

## CHAPTER I

### INTRODUCTION

#### 1.1 Background

The impact of COVID-19 pandemic is enormous for the Indonesian people. Many sectors have been affected by the COVID-19 virus outbreak, one of which is the economic sector. The COVID-19 pandemic has a very significant impact on the domestic economy of the nation-state and the existence of MSMEs at the global economic level (Pakpahan, 2020). The economic sector is vital in supporting the economy of the community, especially in Micro, Small and Medium Enterprises (MSMEs) which are the parties most affected by the impact of the COVID-19 pandemic in the Special Region of Yogyakarta. There are three main priorities for the reallocation of the regional government budget of Special Region of Yogyakarta to deal with COVID-19, namely health, economy, and social. The budget reallocation is more than 50%, carried out by the Special Region of Yogyakarta, which allocates almost all of its budget for handling COVID-19. This has been explained in the Special Region of Yogyakarta regional government conference which was held in the Ganesha Room, Gedhong Pracimosono, Kompleks Kepatihan, Yogyakarta on April 20, 2020.

Dhewanto et al., (2019) argued, Micro, Small and Medium Enterprises are macro as a support for the development of a country, as a driving force, controller and a pioneer in the economic and social development of a country. The Regional Government assesses that economic recovery efforts are steps taken in line with the spread of the COVID-19 pandemic, with several stages and priorities. Even the Governor of the Special Region of Yogyakarta has also issued several strategic steps, one of which is issuing a Circular of the Governor of the Special Region of Yogyakarta Number 519/7669 concerning an appeal

for the purchase of Micro, Small and Medium Enterprises products (corona.jogjaprovo.go.id, 2020). It is to stimulate the public to buy products from Micro, Small and Medium Enterprises. Rebuilding a weakened economy, especially for Micro, Small and Medium enterprises (MSMEs) is a real problem to face the new normal.

**Figure 1.1 Circular of the Governor of the Special Region of Yogyakarta Number 519/7669**



*Source: Instagram of diskompukm.diy*

According to Anggraeni et al., (2013), program development of Micro, Small and Medium Enterprises (MSMEs) as one of the instruments to increase the purchasing power of people who will eventually become the safety valve of the monetary crisis. The development of a free shipping program for purchasing MSMEs products has become a special attraction in luring people to buy Micro, Small and Medium Enterprises products during a crisis due to this pandemic. With the collaborative presence of the regional government of the Special Region of Yogyakarta, it is possible to get partners from banks, MSMEs, and online motorcycle taxi in developing the business of MSMEs products in Yogyakarta. It is a form of collaboration between local governments in empowering MSMEs. The existence of partnerships, institutional coordination, and fragmentation is an effort to develop the economy in local governments (Ekowanti & Ambarwati, 2019).

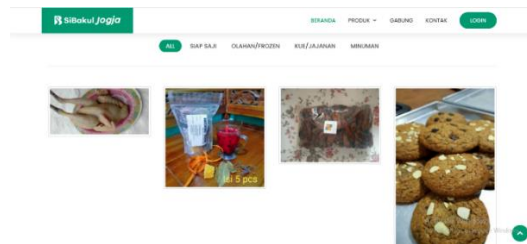
The Department of Cooperatives and SMEs of Special Region of Yogyakarta translated this policy by providing incentives and stimuli for MSMEs affected by COVID-19, by innovating *SiBakul Jogja* to become

*SiBakul Jogja Free-Ongkir*, as a real empowerment action to give free delivery costs or shipping costs for consumers who buy MSMEs products. Previously, *SiBakul Jogja* was a data collection system for cooperatives and MSMEs, developed in 2019 which transformed into a market hub to market MSMEs products whose transactions were carried out online (SiBakul MarketHub). This strategy not only adapts to consumer needs, but also changes what they think and feel about themselves, about the various types of offerings, and about the right situation for purchasing and using the product (Trimaryono, 2020). Until now, MSMEs are still the main pillar of the Yogyakarta economy (Faidati & Muthmainah, 2019).

As the case in Bandung, the city government has E-Commerce portal website of SMEs Bandung City which focuses on the marketing of MSME products. It dramatically affects MSMEs in running the business application, such as being able to provide information on products sold by SMEs to prospective buyers online, assist SMEs in the city of Bandung in selling and promoting goods produced, expand the target market for selling SME products in Bandung, provide an online transaction system so that it is easier to make transactions practically, safely, quickly, not limited by distance and time, and at a reasonably low cost, and provide an acceptable level of security in transacting online so that customers will feel comfortable in making transactions (Sridadi, 2010). Meanwhile, Regional government of the Special Region of Yogyakarta through the Department of Cooperatives and SMEs to help MSMEs rise from the COVID-19 pandemic created a free postage program for MSME actors who partnered with “SiBakul Jogja”. This program is valid from May to June 2020. In early July 2020, the free shipping has stopped. Therefore, to follow up on the MSMEs recovery scheme that had stopped, based on the approval of the Regional Government Budget Team (TAPD), Regional government of the Special Region of Yogyakarta agreed that free shipping was started to be carried out during July 2020 in the context of MSME

recovery during the emergency response transition period (DiskopukmDIY, 2020).

