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Collaborative Governance in Accelerating Regional Financial Access in South Sulawesi Province

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Abstract.
Collaboration has emerged as a strategic approach in addressing the public issues by engaging multiple stakeholders, beyond relying solely on governmental institutions. The concept of collaborative governance—particularly through the Ansell and Gash model—offers a framework to assess how actors contribute to shared governance processes through their respective roles. This study examines the strategies and roles of key stakeholders within *Tim Percepatan Akses Keuangan Daerah Provinsi Sulawesi Selatan* (TPAKD) of South Sulawesi Province. It explores the potential application of collaborative governance in both the formulation and implementation of policies aimed at expanding regional financial access. The key actors analyzed include the Provincial Government of South Sulawesi, the Financial Services Authority (OJK) of South Sulawesi and West Sulawesi, Bank Indonesia's South Sulawesi Representative Office, the Regional Office of the Directorate General of Treasury (Ministry of Finance), *Lembaga Penjamin Simpanan* (LPS) Region III – Sulawesi, Maluku, Papua, and the banking industry. This research adopts a qualitative methodology involving field observation, document analysis, and in-depth interviews with key stakeholders, aiming to uncover their respective roles and levels of participation within the TPAKD framework. The findings suggest that the collaborative model implemented by the TPAKD in South Sulawesi has been effectively operationalized. Each actor has contributed in alignment with their institutional mandates, thereby facilitating inclusive financial access for the people of South Sulawesi Province.

Keywords: collaborative governance, TPAKD, regional finance, Sulawesi Selatan

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1. Introduction

Sustainable and inclusive development at the regional level necessitates the support of substantive and integrated financial initiatives. These efforts aim to ensure the successful implementation of policies and programs designed to improve the overall well-being of society. In South Sulawesi Province, despite the presence of considerable potential for regional financial inclusion, several persistent challenges continue to hinder progress. These include bureaucratic complexity, ineffective coordination among stakeholders, and limited fiscal capacity at the local level to adequately respond to evolving development demands. Against this background, the concept of collaborative governance emerges as a strategic and contextually relevant policy instrument. This model offers the potential to generate effective synergy among government institutions, the private sector, civil society, and non-governmental organizations (NGOs), particularly in optimizing public service delivery within the realm of financial access. Drawing upon scholarly literature that underscores the role of collaborative governance in addressing complex public issues, this study posits that enhancing financial inclusion in Indonesia—specifically in South Sulawesi—must be approached as a multifaceted public challenge. Accordingly, it necessitates a collaborative mechanism involving diverse stakeholders.

To further justify this approach, it is important to note that previous efforts relying solely on top-down or fragmented policy instruments in the financial sector often resulted in suboptimal outcomes, marked by program duplication, limited outreach, and lack of sustainability [1]. In light of this, the research seeks to critically examine the application of collaborative governance in accelerating financial access in South Sulawesi Province, and to understand the extent to which multi-actor cooperation can be institutionalized to achieve sustainable outcomes.

2. Methods

This study employs a qualitative research methodology to gather data through field observations, documentation, and in-depth interviews with key actors involved in the Regional Financial Access Acceleration Team (TPAKD) of South Sulawesi Province. A descriptive-analytical approach is adopted to explore the dynamics of collaborative governance in the promotion of regional financial access. The qualitative method is chosen for its strength in uncovering nuanced understandings of stakeholder perceptions, motivations, and interactions.

Through this approach, the study aims to produce a holistic view of how collaboration contributes to enhancing local financial accessibility. As a case study, the research focuses on the specific collaborative governance practices operating within South Sulawesi. It investigates the roles and interactions of various entities, including local government institutions, the business sector, non-governmental organizations, and local communities participating in the process. Utilizing an exploratory-explanatory framework, the research seeks to describe existing patterns of collaboration and identify enabling and constraining factors that influence regional financial access. The data were collected from 18 informants selected using purposive sampling, representing various institutional levels and functional roles in the implementation of TPAKD programs. Triangulation was applied through a cross-validation process involving field notes, institutional documents, and interview transcripts to enhance the reliability of findings. Ultimately, this study aspires to propose an effective model of collaborative governance applicable to South Sulawesi, which may serve as a reference for other regions. Furthermore, it intends to offer policy recommendations grounded in empirical findings to foster cooperation and sustainably expand regional financial inclusion.

