

## **Implementation of Network Governance in the Development of Rendang Industries in Payakumbuh City**

**Berlian Zella Dyo<sup>1\*</sup>, Desna Aromatica<sup>2</sup>, Hendri Koeswara<sup>3</sup>**

<sup>123</sup>Department of Public Administration, Faculty of Social and Political Sciences,  
Andalas University, Indonesia.

\*Corresponding author, email: zelladyo@gmail.com

### **Abstract**

Regional Technical Implementation Unit of Rendang Service and Development Center still faces obstacles in efforts to develop the Rendang Small and Medium Industry. So that coordination, integration, and synchronization with stakeholders from internal and external Payakumbuh City government are formed in a network governance. This paper aims to describe the implementation of network governance in the development of the Rendang Small and Medium Industry in Payakumbuh City. The author uses a descriptive qualitative approach to explain, record, and analyze data obtained from relevant literature studies. The phenomena found will be analyzed using network governance theory by Klijn and Koppenjan. The conclusion is that the implementation of network governance in the development of the Rendang Small and Medium Industry in Payakumbuh City has not run optimally due to unclear network management, despite the involvement and trust of stakeholders. This unclear network management has implications for achieving results that are not maximized. In general, the network formed has resulted in innovation, integrated solutions, contributions from stakeholders, problem-solving capacity, efficiency and support. However, it is still necessary to pay attention to indicators of resilience, conflict resolution, and network development due to poor network management.

### **Keywords:**

food industry; network management; stakeholders

### **Introduction**

In Indonesia, the Small and Medium Industry can be one of the driving forces in improving the development of the national economy because it has the potential to absorb labor, contribute to national income, and can act as a foreign exchange earner because the export value of the Small and Medium Industry continues to grow every year (Parasan, 2018). One industry that is growing rapidly is the Non-Oil and Gas Processing Industry. In the position of the fourth quarter of 2022, the Non-Oil and Gas Processing Industry contributed 16.39% to the Gross Domestic Product (GDP), was able to absorb as many as 19,172,397 people or 99.7% of the industrial workforce, contributed Rp1,716.76 trillion to tax revenue, and exports of the Non-Oil and Gas Processing Industry contributed 70.67% to total national exports and 23.50% of them came from the Food Industry sub-sector with an export value of USD48.49 billion (Ministry of Industry, 2023).

This figure has made the Food Processing Industry a leading industry that will continue to be developed in order to realize the Second Nawacita Mission of President Jokowi's

administration, namely a productive, independent and competitive economic structure. Through the national medium-term development plan 2020-2024, the Indonesian government plans 41 National Strategic Projects and at the top position is filled by Industry 4.0 projects in 5 priority sub-sectors, namely the food and beverage industry; textiles and apparel; automotive; electronics; and chemicals and pharmaceuticals.

Following up on the development of the number one National Strategic Project, the central and local governments formulated public policies to show their seriousness and ensure legal certainty in the development of this leading industry through national industrial development master plan 2015-2035 and industrial development master plan of west sumatra province 2018-2038. The policy mandates institutional strengthening in the form of Small and Medium Industry centers, Technical Implementation Units and cooperatives to strengthen industrial structures that are competitive in the global world.

Seeing the importance of the contribution of the food and beverage processing industry to Indonesia's economic growth, in 2019 the Payakumbuh City government innovated to form a food processing industry center in its area to realize the 2005-2025 Payakumbuh City Vision, namely *"The Realization of Payakumbuh as an Advanced City with the Development of MSME Centers"*. One of the Small and Medium Industry that is considered to have great potential and has a broad market in Payakumbuh City is the rendang processing industry.

Seeing this potential, the Payakumbuh City government invites rendang entrepreneurs in Payakumbuh City to jointly build a special rendang Small and Medium Industry Center named the Rendang Small and Medium Industry Center as an initiation to make rendang production centralized so that it can develop into a modern food processing industry so that it can realize the ideals of Payakumbuh City to become *"The City of Randang"*. This Rendang Small and Medium Industry Center has a long-term goal of bringing Payakumbuh's local rendang to go global, empowering the Rendang Small and Medium Industry in Payakumbuh City, contributing greatly to the regional economy, and increasing the competitiveness of Payakumbuh's local rendang abroad.

In the same year, the government also established the Regional Technical Implementation Unit of the Rendang Service and Development Center under the Manpower and Industry Office of Payakumbuh City as the manager through Mayor Regulation Number 30 of 2019 concerning Position, Organizational Structure, Duties, Functions, and Work Procedures of the Regional Technical Implementation Unit at the Manpower and Industry Office of Payakumbuh City, and the Koperasi Sentra Rendang Payo as a business actor through Decree of the Ministry of Law and Human Rights Number 012292 of 2019.

Until the beginning of 2023, there were already 57 rendang entrepreneurs who joined the Koperasi Sentra Rendang Payo to jointly produce regional specialties of Payakumbuh city in the Rendang Small and Medium Industry Center which was given the IKOSERO trademark (Vesky, 2023). Rendang IKOSERO has nine product variants such as rendang paste, beef rendang, wet beef lung rendang, dry beef lung rendang, mushroom rendang, shredded chicken rendang, tuna rendang, shredded beef rendang, and egg rendang (Asri, 2020).

