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Correlation Analysis of the Effectiveness of Licensing Services Towards Regional Revenue of Manado City

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Abstract:

This study aims to see the correlation of the effectiveness of licensing services to local revenue in Manado City. The measure of the success of a region in the development process is usually supported by the increase in the amount of local revenue itself, and the value of regional independence is seen from the increase in regional income.

Regional Original Revenue (PAD) is the region's own original income consisting of taxes, regional levies, income from agencies, BUMD and others, calculated in thousands of rupiah per year (Santosa; Rahayu, 2005)/

The data used in this study is secondary data obtained based on available data and sourced from the Manado City Original Revenue Service with the data provided namely Regional Original Income, Business Licensing, IMB Licensing and Service Quality.

The findings of the study indicate that the One Stop Investment and Service Office does not yet have a good effectiveness value for IMB Licensing, the One Stop Integrated Service and Investment Service has a very good effectiveness value for the Issuance of Business Licensing, the Investment and One Stop Service Office. Pintu has a good score for Service Quality Improvement, IMB Licensing Effectiveness, Business Licensing Effectiveness and Service Quality Improvement have a correlation that is a positive influence but does not have a significant effect on increasing PAD in Manado City.

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INTRODUCTION

Background of the problem

As the Elucidation of Law 23 of 2014 concerning Regional Government, the granting of the widest possible autonomy to regions is directed at accelerating the realization of community welfare through increased

service, empowerment, and community participation. improve competitiveness by taking into account the principles of democracy, equity, justice, privilege and specificity as well as the potential and diversity of regions in the system of the Unitary State of the Republic of Indonesia (Explanation number 1 of Law No. 23 of 2014).

Based on this, the regions are given the authority to carry out several government affairs in order to achieve the purpose of granting Regional Autonomy above. , Transfer income and other legitimate regional income.

Regional Original Revenue (PAD) is income earned by the region which is collected based on regional regulations in accordance with the laws and regulations. Sources of Local Original Income include:

regional taxes, regional levies, the results of the management of separated regional assets, and other legitimate regional original revenues.

In accordance with the mandate of Law 28 of 2009 concerning Regional Taxes and Levies as amended through Law number 11 of 2020 concerning Job Creation, the Regional Government has the authority to collect Taxes and Levies, one of which is Certain Licensing Retribution. Certain Permits are certain activities of the Regional Government in the context of granting permits to individuals or Entities which are intended to foster, regulate, control and supervise activities, use of space, as well as the use of natural resources, goods, infrastructure, certain facilities or facilities in order to protect the public interest. and protect the environment.

Therefore, it is very clear that the granting of certain permits to the community will have a direct impact on Regional Revenue, especially Regional Original Revenue, namely through Regional Retribution Revenue.

Manado City Government in collecting certain Licensing Levies as mandated by the Law regulates the basis for collecting Licensing Retribution through Manado City Regional Regulation Number 5 of 2011 concerning Certain Licensing Retributions where the types of Permits that may be subject to Regional Retribution are: Disturbance Permits, Building Construction Permits, Route Permits Permit for Selling Alcoholic Drinks, Fishery Business Permit.

In its development, the types of permits that may be subject to retribution in accordance with Regional Regulation 5 of 2011 underwent changes to the provisions based on higher laws and regulations, namely the latest with the issuance of Law number 11 of 2020 concerning Job Creation, so that the current City Government of Mando can only collect certain licensing fees from 3 (three) types of permits, namely: Building Construction Permit, Alcoholic Beverage Sales Permit, Route Permit.

In Manado City Regulation 5 of 2018 concerning Retribution for the Extension of Permits to Employ Foreign Workers, the Manado City Government can also collect levies from the Extension of Permits for Hiring Foreign Workers

In addition to the direct impact of licensing on Regional Original Income through certain Licensing Levies, Licensing also has an indirect impact on Regional Original Income through Business Licensing where every business actor who will take care of business licensing is required to have a Fiscal Certificate which means that he has paid taxes and Regional levies such as Cleanliness Retribution, Advertising Tax and Underground Water Tax.

