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Collaborative Governance in Financing Street Vendors in the Aur Kuning Market Area

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Abstract. Although research on Collaborative Governance in public program implementation has been widely studied, research examining collaboration between local governments and Islamic financial institutions in financing Street Vendors (PKL) remains limited. This study aims to analyze and describe Collaborative Governance between the Bukittinggi City Government and PT. BPRS Jam Gadang in implementing the Utsman Program for financing Street Vendors in the Aur Kuning Market Area, as well as identifying factors influencing its implementation. This study used a qualitative case study approach. Informants were selected through purposive sampling, involving representatives of the Bukittinggi City Government, PT. BPRS Jam Gadang, and Utsman Program beneficiaries. Data were collected through interviews, observations, and documentation, then analyzed using an interactive model consisting of data reduction, data display, and conclusion drawing. The findings show that Collaborative Governance in the Utsman Program is implemented through cross-sector collaboration with clear role distribution, communication, coordination, and shared commitment between institutions. Supporting factors include regulatory support, effective communication, institutional commitment, and financial resources. However, administrative complexity, limited socialization, and challenges in achieving business independence remain obstacles. The study concludes that effective Collaborative Governance requires strong inter-organizational relationships and sustainable financial support to strengthen empowerment programs for Street Vendors.

Keywords: Collaborative Governance; Empowerment Program; Islamic Finance; Public Policy; Street Vendors.

1. INTRODUCTION

Micro, Small, and Medium Enterprises (MSMEs), including Street Vendors (PKL), have an important role in driving economic growth and employment in Indonesia. So the Government Plays a primary role and involves relevant agencies in supporting the development of this sector by facilitating in the form of capital financing. Manage adequate market access and periodic empowerment to create PKL independence through Collaborative GovernanceTambunan (2019), and in West Sumatra Province Becomes the Main Object, especially in Bukittinggi City where the majority of the population earns a living as PKL. However, limited access to formal financing is still one of the main problems faced by micro-entrepreneurs. As a result, some entrepreneurs experience difficulties in developing their businesses, so that easily accessible and sustainable financing support is needed to increase business capacity and community welfare.Setiawan et al. (2021). The availability of financing programs does not automatically guarantee that traders can achieve prosperity and independence. Many traders tend to rely on easily accessible financing without a complex administrative system without assessing its credibility and relevance. In this digital era. Government funding programs can be accessed from anywhere, including information, administrative systems, and strategies. However, street vendors (PKL) are generally still

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technologically illiterate. Therefore, outreach and empowerment are crucial competencies for navigating street vendors' growth and independence.Asy et al. (2023).

Collaborative governance is a governmental arrangement that directly involves one or more public institutions with non-state stakeholders in a formal, consensus-oriented, and deliberative decision-making process to formulate and implement public policyAnsell & Gash (2008). (Ansell & Gash, 2008)the success of collaborative governance is influenced by starting conditions, institutional design, facilitative leadership, and the collaborative process. This collaborative process is realized through face-to-face dialogue, trust-building, commitment to the process, shared understanding, and intermediate outcomes that serve as indicators of successful collaboration. In line with this, (Emerson et al., 2012)explain that collaborative governance is a process and structure of public decision-making that involves various government and non-government actors to achieve shared public goals. Collaborative governance is a relevant approach to community economic empowerment because it allows local governments and the non-government sector to integrate their capacities and resources. In this study, the collaborative governance theory from (Ansell & Gash, 2008) is used as an analytical framework to examine the collaboration between the Bukittinggi City Government and PT. BPRS Jam Gadang in implementing the Utsman Savings Program as an effort to empower and finance Street Vendors (PKL) in the Aur Kuning Market Area.

