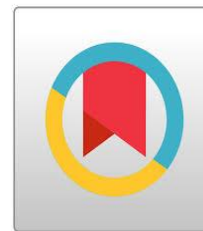


JogjaKita Application: Efforts to Revitalize DIY MSMEs in Forming the Digital Economy Through Collaboration between the Government and Entrepreneurs in the Digital Era



Aplikasi JogjaKita: Upaya Revitalisasi UMKM DIY dalam Membentuk Ekonomi Digital Melalui Kolaborasi Antara Pemerintah dan Pengusaha di Era Digital

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ARTICLE INFORMATION	
<p>Keywords Revitalization; MSMEs; Collaborative Governance; Digital Economy; JogjaKita;</p>	<p>ABSTRACT It is recorded that around 80% of DIY MSMEs have no right platform to market their products digitally. DIY MSMEs still lack in terms of innovation and the desire to improve quality through digital. Through the Provincial Cooperative & SME Service, the DIY government collaborates with PT JogjaKita Multi Andalan to deal with these problems. Therefore, this research aims to discover the collaboration model between the DIY Government and entrepreneurs through the JogjaKita application in the revitalization of digital-based MSMEs in the digital era 4.0. This research used a qualitative method with a case study approach and analyzed using an interactive model assisted by Nvivo 12 Plus. The research results show that the established collaboration is relatively successful. The collaboration model begins with a face-to-face dialog, and then building trust which takes a long time, around two years due to an internal conflict within the JogjaKita Company. This collaboration is quite helpful for several MSMEs in increasing the capacity and sales transactions. However, some obstacles still need to be faced, such as the small number of MSME actors who use the SiBakul free shipping service on the JogjaKita application, as well as the uneven distribution of infrastructure network in DIY.</p>
<p>Kata Kunci Revitalisasi; UMKM; Kolaborasi Pemerintahan; Ekonomi Digital; JogjaKita;</p>	<p>ABSTRAK Tercatat sekitar 80% UMKM DIY belum memiliki wadah yang tepat untuk memasarkan produknya secara digital. UMKM DIY masih kurang dalam hal inovasi dan hasrat untuk meningkatkan kualitas melalui digital. Pemerintah DIY melalui Dinas Koperasi & UKM bekerjasama dengan PT. JogjaKita Multi Andalan untuk menangani problematika tersebut. Oleh sebab itu, penelitian ini bertujuan untuk mengetahui bagaimana pola kolaborasi antara Pemerintah DIY dan pengusaha melalui aplikasi JogjaKita dalam revitalisasi UMKM berbasis digital di era digital 4.0. Metode penelitian yang digunakan yaitu metode kualitatif dengan pendekatan studi kasus dan dianalisis menggunakan <i>interactive model</i> yang dibantu dengan Nvivo 12 Plus. Hasil penelitian menunjukkan bahwa kolaborasi yang terjalin relatif berhasil. Pola kolaborasi diawali dengan dialog tatap muka, kemudian dalam membangun kepercayaan membutuhkan waktu yang lama, yaitu 2 tahun karena terdapat konflik internal di dalam Perusahaan JogjaKita. Adanya kolaborasi ini cukup membantu bagi beberapa UMKM dalam meningkatkan kapasitas dan transaksi penjualan. Namun, masih terdapat kendala</p>

	yang dihadapi, yaitu masih sedikitnya pelaku UMKM yang menggunakan layanan SiBakul gratis ongkir yang ada di aplikasi JogjaKita, serta belum meratanya jaringan infrastruktur di DIY.
Article History Send 24 th October 2023 Review 24 th November 2023 Accepted 4 th January 2024	Copyright ©2024 Jurnal Aristo (Social, Politic, Humaniora) This is an open access article under the CC-BY-NC-SA license. Akses artikel terbuka dengan model CC-BY-NC-SA sebagai lisensinya.



Introduction

This research examines the collaborative governance carried out by the Yogyakarta Special Region (DIY) Government through the Provincial Cooperative and SME Service together with PT JogjaKita Multi Andalan in efforts to revitalize Micro, Small, and Medium Enterprises (MSMEs) to form a digital economy in DIY Province. In this increasingly modern era, rapid progress has been made in the use of information and communication technology (ICT). The rapid progress of ICT makes every line of life must adapt to these conditions, one of which is the economic sector, which is experiencing a transition towards digitalization (Wakil et al., 2022). In 2023, Indonesia will have 212 million internet users and will be the third country with the most internet users in Asia (Jati et al., 2023). This creates an attractive market for the digital economy. For example, the digital economy in Tasikmalaya City focuses on the development of creative industries (Wulansari et al., 2022). Apart from that, the Magelang area is also developing digital marketing (Sasongko et al., 2021).

