Research Article

COLLABORATIVE GOVERNANCE-BASED REGIONAL INVESTMENT MANAGEMENT STRATEGY TO FOSTER SUSTAINABLE ECONOMIC GROWTH IN MUNA REGENCY

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Abstract

Regional investment serves as a strategic instrument for boosting economic growth, creating jobs, and supporting sustainable development. Muna Regency possesses significant potential in the agriculture, fisheries, tourism, mining, and micro-enterprise sectors; however, investment realization remains suboptimal due to weak coordination among Regional Government Agencies (OPD), sectoral ego, infrastructure limitations, ineffective licensing bureaucracy, and a lack of synergy among the government, the business sector, the community, and higher education institutions. This study aims to analyze a regional investment management strategy based on collaborative governance to foster sustainable economic growth in Muna Regency. A qualitative approach with a case study design was employed. Informants were selected purposively, comprising local government officials, investors, the Regional House of Representatives (DPRD), academics, MSME players, community leaders, and civil society organizations. Data were collected through in-depth interviews, observation, document analysis, and Focus Group Discussions (FGD), then analyzed using an interactive model involving data reduction, data display, and conclusion drawing. The results indicate that investment governance is not optimally integrated, thereby hindering the effectiveness of regional investment policies. The implementation of collaborative governance—through the dimensions of principled engagement, shared motivation, capacity for joint action, and collaborative action—was proven to enhance cross-sector coordination, strengthen trust among stakeholders, accelerate investment services, and produce policies that are more adaptive to regional needs. This study proposes a collaborative governance-based regional investment management model that positions the government as a facilitator, the private sector as a development partner, the community as a social overseer, and higher education institutions as providers of knowledge and innovation. The model contributes to creating a conducive investment climate and driving sustainable regional economic growth.

Keywords: Regional investment; Collaborative Governance; Economic Growth; Sustainable Development; Muna Regency.

1. Introduction

In the era of decentralization, regional economic development positions investment as a strategic instrument for boosting productivity, creating jobs, broadening the economic base, and enhancing public welfare. Investment is no longer viewed merely as capital accumulation but as a driver of economic transformation capable of enhancing regional competitiveness through innovation, productivity gains, and the strengthening of local economic capacity. In this regard, the Organisation for Economic Co-operation and Development (OECD, 2022) emphasizes that quality investment must generate inclusive economic growth, boost productivity, strengthen regional competitiveness, and create long-term economic value through transparent, accountable, and sustainable governance. Consequently, the success of an investment is measured not only by the volume of incoming capital but also by its contribution to economic development and the improvement of community well-being.

In the context of national development, the Indonesian government continues to reform investment policies by simplifying regulations, digitizing licensing systems, strengthening integrated one-stop services, and enhancing legal certainty for business actors. These reforms aim to increase investment attractiveness, accelerate economic growth, and reduce regional development disparities. However, the implementation of investment policies at the local level still faces various obstacles, including suboptimal inter-agency coordination, overlapping authority, limited bureaucratic capacity, and a lack of integration between development planning and investment management strategies. The OECD (2023) explains that successful investment development relies heavily on the quality of governance, characterized by effective institutional coordination, transparency in decision-making, accountability, and the institutional capacity to integrate various development policies.

Muna Regency is a region in Southeast Sulawesi Province that possesses significant natural resource potential. This potential spans the agriculture, fisheries, livestock, and marine tourism sectors, as well as agro-processing industries and mineral resources that offer promising investment prospects. Such potential should serve as a key asset in driving regional economic growth and improving the welfare of the local community. However, the contribution of investment to the Gross Regional Domestic Product (GRDP) of Muna Regency remains relatively low compared to its economic potential. This situation indicates that the significant resource potential has not yet been fully matched by the local government's capacity to manage and attract investment optimally.

One factor hindering optimal investment in Muna Regency is the limited synergy among Regional Government Agencies (OPD) in supporting investment development. Activities ranging from development planning, infrastructure provision, and licensing services to investment promotion and the oversight of investment implementation tend to operate in a fragmented, sectoral manner. Consequently, investment processes become inefficient, service times lengthen, transaction costs rise, and investor confidence in the local government fails to reach its full potential. According to the OECD (2023), weak cross-sector coordination is a primary cause of ineffective public policy implementation, as it impedes the integration of development programs and diminishes the quality of services provided to investors.

The complexity of managing local investment demonstrates that successful economic development depends not only on the volume of incoming capital but also on the quality of governance. In recent years, the "Collaborative Governance" approach has emerged as a widely adopted paradigm for enhancing the effectiveness of government administration. This approach emphasizes the importance of collaboration among the government, the private sector, academia, the community, and other stakeholders in formulating policies, implementing development programs, and collectively addressing public issues. Linåker and Runeson (2022) explain that cross-organizational collaboration can improve coordination, accelerate decision-making, strengthen knowledge exchange, and foster more adaptive innovations compared to bureaucratic approaches that operate in isolation.

