

## Content Analysis of Makassar City Regional Regulations on Local Economic Resources Management

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**Abstract :** *Local economic resource (SDEL) management is a crucial aspect of local governance, particularly in the era of decentralization. This study analyzes the effectiveness of Makassar City Regional Regulation (Perda) Number 5 of 2020 concerning SDEL Management through a qualitative content analysis approach, focusing on the principles of good governance. The results indicate that although this Perda provides a basic framework for SDEL management, there are several weaknesses in the implementation of the principles of transparency, accountability, and public participation. Key findings of this study include: Inter-institutional coordination is not clearly regulated, potentially leading to overlapping authority and inefficiency. Public participation remains symbolic and limited to the socialization stage, without inclusive mechanisms for marginalized groups. The policy evaluation system focuses more on administrative outputs than on tangible impacts, such as increased MSME income. The theoretical implications of this study enrich the governmental science literature by highlighting the gap between regulatory design and governance practices at the local level. Practically, these findings can serve as a reference for other local governments in developing more effective and sustainable SDEL management policies.*

**Keywords:** *Local Economic Resources, Governance, Regional Regulations, Community Participation, Makassar City*

**Abstrak :** Pengelolaan sumber daya ekonomi lokal (SDEL) merupakan aspek krusial dalam tata kelola pemerintahan daerah, terutama di era desentralisasi. Penelitian ini menganalisis efektivitas Peraturan Daerah (Perda) Kota Makassar Nomor 5 Tahun 2020 tentang Pengelolaan SDEL melalui pendekatan analisis konten kualitatif, dengan fokus pada prinsip-prinsip tata kelola pemerintahan yang baik (good governance). Hasil penelitian menunjukkan bahwa meskipun Perda ini telah menyediakan kerangka kerja dasar untuk pengelolaan SDEL, terdapat beberapa kelemahan dalam implementasi prinsip transparansi, akuntabilitas, dan partisipasi masyarakat. Temuan utama penelitian ini meliputi: koordinasi antarinstansi belum diatur secara jelas, berpotensi menimbulkan tumpang tindih kewenangan dan inefisiensi, partisipasi masyarakat masih bersifat simbolis dan terbatas pada tahap sosialisasi, tanpa mekanisme inklusif untuk kelompok marginal, sistem evaluasi kebijakan lebih berfokus pada output administratif daripada dampak nyata, seperti peningkatan pendapatan UMKM. Implikasi teoretis penelitian ini memperkaya literatur ilmu pemerintahan dengan menunjukkan kesenjangan antara desain regulasi dan praktik tata kelola di tingkat lokal. Secara praktis, temuan ini dapat menjadi acuan bagi pemerintah daerah lain dalam menyusun kebijakan pengelolaan SDEL yang lebih efektif dan berkelanjutan.

**Kata Kunci:** Sumber Daya Ekonomi Lokal, Tata Kelola Pemerintahan, Peraturan Daerah, Partisipasi Masyarakat, Kota Makassar

## INTRODUCTION

In Indonesia's local governance, the management of local economic resources is very important, especially since the decentralization policy makes local governments the main actors in making and implementing public policies (Agustino, 2020). Municipal governments not only act as regulators in the context of regional autonomy, but also help develop economies that depend on local potential. The

existence of regulations that are flexible, responsive, and focus on the principles of good governance, such as transparency, participation, and accountability, along with the effectiveness and efficiency of public services, are needed for this strategic goal (Dwiyanto, 2021).

As a developing economic center in the Eastern Region of Indonesia, Makassar has enormous local economic resources in the marine, agriculture, tourism, and creative fields (BPS Makassar, 2023). However, the enormous potential has not been fully offset by an ideal system of government. This shows that there is still a difference between making policies at the local government level and implementing them on the ground, especially in terms of inclusive and sustainable management of economic resources (Kurniawan & Setyawan, 2023). Several studies have shown that the success of local economic resource management is highly dependent on the institutional capacity of local governments, regulatory consistency, and the level of community participation in the decision-making process (Kurniawan & Setyawan, 2023).

The management of local economic resources depends on the notion of governance, which emphasizes cooperation between the private sector, government, and civil society (Ansell & Gash, 2018). The complexity of the problems faced in the management of economic resources, including overlapping authority, lack of coordination between regional apparatus organizations (OPD), and lack of human resources in the local government bureaucracy, make this cooperation very important (Mardiasmo, 2020). In addition, as a result of the challenges of globalization and advances in information technology, local governance must innovate to respond to local economic dynamics flexibly and sustainably (Dwiyanto, 2021).