The development of the Rendang Small and Medium Industry Center is not easy. In an effort to achieve its goals, there are various problems, challenges and limitations that must be experienced by the Rendang Small and Medium Industry Center, both in terms of budget, information resources needed to the limited capacity of the agency. So that other institutions or agencies are needed to assist the success of Payakumbuh City in developing this superior Small and Medium Industry, both from the internal and external sectors.

In line with what Klijn and Koppenjan (2016) wrote in their book *"Governance Networks in the Public Sector"* that governments, businesses, and civil society often cannot solve problems on their own because they do not have the resources or problem-solving capacity to do so. This makes the development of the Rendang Small and Medium Industry complex. The complexity of these issues and the interdependence between actors result in interactions between actors. As a result, governance networks emerge, which are networks of enduring patterns of social relationships among actors involved in addressing a problem, policy, or public service (Marin and Mayntz, 1991; Thompson et al., 1991; Marsh and Rhodes, 1992; Kickert et al., 1997).

In addition, expanding business networking with Small and Medium Industry associations related to market development is one of the most relevant and appropriate strategies that can be used in developing and improving the competitiveness of the Rendang Small and Medium Industry Center in Payakumbuh City (Wati et al, 2018).

In public administration science, networks can be understood as a set of interdependent organizations where they can share goals, resources, and values (Frederickson, 2012). The network that is formed is then expected to produce results such as the creation of innovation, integrated solutions, stakeholder contributions, problem-solving capacity, resilience, efficiency, conflict resolution, network building, and support (Klijn et al, 2011).

However, the coordination between institutions/agencies involved in the development of the Rendang Small and Medium Industry Center is not without consequences. On the one hand, the number of actors involved will make it easier to solve various problems to achieve goals. But on the other hand, the relationships and work across agencies will become more complex considering that each agency is autonomous and has different main tasks and functions according to their respective fields, although overall the stakeholders involved are in one network.

Given the inherent difficulties in carrying out network governance, a network management is needed to organize the coordination between the Payakumbuh City government and other stakeholders so that the activities carried out in an effort to achieve these common goals can be directed effectively (Klijn et al, 2011).

The importance of networks and their various complexities in the development of the Rendang Small and Medium Industry Center carried out by the Regional Technical Implementation Unit of Rendang Service and Development Center makes the author interested in further examining how the application of network governance in the development of the Rendang Small and Medium Industry in Payakumbuh City with the aim of describing the various factors that influence the success or failure of the application of the network governance concept in the development of the Rendang Small and Medium Industry in Payakumbuh City.

## **Methods**

In this paper on the implementation of network governance to the development of the Rendang Small and Medium Industry in Payakumbuh City, the object of study to be discussed is the development of the Payakumbuh Rendang Small and Medium Industry Center carried out by various actors from across institutions/agencies. The author uses a descriptive qualitative approach because it is holistic so that the author does not only focus on research variables, but looks at the entire social situation to be studied including aspects of places, actors, and activities that interact synergistically (Sugiyono, 2016).

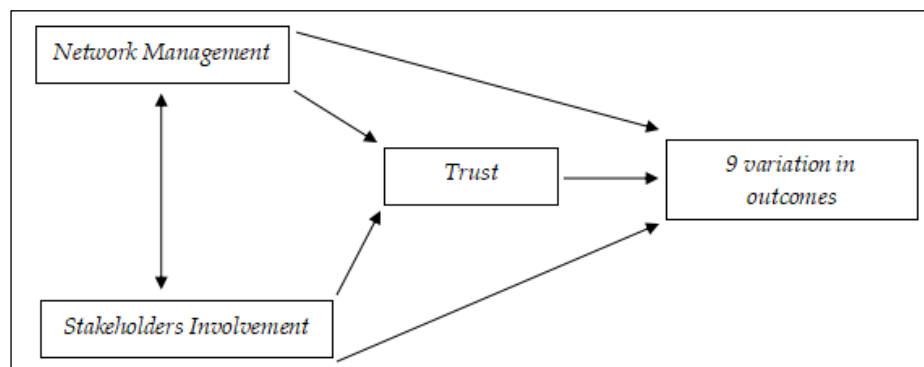
This paper will explain, record, and analyze data obtained from relevant literature studies such as journal articles, books, government documents, laws and regulations, news articles, and internet websites. The phenomena found in the development activities of the Rendang Small and Medium Industry will then be analyzed using network governance theory (Klijn et al, 2016) to see the extent to which factors such as stakeholder involvement, network management and trust can be a benchmark for the success or failure of the network built by the Payakumbuh City government in this case the Regional Technical Implementation Unit of Rendang Service and Development Center together with other stakeholders in developing the Rendang Small and Medium Industry which is a local superior industry. This paper will also discuss nine results that are expected to be achieved by the network built in an effort to develop the Rendang Small and Medium Industry in Payakumbuh City.

1. Innovation, regarding how innovative the results are.
2. Integrated solutions, relating to the extent to which the plan represents different neighborhood functions.

3. Contribution of stakeholders, relating to the recognizable contribution and impact of stakeholders in the decision-making process.
4. Problem-solving capacity, relating to the extent to which the solution provided actually addresses the problem at hand.
5. Resilience, relates to the extent to which the solution allows for changes that may be deemed necessary in the future.
6. Efficiency, relating to the relationship between costs and benefits of governance networks.
7. Conflict resolution, relates to the means used to avoid/resolve conflict.
8. Network building, relating to the frequency of contact between actors.
9. Support, relates to support for the outcomes arising from the governance network. This refers to the extent to which stakeholders are satisfied with the outcomes achieved.