3. Results and Discussion

3.1. The Collaborative Governance model

The Collaborative Governance model represents a paradigm shift in public administration, emphasizing the co-creation of policy solutions through synergy among government institutions, the private sector, and civil society. This approach emerged in response to the growing recognition that public problems are increasingly complex, multidimensional, and beyond the capacity of any single actor to resolve unilaterally. In such a context, collaboration is not merely an option but a necessity for producing sustainable and context-sensitive outcomes. Traditional governance models, which tend to be top-down and bureaucratic, often fail to account for the dynamic nature of contemporary public challenges. Issues such as climate change, structural poverty, and disparities in access to education exemplify what scholars describe as complex-adaptive problems—issues that are interlinked, evolving, and require coordinated, multi-actor responses [2]. Collaborative governance, in this regard, offers a strategic departure from conventional state-centric paradigms by facilitating shared ownership and distributed responsibility.

A central premise of this model is the recognition that no single institution possesses all the necessary resources—be it authority, technical capacity, or social legitimacy—to implement policies effectively. While governments may have formal authority, they often lack community embeddedness and technical specialization. Conversely, civil society actors and private entities frequently bring localized knowledge, innovative capacities, and relational capital, which are vital to policy efficacy [3]. Thus, collaborative arrangements enable resource pooling, mutual learning, and joint legitimacy-building, creating a more responsive and accountable governance ecosystem. The regulatory landscape has also evolved to institutionalize collaborative practices. Many contemporary public policies now mandate stakeholder engagement through formal mechanisms such as consultative forums, public-private partnerships, and co-governance frameworks [4]. However, procedural inclusion alone is insufficient. Genuine collaboration requires a foundation of mutual trust—both as a product of sustained interaction and a prerequisite for meaningful cooperation [5]. In the absence of trust, collaborative processes are vulnerable to conflict, power imbalances, and symbolic participation devoid of substantive outcomes.

In this light, leadership assumes a particularly critical role. Collaborative leadership, as conceptualized by Ansell and Gash [1], reframes the role of the leader from a command-and-control figure to that of a process facilitator—one who creates safe spaces for dialogue, mediates conflicting interests, and nurtures commitment to shared goals. Such leadership is essential for ensuring inclusive participation and value alignment across divergent stakeholders. Nonetheless, institutional design remains a key determinant of success. Effective collaborative governance demands clear decision-making structures, equitable distribution of roles, and robust accountability mechanisms [6]. Without these, collaborative efforts risk losing coherence or succumbing to domination by powerful actors. Hence, collaborative governance should not be viewed merely as a technical instrument for stakeholder coordination, but as a normative and strategic framework for fostering adaptive, inclusive, and outcome-oriented public governance.

3.2. Acceleration of Regional Financial Access, Financial Inclusion, and Financial Literacy

Access to financial services in Indonesia's rural and remote regions remains significantly limited, especially among underserved communities. In response to the urgency of expanding financial access across all layers of society, the Financial Services Authority (OJK), in collaboration with local governments and other stakeholders, established a coordination forum known as the Regional Financial Access Acceleration Team (Tim Percepatan Akses Keuangan Daerah or TPAKD). This initiative was originally inspired by a directive from the President of the Republic of Indonesia, delivered during the 2016 Annual Financial Services Industry Meeting, which emphasized the need to form dedicated regional teams to accelerate financial inclusion.

As a strategic follow-up, OJK and the Ministry of Home Affairs jointly issued a Technical Guideline for the Establishment of TPAKD. This document outlines the procedures for forming TPAKD units, including their organizational structure—comprising advisory members (typically regional heads), chairpersons, secretariats, and working groups tasked with identifying local financial access issues and designing practical action plans. The guideline also serves as an operational framework for implementing financial inclusion programs tailored to regional contexts. The TPAKD Roadmap 2021–2025 identifies three core pillars that guide TPAKD's mission: (1) financial literacy and education, (2) facilitation of financial access, and (3) local economic empowerment rooted in each region's unique economic potential. By the end of 2023, a total of 511 TPAKD units had been established, covering all 34 provinces and 477 regencies/municipalities. However, only 371 of these had been formally inaugurated and were actively implementing their respective work programs. By 2024, the national target is to establish TPAKD units in all 514 regencies and municipalities across the country. To support this goal, the Ministry of Home Affairs issued Circular Letter No. 500.2/5743/SJ of 2023, instructing local governments to integrate TPAKD initiatives into their Regional Development Plans (RKPD) and local budgets (APBD), in alignment with Ministerial Regulation No. 84 of 2022.