**Figure 1.2** *SiBakul Jogja Website Portal*



*Source: SiBakul Jogja Website*

Based on the report (DiskopukmDIY, 2020), during the 10-day free shipping campaign to facilitate the delivery of MSMEs products, the local government has provided an allocation of more than IDR 70 million through online motorcycle taxi services working with *Grab* and *Gojek*. In imposing free shipping fees, Department of Cooperatives and SMEs of the Special Region of Yogyakarta has a requirement, namely a minimum purchase of IDR 50 thousand with a delivery distance of about 30 kilo meters if someone wants to get free shipping facilities from Department of Cooperatives and SMEs of the Special Region of Yogyakarta. Using SiBakul Jogja (2020), shopping for MSME products from various regions of the City, Bantul, Gunung Kidul, Kulon Progo, Sleman and Yogyakarta Regencies will get Free Shipping facilities with a radius of 10 kilo meters.

Based on Harianjogja.com (2020), the community's desire for the development of "SiBakul Jogja Free-Ongkir" is quite enthusiastic. When until mid-June 2020, it showed that the delivery fee of IDR 40 million was able to turn the community's economic business (consumers, Cooperatives for Micro,

Small and Medium Enterprises, and online motorcycle) worth nearly IDR 240 million or profit sixfold. This proves that there is a positive influence exerted by the government of the Special Region of Yogyakarta in reviving the economy through empowering MSMEs. Moreover, each partner involved has its contribution, such as an online motorcycle or online taxi that help in food delivery services and media promotion for MSME products.

Dhewanto et al., (2019: 251) explained that it emphasizes the interaction and transfer of knowledge when activities are carried out so that the results achieved are the product of the negotiation and discussion process by taking into account the perspectives of all members in the collaboration. Grab Indonesia launched the *#TerusUsaha* program and partnered with Department of Cooperatives and Small and Medium Enterprises in The Special Region of Yogyakarta to support the *Si Bakul Jogja* application (SiBakul MarketHub) and local government programs. This program is launching to help Micro, Small and Medium Enterprises (MSMEs) to adapt and rise in the new post COVID-19 era. Besides, this program includes various special acceleration initiatives to train, improve MSME skills, and provide free advertising to help them increase their online visibility so that they can increase sales (grab.com, 2020).

Furthermore, MSME players must be technology literate, understand stock availability, and at all times must be careful about the online trading application model. In addition, they have to always maintain the quality of their products so that they can contribute to improve the economic sector during the crisis that occurred due to the COVID-19 pandemic.

Based on the problems above, *SiBakul Jogja Free-Ongkir* was chosen in this study because there has been no previous research that examines *SiBakul Jogja Free-Ongkir* specifically and the process and influence of the free-shipping policy or free shipping in empowering MSMEs through the cooperation of the local government, Department of Cooperatives and SMEs the Special Region of Yogyakarta with partners involved. Therefore, the

researcher took the title “Collaborative Governance in Empowering Small and Medium Micro Enterprises Through *SiBakul Jogja Free-Ongkir* during COVID-19 (Case Study: Department of Cooperatives and Small and Medium Enterprises in The Special Region of Yogyakarta).

## **1.2 Research Questions**

Based on the explanation above, the author formulates the problems in this study as follows:

- 1.2.1 Who are the actors involved in collaborative governance in empowering MSMEs through “SiBakul Jogja Free-Ongkir” during COVID-19?
- 1.2.2 How is the involvement of each actor in the collaborative governance process in empowering MSMEs through “SiBakul Jogja Free-Ongkir” during COVID-19?
- 1.2.3 How is the collaborative governance process in empowering MSMEs through “SiBakul Jogja Free-Ongkir” during COVID-19?

## **1.3 Research Purposes**

The objectives of the research based on the problems stated above are:

- 1.3.1 To find out the actors involved in collaborative governance in empowering MSMEs through “SiBakul Jogja Free-Ongkir” during COVID-19.
- 1.3.2 To find out the involvement of each actor in the collaborative governance process in empowering MSMEs through “SiBakul Jogja Free-Ongkir” during COVID-19.
- 1.3.3 To find out the collaborative governance process in empowering MSMEs through “SiBakul Jogja Free-Ongkir” during COVID-19.

## **1.4 Research Benefits**

Based on the objectives to be achieved in this study, it is expected to provide the following benefits:

### **1.4.1 Theoretical Benefit**

To provide information and reference for academics for similar research so that they can produce in-depth research, especially in collaborative governance, e-governance, and empowerment of MSMEs.