## Results and Discussion

Klijn et al described the theoretical framework for governance networks as seen in figure 1 below:



**Figure 1. Conceptual Framework according to Klijn et al.**  
*Source: Klijn et al, 2011*

Figure 1 shows how network management and stakeholder participation have a positive influence on the nine variations of expected outcomes in the network.

### Stakeholders' Involvement in the Development of Rendang Small and Medium Industry in Payakumbuh City

In the effort to develop the Rendang Small and Medium Industry in Payakumbuh City, there are many things that cannot be done alone by the internal Regional Technical Implementation Unit of Rendang Service and Development Center so that it must coordinate, integrate, and synchronize with other institutions/ agencies from internal and external Payakumbuh City. The forms of cooperation carried out will be summarized in table 1 below.

**Table 1.**  
**The Role of Stakeholders in The Development of The Rendang Small and Medium Industry in Payakumbuh City**

| Name of Institution/Agency   | Form of Contribution  | Scope    |
|--|---|----------|
| Payakumbuh City Cooperative and MSME Office  | Product promotion and sales   | Internal |
| Payakumbuh City Environment Agency   | Industrial waste management   | Internal |
| Payakumbuh City Agriculture Office   | Procurement of raw materials that will be used to produce rendang   | Internal |
| Payakumbuh City Health Office  | Home Industry Production Licensing  | Internal |
| Payakumbuh City Education Office   | School of Randang curriculum development  | Internal |
| Payakumbuh City Tourism Youth and Sports Office  | Branding School of Randang as one of the region's traditional tourist destinations                                      | Internal |
| Payakumbuh City Commission B of the Regional House of Representatives                            | Supervision, legislating, budgeting, and monitoring the development of the Rendang Small and Medium Industry Center     | Internal |
| Indonesia Ministry of Industry   | Procurement of required facilities through the Special Allocation Fund from the State Budget                            | External |
| Indonesia Coordinating Ministry for Economic Affairs   | Coordinating program synergies for the development of MSMEs in the Rendang Payakumbuh Small and Medium Industry Center. | External |
| Indonesia Ministry of Tourism and Creative Economy   | Branding School of Randang as one of the region's traditional tourist destinations                                      | External |
| Koperasi Sentra Rendang Payo   | IKOSERO rendang production  | External |
| Indonesia Food and Drug Monitoring Institute   | Processing of Processed Food Distribution Permit  | External |
| Institute for Food, Drug, and Cosmetic Studies of the Indonesian Ulema Council                   | Halal Certificate Processing  | External |
| Sucofindo Certification Institute  | Food Safety Quality Assurance Certificate or HACCP ( <i>Hazard Analysis Critical Control Point</i> ) Processing         | External |
| Bogor Institute of Agriculture   | Certification and Training of Retort and Boiler Operators   | External |
| Indonesia Ministry of Agriculture through the Directorate General of Livestock and Animal Health | Certificate of Veterinary Control Number  | External |
| National Standardization Agency  | SNI Certificate Processing  | External |
| International Organization for Standardization   | ISO 22000 Certificate Processing  | External |
| PT. Imza Rizky Jaya  | Cooperation Agreement on promotion and sales of products abroad (export)  | External |

| Name of Institution/Agency                                | Form of Contribution   | Scope    |
|---|--|----------|
| Koperasi Ikaboga Padang                                   | Cooperation Agreement on promotion and sales of products abroad (export) to Norway                       | External |
| Dewan Perniagaan Usahawan Kecil Malaysia Indonesia Branch | MoU on product promotion and sales abroad (export)   | External |
| Advanced Food Company for Subsistence                     | MoU on the promotion and sale of products abroad (export) to Saudi Arabia                                | External |
| PT Muhibba Travel Riau                                    | Cooperation Agreement on promotion and sales of products to Riau Province, Riau Islands, and DKI Jakarta | External |
| Padang State University                                   | MoU for the construction of the Minang Culinary Program or School of Rendang (SOR)                       | External |

*Source: Author's analysis (Asri, 2020; Monica, 2021; Vesky, 2023)*

From table 1 above, it can be seen that the institutions/agencies involved in the efforts to develop the Rendang Small and Medium Industry have different contributions according to their respective fields. Stakeholders involved in the network assist the Regional Technical Implementation Unit of Rendang Service and Development Center in five crucial aspects, but cannot be done alone by the Payakumbuh City government.

1. Market information, sales access, and product branding at home and abroad. Greater stakeholder involvement usually means greater information availability (Berry, et al., 1993; McLaverty, 2002 in Klijn, et al., 2011). In this case, the Regional Technical Implementation Unit of Rendang Service and Development Center as the leading sector is assisted by several stakeholders from the internal and external environment of the Payakumbuh City government such as the Payakumbuh City Cooperative and MSME Office, the Payakumbuh City Youth and Sports Tourism Office, PT Imza Rizky Jaya, Koperasi Ikaboga Padang, Dewan Perniagaan Usahawan Kecil Malaysia Indonesia Branch, Advanced Food Company For Subsistence, and PT Muhibba Travel Riau. Thanks to the contributions of these various stakeholders, IKOSERO's rendang has been sold to various regions in Indonesia and has successfully penetrated the world market through export activities to Saudi Arabia, Germany, and Norway (Rahmat, 2019; Harnina, 2022; Ulyadi, 2022).
2. Sustainable improvement of Human Resources skills and expertise, development of production technology to increase rendang production capacity, and optimizing the role of information technology in order to develop the IKOSERO rendang market can be the right and most relevant strategies that can be used in developing and improving the competitiveness of the Rendang Small and Medium Industry in Payakumbuh City (Wati, et al., 2018). In an effort to develop human resources and improve the quality of rendang products produced,

