

# CHAPTER I

## INTRODUCTION

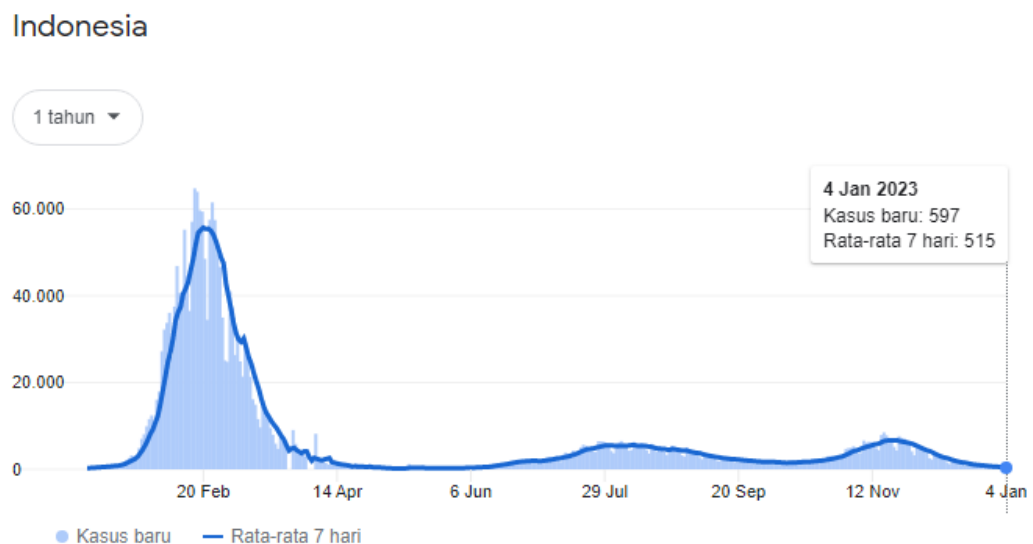
### 1.1. Background

The state is a political association that exists with certain purposes and the capacity for agency and structures of authority to make decisions in carrying out those purposes. Since the state is an association, the state requires collaboration or cooperation among its agents, i.e., the government, private sector, and civil society, in achieving its goals. Especially at this time almost all countries were shocked by the outbreak of a new virus which has become a global problem.

The phenomenon that occurred in Indonesia throughout 2020 was the emergence of a new virus that is currently infecting the world called Corona virus (CoV). As of January 4<sup>th</sup> 2023, the Indonesian government released 597 new confirmed cases, with an average of 7 days there have been 515 new confirmed cases, according to the CSSEGISandData website.

**Figure 1.1**

**Data on the Development of COVID-19 in Indonesia on 2022-2023**



Source: CSSEGISandData/COVID-19 (*Development of COVID-19 in Indonesia, 2023*)

The pandemic has not only had a major impact on health, but has also brought down many other sectors. Lockdown, isolation, quarantine, and social restriction policies have proven to be one of the effective ways to prevent and deal with the spread of Covid-19 so far.

The Covid-19 pandemic also continues to disrupt the economy and people's daily lives. The Ministry of Finance also said that COVID-19 poses a threat of loss of people's income. Those most affected are mainly the poor and families who work in the informal sector, bad loans to MSMEs, a disrupted corporate system, to banking conditions that can experience liquidity problems, Rupiah depreciation,

financial market volatility, and capital flight (Nurwati, 2020). In addition, many companies, factories, shops, and MSMEs were forced to close or even reduce staff or layoffs. The COVID-19 pandemic has also had a considerable impact on investment, which has made people choose to be very careful in buying goods and even investing. Investors are less likely to invest because of changing market assumptions and unclear supply chains (Wihardja, 2011).

The impact of the pandemic did not only occur at the national level, but also in the regions, including the Special Region of Yogyakarta. For the Special Region of Yogyakarta itself, economic conditions experienced a deep contraction at 6.74 percent with achievements below national economic growth, as stated by the Deputy Governor of the Special Region of Yogyakarta, Paku Alam X (Ria, 2021). The Covid-19 pandemic is also contributed to this issue as the cause of the decline in economic growth in the City of Yogyakarta. Based on data from the Regional Development Planning, Research, and Development Agency of Yogyakarta City (BAPPEDA), the growth rate of gross regional domestic income (GRDP) in the City of Yogyakarta has decreased significantly during the Covid-19 pandemic, namely 6.77 percent compared to 2019. The Yogyakarta City Government will also continue to rely on the Small and Medium Enterprises (UKM) and from the information and communication or digital sector (Rusqiyati, 2021).

For the same case in Yogyakarta City, collaboration between all Regional Apparatus Organization (OPD) in the Yogyakarta City Government and the community is needed to deal with economic recovery regarding to this issue.

Collaboration is a response to shifts and changes in the policy environment. These changes can be in the form of an increase in the number of policy actors, issues that are increasingly widespread or difficult to detect, and limited government capacity. Collaboration in the sense of the process and collaboration in the normative sense is the concept of collaboration (Mutiarawati & Sudarmo, 2021). The concept of collaboration is an intensive collaboration between parties, including a conscious effort to align goals, strategies, agendas, resources, and activities. Where the institution basically has a goal and tries to make it happen (Fosler, 2002). Furthermore, according to (S. Balogh, 2011) collaborative is a process and structure in the management and formulation of public policy decisions involving constructive actors from various levels, both in government and public agencies, private institutions, and civil society in order to achieve public goals.

Collaborative governance can be carried out by the central government and/or local governments in order to solve a public problem by collaborating with other parties involved in the problem solving process. In relation to the Science of Government, collaborative governance is one of the new strategic models of government which involves various stakeholders or stakeholders simultaneously in a forum with government officials to make joint decisions that aim to solve problems that cannot be faced alone by the government itself.

Government actors continue to face challenges in creating opportunities for new and innovative ways to achieve higher quality and more effective service delivery in their communities. Many such innovative efforts have emerged as part of some form of collaboration by local government jurisdictions with private, not-

for-profit, or other public entities. This thesis provides a perspective to highlight the important factors that local officials should keep in mind in deciding which services might benefit from such collaborations, as well as which forms of collaboration are most likely to help communities achieve their goals.

For this reason, the Yogyakarta City Government has three main areas of handling Covid-19, namely prevention, treatment, and economic recovery. In the field of economic recovery, it is carried out by providing digital marketing training. The world situation is increasingly dependent on digital capabilities, so technology and digitalization must be utilized by traders so as not to be left behind. Some traditional markets in Yogyakarta City can conduct digital transactions and cooperate with related parties so that the buying and selling process can be done online.