### **1.4.2 Practical Benefits**

- a) For the people of the Special Region of Yogyakarta, it can raise awareness of the importance of buying Micro, Small and Medium Enterprises products so that they can prosper MSMEs, especially during the COVID-19 pandemic.
- b) For Department of Cooperatives and SMEs of the Special Region of Yogyakarta, it can improve performance in developing collaborative governance, e-governance, and community empowerment so that they can continue to advance MSMEs both in times of crisis and the future.
- c) For MSMEs, it is to add insight into the importance of collaboration and e-governance in developing MSMEs through online media, especially the free-shipping policy to improve the community's economy during the COVID-19 pandemic.
- d) For the private sector, it is to assist and provide innovations in the development of collaborative governance, e-governance, and empowerment of MSMEs affected by COVID-19.

## 1.5 Literature Review

A literature review is a first and important step in formulating a research plan. A literature review is one type of literature search and research, the method is to read various books, journals, and other publications related to research topics to produce an article related to a particular topic or issue. A literature review serves to find out other research that has been carried out by the community on the subject to be studied. The literature review will link the research to be carried out by the researcher with an extensive discussion of the subject, thus showing that demonstrate the researcher's ability to integrate and summarize what others already know about the researcher's field of study ability, and by learning from others, researchers can generate new ideas (Marzali, 2016). In this study, the researcher used a literature review as a framework designed to classify the sources of data and general information studied in the study. There have been several previous studies related to this research. The researcher used 12 articles, covering e-governance, collaborative governance among stakeholders, empowerment, and development of MSME.

*Table 1.1 The List of Literature Review*

No	Author	Title	Findings / Result of Research
1	(Faidati & Muthmainah, 2019)	<i>Collaborative Governance in the Development of MSMEs in the Industrial Revolution Era</i>	Collaborative governance in the context of developing MSMEs in industrial revolution 4.0 in the Special Region of Yogyakarta to help develop MSMEs in the Special Region of Yogyakarta in the process of adaptation and accelerating the readiness of MSMEs to respond to industrial revolution 4.0 needs to be carried



			<p>out jointly between the government, companies and civil society. The stages in the collaboration process according to Ansell and Gash, namely face-to-face dialogue, building trust, commitment to the process, mutual understanding and temporary results. Collaborative governance in this context is carried out by involving several stakeholders, including the Cooperative and UKM Offices at the Provincial, Regency or City level.</p> <p>However, the development of MSMEs in the Special Region of Yogyakarta during the industrial revolution era 4.0 has not been implemented optimally. This is as a result of the absence of adequate data either managed by each stakeholder or by the government itself. In addition, there is no coordination forum between stakeholders which is a forum for the coordination of each stakeholder who has the same concerns.</p>
2	(Angguna et al., 2015)	<i>Efforts to Develop E-Government in Public Services at Malang City Cooperative and SME Office</i>	<p>From the results of the discussion, it can be concluded that the development of e-government in the Office of Cooperatives and UKM in Malang City has been carried out since January 1, 2009, with 40 human resources including two people who have capabilities in the field of information technology. The own infrastructure does not meet the needs because some infrastructures are still being added. Financial resources do not experience significant obstacles</p>

			because the funds needed are sufficient.
3	(Srirejeki, 2016)	<i>Analysis of The Use of Social Media to Empower Small Micro Medium Enterprise (SMEs)</i>	MSME businesses realize that the use of social media applications can increase access to new customers, in addition to providing opportunities to provide product information or promotions inexpensively. The majority of MSME businesses benefit from promoting products/services from the use of social media applications. Thus the MSME business transformation from conventional to digital can improve business performance so that it is expected to encourage economic growth on a larger scale. Besides, the risks of using social media as part of MSME business activities also need to be considered.
4	(Fausiah, 2016)	<i>Effectiveness of the Development of Food Processed Small Industrial Businesses by the Department of Industry and Trade Cooperative SME Sigi Regency (Study in Sigi Biromaru District)</i>	The results of this study explain the effectiveness of small industry development. The success of the Sigi Regency Industry and Trade Office on Small and Medium Enterprises (SMEs), through three activities proposed by Glen consisting of developing services, maximizing opportunities for community involvement, and creating collaboration. However, the development of a small food processing industry business in the Sigi Biromaru District, Sigi Regency, has not been effective. First, service development has not

			<p>fully helped to ease the burden on business actors, especially providing protection (advocacy) on product quality. Second, the failure to involve the community is because there is no seriousness from the local government, has not been directed, and has not been able to create opportunities. Third, through the creation of collaboration.</p>
5	(Ekowanti & Ambarwati, 2019)	<p><i>Collaborative Governance in MSMEs Development (Case Study: Collaboration Model of Surabaya Local Government, Private, and MSMEs Association in MSMEs Development at Coastal Area of Surabaya)</i></p>	<p>One of the strategies to increase economic growth, Indonesia is to develop Micro, Small and Medium Enterprises (MSMEs). The data shows that at the level of micro, small and medium enterprises there tends to be an increase in Surabaya. Researchers examined the collaborative model of the Surabaya Government, Private and SME Association in the development of MSMEs in the coastal area of Surabaya. Based on the descriptions of the previous chapters, it is concluded that the collaboration model applied tends to lead to Jurisdiction-Based Management. This model has experienced significant obstacles: (1) Symbolic and legal-formalistic, (2) Ineffective collaborative management between local governments, the private sector, and the community, (3) No policies regulating MSMEs at the regional level as a central policy</p>

