

DECENTRALIZATION ON DEVELOPMENT IN DEVELOPING COUNTRIES (COMPARATIVE STUDY OF MAKASSAR CITY AND ULSAN CITY)

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Abstract

Decentralization experiences were quite different in each country. This difference can be seen in the authority given to local governments, which has an impact on development efforts produced by local governments. This research uses the concept of decentralization in looking at development in Indonesia and South Korea. The differences in the implementation of decentralization in the two countries can then be explained by the development carried out by the local governments of Makassar City and Ulsan City. Indonesia and South Korea have several differences in the formation of the decentralized system and the implementation of the decentralized system in each country. This shows that in the development process, both have different roles and influences, Makassar emphasizes foreign cooperation which is dominated by infrastructure development and human resource development, while Ulsan has a fairly high intensity of foreign cooperation and prioritizes foreign cooperation in the industrial sector with export-oriented, this shows the difference in policy influence provided by the two cities.

Keywords: Decentralization, local government, development, developing country.

INTRODUCTION

The development model is increasingly becoming a debate between centralized and decentralized development. Centralized development means completely handing over the direction of development to the central government as the development policy maker. Centralized development will be very difficult to implement considering that in some countries large areas will determine the direction of development, besides that different geographical conditions and natural resources only create disparities in development in the regions. With this concept of decentralization comes autonomy for a regional government. This means giving partial or complete authority to local governments to make policies in the development process (Noor, 2013). Currently, development in many countries has implemented decentralization as a basis for development, so that local governments can

determine the appropriate development direction for their region. However, along with the development debate, the development model is being challenged by the phenomenon of globalization, where globalization causes negative impacts on centralized or decentralized development. Globalization encourages the development of neoliberal development which merges in both directions of development.

The biggest challenge of neoliberal development is the weakness of market-driven development which completely surrenders development to the market. The economic system that will run because of investment will make the country worse off. The concept of development is based on: First, globalization brings the concept of development by markets which focuses on production, consumption and distribution without barriers. Second, globalization brings transnational elites and erodes local participation in development (Winarno, 2013). The capitalist system in neoliberal ideology does not only erode development that occurs in developing countries. However, this system also provides a shift in development which until now has only been accepted as economic development. The emergence of the capitalist system driven by the phenomenon of globalization changes the meaning of what development should be. In this case, the definition of development and stakeholders regarding development has shifted from state-led development to market-driven development. This was caused by the emergence of non-state actors which then resulted in the state's role decreasing (Winarno, 2014).

The neoliberal development concept needs to be challenged because in fact, this concept does not create meaningful development for society. Whether in the direction of centralized or decentralized development with neoliberal development, substantive development will not be realized. In many countries, decentralized development has increased the interests of elites at the local level (Winarno, 2014). Blakley and Leigh argue that whether poor or rich, local entities in the global economy have both challenges and opportunities to shape their economic future (Khumalo, 2015). Furthermore, local economic development is basically seen as a process in which

stakeholders are involved in decision making, and with each other, to encourage and stimulate activities that impact growth outcomes through the utilization, potential and resources available at the local level (Ofori-Oduro, 2016). This can be seen as a locally based response to globalization. Local economic development is seen as a collective action by various parties at the local level aimed at improving the economic future of local communities. With active participation from both the community, private sector and government levels, decentralization politics will create substantive development (Khumalo, 2015).

Locality-based development will be in line with decentralization politics, where development involving elements of society will stem the large interests of the private sector which currently dominates the government. Local Economic Development can also encourage increased government accountability and transparency to the outside community. In the end, it will encourage good governance in decentralized development. In the current era of globalization, developing countries like Indonesia cannot avoid the flow of global dynamics that are oriented towards market competition. Globalization has both direct and indirect impacts on development programs or policies in a country, because the actors that emerge through globalization are not only the state but also the private sector such as Multinational Corporations and/or Transnational Corporations. Economic interactions throughout the world are directly integrated with the domestic economy, so that a country's economic growth depends on how strongly that country can compete freely at the global level.

On a national scale, regions also have the same opportunity to participate at the global level. In anticipating this, the Indonesian government facilitated its provinces by implementing a decentralization policy through the Regional Autonomy Law number 22 of 1999, which was later updated through the Regional Autonomy Law number 32 of 2004¹. This law aims to help regions in Indonesia to enjoy equitable development, providing greater

¹ Undang-Undang Republik Indonesia Nomor 32 Tahun 2004 Tentang Pemerintahan Daerah (Regional Autonomy 2004, Republic of Indonesia)

opportunities for them to manage existing administration and resources autonomously without much central government intervention, as well as opening themselves up to investment opportunities. Not only positive things have been experienced by regions in Indonesia due to the impact of globalization and the implementation of the regional autonomy law. But negative things are also caused, such as environmental damage due to excessive resource exploration. These regions must pursue economic growth targets through Regional Original Income (PAD)², which is mostly obtained from taxes and investments. Thus, they were forced to relax their supervision of the exploration of natural resources in their area.

