

ARTICLE

Unlocking the Role of Actor Networks and Strategies for Developing Collaborations in Regional Featured MSEs

Dina Suryawati^{1*}, Selfi Budi Helpiastuti¹, Suji¹, Supranoto¹, Honest Dody Molasy², Alfareza Firdaus¹, & Nurussyamsil Hidayah¹

¹Department Public Administration, University of Jember, Jember, Indonesia

²Department International Relations, University of Jember, Jember, Indonesia

How to cite: Suryawati, Dina., Helpiastuti, Selfi B., Suji., Supranoto., Molasy, Honest D., Firdaus, Alfareza., & Hidayah, Nurussyamsil. Unlocking the Role of Actor Networks and Strategies for Developing Collaborations in Regional Featured MSEs. *Jurnal Borneo Administrator*, 21(1), 47-60. <https://doi.org/10.24258/jba.v21i1.1570>

Article History

Received: 26 June 2024

Accepted: 2 February 2025

Keywords:

Collaborative Governance;
MSEs;
Network Governance;
Policy.

ABSTRACT

The crisis has raised concerns about behavioral adaptation and resilience changes in micro and small enterprises (MSEs). As a result, MSEs need to get policy support by determining policy strategies oriented towards collaboration schemes. This study explores the actor network of MSEs of regional superior products and determines the right policy strategy to encourage a broader and more sustainable collaboration process. This study contributes to creating collaborative policy strategy directions for SMEs by utilizing actor networks. This research focuses on elaborating the concepts of network governance and collaborative governance. The study employed a descriptive qualitative method through empirical mapping of MSE stakeholder actors using Miro Apps. Data was analyzed using IFAS-EFAS techniques to determine suitable strategies for supporting MSE policies. The results show the dynamics and complexity of the MSE network with its main vital actors: state and non-state actors. Strategic efforts can be realized through rotation functions to achieve a productive economy by optimizing the potential for adaptive collaboration through MSE policies on superior products by minimizing existing weaknesses.

A. INTRODUCTION

The COVID-19 outbreak has severely impacted Indonesian MSMEs. According to Bank Indonesia, 87.5 percent of MSMEs in Indonesia were affected by the COVID-19 outbreak, with over 93.2 percent experiencing a decline in sales (Saputra, 2021). The government has made various efforts to support the economic recovery, especially for MSMEs. One measure provides IDR 1.2 million for each micro business actor (Situmorang, 2020).

The potential of MSMEs can be maximized by building social capital through more sustainable networks and collaborative commitments (Widia & Octafia, 2023). The goal is for MSMEs to be resilient and adaptive in their business processes through partner networks. However, the problems commonly experienced by MSMEs are related to accessibility to broader markets, either on a global or domestic scale (Castañeda-Navarrete et al., 2022). This issue is influenced by ineffective financial management (Harto et al., 2024), non-inclusive access to finance (Rajamani et al., 2022), difficulties in digital adaptation and innovation of

* Corresponding Author

Email: 180910201044@mail.unej.ac.id

MSME businesses (Ikhwana & Dianti, 2022), and policy support that encourages the MSE distribution chain (Gupta, 2023).

Data from the Ministry of Cooperatives and SMEs in 2023 shows that micro and small enterprises (MSEs) dominate entrepreneurship in Indonesia, reaching approximately 64 million units, compared to around 50 thousand units of medium and large enterprises (MSEs). This contrast highlights the vital role of MSEs in driving economic productivity, job creation, and growth (Suryani, 2023; Vincent et al., 2022). However, only 7% of MSEs have established partnerships, indicating a need for stakeholders to strengthen collaborations with MSEs further to support national economic development (Suryani, 2023).

This research focuses on Micro and Small Enterprises (MSEs) of regional-level superior products in Bondowoso Regency, East Java, Indonesia. Bondowoso was selected as it contributed the highest added value to the regional economy among East Java's 3T (Frontier, Remote, Underdeveloped) areas in 2022, amounting to IDR 10,210 billion (Dinas Koperasi dan UKM Provinsi Jawa Timur, 2022a). With 459,559 MSEs in 2021, Bondowoso also leads in MSE numbers within these regions (Dinas Koperasi dan UKM Provinsi Jawa Timur, 2022b). Policies like "*Bondowoso Republik Kopi*" and "*Kota Tapai*" branding reflect its unique entrepreneurial culture, rooted in traditional agriculture but focused on quality and authenticity (Kholidi, 2019). This means that, empirically, it has considerable MSE potential compared to the other three regions that, together with Bondowoso Regency, emerged from the 3T (Disadvantaged, Frontier, Outermost) status in 2019.

Bondowoso's MSEs have produced a range of superior products, such as processed coffee and fermented cassava (*tapai*), that have achieved recognition in regional and global markets. This success has led to the city branding of Bondowoso as the "Republic of Coffee" and "City of Fermented Cassava." However, the marketing network for these products remains underexplored, as the relationship between MSEs and the government is still predominantly one-way. A comprehensive network strategy is needed to enhance the competitiveness of local products and address market challenges.

To provide a perspective on a sustainable marketing system, this study aims to map the network patterns among various actors and analyze the collaboration strategies of MSEs. This approach is grounded in network actors and collaborative governance, emphasizing organizational governance systems that facilitate partnerships toward shared objectives (Ansell & Gash, 2007; Luqito & Arrozaaq, 2016). This study addressed the following research question: "How can the results of actor-network mapping and collaborative strategies from MSEs of regional superior products be analyzed?" The actor-network mapping identifies the extent of relationships between MSEs and other actors. At the same time, the collaborative strategy analysis reviews policy strategies derived from empirically identifying actor relationships using the IFAS-EFAS SWOT method. The findings aim to address current gaps in collaborative practices.

B. LITERATURE REVIEW

In MSEs, understanding actor network dynamics with Actor-Network Theory emphasizes the interconnectedness and agency of various individual and inter-agency actors in shaping collaboration and outcomes in each context (Chiari et al., 2023). Then, developing a collaborative communication model is also needed to improve the sustainability of MSEs (Sarbana et al., 2023) and encourage growth and sustainability.