The Manado City Government in providing services to the community has organized an integrated service model, namely the One Stop Integrated Service to provide effective service delivery to the community through the Manado City Investment Office and One Stop Integrated Service. As for the 101 types of licensing and non-licensing services in 2020 the Investment Service and One Stop Integrated Services issued 2,531 as attached in the attachment.

The Manado City Investment and One Stop Integrated Service Office in providing licensing services has carried out various innovations to provide better services to the community in order to improve the quality of service so that the development of community satisfaction values can be achieved.

Based on this, the researchers are interested in seeing the correlation of efforts to increase service effectiveness and service quality carried out by the Manado City One Stop Integrated Service and Investment Service, especially the Service of Building Construction Permits and Business Licensing with increasing Regional Original Income in Mando City related to the two permits. the. These two types of services were chosen because both types of services have a larger contribution or target for PAD revenue compared to revenues from other types of licensing services.

Table 1 PAD Revenue Targets related to Licensing

Permission Type	PAD Revenue Targets related to 2020 Permits
Building permit	Rp. 18,700,000,000,-
Permit for Selling Alcoholic Drinks	Rp. 275,000,000,-
Route Permit	Rp. 0,-
Extension of Permit to Employ Foreign Workers	Rp. 200,000,000,-
Business License	Rp. 13,000,000,000

DPMPTSP Data Source Manado City

Therefore, the researcher raised the title of the research "CORELATION ANALYSIS OF THE EFFECTIVENESS AND QUALITY OF LICENSING SERVICES TOWARDS ORIGINAL REVENUE OF THE CITY OF MANADO"

Formulation of the problem

Based on the research background, the formulation of the problem in this study is:

1. What is the Correlation between the Effectiveness of IMB Licensing Services at the Investment Office and Manado City One Stop Services on Manado City's Original Revenue?
2. How is the Correlation between the Effectiveness of Business Licensing Services at the Investment Office and Manado City One Stop Services on Manado City's Original Revenue?
3. How is the correlation between Quality of Licensing Services and Increasing Local Revenue ?

Research purposes

1. To find out the correlation between the Effectiveness of IMB Licensing Services at the Investment Office and Manado City One Stop Services on Manado City's Local Revenue?
2. To find out the correlation between the Effectiveness of Business Licensing Services at the Investment Agency and Manado City One Stop Services on Manado City's Original Revenue?
3. To find out the correlation between Quality of Licensing Services and Increasing Local Revenue

Benefits of research

The results of this study are expected to provide benefits including:

1. Theoretical Benefits

Theoretically, this research can provide benefits for the development of knowledge in the field of Regional Financial Economics, more specifically related to Increasing Regional Original Income.

2. Practical Benefits

a) For the author, as a means to apply the knowledge that has been gained during lectures through research conducted.

b) For further researchers, this research can be used as a reference and reference material for other researchers in conducting further research.

c) For Local Governments, the results of this study can be used as information and input to be able to provide innovations in the provision of licensing services in order to increase Regional Original Income.

d) For investors, it can be used as a reference in seeing the convenience that can be obtained, especially in the licensing process.

THEORETICAL BASIS

Locally-generated revenue

According to Purbayu Budi Santosa and Retno Fuji Rahayu, Regional Original Revenue (PAD) is the region's own original income consisting of taxes, regional levies, income from agencies, BUMD and others, calculated in thousands of rupiah per year (Santosa; Rahayu, 2005). .

Permissions

In providing Licensing Services, the Manado City Government has delegated all the authority to issue permits under the authority of the Manado City Government to the Investment and One-Stop Integrated Services Agency through Mayor Regulation No. .