			interpretation, (4) Absence of a leading sector responsible for the coordination of collaboration.
6	(Anggraeni et al., 2013)	<i>The Development of Micro, Small and Medium Enterprises through the Facility of External and Potential Internal (Case Study in Business Group "Emping Jagung" in Pandanwangi Village - Blimbing Malang District)</i>	The result of this study explains the internal development of the "Emping Jagung" business group in increasing its potential by using initial capital with its savings, making innovations for its production results, expanding its marketing network, and completing its business facilities and infrastructure. In addition, facilitation from external parties, namely the Malang City Cooperatives and SME Office, has provided MSMEs access to capital sources, held coaching and training, product promotion activities, expanded product marketing, and provided facilities and infrastructure. However, some entrepreneurs are constrained by rising raw material prices, limited human resources, problems with capital, lack of facilities and infrastructure and lack of product marketing access.
7	(Sridadi, 2010)	<i>Portal Development of Middle-Small Enterprise E-Commerce (UKM) Bandung City based on WEB Study Case in Cooperative,</i>	Based on the results of research regarding the creation of a Small and Medium Enterprise E-Commerce Portal Website in Bandung City, it is able to expand the target market for sales of SME products in the city of Bandung. In addition, it will increase the effectiveness and efficiency of

		<i>UKM and Trade Industry of Bandung</i>	SMEs in marketing their products. However, the researcher proposes to further develop the E-Commerce Portal Website for Small and Medium Enterprises in Bandung City.
8	(R. Firmansyah et al., 2014)	<i>Local Government Strategy for The Empowerment of Micro, Small and Medium Enterprises at Madiun District (Study of Cooperative, Industry, Trade and Tourism Official of Madiun District and Brem Industry Center at Kaliabu Village, Mejayan Subdistrict, Madiun District)</i>	Based on the research results, the Office of Cooperatives, Industry, Trade and Tourism of Madiun Regency facilitates several “brem” industries in Kaliabu Village with PT. INKA. The local government develops marketing in which <i>Cooperative, Industry, Trade and Tourism Department of Madiun District</i> provides promotional assistance by including Brem products in an exhibition and helping Brem entrepreneurs by way of establishing. Besides, there is human resource development. During 2012-2013, <i>Cooperative, Industry, Trade and Tourism Official</i> has carried out three times coaching and training. <i>Cooperative, Industry, Trade and Tourism Department</i> of Madiun District also has collaborated with PT. INKA in Madiun City.
9	(Wulandari et al., 2019)	<i>Collaborative Government in Realizing Public Service Innovation</i>	The results of this study are the implementation of integrated public service innovation Sunmor Sembada Sunday Pahing activities in Sleman District has not run optimally. Meanwhile, human resources, disposition, and bureaucratic structure are factors

			that influence the implementation of public services. As for the Collaborative Government in realizing public service innovation, the community was satisfied with the quality of service at Sunmor activities in Sleman District and the implementer responded well to all complaints. However, the factor that is still lacking in the implementation of these activities is that the delivery of information about the presence of Sunmor in Deggung Field is not evenly distributed.
10	(Rahmawati & Samini, 2019)	<i>Collaborative Governance Perspective in The Development of Micro Small and Medium Businesses (UMKM) in Bantul Regency 2017-2018</i>	The results of the eight indicators of the collaborative governance process show: 1) the network structure involves 3 actors, namely the Cooperative Office, UKM, and industry, PT Telkom, and craftsmen. 2) commitment to equality at the beginning of the collaboration is quite strong because it is based on the purpose or reason for the collaboration, namely the development of MSMEs. However, in its development, the craftsmen's commitment weakened because what they hoped for in the Digital UKM Village Program was not fulfilled. 3) From the craftsmen, they experienced a decrease in trust in other actors because the program implemented could not solve their problems and had yet to find other more effective solutions. 4) Governance is regulated through collaborative implementation

			<p>regulations. 5) The procedures provided include operational cooperation, joint ventures, progress in the field of MSMEs, and the last one is profit sharing (benefits from each party) and the reality is that it is deemed not achieved because the program being implemented has not been maximized.</p> <p>6) Accountability and responsibility for distribution are dominated by the Office of Cooperatives, SMEs and Industry.</p> <p>7) Information sharing is carried out formally in meetings, training and FGD forums, as well as informally in field activities such as during mentoring. Information dissemination is also carried out through social media. 8) Access to resources experiences obstacles from the aspect of human resources, especially in terms of quantity and technical skills from the Cooperative, UKM, and Industry Offices and craftsmen who support the Digital Village UKM program.</p>
11.	(Kurniawan & Fauziah, 2014)	<i>Empowerment of Micro, Small and Medium Enterprises (MSMEs) in Poverty Alleviation</i>	The results of this study indicated that the empowerment of Micro, Small and Medium Enterprises (MSMEs) in Waru Rejo Hamlet helps the local community in improving and developing their respective businesses. There are supporting factors in the success of the MSME empowerment process, including the presence of abundant human resources or adequate workforce; raw materials that are easy to find and cheap; light