The implementation of this policy is further strengthened by the issuance of OJK Regulation No. 3 of 2023 on the Enhancement of Financial Literacy and Inclusion in the Financial Services Sector. This regulation refines previous policies and highlights the need for a demand-driven approach based on local contexts. It also encourages innovation in inclusive financial services, particularly through digital technology and accessible, participatory financial education. This framework is bolstered by a cooperation agreement between OJK and the Ministry of Home Affairs, which focuses on optimizing the role of TPAKD in enhancing financial literacy, inclusion, and consumer protection at the regional level.

The impact of these efforts has begun to materialize, as reflected in the findings of the 2024 National Survey on Financial Literacy and Inclusion. The national financial inclusion index rose significantly to 88.70 percent, up from 76.19 percent in 2019. Similarly, the financial literacy index improved from 49.68 percent to 65.76 percent. In South Sulawesi, financial inclusion reached 83.38 percent, with a literacy level of 63.13 percent—demonstrating consistent progress over recent years. These achievements underscore the effectiveness of collaborative, locally oriented strategies such as TPAKD, especially in regions that actively implement educational programs and digitize financial services. Moving forward, the sustainability of TPAKD programs will depend heavily on continued policy alignment between central and regional governments, the development of financial products that resonate with local socio-cultural realities, and sustained efforts to build community-level awareness and financial mentorship.

3.3. Collaborative Governance in Accelerating Regional Financial Access in South Sulawesi Province

Table 1: Stakeholder Roles and Outputs in Strengthening Financial Access for UMKM.

Actor	Primary Role	Key Ouput/Contribution
Provincial Government	Facilitate UMKM access, develop regulations, promote financial services usage	UMKM data registry, access facilitation programs, community outreach initiatives
Otoritas Jasa Keuangan (Financial Services Authority)	Regulate and supervise financial services, promote financial literacy, facilitate digital KUR	POJK No.3/2023, expanded KUR Digital, inclusive finance education programs
Lembaga Penjamin Simpanan (Deposit Insurance Corporation)	Provide deposit insurance, build public trust in banking, support savings education	Deposit guarantee schemes for banks, savings trust campaigns
Bank Indonesia	Promote QRIS and digital payments, stabilize macroeconomy, support digital finance adoption	QRIS penetration, digital market transformation, payment system stability
Ministry of Finance	Offer fiscal incentives, fund infrastructure projects, implement UMKM tax and financing policies	PNM microfinancing, DAK and KPBU funding allocation, tax incentives for UMKM

A comprehensive map (Table 1) of each actor's role in Collaborative Governance to accelerate regional financial access is presented in the in-depth analysis below. It includes the identification of roles, responsibilities, and synergies among various actors in the context of accelerating regional financial access. By better understanding these interactions, new ways are expected to emerge to improve the effectiveness of collaboration in supporting the strengthening of regional financial access.

This role is realized through regular development and data collection of business actors to ensure that implemented policies are well-targeted. Additionally, the South Sulawesi Provincial Government facilitates UMKM to more easily access various support services, including financing and business promotion. Importantly, the government also encourages the public—especially UMKM actors—to utilize financial institutions as a step to expand financial inclusion at the regional level. This role is then supported by the Financial Services Authority (OJK), which promotes the creation of an inclusive and sustainable financial ecosystem. One of its main roles is through the regulation and supervision of the implementation of Digital People's Business Credit (KUR Digital), aiming to broaden technology-based financing access for UMKM. Furthermore, OJK also facilitates the issuance of regional or corporate bonds as a long-term financing alternative that can support regional development. On the other hand, OJK actively promotes financial literacy through various educational programs so that the public better understands the benefits and risks of the financial products and services they use. Through POJK Number 3 of 2023, OJK emphasizes a locally based approach and expands financial literacy channels both online and offline. OJK also collaborates with regional governments through the Regional Financial Access Acceleration Team (TPAKD) to integrate literacy programs into regional development strategies while enhancing consumer protection from unhealthy financial practices.