The implementation of collaborative governance has become increasingly important because, in the modern era, investment-related development can no longer be carried out exclusively by the government. The government acts as a regulator, facilitator, and policy coordinator; the business sector serves as the primary driver of investment; higher education institutions provide research-based innovation; the public functions as a social watchdog; and the media plays a role in fostering information transparency. Such multi-stakeholder collaboration can enhance the quality of development planning, strengthen the legitimacy of public policy, mitigate conflicts of interest, and create a more conducive investment climate. The World Bank (2023) emphasizes that regional economic development is more effective when the government establishes strong partnerships with the private sector and the community through participatory, transparent, and accountable governance.

Beyond strengthening governance, regional investment management must also align with the sustainable development paradigm. Modern investment aims not only for economic growth but must also consider social sustainability, environmental preservation, and good organizational governance—collectively known as Environmental, Social, and Governance (ESG) principles. According to Zioło et al. (2023), applying ESG principles to investment has been shown to enhance regional economic resilience, boost investment competitiveness, reduce development risks, and create sustainable economic value for the community. Therefore, regional investment strategies must be comprehensively designed to integrate economic, social, and environmental objectives in a balanced manner.

Based on the foregoing, it is evident that the primary challenges in investment management in Muna Regency lie not merely in resource limitations or the volume of incoming investment, but also in suboptimal coordination among regional government agencies (OPD), a lack of integration between development policies and investment strategies, and limited collaboration among stakeholders. These conditions highlight the need for a regional investment management strategy rooted in collaborative governance—one capable of integrating local government, the business sector, academia, the community, and other stakeholders into an effective coordination system. Through this approach, it is expected that the quality of investment services will improve, regional competitiveness will strengthen, investor confidence will increase, and economic growth in Muna Regency will proceed in an inclusive and sustainable manner.

2 . LITERATURE REVIEW

2.1. Regional Investment

Investment is a key instrument in economic development, serving to enhance production capacity, expand employment opportunities, raise public income, and foster sustainable economic growth. From a regional economic perspective, investment acts as a driving force that generates a multiplier effect through increased production, consumption, and trade activities, as well as the creation of economic value-added.

Classical economic growth theory posits that investment constitutes capital accumulation (capital formation), contributing to increased output and productivity. Furthermore, endogenous growth theory—developed by Romer (1986) and Lucas (1988)—explains that long-term economic growth is also determined by investments in human capital, innovation, technology, and institutions. Recent literature indicates that investment is no longer viewed merely as a financial outlay but as a strategic instrument requiring effective and collaborative governance.

According to Mariana Mazzucato (2023), high-quality public investment can drive economic transformation when supported by institutional capacity, cross-sector coordination, and policies oriented toward public value. Similarly, Dani Rodrik (2023) emphasizes that institutional quality, regulatory certainty, stakeholder coordination, and transparent, accountable governance are primary factors in enhancing regional investment competitiveness.

Moreover, the Organisation for Economic Co-operation and Development (2022) states that local governments play a crucial role in fostering an investment climate through infrastructure provision, the streamlining of licensing processes, service digitalization, and strengthened collaboration with the private sector. This view is reinforced by the World Bank (2023), which asserts that bureaucratic efficiency, legal certainty, infrastructure quality, policy stability, and ease of doing business are key determinants of a region's investment appeal. In the Indonesian context, the Ministry of Investment and Downstreaming/Investment Coordinating Board (2024) explains that increasing regional investment is achieved through the implementation of risk-based licensing (Online Single Submission), regulatory simplification, the accelerated resolution of investment barriers, and the strengthening of synergy between the central and regional governments.

From the perspective of local government, regional investment encompasses all capital investment activities undertaken by both the public and private sectors to enhance the region's economic capacity. Its success is influenced by the quality of public services, legal certainty, infrastructure, human resource quality, the ease of obtaining permits, and the effectiveness of governance.

Muna Regency possesses investment potential in the agriculture, fisheries, livestock, marine tourism, manufacturing, trade, energy, and mining sectors. However, this potential has not yet fully succeeded in attracting investment optimally. This situation demonstrates that investment appeal is determined not only by the availability of natural resources but also by the effectiveness of investment governance, coordination among regional government agencies, service quality, and policy certainty capable of boosting investor confidence.

2.2 Regional Investment Management

Regional investment management is a managerial process encompassing the planning, organizing, implementation, control, and evaluation of investment activities aimed at generating economic, social, and environmental benefits for regional development. This management approach focuses not only on increasing realized investment but also on creating value-added, expanding employment opportunities, and enhancing regional competitiveness in a sustainable manner.

According to the OECD (2022), effective investment management must be grounded in principles of good governance, such as transparency, accountability, regulatory certainty, and inter-agency coordination. Meanwhile, UNCTAD (2023) emphasizes the importance of integrated investment policies, institutional strengthening, and efficient investment facilitation systems to boost investment attractiveness while supporting sustainable development.

From a public management perspective, investment management reflects a governance model that demands cross-sector collaboration, data-driven decision-making, and high-quality public services. Operationally, regional investment management comprises seven key stages: (1) investment planning; (2) policy formulation; (3) investment promotion; (4) licensing services; (5) investment facilitation; (6) control; and (7) monitoring and evaluation. These stages are interconnected and involve various Regional Government Agencies (OPD).