Regional regulations (Perda) are an important tool in the management of local economic resources at the regional level. Regional Regulations help local governments make economic development policies, programs, and initiatives (Prasojo & Riyanto, 2021). Regional Regulation Number 5 of 2020 concerning the Management of Local Economic Resources in Makassar City serves as a basis for optimizing local economic potential. However, it is still unclear whether this Regional Regulation will be effective in encouraging good governance because there are several obstacles in field implementation, such as poor supervision, low community participation, and synergy between stakeholders that is not optimal such as sectoral egos and overlapping authority, minimal sharing of data and information, a dominant top-down approach, a lack of regulatory transparency and differences in the goals and interests of the government and the private sector. (BPS Makassar, 2023).

Makassar City's experience in managing local economic resources shows the difficulties and opportunities faced by local governments in building efficient and accountable governance. A study by Kurniawan and Setyawan (2023) shows that there is still a discrepancy between the actual needs of the community at the grassroots level and the policies made at the legislative and executive levels. This is due to the application of a top-down approach in decision-making and the lack of community participation in the Regional Regulation formulation process. However, according to the contemporary government paradigm, community participation is one of the keys to the success of local governance. In the management of local economic resources, transparency and accountability are important issues in addition to the participation factor. The level of public trust in local governments is greatly influenced by transparency in budget management, benefit distribution, and public oversight mechanisms (Nurmandi et al., 2022). Information disclosure and accountability for program implementation are still challenges in the implementation of the Local Economic Resources Management Regulation in Makassar City. A study conducted by BPS Makassar in 2023 found that only 48 percent of people in Makassar are satisfied with the way the city government manages funds for local economic development. Low levels of satisfaction lead to low public participation in government programs and increased social conflicts as a result of dissatisfaction with the distribution of economic benefits.

The success of local economic resource management is also influenced by the institutional capacity of local governments. Local governments must have a flexible organizational structure, quality human resources, and an effective coordination system between OPDs (Mardiasmo, 2020). However, the facts on the ground show that many local governments, including Makassar City, still face difficulties in building sufficient institutional capacity. One of the main obstacles in implementing local economic resource management policies is the lack of coordination between OPDs, overlapping authority, and lack of data and information integration (Kurniawan & Setyawan, 2023).

In addition to internal factors, changes in national policies, global market pressures, and advances in digital technology are external factors that affect the management of local economic resources. In order not to be left behind in competition both at the regional and global levels, local governments must be able to adjust regulations and strategies for managing economic resources to external changes

(Agustino, 2020). In such a situation, policy changes and regulatory adjustments are essential to maintain the relevance and performance of local governance. National policies such as the 2020–2024 National Medium-Term Development Plan (RPJMN), which emphasizes strengthening the local economy based on local potential, demonstrate the importance of local economic resource management in governance. (Bappenas, 2023). Local governments receive support from the central government to build an inclusive, sustainable, and cooperation-based economic governance model. However, there are still many challenges that hinder the implementation of this policy at the regional level. The most important are regulatory harmonization, program synchronization, and budget and human resource limitations (Nurmandi et al., 2022).

In Makassar, policy harmonization between the central and regional governments is a challenge because development priorities and socio-economic characteristics of communities are different. The Makassar City Government must be able to integrate national policies into local regulations without ignoring local desires and needs. In the process of implementing and formulating public policies, the ability to innovate, adapt, and negotiate is required (Ansell & Gash, 2018). In addition, environmental sustainability is closely related to the management of local economic resources. Local governments must ensure that the exploitation of economic resources can provide long-term benefits for future generations and do not damage ecosystems and the environment (Dwiyanto, 2021). Environmental sustainability is a top priority in the Makassar City Regional Regulation on Local Economic Resources Management. However, this effort still faces a number of problems, such as lack of supervision, lack of public awareness, and limitations of environmentally friendly technology (Kurniawan & Setyawan, 2023).