Literature Review and Theoretical Framework

The phenomenon of decentralization which influences the development process of a region is something that has long been studied, especially in the study of International Relations. This is because centralized development processes tend to be less developed when compared to countries that implement a decentralized system. However, the concept of decentralization does not eliminate the role of the State in carrying out development. As stated by Poppy S. Winanti in her article entitled *Development State and the Challenges of Globalization*. The article conveys that State intervention is still needed in several cases to counteract the negative effects produced by the phenomenon of globalization. State intervention, which is always considered an obstacle to economic development, does not mean eliminating or completely eliminating state intervention. In particular, in developing countries that are undergoing a process of democratization and development (Winanti, 2003).

Through the democratization process, which is reflected in the implementation of the decentralization system, it is an effort to build public trust in the central and regional governments. According to Jae Hyun Lee and Jaekwon Shu in their article entitled *Decentralization and Government Trust*

² Pendapatan Asli Daerah (Regional Regional Income) Original Regional Income, hereinafter referred to as PAD, is income obtained by the Region which is collected based on Regional Regulations in accordance with statutory regulations.

in South Korea, the concept of decentralization implemented in South Korea experiences dynamics of giving people trust in the central government. The level of public trust increases with the decentralization process because it brings policy making closer to local communities. On the other hand, the development carried out is based on the wishes of the community and local government. However, on the contrary, the level of trust decreases if we look at the acts of corruption carried out by the central and local governments. Apart from that, several forms of patronage politics and clientism are also considered to be the bad impact of decentralization in South Korea (Hyun & Shu, 2021). This is in line with the article submitted by Shi Chul Lee entitled Recent Decentralization Challenge in Korea. This article conveys that some of the future challenges of South Korea's decentralized system are more related to the process of transferring power and changing authority in several sectors. This is based on a form of distribution of power that is less than balanced and the State's control over an area is still quite large (Chul, 2007).

By looking at several development problems and different results in several countries that implement decentralization-based development, this research will conduct a comparative study between two countries and two cities/regions that implement a decentralized system. First, the country chosen is Indonesia by taking Makassar City as a local government actor. Which will then be compared with South Korea and choose the City of Ulsan as one of the local government actors. This comparative study was carried out to see the advantages and disadvantages of the decentralized system implemented by Indonesia and South Korea. The implementation of decentralization is then assessed from the level of development carried out between Makassar City and Ulsan City.

Methodology

This paper uses a descriptive qualitative method using comparative political studies between political systems in a country and comparative development. Starting by looking at the implementation of the decentralization system implemented between South Korea and Indonesia. By looking at the decentralization systems of the two countries, the researchers

then tried to categorize them according to the global concept of decentralization. The differences in the implementation of decentralization in the two countries can then be explained by the development carried out by the local governments of Makassar City and Ulsan City. This difference in authority can then produce a picture of the difference in the intensity of foreign cooperation between the two cities. So, with this, the researcher can then produce conclusions regarding the influence of the implementation of decentralization on the intensity of foreign cooperation carried out by local government actors in the two countries. The intensity of foreign cooperation will have an impact on the development process carried out between the local governments. This article uses data collection through literature study and interviews. The interview was conducted with the Makassar City Cooperation Division. The hypothesis of this paper is that the greater the local government's authority, the higher the intensity of foreign cooperation that can be carried out.

DISCUSSION

Globalization and Development

The definition of development has been explained by many experts. According to Nitisastro, development is a process based on time, a transformation from a stopped economic situation to a state of continuous growth. Meanwhile, according to Sen, as explained in the book *Development Ethics* written by Budi Winarno, he explains that development does not only focus on economic development. However, development should be based on psychological and physical well-being which must be fulfilled. When these factors are not met then the development will be considered a failure. Based on this understanding, we can see that development does not only focus on the economy but can also be focused on several sectors such as human resources, education, infrastructure and social.

The series of activities in the process of pursuing growth is currently familiar with the circle of investment, production and consumption. The characteristic of this development approach is the exploitation of natural resources which contributes greatly to the decline in environmental quality,

which will ultimately result in environmental damage. So, such development will create new problems, namely depletion of natural resources and pollution. The depletion of natural resources occurs as a result of the use of natural resources which occurs as a result of the use of production materials which are divided into two main parts, namely natural sources of raw materials as basic industrial materials and natural energy resources (for example, petroleum and coal).