Previous research has shown that the Utsman Savings Program and various financing schemes distributed through PT. BPRS Jam Gadang contribute to increasing access to capital and business development for MSMEs and small traders (Wilda Irsyad, 2023). Furthermore, traders' interest in utilizing financing programs is also influenced by ease of procedures, trust in the channeling institution, and the economic benefits obtained from the program (Santi Handayani & Cahya Agung Mulyana, 2024a). Furthermore, research on collaborative governance shows that the success of a public program is greatly influenced by stakeholder involvement, effective communication, and commitment to achieving common goals (Cantika, 2024). These findings indicate that the success of the Utsman Savings Program is determined not only by the availability of financing access, but also by the quality of the collaborative process established between the local government, financial institutions, and the program's target groups. However, research specifically examining the collaborative governance process between the Bukittinggi City Government and PT. BPRS Jam Gadang's involvement in the Utsman Savings Program for street vendors (PKL) in the Aur Kuning Market area remains limited. Therefore, a more in-depth study is needed to understand how this collaboration occurs and the factors influencing the program's success in achieving its goal of community economic empowerment.

The local government has a strategic role in encouraging community economic empowerment by providing policies and programs that can increase access to financing for micro-entrepreneurs. This role is carried out through its functions as a facilitator, regulator, and catalyst in supporting the development of MSMEs so that it can increase business capacity and community welfare (Jaelani & Fidaris, 2024). The Bukittinggi City Government collaborates with PT. BPRS Jam Gadang as a regional financial institution tasked with distributing financing to Street Vendors (PKL) and other micro-entrepreneurs. According to (Ansell & Gash, 2008), the success of a collaboration is not only determined by the involvement of actors, but also by the quality of the collaboration process built through dialogue, trust, commitment, and shared understanding.(Emerson et al., 2012) explain that achieving public goals in collaborative governance is highly dependent on the ability of stakeholders to integrate resources and build collective action. The existence of financing programs and inter-organizational cooperation does not automatically guarantee the achievement of community empowerment goals. Various studies have shown that challenges such as inter-sector coordination, differing interests, and limited participation of target groups can impact the effectiveness of collaborative implementation(Cantika, 2024). Therefore, it is important to understand how the collaborative governance process between the Bukittinggi City Government and PT. BPRS Jam Gadang is implemented in the Utsman Savings Program to achieve the goal of empowering street vendors (PKL) in the Aur Kuning Market area.

The Utsman Savings Program in the Aur Kuning Market area of Bukittinggi City provides a relevant context for examining the implementation of collaborative governance in community economic empowerment. As the largest trading area in Bukittinggi City, Aur Kuning Market has a significant number of street vendors (PKL) and requires easy, affordable, and sustainable access to financing(Wahyuningsih et al., 2022). To address this need, the Bukittinggi City Government collaborated with PT. BPRS Jam Gadang through the Utsman Savings Program as a financing instrument for micro-entrepreneurs. Several previous studies have examined this program from various perspectives.(Wilda Irsyad, 2023)examined the contribution of the Utsman Savings Program to trader business development; (Santi Handayani & Cahya Agung Mulyana, 2024)examined the factors influencing traders' interest in utilizing Utsman financing; and (Dira Ardianti, 2024)examined the implementation of Utsman financing at PT. BPRS Jam Gadang. In addition, examined the influence of financing on the development of MSMEs, while (Cantika, 2024)examined collaborative governance in the arrangement of street vendors. Although these studies provide important insights into micro-enterprise financing and collaborative governance, most still focus on the impact of programs, financing implementation, or collaboration in different contexts. Therefore, this study seeks to fill this gap by specifically analyzing the collaborative governance process between the Bukittinggi City Government and PT. BPRS Jam Gadang in the implementation of the Utsman Savings Program for street vendors in the Aur Kuning Market area using the Collaborative Governance framework from(Ansell & Gash, 2008).

