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Enhancing economic development through investment management in South Sulawesi, Indonesia

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Abstract

This study explores the role of investment management in boosting economic development in South Sulawesi, Indonesia, a region rich with natural resources and substantial economic potential. Despite its assets in agriculture, mining, and maritime sectors, South Sulawesi faces challenges that hinder its economic progress, primarily due to declines in export sectors that were once thriving. This research assesses the effectiveness of local governmental initiatives and the impact of both domestic and international investments in leveraging the province's economic capacities towards sustainable growth. Employing a qualitative research methodology over ten months, the study engaged with local government officials, business leaders, and community representatives through interviews and direct observations across several locales, including East Luwu, Maros, and Gowa Regencies. The findings reveal that while investment has increased, inefficiencies in bureaucratic processes and a lack of skilled government officials present significant obstacles. The paper recommends strategic approaches to enhance investment appeal, such as simplifying administrative procedures, fostering skilled governance, and intensifying promotion and training efforts. These strategies aim to catalyze long-term economic resilience and prosperity in South Sulawesi, contributing valuable insights into the dynamics of regional development and governance.

Keywords: Economic Development; Investment Management; South Sulawesi; Natural Resources; Export Dynamics; Governance and Policy; Indonesia

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1. Introduction

South Sulawesi possesses a unique economic landscape characterized by a wealth of natural resources that bolster its competitiveness against foreign products, enhancing regional income and contributing significantly to economic growth. The province is endowed with abundant natural resources across various sectors, including agriculture, forestry, plantations, maritime affairs, mining, and excavation. These sectors not only serve as pivotal contributors to national production but have also achieved global recognition through extensive exports.

In historical terms, South Sulawesi has achieved notable acclaim, particularly in the production of cocoa, which previously ranked third worldwide, boasting production revenues of approximately 720,000 tons annually. Moreover, the region is recognized as one of the largest seaweed producers in Indonesia, a status confirmed by data from the Ministry of Marine Affairs and Fisheries (*Kementerian Kelautan dan Perikanan, KKP*). The highlands of South Sulawesi are also famous for cultivating Arabica coffee, regarded among the top ten globally. In terms of agriculture, South Sulawesi reports a rice production of 2.92 million tons, contributing significantly to the total production of milled dry unpulled grain (*Gabah Kering Giling, GKG*) which stands at 5.09 million tons. This substantial output underscores South Sulawesi's role as a critical food storage area, meeting the rice supply needs of several regions across Indonesia.

Despite these robust capabilities, South Sulawesi faces challenges with declining exports in its agricultural sector, signaling a downturn in its leading commodities. This decline poses a risk to 18 different components of the region's economic sectors. If this trend continues unchecked, South Sulawesi risks diminishing its stature as a major contributor to national production, which is renowned globally for its extensive exports.

This study is imperative as it addresses two main concerns: firstly, the efficacy of regional government initiatives aimed at developing and maximizing the province's economic potential, and secondly, the level of engagement from both local and international investors. The research will evaluate how regional governments harness these economic opportunities to build competitive advantages and foster innovation in the export of key commodities, as highlighted by Inayah (2016). It also examines the role of comprehensive regional and local policies in optimizing the use of these economic potentials as advocated by Ibnu Redjo (2013).

Furthermore, this research underscores the importance of enhancing community participation in supporting regional economic programs. Effective utilization of local resources not only contributes to sustainable development but also supports the maintenance of infrastructure and natural resources, an essential aspect detailed by Utami and Mardiana (2017). The primary questions this research aims to answer include evaluating the performance of regional governments in developing these potentials and their success in drawing investments that bolster regional economic programs.

Prior research into the economic dynamics of South Sulawesi, including studies by Maddatuang et al. (2021), Fattah and Rahman (2013), and Rahman (2023), have largely focused on general economic growth without delving into strategic investment development for managing the province's superior economic potential. This gap in research highlights the need for a focused study that can provide strategic insights and recommendations to the South Sulawesi provincial government. The objective is to foster policies that not only increase investment but also catalyze sustainable economic growth.

By addressing these gaps, this research intends to offer actionable insights that can guide policy decisions aimed at enhancing the economic well-being of South Sulawesi. It seeks to contribute to the broader discourse on regional development strategies, emphasizing the pivotal role of governance and investor engagement in shaping economic outcomes. Ultimately, the study aims to serve as a foundational resource for policymakers, investors, and community stakeholders interested in fostering a resilient and prosperous economic environment in South Sulawesi.

