KnE Social Sciences | The 2nd Doctoral International Conference | KnE Publishing

Research Article

Implementing Collaborative Governance in Investment for Regional Development in Southwest Papua

Herryanus FR Widjasenaa[1*], Badu Ahmad[2], and Muhammad Yunus[2]

[1]Doctoral Student of Public Administration, Faculty of Social and Political Science. Hasanuddin University, Makassar, South Sulawesi, Indonesia
[2]Department of Administrative Science, Faculty of Social and Political Science, Hasanuddin University, Makassar, South Sulawesi, Indonesia

Abstract.
This article examines the application of a collaborative governance approach in regional investment management, emphasizing the importance of multiactor involvement across sectors. Sorong City, as the gateway to the Southwest Papua region, has a strategic position to become a pilot project for a collaborative investment governance model that is participatory and adaptive to the local context. The perspective of investment policy management is closely related to governance, where the process and systematics of investment services begin with the government process, which then develops into investment opportunities and realities in the region. This article aims to critically examine theoretically the various potential applications of a collaborative governance approach in investment governance in Sorong City, as well as to formulate policy strategies that can encourage the creation of inclusive, transparent, and sustainable investment. The research technique used is a qualitative approach by searching for relevant literature and a number of secondary data sources through reports of various study results that focus on the involvement of collaborative governance in investment services. The formation of data sourced from literature and secondary data is then analyzed using an argumentative approach to explain the application of collaborative governance that has the potential to increase transparency, effectiveness, and sustainability of investment in the West Papua Province. The results of the study indicate that the process of applying the principle of collaborative governance in increasing investment to encourage regional development in the West Papua region, especially Sorong City, has various structural and cultural challenges. From the perspective of regional government bureaucracy, the social structure of crocodiles greatly determines the application of the collaborative governance approach in increasing investment potential through communication channels between actor and agency networks and expanding access with the concept of coaching. In addition, the development of investment programs in the context of Sorong City regional development planning should be an inseparable part, so that internal strength becomes an effective locomotive in the framework of encouraging investment access. A number of obstacles were found conceptually and through analysis of data reports from various sources found both internally and externally.

Keywords: collaborative governance, regional investment, participatory governance

Corresponding Author: Herryanus FR Widjasenaa; email: herryfr@gmail.com

Published: 2 September 2025

Publishing services provided by Knowledge E

Selection and Peer-review under the responsibility of the 2nd Doctoral International Conference Committee.

1. Introduction

In the era of decentralization and the complexity of public governance, a collaborative approach is a strategic solution in managing multidimensional development issues, such as investment. Sorong City, as the center of economic growth in the Southwest Papua region, plays an important role in attracting and managing investment, especially in the energy, fisheries, and services sectors. However, to create an inclusive, transparent, and sustainable investment climate, a governance mechanism is needed that involves various actors synergistically. It is in this context that the collaborative governance approach becomes relevant for further analysis.

Regional investment is an important instrument in accelerating economic growth and equitable development, especially in underdeveloped and border areas such as Papua. In the context of regional autonomy, district/city governments have the responsibility to create a conducive investment climate by providing efficient licensing services, providing incentives, and easy access to information for business actors. However, in practice, various studies show that the implementation of investment at the regional level still faces serious challenges in terms of coordination, participation, and accountability of governance [1]. [1]research found that overlapping authority between Regional Apparatus Organizations (OPD) and weak coordination between regional governments and vertical agencies are the main obstacles to licensing services in the regions.

Regarding the application of the principle of collaborative governance in investment governance in various regions, it has produced significant results. For example, a study by [2] stated that collaborative governance can reduce conflict between stakeholders and increase the effectiveness of public policies, especially in the context of economic and social development. They found that collaboration between government, the private sector, and civil society can create better synergy in resource management and investment allocation. The application of collaborative governance is very effective in creating joint solutions that are more adaptive to local changes and challenges. This study highlights the importance of creating a collaborative network that can strengthen the relationship between local governments and local communities and a number of stakeholders and ensure that the investment policies implemented can create equitable benefits for all parties.