In every unit of measure of energy resources burned will release waste which is thrown into nature. Therefore, the increasingly widespread industrialization will simultaneously increase the pollution released. It is not only the production process that produces waste, but consumption activities of certain goods also contribute to the release of waste into nature. If this cycle of investment, production and consumption continues continuously and is carried out on a large scale, it will have an impact on long-term environmental problems that will endanger the continuity of nature and human life itself (Winarno, 2013). Departing from this context, the idea of sustainable development emerged and became the recommended development approach. Some of the significant aspects of sustainable development are; first, commitment to justice and fairness. priority should be given to the world's poorest people and decisions should take into account the rights of future generations. Second, as a far-sighted thought that emphasizes precautionary principles, namely where there is a serious threat or something that cannot be prevented, the lack of complete certainty of knowledge should not be used as an excuse to postpone cost-effective measures to prevent degradation. environment. Then thirdly, sustainable development integrates, understands and acts on the complex interrelationships that exist between the environment, economy and society. These three things are the main pillars of sustainable development (Winarno, 2013).

Therefore, economic development must consider the impact on social and environmental aspects. The main target of sustainable development programs is social development that focuses on reducing structural poverty in various areas, such as lack of access to a prosperous life. Then secondly,

economic development must change production and consumption patterns that do not support sustainability, especially in inefficient and polluting energy use. And the third is saving and protecting ecosystems and the environmental functions of natural resources so that they are able to support sustainable development processes.

The strengthening of multinational companies as global actors today has become a serious problem for sustainable development, through cooperative relationships with local partners, the activities of multinational companies not only exploit local natural resources, but also marginalize local residents. This is the source of conflict in almost all conflicts that occur between companies and local residents. For example, environmental pollution is increasingly reducing the quality of life of local communities, this results in marginalized communities and the level of living continues to decline. In this situation, the three pillars of sustainable development mentioned previously will become increasingly difficult to implement.

Among Decentralization of South Korea and Indonesia

The dominant role in development today is not limited to countries, due to the emergence of various actors brought about by globalization. Capitalist development has received support from hyperglobalists with their jargon of market freedom. This supports free market access and reduces the role of the state so as to create market-led development, instead of state-led development. With globalization and homogeneity through capitalist agents such as the WTO, IMF, and World Bank, countries have lost their sovereignty to control markets. In fact, the movement of people is free to own pieces of land abroad and on the basis of this ownership MNCs become the dominant actors in the development crisis (Jaffe, 2006). These conditions put the country in a borderless condition and state sovereignty in development fades. So, in a development crisis (Winarno, 2014), globalization can be the reason for the loss of the state's role in development.

John Ravenhill identifies globalization as putting pressure on the state with the growth of other actors replacing its role (Hay, 2005). Ravenhill added that in globalization countries will always have a limited capacity for

alleviating development problems (Hay, 2005). Moreover, globalization makes countries lose their independence in development, especially in the economy. The inevitability of development increases with increasing global poverty, social inequality, and uneven development, especially in developing countries (Jaffe, 2006). The waning role of the state in development makes the problem of the development crisis difficult to overcome, making it difficult for the state to adapt to globalization.

With the reduced role of the state in development with market driven development, the modern development paradigm has received many complaints because it also brings neoliberalism. This can be seen from three important moments; first, the rise of right groups in the United States and England which has had an impact on the domination of ultra-right policies and neoliberalism, and second, the strengthening of economic globalization which is strengthened by communications and information technology (Winarno, 2014). These two moments are the development debate that is glorified as bringing prosperity to be no longer relevant in the era of globalization. Market driven development basically leads to a small group of people controlling most of the existing resources, so that development control becomes uncertain. Those affected are the lower levels of society as described in the capitalism paradigm. Indicators of structural changes in the world system are occurring and indicate that the weaknesses of Western industrialism and the market driven development model fail to convince our logic, limited resources, unlimited power of transnational companies and the reduced ability of nation states to control their economies (Hettne, 2001). This development paradigm cannot be applied, especially in developing countries.

The Arusha Declaration of 1967, as an early example of a self-reliance strategy, was caused by the frustration of a poor country with various social ambitions but not facilitated by the neoliberal development model (Hettne, 2001). As a result, Tanzania managed to overcome the crisis that occurred in Sub-Saharan Africa, and then became a model for development in African countries. Of course, what many are considering is breaking ties with neoliberalism, such as the policy of *de-linking* or state independence

implemented by Venezuela. Experiments on state independence are often carried out by countries in Latin America and Africa.

Apart from using the de-linking strategy, the success of development in developing countries is also demonstrated by implementing the developmental state model. Meredith Woo-Cumings describes developmental state theory as an explanation of the industrialization process in East Asian countries (Cuming, 1999). The theory has a position between a free-market capitalist economic system and a centralized economic planning system, '*a combination of private ownership with state control*'. The basis of this thinking comes from the theory of mercantilism which advocates state intervention in economic activities (Bolesta, 2007). The existence of *developmental state theory* between the open liberal economic model and the centralized (government controlled) development model is a suggestion not to be too capitalist or socialist. Furthermore, this model is known as a system that is able to compromise on open market conditions to realize faster socio-economic development and achieve social welfare stability (Bolesta, 2007).