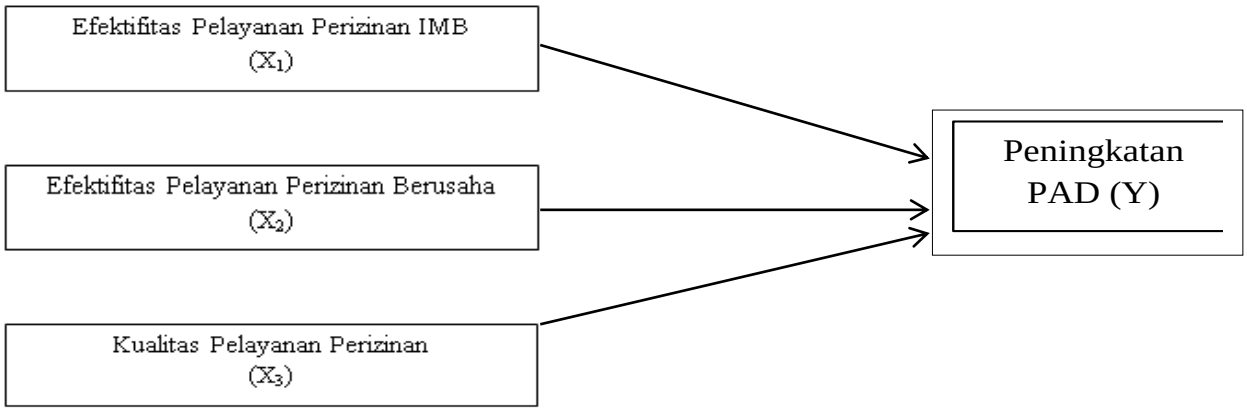
Public Service Quality

To see the quality of public services, government agencies refer to the Community Satisfaction Index. These two assessments are a reference for assessment based on the Regulation of the Minister for Empowerment of State Apparatus Number 17 of 2017 concerning Performance Assessment of Public Service Providers and Minister of State Apparatus Empowerment Regulation Number 14 of 2017 concerning Guidelines for Compilation of Public Satisfaction Surveys for Public Service Providers.

Public Service Effectiveness

Chester I. Barnard (in Gibson, 1994:27), defines effectiveness as the achievement of agreed goals or joint efforts. The level of achievement of the target indicates the level of effectiveness.

Framework



Hypothesis

1. There is a Correlation between the Effectiveness of IMB Licensing Services on Increasing Regional Original Income

2. There is a correlation between the Effectiveness of Business Licensing Services on Increasing Regional Original Income.
3. There is a correlation between the quality of licensing services and the increase in local revenue

RESEARCH METHODS

Data Types and Sources

In this study, researchers will look for causal relationships, namely causal relationships. This study uses a Dual Paradigm with three independent variables where this study will look for the magnitude of the relationship between IMB Licensing Effectiveness (X1) with Increased PAD (Y), Business Licensing Effectiveness (X2) with Increased PAD (Y), Service Quality (X3) with Increased PAD (Y), as well as the relationship between X1 with X2, X2 with X3 and X1 with X3. To find the magnitude of the relationship between X1 together with X2 and X3 to Y, multiple correlations are used. Simple and multiple regressions and partial correlations are used.

Analysis Method

The data analysis techniques used in this study were the validity and reliability of the research questionnaire, the classical assumption test (normality test, heteroscedasticity test, multicollinearity test and autocorrelation test), multiple linear regression analysis, modified multiple linear regression analysis, hypothesis testing F and t, the correlation coefficient and the coefficient of determination.

Classic assumption test

To test the feasibility of the regression model used, it must first meet the classical assumption test. The classical assumption test in this study consists of normality test, heteroscedasticity test, multicollinearity test and autocorrelation test.

Operational Definition and Measurement of Variables

The following is the operational definition of the variables and their measurements used in this study:

a. Increase in PAD is a condition in which the increase in income originating from the receipt of regional taxes and levies:

$$\text{Increase in PAD} = \frac{PADt - PADt\text{-}1}{PADt\text{-}1} \text{ X } 100\%$$

b. The IMB Licensing Effectiveness variable shows the level of effectiveness carried out by the One Stop Integrated Licensing and Investment Office in issuing building construction permits:

$$\text{Effectiveness IMB Licensing} = \frac{\text{Number of IMB Issued}}{\text{Number of Applications}} \text{ X } 100\%$$

c. Variables Effectiveness of Business Licensing shows the ability of the level of effectiveness carried out by the One Stop Integrated Investment and Licensing Service in issuing Business Licensing:

$$\text{Effectiveness Business License} = \frac{\text{Number of Issuance Permits}}{\text{Number of Applications}} \text{ X } 100\%$$

d. The Public Service Quality Ratio is to see an increase in the results of the Public Satisfaction Survey and Public Service Performance:

$$\text{Service Quality} = \frac{KPt - KPt\text{-}1}{KPt\text{-}1} \text{ X } 100\%$$