Small and Medium Enterprises (UKM) in Yogyakarta City are encouraged to sell their merchandise digitally in order to survive the Covid-19 pandemic. In Beringharjo Market, the Yogya City Government has launched the Smart Traditional Market which helps sell all merchandise of Beringharjo traders online. The program is part of the city government's efforts to revive traditional markets amid the Covid-19 pandemic. The pandemic has contributed to the growth of the digital industry, which prompted the government to adapt, and pushed the government to be more involved in managing the digital industry.

Collaborative efforts have been made by the government and non-government, however, due to economic problems during the endemic period, it is important to conduct this research in process studies by looking at the indicators of

actors and the relationships within them in order to obtain an overview of the process 'Collaborative Governance: Economic Recovery Using Smart Traditional Market in Yogyakarta City Government.'

### **1.2. Research Question**

Based on the background of the problems described above, this research formulates a problem, namely the economic recovery requires the cooperation of various parties, namely the government and all elements of society. Therefore, through this research, I want to further explore, analyze, and describe the government collaboration needed in economic recovery related to the impact of Covid-19 in the City of Yogyakarta. Therefore, this research asks the question, "How is collaborative governance in the City of Yogyakarta in economic recovery using Smart Traditional Market?"

### **1.3. Research Aims and Objectives**

The aims and objective of this research is to find out what processes influence the running of collaborative governance in dealing with economic recovery related to the impact of Covid-19 in the City of Yogyakarta using Smart Traditional Market.

#### **1.4. Benefits of Research**

According to the researcher, the benefits that can be obtained from this research are divided into two, namely:

##### **A. Theoretical Benefits**

This research is expected to add insight and knowledge for writers and readers regarding collaborative governance in dealing with economic recovery related to the impact of Covid-19 in the City of Yogyakarta using Smart Traditional Market and is expected to be a means of developing knowledge to provide information and can be used as a reference for further scholars and researchers related to the collaborative governance issues needed to deal with economic recovery in the state.

##### **B. Practical Benefits**

Practically speaking, this research is expected to be useful for the Indonesian government regarding the extent to which innovation policies for dealing with economic recovery have been realized and are expected to bring new innovations in the field of economic recovery. This can also be used as an evaluation material for other regional governments and other governments regarding the government's collaborative shortcomings in in the field of economic recovery.

### 1.5. Literature Review

Previous research is very necessary in writing scientific papers because it is to compare the results of research obtained by previous researchers with those related to the research to be carried out. The literature review is also useful for sharpening the analysis by comparing these concepts with other works as well as data relevant to the theme of this research. The results of previous studies that have similarities with the topics discussed are:

**Table 1.1 Summary of Literature Review**

Number	Name	Research Title	Results
1.	(Veronisa; Nurma Lingga Wati; & Sri Oktariani Halawa, 2022)	COLLABORATIVE GOVERNANCE DALAM UPAYA MENINGKATKAN EKONOMI MASYARAKAT DI DESA TELUK SASAH, KABUPATEN BINTAN PROVINSI KEPULAUAN	The result of the study shows companies in the Seri Kuala Lobam industrial area have greatly helped the community's economy in Teluk Sasah Village, Bintan Regency through Corporate Social Responsibility (CSR), in the form of distributing groceries to the people in Teluk Sasah Village, and



		<p>RIAU, INDONESIA</p> <p>MELALUI</p> <p>CORPORATE</p> <p>SOCIAL</p> <p>RESPONSIBILITY</p>	<p>then also providing scholarship assistance education for children who are native to Teluk Sasah Village where this educational scholarship assistance is given to those who are less fortunate, not only the less fortunate but for children who excel also have the opportunity to get educational scholarship assistance up to the undergraduate level. Then the companies in Seri Kuala Lobam also provide assistance in the form of capital to provide assistance in the form of groups to housewives where later the people selected in the group</p>
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			make a work or even start a business which will be financed by a lobam company in Bintan.
2.	(Latifah Fauzyah, 2021)	Collaborative Governance dalam Pembangunan Ekonomi Desa Melalui Program BUMDes di Desa Tamanjaya Kecamatan Gununghalu Kabupaten Bandung Barat	Based on the results of the research, based on data and facts that occurred, the lack of participation and involvement of various parties in the BUMDes program so that the planned objectives had not been achieved. The process of collaborative governance in Village-Owned Enterprises (BUMDes) Tamanjaya, Gununghalu District, West Bandung Regency has been running although it has not been maximized and there is still much to be evaluated

			because there are still many problems, namely the imbalance of human resources, facilitative leadership, and collaborative processes.
3.	(Angga Wijaya Holman Fasa & Mahardhika Berliandaldo, 2022)	PENGELOLAAN GEOWISATA BERKELANJUTAN DALAM MENDUKUNG PELESTARIAN WARISAN GEOLOGI: PERSPEKTIF COLLABORATIVE GOVERNANCE	The results of the research carried out is the In this development, each stakeholder has different roles and functions, namely Research and Community Service (Academics), Financing Cooperation and Business Implementation (business people), tourism and creative economy support (community), coordinator and regulatory functions (government), as well as promotion and outreach (media)

4.	(Hilmi Rahman Ibrahim, 2022)	PEMBERDAYAAN USAHA MIKRO KECIL MENENGAH MELALUI PENDEKATAN INOVASI SOSIAL DAN COLLABORATIVE GOVERNANCE	The results of the research carried out Governance collaboration is a community need in encouraging the strengthening of the public sectors. Innovation and collaboration on the side of the interests of the government and also the community, will reinforce each other if the community's role and economic strength are better. The economic correlation and social welfare actually have a positive correlation with the presence and birth of ideas (innovation) on the one hand and public trust in the government becomes very important
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			with the presence of the state in strengthening and empowering ideas in the public economic sector.
5.	(Alif Salsabila Katya & Saraswati, 2021)	PEMERINTAHAN KOLABORATIF DALAM PENINGKATAN DAYA SAING USAHA MIKRO KECIL MENENGAH (UMKM) MELALUI PROGRAM JAKPRENEUR	The results of this study indicate that the collaboration process takes place effectively between stakeholders because all collaborative actors complement each other and are responsible for their commitment to empowering MSMEs in DKI Jakarta to be competitive. The collaboration process produced positive results which were marked by the high enthusiasm of the community in participating in JakPreneur activities.

