

Research Article

Network Structure in Local Wisdom-based Creative Economy Development in Baubau City, Southeast Sulawesi Province

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Abstract.

This study aims to examine the network structure in creative economic development in Baubau City, Southeast Sulawesi Province. Baubau City has a strong heritage of customs and culture, and hence a great potential in developing a creative economy based on local wisdom. However, it faces many challenges because it involves many actors, so a distribution of roles and power is needed to make the collaboration between these actors more effective. This research used a qualitative approach, and data were collected using interviews, documentation, and observation. Interviews were conducted with eight informants, namely: two people from the leadership, two creative economy actors, two academics, and two persons from the cultural community. Data were analyzed using data reduction techniques, data presentation, conclusion drawing, and verification. The results showed that the government network structure in Baubau City is hierarchical. The relationships between network structures — measured through network integration, external control, and network effectiveness — continue to point toward the dominance of unofficial power. These relationships are often based on personal or informal connections rather than formal authority. However, the lack of government presence as a management organization causes the direction of development to be less integrated and the potential of the local wisdom-based creative economy has not been utilized effectively. The ineffective role of the government has led to coordination and utilization of local potential, which have not been effectively integrated either.

Keywords: network governance, network structure, creative economy, Baubau city

1. Introduction

Baubau City, which is one of the cities in Southeast Sulawesi Province, has a strong heritage of customs and culture so that it has great potential in developing a local wisdom-based creative economy ranging from weaving, Buton carving crafts, to oral traditions and maritime culture which needs to involve many important actors in government, namely collaboration between related agencies such as the Tourism Office, Industry and Trade Office, Cooperative and MSME Office and the Regional National Craft Council which can be called an inter-organizational network. The development of a local wisdom-based creative economy in Baubau City requires an authority structure

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and collaboration between actors involving the government, the private sector, creative economy actors, academics, and cultural communities. Unfortunately, this potential has not been fully developed in a systematic creative economy frame.

Collaborative approaches to addressing social problems are not new to the field of public administration and public policy. Intergovernmental and cross-sector collaboration among the public, non-profit and private sectors has been around for a long time. Some researchers attribute the development of collaborative governance, or the involvement of non-state stakeholders in the production and delivery of public services, to the rise of intergovernmental cooperation in the 1960s [1]. Provan and Kenis [2] describe network governance as “the use of institutions and structures of authority and collaboration to allocate resources and to coordinate and control joint action across the network as a whole”. Networks will be effective under structural conditions of centralized integration and direct, non-fragmented external control, but their effectiveness will be highest when the system is also stable and the environmental resources are relatively large [3].

More fully than the above, Emerson et al. [1] define collaborative governance as the processes and structures of public policy decision-making and management that engage people constructively across the boundaries of public institutions, levels of government, and/or public, private, and civic domains to carry out public objectives that cannot be achieved by other means. Alternatively, collaborative governance can refer to governance arrangements in which one or more public institutions directly engage non-state stakeholders in formal, consensus-oriented, deliberative collective decision-making processes aimed at making or implementing public policies or managing public programs or assets [4].

Interorganizational networks consist of organizations as actors (nodes) and the relationships that connect these organizations. Interorganizational networks can be goal-oriented, which are formed to achieve common goals that cannot be achieved by a single organization [5]; Interorganizational networks enable organizational members to pool different types of resources, coordinate actions, share risks, and achieve goals that cannot be achieved individually [6]. The benefits of interorganizational network development can be manifested at the level of individual organizations and also at the level of the network as a whole [7]. Individual members can benefit from being part of the network while the overall network can produce desired outcomes. Through collaboration, organizations can access more information and resources to address complex issues [8].

Not all inter-organizational networks will achieve the desired results. The use of networks can pose problems and challenges, and sometimes result in negative consequences or outcomes [9]; [10]; [11]. Coordination efforts among organizational members require time and resources, and it takes time to build and maintain trust among organizations [9]. Managing inter-organizational networks and figuring out the most effective governance structure is still a big challenge for academics and practitioners [8]; [2]. [10] discuss the potential limitations of networks in detail. They assert that while networks present plausible solutions to complex public management problems, they often “experience operational, performance, or legal barriers that preclude next steps of action”. The operational barriers in question are unbalanced power distribution, large processing costs, and the difficulty of turning network-based solutions into policies. In addition, they also highlighted the limitations of network performance by discussing measurement challenges and the multidimensional nature of network performance. Finally, they note that networks do not “make government institutions obsolete” but rather make it more important to understand traditional bureaucracies and the role of government in networks. number of nodes, and the pattern of relationships between nodes [12].