RESEARCH RESULTS AND DISCUSSION

Data Analysis of Increasing Regional Original Income in Manado City

Based on the analysis of the Original Regional Income Data above, the following results were found:

Table 2 PAD Retribution for Building Permits

Year	Total Rp
2020	10,050,268,430
year 2019	12,869,587,980
2018	11,367,169,980
2017	7,408,093,000
2016 (Initial Data)	22,589,050,900

Data Source: LRA Manado City Government

Table 4.2. PAD From Payment of Fiscal Certificate

Year	PAD through Fiscal Payments (P. Advertisements + P. Groundwater + Ret. Cleanliness			
	Total P Advertisement Rp	Total P Groundwater Rp	Amount of Cleaning Retrieval Rp	Total PAD through Fiscal
2020	4,664,849,627	511.344.137	3,751,338,750	8,927,532,514
2019	8,651,845,032	1,646,220,469	5,258,003,000	15,556,068,501
2018	8,303.122.061	1,534,449,486	4,574,356,250	14,411,927,797
2017	7,842,596,559	835,608.882	5,642,945 000	14,321,150,441
2016 (Initial Data)	8,922,985,528	1,056,926,368	5,503,980,000	15,483,891,896

Data Source: LRA Manado City Government

Table 4.3. Increase in PAD Related to the Granting of Business Licensing

Year	Increase in PAD Related to the Granting of Business Licensing			
	IMB Ret Amount	Total PAD through Fiscal	Total	Increase in PAD
2020	10,050,268,430	8,927,532,514	18,977,800,944	-33.24%
2019	12,869,587,980	15,556,068,501	28,425,656.481	10.27%
2018	11,367,169,980	14,411,927,797	25,779,097,777	18.64%
2017	7,408,093,000	14,321,150,441	21,729,243,441	-42.93%
2016	22,589,050,900	15,483,891,896	38,072,942,796	(Preliminary data)

Data Source: LRA Manado City Government

Based on the data above, it can be seen that the PAD Retribution for Building Permits in Manado City experienced a decrease in PAD in 2017 by 67.20%. The trend of increasing PAD began to occur in 2018 to 2019 which increased by 53.44% in 2018 and 13.22% in 2019. In 2020, there was a decline of 21.91%.

The decrease in PAD for Building Permit Retribution in 2017 was due to a policy that was implemented to withhold the Granting of Permits for All Buildings that crossed the Equivalent Building Line and the very large PAD receipts from 3 IMB Applications in 2016 which were Data Based (Initial Data used) namely the Tower Construction IMB for Monaco Bay in the amount of Rp. 5,846,916,000, IMB Hotel Four Point Rp. 3,311.195,000 and Mantos 3 Rp. 2,173,698,000 which made a significant increase in 2016.

For data on PAD Revenue through the payment of a Fiscal Certificate, it can be seen the current trendalmost the same, namely there was a decline in 2017 and an upward trend in 2018 and 2019 and another decline in 2020.

From the total of the two PAD, it can be seen that there was a decrease in 2017 of -42.93% and in 2020 of -33.24%.

Data Analysis of IMB Licensing Effectiveness

To measure the effectiveness of granting building permits, a comparison will be made between applications for permits that were submitted in year n and how many of these applications were successfully issued in the same year. Based on the existing data, it is found that the level of effectiveness of granting a building permit is as follows:

Table 3. Effectiveness of Building Permits

Building Permit Retribution				
Year	Number of Applications	Number of Issuance Permits	Effectiveness	Description
2020	664	416	62.65%	Less effective
2019	859	581	67.64%	Less effective
2018	659	405	61.46%	Less effective
2017	774	464	59.95%	Less effective
2016	1040	940	90.38%	Less effective

Data Source: DPMPTSP Manado City

From the data above, it can be seen that there has been an increase in effectiveness since 2017 and continues to increase until 2020.