The use of digital technology as a marketing tool can help the sustainability of MSMEs in terms of promoting and marketing products without any boundaries between producers and consumers (Sulaksono & Zakaria, 2020). By undertaking digital transformation, MSMEs can increase their competitive advantage and expand market reach, as well as improve operational efficiency by reducing time and costs for business activities and increasing market access downstream to consumers (Solechan et al., 2023). This is in line with what was stated by (Setyanta, 2022) that the role of digital has brought a big impact on changes in branding and promotion of MSMEs. One of them is in DIY Province, thus the wheels of the MSME economy can continue to spin since the economy in DIY cannot be separated from the role of MSMEs.

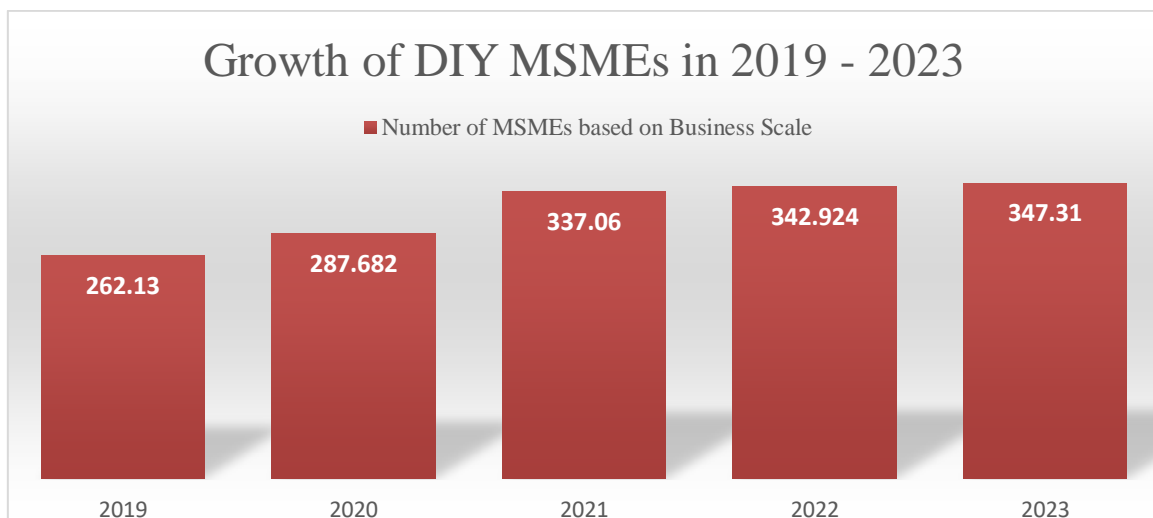


Figure 1. Growth of DIY MSMEs in 2019-2023
Source: JogjaDataku (2023)

Based on the data above, it can be seen that DIY has many MSMEs and every year, it experiences significant growth. Information from JogjaDataku shows that there are around 342,924 MSMEs in DIY, and around 79.6% of DIY's economic contribution comes from MSMEs (Santia, 2022). However, DIY MSMEs still need help to create a digital economy. Most of the existing MSMEs are still conventional or regional, thus they experience turmoil when changing towards digital (Respati, 2022). This causes a decrease in productivity and sales turnover due to a lack of promotion. According to an analysis by the DIY Representative Office of Bank Indonesia sourced from data processed by the DIY Provincial Cooperative and SME Service, more than 55% of consumers have no access to MSME products (Muslikhati et al., 2022). It is recorded that around 80% of DIY MSMEs still need to get the right platform to market their products digitally, and there are even around 44% of DIY MSMEs decided to lay off (Wijayanti & Widyastuti, 2021). Moreover, DIY MSMEs still lack in terms of innovation and the desire to improve quality through digital (Humas DIY, 2022).

According to an analysis by the DIY Representative Office of Bank Indonesia sourced from data processed by the DIY Provincial Cooperative and SME Service, it shows that more than 55% of consumers have no access to MSME products, thus reducing MSME sales turnover (Muslikhati et al., 2022). This condition requires policy support to support the purchase of MSME products digitally. Therefore, it is necessary to formulate policies in the midst of the digital era because it has an impact on the economy (Benuf, 2020). In some journal articles (Prmono & Wahyuni, 2021), (Liu & Sukmariningsih, 2021), and (Bowo, 2023), it is stated that implementing the program requires collaboration and coordination between the government, related institutions, and all 4 elements of society, thus MSME problems in the middle of this digitalization era can be handled together. Therefore, collaboration is needed to increase the capacity of MSMEs in the era of digitalization (Ayu et al., 2023).