			venture capital; receive support from village officials; supply of raw materials smoothly from suppliers; and there is an agreement on the selling price of production between members of the Paguyuban Kembang Waru business group. Meanwhile, the inhibiting factors in this empowerment are inadequate or damaged infrastructure, lack of maximum support from the government, the absence of a waste disposal site and the absence of a marketing center for products.
12.	(Fauziyah, 2018)	<i>Empowerment of MSMEs through E-Commerce-Based Business Organization Accounts (Case Study on the Online Forum of SMEs KSRN Online account organization of Jember Regency)</i>	The results of this study were that the existence of the KSRN Organization Account in several marketplaces has had a positive impact in the form of increasing product sales of Jember Regency KSRN members. In addition, capacity building in managing organizational accounts is carried out through technical guidance which is carried out regularly every week. The material presented includes online marketing strategies in the form of effective use of keywords in the process of posting and updating products.

*Source: Organized by researcher 2020*

Overall, the distinctive elements of this research include the fact that this research focuses more on Collaborative Governance in Empowering Small and Medium Micro Enterprises Through *SiBakul Jogja Free-Ongkir* during COVID-19 (Case Study: Department of Cooperatives and Small and Medium Enterprises in The Special Region of Yogyakarta). In addition, the collaboration process and



empowerment on MSMEs during the COVID-19 pandemic suggests that the primary concern of this study is different from the review of the literatures. The previous studies above have different concerns from one another. Those concerns can conclude how the collaborative governance process is, how to empower MSMEs, and how to implement e-governance in empowering MSMEs.

## **1.6 Theoretical Framework**

### **1.6.1 E-Governance**

(Fang, 2002) argued that E-governance can be defined as a way for governments to use the most innovative information and communication by using technology, particularly web-based Internet applications, to provide citizens and businesses more accessible access to government information and services, improve service quality and provide more excellent opportunities for participation in democratic process institutions. E-governance is a form of industry 4.0 on information technology to keep up with the flow of globalization. One of the goals of e-government is to improve the quality of public services, especially in the economic sector.

According to (Maulana, 2020), E-Governance is a new development in the context of improving public services based on the use of information and communication technology so that public services become more transparent, accountable, effective and efficient to improve the quality of government. It is necessary to integrate agency business processes into information systems that create efficiency and effectiveness in services. These days, in improving the procedures for implementing a process by automating business processes in an organization, information technology has achieved very rapid development (Handayani & Kardia, 2010).

Gartner (2000) in (Fang, 2002) defines, e-governance as the continuous optimization of service delivery, constituency participation and governance by changing internal and external relations through technology, the Internet and new media. These include Government to Citizen (G2C), Government to Employee (G2E), Government to Business (G2B), and Government to Government (G2G). Besides, the types of E-Governance can be classified into eight categories (Fang, 2002), as follows:

1. Government-to-Citizen (G2C). It is providing opportunities in the form of online public services (through electronic service delivery) to offer information and communications.
2. Citizen-to-Government (C2G). Providing the opportunity to put public services online, in particular through the delivery of electronic services for information exchange and communication.
3. Government-to-Business (G2B). Actively promoting e-transaction initiatives such as e-procurement and e-market development for government purchases, and executing government procurement tenders via electronic means for the exchange of information and commodities.
4. Business-to-Government (B2G). Encouraging actively for E-transaction initiatives such as electronic procurement and electronic market development for government purchases; and administering procurement tenders through electronic means for the sale of goods and services.
5. Government-to-Employee (G2E). Initiating an initiative that will facilitate civil service management and internal communication with government employees to create an e-

career application and paperless processing system at the E-office.

6. Government-to-Government (G2G). Providing cooperation with government departments or agencies and online communication based on government mega databases to have an impact on efficiency and effectiveness which includes the exchange of information and commodities internally.
7. Government-to-Nonprofit (G2N). Provision of information and communication to the government to non-profit organizations, political parties and social organizations, legislature, and others.
8. Nonprofit-to-Government (N2G). Exchange of information and communication between government and non-profit organizations, political parties and social organizations, legislature, and others.

Cahyadi (2003) described the critical factors supporting the success of e-governance for government agencies planning or implementing the concept of e-governance. There are several factors that are vital for the continuity and even the sustainability of the e-governance program that must be considered, as follows:

1. Extensive support from both managers/top officials (decision makers) and managers/officers at the operational level.
2. Willingness to change the way or methods of cooperation, sharing and managing data and services from government agencies.
3. Ability to improve work culture, expertise, and regulations concerning government administration and financing in each

government institution to support the implementation of e-governance.

4. Starting from a small scale implementation and developing according to community demand, adoption rate, and acceptability rate.
5. Creating equity in access to information and services.
6. Building information technology facilities and supporting regulations to ensure the security and confidentiality of data of every member of the public.
7. An adequate level of expertise and information technology infrastructure.

