investors to invest their capital.
2. Stock prices are determined from stock sales activities, purchases and transaction activities that affect the flow of investment activities that occur in a country.
3. Various things that can affect investment activities, one of which is by considering the conditions of national stability that need to be considered in making investments, because if there is an uncontrolled level of security, social inequality, riots, poverty and political nuances that are not harmonious will have an impact on the low investment activities in a country.

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