From a governance science perspective, effective management of local economic resources requires a systemic approach that involves all parties participating in development, both government and private. Local governments must have the ability to build mutually beneficial partnerships, increase institutional capacity, and create mechanisms that allow everyone to participate and supervise (Ansell & Gash, 2018). In addition, to support data-based decision-making, local governments must build a clear and accountable information system (Mardiasmo, 2020). In reality, the management of local economic resources in Makassar City still faces many structural and cultural challenges. Structural challenges include lack of coordination between OPDs, regulatory overlap, limited budgets and human resources. Meanwhile, cultural challenges include a lack of public awareness of the importance of participation in economic resource management as well as a strong patronage culture in local government bureaucracy (Prasojo & Riyanto, 2021). To address this problem, governance reform must be carried out by prioritizing the quality of good governance, policy innovation, and institutional and human resource capacity building.

Local political dynamics, such as the change of regional heads and changes in legislative composition, as well as pressure from interest groups, affect the role of local governments in managing local economic resources. Effective monitoring and evaluation mechanisms are needed to maintain local government accountability and transparency because these political dynamics often affect the sustainability and consistency of policies (Nurmandi et al., 2022). To achieve synergy in the management of local economic resources, local governments must also be able to communicate with all stakeholders. Local governments must be more flexible in dealing with the external environment as the world becomes more digital and global. It is possible for digital transformation in governance to increase the effectiveness, transparency, and accountability of local economic resource management (Dwiyanto, 2021). Web-based public service applications and regional development management information systems are some of the digital innovations that have been initiated by the Makassar City government. However, the practice still needs to be improved in order to reach the entire community and increase public participation. Overall, the way local economic resources are managed in Makassar City shows how local government in Indonesia is changing. The ability of local governments to make flexible regulations, increase institutional capacity, increase community participation, and establish efficient monitoring and evaluation systems are critical to the success of this management. It is hoped that this research will contribute to the development of a more inclusive, transparent, and sustainable model of local governance, particularly with regard to the management of local economic resources during the period of regional autonomy.

## **LITERATURE REVIEW**

One of the main problems in government science research is how to manage local economic resources within the framework of regional autonomy, especially since decentralization has been implemented in Indonesia. With decentralization, local governments have many abilities to make and

implement policies that are in accordance with local characteristics and potentials (Agustino, 2020). However, in reality, many regions face difficulties in maximizing their local economic potential. This is due to poor governance, regulatory chaos, and bureaucratic limitations (Pennington, Cullis, & Groves, 2018). Good governance is one of the main concepts in government science that is relevant to see how local economic resource management is carried out. Good governance is based on principles such as transparency, accountability, participation, effectiveness, and responsiveness (Dwiyanto, 2021). These principles are embodied in the management of local economic resources through clear regulations, community involvement in the decision-making process, and strict oversight of policy implementation. However, hierarchical bureaucratic culture, resistance to change, and lack of policy innovation still often hinder the implementation of good governance principles (Nurmandi et al., 2022).

In research on local economic resource management, the government cooperation model is also an important reference. Collaboration between government, the private sector, and civil society is needed at every stage of policy development (Ansell & Gash, 2018). It is believed that multistakeholder collaboration can strengthen policies, increase legitimacy, and broaden the public support base. However, in real life, this collaboration is often hampered by sectoral egos between regional apparatus organizations (OPDs), a lack of a clear role, and a lack of incentives for non-governmental actors to participate (Nurmandi et al., 2022). For example, the Regional Regulation on Local Economic Resources Management of Makassar City has stipulated the establishment of a working group for coordination, but does not detail regulating the decision-making process and sanctions for organizations that do not cooperate (Kurniawan & Setyawan, 2023).

One of the important elements in local government management is community participation. Community participation in the contemporary government paradigm includes active participation in the process of planning, implementing, and evaluating policies, not just participating in deliberative forums (Dwiyanto, 2021). However, research in Makassar shows that community participation, especially from marginalized groups such as traditional fishermen and micro MSME actors, is only symbolic and has not influenced policy (Kurniawan & Setyawan, 2023). This is in line with research conducted by Prasojo and Riyanto (2021), which states that most regional regulations in Indonesia only regulate participation formally and do not have a clear inclusion mechanism.

In government science, public policy evaluation emphasizes how important it is to use outcome-based metrics rather than administrative outputs. Compared to the number of programs or training provided, outcome indicators, such as increasing community income, MSME growth, or labor absorption, are more able to show the real impact of policies (Mardiasmo, 2020). However, the official performance reports in many places, including Makassar, are still dominated by quantitative metrics that do not show major changes at the community level. Strengthening local governance faces a major challenge because there is a significant difference between the reality of implementation and the objectives of these regulations (Pennington et al., 2018). In the government science literature, in addition to institutional aspects and participation, the integration between regional policies and the sustainable development agenda is also a concern. Heritier (2021) emphasized that the governance of local economic resources must balance economic exploitation and environmental sustainability. However, the Makassar City Regulation on Local Economic Resources Management does not explicitly establish an environmental monitoring mechanism or sanctions for businesses that violate sustainability principles. In addition, international research shows that the level of local government governance is positively correlated with the achievement of green economy indicators such as the use of renewable energy and the reduction of carbon emissions (Héritier, 2021).