The development of digital marketing in improving the MSME economy is an innovation aimed to facilitate interaction between producers and consumers (Irfani et al., 2020). The use of digital technology as a marketing tool is considered to help the sustainability of MSMEs in terms of promoting and marketing products without any boundaries between producers and consumers (Sulaksono & Zakaria, 2020). Seeing this condition, the DIY Provincial Government, through the DIY Provincial Cooperative and SME Service, collaborates with a company operating in the transportation technology industry, namely the JogjaKita application, with the aim of being a solution for the problems experienced by MSMEs. Please note that the JogjaKita application is an innovation initiated to encourage the tourism industry and MSMEs in DIY Province.

Therefore, the DIY Government, through the Provincial Cooperative and SME Service, has a strategic role in collaborating with the JogjaKita application to deal with problems experienced by MSMEs. This collaboration is very appropriate if viewed from a collaborative governance perspective to find out the collaboration model in increasing the quality capacity of MSMEs by creating a digital economy. The targeted findings in this research are to determine the collaboration models used in creating digital MSMEs. The contribution of this research is to increase the body of knowledge in the fields of political science and government and as a reference for the concept of developing good digital MSMEs through collaboration between sectors. This research is in accordance with the Sustainable Development Goals (SDGs) number 8 (decent work and economic growth) and number 17 (partnerships to achieve the goals). This research is also in line with the fourth point of the Merdeka Belajar-Kampus Merdeka (MBKM) or the Independent Learning-Free Campus program, namely research.

Previous researches related to the research studied include the researches by (Widyarta & Tama, 2023) and (Najmudin et al., 2023) which explain that in implementing the program, collaboration and coordination between the government, related institutions and all elements of society are needed thus MSME problems are resolved. In the era of digitalization, it can be handled together. In line with this, a research by (Puspaningtyas & Radjikan, 2023) emphasizes that collaboration is needed to increase the capacity of MSMEs in the digital era. This is proven in the research by (Pramono & Wahyuni, 2021), which states that the collaboration between Sharia Micro Waqf Bank (BWMS) and MSMEs can support the accelerated growth and stability of the nation's economy. Apart from that (Supriyanto & Iskandar, 2022), the role of pentahelix collaboration is also important in increasing the empowerment of MSMEs ex-dolly localization, which has brought a good impact on the MSME actors there. A research by (Marjukah et al., 2021) also explains that business collaboration and digital marketing have a significant and positive effect on MSME business performance. Therefore, MSMEs must adapt to technological advances in order to develop their businesses as well as compete and survive in the current digitalization era (Jatmiko et al., 2022).

Searches related to previous research were also carried out using VOSviewer bibliometric analysis to find gaps in the research studied. The data comes from research publications in the Scopus database, with a total of 319 documents from 2015 to 2023. More details can be seen in the image below:

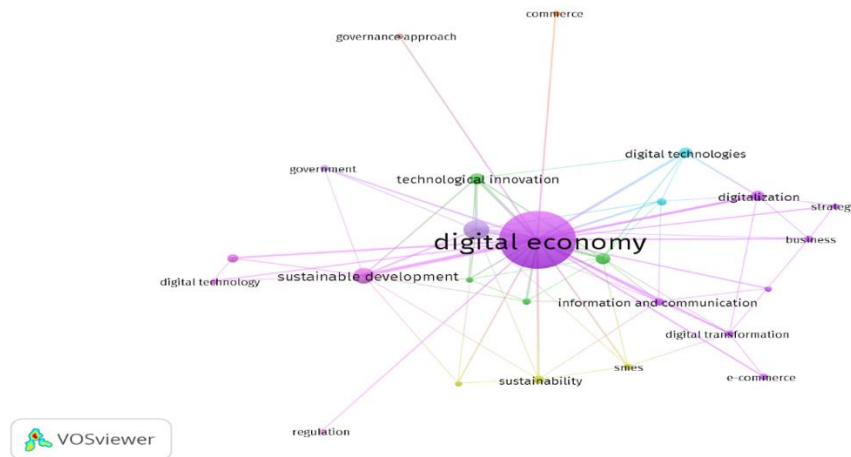


Figure 1. VOSviewer bibliometric analysis with the keyword Digital Economy
Source: Processed by the authors VOSviewer Bibliometrics (2023)

Based on the results of the VOSviewer analysis above, researches regarding the digital economy tend to be related to innovation technology, sustainable development, communication information, digitalization, digital transformation, and so on. Meanwhile, researches regarding the digital economy in the government context, especially those related to government collaboration in developing the digital economy through increasing the capacity of MSMEs in the digital era, still need to be improved. Hence, the novelty in this research is to examine efforts to revitalize DIY MSMEs in forming a digital economy through collaboration between the government and entrepreneurs, in this case, PT. JogjaKita Multi Andalan in the digital era. This problem is very appropriate if viewed from a Collaborative Governance perspective to determine collaboration models in increasing the quality capacity of MSMEs to create a digital economy. The theoretical basis used in this research is Collaborative Governance Theory. According to (Ansell & Gash, 2007), there are four variables in collaborative governance theory, including Starting Conditions, Collaborative Process, Other Factors, and Outcomes. Meanwhile, the collaborative process variable has five indicators, including face-to-face dialogue, trust building, commitment to process, shared understanding, and intermediate outcomes.