In addition, [3] revealed that the main elements that support the success of collaborative governance are active participation from various parties, open communication, and commitment to achieving common goals. In the context of investment, this approach allows all parties to contribute to designing policies that not only benefit the business sector, but also support the welfare of local communities and maintain environmental sustainability. Research conducted by [4] in several regions in Indonesia also shows that the involvement of local communities in the decision-making process related to investment can increase the success of development projects. Communities who are directly involved in the planning and implementation of projects feel they have a greater responsibility for the success of the investment. This shows the importance of integrating local perspectives in investment planning, which can reduce the potential for conflict and accelerate the development process.

Thus, the application of the collaborative governance principle in investment governance in West Papua can create a more inclusive, transparent, and accountable system. This principle will enable various stakeholders including local governments, the private sector, civil society, and local communities to work together in designing policies that encourage sustainable development, both economically, socially, and environmentally.Various field research results explained previously, show the need for a governance framework that is able to bridge the interests of the state, market, and local communities equally. Investment plays a key role in driving economic and social development in various regions, including in Southwest Papua. As one of the provinces rich in natural and cultural resources, Southwest Papua Province has great potential to develop strategic sectors. However, in facing complex development challenges, a more inclusive and collaborative approach is needed in managing these investments. One principle that can be a solution is collaborative governance, which involves all stakeholders in decision-making. The collaborative governance approach is seen as a strategic alternative to improve the quality of investment governance. [2] define collaborative governance as “a governing arrangement where one or more public agencies directly engage non-state stakeholders in a collective decision-making process that is formal, consensus-oriented, and deliberative.” This approach is considered capable of bridging interests between stakeholders and overcoming conflict and policy fragmentation.

More than that, the collaborative governance approach is present as a promising alternative model. In the view of [2] collaborative governance is a form of management that prioritizes the direct involvement of various actors, both state actors, the private sector, and civil society in the formal and deliberative decision-making process. This model has proven effective in the context of environmental governance, public health, and regional development, including in investment management [3].

However, the implementation of this collaborative model has not been widely adopted systematically in regional investment policies, especially in the Eastern Indonesia region. Sorong City as the gateway to the Southwest Papua region has a strategic position to become a pilot model for collaborative investment governance that is participatory and adaptive to the local context. In addition, the perspective of investment policy management is closely related to governance, where the process and systematics of investment services begin with the government process which then develops into investment opportunities and realities in the region.

Therefore, this paper aims to critically examine the potential for implementing a collaborative governance approach in investment governance in Sorong City, as well as formulating policy strategies that can encourage the creation of inclusive, transparent and sustainable investment. This is implemented as part of and an effort to improve investment services so that it can produce maximum investment volume through the implementation of collaborative strategies.

2. Literature Review

*Collaborative governance*or collaborative governance is an approach in which important decisions are taken through collaboration between various actors, including government, private sector, civil society, and local communities. This approach focuses on achieving mutual agreement in managing various issues and formulating policies that benefit many parties, not just one party. In the context of investment, this principle ensures that all stakeholders have a voice in the planning, implementation, and evaluation of investment projects. Therefore, collaborative governance can be a solution in creating more transparent, accountable, and sustainable investment governance in West Papua. In relation to collaborative governance, there are several principles in the investment governance system that must be presented so that there is synergy in its implementation. These principles include the existence of an active participation mechanism from all parties involved in the investment process, both local government, private sector, civil society, and local communities. Thus, every interest can beaccommodated and no party is neglected. This participation also creates a sense of ownership and responsibility for development results. Another principle is the openness of transparency and accountability mechanisms. Therefore, the government and private sector need to open information about investment projects to the public, as well as provide an effective monitoring mechanism.

The concept of collaborative governance refers to a governance model that actively involves various non-state actors in the public policy process [2]. This model emphasizes the principles of openness, deliberation, and shared responsibility. In the context of investment governance in the region, this approach can provide benefits, including increasing trust between stakeholders through transparency and open dialogue. Strengthening the legitimacy of investment policies through community involvement in the decision-making process. Increasing public accountability, because decisions are not only monopolized by a single actor (the government), but are the result of a joint consensus and reducing social and agrarian conflicts, especially in customary areas, through collaborative consultation and mediation mechanisms. Meanwhile, the view of [3] emphasizes that the success of collaboration in governance is highly dependent on factors of shared motivation, capacity for joint action, and principled engagement. In the case of Southwest Papua, these values are very relevant to bridging the diversity of interests and cultural backgrounds.