The location of a node in the network is important because it determines its access to information, resources and power. The different roles played by actors in the network can also relate to the type of capital they utilize or what capital they contribute to the network. Ties are an important component of network structure as their content and strength shape the overall structure of the network, both actors and ties will influence the size and scope of the network structure. Network structures differ from traditional organizational structures in that they rely more on informal power (based on relationships) than formal power, and the typical form of hierarchical power structure is no longer the main thing in network settings, network structures are considered less hierarchical and more flexible [13]; to form a network structure, organizations, organizational members need to be aware of the interdependence of their actions and recognize the need, build a network structure to work together [13]. In line with Keast et al.’s thinking, network structure is important for public policy and administration because structural patterns affect network effectiveness, especially service provision and integration [14].

Some of the problems faced include the structure of the local wisdom-based creative economy network in Baubau City has not been centrally integrated and has not received effective external control from the government. This can be seen in the final report document of the master plan for the development of Baubau creative city in 2020,

which is described in the table of regional readiness towards a creative city based on actors, it is described that external synergies between government and community, academics and business in supporting creative economic development are 1 time (between government and community) with a percentage of 30%. As a result, the network lacks synergy, is not collectively directed, and opportunities to maximize the value of local culture as an economic force have not been effectively achieved.

Some sub-sectors in the creative economy based on Law Number 24 of 2019 concerning the Creative Economy are: 1. Application, 2. Ordering, 3. Performing Arts, 4. Advertising 5. Architecture, 6. Television and Radio, 7. Visual Communication Design, 8. Photography, 9. Film, Animation and Video, 10. Culinary, 11. Fashion, 12. Product Design, 13. Fine Arts, 14. Music, 15. Interior Design, 16. Craft, 17. Game Development. Based on data from the Baubau City Tourism Office, there are 761 businesses divided into 15 creative economy subsectors which are dominated by the craft sub-sector.

Referring to the preliminary data shows that each actor in government institutions has their own programs/activities and runs independently, so decisions and collaboration are still evenly distributed. Some actors in the network have been working together for a long time and there is a continuity of collaboration, but there are several actors in several sectors that do not have permanent collaboration and there is no continuity in collaboration because programs/activities are still focused on certain sub-sectors, assistance or education and training carried out by government agencies, namely actors or related agencies, are often not appropriate, which can hinder effective collaboration in the network structure.

The development of a local wisdom-based creative economy in Baubau City is certainly expected to provide benefits, both in terms of the regional economy at large and for the individual economic actors involved with the main objective being to achieve common goals that certainly cannot be achieved individually. This research seeks to contribute to network governance in local wisdom-based creative economic development focusing on the network structure formed. This research aims to analyze how the network structure based on centralized integration and external control, using a qualitative approach this research is expected to be able to see and describe the overall network structure in the development of local wisdom-based creative economy in Baubau City.

2. Methods

This study used qualitative research methods to analyze trust, roles, relationships, partnerships and governance modes between actors involved in the development of a local wisdom-based creative economy in Baubau City, Southeast Sulawesi Province. The qualitative approach was chosen because it allows in-depth exploration of the roles between the actors involved. This research design uses a case study strategy that is considered very suitable for discussing existing problems related to the development of a local wisdom-based creative economy. Baubau City was chosen as a case because it has strong customs and potential in the development of a local wisdom-based creative economy, this method can facilitate network relationships or the roles of actors involved.