Data Analysis of Business Licensing Effectiveness

Table 4. Effectiveness of Business Licensing

Effectiveness of Building Permits				
Year	Number of Applications	Number of Issuance Permits	Effectiveness	Description
2020	462	429	92.86%	Effective
2019	366	359	98.09%	Effective
2018	1501	1377	91.74%	Effective
2017	1613	1477	91.57%	Effective
2016	1960	1883	96.07%	Effective

DPMPTSP Data Source Manado City

Based on the data above, the effectiveness of Issuing Business Permits at the Manado City Investment and One Stop Integrated Service Office has an average value of above 90% which has continued to increase since 2017 by 91.57% to 92.86% in 2020.

Research Service Quality Data Analysis

Table 5. Increasing the Value of the Community Satisfaction Index

Year	SMI value	Boost Ratio
2020	79,219	-1.41%
2019	80,355	3.93%
2018	77,319	2.09%
2017	75.736	3.40%
2016	73.248	1.83%
2015	71,934	Preliminary data

Data Source: IKM DPMPTSP Book of Manado City

Descriptive Analysis

Table 6 Description of the increase in PAD

	N	Minimum	Maximum	mean	Std. Deviation
Increase in PAD	5	-42.93	36.97	-2.0580	34,44709
Valid N (listwise)	5				

Source: SPSS Ver 25 Data Processing

Table 6 shows a description of the increase in PAD. Based on the results of the study, it can be seen that the minimum value for increasing PAD is -42.93% and the maximum value is 36.97%. The average value is -34,44709%.

Table 7 Description of the Effectiveness of IMB Licensing

	N	Minimum	Maximum	mean	Std. Deviation
Effectiveness of IMB Licensing	5	59.95	90.38	68,4160	12.61274
Valid N (listwise)	5				

Source: SPSS Ver 25 Data Processing

Table 7 shows the Description of Effectiveness of IMB Licensing. Based on the results of the study, it can be seen that the minimum value for IMB Licensing Effectiveness is59.95%and the maximum value is 90.38%. The average value is68.4160%.

Table 8 Description of the Effectiveness of Business Licensing

	N	Minimum	Maximum	mean	Std. Deviation
Business Licensing Effectiveness	5	91.57	98.09	94.0660	2.88545
Valid N (listwise)	5				

Source: SPSS Ver 25 Data Processing

Table 8 shows Description Business Licensing Effectiveness. Based on the results of the study, it can be seen that the minimum value forBusiness Licensing Effectivenessis 91.57% and the maximum value is 98.09%. The average value is 94.0660%.

Table 9 Description of Service Quality

	N	Minimum	Maximum	mean	Std. Deviation
Service Quality Improvement	5	-1.41	3.93	1.9680	2.08236
Valid N (listwise)	5				

Source: SPSS Ver 25 Data Processing

Table 9 shows a description of economic growth. Based on the results of the study, it can be seen that the minimum value forPunlik Service Qualityis -1.41% and the maximum value is 3.93%. The average value is 2.08236%.

Classic assumption test

Normality test

Normality test is used to test whether the regression model has a normal distribution or not. A good regression mode is a regression model that has a normal distribution or is close to normal. Based on the histogram image above, the graph shows that the data is normally distributed because the graph follows the histogram line. In addition to the histogram data, the normality test is also carried out by looking at the pp plot as shown in the figure. Figure 3 shows that the statement that there is no problem in the normality test because based on the graph above, it can be seen that the coordinate points between the observed values and the data follow a diagonal line, so it can be concluded that the data has data that is normally distributed.Test Another normality is also done by looking at the Kolograv Smirnov test which gets a value of 0.200 which means that the data is normally distributed.