However, the implementation of investment management at the regional level still faces various obstacles, such as sectoral silos among agencies, program duplication, weak coordination, a lack of integrated investment databases, limited promotion, and suboptimal public service quality. These conditions indicate that investment management often remains fragmented and lacks effective coordination.

Therefore, a collaborative governance approach is required—one capable of integrating the roles of the government, the private sector, and other stakeholders. This approach is expected to strengthen cross-sector coordination, enhance policy effectiveness, and foster a conducive investment climate to drive sustainable regional economic growth.

2.3 Collaborative Governance

Collaborative governance is a public administration paradigm emphasizing cooperation among government, the private sector, civil society, academia, and other stakeholders to resolve complex public issues. This approach has emerged because governments can no longer resolve various development challenges independently; thus, cross-sector synergy is required to produce policies that are more effective, participatory, and sustainable (Bryson et al., 2022; Torfing & Ansell, 2023).

Conceptually, collaborative governance is defined as a public decision-making process involving government and non-government actors within formal, consensus-oriented joint forums aimed at formulating and implementing public policy (Ansell & Gash, 2008). In the context of regional investment management, this approach is crucial because investment success is heavily influenced by coordination among regional government agencies (OPD), regulatory certainty, the quality of public services, and the participation of the business community and the public (OECD, 2023).

According to Emerson, Nabatchi, and Balogh (2012), a Collaborative Governance Regime (CGR) consists of four interconnected dimensions: principled engagement, shared motivation, capacity for joint action, and collaborative action.

1. Principled Engagement

Principled engagement is the process of building a shared understanding through dialogue, problem identification, negotiation, and the formulation of collective goals. In regional investment management, this dimension is realized through investment coordination forums, inter-agency meetings, public consultations, focus group discussions (FGDs), business forums, and the participatory formulation of regional investment plans (Bryson et al., 2022).

2. Shared Motivation

Shared motivation describes the development of trust, commitment, legitimacy, and a sense of mutual ownership among stakeholders. In investment management, this dimension is reflected in service transparency, legal certainty, open communication, and a shared commitment to creating a conducive investment climate (Torfing & Ansell, 2023).

3. Capacity for Joint Action

Capacity for joint action refers to the institutional capacity to implement collaboration through leadership, regulations, resources, funding, information technology, human resource capacity, and coordination systems. In Muna Regency, this capacity involves synergy among the DPMPTSP, Bappeda, PUPR, the Agriculture Agency, the Marine and Fisheries Agency, the Tourism Agency, the Legal Affairs Division, the Regional House of Representatives (DPRD), and village governments to support regional investment management (OECD, 2023).

4. Collaborative Action

Collaborative action represents the tangible implementation of collaborative efforts through joint programs and policies. In the context of regional investment management, this implementation encompasses integrated investment promotion, the streamlining of licensing procedures, the development of supporting infrastructure, the advancement of MSMEs, the development of economic zones, and collaborative investment oversight (Bryson et al., 2022).

These four dimensions form a mutually reinforcing cycle of collaborative governance. Principled engagement fosters mutual understanding, shared motivation strengthens trust, capacity for joint action provides the necessary institutional capabilities, and collaborative action drives policy implementation. The application of these four dimensions serves as a crucial foundation for enhancing the effectiveness of regional investment management, creating a conducive investment climate, and fostering sustainable regional economic development.

2.4 Sustainable Economic Growth

Sustainable economic growth is a process of increasing economic activity that enhances societal well-being in a sustainable manner while simultaneously considering social aspects and environmental preservation. This concept emphasizes that economic growth is measured not only by increases in Gross Regional Domestic Product (GRDP) or per capita income but also by the capacity to foster inclusive development, reduce inequality, and safeguard natural resources for future generations (OECD, 2023; United Nations, 2023).

Within the framework of the Sustainable Development Goals (SDGs)—specifically Goal 8 (Decent Work and Economic Growth)—investment is viewed as a strategic instrument to drive high-quality economic growth. It achieves this by boosting productivity, creating decent jobs, alleviating poverty, promoting equitable income distribution, strengthening regional economic resilience, and ensuring environmental protection (United Nations, 2023; World Bank, 2024).
In line with evolving development paradigms, investment is no longer oriented solely toward achieving short-term economic profits. Investments that disregard social and environmental factors risk causing environmental degradation, the exploitation of natural resources, and widening social inequality. Consequently, modern investment practices are increasingly directed toward adopting Environmental, Social, and Governance (ESG) principles, which integrate environmental sustainability, social responsibility, and good governance into every stage of the investment process (World Bank, 2024; OECD, 2023).

In the context of regional development, sustainable economic growth can only be realized if investments are managed effectively through collaborative governance and supported by adaptive policies, regulatory certainty, and synergy among the government, the business sector, and the community. Thus, investment not only stimulates regional economic growth but also generates lasting economic, social, and environmental benefits.

2.5 The Relationship Between Collaborative Governance and Investment Management
Collaborative governance is closely linked to the success of regional investment management. According to Emerson and Ahn (2022), collaborative governance is a cross-sectoral cooperation system involving the government, the private sector, and the community in decision-making and policy implementation processes to generate public value that a single organization could not achieve independently. This approach emphasizes the importance of coordination, trust, shared commitment, and collective action capacity in resolving complex public issues, including regional investment management.

