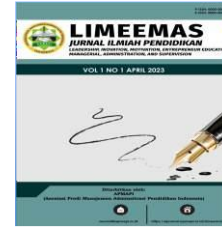


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Palembang City Government's Political Economy Policy in Developing the Culinary Industry

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Abstract: *This study aims to analyze the policies of the Palembang City Government in developing the culinary industry, focusing on the role of political, economic, and local regulatory aspects. The research employs a qualitative method with a descriptive approach. Primary data were obtained through in-depth interviews with culinary traders, consumers, and officials from the Department of Industry and the Department of Cooperatives & SMEs of Palembang City. Secondary data were gathered from policy documents, academic literature, and relevant local regulations. The findings indicate that government policies, such as packaging innovation, promotion through culinary festivals, and the provision of fiscal incentives, have had a positive impact on improving product competitiveness and the quality of the business environment. However, policy implementation still faces challenges in terms of equitable access to facilities and limited assistance for small-scale entrepreneurs. Therefore, more inclusive and collaborative strategies are needed to ensure the sustainable development of Palembang's culinary industry.*

Keywords: industri kuliner, kebijakan publik, UMKM, Palembang

Abstrak: *Penelitian ini bertujuan untuk menganalisis kebijakan Pemerintah Kota Palembang dalam mengembangkan industri kuliner, dengan fokus pada peran aspek politik, ekonomi, dan regulasi daerah. Studi ini menggunakan metode penelitian kualitatif dengan pendekatan deskriptif. Data primer diperoleh melalui wawancara mendalam dengan pedagang kuliner, konsumen, serta pejabat dari Dinas Perindustrian dan Dinas Koperasi & UMKM Kota Palembang. Data sekunder diperoleh dari dokumen kebijakan, literatur akademik, dan peraturan daerah terkait. Hasil penelitian menunjukkan bahwa kebijakan pemerintah, seperti inovasi pengemasan, promosi melalui festival kuliner, dan pemberian insentif fiskal, berdampak positif pada peningkatan daya saing produk dan kualitas lingkungan usaha. Namun, pelaksanaan kebijakan masih menghadapi kendala pemerataan akses fasilitas dan keterbatasan pendampingan bagi pelaku usaha kecil. Oleh karena itu, diperlukan strategi yang lebih inklusif dan kolaboratif agar industri kuliner di Palembang dapat berkembang secara berkelanjutan.*

Kata kunci: industri kuliner, kebijakan publik, UMKM, Palembang

INTRODUCTION

The culinary industry is an economic sector that plays a strategic role in boosting regional economic growth. Distinctive culinary delights such as pempek, tekwan, and pindang are not just food but also cultural identities that strengthen the tourism appeal of Palembang City. The Palembang City Government has

implemented various policies, such as fostering Micro, Small, and Medium Enterprises (MSMEs), facilitating capital, and promoting them at regional festivals, in an effort to support the growth of the culinary industry (Janianda et al., 2024). However, the implementation of these policies is not without challenges, particularly those affecting their effectiveness.

Culinary industry development policies in Palembang are often influenced by the interests of policymakers. Assistance and subsidy programs for culinary entrepreneurs are not only intended to encourage the sector's growth but also often become part of political strategies, particularly in the lead-up to regional elections. Furthermore, decisions regarding culinary business zoning, tax regulations, and the development of supporting infrastructure such as culinary centers and traditional markets reflect the political dynamics that determine policy direction (BPPPP, 2024). While this policy can contribute to regional economic growth, there is a risk of unequal access to assistance, particularly for small and medium-sized businesses that have not been fully accommodated in existing policies.

The culinary industry is one of the creative economy sectors that has a significant contribution to regional economic growth, job creation, and strengthening cultural identity (Anggraeni & Nisa, 2024). In the city of Palembang, culinary specialties such as pempek, taekwan, and pindang are not only consumption products, but also cultural icons that strengthen the attractiveness of regional tourism (Nurmala et al., 2022). Along with increasing market demand and potential competitiveness, the Palembang City Government has launched various policies, ranging from fostering Micro, Small and Medium Enterprises (MSMEs), capital facilitation, digitalization training, to promotion through culinary festivals. However, policy implementation still faces challenges such as limited access to aid, inequality in the distribution of facilities, and lack of adequate supporting infrastructure (Harjowiryo & Siallagan, 2021).