MSEs can use collaborative strategies to navigate the competitive environment and achieve sustainable growth, one of which is the IFAS-EFAS framework to evaluate the internal and external factors affecting the organization. The IFAS-EFAS analysis yields several strategic approaches: turnaround strategies, which focus on internal improvements; aggressive

strategies, leveraging internal strengths to seize significant external opportunities; defensive strategies, aimed at protecting the organization's position by minimizing risks; and diversification strategies, which support product development and reduce dependence on a single product line (Hitt et al., 2013; Wheelen et al., 2018).

Many studies have studied MSEs through the concept of collaborative governance. However, few have focused on the scope of disadvantaged areas. Most studies are macro (country) and meso (region/province) and focus on issues of poverty, management performance, the impact of the economic crisis, and digital adaptation (Fathima, 2020; Nursini, 2020; Priya & Kokila, 2022; Sahoo & Ashwani, 2020; Taiwo et al., 2022). In addition, MSE studies are pretty complex, as they rely not only on quantitative and qualitative modeling (Athaide & Pradhan, 2020; Sahoo & Ashwani, 2020; Vásquez et al., 2021). Therefore, not many have specifically presented method techniques that are more applicable to MSE studies, such as actor mapping and strategy analysis, simultaneously in one study. This research fills the MSE research gap by focusing on regional superior products and conducting actor mapping and collaborative strategy analysis of MSEs with the IFAS-EFAS analysis framework.

C. METHOD

This research used qualitative methods through interviews, observations, and document studies (Creswell & Poth, 2018). The researchers interviewed seven people as informants, including (1) two owners of fermented-cassava (*tapai*) MSEs in Wringin Sub-district; (2) two owners of coffee MSEs in Sumber Wringin and Ijen Sub-districts; (3) an MSE player in processed food products who has marketed his products in modern retail stores; and (4) two officials at the Cooperative, Industry, and Trade Office of Bondowoso Regency. The selection of informants from MSEs has represented the superior products of Bondowoso Regency, namely coffee, fermented cassava (*tapai*), and processed fermented cassava (*tapai*) that have entered modern retail stores. In addition, the domicile of the superior product MSE informants is in the center of the product so that they can represent the MSE community based on the product type.

Observations were conducted over 1-2 days on the activities of five MSEs and their product displays at Indomaret, a modern retail store. The researchers examined both the production processes and the availability of display facilities for MSE products. Superior MSE products, particularly dry foods like fermented cassava (*tapai*) chips and coffee chips, were showcased in a unique display case. However, the production of *tapai* remains traditional, using furnaces and woven bamboo packaging, whereas coffee and processed foods utilize simple machinery and have neater, more hygienic packaging.

Document analysis was conducted by reviewing the 2021 Work Plan of the Cooperative, Industry, and Trade Office of Bondowoso Regency to analyze the planning and realization of MSME programs (Dinas Koperasi, Perindustrian, 2021). It was observed that the marketing program for MSE products is currently a primary focus, although substantial achievements have yet to be realized. The researchers also reviewed documents listing MSEs in partnership with modern retail outlets and a cooperation agreement between Group Bondowoso Creative (GBC) and PT Indomarco Pristama (Indomaret) for marketing processed food products.

The data analysis technique utilized the Miro app to map the actor network based on research data and information. This app facilitated the creation of a mind map, highlighting each actor's influence on others. The findings were then visualized through diagrams and actor networks grounded in the actor-network concept. The results of the actor-network mapping analysis were further elaborated to develop collaborative strategies using the SWOT analysis matrix techniques, specifically the IFAS (Internal Factor Analysis Summary) and EFAS (External Factor Analysis Summary) frameworks, within the concept of collaborative

governance. Consequently, these techniques provided valuable insights into the actor network and informed the development of collaborative strategies for MSE actors of superior products.

D. RESULT AND DISCUSSION

Mapping the MSE Actor Network

Based on the research results, the implementation of MSME policies is carried out by the Bondowoso Regency Cooperative, Industry and Trade Office. It is supported by several actors involved in the marketing process of MSE products, such as PT Indomarco Pristama Jember (Indomart), Alfamart, and Murnimart in Bondowoso Regency. The partnership scheme between the three retailers varies. However, the collaboration between the government and Indomart is the most robust and effective, forming a community of MSEs directly connected to retail partners.

"Regarding partnerships, since last year (2021), we have established collaborations with three retail companies: Indomart, Alfamart, and Murnimart. At Murnimart, the partnership is directly between the business actors and Murnimart, with our role being purely facilitative. For Indomart, a community called GBC (Group Bondowoso Creative) is involved. As for Alfamart, I'm not entirely sure, but to my knowledge, there isn't a similar community. However, we frequently communicate with the managers of Indomarco and Alfamart" (interview with a government official, 2022).

The tendency of each MSE to have a collaborative strategy to expand its business is evident. Coffee MSEs tend to build independent marketing relationships with the private sector. This is to maintain capital turnover, and the practical strategy they usually use in marketing is through a reseller system for café entrepreneurs.

"For coffee, as far as I know, they look for something unique that stands out from the competition, as there are already many manufacturers in the market. They (MSME players) are concerned about losing competitiveness against factory-produced products. Additionally, they dislike tying up funds because their cash flow needs to stay active. That's why they prefer selling to resellers in cafes, as it ensures quicker cash turnover" (interview with a government official, 2022).

Nevertheless, coffee MSEs also recognize that the government is an intermediary in establishing buyer cooperation. However, due to the limitations of the current payment system, they continue to market their products directly to consumers. In addition, coffee farmers collaborate with other partners, such as the Indonesian Coffee Farmers Association (ASPEKI), which serves as a distributor that links coffee farmers and MSE actors with potential consumers. The association also exports farmers' products to international markets, such as Dubai, Korea, and the Netherlands.

"From groups, groups of fellow farmers, so we have an association, called ASPEKI. Through ASPEKI we operate collectively ... So, the association becomes the exporter, gathering products from the farmers and then directly shipping them to Dubai, as the association has the necessary connections. Dubai is the farthest destination we've marketed to... Last time, we had a request in Amsterdam... Yes, that's correct; we also sent a sample to Korea" (interviews with coffee MSE actors, 2022).

Although the volume of orders is small, coffee MSEs recognize the benefits of the land that Perhutani leases to coffee farmers with a profit-sharing system.