In the context of investment management, inter-agency collaboration among government bodies is a crucial factor in creating a conducive investment climate. Effective coordination among Regional Government Agencies (OPDs) enables policy synchronization, the acceleration of licensing processes, the provision of supporting infrastructure, and improved public service quality for investors. Through such collaboration, various administrative obstacles can be minimized, making the investment process more effective, efficient, and transparent.

Various studies indicate that the quality of collaborative governance positively influences regional investment performance. Effective collaboration can boost investor confidence, strengthen legal certainty, enhance bureaucratic efficiency, accelerate investment service processes, and drive an increase in realized investments. Conversely, weak inter-agency coordination can lead to overlapping authority, policy conflicts, sluggish licensing processes, and increased transaction costs, ultimately dampening investor interest in placing capital in a region.

According to Emerson, Nabatchi, and subsequent developments regarding the concept of Collaborative Governance Regimes, the success of collaboration is largely determined by the presence of principled engagement, shared motivation, and capacity for joint action; these elements simultaneously generate collaborative action and result in improved public policy performance. In regional investment management, these three dimensions serve as the foundation for synergy among OPDs across various stages—from planning, promotion, licensing services, and investment monitoring to the integrated resolution of investment obstacles. Thus, collaborative governance can be viewed as a key strategy for managing regional investment, as it enables the integration of diverse interests, enhances the effectiveness of cross-sector coordination, improves the quality of investment services, and fosters a more competitive investment climate. Ultimately, the implementation of collaborative governance not only boosts investment realization but also contributes to sustainable regional economic growth.

3. RESEARCH METHODOLOGY
3.1 Research Design
This study employs a qualitative approach with a case study design to gain an in-depth understanding of collaborative

governance-based regional investment management in Muna Regency. A qualitative approach was selected for its ability to explore the collaboration processes among stakeholders, the dynamics of coordination across Regional Apparatus Organizations (OPD), and the factors influencing both the success and obstacles associated with investment management. According to Creswell and Poth (2023), qualitative research aims to understand social phenomena in depth from the participants' perspectives within a natural setting, while a case study design enables researchers to examine a phenomenon comprehensively within a real-life context.

The selection of Muna Regency as the research site is based on its characteristics as an archipelagic region possessing investment potential in the agriculture, fisheries, tourism, and natural resource sectors, yet still facing various challenges in fostering a conducive investment climate. Consequently, this study focuses on analyzing collaborative governance practices in investment management—encompassing inter-agency coordination, stakeholder synergy, and strategies that contribute to improving the investment climate and achieving sustainable economic growth.

3.2 Research Location

This research was conducted in Muna Regency, Southeast Sulawesi Province. The location was selected purposively because Muna Regency possesses significant investment potential in the agriculture, fisheries, livestock, tourism, trade, and manufacturing sectors, yet the realization of this investment remains suboptimal. Furthermore, investment management requires strengthened coordination among Regional Government Agencies (OPD) to enhance the effectiveness of services, promotion, and investment development. The Muna Regency Government's efforts to strengthen the investment climate—through the simplification of licensing procedures and the development of economic zones—make this region a relevant site for studying collaborative governance in regional investment management.

3.3. Research Informants

Research informants were selected using a purposive sampling technique, specifically targeting individuals possessing knowledge, experience, and direct involvement in regional investment management. Where necessary, the study also employed snowball sampling to identify additional informants based on recommendations from primary informants. According to Creswell and Poth (2023), this technique enables researchers to obtain in-depth information relevant to the research focus.

The informants in this study consist of:

1. Head of the Investment and One-Stop Integrated Service Agency (DPMPTSP).
2. Head of the Regional Development Planning Agency (Bappeda).
3. Head of the Public Works and Spatial Planning Agency (PUPR).
4. Head of the Industry and Trade Agency.
5. Head of the Agriculture Agency.
6. Head of the Marine and Fisheries Agency.
7. Head of the Tourism Agency.
8. Members of the Regional House of Representatives (DPRD) overseeing development and investment.
9. Domestic Investors (PMDN).
10. Micro, Small, and Medium Enterprise (MSME) operators.
11. Academics with expertise in public policy or investment.
12. Community leaders.
13. Representatives of civil society organizations.

The number of informants was not predetermined; instead, it was established based on the principle of data saturation—the point at which the information obtained reaches a state of saturation and no new data relevant to the research focus is found.

3.4. Research Focus

This research focuses on analyzing regional investment management strategies based on collaborative governance to foster sustainable economic growth in Muna Regency. Collaborative governance is understood as an approach involving the government, the private sector, the community, and other stakeholders in joint decision-making and policy implementation processes to achieve public goals that cannot be effectively attained by a single actor alone. Recent studies indicate that the success of collaborative governance is heavily determined by the quality of interaction, institutional capacity, leadership, and the ability to create public value through cross-sector collaboration.

This research adapts the Collaborative Governance Regime (CGR) model developed by Emerson, Nabatchi, and Balogh (2012), which remains a primary conceptual framework and continues to be developed in contemporary research. The research focuses on the following four dimensions:

1. **Principled Engagement:** The process of interaction among stakeholders through dialogue, communication, coordination, negotiation, the formulation of shared goals, and the drafting of agreements regarding regional investment management. Recent research shows that the quality of actor engagement during the initial stages of collaboration is crucial for effective policy implementation and the successful achievement of shared goals.