6.	(Vindi Octaviani, 2022)	Collaborative Governance dalam Pengelolaan Bumdes sebagai Upaya Penguatan Ekonomi Desa di Kabupaten Klaten	This research shows the main factor driving the creation of collaboration in the formation of Tirta Mandiri Village Owned Enterprises (BUMDes) is the presence of a leader. Head of Ponggok Village, the main initiator of the establishment of the Tirta Mandiri Village-Owned Enterprise. The shared motivation for increasing the village income budget is to form a business entity where collaboration is required not only from the founder of the Tirta Mandiri Village-Owned Enterprise, but also village officials and the community. For this reason, on the basis of this
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			<p>motivation, collaboration dynamics are created in the formation and management of Village-Owned Enterprises Tirta Mandiri. Lack of trust from the community, capital, and lack of human resources with special skills such as snorkeling and underwater photography are the challenges faced by the Tirta Mandiri Village Owned Enterprise in its management.</p>
7.	(Ferdiansyah Wicaksono & R. Hari Bustomi, 2022)	<p>COLLABORATIVE GOVERNANCE DALAM PENGEMBANGAN PUSAT PEMBERDAYAAN EKONOMI DAN</p>	<p>The results of the research carried out are that the development of a co-working space activation program is carried out through a synergy approach between</p>

		<p>KREATIVITAS MASYARAKAT DI KOTA BANDUNG</p>	<p>stakeholders or collaborative governance with the existence of a penta-helix collaborative action involving stakeholders consisting of:</p> <ol style="list-style-type: none"> <li>1. Academics, consisting of university students and lecturers in the city of Bandung</li> <li>2. Government, consisting of city, sub-district and sub-district level officials</li> <li>3. Business people, in the form of business actors in the private sector, medium to upper business actors and MSMEs, IKM centers, and business incubators</li> </ol>
8.	(Lisa Sri Ningsi;	<p>STRATEGI COLLABORATIVE</p>	<p>In an effort to align the vision and mission of</p>



	<p>Yeyen Kardila; Dea Mandriana; Renaldi Syaban; and Maya Panorama, 2022)</p>	<p>GOVERNANCE PADA PROGRAM EKONOMI KREATIF TERHADAP PERKEMBANGAN DAN PEMBANGUNAN EKONOMI DI KOTA PALEMBANG</p>	<p>collaborative governance in order to achieve common goals, the City of Palembang seeks to become a creative city which is supported by a creative economy program. Collaborative governance that supports creative industry programs in the city of Palembang. The development and development of good culinary, fashion, and floating markets certainly requires a creative and innovative approach by bringing out cultural characters that can attract many people to try them. One of the forms for this innovation approach</p>
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			<p>carried out by the Palembang city government through Disperaktif is by planning cooperation with all stakeholders and elements of society to support commitment to creative economic development in Palembang City.</p>
9.	<p>(Elsa Trisniati; Juliannes Cadith; &amp; Kandung Sapto Nugroho, 2022)</p>	<p>COLLABORATIVE GOVERNANCE DALAM PENGEMBANGAN KAWASAN EKONOMI KHUSUS</p>	<p>This research on collaborative governance concludes the following:</p> <p>1. In the collaborative management of the Tanjung Lesung SEZ development there is an imbalance of resources among stakeholders (government, private sector, community, academics, and media). Regarding the imbalance</p>

		<p>of resources, it would be better if the resources owned by the community such as skills in making handicrafts, arts, and the potential for village tourism businesses be improved so that the community can participate in collaboration by providing ongoing training and outreach from the The Office of Tourism and the Office of Industry and Energy and Mineral Resources of Banten Province or Pandeglang Regency about how to become tourism actors</p> <p>2. Regarding the lack of community participation,</p>
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		<p>it would be better if the Tanjung Lesung SEZ Regional Council could carry out sustainable tourism village development for the community in the Tanjung Lesung SEZ buffer area so that the community could participate actively in collaborating by means of community empowerment</p> <p>3. Collaborative efforts are still being carried out individually by collaboration stakeholders due to the lack of face-to-face dialogue and the absence of an exclusive forum so that the communication</p>
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			that exists is only with stakeholders who have interests. Regarding development efforts carried out individually by collaborative stakeholders, it would be better if the Tanjung Lesung SEZ collaboration has a special forum that functions as a forum for communication and discussion regarding missions, achievements, constraints, and strategies in developing Tanjung Lesung SEZ and its supporting areas .
10.	(Delila Putri Sadayi & Lubna Salsabila, 2022)	Collaborative Governance dalam Pengentasan Kemiskinan di Kabupaten Kulon	This research examines that Kulon Progo Regency applies the concept of collaborative governance or

		<p>Progo</p>	<p>Collaborative Governance Regime (CGR) in carrying out an alternative development paradigm. The actors involved in carrying out CGR consist of State Actors and Non-State Actors. State actors consist of government institutions from both the central and regional levels, while non-state actors consist of the private sector, NGOs and the community. The actors involved work together actively and interactively in carrying out CGR in implementing programs so as to produce collaborative actions. The results of collaborative</p>
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			actions provide outcomes in shaping community social resilience through empowerment so that they are economically independent.
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Based on the findings from several previous studies, all research is focused on how to maximize the role of local governments in maintaining the stability of people's lives by maximizing their capacity as public organizations and strengthening the capacity of local governments in handling this economic recovery. Besides that, it is also more about how collaboration is carried out between the government and the private sector, NGOs, and the community in dealing with the economic recovery.

While this research focuses more on how is the government's collaboration in dealing with economic recovery regarding to the Covid-19 pandemic in the City of Yogyakarta. Therefore, this research does not come from other people's thoughts, but new research, new problems, and considerations of existing conditions, and comes from my own thoughts.

## **1.6. Theoretical Framework**

Based on the topics raised, this study uses two theories, namely collaborative governance theory and public policy theory. Based on this explanation, this paper aims to analyze the government's collaborative process in economic recovery related to the impact of Covid-19 in the City of Yogyakarta. To see the process of collaboration carried out by the actors involved, I use the collaborative governance process theory put forward by (K. Emerson; T. Nabatchi, 2012).

### **1.6.1. Collaborative Governance**

Before discussing more deeply regarding collaborative governance, it is necessary to explain governance first. The term collaborative governance is a method in an effort to manage government, in which stakeholders who are not part of the government or the state are directly involved in its management. Its implementation is oriented towards consensus and deliberation during the process of making collective decisions with the aim of implementing public policies and programs (Rachim, 2020).

In addition, governance studies also have different meanings among several experts. For example, there are the terms good corporate governance, good governance, network governance, bad governance, and so on. These differences are adjusted to the context of the use of the term governance. Governance comes from the word "govern" which means taking a bigger role, which consists of all the processes, rules, and institutions that enable the management and control of the collective problems of society. Broadly speaking, governance includes the totality



of all institutions and elements of society, both government and non-government (Dwiyanto, 2015). In the concept of governance, the government is one of the actors and not the only actor and is not always the most decisive actor. In terms of the functional aspect, governance can be viewed from whether the government has carried out its functions effectively and efficiently in an effort to achieve the goals that have been outlined.