Data collection relied mainly on three methods: interviews, observation, and documentation. Interviews were conducted with 8 (eight) informants, namely: 2 leaders, 2 creative economy actors, 2 academics, and 2 people from the cultural community. These interviews were semi-structured, allowing the researcher to guide the conversation and also giving the participants the freedom to elaborate on issues they deemed important. A total of 8 interviews were conducted, each lasting between 45 minutes and 60 minutes, depending on the availability and willingness of participants to engage. Field observations were conducted to confirm the results of the interviews and documentation especially of the actors involved. Documentation was conducted to complement the interviews and validate emerging findings. Relevant documents included local regulations, RPD, Creative City Masterplan and others. Triangulation of data from interviews, documentation and observation helped strengthen the credibility and validity of the findings

Data analysis was carried out using data reduction techniques, data presentation, conclusion drawing and verification. A method suitable for analyzing patterns in qualitative data. Interviews were transcribed and audio-recorded verbatim. Throughout the research process, ethical considerations were strictly adhered to. Consent from all participants was obtained prior to data collection. Participants were assured of the confidentiality and anonymity of their responses, and all identifying information was removed in the transcripts before the final report.

3. Results and Discussion

The theory used in discussing this topic, refers to the opinion of Provan & Milward (1998) which says that network structure is important for public policy and administration because the pattern of structure, affects the effectiveness of the network, especially the provision and integration of services; The relationship between network structures measured based on network integration, external control and network effectiveness.

One of the indicators concerns the network hierarchy in the government network structure. The question raised is how is the hierarchy in the government network structure in developing a local wisdom-based creative economy in Baubau City. Data reduction answers to 8 informants argue that the hierarchy is reflected in the intersection of interests between related agencies, especially the Tourism Office, the Industry and Trade Office, the Cooperative and MSME Office, and National regional of craft council of Baubau City in the form of programs/activities carried out, but it seems less effective because it does not focus specifically on developing a local wisdom-based creative economy in Baubau City.

The researcher's observation on this matter is that the hierarchy in the government network structure in developing a creative economy based on local wisdom in Baubau City has been established in all OPDs and related agencies, especially the National Tourism Office, the Industry and Trade Office, the Cooperative and MSME Office, and the Baubau City Dekranasda, but there is no clear division of affairs regarding the person in charge of regulation, technical, and others. This observation is also supported by the existence of the Regional Development Plan (RDP) of Baubau City Year 2024-2026.

Questions related to indicators of relationships between network structures measured based on network integration, external control, and network effectiveness. Data reduction to answers 8 informants, generally informants argue that the government network within the scope of Baubau City on creative economic development based on local wisdom, strategic intervention from the government is still lacking as a policy influence and as a regulator.

The researcher's observation about this is that weak government control causes the network between OPDs to be less directed, so that strengthening the competitiveness of the local wisdom-based creative economy in Baubau City is less effective.

The researcher's findings about the hierarchy in the government network structure and the relationship between network structures measured based on network integration, and external control and network effectiveness in developing a local wisdom-based creative economy in Baubau City are that it still tends to rely on informal power (based on relationships), hierarchical power structures are no longer the main thing in network arrangements, network structures are less hierarchical and more flexible, and to form a network structure, organizational members need to be aware of the interdependence of their actions and recognize the need to build a network structure to work together.

Observational findings, although not yet effective in developing a local wisdom-based creative economy in Baubau City, are supported by the opinion of Keast et al [13] and reinforced by the results of research by Nowell, Steelman, Velez & Yang [15], Provan and Milward [16] which say that the relationship between network structures as measured by network integration, and external control and network effectiveness in government network structures is very important in the development of public administration.

Interorganizational networks consist of organizations as actors (nodes) and the relationships that connect these organizations. Inter-organizational networks can be goal-oriented, formed to achieve common goals that cannot be achieved by a single organization [2].

4. Conclusion

The network structure in the development of a local wisdom-based creative economy in Baubau City, Southeast Sulawesi Province, highlights the important role of each actor - government, private sector, creative economy actors, academics, cultural communities, and local media - to collaborate. The network structure of the local wisdom-based creative economy in Baubau City has not been centrally integrated and has not received effective external control from the government. As a result, the network lacks synergy, is not collectively directed, and opportunities to maximize the value of local culture as an economic force have not been effectively achieved. Considering some of the above conclusions, it is necessary to establish a creative economy forum that can be the main link between actors and can facilitate a common strategic direction in the development of a creative economy based on local wisdom, as well as increasing the institutional capacity of the government so that it is not only limited as a program maker, but also as a director and supervisor of the development of creative economy networks in Baubau

City and the need to make regulations related to this in the form of decrees, mayoral regulation, and so on.

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