2. Research literature

2.1. Regional economic potential

Regional economic potential, as defined by Sumihardjo in Subagiyo (2017), encompasses natural resources, artificial constructs, and human capital that can be leveraged to enhance community welfare and foster regional development. This potential significantly influences the livelihoods of the majority of the population and is a critical driver of labor absorption in the region. Tomo (2012) highlights that the prosperity of a region directly correlates with its unique economic potential and structural characteristics, emphasizing that regional disparities are primarily due to these intrinsic differences.

2.2. Employee performance

According to Kasmir (2015), employee performance is determined by the completion of tasks and responsibilities within a specified timeframe, with key performance indicators including quantity, quality, timelines, attendance, and teamwork (Mathis and Jackson, 2006). Kasmir also identifies multiple factors affecting performance, ranging from individual abilities and knowledge to broader organizational culture and work environment. Remarkably, Sumihardjo (2008) argues that enhancing regional capabilities necessitates improving the moral and operational qualities of regional government officials. This includes promoting qualities like honesty, proactiveness, and innovation, which are essential for effective governance. Moreover, public administration officials often face challenges in swiftly responding to regulatory changes, impacting sectors from welfare to security, as noted by Saggaf et al. (2018). Lino and Therik (2019) further discuss the need for addressing issues beyond economics, such as the impact of regionalism and ethnic biases on the effectiveness of governance.

2.3. Investment dynamics

Investment is pivotal in boosting regional economic activity and creating employment, thereby elevating national income and overall prosperity (Sukirno, 2017). Prasojo, as cited by Syaihu (2012), discusses how investments in capital goods not only generate jobs but also integrate new production factors into the economy, which can significantly mitigate unemployment. Local governments play a key role in facilitating this process by enhancing the business environment through improved licensing processes and infrastructural development. Moreover, the participation of the community in investment decisions is vital for sustainable development, as Uphoff (1992) and Mulyawan (2012) note. They argue that active community involvement ensures that developmental projects align with the actual needs and aspirations of the people, thereby maximizing the benefits of investments. However, the extent of community participation is often contingent upon the political will of the governing bodies, which can either foster or hinder collective engagement (Hajar et al., 2018).

3. Materials and methods

This study employed a qualitative research design, aiming to provide a detailed and comprehensive analysis of the performance of local government officials in the development of investments. As outlined by Sugiyono (2017), the qualitative approach is ideal for exploring complex phenomena through rich, contextual descriptions that provide deep insights into the underlying dynamics and nuances of the issues at hand.

3.1. Duration and location

The research spanned a period of ten months, from March 2023 to August 2023. It was conducted across the province of South Sulawesi, which comprises 24 provinces. For the purposes of this study, a random sampling technique was used to select three provinces, focusing on East Luwu, Maros, and Gowa Regencies. These locations were chosen due to their significant economic activities and the presence of diverse investment initiatives by local governments.

3.2. Research instruments

The primary research instrument was the researcher, acting as the key instrument, who employed tailored interview and observation guidelines to ensure the collection of relevant and detailed data. The guidelines were developed to address specific aspects of local government performance in investment development, informed by preliminary reviews of existing economic reports and policy documents related to the region's investment climate.

3.3. Data collection methods

Data collection involved two primary methods:

- Interviews: Semi-structured interviews were conducted with a range of informants, including local government officials, business leaders, and community representatives. These interviews were designed to elicit detailed responses on the effectiveness of investment-related initiatives and the role of government actions in facilitating or hindering investment growth.
- Observations: Direct observations were made in administrative and business settings, providing insights into the practical implementation of policies and the interaction between government officials and investors.

3.4. Data Analysis

Data analysis was twofold:

- Primary data analysis: This involved a thorough examination of interview transcripts to extract significant statements and themes related to government performance in investment development.

The analysis focused on identifying patterns, discrepancies, and emerging themes that provided a deeper understanding of the effectiveness of policy implementation and its impact on regional development.

- Secondary data analysis: Involved the systematic review of available regional data, including economic performance indicators, investment records, and development reports documented by various governmental and non-governmental entities. This data was used to construct a contextual framework that supported the interpretation of primary data, assessing the correlation between stated policies and actual outcomes observed in the field.