On the other hand, collaborative governance is defined as a process and structure of collective decision-making involving government actors, the private sector, and civil society to achieve common goals. The basic principles are openness, trust, equal communication, and collective responsibility. In the context of investment, collaborative governance changes the role of government from regulator to facilitator and coordinator between development actors.

According to[2], collaborative governance refers to a form of policy management that involves various stakeholders in a joint decision-making process. This process emphasizes the importance of cooperation between the public, private, civil society, and local communities in formulating policies and solving complex problems. This concept was born as a response to the limitations of traditional governance which tends to be hierarchical and unable to accommodate the various interests that exist in development.

2.1. Theories and Approaches in Collaborative Governance

1. Network Theory

Network theory provides a framework for understanding how different actors in governance share information and resources to achieve common goals. In the context of collaborative governance, this network includes the relationships built between government, the private sector, civil society, and non-governmental organizations. [5] in their work on network theory argue that effective network structures can improve policy performance and support the achievement of desired outcomes. In the context of investment, this theory helps us understand how close collaboration between actors can speed up the decision-making process and create more effective outcomes.

2. Shared Responsibility Theory

   This theory emphasizes that in a collaborative governance system, responsibility does not only lie with one party or institution, but with all actors involved. [6] explain that the success of a collaboration is highly dependent on the willingness of all parties to share responsibility for the results achieved. In the context of investment, this means that governments, companies, and communities must be jointlyresponsible for the social, economic, and environmental impacts caused by investment projects.

3. Social Capital Theory

   The theory of social capital, as explained by Putnam (2000), emphasizes the importance of strong social relationships in creating successful collaborations. Trust, social norms, and social networks formed between actors will affect the quality of collaboration. In investment management, the existence of strong social capital can increase the capacity of the parties involved to work together effectively, resolve conflicts, and ensure that investments provide benefits to all parties involved.

The conceptual framework for implementing collaborative governance in investment governance in the region can be described as stakeholders: Government, private sector, local communities, and civil society. In addition to the process of collaboration, negotiation, joint planning, implementation, monitoring, and evaluation.

3. Methods

This study uses a conceptual analysis method which in the analysis process is based on relevant literature resources. The database used in conceptual analysis is basically derived from literature searches using the Google Search Menu Data Base search technique. In this regard, researchers try to trace relevant literature.

In analyzing the existing literature collection, conceptual analysis techniques are used, which are techniques that place a concept and event as an effort to explain certain events that are formed logically and systematically[7]. The right research method to study the application of the principle of collaborative governance in investment governance is the qualitative method. This method allows researchers to explore in depth the perspectives of various stakeholders related to their experiences and views on the collaboration process in investment management. In addition, document analysis is also carried out by analyzing policies, annual reports, and documents related to investment and the decision-making process can provide secondary data that is useful for exploring the context and results of the application of collaborative governance.

4. Results and Discussion

The results of searching various literature related to the contribution of collaborative governance perspectives in investment services show that although the economic potential is high in the Papua region in general, the realization of investment in Southwest Papua, including Sorong City, is not yet optimal. Various reports and studies show that investment governance in this region still faces various structural and institutional problems (BPK RI, 2023; Ministry of Home Affairs, 2022). A number of problems recorded in various views can be mentioned including aspects:

1. The occurrence of institutional fragmentation and overlapping authority.

   The absence of a solid coordination system between Regional Apparatus Organizations (OPD), such as DPMPTSP, Bappeda, and other technical agencies, causes many licensing processes to run partially. At the provincial level, coordination between the provincial government and the district/city government is still weak, especially after the expansion of the province. This is exacerbated by the fact that the OSS-RBA system has not been fully integrated into investment services in the regions (Ministry of Home Affairs, 2022).