Bureaucratic capacity is another key factor that determines the success of local economic resource governance. Research by Nurmandi et al. (2022) found that less than half of local government employees in Indonesia have adequate competence in data-driven policy analysis. In Makassar City, this limitation is reflected in the low utilization of information technology for mapping local economic potential and monitoring programs. Schreier (2012) emphasized that the use of information technology and geographic information systems (GIS) can improve the accuracy of planning, transparency, and the effectiveness of public policies.

Local political dynamics also cannot be ignored in a review of the government science literature. The change of regional heads, changes in political coalitions, and pressure from interest groups often cause policy inconsistencies and fragmentation of development programs (Kurniawan & Setyawan, 2023). Agustino (2020) stated that political stability and leadership commitment are the main prerequisites for the successful implementation of regional policies. Without a strong political

commitment, local regulations risk becoming a tool of short-term interests, rather than instruments of structural transformation and community welfare.

Methodologically, content analysis is one of the approaches widely used in government science studies to evaluate the quality of regulation and policy implementation (Krippendorff, 2019). This approach allows researchers to identify patterns, themes, and meanings in policy documents, as well as relate them to the context of implementation in the field. Content analysis can also be used to compare the quality of regulations between regions, identify gaps between policy design and implementation, and formulate recommendations for improving local governance (Schreier, 2012).

Therefore, this literature review confirms that from a governance science perspective, the management of local economic resources depends on institutional governance, community involvement, bureaucratic capacity, policy integration, and local political dynamics. Previous studies have shown that the success of managing local economic resources depends on the level of governance, not just the potential of the local economy. Using a content analysis approach and governance framework, this study aims to fill gaps in the literature by providing suggestions for improvements that are evidence-based and relevant to local needs.

## **RESEARCH METHODS**

This research uses a qualitative approach, namely exploring Makassar City Regional Regulation Number 5 of 2020 concerning Local Economic Resources Management. To avoid reliance on primary data such as interviews or surveys, this method was chosen because the purpose of the research was to understand the meaning, patterns, and structure of regulatory texts in the context of local governance. The decision not to rely on primary data, such as interviews or surveys, in this study was a deliberate methodological choice, not due to limitations or failures in data collection. The reasons are as follows: 1. Focus on Documents, Not Perceptions: 2. Validity and Consistency of the Methodology: This study used qualitative content analysis as its primary method. This method is specifically designed to use text as the primary unit of analysis. Content analysis is considered an ideal tool because it allows researchers to discover important concepts, inter-clause relationships, and differences between the principles of governance science and policy design (Krippendorff, 2019; Schreier, 2012).

Content analysis in government science includes more than just deciphering texts. It also includes understanding the symbolic meaning and how policies affect governance practices. In public policy studies, qualitative research emphasizes the contextualization of data (Maxwell, 2020). This study uses the theoretical framework of the analysis of the implementation of the law from Pennington et al. (2018), which is focused on the analysis of the institutional structure, coordination mechanism, and evaluation system regulated in the Regional Regulation. In addition, this study uses the concept of government cooperation from Ansell and Gash (2018) to assess the level of stakeholder participation in regulation.

### **Data Sources**

The main source of data for the research is the Makassar City Regional Regulation document Number 5 of 2020 which was downloaded from the official city government portal. This document includes 15 chapters and 78 articles that discuss legal-formal aspects, coordination mechanisms, and economic resource assistance programs. Secondary data was obtained through the performance report of the Makassar City Trade, Cooperatives, and SMEs Office (2020-2023), the 2021-2026 Regional Medium-Term Development Plan (RPJMD) document, and literature related to regional governance. The selection of these data sources is based on relevance to the research theme and the representation of the data to strengthen internal validity.