"Yes, with Perhutani, we have the right to utilize the land under a profit-sharing arrangement. After the harvest, 3% of the profits go to Perhutani. The memorandum of understanding (MOU) specifies a profit-sharing ratio of 30:70 or 40:60 with Perhutani." (interview with a coffee MSE actors, 2022).

In addition, coffee farmers have other partners in marketing their products, namely through cooperation with the Indonesian Coffee Farmers Association (ASPEKI) as a distributor that links coffee farmers and MSE actors with potential consumers. The association also acts as an exporter of products from farmers to foreign countries, such as Dubai (results of interviews with coffee MSEs, 2022). Although the volume of orders is not large, coffee MSE actors recognize the benefits of the land leased by Perhutani to coffee farmers with a profit-sharing system (interview with coffee MSE actors, 2022).

However, in terms of capital, development, and marketing of regional superior products, they receive support from the Office of Cooperatives, Industry, and Trade as well as the Office of Agriculture and Food Security, which regularly organizes training, business capacity building for MSEs, tourism-based special events to promote MSE products, and low-cost capital loans issued by national or regional banks such as People's Credit Bank of East Java as a planting/post-harvest season mitigation measure. In addition, coffee MSEs receive direct assistance from the Coffee and Cocoa Research Center. There is also a contribution from academia through the initiative to establish a Coffee School by the University of Jember and PT Astra International, aiming to share knowledge with MSE actors about quality coffee (interview results with coffee MSE actors, 2022).

Snack food MSE actors carry out a different network pattern by supplying MSE products to retailers, such as Indomart and Murnimart. In this cooperation process, they explained that the role of the government is significant. One of them is in terms of relationships with related retailers, packaging development, product quality, and facilitation of the product curation process. Modern retail provides a significant opportunity to reach consumers without incurring losses because the cost of goods is determined directly by MSEs, and retail only determines the selling price. Meanwhile, retail marketing uses a pre-order system, and all payment transactions from sales at Indomart and Murnimart are profitable. The Group Bondowoso Creative (GBC) facilitated the process involving several MSEs. This group plays a role in managing the transactional system of MSE products with retail stores. This group helps MSE members dramatically due to its efficient and transparent payment system.

“In GBC, we have formed eleven members who have joined MSMEs at Indomart. This account is registered under the name of GBC. Whenever an invoice is submitted, the payment is transferred from Indomart to the GBC account, and we then distribute the funds to the members who have submitted claims.” (an interview with MSE actors of processed products, 2022). This proves that social network management can enable actors to foster and connect, creating a sense of trust and responsibility toward each other (Situmorang & Kuswanda, 2019; Usher & Denis, 2022).

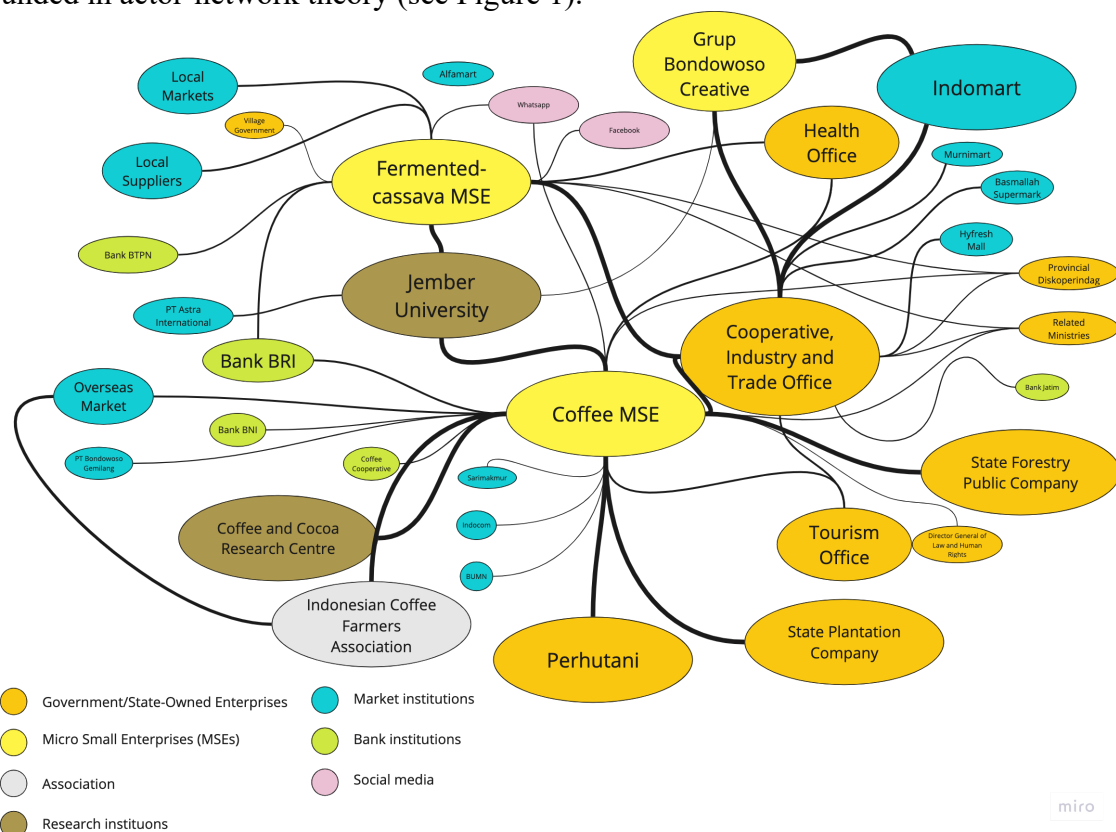
Fermented-cassava (*tapai*) MSE business actors apply independent conventional marketing techniques. They explained that the fermented cassava products produced and sold are customized according to direct orders from consumers. Nonetheless, their marketing reach covers the Besuki District area, Pasuruan Regency, and nearby local markets, allowing them to remain competitive locally despite using a conventional method. Besides the conventional method, fermented cassava (*tapai*) MSEs expand their marketing efforts online through social media platforms like WhatsApp and Facebook. Other fermented-cassava MSE players also admitted that they received support from the Office of Cooperatives, Industry, and Trade in product development training and assistance with product production equipment.

“Yes... the training was to make tape chips... It was held once at Ijen View (hotel). Yes, I had participated in the training in the past and received tools before this assistance” (interview results with fermented-cassava MSE players, 2022).