2. **Shared Motivation:** The level of trust, commitment, legitimacy, mutual understanding, and sense of mutual ownership among stakeholders. According to recent studies, shared motivation serves as social capital that strengthens the sustainability of collaboration, enhances accountability, and reduces the potential for inter-organizational conflict.

3. **Capacity for Joint Action**: Institutional capacity encompassing human resources, regulations, budgets, information systems, leadership, and coordination mechanisms that support the implementation of collaboration. Adequate institutional capacity enables each actor to perform their role effectively, allowing the collaboration to produce investment policies that are more responsive and sustainable.

4. **Collaborative Action**: The tangible implementation of collaborative outcomes through the formulation and execution of investment policies, investment promotion, licensing services, investor facilitation, as well as the monitoring and evaluation of investment implementation. Recent studies confirm that the success of collaborative governance is measured by the ability to generate collective action capable of creating public value and enhancing regional development performance.

These four dimensions are analyzed in an integrated manner to explain how a collaborative governance-based regional investment management strategy can improve the investment climate, strengthen stakeholder synergy, and drive sustainable regional economic growth in Muna Regency.

3.5 Data Collection Techniques

Data collection was carried out using several techniques to obtain comprehensive information and enhance the credibility of the research findings through data triangulation, as follows:

1. In-depth Interviews

Semi-structured interviews were conducted using an interview guide developed based on the Collaborative Governance Regime dimensions proposed by Emerson, Nabatchi, and Balogh (2012). This technique aimed to explore the informants' experiences, perceptions, and strategies regarding regional investment management based on collaborative governance principles.

2. Observation

Direct observations were conducted regarding investment service processes, coordination meetings, investment forums, and the activities of Regional Apparatus Organizations (OPD) related to investment management. This technique aimed to obtain a factual overview of the implementation of collaborative governance.

3. Document Study

The document study involved examining various relevant documents, including the Muna Regency Medium-Term Regional Development Plan (RPJMD), the Regional Government Work Plan (RKPD), the Strategic Plan (Renstra) of the Investment and One-Stop Integrated Service Agency (DPMPTSP), Investment Activity Reports (LKPM), data on realized Domestic Direct Investment (PMDN) and Foreign Direct Investment (PMA), OPD performance reports, local regulations and regent regulations concerning investment, and regional statistical documents serving as supporting data for the research.

4. Focus Group Discussion (FGD)

The FGD involves local government officials, business stakeholders, academics, and community leaders to gather input, confirm research findings, and validate the proposed strategy for local investment management based on collaborative governance.

3.6 Data Analysis Techniques

Data analysis in this study employs the interactive analysis model developed by Miles, Huberman, and Saldaña (2014), conducted continuously from the data collection phase through to the completion of the research. The analysis stages include:

1. Data Reduction (Data Condensation): Selecting, coding, simplifying, and categorizing data obtained from interviews, observations, and documentation in alignment with the research focus.
2. Data Display: Organizing data into narratives, matrices, tables, or charts to facilitate a systematic understanding of the relationships between categories and research findings.
3. Conclusion Drawing and Verification: Interpreting findings by identifying patterns, themes, and inter-concept relationships, while continuously verifying the data to ensure valid conclusions.
4. These three stages proceed in an interactive and iterative manner, resulting in credible findings regarding the strategy for local investment management based on collaborative governance.

3.7 Data Validity

The validity of the data in this study is ensured through the application of verification techniques to guarantee the credibility, dependability, confirmability, and transferability of the findings. The techniques employed include:

1. 1.Source triangulation: comparing information obtained from local government, investors, the community, academics, and the Regional House of Representatives (DPRD).
2. Technique triangulation: utilizing interviews, observation, documentation, and focus group discussions (FGD).
3. Member checking: confirming the researcher's interpretations with informants to ensure accuracy of meaning.
4. Peer debriefing: discussing findings with colleagues or experts in the fields of public administration and investment to obtain feedback on the analysis.
5. Audit trail: systematically documenting the entire research process so that every stage can be traced and accounted for.
6. The application of these techniques aims to enhance the trustworthiness of the research results, ensuring that the findings possess validity and are scientifically defensible.

3.8 Research Ethics

This study is conducted in accordance with ethical research principles to protect the rights, privacy, and interests of informants and to uphold scientific integrity. The ethical principles applied include:

1. 1.Explaining the research objectives, benefits, and procedures to each informant prior to data collection.
2. 2.Obtaining voluntary informed consent from all informants, free from any coercion.
3. 3.Maintaining the confidentiality of informants' identities and personal information in accordance with the consent provided.
4. Using all research data solely for academic purposes and ensuring the security of the data obtained.
5. Upholding objectivity, independence, and integrity throughout the processes of data collection, analysis, and reporting.
6. The application of these ethical principles is intended to ensure responsible research conduct that respects informants' rights and yields findings that are credible and scientifically defensible.