Method

This research used qualitative research with a case study approach. This type of research helps provide a complete, systematic, factual, and accurate picture in answering questions related to the collaboration model carried out between the DIY Government and JogjaKita in increasing the capacity and sales transactions of MSMEs in the digital era. The data in this

research is classified into two types, including primary data and secondary data. First, primary data is the data provided directly by the research sources to the research team. The process of collecting primary data was conducted through in-depth interviews for 60 minutes. The semi-structured interview process was guided by an interview guide and assisted with recording equipment and field notes. The sampling technique used was snowball sampling based on recommendations from the first informant.

The first informant was selected based on criteria in the form of stakeholders involved as MSME digitalization policymakers, namely the DIY Provincial Cooperative & SME Service, which was conducted through offline interviews. Then, it was recommended that the second informant shall be PT JogjaKita Multi Andalan, as the private party managing the JogjaKita application, which was also conducted through an offline interview. Moreover, the research team also carried out interviews with the DIY MSMEs as actors implementing the MSME digitalization policy, as determined by the two previous stakeholders. Second, secondary data was obtained through a desk study of previous researches which had the same topic regarding government collaboration in order to increase the capacity and sales transactions of MSMEs in the digital era. Furthermore, secondary data also involved documents, archives, videos, photos, and reports related to the research focus, as well as MoU documents provided by the DIY Provincial Cooperative & SME Service.

The data obtained was in the form of interview recordings, which were converted into verbatim transcripts. The transcripts were then analyzed using an interactive model approach, according to Miles and Haberman (Sugiyono, 2013). In analyzing the data, the first thing to do was compiling a reduction of the results from the interview transcripts for each informant, which were then adjusted to Collaborative Governance theory according to Ansell and Gash (2007). After data reduction was carried out, the data was then presented by combining the results of the analysis into one, and then the conclusion was drawn. Overall, the data that had been obtained were divided into three stages of analysis, including carrying out data reduction to stay on the research focus, displaying the data to present the data descriptively, and finally, analyzing the data comprehensively to conclude the collaboration between the two agencies.

Result and Discussion

The development and capacity building of MSMEs in DIY is contained in the Regulation of the Governor of the Yogyakarta Special Region Number 46 of 2019 concerning the Jogja Smart Province Regional Action Plan 2019-2023. Article 5 paragraph (1) states that one of the scopes of the Jogja Smart Province Regional Action Plan for 2019-2023 is an

intelligent society with one aspect, namely an intelligent economy with the direction of increasing local potential, MSMEs, and sub-optimal business environment. As time goes by, people's needs regarding digital marketing increase. However, the government capacity is increasingly limited, thus the involvement of the private sector and society in realizing the digital economy is needed. Given the complexity of the problems faced by MSMEs in the digital era, the involvement of various sectors is needed to overcome these challenges. The DIY government, through the DIY Provincial Cooperative & SME Service, collaborates with PT. JogjaKita Multi Andalan as an effort to form a digital economy by revitalizing digital-based MSMEs. Three stakeholders have essential roles in the collaboration process, and more details can be seen in the table below:

Table 1. Collaborative Governance Sectors

Stakeholder	Person in Charge	Role
Government	DIY Provincial Cooperative & SME Service	Supervision and control, as well as licensing
Private	PT. JogjaKita Multi Andalan	Running marketing operations and application services
Citizens	DIY MSMEs	Actors carrying out sales and promotion of their own products

Source: Processed by the authors (2023)

Collaboration Process between DIY Government and PT. JogjaKita Multi Andalan

According to Ansell & Gash (2007), collaboration process consists of five stages, including 1) Face-to-face dialogue, 2) Trust Building, 3) Commitment to Process, 4) Shared Understanding, and 5) Intermediate Outcome. The ongoing collaboration process between the DIY Provincial Cooperative & SME Service and PT. JogjaKita Multi Andalan begins with face-to-face dialogue. Face-to-face dialogue plays an essential role in building cooperation by holding meetings between various parties in one location and at the same time, resulting in a dialogue to discuss common interests (Ansell & Gash, 2007). The face-to-face agenda is conducted in a forum involving only the government and the private sector without involving the MSMEs. In this forum, the DIY Provincial Cooperative & SME Service and PT. JogjaKita Multi Andalan discussed about the improvement of capacity and sales transactions of DIY

MSMEs in the digital era. Unfortunately, this forum does not involve MSMEs, thus the discussion represents none of their aspirations.