2. Limited Human Resource Capacity and Digital Infrastructure.

   Most of the human resources managing permits, especially at the district/city level in Southwest Papua, do not yet have adequate competence in managing the OSS digital system. Research by Bappenas (2022) states that low digital literacy and lack ofongoing training cause the permit service process to still be carried out manually or semi-electronically.

3. Lack of Information and Minimal Participation of Local Communities

   Many large investment projects are implemented without adequate public consultation mechanisms. Communities, especially indigenous communities, often do not receive sufficient information about the plans, impacts, or benefits of these projects. This creates distrust and resistance towards the government and investors (Widjojo et al., 2013; Irawan & Retnawati, 2022).

4. Agrarian Conflict and Legal Uncertainty over Customary Land

   Land ownership in Southwest Papua is mostly in customary areas that have not been officially registered in the national land system. This has caused conflicts between indigenous peoples and investors to become a chronic problem in the realization of investment, especially in the plantation, mining, and tourism sectors (Yayasan Pusaka, 2023).

5. Absence of Multi-Stakeholder Dialogue Forum in Investment Arrangement

   The absence of an investment dialogue forum at the provincial or district/city level makes the investment decision-making process tend to be exclusive and elitist. In fact, according to the collaborative governance approach, the involvement of all parties, including civil society, local business actors, and academics, is very important in forming inclusive and accountable governance (Ansell & Gash, 2008).

6. Investment Program Not Yet Integrated with Regional Development Plan

   Many large-scale investments are carried out without synergy with regional planning documents such as the RPJMD and RTRW. As a result, investments do not have a significant impact on reducing poverty or improving the welfare of local communities (Bappeda Papua Barat, 2021).

In facing this reality, the collaborative governance model becomes very relevant. This approach emphasizes the importance of collaborative, deliberative, and trust-based governance between parties. Emerson, K., Nabatchi, T., & Balogh, S. (2012) stated that collaborative governance is able to overcome the legitimacy deficit and improve the quality of public policy through the alignment of interests and shared commitments. In a complex region like Southwest Papua, collaboration is not only an administrative strategy, but a structural need to create equitable, inclusive, and sustainable investment governance.

Meanwhile, several steps were found in the implementation of investment governance within the framework of collaborative governance, namely strengthening government capacity. The formation of a multi-stakeholder forum, where the formation of a forum or platform that can accommodate the voices of various parties is the key to implementing collaborative governance. This forum can be a space for routine discussions between the government, private sector, civil society, and local communities to formulate investment-based development plans. Investment infrastructure development activities and periodic evaluation efforts. Although it is recognized that there are various factors that hinder its implementation, such as problems with the inequality of human resources and their skills. Socio-cultural problems and problems of dependence on natural resources.

4.1. Collaborative Governance Application in Investment Governance

1. Collaborative governance theory can be applied in investment governance by creating a framework that allows effective interaction between government, the private sector, communities, and various other groups. Here are some concrete applications in investment management: Inclusive Investment Policy Making. One of the main applications of collaborative governance in investment governance is in the formulation of investment policies that accommodate the needs and aspirations of various stakeholders. For example, in infrastructure development or natural resource management, involving local communities and the private sector in designing policies can produce more appropriate and sustainable solutions.

2. Investment Project Planning and Implementation

   The implementation of investment projects, such as infrastructure development or natural resource management projects, can be done collaboratively by involving all parties in every stage of planning and evaluation. This ensures that the project not only benefits the investor, but also provides broad social and economic benefits to the community, while preserving the environment.

3. Project Monitoring and Evaluation

   *Collaborative governance*is also important in the process of monitoring and evaluating investment projects. Through a monitoring system involving various parties, transparency in investment management can be maintained, and if problems or deviations occur, they can be immediately identified and resolved.

In the real conditions of investment implementation, by encouraging the implementation of collaborative governance in investment governance in Sorong City, several strategic steps can be taken:

1. Establish a Regional Investment Forum involving the government, local business actors, indigenous communities, academics, and NGOs as a space for joint deliberation and coordination.

2. Compiling Social Maps and Customary Land Maps as a basis for compiling investment policies that are sensitive to the rights of indigenous peoples.

3. Improving the capacity of DPMPTSP and related OPD human resources in the use of OSS-RBA technology and digital-based services.