the Regional Technical Implementation Unit of Rendang Service and Development Center is assisted by the Payakumbuh City Education Office, the Coordinating Ministry for Economic Affairs of the Republic of Indonesia, Bogor Agricultural University, Padang State University, and the Koperasi Sentra Rendang Payo. The form of activities carried out in the form of training operators, coaching business actors, and the formation of the School of Randang in 2021. School of Randang is an educational tourism facility program wrapped in traditional cultural heritage and local wisdom of Minangkabau. Apart from being a new tourist attraction in Payakumbuh City, the School of Randang program was formed as a forum for young people who are interested in learning and developing the rendang processing industry business as a provision to survive economic challenges in the future (Atviarni, 2023).

3. Another strategy that can be used by the Payakumbuh City government in an effort to develop the Rendang Small and Medium Industry is the optimization of government facilities and infrastructure (Wati, et al., 2018). In an effort to fulfill budget needs, facilities, and infrastructure to support production activities, the Regional Technical Implementation Unit of Rendang Service and Development Center is assisted by the Payakumbuh City Environment Office, the Payakumbuh City Agriculture Office and the Indonesian Ministry of Industry. For the construction of buildings and procurement of production equipment at the Rendang Small and Medium Industry Center, the Indonesian Ministry of Industry has disbursed a total of IDR 16.47 billion budget through the Special Allocation Fund for three consecutive years. In 2017 the amount was IDR 9.47 billion, in 2018 the amount was IDR 6 billion, and in 2019 the amount was IDR 1 billion (Yunaz, 2020). The availability of the budget and the various facilities needed, can support the production of rendang produced at the Rendang Small and Medium Industry Center in Payakumbuh City.
4. In terms of standardization legality to ensure the quality of IKOSERO rendang products, the Regional Technical Implementation Unit of Rendang Service and Development Center is assisted by the Payakumbuh City Health Office, Indonesia Food and Drug Monitoring Institute, Institute for Food, Drug, and Cosmetic Studies of the Indonesian Ulema Council, Sucofindo Certification Institute, Indonesia Ministry of Agriculture through the Directorate General of Animal Husbandry and Animal Health, the National Standardization Agency, and the International Organization for Standardization.
5. The Payakumbuh City Government wants to make efforts so that the Rendang Small and Medium Industry Center can be a legal entity because it will be related to the production capacity facilitated and supervised by the local government of Payakumbuh City (Wati et al., 2018). Currently, supervision, legislation, and monitoring activities for the development of



the Rendang Small and Medium Industry Center are carried out by Commission B of the Regional House of Representatives of Payakumbuh City.

Although by the end of 2022 the value of rendang production had reached IDR 28.76 billion (Vesky, 2023) and the Regional Technical Implementation Unit of Rendang Service and Development Center had worked hard in managing the rendang processing industry, IKOSERO's rendang products would not have been sold in both national and international markets without the involvement and contribution of various stakeholders as described above. So it can be said that stakeholder involvement is a key factor in efforts to develop the Rendang Small and Medium Industry in Payakumbuh City.

### **The Importance of Trust in Networks**

Trust can be considered a governance asset for several reasons (Klijn, et al., 2011). *First*, it reduces transaction costs. In situations where one party has good intentions towards another, the likelihood of unintended outcomes due to opportunistic behavior is reduced. In this effort to develop the Rendang Small and Medium Industry, the network can reduce costs because stakeholders have different involvement and contributions to cover the inability of the Payakumbuh City government through the Regional Technical Implementation Unit of Rendang Service and Development Center in efforts to develop the Rendang Small and Medium Industry.

Each stakeholder has its own interest in its involvement in the network that is formed so that there is a reciprocal relationship and interdependence in the network that is built. An example can be seen in the contribution made by the Payakumbuh City Agriculture Office in procuring raw materials that will be used to produce rendang. The raw materials obtained from Payakumbuh City itself are coconut, red chili, meat, and traditional spices. Just imagine if these raw materials had to be imported from other areas outside Payakumbuh City, then this would increase the cost requirements for producing quality rendang.

Conversely, with the existence of the Rendang Small and Medium Industry Center in Payakumbuh City, which requires quality raw materials such as the author mentioned above, the Agriculture Office of Payakumbuh City can determine the types of priority plants that should be developed together with the people of Payakumbuh City because these plants will also have economic value and become income for the local community. The relationship of reciprocity and interdependence can be clearly seen in this example.

*Second*, trust can increase the likelihood of actors to invest their resources into the network. Trust can stimulate investment and efforts made by actors in the relationship. In this effort to develop the Rendang Small and Medium Industry in Payakumbuh City, the resources

invested by stakeholders are realized in various forms ranging from domestic and foreign market information, human resources, budgets, facilities and infrastructure to trust investment in the form of legality of product standardization to ensure the quality of rendang from the production stage to entering the packaging stage. Without the involvement and trust in the form of resource investment from various stakeholders in the network, the Payakumbuh City government will be very difficult to achieve its goal of developing the Rendang Small and Medium Industry.

*Third*, trust stimulates learning and information appropriation. This information sharing requires a level of trust between the parties involved to facilitate their willingness to share valuable knowledge. The network formed in this Rendang Small and Medium Industry development effort is based on trust in information appropriation between the stakeholders involved.

