

Driving Factors Analyzing for Collaborative Governance in Archipelago Province of Eastern Indonesia

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Abstract—The development of small and medium industries (SMIs) is proven to be able to improve the national economy through labour permeation. Technically, every increase of one company will be able to permeate at least double workers. Furthermore, the development of SMIs in Indonesia is majority dominated by western Indonesia than eastern Indonesia. SMIs in eastern Indonesia, especially North Maluku Province, still has great potential to be developed to compete with other Provinces in eastern Indonesia and other Provinces in Indonesia through collaborative governance. This study employs literature research with a qualitative descriptive approach and secondary data analysis. This study aims to describe and analyse the supporting factors of the collaborative governance implementation in the development of SMIs in North Maluku Province. The results of the analysis of secondary data show that the potential for natural resources originating from fishery and plantation commodities, cultural aspects/local wisdom in social society, and the existence of regulations/laws are all factors driving the collaboration process.

Keywords—collaborative governance, Small-Medium Industries (SMIs), archipelago province, Eastern Indonesia, North Maluku

I. INTRODUCTION

Currently, participation between stakeholders such as public/community and non-government/private institutions plays an important role in increasing government institutional capacity because it will improve program design and policy implementation [1–3]. Participatory between stakeholders referred to collaborative governance, called the process and structure of decision-making and public policy management. It involves the constructive involvement of various parties such as public agencies, government, public, private, and public spaces. They aimed at achieving the public's goals as it is difficult to achieve [4]. The collaboration process between actors is iterative and not in line with each other. Therefore, the process is defined as a period of face-to-face dialogue, building trust, commitment to the process, shared understanding, and intermediate outcomes.. It indicates that the collaboration

process is determined by other factors such as starting conditions, institutional design, and leadership [5].

In fact, increasing institutional capacity trough implementation of collaborative governance is needed in overcoming barriers to improving regional economy, for example increasing productivity of small and medium industries (SMIs) [6,7]. The development of SMIs in Indonesia experiences an upward trend every year both in terms of the number of companies and the number of labour permeation. According to the survey data for micro and small industries conducted by the Central Bureau of Statistics in all 34 Provinces in Indonesia (see Table 1) shows an increase in the number of companies from 2013 which amounted to 3,418,366 units to 3,505,064 units in 2014 then rose again to become 3,668,873 units in 2015. Along with this, labour permeation in this sector also increased. In 2014, the number of workers who were able to permeate was 8,362,746 workers. In 2015, it rose to 8,736,781 workers. Technically, the ratio of the number of companies to labour permeation is 1: 2. It means that every increase of one company will be able to permeate at least two workers. In line with this, SMIs gives a significant contribution to improve the national economy through labour permeation [8,9].

Nationally, provinces in western Indonesia still dominate the development of SMIs in Indonesia. Those provinces include Central Java, East Java, and West Java. The three of them belong to the provinces with the highest number of SMIs in Indonesia. It based on the data shown in 2015 stating that each of them has 934,814 units, 771,185 units, and 421,881 units (see Table 1). In addition, three regions in eastern Indonesia, which are Papua, North Maluku, and West Papua, have the lowest number of SMIs among other provinces. Furthermore, based on data on the development of micro and small industries in eastern Indonesia, North Maluku Province, characterized as an archipelagic province together with Maluku Province and NTT Province, has much lower development compared to the other two island provinces (see Table 1). This

fact illustrates that SMIs development in North Maluku Province still has great potential and opportunities to be

developed to compete with other provinces both in eastern Indonesia and other Indonesian provinces.

TABLE I. COMPARISON OF THE DEVELOPMENT OF MICRO AND SMALL INDUSTRIES IN EASTERN INDONESIA

Province	2015	2014	2013	Detail information
East Nusa Tenggara	73.169	112.042	104.606	Number of Companies (Unit)
	136.765	207.757	197.516	Number of manpower (people)
Maluku	19.575	36.640	35.872	Number of Companies (Unit)
	4.376	56.379	61.487	Number of manpower (people)
North Maluku	7.051	7.958	8.433	Number of Companies (Unit)
	11.659	12.079	2.400	Number of manpower (people)
West Papua	1.523	2.479	2.822	Number of Companies (Unit)
	3.215	5.263	5.823	Number of manpower (people)
Papua	7.457	10.102	9.955	Number of Companies (Unit)
	19.158	24.832	24.375	Number of manpower (people)
Indonesia	3.668.873	3.505.064	3.418.366	Number of Companies (Unit)
	8.735.781	8.362.746	9.734.111	Number of manpower (people)

Source: Compiled from the survey results of the Small and Micro Industry, Central Bureau of Statistics

The low development of SMIs in North Maluku Province compared to the development of SMIs in other provinces is due to several obstacles in the implementation process. Several studies related to the hindrance of the development of SMIs conducted in North Maluku have several obstacles in terms of mastery of technology, limited business capital, availability of raw materials, and the quality of human resources [10–12]. This condition affects the productivity of SMIs on the products produced. It affects not only the variety of types but also the quality of the products. Besides, several other obstacles as a lack of business information, limitations in market access (marketing) [6,7], low labour commitment, and cultural factors [13] can affect the weak productivity of SMIs.