The research gap addressed in this study lies in the limited number of studies specifically analyzing the collaborative governance process in the implementation of the Utsman Savings Program as a financing instrument and empowerment for street vendors (PKL). Previous research generally focused on the program's contribution to business development, factors influencing vendors' interest in utilizing financing), the implementation of financing at PT. BPRS Jam Gadang (Dira Ardianti, 2024), and the influence of financing on the development of MSMEs (Hamzah Syaifullah, 2025) . Research on collaborative governance conducted by (Cantika, 2024) focused more on the arrangement of street vendors in a different context. Previous studies have not comprehensively examined how the collaboration process between the Bukittinggi City Government and PT. BPRS Jam Gadang takes place in the implementation of the Utsman Savings Program. To address this gap, this study uses the Collaborative Governance theory proposed by (Ansell & Gash, 2008)as the main analytical framework. This theory emphasizes four important components, namely starting conditions, institutional design, facilitative leadership, and collaborative processes that include face-to-face dialogue, trust building, commitment to the process, shared understanding, and intermediate results. The novelty of this research lies in the analysis of collaborative governance in a margin subsidy-based financing program involving local governments and sharia-based regional banks for the empowerment of street vendors in the Aur Kuning Market Area of Bukittinggi City. Different from previous studies that focused more on the financing aspect or the impact of the program, this research focuses on the dynamics of the collaboration process between actors that is an important factor in the successful implementation of the Utsman Savings Program.

Based on these considerations, this study aims to analyze collaborative governance between the Bukittinggi City Government and PT. BPRS Jam Gadang in the implementation of the Utsman Savings Program for Street Vendors (PKL) in the Aur Kuning Market Area. The analysis was conducted using the Collaborative Governance framework from (Ansell & Gash, 2008)to understand the initial conditions, institutional design, facilitative leadership, and the collaborative process formed in the program implementation. This study is expected to provide empirical contributions to the development of collaborative governance studies in community economic empowerment, particularly in micro-enterprise financing programs that involve collaboration between local governments and regional financial institutions. The results of this study are expected to provide input for the Bukittinggi City Government and PT. BPRS Jam Gadang in strengthening the effectiveness of collaboration to support the sustainability of the Utsman Savings Program and improve the welfare of Street Vendors (PKL).

2. THEORETICAL REVIEW

Collaborative governance is a governance approach that emphasizes the involvement of government and non-government actors in addressing public issues through a collaborative process. According to (Ansell & Gash, 2008), collaborative governance is a governing arrangement involving one or more public agencies directly with non-state stakeholders in a formal, consensus-oriented, and deliberative decision-making process to formulate and implement public policy. This approach positions the government as a facilitator that builds cooperation with various stakeholders to achieve shared goals.

(Ansell & Gash, 2008)explain that the core of collaborative governance lies in the collaborative process, which comprises five key indicators: face-to-face dialogue, trust building, commitment to the process, shared understanding, and intermediate outcomes. Face-to-face dialogue entails direct communication among stakeholders to build mutual understanding and resolve conflicting interests. Trust building refers to the process of establishing trust as the foundation for effective cooperative relationships. Commitment to the process reflects the willingness of each actor to maintain their involvement and implement the agreements reached. Shared understanding refers to a common perception regarding goals, vision, and problem-solving, while intermediate outcomes are the initial results achieved during the collaboration process that serve as a basis for the sustainability of the cooperation.

In addition to the collaborative process itself, (Ansell & Gash, 2008) explain that the success of collaborative governance is influenced by four key factors: starting conditions, institutional design, facilitative leadership, and the collaborative process. Starting conditions refer to initial circumstances such as resource distribution, power balance, levels of trust, and prior experience with cooperation. Institutional design pertains to the rules, procedures, and mechanisms that guide the implementation of the collaboration. Facilitative leadership emphasizes the importance of leadership capable of facilitating communication, building consensus, and sustaining the collaboration. Meanwhile, the collaborative process constitutes the series of interactions that determine the successful achievement of shared goals.

Extensive research on collaborative governance has been conducted across various fields. Studies by (Ansell & Gash, 2008) indicate that the success of collaboration is determined by dialogue, trust, commitment, and facilitative leadership. Furthermore, research by (Emerson et al., 2012) underscores that collaborative dynamics and shared capacity are crucial factors in public policy implementation. Subsequent studies have also shown that collaborative governance is widely applied in sectors such as public services, environmental management, and regional development. However, research addressing the collaboration between local governments and Sharia financial institutions in implementing financing programs for street vendors remains limited. Therefore, this study aims to expand the application of collaborative governance theory to the context of community economic empowerment through partnerships between local governments and Sharia financial institutions.