After carrying out the face-to-face process, the next stage is building stakeholder trust. Building trust means that the parties involved intend to take the best policy for all parties (Ansell & Gash, 2007). The DIY Provincial Cooperative & SME Service and JogjaKita communicated intensively in building trust. The trust-building stage was carried out over a long period of time, around two years, due to PT's internal conflict. PT JogjaKita Multi Andalan often conducts restructuring. Frequent restructuring from 2021 to 2022 has led to inconsistencies in the management of the PT. PT JogjaKita Multi Andalan ultimately hampered communication and caused trust in the DIY Provincial Cooperative & SME Service to fade. Even though the trust of the DIY Provincial Cooperative & SME Service had faded, thanks to the good personal relationship between the department of leadership and JogjaKita, both parties could quickly re-establish communication. At the beginning of 2023, JogjaKita began to make improvements and communicated again with the DIY Provincial Cooperative & SME Service to collaborate.

After building trust, the next stage is commitment to the process among stakeholders in achieving results. Commitment to the process is an agreement to carry out a specific process to achieve the desired common goal (Ansell & Gash, 2007). The DIY Provincial Cooperative & SME Service and PT. JogjaKita Multi Andalan are mutually committed to revitalize the digital-based MSMEs in DIY to increase the capacity and income of MSMEs in the digital era. This commitment was marked by a written agreement in the form of MoU (Memorandum of Understanding) with the theme "SiBakul Gratis Ongkir" or SiBakul Free Shipping, signed by both parties as a concrete step confirming their commitment to work together. The DIY Provincial Cooperative & SME Service and JogjaKita are mutually committed to make the program "SiBakul Gratis Ongkir" a success, as an effort to increase the capacity and sales transactions of MSMEs in the digital era. The DIY Provincial Cooperative & SME Service entrusts JogjaKita to manage part of the budget for the SiBakul free shipping program.

At the shared understanding stage, each stakeholder involved divides tasks and authority as well as understands the purpose of the collaboration. Shared understanding is the stage of sharing understanding and realizing that collaboration is a shared responsibility (Ansell & Gash, 2007). In this case, the task division performed is the DIY Provincial Cooperative & SME Service as the implementer of the development of DIY MSMEs online through SiBakul and as supervisor of the SiBakul free shipping program, as well as providing training to MSMEs related to digitalization. Meanwhile, PT. JogjaKita Multi Andalan is the provider of

the JogjaKita Application by supplying promotional products for MSME menus through JogjaKita social media and MSME publications through the application, as well as providing JogjaKita expedition services through the SiBakul free shipping program. In this stage, the DIY Provincial Cooperative & SME Service and JogjaKita have understood the vision, mission, and objectives of the collaboration, as well as the responsibilities they have.

The final stage in the collaboration process between the DIY Cooperative & SME Service and PT. JogjaKita Multi Andalan is obtaining interim results (intermediate outcomes). Interim results are the follow-up results of the collaboration process, realized in the form of temporary output from the conducted collaboration process (Ansell & Gash, 2007). The SiBakul free shipping program is integrated into the JogjaKita application in this collaboration. SiBakul is a form of digitalization of the circular development model for cooperatives and MSMEs in DIY, created by the DIY Provincial Cooperative & SME Service as an application. This collaboration succeeded in empowering locally-made applications to market MSME products, thus it could strengthen the regional distinctive identity. The collaboration between the DIY Provincial Cooperative & SME Service and PT. JogjaKita Multi Andalan produces several points included in the agreement, including 1) Every MSME actor registered in SiBakul gets an exclusive menu on the JogjaKita Application; 2) Publication for MSMEs through the JogjaKita Application with push notifications, inboxes, and digital marketing; and 3) Promotion and endorsement of MSMEs on JogjaKita social media.