### **Data collection techniques**

The data collection technique was carried out through text mining by utilizing NVivo software to identify patterns and categories in the text of the Regional Regulation. This process involves three stages: (1) document preprocessing by removing metadata and irrelevant formatting, (2) coding text based on key concepts such as "inter-OPD coordination", "evaluation mechanism", and "community participation", and (3) pattern recognition to group clauses related to governance principles. This approach refers to a study by Krippendorff (2019) that emphasizes the importance of systematization in content analysis.

### **Data Analysis**

Data analysis was carried out through four systematic stages: (1) data familiarization, (2) generating initial codes, (3) searching for themes, and (4) defining and naming themes. In the first stage, the

researcher studied the Regional Regulation document in depth to understand the context, structure, and technical terms used. In the second stage, the researcher identifies units of analysis (text units) such as articles, sentences, or phrases that are relevant to the concept of governance. For example, the clause on "providing fiscal incentives for MSMEs" is coded as "financial support", while the article on "inter-agency coordination" is classified as a "collaboration mechanism".

The third stage involves grouping the codes into large themes based on common meaning. For example, the codes "financial support", "empowerment of business actors", and "monitoring of the programme" are grouped under the theme of "strengthening local economic capacity". Meanwhile, the codes "inter-agency coordination", "the role of Bappeda", and "data integration" are grouped into the theme of "institutional system". In the final stage, the researcher formulated a definition of the theme and compiled an analytical narrative that linked the findings with the theory of government science. This approach is in line with the qualitative analysis model proposed by Schreier (2012) which emphasizes the importance of contextualization in data interpretation.

### **Validity and Reliability**

To ensure internal validity, this study uses a data source triangulation technique by comparing the findings of the Regional Regulation with the performance reports of related agencies. For example, the claim in the Regional Regulation about "providing entrepreneurship training" is confirmed through the data of the official program listed in the annual report. In addition, the researcher conducted member checking by asking for feedback from public policy experts to verify the interpretation of the findings. This technique refers to Creswell's (2020) recommendation on the importance of accuracy in qualitative research.

Reliability is guaranteed through intercoder reliability test between researchers. After the coding process was completed, two independent researchers verified the suitability of the code and the resulting theme. The agreement percentage is calculated using the formula:

$$\text{Agreement} = \frac{\text{Number of Code Conformities}}{\text{Total Analyzed Codes}} \times 100$$

The test results showed a consensus percentage of 85%, which was considered adequate to guarantee the consistency of the analysis. This approach is in line with a study by Krippendorff (2019) that emphasizes the importance of systematization in content analysis.

### **Application of Theoretical Frameworks**

The content analysis in this study is strengthened by the theoretical framework of policy implementation analysis Pennington et al. (2018) which emphasizes the importance of understanding the interaction between institutional structures, operational procedures, and bureaucratic capacity in policy implementation. In the context of the Makassar Regional Regulation, this framework is used to evaluate the extent to which the clauses in the Regional Regulation have regulated the coordination mechanism between OPDs, the supervision system, and performance indicators. For example, an analysis of the article on "formation of a coordination team" is carried out by comparing it to the concept of collaborative governance by Ansell and Gash (2018) which emphasizes the importance of synergy between the government, the private sector, and the community.

### **Research Ethics**

This research adheres to the principles of academic ethics by ensuring the confidentiality of data and sources. Due to the nature of the data as a public document, researchers do not need to obtain ethical approval from the ethics committee. However, the researcher still adheres to the principle of transparency by clearly stating the source of the data in the research report. In addition, the researchers avoided duplication of data and ensured all citations followed the 7th edition of the APA standard.

### **Research Limitations**

This research has several limitations that need to be considered. First, content analysis only includes Regional Regulation documents without taking into account external factors such as political dynamics or pressure from interest groups. Second, the interpretation of the text is subjective even though triangulation has been carried out. Third, this study is limited to one case (Makassar City), so the findings cannot be generalized to other regions. This narrowness is recognized as part of the characteristics of qualitative research that focuses on depth of analysis rather than scope (Maxwell, 2020).

## RESULTS AND DISCUSSION

This study analyzes Makassar City Regional Regulation (Perda) Number 5 of 2020 concerning the Management of Local Economic Resources through a qualitative content analysis approach, focusing on aspects of regional governance. Qualitative content analysis in this study was conducted systematically to evaluate the quality and substance of Makassar City Regional Regulation (Perda) Number 5 of 2020. This approach not only focuses on what is written (manifest content), but also on its meaning, implications, and conformity with the principles of good governance (latent content). The analysis procedures carried out are Determining the Unit of Analysis, Developing a Categorization Framework, Coding and Data Extraction Process and Synthesis and Interpretation of Findings. Analysis was carried out on the structure of the Regional Regulation document, the clauses that regulate the inter-institutional coordination mechanism, and the policy evaluation system. The findings of the study show that this Regional Regulation has contained a basic framework for the management of local economic resources, but there are still inconsistencies in the implementation of good governance principles, especially related to transparency, accountability, and community participation (Pennington et al., 2018; Ansell & Gash, 2018).