In this article, research is done by reviewing some literature to describing and analysing the factors that can encourage the collaborative governance in the development of SMIs in North Maluku.

II. THEORETICAL REVIEW

Analysis of the drivers of collaborative governance can be determined on the basis of the starting condition of the potential resources owned, the expected incentives and the existence of conflicts in the past, the institutional design, and the facilitative leadership [5]. In this term, the noumenon resources owned by the parties are not only covering natural resources, human resources, and finance but also covering cultural factors inherent in society are also potential resources [14,15]. Cultural potential can be in the form of local wisdom embraced by local communities and under the context of collaborative process [16].

In addition to facilitative leadership, transformational leaders who are committed and responsible also influence the successful implementation of the collaborative process [14], [15]. The importance of the facilitative leadership factor aims at increasing the commitment of actors involved in the collaboration process. It can be achieved by exercising control in the field of the implementation of the collaboration process

[17]. Besides, it is necessary for the institutional design, relating to the existence of a formal forum for the enforcement of collaboration between actors, to have a clear division of authority between the actors involved in that cooperation [14].

III. METHODS

The researcher applied library research with qualitative descriptive approach [18,19]. The library research stage is carried out with a systematic review approach, namely by identifying research problems, defining relevant research results, collecting relevant research results and selecting and extracting research results according to the research topic, and analysing data with meta-synthesis analysis method with meta-aggregation approach to answer research questions [20].

The literature used in library research comes from books and journals from previous research which have the same relevancies to the theme of the article. The journals used come from reputable international journal and accredited national journals that are relevant to the research topics about collaborative governance in North Maluku and SMIs. No less than 11 international journals and 12 national journals as well as several proceedings and textbooks are used as a reference framework for thinking and theory in analysing problems on research topics. The data used is secondary data which is supported by similar research. This secondary data are obtained by government documents such as performance reports, directory data, statistic data, regulations and laws that can be accounted for to be analysed as research source.

IV. RESULTS AND DISCUSSION

Results and discussions on the findings of the study are organized in the following order:

A. Starting Conditions

The biophysical condition of North Maluku Province is an archipelago province that has its own challenges in the regional economic development. However, it also has its own

geographical advantages. North Maluku Province is an archipelago province which is located in the sore of Pacific Ocean that has great potential in fisheries sector. It has also fertile soil with many volcanic clusters which in the local language called as *Moluku Kie Raha*. It means that a cluster of four mountains that provides potential benefits in agricultural and plantation sectors [21].

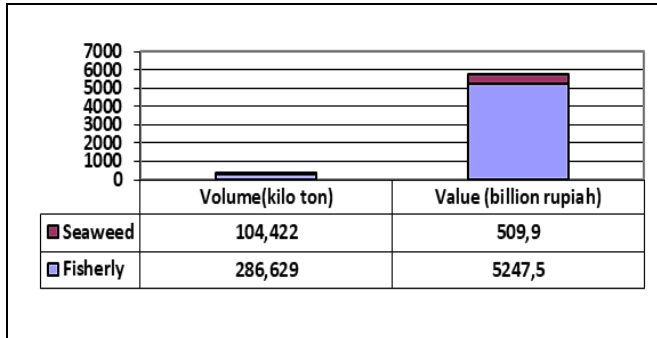


Fig. 1. The potential of fishery commodity in North Maluku province [22].

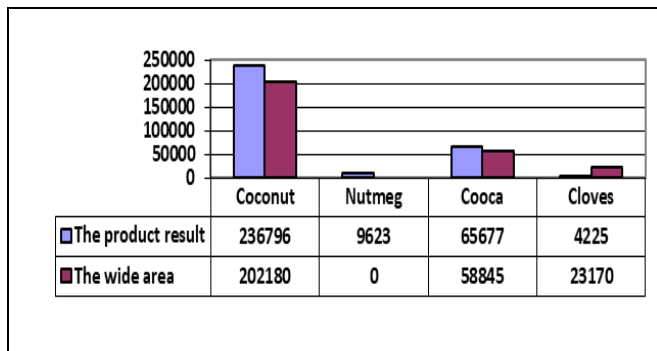


Fig. 2. The potential of plantation commodity in North Maluku province [22].

Natural resources as industrial raw materials are very influential in the SMIs [7,23,24] which are the stimulant factors in implementing collaboration. North Maluku has great potential in the fisheries and plantation sectors based on the analysis results of 2013 agricultural census survey conducted by BPS [25]. Based on this data, the main potential for fishery commodities is capture fisheries and seaweed (Figure 1) as well as the potential for plantation commodities such as coconut, nutmeg, cocoa, and cloves (Figure 2).