Supporting Factors for the Collaboration Process According to Ansell & Gash (2007)

Starting Condition

Ansell and Gash (2007) explain that three critical indicators influence the initial conditions for the emergence of collaborative governance, including resource imbalance, history of cooperation or conflict, and initiative to participate. This research analyzes the initial conditions before the collaboration process is established. This research applies the crosstab analysis covering indicators such as resource imbalance, history of cooperation or conflict, and initiative to participate. In the analysis, actors were divided into two categories, the DIY Provincial Cooperative & SME Service and PT. JogjaKita Multi Andalan. Details can be seen in the image below:

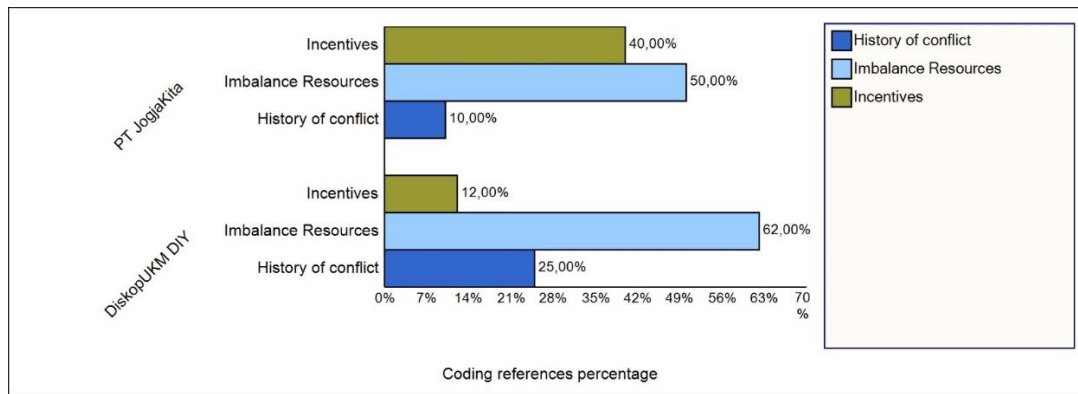


Figure 2. Starting Condition Analysis in the Collaboration Process

Source: Processed by the authors with NVivo 12 plus (2023)

Based on the picture above, it can be seen that the initial conditions for the collaboration between the DIY Provincial Cooperative & SME Service and JogjaKita were due to an imbalance in the resources of the two stakeholders, with the percentage of the DIY Provincial Cooperative & SME Service being 62% and PT JogjaKita Multi Andalan being 50%. The DIY government, in this case, the DIY Provincial Cooperative & SME Service, has limitations in developing a digital economy in DIY even though the government has developed the "SiBakul" digital system. The government needs to have a marketplace as good as Grab, Gojek, and JogjaKita, thus the government needs to collaborate with the private sector. Meanwhile, PT. JogjaKita Multi Andalan has a limited budget for realizing a digital economy in DIY, thus PT. JogjaKita Multi Andalan requires collaboration to overcome these limitations.

Initially, the DIY Provincial Cooperative & SME Service and PT. JogjaKita Multi Andalan already has a good relationship, making it easier for both parties to communicate intensively. In 2021, the DIY Government received the title of a regional government that was quite good at handling the Covid-19 pandemic, especially regarding service innovation in SiBakul which provides accessible shipping facilities. This makes JogjaKita interested in getting involved in the SiBakul free shipping program. Apart from that, JogjaKita's income can also increase significantly through this program. With this collaboration, JogjaKita will be the party who benefits the most. This is because the DIY Provincial Cooperative & SME Service only relies a little on their collaboration with JogjaKita. After all, previously, they already had several partners in terms of expedition, such as Gojek and Grab. However, the DIY Provincial Cooperative & SME Service is open to collaborate with various parties. Moreover, JogjaKita is a locally-made expedition, thus it was welcomed with enthusiasm.

Hence, the collaboration between the DIY Provincial Cooperative & SME Service and PT JogjaKita Multi Andalan can be concluded. PT JogjaKita Multi Andalan must be in a balanced portion. This is because JogjaKita faces many obstacles or problems, especially in terms of company management. As a business organization, many problems occur within the JogjaKita Company, such as frequent changes in management. In fact, in collaborating, both stakeholders must have a balanced portion, thus the collaboration results can be optimal and run effectively.

Facilitative Leadership

According to Ansell and Gash (2007), there is a need for leaders who have a good leadership spirit in collaboration to facilitate dialogue or communication, build trust, and explore reciprocal relationships. In collaborative activities, conflicts or disputes can occur between the stakeholders involved, thus the presence of facilitative leadership is an essential requirement in creating effective collaboration. This section of analysis used word cloud to determine which party is the most dominant in leading the collaboration process. It was determined through a collection of famous words based on interview results, which were then calculated using the Nvivo 12 Plus tool with the maximum displayed in the analysis image, resulting in the image below:



Figure 3. Analysis of Facilitative Leadership in the Collaboration Process

Source: Processed by the authors with NVivo 12 plus (2023)