4. Results

4.1. Economic performance of agriculture, fisheries, trade dynamics, and mining

4.1.1. Agricultural sector

In the first quarter of 2023, the growth of agricultural business fields in South Sulawesi decelerated to 0.55%, a significant decline from the 6.75% growth recorded in the fourth quarter of 2022. This slowdown was predominantly driven by challenges in the food crop sub-fields, particularly impacted by adverse weather conditions. Rice production, a major component of this sector, increased by 16.83%, which was less than the 18.25% growth seen in the previous quarter. Although rice production faced constraints, the area harvested in South Sulawesi expanded from 17.58% to 18.86% during this period. This suggests an increase in the cultivation area, despite the weather-related decrease in rice productivity that is expected to persist throughout the quarter.

4.1.2. Fisheries sector

Contrary to agriculture, the fisheries sector exhibited growth, with overall fisheries production rising by 3.22% in the first quarter of 2023, recovering from a contraction of 3.36% in the previous quarter. This growth was largely attributed to mariculture, which constitutes 62.58% of the total fisheries production volume in Sulawesi. In addition, the performance of marine capture fisheries, which represent 7.56% of the sector, showed improvement, supporting the overall positive trend in fisheries despite the stagnant performance in pond aquaculture during this period.

4.1.3. Export and import dynamics

The overall export performance of South Sulawesi experienced a downturn in the first quarter of 2023, achieving only a 3.97% growth rate, a significant decrease from the 15.47% growth observed in the fourth quarter of 2022. This slowdown reflects broader economic trends and fluctuations in global market demand. However, it is noteworthy that non-oil and gas exports from the region bucked this trend, expanding by 22.55%, up from 11.83% growth in the previous quarter. This sector's resilience is mainly attributed to robust exports of matte nickel, iron, steel, oil seeds, and medicinal products including seaweed, which collectively represented shares of 55.10%, 17.09%, and 9.79%, respectively.

Most notably, the matte nickel exports, largely sourced from East Luwu Regency, continued to dominate the export portfolio. Despite this strength, the first quarter of 2023 saw a slowdown in other key commodities such as iron and steel, including nickel pig iron, which contracted by 1.21% after a strong growth of 37.29% in the prior quarter. This contraction also impacted on the fisheries sector, where the export of fish and shrimp fell from 7.59% to 4.56%, largely due to adverse weather conditions that affected production levels.

4.1.4. Mining and quarrying business field performance

The mining and quarrying sectors in South Sulawesi saw substantial growth in the first quarter of 2023, with an overall performance increase of 15.06%, a significant rise from 4.69% in the previous quarter. This growth was primarily fueled by the nickel matte industry, which has rebounded strongly following the completion of extensive furnace maintenance in mid-June 2022. As a result, nickel matte production surged to 16,769 tons, marking a 21.28% increase from the previous quarter's output of 4.89%. This production primarily catered to export markets, with nickel matte exports soaring to 54.49%, up from 14.60% in the previous quarter.

This upward trend in the mining sector was further supported by stable high global prices for nickel, which remained elevated at $25.97 thousand USD/MT in the first quarter of 2023, compared to $25.46 thousand USD/MT in the preceding quarter. However, the global market for nickel showed signs of volatility, with price declines driven by an oversupply amid tepid demand. The majority of the global demand for nickel products, crucial for manufacturing components for electric vehicles, faced pressures while the construction sector, which predominantly uses nickel in stainless steel production, continued to experience limited demand. This was partly due to the slow recovery of China’s economic activities following the cessation of its Zero Covid Policy.

The robust performance of the mining and quarrying sectors is instrumental in positioning South Sulawesi as a critical player in the global nickel market. The resurgence in production capabilities, aligned with the normalization of operational activities post-maintenance, and supported by favorable global economic conditions, particularly the reopening of China’s economy, underscores the strategic importance of these sectors. This dynamic suggests that South Sulawesi’s mining output is well-placed to meet the growing international demand, contributing significantly to the region’s economic resilience and growth trajectory.

4.2. Investment in South Sulawesi's leading economic potential

Investment activity in South Sulawesi, as indicated by the Gross Fixed Capital Formation (GFCF) metric, showed significant improvement in the first quarter of 2023. This period saw a GFCF increase of 5.72%, a notable recovery from a contraction of -0.65% in the fourth quarter of 2022 and a year-on-year increase from a growth rate of 3.31% in 2022. This positive trend correlates with a rise in business confidence following the government's decision to abolish the PPKM policy, a move that has evidently spurred investment activities. The SKDU investment results further substantiate this growth, with a recorded WNB (Weighted Net Benefit) of 3.41% in the first quarter, up from 2.32% in the preceding quarter.