Governance is a system of values, policies, and institutions in which economic, social, and political affairs are managed through the interaction of society, government, and the private sector (Keban, 2008). Therefore, institutions of governance cover three domains, namely the state (state or government), private sector (private sector or business world), and society which interact with each other and carry out their respective functions (Sedarmayanti, 2003).

Governance is a form of public sector collaboration. Governance is defined as mechanisms, practices, and procedures for government and citizens managing resources and solving public problems. In the concept of governance, the government is only one of the actors and is not always the determining actor. The implications of the government's role as a developer as well as a provider of services and infrastructure will shift into a driving force for creating an environment that is able to facilitate other parties in their environment. Governance demands a redefinition of the role of government and that means a redefinition of the role of citizens. There are greater demands on citizens, among others, to monitor the accountability of the government itself (Sj., 2003).

According to O'Leary and Bingham (Sudarmo, 2015) collaboration is a concept that describes the process of facilitating and implementing that involves multiple organizations to solve problems that cannot or cannot be easily solved by an organization alone. Bardach (Sudarmo, 2015) also conveyed something that was no different. Collaboration according to him is an activity carried out together by working together which aims to increase "public value" by two or more institutions whose results are more optimal than being done alone.

Another definition of collaborative governance is also put forward by Agrawal and Lemos (Subarsono, 2011). According to them, collaborative governance is formed from the existence of "multi-partner governance" whose scope is not only focused on stakeholders from government and non-government. Within collaborative governance there are various sectors. These sectors include the private sector, society, civil society formed through stakeholder cooperation, and plans that are prepared with a "hybrid" nature, for example cooperation between public-private-social.

Based on the meaning defined by Balogh et al (Subarsono, 2011) then interpret collaborative governance as a process and structure contained in the management and formulation of public policy decisions. The actors involved in the process constructively come from various levels, namely those that are part of the government, public institutions, private institutions, and the general public. This is done because the public goals to be achieved cannot be realized without collaboration.

I choose (K. Emerson; T. Nabatchi, 2012) collaboration process theory because it has a comprehensive and appropriate component used in answering problems. Collaborative process theory or Collaborative Regime (CGR) explains in detail how the collaboration process is dynamic and cyclical, by producing temporary actions and impacts, before leading to the main impacts and also adaptation to temporary impacts.

**Figure 1.2 Collaborative Governance Theory according to Emerson, Nabatchi, & Balogh**

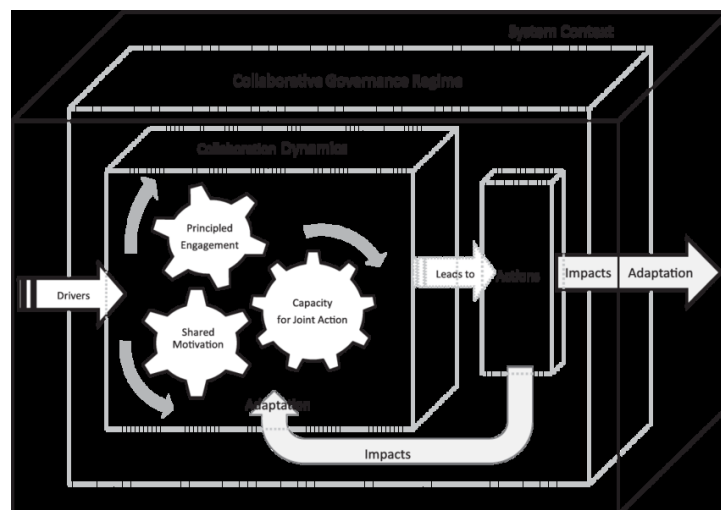


Image source: (K. Emerson; T. Nabatchi, 2012)

The above collaboration process referred to is in the CGR box. This study uses various components in CGR to reveal the collaboration phenomenon. The various components that make up the collaboration process include the dynamics of collaboration, collaborative actions, and temporary impacts and temporary adaptations of the collaboration process.

## **A. Collaborative Dynamics**

Some scientists describe the process of collaboration as a linear stage that occurs over time starting from defining the problem to setting the agenda to implementation. (K. Emerson; T. Nabatchi, 2012) sees the dynamics of the collaborative process as an iterative cycle of interaction. Emerson focuses on the three interaction components of collaboration dynamics. These components include:

### 1) Principled Engagement

The driving of shared principles is something that happens constantly in collaboration. Some things like face-to-face dialogue or through technological intermediaries are ways to drive shared principles. Within this component there is a reaffirmation of common goals, the formation and development of shared principles which are often expressed in the various perspectives of the actors involved. Therefore the unification of principles is the essence of this matter (K. Emerson; T. Nabatchi, 2012).

The characteristics of each actor are the key elements that affect how well the shared principle works. A critical first step is how the government selects the actors who will be involved in the collaboration. Furthermore, after the collaboration develops, the addition of actors is also possible. Only then can the act of activating shared principles be realized, which can be explained in the following three elements:

## I. Discovery

Revealing the interests of each actor, actor values, as well as efforts to construct common interests. Disclosure of both collaborative actors and individuals within them can be analyzed from the interests of these actors joining the collaboration. (K. Emerson; T. Nabatchi, 2012) emphasizes disclosure at the individual and actor levels, mainly to build the formation of "shared meaning" or shared understanding on an ongoing basis. The formation of this will affect the joint discussion process, in which there is deliberation as a "hall-mark of successful engagement" or the main sign of the success of joint mobilization.

## II. Deliberation

The emphasis is not only on the formation of deliberation, but rather on how "the quality of deliberation" is because collaboration often results in different thoughts, perspectives, and interests that arise at any time. Building quality deliberation requires advocacy skills. This advocacy is internal, meaning to direct collaboration, so that actors continue to run on the goals of collaboration, and produce strategic and effective conflict resolution.

Some of the things in the deliberation analysis above, implicitly try to get answers regarding the courage of the actors to act freely in collaboration, whether or not there is pressure from the government so as to limit collaborative actions, or whether there is compulsion to do

so. There is a process of deliberative democracy so as to be able to make collaboration a forum for developing innovation and creation, both in generating ideas and in dealing with the practice of collaborative activities in the field, that is, if unexpected problems are found, then each actor is not afraid to act creatively because there is no pressure to have to act as ordered.