In addition to business value, the efforts to develop the Rendang Small and Medium Industry also have educational value related to new innovations, for example in the form of the School of Randang. School of Randang was created as an educational media and information exchange facility between stakeholders in the network. Mentors in the School of Randang are willing to provide various information about rendang ranging from its origins in Minangkabau, the value of local wisdom, the process of making it to the many variations of rendang that have been developed to meet market demand.

Conversely, students who join the Minang Culinary Study Program at the School of Randang can provide new information to existing mentors in the form of various innovations and modifications to rendang variants that can be produced in the Rendang Small and Medium Industry Center. This is because the young generation of Indonesia is very literate with technological developments and follows the development of information flows from various parts of the world so that they can collaborate modern production processes, the authenticity of Payakumbuh City rendang, with the creativity and ideas they have to create rendang products with new manufacturing methods and types of rendang later. Because rendang product diversification is one of the strategies that can be used to increase the competitiveness of IKOSERO rendang in the domestic and international markets (Wati et al, 2018).

*Fourth*, trust has the ability to stimulate innovation by reducing uncertainty about opportunistic behavior and making vertical integration less of a concern (Parker and Vidya, 2001 in Klijn, et al., 2011). The trust built in the network in the effort to develop the Rendang Small and Medium Industry in Payakumbuh City can produce innovation because the network built is horizontal, so that each stakeholder involved has an equal position in the network.

Innovations that are formed include coordination, integration and synchronization between the government and stakeholders. Where all this time, the government hopes that the

Small and Medium Industry in Payakumbuh City can develop rapidly to help the regional economy, but no real action has been taken.

On the contrary, rendang entrepreneurs in Payakumbuh City are struggling each to promote and sell products from the brands they build themselves so that later they will get profit from the sales without bothering to think about the government's interest in economic growth, let alone to think about the competitiveness of local products globally.

However, starting from 2019, efforts were made to coordinate, integrate and synchronize between the government and rendang entrepreneurs on one network where both parties work together to build and develop this rendang business into a modern food processing industry by bringing the name of Payakumbuh City abroad, starting from the production process to product sales.

From this activity comes the interest of other stakeholders to assist the Payakumbuh City government and rendang entrepreneurs in achieving their goals. This can be considered an innovation considering that the Rendang Small and Medium Industry Center in Payakumbuh is the first to be built in Indonesia and then in 2022 it will be followed by the Rendang Center built by the Padang City government (Muamar and Afridah, 2022).

This innovation, which has been initiated since 2015, has succeeded in bringing the name of Payakumbuh City to achieve achievements and win various awards and at the national level. Through the city branding "*The City of Randang*", Payakumbuh City was ranked in the top 10 nationally in the final stage assessment of Regional Development Planning for 2023 held by the Ministry of National Development Planning/Bappenas and was entitled to a prize in the form of Regional Incentive Funds.

Then thanks to its achievement in producing rendang in large quantities, international standards, and successfully penetrating the world market, the Payakumbuh City Small and Medium Industry Center was also included in the "*Spice Up the World*" program initiated by the Ministry of Tourism and Creative Economy and a number of other institutions (Vesky, 2023).

### **Network Management to Drive Results and Trust**

In addition to the involvement and trust of stakeholders in the network, there are other factors that influence the success of efforts to develop the Rendang Small and Medium Industry, namely network management.

Cooperation, coordination of goals, interests, and creation of trust do not happen spontaneously in governance networks. It is often necessary to direct interactions within the network to advance these goals. Deliberate efforts to organize these processes are called network

management (Gage and Mandell, 1990; Kickert, et al, 1997; Meier and O'Toole, 2001 in Klijn et al, 2011). Klijn et al also concluded that more active network management leads to better interaction and coordination, which leads to more widely accepted outcomes and trust.

The cooperation carried out by the Payakumbuh City government through Regional Technical Implementation Unit of Rendang Service and Development Center with 23 other stakeholders leads to the same goal of developing the Rendang Small and Medium Industry in Payakumbuh City to be able to produce quality and globally competitive rendang. However, the many stakeholders involved have different interests related to the main tasks and functions of their respective institutions or agencies.

Although they are in one network that leads to the same goal, each stakeholder involved does not interact with each other. So, it can be said that in the efforts to develop the Rendang Small and Medium Industry in Payakumbuh City, network management has not been fully implemented.

In the network that is formed, each stakeholder only interacts with the Regional Technical Implementation Unit of Rendang Service and Development Center as the leading sector, without interacting with other institutions or agencies. This happens because the institutions or agencies involved have their own main tasks and functions. So that they only do what has become their main task and function and do not pay too much attention to what other institutions or agencies are doing and want to do.

For example, the Office of Cooperatives and MSMEs through the Regional Technical Implementation Unit for Sales and Promotion of MSME Products in Payakumbuh City is only in the form of promoting and selling products without paying attention to other factors such as the completeness of licensing and standardization because these have been delegated to institutions/agencies such as Indonesia Food and Drug Monitoring Institute, Institute for Food, Drug, and Cosmetic Studies of the Indonesian Ulema Council, and other institutions/agencies.

The interaction and dependence of the Cooperative and MSME Office is only carried out together with the Regional Technical Implementation Unit of Rendang Service and Development Center as the leading sector without involving other stakeholders, although there are several other stakeholders who also have the same contribution in terms of market information, sales access and product branding.