The surge in investment is particularly significant in a province like South Sulawesi, known for its considerable investment potential. Data from the Ministry of Investment and the Investment Coordinating Board (*Badan Koordinasi Penanaman Modal, BKPM*) reveals that capital investment for the first quarter of 2023 amounted to IDR 2.24 trillion (3,354 projects) for Domestic Investment (*Penanaman Modal Dalam Negeri,* *PMDN*) and USD 54.24 million (259 projects) for Foreign Direct Investment (*Penanaman Modal Asing, PMA*). Overall, the total capital investment reached IDR 3.05 trillion, marking a growth of 42.08% compared to IDR 2.14 trillion in the same quarter of the previous year. This investment was predominantly channeled into four key sectors: agriculture, forestry, tourism, and mining. The distribution of investment across these key sectors is illustrated in Table 1, which provides a detailed breakdown of the amounts and percentages allocated to each sector until July 2023. Among these, the mining sector dominated, contributing IDR 1.029 trillion to the total investment value, which stands at IDR 1,115,704,760,000.

Table 1. Investment value of 4 business fields in South Sulawesi until July 2023

No	Sector	Amount in IDR	Percentage (%)
1	Agriculture	20.000.000.000	1,73
2	Forestry	1.284.760.000	0,11
3	Tourist	100.000.000.000 *	8,69
4	Mining	1.029.000.000.000	89,45
	Total	1.150.284.760.000	100

Source: Department of Agriculture, Forestry, Tourism and Mining

This robust investment environment is supported by favorable financing conditions. Bank credit for investment projects grew by 11.36% in the first quarter of 2023, significantly higher than the 4.19% growth recorded in the previous quarter. Notably, a substantial portion of the investment growth was driven by non-building investments, including a remarkable increase in the import of capital goods, which surged to 20.21% from 9.36% in the prior quarter. Moreover, the specific component of capital goods imports, excluding transportation, saw a growth increase from 17.64% in the fourth quarter of 2022 to 32.39% in the first quarter of 2023.

In addition, governmental investments in building and infrastructure have also seen significant growth, as evidenced by the South Sulawesi Provincial Government's capital expenditure, which reached IDR 14.95 billion in the first quarter of 2023, a dramatic increase of 379.97% compared to the same period last year. This substantial increase underscores the government's commitment to bolstering economic growth through strategic infrastructural development.

4.3. Department promotion and collaboration in raising investment

Investment development in South Sulawesi is significantly influenced by the promotional activities and collaborative efforts between various governmental agencies. Throughout 2023, regional governments have leveraged the province's unique economic strengths to boost investment. According to survey data, 33% of regional government officials reported actively promoting investment and fostering collaboration across governmental levels. In addition, 3.7% engaged with external promotional institutions, while 9.2% received direct investment proposals from investors. These figures highlight a proactive approach by local and provincial government officials in attracting and facilitating investment, though there is room for increased involvement from external promotion bodies to amplify investment attraction efforts further.

The duration of investment contracts typically ranges from 5 to 10 years, particularly in the mining sector, reflecting a commitment to long-term development. However, the governance structure overseeing the mining sector, currently centralized at the provincial level, has sparked discussions about decentralizing management authority back to city and district governments. Such a shift could enhance local oversight and enable more tailored and responsive governance, potentially smoothing out bureaucratic inefficiencies and fostering a more collaborative atmosphere between regional and provincial authorities.

Moreover, the process of obtaining investment permits is often complicated by the involvement of multiple government service units, typically between three to five agencies. This multiplicity not only stretches the permit issuance timeline—taking anywhere from 6 to 14 working days for standard investment permits to 1 to 5 months for mining exploration permits—but also heightens the risk of bureaucratic inefficiency. The extended processing times have led to investor dissatisfaction, with some opting to cancel their investment plans. This issue underscores a critical area for reform, aiming to streamline procedures to enhance the efficiency of service delivery.

Efficient governance in this sector is imperative to mitigate risks such as collusion, corruption, and nepotism, which are considerable concerns given the lucrative nature of investment projects. Ensuring that the bureaucratic system is not only coordinated but also transparent and accountable is essential for maintaining investor confidence and enthusiasm.