However, the facilitation provided for product development is less extensive than that offered for processed food products. Fermented cassava products have yet to connect with

business actors directly linked to end consumers. As a result, fermented-cassava MSEs adapt their operations by relying on conventional methods and readily accessible social media-based marketing strategies.

In the context of this research, visual analysis of the actor-network of the three main actors in the MSE sector of superior products reveals complex dynamics, with the private sector and banking institutions in the MSE ecosystem playing essential roles. The findings indicate that the government significantly influences the dominant role in the MSE network of superior products. This role enhances the understanding of relationships among actors within the MSE ecosystem of superior products. It provides a basis for identifying the factors influencing the dynamics of MSE sector development. These insights are framed within a theoretical approach grounded in actor-network theory (see Figure 1).



(Source: Processed from Miro Apps, 2024)
Figure 1. Mapping Actor Network of SME's

In the network actor concept, network formation is the result of interactions and negotiations between various parties, including individuals and non-individual entities, enabling relationships based on shared goals and work (Torfing et al., 2021; Utama et al., 2024; Zaelani et al., 2022). Figure 1 illustrates the centrality of the government's role in visualizing a network of actors with a solid interconnectivity with other actors. This connection stems from the government's role as a central actor, supporting MSEs through policies to enhance income, marketing, business performance, productivity, employment opportunities, and overall growth (Lwesya et al., 2021; Purwaningsih et al., 2022; Shafi et al., 2020).

The government should optimize the implementation of programs that improve the quality of human resources of MSE actors and encourage business collaboration between large and small entrepreneurs (Zaelani et al., 2022). However, differences in implementing government programs lead to unsuitability for the target group of superior products. This difference in implementation indicates limited government resources to conduct more impactful and

sustained program actions (Hafel et al., 2022; Ridwan et al., 2019). The effectiveness of government programs can be disrupted by several factors, such as inadequate communication and budget resources, uncondusive organizational environment, leadership, resource mobilization, partnerships, and process improvement (Antonio et al., 2021; Jurisman Kadji, 2022). These issues should be addressed by redesigning a superior product scheme oriented towards product value and developing a more impactful network.

On the other hand, the ability of MSEs to build their networks can have a significant impact on their performance and growth, one of which is increasing the resilience and level of business adaptivity to crises such as during COVID-19 (Haryaningsih et al., 2022; Yuliaty et al., 2021). Contributions from other actors, such as universities and large industries, also significantly support an impactful and sustainable MSE network ecosystem. This represents an organizational initiative to foster an equitable supply chain distribution. Consequently, restructuring the actor-network strategy towards collaborative governance, which emphasizes the active contributions of both the government and MSE actors, is essential for strengthening the governance of regional superior product MSEs. This approach addresses challenges in the production system network and product distribution, ultimately enabling the development of a sustainable network framework (Purwaningsih et al., 2022; Suwarni & Handayani, 2021).

Collaborative governance networks emphasize the inclusive engagement of various actors to integrate productive activities with distributive-consumptive efforts (Burgos & Mertens, 2022). This approach ensures that multiple stakeholders participate equitably, considering the actors' diversity. Strong networks ensure fairness and equity in collaborative processes by addressing actor inclusion (Hermansson, 2016), offering discretionary space to local actors, and encouraging networking between organizations (van Duijn et al., 2022).

The collaborative strategy of regional-featured MSEs

The redesign effort to support collaborative governance of MSEs of regional superior products can be done using IFAS-EFAS SWOT matrix analysis (see Tables 1 and 2). The SWOT analysis identification process, scores (categorizing strongly agree to disagree), and rating (categorizing major to minor) are based on research and actor mapping results.

IFAS Analysis

Table 1. IFAS Analysis

No.	Strength	Score	Rating	Total
1	Centrality of government programs through product/business capacity building and MSE partnerships.	0,352	4	1,411
2	Resilience of MSEs that can form business networks.	0,294	3	0,882
3	Significant contribution of non-state actors in improving business/product performance.	0,352	4	1,411
Total		1		3,705
No.	Weaknesses	Score	Rating	Total
1	The ratio of the number of MSEs that qualify for the partnership program still needs to be higher than the total number of MSEs.	0,218	4	0,872
2	Limited government resources in MSE product/business development and partnerships.	0,200	4	0,800
3	Implementation of government programs is still output-oriented rather than outcome-oriented and sustainability-oriented.	0,218	4	0,872
4	The capacity of MSE actors is not sufficiently capable of product expansion beyond the local/regional market.	0,200	4	0,800
5	The network formed by MSEs is still not necessarily sustained and favorable to MSEs.	0,163	3	0,490
Total		1		3,836

Source: Processed from researcher (2024)

After knowing the main factors that become the strengths and weaknesses of the collaborative governance of MSE policies, the IFAS analysis calculation score (Strengths - Weaknesses) is -0.130.

EFAS Analysis

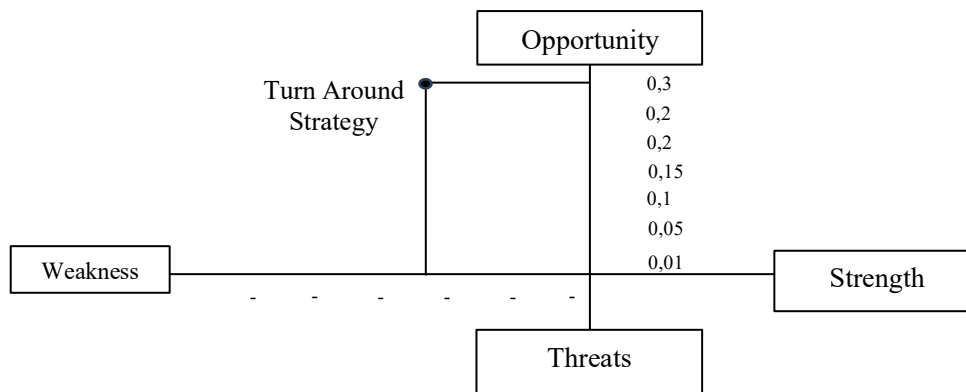
Table 2. EFAS Analysis

No.	Opportunities	Score	Rating	Total
1	Opportunity to reach a broad market.	0,342	4	1,371
2	Openness of modern retailers to MSE products.	0,314	4	1,257
3	Opportunity for collaborative schemes with non-state actors.	0,342	4	1,371
Total		1		4
No.	Threats	Score	Rating	Total
1	Rapid technological developments that threaten the productivity of conventional MSEs.	0,352	4	1,411
2	Lack of relationships and connections of MSE actors.	0,294	3	0,882
3	Intense business and product competition.	0,352	4	1,411
Total		1		3,705

Source: Processed from researcher (2024)

After knowing the main factors that become opportunities and threats of collaborative governance of MSE policies, the EFAS analysis calculation score (Opportunities - Threats) is 0,29.