According to Loriaux in Woo-Cumings, *the developmental state* is a development model based on moral embodiment in using the power of state intervention to determine the direction of investment as a result of national economic solidarity. Then, Ha-Joon Chang emphasized that carrying out economic development requires the state's ability to create and regulate economic-political relations that support sustainable industrialization. The consequence is that the developmental state appears to be the result of state intervention. Therefore, Johnson shows an important element in the development state from a microeconomic perspective, which is called cooperation between the private sector (corporation) and the public sector (government). Corporations become partners of the government in its efforts to carry out development. This shows that business activities are still an important part of a country's development, because capitalist nature is a natural characteristic of country development (Bolesta, 2007).

The question that arises is, can this developmental state model be applied in a country that adheres to a neo-liberal economy? It will be difficult

for the state to achieve broad development goals in an environment of limited power in determining investment direction, regulating and influencing institutions, companies and communities so that they only follow market development strategies. A neo-liberal economic model seems to have several shortcomings that hinder the pace of development in developing countries. Chang argues that this occurs because there is no consideration that in achieving development goals there should be limits to liberalization and depoliticization of economic activities (Bolesta, 2007).

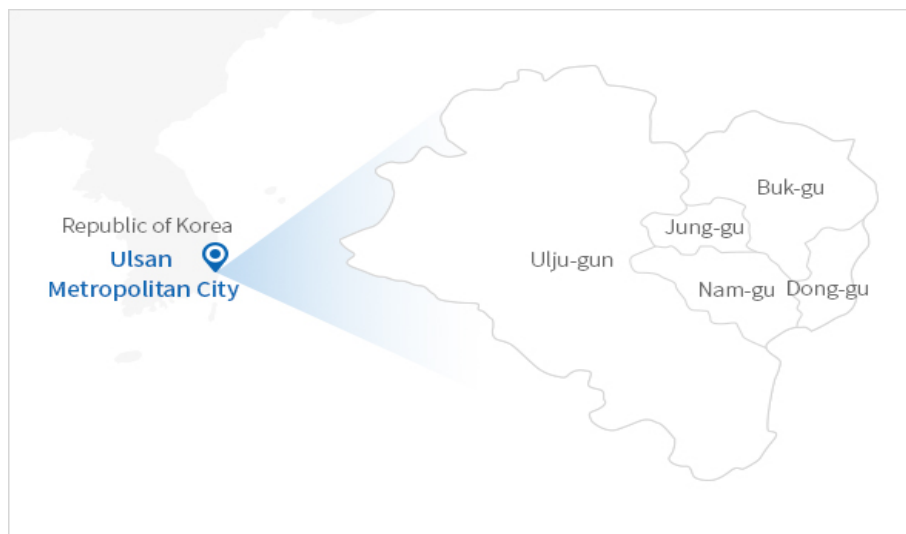
After looking at it from a domestic perspective, the question of neo-liberal economics and state intervention can also be explained from a global perspective. However, with a global economic perspective that is not at all liberal. For the developmental state model, economic activities are initiated mostly by export-driven activities. Massive export-import activities in international economic trade cannot be achieved without the existence of a strong country. A country that is legally able to intervene in the direction of development through export-import activities. So, the offer of the developmental state theory is the right development model for neoliberal countries whose fate has so far been pushed only by globalization.

Comparison of Development of Ulsan City Government and Makassar City Government

Ulsan is the seventh largest city in South Korea which has a population of around 1,1384 million people or around 2.15% of the total population of South Korea, with an area of around 1,062.04 km² or the equivalent of 1.06% of the total area of South Korea (Korea, 2017). Geographically, Ulsan is located in the southeastern part of the Korean peninsula, within the Dongnam Economic Zone and the greater Gyeongsang Region, and within the Daegyeong Economic Zone, which offers easy access to the national transportation network and seaports. In addition, this city is located far from military lines so it is relatively safe from North Korean threats. These conditions support the city's industrial growth. Ulsan became an industrial catalyst in South Korea's economic development starting in 1962 when it was designated a Special Industrial Zone and legalized as a city. In the next few

years, the population of Ulsan City continued to increase, so that in 1997, Ulsan City was designated as Gwangyeok-si or the sixth Metropolitan City in South Korea. This granted it functional independence from its province, South Gyeongsang (Jacobs, 2011). Ulsan City, in terms of its administrative division, consists of Ulju-gun, Buk-gu, Dong-gu, Jung-gu, and Nam-gu, as shown in the picture below.