4. RESEARCH RESULTS

4.1 General Overview of Muna Regency

Muna Regency is a regency in Southeast Sulawesi Province that holds a strategic position in the economic development of the island region. Covering an area of approximately 2,057 km², Muna Regency possesses natural resource potential—dominated by the agriculture, fisheries, and coastal sectors, as well as karst landscapes—that serves as a primary asset for regional investment development.

The economic structure of Muna Regency remains dominated by the agriculture, forestry, and fisheries sectors, which are the main contributors to the Gross Regional Domestic Product (GRDP). Additionally, the trade, construction, services, and tourism sectors continue to grow, although the contribution of investment to the GRDP has not yet reached its full potential relative to the region's capabilities.

Through the Investment and One-Stop Integrated Service Agency (DPMPTSP), the Muna Regency Government continues to drive increased investment by simplifying licensing procedures, promoting investment, digitizing services, and strengthening coordination among regional government agencies. However, investment management still faces challenges, including limited infrastructure, suboptimal institutional coordination, and a lack of integration between investment policies and regional development planning.

4.2 Regional Investment Conditions in Muna Regency

Based on interviews with key informants from the Regional Investment and One-Stop Integrated Services Agency (DPMPTSP), the Regional Development Planning Agency (Bappeda), and an analysis of regional planning documents, the findings indicate that investment performance in Muna Regency exhibited a positive upward trend during the 2021–2025 period. Nevertheless, investment realization consistently fell short of the targets established by the local government.

Table 4.1. Investment Performance in Muna Regency, 2021–2025

Year	Investment Target (Billion IDR)	Investment Realization (Billion IDR)	Achievement (%)
2021	150	68.4	45.6
2022	180	79.8	44.3
2023	200	85.7	42.9
2024	225	104.6	46.5
2025	250	129.3	51.7

Source: Regional Investment and One-Stop Integrated Services Agency (DPMPTSP) of Muna Regency, processed by the author.

As presented in Table 4.1, investment realization increased steadily throughout the study period. However, the level of achievement relative to the annual investment targets remained comparatively low, indicating the persistence of structural and institutional constraints in regional investment management.

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An interview with the Head of DPMPTSP revealed:

“Investor interest is relatively strong, particularly in the fisheries, agriculture, and tourism sectors. However, investors continue to consider infrastructure readiness, regulatory certainty, and effective coordination among regional government agencies before committing their investments.”

These findings suggest that regional investment growth is determined not only by the availability of natural resources but also by the quality of governance, including institutional coordination, regulatory certainty, and the effectiveness of public service delivery.

4.3 Investment Potential of Muna Regency

Based on document analysis and field observations, Muna Regency possesses substantial investment potential across several strategic sectors. These sectors are supported by abundant natural resources and regional economic opportunities that can generate added value, strengthen local competitiveness, and accelerate sustainable regional development.

Table 4.2. Investment Potential of Muna Regency

No.	Sector	Investment Potential
1	Agriculture	Corn, rice, coconut, cashew, and horticultural commodities
2	Fisheries	Capture fisheries, vannamei shrimp aquaculture, and seaweed cultivation
3	Livestock	Cattle, goats, and poultry farming
4	Tourism	Marine tourism, cultural tourism, karst caves, and coastal tourism
5	Industry	Agro-processing and fishery product processing industries
6	Trade	Agricultural product distribution and MSME development
7	Energy	Renewable energy development and electricity infrastructure

Source: Compiled from the Muna Regency RPJMD, DPMPTSP, Statistics Indonesia (BPS) of Muna Regency, and field observations (2026).

The findings demonstrate that Muna Regency possesses significant comparative advantages that can be transformed into sustainable competitive advantages through well-targeted investment strategies. Realizing this potential requires strengthened collaborative governance among government institutions, the private sector, local communities, and other stakeholders to enhance the investment climate, attract high-quality investment, and promote inclusive and sustainable regional economic growth.

4.4 Collaborative Governance Analysis

The findings indicate that the **Principled Engagement** dimension has been implemented through coordination forums involving the Regional Investment and One-Stop Integrated Services Agency (DPMPTSP), the Regional Development Planning Agency (Bappeda), the Public Works and Spatial Planning Agency (PUPR), the Department of Agriculture, the Department of Marine Affairs and Fisheries, the Department of Tourism, and other relevant institutions. However, its implementation has not yet been fully effective, as coordination remains predominantly administrative rather than genuinely collaborative in formulating regional investment strategies.
A key informant from Bappeda stated:

"Coordination is conducted regularly; however, each regional government agency continues to prioritize its own sectoral targets, resulting in suboptimal integration of investment programs."
These findings suggest that although inter-agency coordination has been established, sectoral fragmentation continues to impede the effective integration of regional investment programs.

Table 4.3. Analysis of the Principled Engagement Dimension

Indicator	Research Findings
Dialogue	Conducted through inter-agency coordination meetings.
Communication	Functioning reasonably well, although its intensity and continuity remain limited.
Shared Understanding	Not all agencies have aligned investment priorities and a common strategic vision.
Conflict Resolution	Addressed through cross-sectoral coordination and deliberative consensus-building.
Policy Formulation	Remains largely government-driven, with limited stakeholder participation.

Source: Processed research data (2026).