Network management in the effort to develop the Rendang Small and Medium Industry in Payakumbuh City is passive because there is no interaction between one stakeholder and another even though they are heading towards the same goal. So that this poor coordination can hinder the achievement of the results of the network that has been formed, namely developing

the Rendang Small and Medium Industry in Payakumbuh City to be able to produce quality and globally competitive rendang.

### **Results to be Achieved by the Network in Efforts to Develop the Rendang Small and Medium Industry**

Klijn, et al. discuss nine outcomes expected by the network in its efforts to develop the Rendang Small and Medium Industry in Payakumbuh City.

#### **1. Innovation**

The effort to develop the Rendang Small and Medium Industry through a governance network can be considered as an innovation. As the author has stated above, previously the government, business actors, and other stakeholders were still performing their respective main tasks and functions even though the government had announced the 2005-2025 Payakumbuh Vision, namely *"The Realization of Payakumbuh as an Advanced City with the Development of MSME Centers"*. This vision will be very difficult or even impossible to achieve without coordination, integration and synchronization through networking in the effort to develop the Rendang Small and Medium Industry in Payakumbuh City.

With the network formed in the effort to develop the Rendang Small and Medium Industry, the stakeholders involved in it can coordinate and interact to cover the shortage of various resources needed by the Payakumbuh City government in developing the Rendang Small and Medium Industry so that the desire of the Payakumbuh City government to become *"The City of Randang"* can be truly realized.

In addition, another form of innovation that has been successfully carried out by the Payakumbuh City government in an effort to develop the Rendang Small and Medium Industry is the construction of the School of Randang in 2021 as previously described by the author.

#### **2. Integrated solution**

The network built in the effort to develop the Rendang Small and Medium Industry in Payakumbuh City can be considered as an integrated solution in achieving the goal of developing the Rendang Small and Medium Industry in Payakumbuh City to be able to produce quality and globally competitive rendang because it unites the various functions of each institution or agency involved, even though these institutions or agencies have different main tasks and functions according to their fields and are autonomous.

The Network can also be considered as a solution because it has contributed and mobilized the various resource they have to solve the various problems faced by the Payakumbuh City government in its efforts to develop the Rendang Small and Medium Industry in the region. Without the cooperation of various stakeholders, the Payakumbuh City government would not

have been able to bring IKOSERO rendang to the international market in a relatively short time, namely four years since the Rendang Small and Medium Industry Center was first established in 2019.

### 3. Contribution of stakeholders

As the author has described in the previous section, efforts to develop the Rendang Small and Medium Industry in Payakumbuh City will be very difficult without the contribution, coordination, integration, and synchronization between the Payakumbuh City government and stakeholders in the network. So, it can be said that the contribution of stakeholders in this network is the most important factor in efforts to develop the Rendang Small and Medium Industry in Payakumbuh City.

### 4. Problem-solving capacity

In the effort to develop the Rendang Small and Medium Industry, there are various limitations owned by the Regional Technical Implementation Unit of Rendang Service and Development Center as the leading sector such as lack of market information, lack of sales access, difficulty branding products abroad, low quality of human resources, lack of budget needed, unavailability of proper facilities and infrastructure, to the absence of legal product standardization.

All of these limitations can be considered as problems that can hinder the achievement of goals. It can be said that Regional Technical Implementation Unit of Rendang Service and Development Center has limited problem-solving capacity if it has to handle all these problems alone. So that a network was formed that can help Regional Technical Implementation Unit of Rendang Service and Development Center to solve and answer various problems that are being faced in efforts to develop the Rendang Small and Medium Industry in Payakumbuh City. The limited problem-solving capacity in efforts to develop the Rendang Small and Medium Industry can be illustrated as follows.

If IKOSERO rendang has been produced but does not have halal and SNI certificates, then the rendang cannot be marketed to the wider community because the quality and standardization are not guaranteed. Vice versa, if halal and SNI certificates are already available, but the Regional Technical Implementation Unit of Rendang Service and Development Center together with the Koperasi Sentra Rendang Payo has not been able to produce rendang according to the amount of market demand, then the sale of this rendang product cannot be said to be successful, especially if it is expected to contribute to the regional economy of Payakumbuh City.

So that in this regard, each stakeholder involved can be said to have been able to provide solutions to the various problems faced by Payakumbuh City in efforts to develop the Rendang Small and Medium Industry.

## 5. Resilience

So far, each stakeholder has attempted to provide solutions to various problems being faced by Payakumbuh City in an effort to develop the Rendang Small and Medium Industry. However, this needs to be sustained because after 4 years of running, the Payakumbuh City government together with other stakeholders are still trying and looking for market information to market IKOSERO's rendang products to foreign countries.

This resilience factor also needs to be considered considering that some legal permits, certifications, and standardizations have a certain period of time and must be renewed regularly. In addition, the Payakumbuh City government has aspirations to change the Small and Medium Industry Center from a Regional Technical Implementation Unit to a Regional Public Service Agency in order to have flexibility in financial management patterns as an exception to the provisions of Regional Financial Management in general (Asri, 2020).

## 6. Efficiency

The network built in the effort to develop the Rendang Small and Medium Industry in Payakumbuh City can be said to be efficient because the relationship built emphasizes the benefits of each institution or agency built through trust and interdependence compared to the costs that must be incurred to make the institution or agency want to contribute to efforts to develop the Rendang Small and Medium Industry in Payakumbuh City.