Strategy Analysis of IFAS-EFAS Results



(Source: Processed from researcher, 2024)

Figure 2. SWOT Diagram

Figure 2 shows that the collaborative governance of MSE policies is in quadrant III between weaknesses and opportunities. Under the current status quo, the government can accelerate changes in collaborative governance by implementing a network optimization strategy that maximizes opportunities while minimizing weaknesses. The approach employed in this strategy is a turnaround strategy.

Based on the IFAS-EFAS analysis presented in Tables 1 and 2, the turnaround strategy can be implemented by optimizing the potential for policy collaboration in superior product MSEs through the following measures: (1) enhancing facilitation for business capacity building to produce competitive products; (2) mentoring for product quality improvement, from manufacturing to packaging, to ensure high-value or qualified products for digital market distribution; (3) increasing partnership mentoring with modern marketplaces and retail platforms; (4) expanding opportunities for collaborative schemes with potential stakeholders, such as industries, and increasing exposure of regional superior products at public events; (5)

establishing formal cooperation schemes through public-private partnerships and fostering informal communication among the government, private sector, and MSEs to promote transparent and inclusive supply chains for MSE products; (6) providing incentives for MSE actors who successfully expand into global markets; and (7) supporting the formation of associations or cooperatives for specific MSE products to inclusively establish trading partnerships. Ultimately, the turnaround strategy for implementing policies and programs will be more effective if fully aligned with the collaborative governance framework, aiming to achieve productive economic growth by empowering regional superior MSE products.

To explore the role of actor networks and collaboration development strategies in the region's MSEs, it is necessary to focus on optimizing collaborative governance that is more adaptive to increase the potential of MSEs' superior products. Collaborative governance involves the interaction of various stakeholders, including government entities, businesses, and community organizations, to collectively address complex issues (Siddiki et al., 2015).

In the context of MSEs, collaboration between government agencies and civic actors can significantly improve the efficiency and responsiveness of public policies, especially those aimed at supporting MSEs and promoting regional development (Swanstrom & Banks, 2009). However, since the government is primarily a facilitator, it must significantly encourage more robust relationships between MSE actors and modern retail stores or other stakeholders. As a result, the communication links formed are mostly left to MSE actors independently and informally with industry associations/modern retail stores/other stakeholders.

However, limiting collaboration with the government to formal spaces can be an obstacle to unlocking the full potential of MSEs and supporting sustainable regional development. It is essential to expand the scope of collaboration with the government to be limited to formal aspects and include more substantial and sustainable cooperation in supporting the sustainability of MSEs and regional economic development (Lu & Yu, 2020), such as social networks, communities, or work groups that are flexible and organized.

By actively involving the government and fostering collaborative initiatives, MSEs can gain more comprehensive and sustainable support to maximize the potential of policy collaboration in promoting their superior products. Collaboration supported by well-designed policies can create a conducive environment for MSE growth and innovation while facilitating the transfer of knowledge and technology essential for enhancing the competitiveness of MSEs' flagship products in regional markets (Hottenrott & Lopes-Bento, 2014). Therefore, strengthening the policy framework that supports cross-sector and cross-agency collaboration can be a strategic step in optimizing the potential of MSE policy collaboration to support their superior products.

Public space must be maximized to establish cooperation with a win-win solution scheme for groups of MSE actors internally and externally. This measure must be considered because an area's social and political conditions can affect the economic rate factor. Therefore, a holistic and adaptive approach is needed to improve collaboration between MSEs and various parties, especially the government. The transformation of bureaucratic governance and management is critical in this process. An adaptive and agile bureaucracy will enable organizations to respond quickly to changes and the needs of MSEs (Saputra et al., 2022). Adopting a result-oriented matrix working model makes the bureaucracy more flexible and supports effective cross-sector collaboration (Fred, 2020). Many collaborative schemes can be utilized for strategies to utilize current opportunities amid technological globalization, such as public-private partnerships, Business-to-Business schemes, Government-to-Business, Government-to-Government, Interorganizational collaborations, Public-private innovation partnerships (PPIs), co-governance, and others (Ar & Abbas, 2021; Brandi, 2021; Pinilla-De La Cruz et al., 2022; Wang et al., 2022).

Ultimately, the findings of this research highlight the importance of adaptive collaborative governance in shaping the agenda and implementation of MSE policies. These policies emphasize the government's role as a facilitator of partnerships and capacity-building initiatives for MSEs producing superior products, and they also involve creating formal and informal negotiation spaces with other partners to enhance marketing opportunities and support MSE products.

Collaboration in this study occurred through formal government facilitation, followed by independent or informal communication between MSEs and modern retailers. As a result, a mutually beneficial and sustainable multi-stakeholder communication network was established. Ultimately, Group Bondowoso Creative (GBC) was formed to accommodate superior MSE products for marketing in modern retail. This contrasts with the collaborative governance concept of [Ansell and Gash \(2007\)](#), which often operates at a single level and does not fully account for the importance of informal relationships in collaboration between parties. In some contexts, informal relationships are more critical and sustainable than those recognized in Ansell and Gash's framework ([Cabral & Krane, 2018](#)).

Furthermore, some studies indicate that institutional design factors and the ability to facilitate collaboration significantly impact the outcomes of the collaborative process. If the institutional design is insufficiently supportive or the collaboration facilitator is ineffective, the partnership may fail to achieve its objectives ([Pellegrini et al., 2018](#)).

In addition, some studies show that institutional design factors and the ability to facilitate collaboration also significantly affect the outcome of the collaboration process. If the institutional design needs to be more supportive or the collaboration facilitator needs to be more effective, the collaboration process may fail to achieve its goals ([Pellegrini et al., 2018](#)). Ansell and Gash's concept often overlooks this aspect, focusing solely on leadership-driven institutional design. Therefore, it is essential to recognize that internal and external factors, such as social, political, and regional contexts, influence institutions.