Overall, the **Principled Engagement** process has been established through dialogue, communication, and coordination among key stakeholders. Nevertheless, collaboration remains at a consultative stage, as shared understanding, stakeholder participation in policy formulation, and cross-agency integration have not yet been fully achieved. These findings indicate that collaborative governance in regional investment management has not yet reached the integrative level envisioned by the Collaborative Governance framework.

4.5 Interview Findings Analysis

Based on interviews with representatives of local government agencies, business actors, academics, and community leaders, the study identified the current conditions of regional investment management in Muna Regency. Overall, investment licensing services through the **Online Single Submission (OSS)** system have improved considerably. However, several challenges remain, including limited inter-agency coordination, inadequate infrastructure, insufficient integration of investment planning with regional development potential, and low community participation in investment governance. The key interview findings are summarized in Table 4.4.

Table 4.4. Summary of Interview Findings

Informant	Key Findings
DPMPTSP	OSS-based licensing services have improved, but cross-agency coordination requires further strengthening.
BAPPEDA	Investment planning has not yet been fully integrated with the Regional Medium-Term Development Plan (RPJMD) and regional development potential.
PUBLIC WORKS AND SPATIAL	Road infrastructure, clean water supply, and supporting investment facilities remain major constraints.

PLANNING AGENCY (PUPR)	
DEPARTMENT OF TOURISM	The tourism sector has significant potential; however, accessibility and supporting infrastructure remain limited.
INVESTORS	Greater regulatory certainty and faster licensing procedures are expected.
ACADEMICS	A more systematic collaborative governance model is needed to strengthen regional investment management.
COMMUNITY LEADERS	Community participation in investment planning and monitoring should be enhanced.

Overall, the interview findings demonstrate that the effectiveness of regional investment management in Muna Regency is largely determined by inter-agency synergy, infrastructure availability, regulatory certainty, and active stakeholder engagement. These findings provide an empirical basis for analyzing the implementation of the **Collaborative Governance Regime (CGR)** in regional investment management.

5. DISCUSSION

This section discusses the empirical findings obtained from interviews, observations, and document analysis by integrating them with the Collaborative Governance theory proposed by Ansell and Gash (2008) and the Collaborative Governance Regime (CGR) framework developed by Emerson, Nabatchi, and Balogh (2012). The discussion focuses on how collaborative governance enhances the effectiveness of regional investment management in promoting sustainable economic growth in Muna Regency.

5.1 Regional Investment Management in Muna Regency

The findings indicate that Muna Regency possesses substantial investment potential in the agriculture, fisheries, livestock, manufacturing, trade, and tourism sectors. These opportunities are supported by abundant natural resources, a strategic geographical location, and the local government's commitment to improving investment services through the implementation of the Online Single Submission (OSS) system.

Despite these advantages, investment realization has consistently fallen short of the targets established by the local government. The findings further reveal that regional investment management continues to face several constraints, preventing the region from fully utilizing its investment potential.

Table 5.1. Analysis of Regional Investment Management in Muna Regency

Aspect	Research Findings	Implications
Investment Potential	Agriculture, fisheries, livestock, manufacturing, trade, and tourism offer strong investment prospects.	These sectors represent strategic priorities for investment development.
Licensing Services	The OSS system has improved the efficiency and accessibility of licensing services.	Accelerates investment licensing procedures.
Inter-Agency Coordination	Coordination among regional government agencies remains suboptimal.	Investment planning and implementation are not yet fully integrated.
Infrastructure	Roads, clean water supply, and supporting facilities remain inadequate.	Reduces regional investment attractiveness.
Investment Promotion	Investment promotion lacks integrated coordination.	Regional investment opportunities are not communicated effectively to potential investors.
Stakeholder Participation	Private sector and community involvement remains limited.	Collaborative investment governance has not yet been fully achieved

These findings demonstrate that successful regional investment management depends not only on the availability of regional resources but also on the quality of public governance. This finding is consistent with the principles of **New Public Governance**, which emphasize the importance of inter-organizational collaboration and stakeholder engagement in achieving effective and sustainable regional development.

5.2 Implementation of Collaborative Governance in Regional Investment Management

5.2.1 Principled Engagement

The **Principled Engagement** dimension illustrates how dialogue, communication, coordination, and the alignment of perspectives are carried out among stakeholders. The research findings indicate that coordination has been conducted through inter-agency (OPD) coordination meetings, public consultation forums, and discussions on regional development programs.

However, these processes are still largely dominated by the government, resulting in suboptimal participation from the private sector, academia, and the community.

Table 5.2 Analysis of the Principled Engagement Dimension

Indicator	Findings	Analysis
Dialogue	Conducted through coordination meetings	Has been implemented but is not yet intensive.
Communication	Inter-agency (OPD) communication is fairly good	Remains largely administrative in nature.
Alignment of Perspectives	Not all agencies share the same vision	Leads to sectoral implementation of programs.
Conflict Resolution	Conducted through cross-sectoral coordination	No specific mechanism has yet been established.
Policy Formulation	Still dominated by the government	Stakeholder participation remains suboptimal.

These findings indicate that **Principled Engagement** has been established; however, it has not yet fully reflected the collaborative dialogue proposed by Ansell and Gash (2008). Therefore, a more inclusive regional investment forum is needed to strengthen communication and improve policy alignment.