If there is no network formed in the effort to develop the Rendang Small and Medium Industry, then promotional efforts, marketing, human resource development, improving the quality of rendang products, procurement of facilities and infrastructure to monitoring activities will require enormous costs and cannot be borne alone by the Payakumbuh City government so that efforts to develop the Rendang Small and Medium Industry will be very difficult to do.

## 7. Conflict resolution

In this indicator, the Payakumbuh City government and other stakeholders have not formulated how to avoid conflict and disagreement in the governance network. This is because the stakeholders involved in the efforts to develop the Rendang Small and Medium Industry do not interact with each other in the network so that the possibility of conflict or disagreement is even smaller.

## 8. Network development

The frequency of contact between stakeholders in the effort to develop the Rendang Small and Medium Industry in Payakumbuh City is not too intense. As the author stated above, the stakeholders involved each work according to their respective main tasks and functions without interacting intensely with other stakeholders and only have intense contact with the leading

sector, namely the Regional Technical Implementation Unit of Rendang Service and Development Center.

## 9. Support

So far, the support in the form of contributions and investment of resources provided by stakeholders in efforts to develop the Rendang Small and Medium Industry in Payakumbuh City has begun to bear fruit. Considering that local rendang MSME products in Payakumbuh City have succeeded in penetrating not only the national market, but also international markets such as Saudi Arabia to Norway (Rahmat, 2019 and Ulyadi, 2022).

## Conclusion

From the explanation of the application of network governance in the development of the Rendang Small and Medium Industry in Payakumbuh City, which is analyzed using Klijn and Koppenjan's theory, it can be concluded that the network carried out by the stakeholders involved has not been able to run optimally. Although there is already involvement and trust from various stakeholders to assist the Regional Technical Implementation Unit of Rendang Service and Development Center in developing the Rendang Small and Medium Industry, the lack of clarity in network management can hinder the achievement of the expected results of coordination, integration, and synchronization between stakeholders involved in the network.

This lack of clarity in network management has implications for the achievement of the results and objectives of the network itself. In general, the network has succeeded in creating innovation, integrated solutions, generating contributions from stakeholders, expanding problem-solving capacity, realizing efficiency and support.

However, the network still fails to implement conflict resolution and network development and should pay more attention to the resilience factor of the network as it relates to the sustainable development of the Rendang Small and Medium Industry.

Based on the discussion of the results and conclusions of this paper, there are still problems in the application of network governance in the development of the Rendang Small and Medium Industry in Payakumbuh City. To perfect the innovation and goodwill of the Payakumbuh City government in achieving the 2005-2025 Payakumbuh Vision "*The Realization of Payakumbuh as an Advanced City with the Development of MSME Centers*", the author submits several recommendations to correct these few shortcomings.

1. The Payakumbuh City Government through the Regional Technical Implementation Unit of Rendang Service and Development Center is expected to be able to manage and develop the network that has been formed, especially in creating interactions between the stakeholders



involved so that later coordination and synchronization will be created between one actor and another, not just the interaction of one actor with the Regional Technical Implementation Unit of Rendang Service and Development Center as leading sector . For example, in exploring market information, accessing sales, and branding IKOSERO rendang products, there are several stakeholders involved such as the Payakumbuh City Cooperative and MSME Office, the Youth and Sports Tourism Office, PT Imza Rizky Jaya, Koperasi Ikaboga Padang, Dewan Perniagaan Usahawan Kecil Malaysia Indonesia Branch, Advanced Food Company for Subsistance and PT Muhibba Travel Riau. In this one field, there are several different stakeholders but have almost the same contribution. If these stakeholders can build more intense interactions and the existing network can be managed better, then the network that has been formed will more easily achieve the results and goals set together in an effort to develop the Rendang Small and Medium Industry in Payakumbuh City.

2. The Payakumbuh City Government through the Regional Technical Implementation Unit of Rendang Service and Development Center is expected to pay more attention to the resilience of the network that has been built. This will be directly related to the sustainability of the development of the Rendang Small and Medium Industry in Payakumbuh City in the future so that the positive impact of this initiation and innovation is not only felt, but can still be benefited by future generations.
3. Until now, each stakeholdera involved has been able to provide the best solution and contribution to the development of the Rendang Small and Medium Industry. However, if the existing network is not managed well, it is not impossible that one of the stakeholders will resign from the network that has been formed, even though on the other hand its existence is still very much needed. For example, in managing the completeness of licensing and product standardization that must be updated regularly. If the stakeholders concerned withdraw and the legality of the standardization cannot be extended, it will have direct implications for the sale of IKOSERO products both in the domestic market and in the international market.
4. The Payakumbuh City Government through the Regional Technical Implementation Unit of Rendang Service and Development Center is expected to be able to formulate conflict resolution as an effort to mitigate risks that may occur and adversely affect the development of the Rendang Small and Medium Industry in Payakumbuh City. Both risks that may arise from one of the stakeholders involved in the network such as loss of trust and withdrawing contributions that have been given so far, as well as risks that arise from the internal Payakumbuh City government itself as the leading sector in efforts to develop the Rendang Small and Medium Industry in Payakumbuh City.