To address these challenges, it is recommended that South Sulawesi's governmental agencies implement a series of reforms aimed at simplifying the investment process. This includes reducing the number of agencies involved in permit approvals, enhancing inter-departmental coordination, and fostering an environment of transparency and accountability. Establishing clear guidelines and a streamlined process for investment permits can significantly reduce wait times and bureaucratic hurdles, thereby enhancing the overall investment climate.

Implementing these changes requires a concerted effort from all levels of government to commit to good governance practices that prioritize efficiency, transparency, and the active involvement of both the public and private sectors. By doing so, South Sulawesi can ensure a stable, attractive environment for both current and future investors, ultimately contributing to the region's economic growth and stability.

4.4. Recognition of officials in developing investment

Effective investment development in regions with substantial economic potential hinges critically on the quality of personnel engaged in these efforts. In South Sulawesi, the caliber of government officials who manage investment initiatives has come under scrutiny. The lack of recognition for officials’ efforts in this area is notable, with 89% of officers never having received an award for their work in investment, highlighting a potential underappreciation or undervaluation of their contributions. Only 11% have been acknowledged with awards, which might indicate a gap in recognizing and incentivizing high-quality work in the investment sector.

Despite these challenges, the proficiency of these officials in executing their assigned duties is commendable, with 99% completing tasks on time. However, there is a noticeable deficiency in skills that are crucial for fostering investment, such as promotion, networking, and collaboration. Particularly, skills in foreign language proficiency and the ability to forge connections with both foreign and domestic investors are essential for accelerating investment inflows but are currently lacking.

Moreover, about 74% of officials are capable of crafting detailed work plans for investment development, although only half do so consistently. This inconsistency in plan execution could be contributing to the shortfall in reaching investment targets each quarter. This issue is compounded by the fact that while 64% of officers possess adequate knowledge relevant to their field, only 53% have the requisite expertise to apply this knowledge effectively, suggesting a disconnect between knowing and doing that can impede innovation and effective investment management.

To enhance investment values substantially, beyond improving coordination between institutions, there is a pressing need for skilled and qualified government officials. Observational research shows that while 65% of the workforce displays high enthusiasm in their roles, this positive attribute must be matched with robust skill development programs. Investing in continuous education and training can bridge the skill gap, ensuring that officials are not only eager but also well-equipped to manage and promote investment opportunities effectively.

Leadership within these institutions plays a pivotal role in mobilizing the necessary resources to foster investment. The study finds that 74% of leaders are effectively guiding their teams, with democratic leadership practices that respect and build upon the achievements and aspirations of their team members. This supportive leadership is critical for nurturing the potential of human resources, which, in turn, drives innovation and the strategic development of financial and technological resources.

To bolster the effectiveness of these efforts, it is recommended that leadership training and development programs be enhanced and that a system for recognizing and rewarding exemplary work in investment development be established. Such initiatives will ensure that officials are not only motivated but also have the necessary tools and support to excel in their roles. This holistic approach to developing human capital, supported by clear and effective leadership, is essential for South Sulawesi to realize its full investment potential and achieve sustainable economic growth.

5. Discussion

Based on the comprehensive review and analysis conducted, several key conclusions can be drawn about the economic and investment landscape in South Sulawesi during the first quarter of 2023.

5.1. Agricultural and fisheries sectors

The agricultural sector witnessed a slowdown, growing only by 0.55% compared to 6.75% in the previous quarter, primarily due to adverse weather conditions affecting food crop production. Conversely, the fisheries sector exhibited robust growth, achieving a 3.22% increase, largely driven by enhancements in marine aquaculture practices.

The mining sector experienced significant growth of 15.06%, a substantial improvement from the 4.69% in the previous quarter. This growth was principally fueled by the recovery of the nickel matte industry following the completion of extensive maintenance on production facilities in mid-June 2022.

5.2. Investment dynamics

Investment activities showed a marked improvement, with GFCF increasing by 5.72% from a contraction in the previous quarter. This surge underscores South Sulawesi's growing reputation as a region with high investment potential. Capital investments reached IDR 3.05 trillion, reflecting a 42.08% growth over the same period in the previous year, driven by both domestic and foreign capital inflows.