Table 10.One-Sample Kolmogorov-Smirnov Test

One-Sample Kolmogorov-Smirnov Test		
		Unstandardized Residual
N		5
Normal Parameters, b	mean	.0000000
	Std. Deviation	22.878813 42
Most Extreme Differences	Absolute	.268
	Positive	.268
	negative	-146
Test Statistics		.268
asymp. Sig. (2-tailed)		.200c,d
a. Test distribution is Normal.		
b. Calculated from data.		
c. Lilliefors Significance Correction.		
d. This is a lower bound of the true significance.		

Source: SPSS Ver 25 Data Processing

Heteroscedasticity Test

This test is used to determine whether the variance of the residuals is not the same for all observations, which causes the estimator to be inefficient and the coefficient of determination to be very high. If from an observation there are different variants, it is called heteroscedasticity.

Figure 4 shows that the heteroscedasticity test shows points that spread randomly and there is no clear pattern formed and in the spread of the points spread below and above the number 0 on the Y axis. This indicates that there is no heteroscedasticity in the regression model, so the data worth using.

Muticollinearity Test

Table 11 *Collinearity Model*

Model	Collinearity Statistics	
	Tolerance	VIF
(Constant)		
Effectiveness of IMB Licensing	0.625	1,601
Business Licensing Effectiveness	0.558	1,791
Service Quality Improvement	0.849	1.178

Source: SPSS Ver 25 Data Processing

Table 11 shows that there is no multicollinearity symptom if the VIF value < 10 and the Tolerance Value produces a value below 1 and above 0.1, it can be concluded that there is no multicollinearity symptom in the regression model.

Multiple Linear Regression Analysis

Table 12 Multiple Linear Regression

Coefficientsa								
Model		Unstandardized Coefficients		Standardized Coefficients	T	Sig.	Collinearity Statistics	
		B	Std. Error	Beta			Tolerance	VIF
1	(Constant)	-261,335	901,776		-0.290	0.820		
	Effectiveness of IMB Licensing	1,731	2,295	0.634	0.754	0.589	0.625	1,601
	Business Licensing Effectiveness	1,433	10,610	0.120	0.135	0.915	0.558	1,791
	Service Quality Improvement	3.086	11,926	0.187	0.259	0.839	0.849	1.178
a. Dependent Variable: Increase in PAD								

Source: SPSS Ver 25 Data Processing

In the multiple linear regression table above, it is found that the constant value is negative, therefore, to get the correct interpretation of the situation, the regression equation becomes Y = b1.X1 + b2.X2 + b3.X3 - α, then the regression equation is found to be Y = 1.731X1 + 1.433X2 + 3.086X3 - 261.335 depicting that the Dependent Variable Increase in PAD (Y) is influenced by the Independent Variables of IMB Licensing Effectiveness X1, Business Licensing Effectiveness X2 and Service Quality X3. the following is the interpretation:

constant (α) of - 261,335is a condition where the Dependent Variable of Increasing PAD (Y) has not been influenced by the Independent Variable of IMB Licensing Effectiveness X1, Business Licensing Effectiveness X2 and Service Quality X3. If the Independent variable does not exist, then the PAD Increase Variable then in this condition should be if the Independent Variables Effectiveness of IMB Licensing X1, Business Licensing Effectiveness X2 and Service Quality X3 have a value of 0 then it can be interpreted that there is no licensing service so that it cannot produce PAD related to IMB and Business Licensing. In this

case, because the Slope value on the independent variable is positive and the classical assumptions have been met, the negative variable on this regression constant can be ignored because basically regression is used to predict Y based on the change in X value,

If the value of the Coefficient b1 which is the regression coefficient of the IMB Licensing Effectiveness (X1) is 1.731, it shows that the X1 IMB Licensing Effectiveness variable has a positive influence on the increase in PAD Y, which means that every 1 unit increase in the X1 variable will affect Y by 1.731 with the assumption other variables were not examined in this study.

If the value of Coefficient b2 which is the regression coefficient of Effectiveness of Business Licensing (X2) is 1,433 shows that the Business Licensing Effectiveness variable X1 has a positive influence on the increase in PAD Y, which means that every 1 unit increase in the X2 variable will affect Y by 1,433 assuming other variables are not examined in this study.