Regarding to the process of collaboration, the people of North Maluku have long been implementing local wisdom practices in cooperating among citizens. As shown in Ternate Tribe, several terms used in the process of collaborating in society can be seen in the Table 2. Even though the developed modern world have changed many social structures, local wisdom values in North Maluku towards the motive of society consist of tolerance, kinship, and mutual help have been maintained until now [26].

TABLE II. LOCAL WISDOM PRACTICES IN COOPERATING [27]

No.	Terms	Meaning
1.	<i>Oho Bari</i>	Help each other in every social environment/around the household activities.
2.	<i>Maku ora gia</i>	A form of cooperative activity in completing the work in the garden and it can be in the other jobs. It depends on what type of work will be done.
3.	<i>Liliyan</i>	A cooperative activity done in the death ceremonies, weddings, prayer salvation events and others.
4.	<i>Rorio</i>	This activity occurs in the night before marriage settlement is held around 07.00–11.00 pm.
5.	<i>Morom</i>	A kind of social gathering, a rotating collection of materials of house construction.
6.	<i>Maku Rorio</i>	Helping each other in public nature/public facilities work without any obligation to retaliate.

The aspects of natural resources and culture or local wisdom that exist in North Maluku are the main factors that can trigger the success of collaboration through the manner of cooperation which had long been implemented in the behaviour of sociality [14–16].

B. Facilitative Leadership

The importance of the facilitative leadership factor aims at increasing the commitment of actors involved in the collaboration process. It can be achieved by exercising control in the field of the implementation of the collaboration process [17]. The implementation of transformational leadership style in North Maluku is actually a stimulant factor for the implementation of collaboration. The result of the study on transformational leadership style towards government leaders in North Maluku Province shows that the governor has transformational leadership style such as charismatic, inspirational motivation, intellectual stimulation, and individualizes consideration that influence on employee performance indicator, namely quality, quantity, accuracy, effectiveness, and independence [28].

The facilitative leadership trough transformational leadership style is the essential factor on collaborative governance [4] who is in a position to initiate and encourage potential resources and support for policy innovation on collaborative process [4,14,15]. In North Maluku, the informal leader or Sultanate also influence on collaborative process that cooperate with formal/government leadership [29]. The informal leaders or Sultanate in North Maluku namely Ternate, Tidore, Jailolo, and Bacan have authority for their community or ethnicity [30]. Nevertheless, their authority is not as strong as formal leader.

C. Institutional Design

The institutional design that can support the implementation of collaboration between actors is the existence

of a formal platform in order to manage implementation of collaboration. For example, the regulation/the laws which has purpose to make clearer in collaboration processes. Nationally, the government has made government regulation number 29 Year 2018 about the government industrial empowerment [31]. It states that both the capital and region is required to strengthen the institutional capacity, one of them is through collaborate between the government and various parties, including educational institution, research and development institutions, industry associations, and professional associations.

This regulation underlined the government of North Maluku to collaboration with several stakeholders in developing SMIs. The local government of North Maluku has made the regulation number 41 Year 2019 about development and industrial downstream of coconut [32]. It has made by initiative by the local government to improve the welfare of the community by developing the processing of derivative products made from coconut and product diversification to increase added value. Regarding the process of industrial downstream, the local government have made collaboration with public sector, cooperatives, and community.

Moreover, following the government regulation, the government of North Maluku has cooperated with several parties in developing SMIs, namely: 1). Facilitating the permission Regency/City and Indonesian Ulema Council (MUI) to facilitate producing the permission of micro and small business license, food household license, and halal labels [33], 2). Facilitating activities for the use e-commerce to support product marketing through national and global by collaborating with Tokopedia [34], and 3.) Cooperating with government of West Java Province in developing industrial areas, improving information technology, and trade missions [35].

V. CONCLUSIONS AND SUGGESTIONS

The development of SMIs in North Maluku Province experiences an upward trend. However, comparing with other provinces, it has lower trends than others due to the lack of mastery of technology, limited business capital, availability of raw materials, and the quality of human resources. Therefore, the local government tend to do collaborative strategy in developing SMIs in North Maluku. The driving factors in the implementing the collaborative governance on the development of SMIs in North Maluku is influenced by the potential of natural resources such as fishery, seaweed, coconut, nutmeg, cocoa and cloves, culture/local wisdom, transformational leadership style, informal leader or Sultanate, and regulations/laws in term of national or local. The article has limitations because it used literature studies in analysing problems. Thus, it is better if the other researcher uses other research methods that are more detailed in order to describe and analyse the supporting factors and hindering the implementation of collaboration and SMIs development in North Maluku so that a collaboration model can be developed in accordance with the researcher results.

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