From the perspective of political economy theory, the development of the culinary industry is influenced by the dynamics of political interests and the allocation of economic resources. Edwards III's Policy Implementation Theory emphasizes that the success of policy implementation is influenced by communication, resources, executive disposition, and bureaucratic structure (Kasmad, 2013). Culinary policy in Palembang is also related to regional regulations, such as Regional Regulation Number 4 of 2023 concerning Regional Taxes and Regional Tribulations which regulates taxes on food and beverage provision, as well as Mayor Regulation Number 55 of 2022 concerning the Position, Organizational Structure, Duties, Functions, and Work Procedures of the Industry Office which provides a framework for industrial development and facilities (POSITION, ORGANIZATIONAL STRUCTURE, DUTIES AND FUNCTIONS AS WELL AS WORK PROCEDURES OF THE PALEMBANG CITY INDUSTRY OFFICE, 2022; PALEMBANG CITY REGIONAL REGULATION NUMBER 4 OF 2024 CONCERNING REGIONAL TAXES AND REGIONAL LEVIES, 2023). Synergy between

political and economic policies is important so that regulations are not only administrative, but also encourage sustainable growth of the culinary sector.

The novelty of this research lies in an in-depth analysis of the Palembang City Government's policies in developing the culinary industry through political economy theory approaches, creative economy strategies, and business actors' perceptions. In contrast to previous research that focused more on the marketing or promotional aspects of culinary marketing, this study combines policy analysis with field interviews from various sources, including traders, consumers, and relevant agency officials (Pramana, 2023; Syarifuddin et al., 2022).

Based on this background, the problems of this research are formulated as follows: (1) what is the form of the Palembang City Government's policy in developing the culinary industry, (2) how the implementation of the policy is seen from the perspective of political economy theory, and (3) what factors support and hinder the success of the policy. The purpose of this study is to analyze the policies of the Palembang City Government in the development of the culinary industry, identify supporting and inhibiting factors, and provide strategic recommendations that can increase the competitiveness of Palembang's culinary in the local and national markets. Based on the problem formulation mentioned above, the objectives of this research are: To determine the political economy policies implemented by the Palembang City Government in developing the culinary industry. To determine the inhibiting factors faced in political economy policies for culinary industry development in Palembang City.

This research is expected to contribute to the development of studies in the field of public policy, particularly regarding the implementation of government policies in economic sectors, such as the culinary industry. By analyzing the effectiveness of policies implemented by the Palembang City Government, this research can enrich academic references regarding the government's role in supporting the growth of industries based on local wisdom. Furthermore, this research can also serve as a basis for further research focused on developing creative economy sector policies in various regions with similar characteristics.

This research can serve as an evaluation material for the Palembang City Government regarding the effectiveness of implemented policies and provide strategic recommendations for increasing support for the culinary industry. This research can provide insight to culinary entrepreneurs regarding policies that can be utilized in business development and the challenges they may face. This research can be a reference for the general public and academics in understanding the dynamics of the culinary industry as part of the local economy and the factors that can influence its sustainability.

METHODOLOGY

This research uses a qualitative method with a descriptive analysis approach to gain an in-depth understanding of the Palembang City Government's policies in developing the culinary industry. The data collected in the form of

words, narratives, and documentation were systematically analyzed. The data sources from this study include (Nasution, 2023):

1. Primary data was obtained through in-depth interviews with employees of the Palembang City Industry Office and the Palembang City Cooperatives and MSMEs Office. The selection was carried out by *purposive sampling* based on involvement in the policy.
2. Secondary data comes from policy documents, official reports, academic literature and mass media news related to government programs and the development of MSMEs in the culinary sector.

Meanwhile, research data collection is carried out through:

1. Interviews, used to dig up information about government strategies, programs, and regulations.
2. Observation is used to identify field conditions in culinary business actors.
3. Documentation, used to obtain supporting data from archives, official reports, and related literature.

This research was carried out in Palembang City, South Sumatra Province, with a focus on related government agencies, namely officials from the Department of Industry and the Palembang City Cooperatives & MSMEs Office as well as culinary business actors at the 26 Ilir Market. The data analysis carried out follows the Miles and Huberman model which includes (Suhada et al., 2022):

1. Data reduction, selection process, simplification, and compilation of relevant data.
2. The presentation of data was carried out in the form of narrative descriptions and research charts.
1. Conclusion drawing and verification, based on evidence gathered during the research.

The Palembang City Government's political and economic policies for developing the culinary industry reflect a commitment to expanding the creative economy sector, particularly through various strategic programs and established regulations. These efforts demonstrate the government's understanding of the importance of the food industry not only as a pillar of the local economy but also as part of the region's cultural identity and tourist attraction. However, in its implementation, several obstacles remain key challenges, such as gaps in access to information, limited business legality, and low participation by some business actors, particularly MSMEs. This indicates the need for a more inclusive, adaptive, and flexible policy strategy to ensure that all industry players, especially micro and small businesses, can access the benefits of existing policies fairly and proportionally. A multi-sectoral approach based on real-world needs will be key

to creating a competitive and sustainable culinary industry ecosystem in Palembang.