5.3. Promotion and collaboration

There has been a concerted effort from regional governments to promote investment opportunities and foster collaborations. Approximately 33% of regional officials engaged in investment promotion activities, with a significant focus on enhancing partnerships across government levels and with external promotional institutions. However, there is a need to optimize these collaborations further to attract more investor engagement and capital.

5.4. Recognition and professional development of officials

Despite the critical role of officials in investment development, only 11% have received awards recognizing their contributions, suggesting an area for improvement in acknowledging and incentivizing exemplary work. Furthermore, the development of investment-related skills among officials is imperative, as evidenced by the existing gap in strategic planning and execution capabilities.

5.5. Capacity building and leadership

There is a significant need for ongoing education and training programs to enhance the skills necessary for effective investment management. This includes the ability to devise and implement detailed work plans that encompass investment promotion, assessment of investment feasibility, and resource allocation.

Effective leadership is important in this context. Leaders within governmental institutions must continue to foster a culture of innovation and resource mobilization, ensuring that the human, financial, and technological resources are aligned with the region's strategic investment goals.

5.6. Strategic recommendations

To further enhance investment values and economic growth, South Sulawesi needs to strengthen inter-institutional coordination and harness the expertise of government officials more effectively. This involves not only technical skills but also the capacity for strategic thinking and innovation.

The leadership within governmental bodies should prioritize the professional development of their teams, focusing on both skill enhancement and motivational strategies to maximize productivity and strategic impact.

5.7. Future outlook

The leadership strategies implemented thus far have shown promising results, but continuous improvement is necessary to sustain growth and adapt to evolving economic conditions. Leaders should remain adaptable, responsive to feedback, and committed to democratic principles that value the contributions and development of their personnel.

This discussion highlights the multifaceted approach needed to cultivate a thriving economic environment in South Sulawesi, emphasizing strategic investment, effective management, and the pivotal role of skilled and recognized officials in driving regional development.

6. Conclusion

The findings from this research highlight a mixed economic performance across various sectors in South Sulawesi during the first quarter of 2023. While the agricultural sector experienced a slowdown, recording only a 0.55% growth due to adverse weather impacts on crop yields, the fisheries and mining sectors showed notable improvements. The fisheries sector, driven by advancements in marine aquaculture, saw a growth of 3.22%, and the mining sector, particularly buoyed by the nickel industry, grew by 15.06%.

In terms of investment, there has been a significant effort from regional authorities to promote and facilitate investment, which has shown positive outcomes as evidenced by the increase in both domestic and foreign capital investments. However, the study also points out an important gap in the recognition and development of the officials responsible for managing these investments. There is a need for enhancing the capabilities and recognition of these officials to ensure sustained economic development.

Based on these insights, the following recommendations are made to the South Sulawesi provincial government:

- *Implement technology-driven agricultural policies*: There is an urgent need for the adoption of technology-based management practices in agriculture to mitigate the effects of adverse weather and improve crop productivity. This could include the use of advanced irrigation systems, weather forecasting tools, and genetically modified crops that are more resilient to climate variability.
- *Simplify investment processes*: To attract more investors and streamline the investment process, it is necessary to simplify administrative procedures related to external investments. This simplification could involve reducing the number of steps required to register and approve new investments and enhancing the transparency of the process to build investor confidence.
- *Enhance investment promotion efforts*: Continuous and dynamic promotion strategies are essential to attract and retain investors. This involves not only advertising the region's economic potential but also actively engaging with potential investors through roadshows, investment summits, and direct consultations to understand and address their needs and concerns.
- *Invest in official training and recognition programs*: To improve the quality and effectiveness of officials managing investments, targeted training programs that focus on skill enhancement in areas such as strategic planning, project management, and negotiation should be implemented. In addition,

establishing a system of recognition and incentives for outstanding work in investment development can motivate officials and highlight the importance of their roles.

- *Further research and strategy development*: It is recommended that further research be conducted to develop more detailed strategies that can increase investment inflows. This research should focus on identifying specific barriers to investment in the region and proposing tailored solutions to overcome these challenges.
- *Foster leadership development:* Leadership within governmental and administrative bodies should be strengthened to ensure effective management and implementation of policies. This includes training leaders to better mobilize resources, manage teams, and drive innovation within their departments.

By addressing these recommendations, South Sulawesi can better leverage its natural and human resources to foster a more robust and dynamic economic environment, ensuring sustainable growth and *development* in the future.

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