4. Establish mandatory public consultation mechanisms before investment projects are implemented, especially in areas with customary land claims.

5. Integrate investment plans into the RPJMD and RTRW synergistically so that investment direction is in line with regional development priorities.

Analysis of Collaborative Governance Program Implementation

To adopt a collaborative governance model in investment governance, several strategies can be implemented through the process of forming networks in systems and mechanisms such as the formation of (1). Formation of the Regional Investment Forum, where this forum becomes a multi-party dialogue space involving DPMPTSP, business actors, academics, traditional leaders, and NGOs. This is in line with the principles of deliberation and inclusive participation (Fung & Wright, 2003). (2). Through DPMPTSP role transformation activities. DPMPTSP needs to act as a network manager, not just a permit manager. Capacity building is needed in facilitating, negotiating, and mediating investment interests. (3). Increasing Access and Transparency of Information, and (4). Formation of Inclusive Partnerships with Local Communities

4.2. Some Obstacles to the Implementation of Collaborative Governance in Southwest Papua

The study of investment governance with the principle of collaborative governance in areas such as West Papua, there are a number of factors that influence how collaboration between stakeholders can produce sustainable and effective investment policies. Based on the analysis of research results conducted through various approaches, it shows that there are several perspectives on the problems ofimplementing collaborative governance in investment problems in West Papua Province, including:

1. Level of Stakeholder Participation

   One of the main findings of this study shows that the level of participation between stakeholders in investment management in Sorong City is not yet optimal. Although there are efforts to involve local governments, the private sector, and local communities, there is a gap in the representation of indigenous groups and civil society organizations. The government tends to be more dominant in decision-making, while the role of the private sector and communities is often limited to the implementation phase, not planning or evaluation.

   This lack of participation can be caused by local communities' ignorance of the benefits or risks of ongoing investments, or the lack of adequate mechanisms to listen to their concerns. It also reflects a gap in communication between the public sector and communities, leading to distrust of large investment projects. Therefore, it is important for local governments to strengthen the capacity of local communities in the participation process, as well as provide space for all parties to engage constructively at every stage, from planning to evaluation.

2. Openness and Transparency of Investment Process

   The results of the study show that transparency in investment management, both in terms of cash flow, licensing processes, and environmental impacts, is still a major problem. Local governments and the private sector have not been fully open in providing information needed by the community and other related parties. This often causes doubt and uncertainty among local communities regarding the objectives and impacts of the investment projects being carried out.

   In the context of collaborative governance, transparency is not just about providing information, but also ensuring that the information is accessible and understandable to all stakeholders. Having a clear communication mechanism and an open information system will help build trust between stakeholders. One good example found in this case study is the efforts of several private companies to adopt a publicly accessible annual reporting system, although this has not been widely implemented in all investment projects.

3. Consensus in Decision Making

   The decision-making process in investment projects in Sorong City is often hampered by a lack of agreement between the various parties. The local government has an interest in accelerating economic development, while local communities are often concerned about the environmental and social impacts of the investments made. These differing interests sometimes cause tensions, which slow down the collaboration process and hinder the progress of the project.

   The process of achieving consensus in collaborative governance is highly dependent on the ability of stakeholders to negotiate and compromise. In this case, it is important to create a dialogue space that allows each party to convey their aspirations and concerns. The deliberative democracy model, where open and evidence-based discussions can produce better decisions, can be a solution to increase consensus in decision-making.

4. Sustainability and Socio-Economic Impact

   One of the main challenges in implementing collaborative governance in investment governance is ensuring the social and economic sustainability of the investment projects being implemented. Several investment projects in Sorong City, although providing positive economic impacts in the short term, apparently do not pay attention to the long-term welfare of the local community. Negative impacts on theenvironment and the lack of community empowerment programs to adapt to changes brought about by investment are major issues.

5. Institutions and Capacity of Regional Government

   This study also shows that the institutional capacity of local governments in managing collaborative-based investments is still limited. Although there are policies that support public participation in decision-making, in practice there is often a lack of skills and resources to facilitate effective collaboration between sectors.