RESULT AND DISCUSSION

In the implementation of the research, the framework of thought carried out is in Figure 1. Based on this, there are four main indicators, namely policy communication, resources, disposition and bureaucratic structure. This indicator is in line with the political economy approach in looking at the dynamics of power, coalitions of interests, and socio-economic structures that influence public policies in Palembang City (Dahlan & Wildan, 2022).

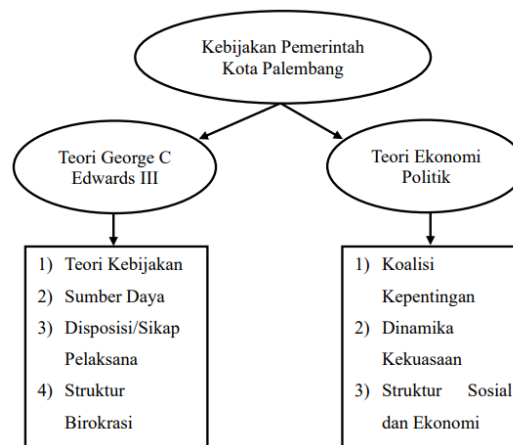


Figure 1 Frame of Mind

Palembang City Government's Policy in the Development of the Culinary Industry

The results show that the Palembang City Government has implemented a number of policies to support the development of the culinary industry, including packaging innovations, promotion through culinary festivals, MSME coaching, and providing capital assistance. One of the officials from the Industry Office explained *"Training and promotion programs have been routinely carried out every year, especially ahead of major events such as culinary festival and MSME exhibitions. The goal is so that local products can be better known and compete in a wider market"*. These findings are in line with creative economy theory which emphasizes that strengthening technology, improving the quality of human resources, and market access are key components in building a sustainable creative economy (Handrawan & Nisa, 2024). However, based on the policy perspective of George C. Edwards III, the communication aspects and bureaucratic structure need to be strengthened. This is shown from the response of some traders who admitted that they did not get clear information, so that the policy did not run optimally on each line.

Policy Impact on Culinary Business Actors

Pindang traders at Pasar 26 Ilir revealed that packaging innovations such as canned pindang products make it easier to market outside the region. The

trader explained that *"Yes, I know and quite support the policy... Prduk Pindang is now packaged in cans, so it can be more easily marketed, even outside the region or exported."* However, he also highlighted the constraints of equal access, *"... Not all traders get the same facilities or access. So sometimes the policy already exists, but the implementation has not been optimal."* This strengthens Edwards III's theory that resource factors are crucial in the successful implementation of policies (Kusnadi et al., 2021). The availability of packaging facilities and capital affects the extent to which business actors can feel the benefits of the policy. If resources are not evenly distributed, then the positive impact of policies will be focused on some business actors. In terms of the creative economy, packaging innovation is a form of strengthening technology that helps local products compete, but without equitable distribution of facilities, the target of strengthening competitiveness has not been fully achieved.

Culinary industry development policies in Palembang are often influenced by the interests of policymakers. Assistance and subsidy programs for culinary businesses are not only intended to encourage the sector's growth but also often become part of political strategies, particularly in the lead-up to regional elections. Furthermore, decisions regarding culinary business zoning, tax regulations, and the development of supporting infrastructure such as culinary centers and traditional markets reflect the political dynamics that determine policy direction (BPPPP, 2024). While these policies can contribute to regional economic growth, there is a risk of unequal access to assistance, particularly for small and medium-sized businesses that are not fully accommodated in existing policies.

At the national level, government policies related to the culinary industry in Palembang are also inseparable from broader regulations, such as food and beverage tax policies and post-pandemic economic recovery programs (Matondang et al., 2024). The central government has issued policies such as the Government-Borne Import Duty Facilitation (BMDTP) and the Industrial Mobility and Activity Operational Permit (IOMKI) to support the continuity of the food and beverage industry during the pandemic. These policies provide a basis for local governments in developing strategies for developing the local culinary industry. However, the effectiveness of implementing this policy depends on transparency and coordination between various stakeholders, including local governments, business actors, and the community.

Without policies that systematically and sustainably encourage innovation, the competitiveness of local culinary products could stagnate. Furthermore, structural factors such as limited access to capital, high rental costs for business premises, and rising raw material prices further complicate the situation for culinary industry players. Supporting infrastructure, such as modern markets, culinary centers, and raw material distribution systems, is also poorly integrated, hampering the sector's development.