Meanwhile, the Deposit Insurance Corporation (LPS) contributes to strengthening public confidence in formal financial institutions, particularly in financing schemes involving banks, include the Rural Banks (BPR). This role is essential in encouraging rural communities—who may previously have been reluctant to save or borrow due to fears of fund loss—to engage with financial services. By providing deposit guarantees, LPS increases trust in the banking system and supports the UMKM funding ecosystem. Additionally, LPS plays an educational role through national campaigns about the importance of saving in insured banks, as part of expanding financial inclusion. Bank Indonesia (BI) also plays a strategic role through monetary policy and the strengthening of the national payment system. At the micro level, BI regulates and promotes the use of QRIS and encourages payment digitalization as a means to accelerate the adoption of digital finance by UMKM. BI also supports the financing of regional strategic projects by maintaining exchange rate and inflation stability to create a conducive investment climate. In promoting financial inclusion, BI actively fosters local communities and economic actors to access banking services through market digitalization programs, and acts as a partner in implementing the National Strategy for Financial Inclusion (SNKI) together with other ministries and institutions. The Ministry of Finance complements this synergy through inclusive and empowerment-based fiscal policies. The Ministry designs ultra-micro financing schemes such as PNM and provides tax incentives for UMKM to help them grow and thrive within the formal economic system. In the context of regional development, the Ministry provides Special Allocation Funds (DAK) and encourages public-private partnerships (KPBU) to build infrastructure that supports financial services. Additionally, the Ministry plays a leading role in disbursing funds for financial literacy and consumer protection programs and oversees budget distribution through various public service agencies at the regional level. This overall collaboration map shows that accelerating regional financial access cannot be done sectorally—it requires an integrated, multi-actor approach with complementary roles. When regulation, financing, education, and supervision operate harmoniously, people in the regions—including those living in underdeveloped areas—can be more connected to a secure and empowering financial system.

3.4. Challenges and Opportunities

In the implementation process of Collaborative Governance, various challenges must still be addressed, ranging from inter-agency coordination issues to resistance from parties who may not yet understand the importance of this collaboration. However, there are also significant opportunities to strengthen regional financial access, such as increasing public awareness about the importance of financial services and growing support from multiple parties to create an inclusive financial ecosystem. Despite these promising opportunities, significant challenges in the implementation of Collaborative Governance cannot be overlooked. One key challenge that often arises is the power imbalance between actors involved. As dominant actors, the central government and large corporations often have greater influence in setting policy directions and decision-making processes. This can lead to inequality in contributions and benefits received by the various parties involved, hindering the achievement of shared goals [7].

Furthermore, high transaction costs are a significant barrier in the collaboration process. Inter-agency coordination requires substantial time and resources. This process involves intensive communication, joint policy-making, and the creation of mechanisms that accommodate each actor's needs and goals. All of this requires considerable effort, both in terms of time and human resources, potentially reducing the collaboration's efficiency and effectiveness [8].

In addition, accountability is another important issue that must be addressed in the implementation of Collaborative Governance. Inter-agency collaboration often makes it difficult to determine who is responsible for the final outcome. When expected results are not achieved or implementation fails, identifying the responsible party becomes complex, which in turn impacts performance evaluation and future decision-making improvements [9].

The sustainability of collaboration also faces vulnerability in the absence of regulatory or donor pressure. While the Roadmap TPAKD 2021–2025 underscores the importance of institutionalizing collaborative mechanisms and replicating successful practices across regions, it also implicitly acknowledges the variability of implementation success across provinces, which may be influenced by the presence or absence of central facilitation and incentives (Roadmap TPAKD, 2021). This suggests the need for local ownership mechanisms and institutional embedding that ensure continuity beyond external support.

4. Conclusion

Based on the research conducted, it can be concluded that the Collaborative Governance model has significant potential in accelerating access to regional finance in South Sulawesi Province. The collaboration between various actors, including the Provincial Government of South Sulawesi, OJK, Bank Indonesia, the Ministry of Finance, and LPS, has proven its ability to create effective synergies. The implementation of this collaboration not only improves the effectiveness of financial services but also strengthens coordination among institutions and fosters an ecosystem that supports the sustainability of regional financial policies.

Through this approach, each actor plays a role in accordance with their authority and responsibilities, which in turn accelerates the achievement of the policy goal of improving financial access. Moreover, this collaboration provides space for each actor to innovate and share resources, knowledge, and expertise, thus creating more comprehensive and holistic solutions for the community. By continuously developing and facilitating this collaboration, it is expected that financial access can be expanded and simplified, especially for groups that were previously limited in accessing formal financial services. This not only contributes to increased financial inclusion but is also expected to accelerate regional development and promote overall economic welfare. The sustainability and expansion of this model will be crucial in realizing a more independent and prosperous society through broader access to financial resources.

To strengthen long-term implementation, concrete strategies are recommended. These include developing joint monitoring systems—such as performance dashboards integrated into regional development planning systems—to enhance accountability across sectors. Additionally, the use of digital coordination tools, including shared databases and collaborative workspaces (e.g., SIPD or local e-governance platforms), can significantly minimize transaction costs by reducing redundant meetings and facilitating real-time information exchange. Lastly, establishing cross-sectoral incentive schemes—such as performance-based budget allocations or formalized recognitions within TPAKD forums—can help sustain balanced participation, especially among actors who may otherwise lack institutional leverage.

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