E. CONCLUSION

The network of actors in MSEs led to several findings with varying partnership patterns, influenced either by state intervention or the independent actions of MSEs. Strategies are determined based on a focus on the weaknesses identified, particularly at the policy level and in the formation of MSE partnership networks. However, there is significant potential for collaboration among MSE actors, the government, and other stakeholders, which can be optimized through adaptive collaborative governance. This approach can enhance the facilitation, scheduling, and implementation of policies for superior MSE products. Such efforts can be realized by promoting the implementation of formal and informal collaborations initiated by the government and stakeholders to advance MSEs' superior products. Additionally, the findings of this research contribute to a deeper understanding of variations in collaborative governance, highlighting the need for flexible yet structured informal elements. It also emphasizes the importance of considering internal and external factors affecting institutions and collaboration. Finally, this research is limited to local MSEs' products and policies at the regional level. However, it is hoped that this scope can be expanded into a network scheme for MSE actors with diverse variations and challenges, accompanied by social network analysis to assess the extent of the network formed organically through the social media of MSE actors.

ACKNOWLEDGEMENT

This research is financially supported by Grant KeRis-DiMas 2022, Institute for Research and Community Service, Universitas Jember.

REFERENCES

- Ansell, C., & Gash, A. (2007). Collaborative Governance in Theory and Practice. *Journal of Public Administration Research and Theory*, 18(4), 543–571. <https://doi.org/10.1093/jopart/mum032>
- Antonio, C. A., Guevarra, J., Medina, P. V., Roxas, E., Cavinta, L., Manalo, J., Ortega, D. J., Cengca, Ma. R. A., Lota, R. C. M., Geocaniga-Gaviola, D. M., & Garfin, A. M. C. (2021). Facilitators and Barriers to the Implementation of Selected Local Tuberculosis Control Programs in the Province of Laguna, Philippines. *Philippine Journal of Science*, 150(6A), 1501-1506. <https://doi.org/10.56899/150.6A.13>
- Ar, A. Y., & Abbas, A. (2021). Public-Private ICT-Based Collaboration Initiative During the COVID-19 Pandemic: The Case of Ehsaas Emergency Cash Program in Pakistan. *Brazilian Archives of Biology and Technology*, 64, 1-8. <https://doi.org/10.1590/1678-4324-2021200616>
- Athaide, M., & Pradhan, H. K. (2020). A Model of Credit Constraint for MSMEs in India. *Small Business Economics*, 55(4), 1159–1177. <https://doi.org/10.1007/s11187-019-00167-4>
- Brandi, C. (2021). The Interaction of Private and Public Governance: The Case of Sustainability Standards for Palm Oil. *The European Journal of Development Research*, 33(6), 1574–1595. <https://doi.org/10.1057/s41287-020-00306-8>
- Burgos, A., & Mertens, F. (2022). Collaborative Governance Networks: Exploring Governance Success in Large-Scale Conservation. *Ambiente & Sociedade*, 25, 1-21. <https://doi.org/10.1590/1809-4422asoc2022011015oa>
- Cabral, S., & Krane, D. (2018). Civic Festivals and Collaborative Governance. *International Review of Administrative Sciences*, 84(1), 185–205. <https://doi.org/10.1177/0020852315615196>
- Castañeda-Navarrete, J., López-Gómez, C., Palladino, M., Killen Sociedade Portuguesa de Inovação, E., Medina, S., Thompson, D., Almeida, A., & Fuad, A. (2022). *Enhancing the Resilience of MSMEs to Crises and Disasters: Regional Guidelines for ASEAN Governments*. Jakarta: ASEAN Coordinating Committee on Micro, Small and Medium Enterprises (ACCMSME).
- Chiari, A. P. G., Senna, M. I. B., Gomes, V. E., Freire, M. do S. M., Soares, A. R. dos S., Alves, C. R. L., Cury, G. C., & Ferreira, R. C. (2023). Intersectoral Collaboration to Promote Child Development: The Contributions of the Actor-Network Theory. *Qualitative Health Research*, 33(5), 451–467. <https://doi.org/10.1177/10497323231153534>
- Creswell, J. W., & Poth, C. N. (2018). Qualitative Inquiry & Research Design: Choosing Among Five Approaches. In *Paper Knowledge. Toward a Media History of Documents* (4th ed.). SAGE Publications, Inc.
- Dinas Koperasi dan UKM Provinsi Jawa Timur. (2022a). *Infografis Nilai Tambah Bruto K-UMKM Tahun 2022*. Surabaya: DKUKM Provinsi Jawa Timur
- Dinas Koperasi dan UKM Provinsi Jawa Timur. (2022b). *Publikasi Hasil Perhitungan Nilai Tambah Koperasi dan UMKM di Jawa Timur Tahun 2021*. Surabaya: DKUKM Provinsi Jawa Timur
- Dinas Koperasi, Perindustrian dan Perdagangan Kabupaten Bondowoso (2021). *Rencana Kerja Perubahan Tahun 2021 Dinas Koperasi, Perindustrian, dan Perdagangan Kabupaten Bondowoso*. Bondowoso: Diskoperindag
- Fathima, J. S. (2020). A Study on Competitive Performance and Progress of Micro, Small and Medium Enterprises (MSMEs) in India. *Shanlax International Journal of Management*, 7(4), 52–61. <https://doi.org/10.34293/management.v7i4.2161>