To realize effective collaborative governance, local governments need to improve the capacity of their institutions, both in terms of managerial skills, understanding of the principles of collaboration, and in building networks with the private sector and civil society. Training and capacity building programs for government officials and local communities in terms of inclusive and sustainable investment management are very important steps.

5. Conclusion

Improving the quality of investment governance in Sorong City requires a transformation from a conventional bureaucratic approach to a participatory and data- based collaborative approach. Collaborative governance offers a relevant framework for building synergy between actors, increasing the legitimacy of investment policies, and creating equitable and sustainable economic development. The challenges of investment governance in Southwest Papua, especially in Sorong City, are complex and require a cross-actor and cross-sector approach. Collaborative governance offers a new paradigm that does not only rely on bureaucratic power, but on collaboration and participation. By building trust, strengthening capacity, and opening up space for dialogue, Sorong City can become a model for inclusive, equitable, and sustainable investment governance.

*Collaborative governance*not just an alternative approach, but an absolute necessity in investment governance in developing areas such as Sorong City. Effective collaboration can overcome institutional fragmentation, accelerate licensing services, and ensure inclusive development. The Sorong City Government needs to formulate a collaborative-based investment policy as part of bureaucratic reform and sustainable development in Tanah Papua. Effective investment governance can play an important role in supporting regional development, especially in provinces such as Southwest Papua which have great natural and human resource potential. Given the complexity of the challenges faced, such as limited infrastructure, accessibility, and cultural diversity, the application of collaborative governance principles can be key to accelerating and ensuring the sustainability of regional development.

Thus, the implementation of the collaborative governance principle in investment governance in West Papua can accelerate regional development by optimizing the role of all stakeholders. This will ensure that the development carried out is not only economically profitable, but also supports social and environmental sustainability. Coordination, transparency, and respect for local wisdom will make investment more inclusive and beneficial to society as a whole.

6. Policy Recommendations

The implementation of collaborative governance in investment governance in West Papua offers great potential to support sustainable regional development. By involving all stakeholders, implementing transparency and accountability, and respecting local wisdom, investment can bring greater benefits to the community and the environment. Despite the challenges faced, through the right steps and effectivecoordination, this principle can be the key to realizing more inclusive and sustainable development in West Papua.

The results of this study provide important insights into the challenges and opportunities in implementing collaborative governance in investment governance in Sorong City. Despite significant efforts to involve various parties in the investment process, there are still major challenges related to unequal participation, transparency, and project sustainability. Therefore, the implementation of more effective collaborative governance principles requires improved communication and coordination between stakeholders, increased institutional capacity, and the implementation of more inclusive and sustainable investment policies. Moving forward, it is important to ensure that collaboration between the public, private, and local communities occurs not only at the planning and implementation levels, but also in the ongoing evaluation and monitoring process.

References

[1] Prasetyo, “Jurnal Ilmiah Dinamika Sosial DINAMIKA COLLABORATIVE GOVERNANCE DALAM STUDI KEBIJAKAN PUBLIK Ni Luh Yulyana Dewi,” vol. 3, no. 2, 2019.

[2] Ansell C, Gash A. Collaborative Governance in Theory and Practice. 2007. pp. 543–71.

[3] Emerson K, Nabatchi T, Balogh S. An Integrative Framework for Collaborative Governance. J Public Adm Res Theory. 2012 Jan;22(1):1–29.

[4] Peters BG. The Politics of Bureaucracy. Seventh Edition. | New York: Routledge, 2018.: Routledge, 2018. https://doi.org/10.4324/9781315813653.

[5] Provan KG, Kenis P. Modes of Network Governance: Structure, Management, and Effectiveness. J Public Adm Res Theory. 2007 Jun;18(2):229–52.

[6] Huxham C, Vangen S. LEADERSHIP IN THE SHAPING AND IMPLEMENTATION OF COLLABORATION AGENDAS: HOW THINGS HAPPEN IN A (NOT QUITE) JOINED-UP WORLD. Acad Manage J. 2000 Dec;43(6):1159–75.

[7] Furner J. Conceptual Analysis: A Method for Understanding Information as Evidence, and Evidence as Information. Arch Sci (Dordr). 2004 Dec;4(3–4):233–65.