5.2.2 Shared Motivation

The research findings indicate that relationships among government agencies have been established relatively well. However, investors' confidence in regulatory consistency and policy certainty still needs to be strengthened.

Table 5.3 Analysis of the Shared Motivation Dimension

Indicator	Findings	Analysis
Trust	The level of trust among regional government agencies (OPDs) is relatively good.	It needs to be extended to investors.
Mutual Understanding	Mutual understanding has begun to develop.	It has not yet been evenly established among all stakeholders.
Legitimacy	Policies have a clear legal basis.	Their implementation remains inconsistent.
Commitment	The government's commitment is relatively strong.	It needs to be supported by all stakeholders.

These findings support the view of Emerson et al. (2012) that the success of collaboration is strongly influenced by trust, legitimacy, and shared commitment. Transparency in investment services is a key factor in enhancing investor confidence.

5.2.3 Capacity for Joint Action

Collaborative capacity is a key factor in determining the successful implementation of regional investment. The study found that the Regional Investment and One-Stop Integrated Services Agency (DPMPTSP) has implemented the Online Single Submission (OSS) system; however, overall institutional capacity still requires further strengthening.

Table 5.4 Analysis of the Capacity for Joint Action Dimension

Indicator	Findings	Analysis
Human Resources	Investment-related competencies remain limited.	Capacity-building initiatives are required.
Information System	The Online Single Submission (OSS) system has been implemented.	The investment database has not yet been integrated.
Coordination	Coordination is still carried out manually.	It does not yet support rapid collaboration.
Budget	Funding for investment promotion is limited.	This constrains the expansion of investment activities.
Leadership	Leadership supports collaborative efforts.	Cross-agency (OPD) coordination needs to be strengthened.

These findings indicate that the institutional capacity of Muna Regency remains at a developing stage. Therefore, strengthening human resources, information technology, and budgetary support is essential to enable more effective collaborative governance in regional investment management.

5.2.4 Collaborative Action

The implementation stage of collaboration is reflected in various programs carried out by the regional government, including the simplification of licensing services, investment promotion, infrastructure development, tourism destination development, and the empowerment of Micro, Small, and Medium Enterprises (MSMEs).

Table 5.5 Analysis of Collaborative Action

Collaborative Program	Implementation	Outcomes
Online Single Submission (OSS) Services	Already implemented	Accelerates the licensing process.
Investment Promotion	Implemented by the Regional Investment and One-Stop Integrated Services Agency (DPMPTSP	Not yet integrated across regional government agencies (OPDs).
Infrastructure Development	Implemented gradually	Has not yet reached all potential investment areas.
Tourism Development	Currently being developed	Investment attractiveness has begun to increase.
MSME Empowerment	Involves relevant regional government agencies (OPDs)	Contributes to strengthening the local economy.

The findings indicate that collaborative implementation has been carried out; however, it remains largely sectoral in nature. Each regional government agency (OPD) implements programs according to its respective duties and functions, resulting in suboptimal inter-agency synergy. Based on these findings, the implementation of **Collaborative Governance** in Muna Regency is still at the **developing collaboration** stage, where collaborative mechanisms have been established but have not yet been fully integrated into the overall regional investment management process.

6. CONCLUSION

This study aims to analyze collaborative governance-based regional investment management strategies in promoting sustainable economic growth in Muna Regency. Based on the research findings, the following conclusions can be drawn.

1. **Regional investment management in Muna Regency has demonstrated positive progress**, as reflected in the increasing realization of investment. However, the region's investment potential has not yet been fully optimized due to several constraints, including weak coordination among regional government agencies (OPDs), sectoral ego, inadequate infrastructure, the lack of an integrated investment information system, and limited investment promotion and stakeholder participation.

2. **The implementation of Collaborative Governance has been initiated but remains suboptimal.** The dimensions of **Principled Engagement** and **Shared Motivation** have developed through inter-agency coordination and commitment; however, collaboration with investors, academia, and the community remains limited. **Capacity for Joint Action** is supported by institutional arrangements and the electronic licensing system, yet it continues to face constraints related to human resources, budget, technology, and coordination capacity. Meanwhile, **Collaborative Action** has not yet produced strong cross-sectoral synergy because program implementation remains largely sectoral.

3. **Effective regional investment management strategies** include strengthening multi-stakeholder collaboration, integrating investment planning with regional development planning documents, accelerating infrastructure development, digitalizing investment services, enhancing institutional capacity, and empowering local investors, Micro, Small, and Medium Enterprises (MSMEs), and local communities. These strategies have the potential to improve regional competitiveness, strengthen investor confidence, expand employment opportunities, increase locally generated revenue (PAD), and promote inclusive and sustainable economic growth.

4. **The novelty of this study** is the development of the **Muna Collaborative Investment Governance Model (MCIGM)**, which integrates the dimensions of **Principled Engagement, Shared Motivation, Capacity for Joint Action,** and **Collaborative Action** throughout the entire regional investment management cycle. The proposed model contributes theoretically to the advancement of collaborative governance studies while also providing a practical reference for local governments in formulating more integrated, participatory, and sustainable investment policies.

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