### III. Determinations

Is a series of determinations, namely the act of determining the desired goals, which are divided into primary and substantive.

a. Primary determination: Some procedural decisions (e.g. setting collaboration agendas, scheduling discussions, and forming working groups)

b. Substantive determinations: Results of collaboration products (e.g. reaching mutual agreements and final recommendations of collaborative actions)

In ongoing collaborations, more substantive determinations are made on an ongoing basis as their nature is more required. Meanwhile from a practical point of view, determination can be realized through the formation of consensus as a fundamental method in forming joint determination. In conclusion, the movement of shared principles is formed and maintained by an interactive process of disclosure,

deliberation, and determination. The effectiveness of promoting shared principles is determined by the quality of each and the interactive process of the following three things.

## 2) Shared Motivation

Shared motivation emphasizes the interpersonal and relational elements of collaborative dynamics which is sometimes called social capital. This component is initiated by the mobilization of shared principles which are the medium term results. However, according to Huxham and Vangen in (K. Emerson; T. Nabatchi, 2012), shared motivation also strengthens and enhances the process of driving shared principles. Emerson defines shared motivation as a self-reinforcing cycle consisting of four mutually beneficial elements, including:

### I. Mutual Trust

The first element of shared motivation is the development of shared trust. According to Fisher and Brown in (K. Emerson; T. Nabatchi, 2012), mutual trust will develop along with the involvement of the parties when collaborating, knowing each other, and proving to each other that they can be trusted, responsible, and reliable. Trust is an important and absolute part in the progress of collaboration. For example, in a partnership, trust plays an important role in reducing transaction costs, increasing investment value, maintaining stability in

relationships, stimulating shared learning, and exchanging knowledge and information (Koppenjan and Klijn in (K. Emerson; T. Nabatchi, 2012)).

In this case, trust is conceptualized as a mechanism that will generate a sense of mutual understanding between stakeholders which will eventually give birth to shared legitimacy and lead to a shared commitment. Trust allows individuals or groups to set aside their individual or group concerns in order to understand common interests, needs, values, and goals.

## II. Mutual Understanding

Shared understanding creates trust that can make stakeholders appreciate the differences that exist from other stakeholders. Mutual understanding is more towards mutual understanding which is intended to make fellow stakeholders understand each other and respect the positions and interests of other stakeholders even when these stakeholders disagree. The formation of shared understanding is often influenced by the trust that has been formed in collaboration.

## III. Internal Legitimizations

Internal legitimacy is recognition that comes from internal collaboration. In this case, actors in collaborating are required to be trusted and credible towards common interests. Collaborative actors



must realize that there is a sense of interdependence between actors that will create sustainable collaboration. Internal legitimacy, shared understanding, and shared trust are three elements that are closely related to each other in the component of shared motivation.

#### IV. Commitment

The existence of commitment in the collaboration process is able to remove obstacles that often arise due to differences in characteristics and interests between actors. Commitment makes actors interact across organizations so that a shared commitment is formed. Analysis of the quality of commitment formation in each collaboration actor can be seen from the purpose of joining in collaboration, namely whether there are common interests that have met so that it affects the activeness of these actors to participate in collaboration. In addition, an optimistic attitude will achieve the goals of collaboration and the enthusiasm to carry out collaborative activities with other actors also forms commitment. The existence of temporary good results from collaboration and good incentives also often affect changes in the commitment of collaborating actors.

In conclusion, the existence of quality interactions forms mutual trust and mutual understanding, so as to create recognition of internal legitimacy

that influences shared commitment. These four things develop and influence each other, thus creating shared motivation to continue.

### 3) Capacity for Joint Action

The purpose of collaboration is to produce the desired outcome together which cannot be achieved individually or by one actor alone. This is because collaboration involves cooperative activities to increase the capacity of self and others in achieving common goals. Thus CGR must produce a new capacity for each actor to act together within a certain period of time. Often several collaborating actors do not have the capacity to act together because of differences and power imbalances. Therefore, the definition of capacity is a collection of cross-functional elements that came together to create the potential for taking effective action (K. Emerson; T. Nabatchi, 2012).

In this case, the capacity to take joint action is conceptualized within a framework which is a combination of four important elements, including agency procedures and agreements, leadership, knowledge, and resources. These elements must be adequate in achieving the agreed objectives. The capacity to take collective action is often seen as the result of the interaction of driving together principles. But developing capacities for collective action can also strengthen shared motivation and drive shared principles that ensure more effective collaborative action and impact. Furthermore, these elements are explained as follows:

## I. Procedural and Institutional Arrangements

Various procedures, protocols, and collaboration structures are needed in the management of interactions between actors. While the dimensions of the collective agreement are general rules (ground rules), protocols in activities (operating protocol), rules for making decisions (decision rules), and so on that may be formed. Often the agreements in collaboration are initially informal, but over time, formalities are needed, such as the formation of legislation or formal legal which becomes the legal umbrella for collaboration.

For larger, more complex and long-duration collaborations, the institutional structure of the collaboration must be clear and protocols for the administration and management of collaborative activities are required (Milward and Provan in Emerson). While institutional agreements are found in intra-organization (how actors govern and manage their own organizations in collaborative initiatives) and inter-organization (how collaborative groups manage processes and how collaboration integrates with decision-making from outsiders).

## II. Leadership

Leadership plays an important role in collaboration. The various roles of the leader during the collaboration process are as a party that seeks support for collaboration, meeting initiator, facilitator and mediator, representation of actors and collaboration as a whole,

knowledge distributor, encouraging the use of technology in collaboration, and advocating in the public. Another main role of the leader is how to act when encouraging deliberation or overcoming conflict and how to increase the determination of actors towards the goals of collaboration (done during the collaboration process).

Often collaboration leaders are not able to carry out their roles properly, because they do not know the skills they have to master or they don't even know that the leadership needed in collaboration is different from leadership in organizations in general.

### III. Knowledge

It is the currency of collaboration. Knowledge is anything that is needed and strives to provide. According to Groff & Jones (K. Emerson; T. Nabatchi, 2012) explains knowledge as information combined with understanding and capability, it lives in the mind of people. Knowledge guides action, whereas information and data can only inform or confuse.

### IV. Resources

The exchange or merging of resources is one of the advantages of collaboration. Resources are financial funding, division of time and roles, technical and administrative support for the implementation of activities, providing mutual assistance, the need for expertise in

collaboration analysis and implementers in the field, as well as the need for experts. In collaboration there is always a large difference in resources between actors (resources disparities). Measuring the effectiveness of resources is seen from how the ability of the collaboration elements (leaders, actors, and individuals) to manage resources based on these differences. In practice it is very complicated and not easy because it is influenced by other elements, namely the existence of procedures and institutional agreements that are made whether to accommodate this, how the role of leaders and the distribution of existing knowledge encourage the exchange of resources and whether collaboration forms a mechanism for managing these resources.