- Fred, M. (2020). Local Government Projectification in Practice – A Multiple Institutional Logic Perspective. *Local Government Studies*, 46(3), 351–370. <https://doi.org/10.1080/03003930.2019.1606799>
- Gupta, P. K. (2023). A Study of Government Initiatives to Promote Micro, Small and Medium Enterprises Sector in India. *Management Journal for Advanced Research*, 3(6), 37–50. <https://doi.org/10.54741/mjar.3.6.5>
- Hafel, M., Jamil, J., Umasugi, M., & Anfas, A. (2022). Challenges of E-Government Implementation in The Region Archipelago Characteristics. *JAKPP (Jurnal Analisis Kebijakan & Pelayanan Publik)*, 8(1), 44–58. <https://doi.org/10.31947/jakpp.v8i1.21282>
- Harto, B., Taufikurachman, C., Napisah, L. S., Parlina, L., & Puryati, D. (2024). Pendampingan Pencatatan dan Pengelolaan Keuangan Dengan Aplikasi Excel for Accounting (EXfA) untuk Meningkatkan Literasi Keuangan UMKM Kue Sugu Wangi di Desa Melati Wangi, Kabupaten Bandung. *IKRA-ITH ABDIMAS*, 8(1), 241–250. <https://doi.org/10.37817/ikra-ithabdimas.v8i1.3197>
- Haryaningsih, S., Yohanes, Y., Sihaloho, N. T. P., & Andriani, F. D. (2022). The Implementation of MSMEs Protection Policies During the Covid-19 Pandemic. *Khazanah Sosial*, 4(4), 731–744. <https://doi.org/10.15575/ks.v4i4.19250>
- Hermansson, H. M. L. (2016). Disaster Management Collaboration in Turkey: Assessing Progress and Challenges of Hybrid Network Governance. *Public Administration*, 94(2), 333–349. <https://doi.org/10.1111/padm.12203>
- Hitt, M., Ireland, R., & Hoskisson, R. (2013). *Strategic Management: Competitiveness and Globalization* (10th ed.). Mason, OH: Cengage Southwestern Publishing Co.
- Hottenrott, H., & Lopes-Bento, C. (2014). (International) R&D Collaboration and SMEs: The Effectiveness of Targeted Public R&D Support Schemes. *Research Policy*, 43(6), 1055–1066. <https://doi.org/10.1016/j.respol.2014.01.004>
- Ikhwana, A., & Dianti, S. (2022). The Influence of Information Technology and SCM on Competitive Advantage to Improve MSMEs Performance. *International Journal of Computer and Information System (IJCIS)*, 3(1), 6–11. <https://doi.org/10.29040/ijcis.v3i1.54>
- Jurisman Kadji. (2022). Problems in the Implementation of Decentralization Policies in the Flagship Program “Nafas Cita” in Gorontalo Regency. *Tamaddun Journal of Islamic Studies*, 1(2), 130–153. <https://doi.org/10.55657/tajis.v1i2.49>
- Kholidi, S. (2019). *Bondowoso, dari Kota Tape Jadi Republik Kopi*. GNFI. Retrieved from <https://www.goodnewsfromindonesia.id/2019/08/01/republik-kopi-bondowoso>
- Lu, C., & Yu, B. (2020). The Effect of Formal and Informal External Collaboration on Innovation Performance of SMEs: Evidence from China. *Sustainability*, 12(22), 1–21. <https://doi.org/10.3390/su12229636>
- Luqito, D., & Arrozaaq, C. (2016). *Collaborative Governance (Studi Tentang Kolaborasi Antar Stakeholders Dalam Pengembangan Kawasan Minapolitan di Kabupaten Sidoarjo)* [Thesis]. Surabaya: Universitas Airlangga.
- Lwesya, F., Mwakalobo, A. B. S., & Mbukwa, J. (2021). Utilization of Non-Financial Business Support Services to Aid Development of Micro, Small and Medium Enterprises (MSMEs) in Tanzania. *Small Business International Review*, 5(2), 1–16. <https://doi.org/10.26784/sbir.v5i2.358>
- Nursini, N. (2020). Micro, Small, and Medium Enterprises (MSMEs) and Poverty Reduction: Empirical Evidence from Indonesia. *Development Studies Research*, 7(1), 153–166. <https://doi.org/10.1080/21665095.2020.1823238>
- Pellegrini, M. M., Hinna, A., Mangia, G., & Tomo, A. (2018). Making Collaborative Governance Effective: A Case Study on The Pathway to Successful Public-Private

- Interactions. *International Journal of Public Sector Performance Management*, 6(1), 36–55. <https://doi.org/10.1504/IJPSPM.2018.10013703>
- Pinilla-De La Cruz, G. A., Rabetino, R., & Kantola, J. (2022). Unveiling the Shades of Partnerships for The Energy Transition and Sustainable Development: Connecting Public–Private Partnerships and Emerging Hybrid Schemes. *Sustainable Development*, 30(5), 1370–1386. <https://doi.org/10.1002/sd.2288>
- Priya, S. S., & Kokila, A. (2022). Problems Faced by The MSMES on Adoption of Digital Marketing - With Special Reference to Coimbatore District, Tamil Nadu. *Central European Management Journal*, 30(4), 496–501. <https://doi.org/10.57030/23364890.cemj.30.4.47>
- Purwaningsih, E., Musliikh, M., & Suhaeri, S. (2022). Innovation and Supply Chain Orientation Concerns Toward Job Creation Law in Micro, Small, and Medium Enterprises Export-Oriented Products. *Uncertain Supply Chain Management*, 10(1), 69–82. <https://doi.org/10.5267/j.uscm.2021.10.009>
- Rajamani, K., Akbar Jan, N., Subramani, A. K., & Nirmal Raj, A. (2022). Access to Finance: Challenges Faced by Micro, Small, and Medium Enterprises in India. *Engineering Economics*, 33(1), 73–85. <https://doi.org/10.5755/j01.ee.33.1.27998>
- Ridwan, Effendi, N., Tanjung, F., & Asmawi, A. (2019). The Success and Failure of New Rice Fieldprint Program in Mentawai Island Regency. *International Journal on Advanced Science, Engineering and Information Technology*, 9(6), 2055–2059. <https://doi.org/10.18517/ijaseit.9.6.9723>
- Sahoo, P., & Ashwani. (2020). COVID-19 and Indian Economy: Impact on Growth, Manufacturing, Trade and MSME Sector. *Global Business Review*, 21(5), 1159–1183. <https://doi.org/10.1177/0972150920945687>
- Saputra, D. (2021). *Survei BI : 87,5 Persen UMKM Indonesia Terdampak Pandemi Covid-19*. Retrieved from <https://ekonomi.bisnis.com/read/20210319/9/1370022/survei-bi-875-persen-umkm-indonesia-terdampak-pandemi-covid-19>
- Saputra, N., Rahmat, A., & Fasmadhi, D. (2022). The Effect of Leadership and Collaborations on SME Adaptability. *Jurnal Manajemen Dan Organisasi*, 13(2), 180–191. <https://doi.org/10.29244/jmo.v13i2.40635>
- Sarbana, B., Saleh, A., Fatchiya, A., & Firdaus, M. (2023). Collaborative Communication Model for MSEs Business Sustainability at Pongkor National Geopark. *Review of Politics and Public Policy in Emerging Economies*, 5(1), 1–14. <https://doi.org/10.26710/rope.v5i1.2807>
- Shafi, M., Liu, J., & Ren, W. (2020). Impact of COVID-19 Pandemic on Micro, Small, and Medium-Sized Enterprises Operating in Pakistan. *Research in Globalization*, 2, 1–14. <https://doi.org/10.1016/j.resglo.2020.100018>
- Siddiki, S. N., Carboni, J. L., Koski, C., & Sadiq, A. (2015). How Policy Rules Shape the Structure and Performance of Collaborative Governance Arrangements. *Public Administration Review*, 75(4), 536–547. <https://doi.org/10.1111/puar.12352>
- Situmorang, R. O. P., & Kuswanda, W. (2019). Network Mapping in The Development of Elephant Conservation Center in North Sumatra, Indonesia. *Biodiversitas*, 20(10), 2858–2867. <https://doi.org/10.13057/biodiv/d201011>
- Situmorang, R. T. (2020). *Ini Jurus Pemerintah Agar Sektor UMKM Bangkit dari Dampak Pandemi*. Retrieved from <https://finansial.bisnis.com/read/20200822/90/1281808/ini-jurus-pemerintah-agar-sektor-umkm-bangkit-dari-dampak-pandemi>
- Suryani, I. S. (2023). *Program Kredit Usaha Rakyat (KUR) Tahun 2023*. Jakarta: Kementerian Koperasi dan UKM.