### *Analysis of Legal-Formal Aspects and Institutional Coordination*

From the content analysis, Makassar City Regulation Number 5/2020 regulates the institutional structure of local economic resource management through the formation of a coordination team involving the Trade Office, the Marine Service, and the Cooperative Service. This clause is in line with the concept of collaborative governance which emphasizes the importance of inter-agency synergy in achieving policy objectives (Ansell & Gash, 2018). However, an analysis of articles related to coordination shows that the Regional Regulation does not explicitly regulate the decision-making mechanism, budget allocation, or performance indicators of the coordination team. This has the potential to lead to overlapping authority and ineffective implementation, as identified in a study by Pennington et al. (2018) on the challenges of interagency coordination in governance.

In addition, the Regional Regulation regulates the provision of fiscal incentives for micro, small, and medium enterprises (MSMEs), such as regional tax exemption and the provision of access to funding through regional financial institutions. Analysis of this clause shows that fiscal incentives are partially regulated without linking them to the impact assessment mechanism. In fact, a study by Mardiasmo (2020) emphasizes that fiscal incentives must be followed by an outcome-based monitoring system to ensure the effectiveness of budget allocation. These findings show that the Regional Regulation has not integrated legal-formal aspects with the principle of accountability in resource allocation.

### *Community Participation in the Policy Cycle*

The content analysis approach also reveals the dynamics of community participation in the management of local economic resources. The Regional Regulation regulates community involvement through development planning deliberations (Musrenbang) and public consultation forums. However, these clauses do not specifically regulate participation criteria, representative selection mechanisms, or the degree of influence of community decisions on policy design. This analysis is in line with the findings of a study by Nurmandi et al. (2022) which showed that 60% of regional regulations in Indonesia only regulate community participation symbolically without ensuring the inclusivity and representativeness of marginalized groups. In Makassar City, analysis of the performance reports of related agencies shows that community participation is still reactive, limited to the policy socialization stage, and does not involve the community in the planning or evaluation phase. This phenomenon indicates the dominance of a top-down approach in local governance, as criticized in a study by Prasojo and Riyanto (2021) on fiscal decentralization in Indonesia. In fact, the concept of inclusive governance emphasizes the importance of active community participation in the entire policy cycle to ensure the sustainability and legitimacy of policies (Dwiyanto, 2021).

### *Policy Evaluation and Accountability System*

Analysis of the evaluation mechanism in the Regional Regulation shows that local governments rely on internal agency reports as a basis for performance assessment. The articles on evaluation do not regulate measurable performance indicators, a public complaint system, or the involvement of independent oversight agencies. These findings are in line with a study by Kurniawan and Setyawan (2023) which found that 70% of regional regulations do not have a transparent and participatory evaluation mechanism. In the context of government science, a weak evaluation system has the potential to reduce public accountability, especially related to budget management and the distribution of policy benefits.

In addition, analysis of the agency's performance reports shows that policy evaluation is more procedural than outcome-based. For example, the performance report of the Cooperatives and SMEs Office only records the number of trainings held without measuring the increase in business capacity or labor absorption. In fact, a study by Pennington et al. (2018) emphasizes that an effective evaluation system must measure the real impact of policies on performance targets. These limitations indicate that the Regional Regulation has not adopted the principle of evidence-based policy that has become a trend in modern governance.

### ***Implementation Challenges and Policy Recommendations***

Based on the findings of the analysis, the implementation of Makassar City Regulation Number 5/2020 faces three main challenges: (1) weak coordination between agencies, (2) limited bureaucratic capacity in supervision, and (3) low participation of marginalized communities. In the context of governance science, this challenge reflects the complexity of local governance faced by many regions in Indonesia, as identified in a study by Nurmandi et al. (2022).