If the value of Coefficient b3 which is the regression coefficient of Service Quality Improvement (X3) is 3.086 shows that the variable of Service Quality Improvement (X3) has a positive influence on the increase in PAD Y, which means that every 1 unit increase in the X3 variable will affect Y by 3.086 assuming other variables are not examined in this study.

Hypothesis Test F and t

Table 13 Hypothesis Testing F and t

Model	t test		F Uji test	
Constant	T	Sig	F	Sig
Effectiveness of IMB Licensing	0.754	0.589	0.422	.779b
Business Licensing Effectiveness	0.135	0.915		
Service Quality Improvement	0.259	0.839		

SPSS Ver 25 Data Processing

In Table 13, it can be seen that the hypothesis testing is as follows:

1. IMB Licensing Effectiveness (X1) has a significance level of p-value = 0.589 > 0.05, from the results of the t table and t-test results, the results are 0.754 < 4.30265. Based on these results, it can be concluded that Ho and H1 are rejected or the Effectiveness of IMB Licensing (X1) does not have a significant effect on increasing PAD (Y).
2. The effectiveness of Business Licensing (X2) has a significance level of p-value = 0.915 > 0.05, from the results of the t table and t-test results obtained 0.135 < 4.30265. Based on these results, it can be concluded that Ho and H2 are rejected or Business Licensing Effectiveness (X2) has no significant effect on increasing PAD (Y).
3. Improved Service Quality (X3) has a significance level of p-value = 0.839 > 0.05, from the results of the t-table and t-test results obtained 0.259 <4.30265. Based on these results, it can be concluded that Ho and H3 are rejected or Service Quality Improvement (X3) has no significant effect on increasing PAD (Y).

Multiple Correlation Coefficient (R) and Coefficient of Determination (R2)

Table 14 Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.748a	0.559	-0.765	45.75763
a. Predictors: (Constant), Service Quality Improvement, IMB Licensing Effectiveness, Business Licensing Effectiveness				
b. Dependent Variable: Increase in PAD				

Source: SPSS 20 data processing, 2019

Table 14 can be seen that the value of the Multiple Correlation Coefficient (R) generated in model 1 is 0.748, which means it has a strong correlation. The value of the coefficient of determination (R2) is 0.559. It means that the Effectiveness of IMB Licensing (X1), Effectiveness of Business Licensing (X2) and Service Quality Improvement (X3) provide almost all the information needed to predict the variation of the dependent variable. The increase in PAD is 55.9% and the rest is 44.1% is explained by other variables that are not known or not investigated in this study.

CONCLUSIONS AND SUGGESTIONS

Conclusion

From the results of the research and discussion above, the following conclusions can be drawn:

1. The Office of Investment and One Stop Integrated Services does not yet have a good effectiveness value for the Issuance of IMB Permits.
2. The Office of Investment and One Stop Integrated Services has a very good effectiveness value for Issuing Business Licensing.
3. The Office of Investment and One Stop Integrated Services has a good value for Service Quality Improvement.
4. IMB Licensing Effectiveness, Business Licensing Effectiveness and Service Quality Improvement have a correlation that is a positive influence but does not have a significant effect on increasing PAD in Manado City.
5. The three variables studied together have a correlation, namely the effect on the increase in PAD by 55.9% but there is still a 44.1% dependence on other factors such as the number of Permit Applications and the amount of Permit Objects applied for.

Suggestion

1. Based on the results of the research and discussion above, the authors provide the following suggestions:
2. The Manado City Government must pay attention to other factors that affect the increase in PAD.
3. The Manado City Government must find steps to increase the number of applications for permits in the city of Manado, especially building permits by carrying out more intensive supervision.
4. Manado City Government can carry out Extensions through Investment Promotions so that more and more Business Actors are doing business in Manado City
5. The results of the research can be used as a reference for the development and deepening of knowledge in Economics, especially in increasing PAD, including by conducting research on other factors that can increase Regional Original Income.

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