3. METHODS

This study uses a qualitative approach with descriptive methods to analyze collaborative governance between the Bukittinggi City Government and PT. BPRS Jam Gadang in the implementation of the Utsman Savings Program for Street Vendors (PKL) in the Aur Kuning Market Area. The study was conducted in Bukittinggi City involving actors directly involved in the program implementation. Research informants were determined using purposive sampling and snowball sampling techniques. Purposive sampling was used to select informants who were considered to know and were directly involved in the implementation of the Utsman Savings Program, while snowball sampling was used to obtain additional informants based on recommendations from previous informants. Research informants consisted of the Head of Financing, Head of Funding, and Head of Operational Division of PT. BPRS Jam Gadang, Head of Economic and Development Division of the Bukittinggi City Regional Secretariat, Head of Market Management and Person in Charge of Aur Kuning Market at the Bukittinggi City Trade and Industry Office, and 15 Street Vendors (PKL) who were beneficiaries of the Utsman Savings Program.

The research data consists of primary and secondary data. Primary data were obtained through in-depth interviews and field observations, while secondary data were obtained from various documents related to the research, such as Bukittinggi Mayor Regulation Number 6 of 2024, memorandums of understanding (MoUs), program implementation reports, institutional archives, books, scientific journals, and other supporting documents. Data collection techniques were carried out through observation, interviews, and documentation. Observations were conducted to observe program implementation and interactions between actors involved in the collaboration. Interviews were conducted with research informants to obtain information regarding the collaborative governance process, while documentation was used to complement and strengthen the data from observations and interviews.

According to Moleong (2018), data validity testing was conducted using source triangulation. Source triangulation was conducted by comparing and re-checking the degree of trustworthiness of information obtained from various sources, namely the Bukittinggi City Government, PT. BPRS Jam Gadang, and street vendors (PKL), so that the data obtained could be tested for credibility and consistency.

Data analysis used the interactive data analysis model proposed by Miles (1992), which consists of data reduction, data presentation, and conclusion drawing. Data reduction was carried out by selecting, focusing, simplifying, and grouping data relevant to the research focus. Next, the reduced data was presented in the form of a narrative description to facilitate researchers in understanding patterns and relationships between data. The final stage was drawing conclusions, which was carried out continuously throughout the research process to obtain findings in accordance with the research focus. The analysis was conducted using the Collaborative Governance theory from Ansell and Gash (2008), which includes initial conditions (starting conditions), institutional design (institutional design), facilitative leadership (facilitative leadership), and collaborative processes (collaborative process) as an analytical framework in examining the implementation of the Utsman Savings Program in the Aur Kuning Market Area of Bukittinggi City.

4. RESULTS AND DISCUSSION

Collaborative Governance Form in PKL Financing in the Aur Kuning Market Area

The form of collaboration in the Utsman Program shows cross-sector collaboration between the Bukittinggi City Government and PT. BPRS Jam Gadang in empowering Street Vendors (PKL). This collaboration is realized through a clear division of roles between the government as the policy maker and provider of financing margin subsidies, and PT. BPRS Jam Gadang as the technical implementer of the program. This finding is reinforced by P1's statement that the Bukittinggi City Government provides subsidies to PT. BPRS Jam Gadang to help the community obtain lighter financing, while the bank is responsible for distributing and assisting the beneficiary community. This finding indicates an interdependence of resources and authority between the two actors in achieving the program's objectives.

The Bukittinggi City Government's role as a regulator is realized through the provision of a legal basis in the form of Bukittinggi City Regulation Number 8 of 2014, Mayoral Regulation Number 5 of 2015, Mayoral Regulation Number 6 of 2024, and a Memorandum of Understanding (MoU) with PT. BPRS Jam Gadang. This finding is reinforced by P2's statement explaining that the implementation of the Utsman Program is carried out based on regulations established by the local government and serves as a guideline for all parties involved in the program. This indicates that collaboration is built through formal agreements that provide certainty regarding the rights, obligations, and responsibilities of each party.