To overcome the challenges of inter-agency coordination, this study recommends the establishment of a multi-stakeholder coordination mechanism involving Bappeda, related agencies, and community representatives. This mechanism must be clearly regulated in the revised Regional Regulation by including the authority, meeting schedule, and reporting system. This recommendation is in line with the concept of collaborative governance by Ansell and Gash (2018) which emphasizes the importance of a clear institutional structure in facilitating inter-stakeholder synergy.

In the aspect of community participation, this study suggests the development of information technology-based participation mechanisms, such as digital platforms for complaints of regulatory violations or electronic voting systems in Musrenbang. This approach can increase inclusivity and transparency of participation, as proposed in a study by Dwiyanto (2021) on e-government in local governance.

To strengthen the evaluation system, this study recommends the integration of outcome-based performance indicators in the Regional Regulation, such as the percentage of MSMEs that gain market access or increase in business revenue. In addition, local governments need to establish a supervisory system involving independent institutions, such as the Regional Public Policy Institute (LKPD), to ensure accountability for policy implementation. This recommendation is in line with the principles of good governance which emphasizes the importance of transparency and accountability in budget management (Prasojo & Riyanto, 2021).

### ***Theoretical and Practical Implications***

The findings of this study provide a theoretical contribution to the government science literature by showing how regulatory design affects the effectiveness of local governance. An analysis of the Makassar City Regional Regulation identified a pattern of gaps between policy design and implementation practices, which can serve as a reference for similar case studies in other areas. This research also strengthens the argument that policy implementation analysis should consider structural factors, such as bureaucratic capacity and coordination mechanisms, as proposed by Pennington et al. (2018).

From a practical perspective, this study provides concrete recommendations for the Makassar City government to revise Regional Regulation Number 5/2020 by strengthening aspects of coordination, participation, and evaluation. This recommendation is also relevant for other local governments that face similar challenges in the management of local economic resources. In addition, the findings of the research can serve as a reference for civil society organizations in monitoring policy implementation and fighting for the rights of marginalized communities. Methodologically, this study shows that content analysis can be an effective tool for evaluating the quality of regulation, especially when primary data is not available. However, this approach requires further development by integrating network analysis to map interagency relationships in policy implementation. This integration can deepen understanding of the dynamics of coordination and the forces that influence local governance.

### ***Conclusion***

From a governance science perspective, these findings show how regional policy design can be a strategic instrument to strengthen bureaucratic capacity, build public participation, and create an effective accountability system.

Based on the analysis of the Regional Regulation document, the Makassar City government has shown a commitment to adopting the principles of good governance. For example, the provision of fiscal incentives for MSMEs reflects efforts to strengthen the transparency of budget allocations, while the



establishment of an inter-agency coordination team reflects the intention to increase accountability. However, the implementation of these principles is still partial. Although the Regional Regulation regulates the mechanism of community participation through Musrenbang, its implementation is still reactive and does not accommodate the aspirations of marginalized groups such as traditional fishermen or smallholders. This indicates that local governments have not fully internalized the concept of inclusive governance as part of governance.

From a transparency perspective, this Regional Regulation has not fully met the expected standards. Although it regulates the obligation of local governments to announce MSME assistance programs, the document does not include adequate information disclosure mechanisms, such as the disclosure of budget allocation data or beneficiary selection criteria. In fact, previous studies have shown that information transparency is a crucial factor in building public trust in the government. This confusion risks increasing the potential for abuse of authority and conflicts of interest in policy implementation.

The implementation of the Regional Regulation also faces obstacles in terms of human resource capacity. The performance reports of the relevant agencies show that most bureaucratic employees do not understand the concept of collaborative governance or how to manage data for outcome-based evaluation. As a result, the implementation of programs such as MSME assistance is more administrative than strategic. In fact, previous studies have shown that adequate human resource capacity is the main prerequisite for the successful implementation of public policies. This shortcomings indicate that local governments have not fully prioritized bureaucratic capacity building as part of governance reform.

This research also provides an important lesson for other regions in Indonesia that the success of local economic resource management is highly determined by the quality of governance. Each region must be able to identify specific local potentials, challenges, and needs, as well as design policies that are responsive, inclusive, and sustainable. Local governments must also continue to learn and innovate in developing governance models that are in accordance with local characteristics and dynamics.

As a final reflection, the biggest challenge in managing local economic resources does not lie in the limitation of resources or the complexity of regulations, but in the political will, integrity, and capacity of local governments to make changes. Governance reform must be the main agenda that continues to be sought, not only for the effectiveness of policies, but also for the sake of social justice and the sustainability of future development.

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