Figure 1. Map of Ulsan City, South Korea



Source: Ulsan Metropolitan City
(National Atlas South Korea, 2021)

Politically, Ulsan is in the southeastern region and is the political base of the ruling traditional elite group. Therefore, Ulsan City is the best location for business and enjoys substantial support from the national and local governments. In this case, Ulsan's rapid development into an industrial city was largely the result of policies formulated by the ruling elite at the center. Thus, the development of Ulsan as a core industrial city is a product of the development strategy and political considerations of the central government. This is due to limited financial resources, the South Korean government cannot apply the same development strategy to all regions uniformly. Instead, what the government does is select several core cities as the main growth poles in selected areas for resource and industrial allocation. The expansion of these selected cities, and the growth of economic activity, employment and investment in new technologies and industrial sectors also affects neighboring

cities and regions. With the strategic direction of the central government, Ulsan's economic growth in the heavy industry and heavy chemicals sectors has become a driving force for regional and national growth (Bae, 2013).

There were 5 periods in the development of Ulsan to become the center of an industrial city in South Korea, namely: The first period, namely 1962-1966, development focused on industrial locations and infrastructure such as ports, roads and water supply for Ulsan industrial locations. In the Second period, 1967-1971, Ulsan began to build heavy chemical industrial complexes such as the oil refining industry and chemical fertilizer industry which were built in waterside areas such as Jangsengpo and Yeochun. The third period, in 1972-1976, was a leapfrog stage in Ulsan's industrial development with the existence of Ulsan's representative industries such as cars and shipbuilding which were built in the Yumpo and Mipo industrial complexes. In the fourth period, 1977-1981, this agglomeration and industrial scale effect was gradually produced and several industries such as iron, automobiles and wood were placed to enjoy these side effects. In the fifth period in 1982-1986, the Industrial Belt was established as existing industrial complexes continued to grow in terms of productivity and scale, and new industrial complexes such as Unyang and Yongyun were built (Cho, Jeong, Kim, & Lee, 2020). In this case, Ulsan has developed the largest heavy chemical industrial complex city in South Korea in terms of scale and number of products which ultimately makes Ulsan grow into a symbol of Korean economic development.

In addition, the City of Ulsan has a vision as "*the city of happiness that citizens dream of*" and has 5 missions, namely: 1) *A new industrial city of the future*; 2) *Creative cultural city*; 3) *Green Safe City*; 4) *Inclusive welfare city*, and; 5) *Very large hub city*. The first target, namely New Industrial Cities of the Future, refers to cities that actively respond to the digital industrial environment and create high-tech jobs through intelligent transformation of key industries, promote carbon neutral industries, and promote new industries in the future. Creative Cultural City means a city rich in creative talent and tourism and cultural resources. Green Safe City means realizing a carbon neutral city by 2050 and protecting against climate change and

resilience at international levels of resilience. Inclusive Welfare City means an Ulsan-type intelligent welfare city without social exclusion and welfare blind spots. A Hub City refers to a city that expands Ulsan's social and economic sphere of influence (Ulsan Plan 2040). Apart from that, currently Ulsan is preparing to further advance itself from an industrial city to a global energy center city by encouraging the renewable energy industry through initiatives such as the development of the Hydrogen Economy Ecosystem, The Northeast Oil & Gas Hub, The Offshore Wind Power Industry, and trying its best to develop a new growth engine that will lead the development of Ulsan by driving the future automobile industry as well as the competitiveness of the nuclear power plant decommissioning industry (Ulsan City, 2019).

In terms of human resource development, Ulsan City has an average life expectancy of 80.8 years, ranking 16th out of 17 cities and provinces in South Korea (Park, Pyo, & Ock, 2022). In addition, the annual employment average salaries rate in Ulsan is 43.4 million won, ranking third nationally after Sejong City and Seoul (Kim, 2022). The industries with jobs concentrated in Ulsan are Shipbuilding (shipbuilding 7.15), automobile (7.15), automotive machinery and car manufacturing 5.76, and new car parts manufacturing 2.57), and petrochemical (chemical manufacturing 1.28). However, there is still a large gap between industries in terms of gender employment concentration, so it is necessary to differentiate strategies for female workers and access to employment services in the regions (Kim T. G., 2020).