### **1.6.2 Collaborative Governance**

According to (Ansell & Gash, 2007), collaboration is an arrangement that regulates one or more public institutions to be directly involved with non-public stakeholders in a formal, consensus-oriented, and deliberative collective decision-making process that aims to make or implement public policy or managing programs or public assets. Besides, in collaborative governance, there are stages in the collaborative process including face-to-face dialogue, building trust, commitment to the process, mutual understanding and interim results.

The concept of collaborative governance itself includes the involvement of which institutions are starting collaborative efforts, and what are the initiatives of each stakeholder in determining or defining goals, assessing results, causing change, and so on (Mutiarawati & Sudarmo, 2017). Meanwhile, according to Wood & Gray (1991: 5) in (Ramadhania, 2019), collaboration is a process in which the parties involved see a problem from different perspectives, or aspects can constructively bring differences together and seek solutions further than their view of what is possible.

According to DeSeve in Mutiarawati & Sudarmo (2017), there are eight important factors in making collaborative governance successful, as follows:

- 1) Network structure. Describes the conceptual description of a relationship between one element and another that is put together by describing the physical elements of the network being handled.
- 2) Commitment to a common purpose. Refers to the reasons why the network must exist (need attention and commitment to achieve positive goals).
- 3) Trust among the participants. Based on professional or social relationships with a trusting relationship between the actors involved. Participants entrust the information or efforts of other stakeholders in a network to achieve common goals.
- 4) Governance. Clarity in governance, such as boundary and exclusivity, related regulations in an effort to run the implemented program, network management, and self-determination (freedom to determine how collaboration can be carried out).
- 5) Access to authority. Availability of standard provisions or standard procedures that are clear and widely accepted, the authority to implement decisions in carrying out their work.
- 6) Distributive accountability/responsibility. Share governance, co-management, and share a number of decision-making with all network members.
- 7) Information sharing. Easy access to information for members, protection of the confidentiality of a person's

personal identity and limited access for non-members as long as it is acceptable to all parties.

- 8) Access to resources. Availability of financial, technical, human and other resources necessary to achieve network objectives.

In this case, the researcher chose DeSeve's theory because it explains important factors in making collaborative governance arrangements. DeSeve theory is in line with research conducted by researcher to see the process and influence of collaborative governance carried out by the DIY Regional Government in conducting MSMEs empowerment through “SiBakul Jogja Free-Ongkir”.

### **1.6.3 Empowerment**

The concept of empowerment includes the notion of community development and community-based development (Arfianto & Balahmar, 2016). According to regulation of the Special Region of Yogyakarta Number 9 of 2017 article 1 point 5 concerning Empowerment and Protection of Creative Industries, Cooperatives and Small Businesses referred to in empowerment are efforts made by the Regional Government, the business world, and the community in synergy in the form of climate development and business development towards Creative Industries, Cooperatives, and Small Businesses so that they are able to grow and develop into strong and independent businesses.

According to (Hamill & Stein, 2011), empowerment is seen as a collaborative process in which people who are deprived of valuable resources are deployed to increase access and control over resources to solve personal and community problems. This effort is carried out in various ways, one of which is the empowering MSMEs through “SiBakul Jogja Free-Ongkir”. According to S.D et al. (2020), the efforts to develop

Micro, Small and Medium Enterprises are based on at least three important reasons, as follows:

1. MSMEs are intended to absorb labor;
2. Equitable income; and
3. Poverty alleviation efforts.

According to Sumodiningrat (2002) in Firmansyah (2012), efforts to empower the community must be seen from three sides, namely, the effort must be able to create an atmosphere or climate that allows the potential of the community to develop (enabling), must strengthen the potential or power of the community (empowering) , and it also means protecting because it prevents the weak from becoming weaker, which means protecting must be seen as an effort to prevent unbalanced competition and exploitation of the strong against the weak. According to Arisandi (2018), there are several important roles of empowerment. First, providing broad service to the community, a process of equitable distribution and increasing community income, encouraging economic growth, and creating national stability. Second, 96% of MSMEs in the monetary crisis - the 2008 to 2009 crisis were able to survive the shocks of the crisis. Third, assisting the state/government in terms of labor creation. Fourth, it has high flexibility. Fifth, making a positive contribution in overcoming the problems of economic and social inequality.

### **1.7 Conceptual Definition**

The conceptual definition is the definition that defines researcher in conducting research in the field. To understand the researcher in interpreting the theory in this study, a conceptual definition is determined in relation to the research, as follows:

### **1.7.1 E-Governance**

E-governance is a form of improving the quality of government services to public services through the use of information and communication technology. This aims to create efficiency and effectiveness in services. There are several factors for the successful implementation of e-governance, namely support, willingness, ability, initiating implementation, creating justice, building information technology facilities and supporting regulations, and the existence of an adequate level of expertise and information technology infrastructure.