Based on the picture above, it can be seen that the word 'Dinas' appears most often. It explains that the DIY Provincial Cooperative & SME Service dominates the facilitative leadership in collaboration. The DIY Provincial Cooperative and SME Service is the most dominant party leading the collaboration process. This is because the Provincial Service is the agency that initiated the SiBakul free shipping program and acts as a coordinator in the

program. The leadership carried out by the DIY Provincial Cooperative & SME Service has been very good so far. This was proven when JogjaKita faced some internal problems. The DIY Provincial Cooperative & SME Service often provides direction and input as well as evaluates JogjaKita's performance to optimize collaboration. This makes the collaboration between the DIY Provincial Cooperative & SME Service and PT. JogjaKita Multi Andalan can continue to run despite the poor structural management of PT. JogjaKita Multi Andalan.

Institutional Design

According to Murdock (Ansell & Gash, 2007), institutional design refers to the basic rules of collaboration that are clear and consistent as well as fair and inclusive in achieving goals. In the context of this research, the institutional design contained in the collaboration between the DIY Provincial Cooperative & SME Service and PT. JogjaKita Multi Andalan is in the form of the SiBakul curriculum. The SiBakul curriculum is a form of foundation and target to form a digital economy through the revitalization of MSMEs. This target is in the form of strengthening the capacity and marketing of digital-based MSMEs to form a digital economy. Several points related to the SiBakul curriculum include 1) Production aspects with training on product standardization and packaging of MSME products; 2) Market and marketing aspects by establishing a marketplace and assisting with marketing strategies; 3) Digital marketing aspects as a digital marketing effort by utilizing social media; 4) Financial aspects with training on financial management and cashless payments; and 5) Human Resources (HR) aspects by providing training and assistance on business plans and labor governance in the digital era, with the SiBakul curriculum being one form of structured and integrated coaching targets tailored to the needs of MSMEs.

Collaboration Outcomes

The results of the collaboration between the DIY Provincial Cooperative & SME Service and PT. JogjaKita Multi Andalan are relatively satisfactory in its efforts to revitalize DIY MSMEs. The existence of the SiBakul free shipping program is quite helpful for several MSMEs in increasing sales transactions, especially in the Yogyakarta City, Bantul Regency, and Sleman Regency areas. These areas have good internet network infrastructure, making it easier for digital marketing and transactions. MSMEs can easily attract more consumers through this program because shipping rates are more affordable. Moreover, this collaboration has also succeeded in increasing the MSMEs' capacity, especially in management, production,

and marketing. This success was due to the Provincial Service and JogjaKita being active in conducting training or outreach for MSMEs.

However, there are still challenges or obstacles faced by the DIY Provincial Cooperative & SME Service and PT JogjaKita Multi Andalan in revitalizing MSMEs. One of the causing factors is that only several MSMEs use the SiBakul free shipping service on the JogjaKita application. This is because the majority of the MSME actors are old, thus they find it challenging to adapt through digital marketing in marketing their products, and this also hinders them in maintaining the existence of their products in the market. In addition, many MSME actors still uphold the Javanese philosophy of "*nrimo ing pandum*," which means a feeling of gratitude for everything that is sufficient thus life feels calm and comfortable. This philosophy makes the MSME actors feel comfortable with the existing situation and want to avoid adapting to changing times.

Furthermore, the process to become part of the JogjaKita application is quite complicated, and the product curation process takes quite a long time, making MSMEs reluctant to get involved in the SiBakul free shipping service on the JogjaKita application. Moreover, problems related to internet network infrastructure in the Kulon Progo Regency and Gunung Kidul Regency areas indicate that the MSMEs in these areas still need optimal marketing and digital utilization to increase capacity and sales turnover.

Collaboration Model Recommendations

Based on the research results, the researchers propose collaboration recommendations based on the Collaborative Governance Theory by Ansell and Gash (2007) by adding several sections based on the research findings to carry out more effective collaboration. The following are recommendations for collaboration model proposed by the researchers as an effort to revitalize MSMEs in forming the digital economy:

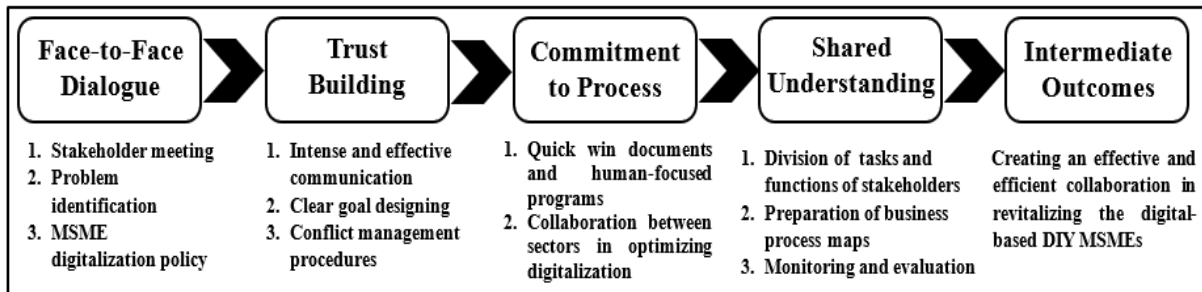


Figure 4. Collaboration Model Recommendations to Create Digital MSMEs in DIY
Source: Processed by the authors (2023)