As Korea's largest industrial cluster for the automotive industry, shipbuilding and maritime industries, and the petrochemical industry, Ulsan records an annual export around USD 57 billion. This makes Ulsan a representative of the cluster industry in Asia which offers an attractive investment environment and various business opportunities for investors. Some 260 automotive-related companies located in Ulsan generate more than USD 36 billion annually along with the world's largest car manufacturer Hyundai Motors, which produces 1.55 million cars annually, and leading bus maker Daewoo Bus Corp. Ulsan accounts for more than 23% of national car production and exports USD 23 billion per year, becoming the 5th largest car

city in the world. In addition, the Ulsan Green Car Technology Center accelerates the development of environmentally friendly cars such as electric cars, hybrid cars and hydrogen fuel cell vehicles to develop Ulsan as a hub for the electric car industry (Ulsan Metropolitan City, 2019)

The shipbuilding & marine industry in Ulsan recorded orders of USD 980 billion in 2013. This industry also accounts for 33% of Korea's total production, making Ulsan the largest shipbuilding & marine city in the world. Hyundai Heavy Industry (HHI), the world's largest shipbuilder, and Hyundai Mipo Shipyard, the world's 5th largest shipbuilder, are located in Ulsan. HHI is located on an area of 6.04 million m² with a production capacity of 9,200 thousand GT per year. Hyundai Mipo Dockyard (HMD) can produce 1,191 thousand GT per year, making it the 5th largest in the world in terms of production volume. Ulsan will strive to become the strongest shipbuilding & maritime nation in the world by developing FPSO, LNG and shale gas carriers in the future (Ulsan Metropolitan City, 2019).

Korea is the 5th largest chemical producing (basic material) country in the world, Ulsan accounts for about 29% of Korea's total production, and 279 enterprises in Ulsan recorded production of KRW 102 trillion, the largest scale among the city's three major industries, and exports of USD 26.9 billion in 2021, accounting for 36.2 percent of chemicals national. industry. Ulsan is home to Asia's largest chemical industrial complex (2.4 billion m²) as well as some of the world's leading chemical companies such as SK Energy, S-oil, Eastman, Mobil, and Dupont. In addition, Ulsan will realize its vision to become the top advanced chemical industry city in Asia by 2030 through the construction of national research centers and R&D facilities including the Ulsan Fine Chemical Industry Center, the Ulsan New Chemical Commercialization Center of the Korea Chemical Research Center, and the Biochemical Commercialization Center, and developing new industries in biochemistry, fine chemistry, and nano chemistry (Ulsan Metropolitan City, 2019).

Ulsan is pushing the battery industry as a new growth engine. Ulsan draws a blueprint to become one of the world's best base cities for the battery

industry as Samsung SDI, which represents Ulsan's secondary cell industry, accounts for 21% of the world's lithium-ion battery market and has maintained the top position in the market since 2011, Hyundai Motors being the company the world's first to build a mass production system for hydrogen fuel cell vehicles and the world's largest-scale hydrogen city is in the process of being established; World-renowned Solvay established a manufacturing plant for lithium-ion battery electrolyte additives in Ulsan; and after the construction of an environmentally friendly battery fusion demonstration complex in 2019, Ulsan will grow as the world's best battery industry center by building the world's largest hydrogen fuel cell city and an environmentally friendly battery convergence complex (Ulsan City, 2019).

The city of Ulsan is greatly supported by the city's extensive port system, whose four ports annually handle: 1) about 16% of South Korea's cargo tonnage; 2) more than 50% of national crude oil imports; 3) almost 50% of national car exports; and 4) more than 40% of South Korean shipbuilding exports (Jacobs A. , 2012). One of the ports in Ulsan is Ulsan Port, this port is the largest industrial port in South Korea which handles the largest volume of liquid bulk cargo and plays an important role as a gateway to domestic and overseas markets. Ulsan Port with a berth capacity of 116 handles a transport volume of 220 million tons annually. After Ulsan Newport with a capacity of 42 berths and a loading capacity of 21 million tons is completed in 2021, Ulsan Port will become the best liquid bulk cargo center port in Northeast Asia (Ulsan City, 2019). Along with the city's industrial prowess, the port system has helped transform Ulsan into Asia's fourth largest manufacturing center in terms of export value, and has been a major catalyst for South Korea's economic growth.

The city of Ulsan as the number one industrial city in South Korea during the industrialization period was famous for its poor environment, water and air quality. The increasing number of factories and industrial complexes in Ulsan has attracted many workers and most of their residences have been built without considering the natural environment. As a result, inadequate infrastructure and a lack of waste and water disposal facilities

cause serious environmental problems and social conflict (Bae, 2013). However, with good collaboration between the local government and residents, civil organizations and business people to overcome environmental problems, the environmental quality in Ulsan City is getting better and has achieved substantial environmental improvements. The environmental policies issued by regional governments are carried out through active promotion of sustainable development with residents, internalization of environmental education, as well as activities to increase residents' environmental awareness. Apart from that, there are also water quality policies such as restoring the urban water cycle, managing clean rivers, strengthening systematic management to reduce water pollutants, expanding waste treatment facilities and maintaining waste pipes, and so on (Invest Korea, 2019).