Basically, the capacity to take collective action is crucial and a major challenge for collaboration, because there are always differences in characteristics and strengths between actors. Clarity of procedures and collective agreements set forth in legal-formal form, leadership influence, knowledge management, and resource management are elements that influence whether or not the capacity of actors is capable of carrying out joint actions. However, looking at the explanation of each element, there are influences that arise from the previous components, namely the mobilization of shared principles and shared motivation.

The final conclusion from the dynamics of this collaboration is whether or not the dynamics are determined by three components, namely the mobilization of shared principles, shared motivation, and the capacity to take joint action, in which there are various elements. The dynamics are in the form of a cycle, where each component influences each other.

## **B. Actions in Collaboration**

Collaborative actions are motivated by thoughts about the difficulty of achieving goals if only one group or organization acts alone (Agranoff, 2003). Actions in collaboration are at the heart of a collaborative governance framework. Effective collaboration actions must be implicitly expressed by the formulation of clear goals (Donahue, 2011). This is because it will be difficult to carry out collaborative actions if the goals to be achieved from the collaboration itself are not made explicitly. Collaborative actions in practice are very diverse, such as community empowerment, establishing licensing processes, gathering resources, monitoring new management systems or practices, and so on. Then the results of these actions directly bring about temporary impacts that lead back to collaborative dynamics and long-term impacts.

According to Huxam in (K. Emerson; T. Nabatchi, 2012), some collaborative actions have very broad objectives such as determining strategic steps in issues or areas of health policy. But there are also many collaborative actions that have narrow goals such as specific information

gathering and analysis projects. Some collaborative actions can be carried out simultaneously by all stakeholders and some can only be carried out by certain stakeholders in accordance with the capacity of each stakeholder.

### **C. Impacts and Adaptations for Collaboration Dynamics**

The impact of the CGR in question is the temporary impact caused during the collaboration process. Impact characteristics are expected, unexpected, and unexpected. The expected impact is "small-wins", namely positive results that continue to sustain the enthusiasm of the actors. While unexpected impacts such as obstacles in the implementation of collaboration. Unexpected impacts can also arise directly or indirectly in the collaboration process.

These various impacts generate feedback which is then adapted by collaboration. The adaptation in question is how collaboration responds to feedback from each existing actor. A good adaptation is one that can be carried out by all collaborative actors, meaning that there is no influence of organizational interests on collaboration so that it causes efforts to take advantage of collaboration more for the benefit of the organization itself. Adaptation must be based on what is the main need to change in collaboration so that from this it can maintain the progress of collaboration and this is influenced by the openness of the collaboration itself.

## **1.6.2. Public Policy**

### **A. Definition of Policy**

Before further discussing the concept of public policy, we need to examine the concept of policy in advance. In the Big Indonesian Dictionary, policy is defined as a series of concepts and principles that form the outline and basis for a plan in implementing a job, leadership, and ways of acting (regarding government, organization, etc.); statement of ideals, goals, principles, and guidelines for management in an effort to achieve goals.

Carl J. Federick as quoted by (Agustino, 2008) defines policy as a series of actions or activities proposed by a person, group, or government in a certain environment where there are obstacles (difficulties) and opportunities for implementing the proposed policy in order to achieve certain goals. This opinion also shows that the idea of policy involving behavior that has aims and objectives is an important part of the definition of policy, because after all the policy must show what is actually done rather than what is proposed in several activities on a problem.

Solichin Abdul Wahab stated that the term policy itself is still controversial and is an arena for debate among experts. So to understand the term policy, (Abdul Wahab, 2008) provides some guidelines as follows:

- a) Policy must be distinguished from decisions
- b) Actual policies are not necessarily distinguishable from administration
- c) Policies cover behavior and expectations
- d) Policy includes inaction or presence of action



- e) Policies usually have an end result to be achieved
- f) Each policy has a specific goal or target either
- g) Explicit or implicit policy arises from a process that takes place all the time
- h) The policy includes inter-organizational and intra-organizational relations
- i) Public policy, though not exclusive, concerns the key roles of government institutions
- j) The policy is formulated or defined subjectively

James E. Anderson as quoted by (Islamy, 2009) reveals that policy is "a purposive course of action followed by an actor or set of actors in dealing with a problem or matter of concern" (a series of actions that have a specific purpose followed and carried out by an actor or a group of actors to solve a particular problem).

The policy concept offered by Anderson is according to (Winarno, 2007) is considered more appropriate because it focuses on what is actually done and not on what is proposed or intended. In addition, this concept also clearly distinguishes between policies and decisions, which means choosing among various alternatives.

Richard Rose as quoted by (Winarno, 2007) also suggested that policy should be understood as a series of activities which are more or less connected with the consequences for those concerned rather than as a stand-alone

decision. The opinions of the these experts can at least explain that basically policy is understood as a direction or pattern of activity and not just a decision to do something.

Based on the opinions of the various experts mentioned above, it can be concluded that policies are actions or activities that are intentionally carried out or not carried out by a person, a group, or the government in which there is an element of decision in the form of an effort to choose between various existing alternatives in order to achieve the goals and objectives with specific purpose.

## **B. Definition of Public Policy**

Heinz Eulau and Kenneth Prewitt, 1973 in (Agustino, 2006) in their perspective define public policy as a permanent decision that is characterized by consistency and repetition of the behavior of those who make and of them comply with decisions.

According to Bridgman and Davis, 2005 in (Suharto, 2007) explaining public policy in general contains the notion of 'whatever government chooses to do or not to do'. That is, public policy is 'whatever the government chooses to do or not do'. Meanwhile, according to Hogwood and Gunn, 1990 in (Suharto, 2007) states that public policy is a set of government actions designed to achieve certain results. This does not mean that the meaning of 'policy' only belongs to or is dominated by the government. Non-governmental organizations, such as Non-Governmental Organizations

(NGOs), social organizations (eg Karang Taruna, Family Welfare Education/PKK), and other voluntary organizations have policies as well.

Based on the opinions of various experts, it can be concluded that public policy is a series of actions that are carried out or not carried out by the government that are oriented towards certain goals in order to solve public problems or in the public interest. Policies to do something are usually contained in provisions or laws and regulations made by the government so that they are binding and coercive.

## **1.7. Conceptual Definition**

Concept is a term to describe a situation to be studied and it includes the state of an individual or group that is the object of research. A conceptual definition is a boundary delineation that explains a concept briefly, concisely, and clearly so that this conceptual definition contains an explanation of a variable formulated by the researcher based on reading sources related to the research being conducted (Imam, 2008).