In addition, e-governance is the government's use of technology to use the most innovative methods of information and communication to make it easier for citizens and businesses to obtain government information and services, thereby improving service quality and providing better services. It is very suitable for participating in democratic process institutions. One of the goals of e-governance is to improve the quality of public services, especially in the economic sector.

Furthermore, in supporting the success of e-governance, there are important factors for government agencies planning or implementing the concept of e-governance. This affects the continuity and even sustainability of the e-governance program, namely, broad support, willingness to change collaboration methods, being able to improve work culture, starting small-scale and developing implementation, creating equality of access to information and services, building information technology infrastructure and



supporting regulations, and there is an appropriate level of knowledge and information technology infrastructure.

### **1.7.2 Collaborative Governance**

Collaborative governance is an arrangement that regulates one or more public institutions that are directly involved with non-public stakeholders in a formal, consensus-oriented, and deliberative collective decision-making process that aims to create or implement public policies or manage public programs or assets. Those institutions are involved in starting collaborative efforts to achieve common goals that cannot be done individually. The process leads to collaborative governance itself through coordination, cooperation, and finally collaboration.

Furthermore, the concept of collaborative governance itself includes which institutions participate in the collaboration, and what actions each stakeholder takes in determining or defining goals, evaluating results, and causing changes. In addition, successful collaborative governance is supported by a network structure, shared commitment, trust among stakeholders, governance (clarity of related regulations), access to authority, distributive accountability/responsibility, easy access to information sharing, and access to resources (financial, technical, human resources).

Moreover, the concept of collaborative governance itself includes which institutions participate in the collaboration, and the actions of each stakeholder in setting or setting goals, evaluating results, and causing change. Collaboration is a process where related parties can see

problems from various angles or aspects, so that they can constructively resolve their differences and seek further solutions from possible viewpoints.

### **1.7.3 Empowerment**

Empowerment is an effort carried out by the Regional Government, the business world, and the community in synergy in the form of climate growth and business development for the Creative Industries, Cooperatives and Small Businesses so that they are able to grow and develop into strong and independent businesses. Empowerment is carried out to create jobs, equal income distribution, and poverty alleviation efforts so as to create prosperity for the community, especially in the economic aspect. In the empowerment itself, there is collaboration carried out, one of which is useful as an expanding network.

Furthermore, capability enhancement is seen as a collaborative process in which people deprived of valuable resources are deployed to increase access and control of resources to solve personal and community problems. Meanwhile, community empowerment efforts must be viewed from three perspectives, namely the effort must be able to create an atmosphere or climate that allows the potential of the community to be developed, must increase the potential or strength of the community, and contains the meaning of protection, because it prevents the weak becoming weaker. This means that protection must be seen as an effort to prevent unequal competition and the exploitation of weak powers.

## **1.8 Operational Definition**

The operational definition is a guide in assessing or measuring a variable so that directed research results are obtained. Based on the formulation of the problem that has been stated, to make it easier for researcher, an outline of the operational definition in research is as follows:

### 1.8.1 Collaborative Governance and Empowerment

There are eight important factors in determining the success of collaborative governance that affect the community empowerment process, as follows:

<b>Collaborative Governance Variable</b>	<b>Indicator</b>	<b>Empowerment Variable</b>	<b>Indicator</b>
Network structure	The relationship between elements	Enabling	Create an atmosphere or climate that allows the potential of the community to develop
Commitment to a common purpose	Network		
Trust among the participants	Professional or social relationships		
Governance	Clarity in governance	Empowering	Must strengthen the potential or power of the community
Access to authority	Availability of standard provisions or standard procedures		
Distributive accountability/resp onsibility	Share structuring, managing, co-management and sharing a number of decision-making		
Information sharing	Easy access to information	Protecting	Prevent the weak becoming weaker

Access to resources	Availability of financial, technical, human and other resources		
---------------------	---	--	--

From variables and indicators above, it can be linked to collaborative governance and empowerment process explained below:

- a. Network structure, commitment to a common purpose, and trust among the participants for empowerment refers to enabling processes. This means creating an atmosphere or climate that allows the potential of the community to develop. Enabling is also the first process in empowering. Besides, there is awareness of the potential that is owned and the potential to be developed.
- b. Governance, access to authority, and distributive accountability/ responsibility for empowerment refers to the empowering process. This means empowering process is aimed at strengthening the potential or power of the community.
- c. Information sharing and access to resources for empowerment refers to the protecting process. This means creating a sense of security and guarantee the community, especially MSMEs to carry out activities to achieve empowerment and independence.

## **1.9 Research Method**

### **1.9.1 Type of Research**

The method used in this research is a qualitative research method with a descriptive approach. With in-depth data analysis techniques through a descriptive qualitative approach. A qualitative-based approach provides good identification and is suitable for this research. Qualitative research works in a natural environment, which seeks to understand, interpret phenomena

in terms of the meaning that people give them (Gumilang, 2016). Descriptive analysis method describes the facts which are then followed by analysis, not only describing, but also providing sufficient understanding and explanation (Habsy, 2017). In this study, the focus of this research is the influence and process of **Department of Cooperatives and SMEs Special Region of Yogyakarta** through “SiBakul Jogja Free-Ongkir” in empowering MSMEs during the COVID-19 pandemic.