Policy innovations such as the Palembang Rantang Program reflect how the local government's role in supporting the culinary industry extends beyond

business development to leveraging the culinary ecosystem for social goals and community welfare. This program demonstrates that culinary policy in Palembang City has the potential to contribute to regional economic development, both through empowering culinary MSMEs and through social initiatives that directly impact the community. Therefore, analyzing culinary industry development policies in Palembang City is crucial to understanding the extent to which the government can create sustainable and inclusive policies, not only for businesses but also for the wider community.

The development of the culinary industry is inseparable from the role of the Palembang City government, one example of which is the establishment of the Palembang City Cooperatives and MSMEs Office, which plays a crucial role in supporting the development of the culinary industry through various programs and policies. One such effort is the provision of a digital platform featuring MSME products, including culinary products, as well as information about events such as bazaars and MSME Expos, which aim to introduce local products to a wider market. In addition, this agency also facilitates various services such as training agendas, MSME and cooperative data collection, and business consultations to increase the capacity and competitiveness of business actors.

Public Perception of Changes in the Culinary Industry

Consumers at Pasar 26 Ilir observed an improvement in the quality of cleanliness and aesthetics in food stalls after the implementation of the policy. *"... Many stalls are starting to be neat, clean, there are still halal labels for all ... Now it has started to be replaced with a more environmentally friendly one. He said it was also part of the new rules."* They also assessed that the variety of menus has increased and the arrangement is better than a few years ago, despite the difference in quality between traders who follow government programs and those who do not. These findings show the success of government intervention in the aspect of disposition, with the support and positive attitude of business actors who participate in government programs contributing to improving the image and quality of business. In this case, government intervention in the form of direct and indirect assistance, such as hygiene training and the use of environmentally friendly packaging, as well as increasing product competitiveness and attracting consumer interest (Harjowiryo & Siallagan, 2021). However, the challenge of equitable distribution of coaching remains an important note.

Theoretical Analysis and Policy Implications

Considering the perspective of George C. Edwards II's policy theory, namely communication factors, resources, disposition, and bureaucratic structure, resources and communication are the main obstacles. Program information has not reached all business actors and supporting facilities have not been evenly distributed. Meanwhile, from a creative economy perspective, the Palembang City Government's policies have led to technology strengthening,

improving the quality of human resources, and expanding the market, but sustainability requires an inclusion strategy that pays attention to micro-scale business actors.

The results of the study show that government policies in the culinary sector have succeeded in realizing most of the principles in Edwards III's policy theory, especially in the aspect of disposition, where business actors who receive guidance show a positive response. However, the main weakness lies in the uneven distribution of resources and program communication that has not reached all business actors. From the perspective of creative economy theory, packaging innovation, festival promotion, hygiene improvement, and MSME training reflect strategies to strengthen technology, market access, product differentiation, and improve the quality of human resources. However, this achievement is still not optimal because the benefits of the policy are more felt by business actors who have been connected to government programs, while some micro-scale business actors have not felt a significant impact. Thus, a more inclusive, equitable, and adaptive follow-up policy is needed so that all culinary industry players can increase competitiveness and contribute to regional economic growth.

CONCLUSION

The Palembang City Government's policies, through packaging innovation, culinary festival promotion, the implementation of hygiene standards, and MSME training, have had a positive impact on the development of the culinary industry and are in line with the policy implementation theory of George C. Edwards III and the concept of the creative economy. This policy encourages the increase in the competitiveness of Palembang's typical cuisine, but its implementation still faces obstacles such as limited resources, gaps in access to facilities, and equitable distribution of benefits for micro business actors. Therefore, a more inclusive and adaptive strategy is needed so that all business actors can feel the benefits equally and sustainably.

The conclusion contains answers to the hypothesis, formulation or focus of the research based on the results and discussions that have been described previously. Describe the conclusion in the form of a concise and systematic paragraph. The results of the research show that there is a need for development to the Palembang City Government, especially the Industry Office and the Cooperatives & MSMEs Office, to expand the equitable distribution of access to facilities, training, and incentives for all culinary business actors, especially micro and small scales. Packaging innovation programs, promotions, and improvement of hygiene standards need to be strengthened so that the benefits are evenly distributed throughout culinary centers. In addition, cross-sector collaboration needs to be improved to create a sustainable culinary industry ecosystem. For further research, it is recommended to explore the impact of policies on business sustainability with a more measurable quantitative approach.

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