### **1.7.1. Collaborative Government**

Collaborative governance is a process that involves various relevant stakeholders to promote the interests of each agency in achieving common goals. In other words, collaborative governance is "multipart governance" which includes the private sector, society, and civil society and is built on the synergy of stakeholder roles and hybrid planning as well as public-private and private-social cooperation.

Collaboration in governance has implications that all parties involved or involved have the same responsibility for the decisions taken, therefore collaboration requires that the parties involved must sit at the same table and have the same power in decision making. Collaboration in governance involves many parties and many interests. For this reason, certain prerequisites are needed so that this mechanism can be implemented.

### **1.7.2. Public Policy**

Public policy is the response of a political system through government power to society's problems. In other words, public policy is a government decision to solve public problems.

Public policy is a form of embodiment of a government action in response to something. The government's choice not to do something is also part of public policy because this choice has the same effect or impact as the government's choice to do something.

### **1.8. Operational Definition**

The operational definition is very important in determining the indicators to complete this research. Operational definition according to (Sugiyono, 2015) determination of the characteristics to be studied so that it will become a variable that can be measured. With the operational definition, researchers can use the existing focus in seeing these problems. This will certainly make it easier for researchers to identify problems and solve them.

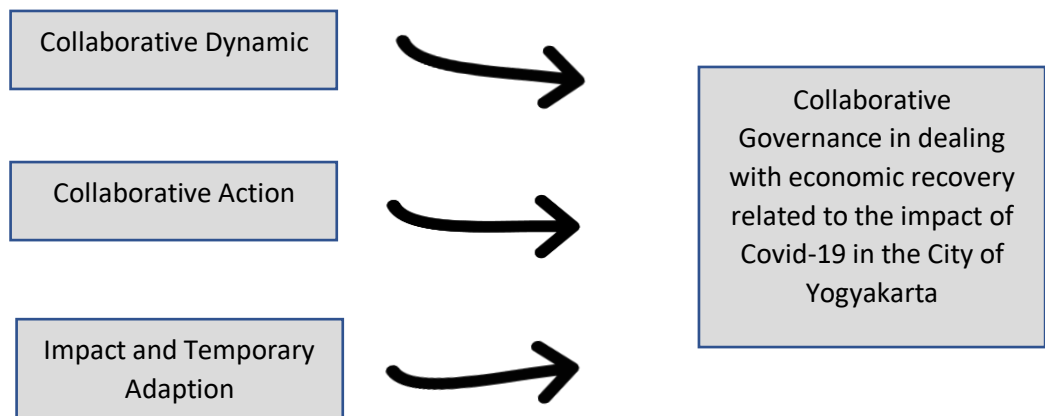
The following operational definitions are used in this study:

**Table 1.2 Operational Definition**

Variable	Indicators
Collaboration Process Components (K. Emerson; T. Nabatchi, 2012)	<ul style="list-style-type: none"> <li>a. Collaborative Dynamics               <ul style="list-style-type: none"> <li>1. Principled Engagement</li> <li>2. Shared Motivation</li> <li>3. Capacity for Joint Action</li> </ul> </li>   <li>b. Collaborative Actions               <ul style="list-style-type: none"> <li>1. Broad Goals</li> <li>2. Narrow Goal</li> <li>3. Conducted Simultaneously by All Specific Stakeholders</li> </ul> </li>   <li>c. Impact and Temporary Adaptation               <ul style="list-style-type: none"> <li>1. Generate feedback</li> </ul> </li> </ul>

### 1.9. Framework of Thinking

Covid-19 has an impact on the stability of the country's economy in a country and lifestyle in society. To overcome that, government must take effective prevention or countermeasures. In addition, each region has its own way of recovering the economy. So from that, the researcher wants to make a description of economic recovery related to the impact of Covid-19 in the City of Yogyakarta from the perspective of collaborative government.



### 1.10. Research Methods

In this study, the method used in the research cannot be separated, because the method is an important part of the research. According to (Sugiyono, 2011) the research method is basically a scientific way to obtain data with specific purposes and uses. Meanwhile (Arikunto, 2006) stated that the research method is the method used by researchers in collecting research data.

### **1.10.1. Types of Research**

The type of research used in this research is qualitative research. According to (Lincoln, 2011), qualitative research is an attempt to rationalize and interpret or interpret the reality of life based on what is understood by the researcher. It is a general term (generic), which implies that (qualitative research) is a way to find out (something) in which a researcher collects, organizes, and interprets information obtained from humans by using eyes or ears as a filter (Suwarsono, 2016).

Apart from that, in conducting this research, I use a qualitative approach where the researcher looked for descriptive data, speech or writing, and observed behavior from the subject itself from trusted informant.

### **1.10.2. Nature of Research**

Judging from its nature, this research is included in descriptive research. Descriptive research focuses on systematic explanations about the facts obtained when the research was conducted. Descriptive research is research that provides a description of the social phenomena under study by describing the value of variables based on the indicators studied without making connections and comparisons with a number of other variables.

I use a descriptive research method because this research aims to obtain answers related to one's opinions, responses, or perceptions so that the discussion must be qualitative or use descriptive words. Descriptive research tries to find appropriate and adequate descriptions of all activities, objects, processes, and people (Basuki, 2010).

Descriptive research recognizes various forms that can be categorized as surveys, case studies, causal-comparative studies, correlation studies, and so on. Each form of descriptive research has different functions and objectives, while this descriptive research is included in the "case study" category. A case study is an in-depth study of certain events, environments, and situations that make it possible to express or understand something. In accordance with the opinion of (Basuki, 2010) that, "Case studies produce research that is specific in nature, cannot be made generalization. Generalizations can be made when using a larger sample."

### **1.10.3. Data Source**

#### **A. Primary Data**

Primary data is data obtained or collected by researchers directly from the source. Primary data is usually referred to as original data or new data that is up to date. To obtain primary data, researchers must collect it directly. In order to obtain as much and in-depth data as possible during field research, in a qualitative approach, the researcher himself or with the help of others is the main data collection tool (Sugiono, 2001).

Methods that researcher usually can use to find primary data are observation, focused discussions, interviews, and distributing questionnaires. What I will take is interviews with informants with staff of Yogyakarta City Trade Office also Bank Indonesia staff for the Special Region of Yogyakarta section "Grebeg UMKM DIY", Beringharjo Foundation Initiative Indonesia



as the developer, and representative of one of the Small and Medium Enterprises.

#### B. Secondary Data

According to Lofland in (Moleong, 2016) the main data sources in qualitative research are words and actions, the rest is additional data such as documents and others. In this regard, in this section it is clear that the data is divided into words and actions, as well as written data sources, photographs, and statistics.