- Suwarni, E., & Handayani, M. A. (2021). Development of Micro, Small and Medium Enterprises (MSME) to Strengthen Indonesia's Economic Post COVID-19. *Business Management and Strategy*, 12(2), 19-34. <https://doi.org/10.5296/bms.v12i2.18794>
- Swanstrom, T., & Banks, B. (2009). Going Regional: Community-Based Regionalism, Transportation, and Local Hiring Agreements. *Journal of Planning Education and Research*, 28(3), 355–367. <https://doi.org/10.1177/0739456X08324684>
- Taiwo, O. S., Hakan, A., & Savaş, Ç. (2022). Modeling the Impacts of MSMEs' Contributions to GDP and Their Constraints on Unemployment: The Case of African's Most Populous Country. *Studies in Business and Economics*, 17(1), 154–170. <https://doi.org/10.2478/sbe-2022-0011>
- Torfinng, J., Ferlie, E., Jukić, T., & Ongaro, E. (2021). A Theoretical Framework for Studying The Co-Creation of Innovative Solutions and Public Value. *Policy and Politics*, 49(2), 189–209. <https://doi.org/10.1332/030557321X16108172803520>
- Usher, S., & Denis, J. L. (2022). Network-Building by Community Actors to Develop Capacities for Coproduction of Health Services Following Reforms: A Case Study. *Health Expectations*, 25(5), 2275–2286. <https://doi.org/10.1111/hex.13491>
- Utama, S., Yusufarto, R., Pertiwi, R. R., & Khoirunnisa, A. N. (2024). Intentional Model of MSMEs Growth: A Tripod-Based View and Evidence From Indonesia. *Journal of Asia Business Studies*, 18(1), 62–84. <https://doi.org/10.1108/JABS-08-2022-0291>
- van Duijn, S., Bannink, D., & Ybema, S. (2022). Working Toward Network Governance: Local Actors' Strategies for Navigating Tensions in Localized Health Care Governance. *Administration and Society*, 54(4), 660–689. <https://doi.org/10.1177/00953997211033818>
- Vásquez, J., Aguirre, S., Puertas, E., Bruno, G., Priarone, P. C., & Settineri, L. (2021). A Sustainability Maturity Model for Micro, Small and Medium-Sized Enterprises (MSMEs) Based on A Data Analytics Evaluation Approach. *Journal of Cleaner Production*, 311, 1-13. <https://doi.org/10.1016/j.jclepro.2021.127692>
- Vincent, V., Meisyana, C., Riady, K. W., Abigeyl, N., Hamid, G. G., Vincent, V., Margaretha, E., Joan, A. J., & Elfriede, D. P. (2022). Peningkatan Kinerja Usaha Mikro, Kecil, dan Menengah (UMKM) Kluster Makanan Kering di Kabupaten Cianjur. *Wikrama Parahita : Jurnal Pengabdian Masyarakat*, 6(1), 11–22. <https://doi.org/10.30656/jpmwp.v6i1.3722>
- Wang, H., Qi, H., & Ran, B. (2022). Public–Private Collaboration Led by Private Organizations in Combating Crises: Evidence From China's Fighting Against COVID-19. *Administration & Society*, 54(1), 3–28. <https://doi.org/10.1177/00953997211009890>
- Wheelen, T. L., Hunger, J. D., Hoffman, A. N., & Bamford, C. E. (2018). *Strategic Management and Business Policy: Globalization, Innovation, and Sustainability* (15th ed.). New York: Pearson.
- Widia, E., & Octafia, S. M. (2023). Analisis Modal Sosial Terhadap Kinerja dan Produktivitas Bisnis Perempuan: Kajian UMKM di Kota Padang. *NUANSA: Jurnal Penelitian Ilmu Sosial Dan Keagamaan Islam*, 20(2), 181–196. <https://doi.org/10.19105/nuansa.v20i2.10485>
- Yuliaty, T., Hawariyuni, W., & Trianto, B. (2021). Economic Recovery in North Sumatera Province After the Covid-19 Pandemic, Through MSME Development and Increasing Muslim Friendly Tourism. *Journal of International Conference Proceedings*, 4(3), 639-703. <https://doi.org/10.32535/jicp.v4i3.1417>
- Zaelani, R., Sujana, H., & Zaky, M. (2022). The Influence of Islamic Financial Literacy, Innovation and the Government on the Sustainability of MSMEs in Sukabumi City. *5th International Conference on Education and Social Science Research (ICESRE), KnE Social Sciences*, pages 219–235. <https://doi.org/10.18502/kss.v7i19.12444>