In addition, in the 21st century, the city of Ulsan has become an energetic city that is leading the economic growth of Northeast Asia. To date, Ulsan City has 11 sister city collaborations with cities in other countries, including Burgas (Bulgaria), Huston (America), Wuxi (China), Tomks (Russia), and other cities (Korea, 2017). The advantages of Ulsan that attract many countries to collaborate include: good competitiveness in traditional industries such as cars, shipbuilding and chemicals; Superior infrastructure to strengthen digital technology competitiveness; Has the foundation to drive new industries such as hydrogen, floating offshore wind power and genomics; High level of citizen awareness of environmental protection and response to climate change; Abundant resources and culture; Good tourism infrastructure. However, there are threats such as slowing population growth due to falling birth rates; Increased frequency of typhoons, heat waves and droughts due to climate change; Weakening competitiveness of local cultural industries due to developments in digital technology; Weak sports industry base (Ulsan City, 2019). In addition, despite various policies for balanced national development for decentralization, deregulation of metropolitan areas causes disparities between metropolitan areas and provinces.

This city then became a representative cluster in Asia which offers a promising investment environment and business opportunities for investors. Since the first half of 2022, various global companies have invested in Ulsan with a total investment of more than USD 11.4 billion, such companies as DuPont, Air Products and BASF (Ulsan Metropolitan City, 2022). There are foreign investment companies from 46 countries including Germany, the United States, Japan and Saudi Arabia investing in Ulsan. In particular, chemical companies from Japan, Germany, and the Middle East accounted for most of the investment due to the large industries in the Onsan and Mipo National Industrial Complexes. Industrially, investment inflows are concentrated in Ulsan's core industries such as automotive, marine shipbuilding and the chemical industry. In addition, active investment from foreign invested companies is expected in new growth engine industries in the future, such as hydrogen energy, offshore wind power and plastic recycling.

Makassar is the capital of South Sulawesi Province and also the door to enter the eastern region of Indonesia. Makassar City is the largest metropolitan city in eastern Indonesia. The Makassar City area is a coastal area which is usually referred to as "waterfront city" (Makassar, 2021). This provides convenience in port access and entry and exit of export and import goods to and from abroad. In terms of area management, it is divided into two types, namely protected areas and cultivation areas. On the other hand, development carried out in the Makassar City area is based on 3 documents that regulate development in that city. First, a long-term development document with an estimated time of 25 years. Second, a medium-term development document which is 5 years in nature. Third, dependent development documents are drafted every year. This is the basis for Makassar City in directing and evaluating regional development that is being carried out.

The development direction of Makassar City tends to be in the same color as other city governments in Indonesia. This was conveyed by the Makassar City Regional Planning and Development Agency which stated that the direction of regional development in Indonesia is based on the central

government. There are three main factors in the direction of regional development, namely infrastructure, human resources and government bureaucracy. The following are indicators for the development achievements of Makassar City based on several priority indicators for the development of Makassar City:

Table 1. Indicators of Development Achievement Makassar

No.	Target Description	Indicator	Indicator Achievement				
			SS	SB1	SB2	SB3	NA
1	No poverty	20	6	10	1	2	1
2	Zero hunger	2	2	-	-	-	-
3	Good health and Well-Being	15	6	6	-	-	3
4	Quality education	10	5	3	-	1	1
5	Gender equality	9	3	5	-	-	1
6	Clean water and sanitation	14	4	4	4	1	1
7	Affordable and clean energy	1	1	-	-	-	
8	Decent work and economic growth	15	7	2	2	4	2
9	Industry, innovation, and infrastructure	5	3	-	-	1	1
10	Reduced inequalities	5	2	1	1	-	2
11	Sustainable cities and communities	18	7	3	3	2	6
12	Responsible consumption and production	5	1	-	-	1	3
13	Climate action	2	1	1	1	-	-
14	Peace, justice and strong institution	23	6	5	5	2	9
15	Partnerships for the goals	10	4	2	2	2	2
	Total	154	58	42	6	16	32

Source: Makassar Government Report

Based on the table above, indicators for the achievement of Makassar City development in accordance with national targets are 48 indicators (37.6%) out of 154 indicators under the authority of the city. A total of 64 indicators (61.5%) have been implemented but have not reached the target. And as many as 32 indicators (20.8%) have not been implemented and have not reached the target. Of the 154 indicators that have been implemented and

achieved the target are indicators of decent work and economic growth with 7 indicators and sustainable housing with 7 indicators (Makassar, 2021).