Library research is research that uses data sources or research materials based on library data. The data that has been obtained and collected will then be selected to be displayed and analyzed for literature data related to the research topic.

Library research is a secondary data that is not obtained directly from the source, but is obtained through several sources of archives of personal documents, online data, online news, official documents, books, and journals related to the 'Collaborative Governance: Economic Recovery Using Smart Traditional Market in the Yogyakarta City Government.'

The required data is taken from the following sources:

**Table 1.3 Datas Required in Research**

Sources	Quantity
Staff the Yogyakarta City Trade Office	1 person
Staff of Bank Indonesia Representative for the Special Province of Yogyakarta	1 person
Staff of Beringharjo Foundation Initiative Indonesia	1 person
Representative of one of the Small and Medium Enterprises	1 person

#### **1.10.4. Procedure Research**

Data collection is a very important step in research, therefore a researcher must be skilled in concluding data in order to obtain valid data. Data collection is a systematic and standard procedure to obtain the required data. In this study there are two kinds of methods used, namely:

##### **A. Interview**

Interview is the process of obtaining information for research purposes by means of question and answer, while face to face between the questioner and the answerer using an interview guide. According to (Lexy J. Moleong, 2002), an interview is a conversation with a specific purpose. The purpose of

me using this method is to obtain clear and concrete data about the contents of collaboration in the economic recovery field related to economic recovery using Smart Traditional Market in the City of Yogyakarta.

In this study, I conducted an interview with staff the Yogyakarta City Trade Office. In addition, I also plan to conduct interviews with Bank Indonesia staff of the Special Region of Yogyakarta, the "Grebeg UMKM DIY" section as the initiator of forming the Smart Traditional Market (SEMAR). I also need to interview the staff of Beringharjo Foundation Initiative Indonesia as the initiator of the movement so that traders can sell safely by inviting them to sell online. I also want to conduct interviews with one of the Small and Medium Enterprises representative who participated in this collaboration regarding this phenomenon.

#### B. Documentation

According to (Arikunto, 2010), the documentation method is to find data regarding matters in the form of notes, transcripts, books, newspapers, magazines, inscriptions, minutes, meetings, agendas, and so on. In accordance with this view, I use the documentation method to be used as a data collection tool from written sources consisting of official documents.

#### **1.10.5. Data Collection Technique**

Data collection techniques are one of the important steps in research, because the main goal of a research is to get data. Data collection technique is a technique to obtain data and information needed as research material from related parties. Without knowing data collection techniques, researchers will not get data that meets established data standards or is irrelevant and in an inappropriate way.

Definitively, the data collection technique in (Sugiyono, 2015)'s view is a strategic technical step in the entire research process because the main purpose of research is to obtain data.

##### **A. Interview**

The interview is the next step taken after the observation is made. Interview is a data collection technique by way of face to face directly between the interviewer and the informant. Interviews are used as a data collection technique when researchers want to know things from informants that are more in-depth.

I use a structured interview technique, namely an interview in which the author used a list of questions that had been prepared beforehand. I use structured interviews so that the questions are more focused, so that the data obtained will not deviate from the subject matter.

## B. Library Research

Library research is a data collection method that is directed at searching for data and information through documents, both written documents, photographs, images, and electronic documents that can support the writing process. According to (Sugiyono, 2012) literature study is a theoretical study, references, and other scientific literature related to culture, values, and norms that develop in the social situations studied.

The data collection technique in this research is documentation, namely finding data about things or variables in the form of notes, books, papers or articles, journals, and so on (Arikunto, 2010). Documentation study technique is data collection by researchers through archives and also books on opinions, theories, arguments, or laws, and others related to research problems (Ridho Al-Hamdi, Sakir, Suswanta, Muhammad Eko Atmojo, 2020).

### **1.10.6. Data Analysis Technique**

Data analysis is a process of classifying data and making it more specific and detailed. Data analysis as a process in research to reduce the large amount of data that has been collected and interpret it (S.L. Schensul, J.J. Schensul, 1999). This is done so that the collected data can be understood by the reader so that the findings obtained can be easily informed to others.

Bogdan and Biklen (1982) in (J.Moleong, 2014) state that qualitative data analysis is an effort made by working with data, organizing data, sorting it into

manageable units, synthesizing it, looking for and finding patterns, determining what important and what is learned, and decide what to share with others.

According to (Ridho Al-Hamdi, Sakir, Suswanta, Muhammad Eko Atmojo, 2020), the data analysis process can be done through four steps, namely:

A. Data Collection and Management

At this stage, after the data collection process has been completed, the process of copying the interview voice recordings into text is carried out. The data that has been collected, both the results of interviews and physical data, will be selected and sorted according to predetermined indicators or measuring instruments.

B. Data Selection

This stage contains activities to select relevant and useful data in the analysis process, in addition, data that is less relevant to the research topic will be set aside.

C. Inter-Variable Analysis and Data Verification

After going through the data selection step, the next step is to link the findings of one variable with another variable. In addition, there is an important stage, namely data verification, this process is carried out if there is a discrepancy in the data encountered by the researcher, it is recommended to confirm the relevant parties so that the validity of the analysis can be determined accountable.

#### D. Interpretation and Drawing Conclusions

The interpretation stage is a step to answer the problem formulation based on inter-variable analysis and data verification. The results of this interpretation are the basis for drawing conclusions which will be the final chapter of the research series. Theoretical implications, practical implications, suggestions, and recommendations also need to be included in the conclusion section.

After all the data has been collected, the next step is to analyze the data so that a conclusion can be drawn. To obtain correct and precise results in analyzing data, I will use critical analysis techniques. Critical analysis is a view that states that researchers are not value-free subjects when looking at research. Critical analysis generally departs from certain views or values believed by the researcher. Therefore the alignment of the researcher and the position of the researcher on a problem greatly determines how the text or data is interpreted. The critical paradigm is more about interpretation because with interpretation we get the inner world that envelops the text and responds to the meaning behind it.

This analysis can be used to analyze all forms of communication, whether those are newspapers, radio news, television advertisements, or all other documentation materials. While its relation to the discussion is one of my efforts as a writer to facilitate understanding by analyzing the truth through the opinions of experts who then take the meaning and essence of the opinions of these experts.

The strategic steps in analytical research according to (Anwar, 2016), are as follows:

- 1) Determination of design or research model. Here are defined a few media, comparative or correlation analysis, many objects or little, and so on.
- 2) Search for the main data or primary data, namely the text itself. As critical analysis, the text is the main object and the main material. Searches can be carried out using certain observation form sheets that are deliberately made for the purposes of searching for these data.
- 3) The search for contextual knowledge so that the research being conducted is seen to be related to other factors.