### **1.9.2 Type of Data**

The data used in this study are primary data and secondary data, as follows:

#### a) Primary Data

Primary data sources were obtained through in-depth interviews.

#### b) Secondary Data

Secondary data is used as supporting data from primary data. Secondary data sources are obtained through books, journals, news publications, photos, notes, regulations and others relating to the object under study.

### **1.9.3 Data Collection Technique**

As for the research process, the researcher used other data collection techniques to strengthen the research results, such as field studies consisting of in-depth interviews and documentation studies, as follows:

#### a) In-Depth Interview

Interviews are used as a data collection technique if the researcher wants to conduct a preliminary study to find

problems that must be researched and want to know more deeply about the things of the respondents, and the number of respondents is small (Sugiyono, 2019: 195). In the interview technique, it means that the researcher conducts communication interactions or conversations between researchers and informants with the intention of gathering information (Ramadhania, 2019). Therefore, researcher get clearer information according to the research indicators.

b) Study Documents

Data collection techniques obtained from documents, archives, books, and other data sources can be said to be data collection techniques obtained through libraries related to the problem to be studied. To support this data, researcher also used appropriate bibliographies, such as journals, magazines, newspapers, and other sources. In this study, the researcher used documents in the form of government documents, books, notes, photo files, meeting results and journals.

#### **1.9.4 Research Location**

The research took place at **Department of Cooperatives and SMEs Special Region of Yogyakarta**, Java Parama Niaga Cooperative (Koperasi JPN), **Gojek Indonesia in Yogyakarta**, **Grab Indonesia in Yogyakarta**, and actors of MSMEs in Bantul Regency, Sleman Regency, and Yogyakarta City.

#### **1.9.5 Unit Analysis Data**

<b>Type of Data</b>	<b>Source of the Data</b>	<b>Data Required</b>	<b>Data Collection Technique</b>
Primary Data	Head of the Integrated Services Section of KUMKM, The Department of Cooperative and SMEs Special Region of Yogyakarta (Hana Fais Prabowo, STP, M.Si.)	His opinion as a collaborative governance actor about: <ol style="list-style-type: none"> <li>1. Network structure.</li> <li>2. Commitment to a common purpose.</li> <li>3. Trust among the participation.</li> <li>4. Governance.</li> <li>5. Access to authority.</li> <li>6. Distributive accountability/responsibility</li> <li>7. Information sharing.</li> <li>8. Access to resources.</li> </ol>	In-Depth Interview
	The actor of Micro, Small and Medium Enterprises involved in “SiBakul Jogja Free-Ongkir”	Their opinion on the empowerment of MSMEs through “SiBakul Jogja free-ongkir”: <ol style="list-style-type: none"> <li>1. Network structure.</li> <li>2. Commitment to a common purpose.</li> <li>3. Trust among the participation.</li> <li>4. Governance.</li> <li>5. Access to authority.</li> <li>6. Distributive accountability/responsibility</li> <li>7. Information sharing.</li> </ol>	In-Depth Interview

		8. Access to resources	
	Online motorcycle and taxi company (Grab and Gojek)	<p>Their opinion as partners involved in the "SiBakul Jogja free-ongkir" program:</p> <ol style="list-style-type: none"> <li>1. Network structure.</li> <li>2. Commitment to a common purpose.</li> <li>3. Trust among the participation.</li> <li>4. Governance.</li> <li>5. Access to authority.</li> <li>6. Distributive accountability/responsibility.</li> <li>7. Information sharing.</li> <li>8. Access to resources</li> </ol>	In-Depth Interview
	Java Parama Niaga Cooperative (Koperasi JPN)	<p>Their opinion as partners involved in the "SiBakul Jogja free-ongkir" program:</p> <ol style="list-style-type: none"> <li>1. Network structure.</li> <li>2. Commitment to a common purpose.</li> <li>3. Trust among the participation.</li> <li>4. Governance.</li> <li>5. Access to authority.</li> <li>6. Distributive accountability/responsibility.</li> <li>7. Information sharing.</li> <li>8. Access to resources</li> </ol>	
Secondary Data	Government Archives.	<ol style="list-style-type: none"> <li>1. Profile of the institution concerned</li> <li>2. A Circular of the Governor of the Special Region of Yogyakarta regarding a warning to buy</li> </ol>	



		<p>Micro, Small and Medium Enterprises products</p> <ol style="list-style-type: none"> <li>3. Data on Micro, Small and Medium Enterprises partners involved in “SiBakul Jogja Free-Ongkir”.</li> <li>4. Graph of SiBakul Jogja consumer transaction data free-shipping.</li> <li>5. Archive &amp; document related to SiBakul Jogja Free-Ongkir</li> </ol>	
	<p>Book, Regulation, Journal, Article.</p>	<p>Read all books, regulations, journals, and articles related to collaborative governance, empowerment, e-governance and so on.</p>	