The original regional income of Makassar City consists of regional taxes, regional levies, results from the management of separated regional assets and other legitimate regional income. The Makassar City development index in the last 5 years has shown a positive trend. This is demonstrated by the achievement of several development target indicators in accordance with the wishes of the central government as explained previously. In the development of Makassar City, there were several obstacles and support received. According to the Makassar City Regional Planning and Development Agency, support for the development of Makassar City is central government assistance for priority programs that it wants to implement. This assistance takes the form of funding and technical guidance as stated in government regulations.³

On the other hand, the obstacles faced by the Makassar City Government include vertical coordination problems with certain institutions. The next factor is the inadequate quality of human resources. Even though Makassar City is a region with a fairly high education quality index, there are several sectors that are driven by human resources that do not meet standards. Apart from that, urban infrastructure factors, access to clean water, poverty levels and unemployment rates. The final factor is the amount of PAD which tends to be difficult to increase. This is what makes local governments in Indonesia, including Makassar City, still completely dependent on the central government.

Things are different if Makassar City is seen in terms of its international appeal to attract foreign cooperation partners. In this case, Makassar City has 3 points of attraction so that foreign cooperation partners are willing to collaborate with Makassar City. First, Makassar City is the fifth largest city which has high potential for economic and social development. Second, the image of Makassar City which is a target for big cities other than Java Island.

³ Interview with Local Government (Makassar)

Third, the geographical location is quite central in Indonesia so that Makassar City often receives foreign visits from other countries. This was then shown by the growth of Makassar City of 8.79% and this is quite good growth among other regions in Indonesia. In the form of Foreign Direct Investment, there have been several offers in the last 5 years. Firstly, there were 8 companies that submitted their wishes to implement waste to energy. Second, the development of public transportation is still in the initiation process and is currently in the discussion process.

Then, several foreign collaborations in Makassar City that have an influence on development include Smart City and Capacity Building collaborations. Smart City collaboration is carried out with several countries involved. The first is with Australia, this collaboration is related to water sanitation through the RISE program. Second, collaboration with Singapore through the Tamasek foundation. Third, collaboration with the United States regarding the Tourism Hallway program through technology originating from the National Science Foundation. Furthermore, cooperation in the field of capacity building was established with Australia through the City of Gold Coast and Singapore. This aims to produce professional and quality ASN in carrying out government governance. In line with this, it can be said that the high intensity of foreign cooperation will be directly proportional to the increasing level of regional development.

CONCLUSION

The development of the democratization phenomenon in developing countries has brought a decentralized system to be implemented in each country. The implementation of decentralization in each country has experienced different experiences. Different experiences result in different decentralized systems too. The difference in this decentralized system can be seen from how much authority is given to local governments. The wider the decentralization system that is implemented, the greater the authority that the local government will receive. The impact of a decentralized system with various authorities will have an impact on development carried out by regional governments.

South Korea and Indonesia have several differences in the formation of the decentralized system and the implementation of the decentralized system in each country. These differences can be seen from several factors such as the amount of regional government authority, the dominance of regional heads and local councils, the financial system, the level of corruption, and the decentralization process being undertaken. In terms of foreign cooperation, South Korea gives regional governments broader authority compared to Indonesia. Although in general the process of foreign cooperation between the two countries has the same principle, namely that it does not conflict with the country's national interests and the country's economic development. Differences in the authority of regional governments in the two countries have an impact on the intensity of foreign cooperation between regional governments. The wider the authority in foreign cooperation, the higher the intensity of foreign cooperation carried out by the regional government. The governments of Makassar City and Ulsan City have different intensities and objects of foreign cooperation. The intensity of foreign cooperation between the Makassar City Government tends to be low and the priority of foreign cooperation is dominated by infrastructure development and human resource development. Meanwhile, Ulsan City has a fairly high intensity of foreign cooperation and prioritizes foreign cooperation in the industrial sector with an export orientation.

As for the development sector, the two cities have different regional incomes and different regional characteristics. The city of Ulsan is the largest industrial area in South Korea. Meanwhile, Makassar City is a city with fast economic and social movements in the eastern region of Indonesia. The city of Ulsan is the driving force of the South Korean economy in the heavy goods and chemical industry. Meanwhile, Makassar City has a development direction that tends to be the same as other governments in Indonesia. In this case, the thing that stands out most when compared between the two cities in terms of development is the orientation of the development carried out. The city of Ulsan has an export orientation with high-level manufacturing industry development. Meanwhile, Makassar City has an import orientation in carrying

out development. This is caused by a lack of infrastructure and only focusing on the agricultural sector. The initial assumption of this research explains that the greater the local government's authority, the higher the intensity of foreign cooperation. The higher the intensity of foreign cooperation, the higher the development that the regional government can carry out. This is explained in a comparison of the phenomena of the South Korean city of Ulsan and the Indonesian city of Makassar. However, in this case the authority for decentralization cannot be debated because it is already stated in state regulations. However, the authority of local governments can be modified through reformulation of foreign cooperation mechanisms by local governments in Indonesia.

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