The results of this research produce a proposed collaboration model based on the Collaborative Governance Theory by Ansell and Gash (2007), which the researchers consider appropriate to be applied by stakeholders to create an effective and efficient collaboration as the model shown in the image above. First, in the face-to-face dialogue stage, it requires meetings between the DIY Provincial Cooperative & SME Service and PT JogjaKita Multi Andalan, as well as the identification of problems and challenges by the DIY MSMEs in implementing the digital-based MSMEs. As the problems are identified, proper solutions are needed to solve it. One of them is the existence of Legislation that specifically regulates the digital-based MSMEs and the digital economy. Currently, no regulation governs the digitalization of MSMEs and the digital economy. It is also necessary to review the DIY Regional Regulation (Perda) Number 9 of 2017 concerning the empowerment and protection of creative industries, cooperatives, and small businesses.

Second, at the trust-building stage, an intense and effective communication is needed to minimize the occurrence of miscommunication between stakeholders. Then, planning and clear goals are carried out to create a strong trust along with the conflict management procedures to solve disputes if arisen. In addition, to form a strong trust between stakeholders, person-to-person relationships are crucial in performing collaboration. A research by (Sambodo & Pribadi, 2016) explains that good relationships support good cooperation, which can reduce or even eliminate conflicts between stakeholders. Third, at the commitment-to-process stage or commitment to the process in collaboration, a quick win-based program commitment is carried out, referring to programs that are relatively easy and quickly achieved within one year for the sake of creating optimal goals and based on a human focus, which is interpreted as a program that involves and focuses on MSME actors. This is also supported by the collaboration between the DIY Communication & Information Service and internet network providers to create optimal digitalization in DIY. This stage also requires adequate use of technology to achieve the goals of forming a digital economy.

Fourth, stakeholders divide tasks and functions in the shared understanding stage and prepare work relationship diagrams to create an effective and efficient work system to realize the digital economy and digital-based MSMEs in DIY. Furthermore, monitoring and evaluation are also conducted regarding the established collaboration to see the collaboration achievements, progress, and obstacles. In the intermediate outcome stage, the outcomes or temporary results can produce an effective and efficient collaboration model between stakeholders in revitalizing digital-based MSMEs and forming a digital economy in DIY.

Conclusion

Based on the discussion results, it can be concluded that the collaboration between the DIY Provincial Cooperative & SME Service and PT. JogjaKita Multi Andalan is relatively successful. The ongoing collaboration model begins with face-to-face dialogue to discuss MSMEs in the digital era. The next is building trust by communicating intensively. The existence of personal relationships between leaders means that both stakeholders can quickly build trust. After building trust, both stakeholders are committed to revitalize the digital-based MSMEs in DIY. Then, in the shared understanding stage, the DIY Provincial Cooperative & SME Service and JogjaKita have understood the vision, mission, and objectives of the collaboration, as well as their responsibilities. The last thing is to obtain temporary results by integrating the SiBakul free shipping program into the JogjaKita application.

This collaboration was motivated by the imbalanced resources of the two stakeholders. The DIY Provincial Cooperative & SME Service is the most dominant party leading the collaboration process. This collaboration also established an institutional design in the form of Sibakul Curriculum. This collaboration is quite helpful for several MSMEs in increasing the capacity and sales transactions. However, both stakeholders still need help in revitalizing MSMEs, since only a few of MSME actors use the SiBakul free shipping service on the JogjaKita application, and the infrastructure network in DIY is not evenly distributed. Hence, the use of digital in revitalizing MSMEs has not yet been optimal.

The results of this research can be a basis for further researches on the revitalization of digital-based MSMEs in forming a digital economy in DIY. It can further study the application of JogjaKita in increasing the income of DIY people. Furthermore, the results of this research can also be used as a basis for leaders of the DIY Provincial Cooperative & SME Service and PT JogjaKita Multi Andalan to pay more attention to community needs, especially in improving systems and network infrastructure in the Gunung Kidul Regency and Kulon Progo Regency areas as well as creating quick win-based program documents thus they can measure policy priorities to support successful collaboration.

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