## References

- Asri, W. (2020). *Strategi Sentra Rendang Payakumbuh Menembus Pasar Modern dan Internasional*. Retrieved from <http://repo.unand.ac.id/32329/1/Rendang%20Mendunia.pdf>
- Atviarni. (2023, March 14). Ini Kata Erwin Yunaz tentang School of Randang. *Harianhaluan.id*. Retrieved from <https://harianhaluan.id/utama/hh-36789/ini-kata-erwin-yunaz-tentang-school-of-randang/>
- National Development Planning Agency. (2020). National Medium-Term Development Plan 2020-2024. Retrieved from [https://perpustakaan.bappenas.go.id/e-%20library/file\\_upload/koleksi/migrasi-data-%20publikasi/file/RP\\_RKP/Dokumen%20RPJMN%202020-%202024/Lampiran%201.%20Narasi%20RPJMN%202020-2024.pdf](https://perpustakaan.bappenas.go.id/e-%20library/file_upload/koleksi/migrasi-data-%20publikasi/file/RP_RKP/Dokumen%20RPJMN%202020-%202024/Lampiran%201.%20Narasi%20RPJMN%202020-2024.pdf)
- Frederickson, H.G., Smith, K.B., Larimer, C.W., Licari, M.J. (2012). *The Public Administration Theory Primer*. USA: Westview Press
- Harnina. (2022, July 27). Hebat, Sentra IKM Payakumbuh Ekspor 1 Ton Bumbu Rendang ke Jerman. *Suha News*. Retrieved from <https://suhanews.co.id/hebat-sentra-ikm-payakumbuh-ekspor-1-ton-bumbu-rend/>
- Indonesia Ministry of Industry. (2023). *Booklet informasi industri edisi I*. Retrieved from <https://kemenperin.go.id/download/29525>
- Klijn, E.H., Koppenjan, J. (2016). An introduction, *Governance networks in the public sector* (pp. 1-18). London and New York: Routledge.
- Klijn, E.H., Edelenbos, J., Stein, B., Vermeeren, B. (2011). *Steering for Social Outcomes in Governance Networks: The Effects of Participation and Network Management*, 1-18. [https://doi.org/10.1108/S0732-1317\(2011\)0000021015](https://doi.org/10.1108/S0732-1317(2011)0000021015)
- Monica, L.T. (2021). *Implementasi Peraturan Walikota Nomor 3 Tahun 2019 tentang Kedudukan, Susunan Organisasi, Tugas, Fungsi, serta Tata Kerja Unit Pelaksana Teknis Daerah Pada Dinas Tenaga Kerja dan Perindustrian Kota Payakumbuh*. Padang: Andalas University
- Muamar, A., Afridah, M. (2022, February 15). Pemerintah Kota Padang Bangun Sentra Rendang: Upaya Tingkatkan Daya Saing Industri Kecil dan Menengah. *Green network*. Retrieved from <https://greennetwork.id/unggulan/pemerintah-kota-padang-bangun-sentra-rendang-upaya-tingkatkan-daya-saing-Industri Kecil Menengah/>
- Parasan, PM., Kindangen, P., Kawung, G. (2018). Analisis pengaruh industri kecil menengah terhadap pertumbuhan ekonomi di Sulawesi Utara. *Jurnal Pembangunan Ekonomi dan Keuangan Daerah*, 18(4), 45-62.

Regional Regulation Number 14 of 2018 concerning the Industrial Development Plan of West Sumatra Province 2018-2038

Government Regulation Number 14 of 2015 concerning the National Industrial Development Master Plan 2015-2035

Presidential Regulation of the Republic of Indonesia Number 18 of 2020 concerning the National Medium-Term Development Plan 2020-2024

Payakumbuh Mayor Regulation Number 30 of 2019 concerning Position, Organizational Structure, Duties, Functions, and Work Procedures of the Regional Technical Implementation Unit at the Manpower and Industry Office of the City of Payakumbuh  
Rahmat, S. (2019, February 18). Payakumbuh ekspor rendang ke Arab Saudi. *Antara*. Retrieved from <https://m.antaranews.com/berita/799696/payakumbuh-ekspor-rendang-ke-arab-saudi>

Sugiyono. (2016). *Metode penelitian kuantitatif, kualitatif, dan R&D*. Bandung: Alfabeta.

Ulyadi. (2022, August 20). Rendang Kota Payakumbuh Jajal Pasar Norwegia. *FajarSumbar.com*. Retrieved from <https://www.fajarsumbar.com/2022/08/rendang-kota-payakumbuh-jajal-pasar.html>

Vesky, F.R. (2023, March 31). The City of Randang dan River Front City, Antar Payakumbuh Masuk 10 Besar PPD. *PadEk*. Retrieved from <https://padek.jawapos.com/pariwisata/31/03/2023/the-city-of-randang-dan-river-front-city-antar-payakumbuh-masuk-10-besar-ppd/>

Wati, R., Suresti, A., Hellyward, J., Masrizal, Indrayani, A. (2018). *Model pengembangan industri rendang untuk meningkatkan daya saing melalui analisis SWOT dan metode kanvas dalam rangka penguatan sistem inovasi daerah (SIDa)*. Semnas Persepsi III Manado, 358-369 Retrieved from [http://repo.unsrat.ac.id/2171/2/Prosiding\\_PERSEPSI\\_FINAL\\_19\\_%2843%29.pdf](http://repo.unsrat.ac.id/2171/2/Prosiding_PERSEPSI_FINAL_19_%2843%29.pdf)

Yunaz, E. (2020). *Pemberdayaan Industri Kecil Menengah Rendang Kota Payakumbuh*. Retrieved from <http://repo.unand.ac.id/32329/2/Wawako%20Payakumbuh%20Presentasi%20Rev.pdf>