The Bukittinggi City Government acts as a provider of financial resources through financing margin subsidies, while PT. BPRS Jam Gadang acts as the manager and distributor of financing to communities that meet the program requirements. This finding is supported by P1's statement that the subsidy funds come from the Bukittinggi City Government, while the verification, analysis, and disbursement of financing are carried out by PT. BPRS Jam Gadang. Thus, the collaboration reflects a division of functions based on the capacity and authority of each organization.

The collaboration between the Bukittinggi City Government and PT. BPRS Jam Gadang has a clear legal basis through Mayoral Regulation No. 6 of 2024 and a Memorandum of Understanding (MoU) agreed to by both parties. This finding is reinforced by the P3 statement, which explains that the implementation of the Utsman Program is based on official cooperation between the local government and PT. BPRS Jam Gadang, the institution appointed to distribute financing margin subsidies to micro-enterprises. This demonstrates that the collaboration is supported by a strong institutional framework.

Figure 1. Collaboration Mechanism.

The implementation of the Utsman Program demonstrates a clear division of functions between the Bukittinggi City Government and PT. BPRS Jam Gadang. This finding is reinforced by P2's statement that the government is responsible for establishing program policies and targets, while PT. BPRS Jam Gadang carries out the operational financing process, from verification to disbursement of funds. This finding indicates that the program's success is largely determined by the synergy between actors in carrying out their respective roles.

The verification and survey process is a crucial step in the implementation of the Utsman Program to ensure accurate targeting of beneficiaries. This finding is reinforced by

P4's statement, which explains that prospective recipients must complete administrative documents and undergo a field survey before funding can be approved. This process ensures that beneficiaries have active businesses and are eligible for government-subsidized financing.

PT. BPRS Jam Gadang actively socializes and promotes the Utsman Program to the community. This finding is supported by P5's statement, which explains that socialization is conducted through direct meetings with the community and traders to provide an understanding of the program's procedures, requirements, and benefits. Furthermore, various community input and complaints are used as evaluation materials to improve the quality of program services.

The coordination mechanism between the Bukittinggi City Government and PT. BPRS Jam Gadang occurs through both formal and informal communication. This finding is supported by P2's statement that coordination is carried out through evaluation meetings, submitting program progress reports, and direct communication if obstacles are encountered during program implementation. This situation indicates that ongoing communication is a crucial factor in maintaining effective collaboration.

Formal coordination between the Bukittinggi City Government and PT. BPRS Jam Gadang is realized through the General Meeting of Shareholders (GMS), annual meetings, and program evaluation meetings. This finding is supported by P2's statement, which explains that these forums are used to discuss the progress of the Utsman Program implementation and evaluate various issues that arise during its implementation. Thus, coordination is a crucial instrument in maintaining accountability and the sustainability of collaboration.

The participation of street vendors (PKL) as the program's target group has been demonstrated through their involvement in the registration process, financing utilization, outreach, and program input. This finding is reinforced by P6's statement that the Utsman Program helps vendors obtain additional business capital without high interest rates. However, P7 revealed that some vendors still prefer informal loans because they perceive the disbursement process to be faster than the Utsman Program. This finding indicates that stakeholder participation has been established, but procedural simplification is still needed to increase vendor involvement in the program.

Factors Influencing Collaborative Governance in Financing Street Vendors (PKL) in the Aur Kuning Market Area

Face-to-face dialogue, or intensive dialogue and communication, is one of the supporting factors in the collaboration between the Bukittinggi City Government and PT. BPRS Jam Gadang in the Utsman Program. This is evident in the direct communication conducted through coordination meetings, evaluation meetings, GMS, and various discussion forums that bring together all actors involved in the program. Through this face-to-face communication, parties can convey information, discuss program developments, identify emerging obstacles, and find joint solutions to the problems faced. In addition, the presence of the Economic Section of the Bukittinggi City Regional Secretariat as a communication liaison helps strengthen the smooth coordination between actors. Thus, the intensive dialogue and communication have created a common understanding, reduced the potential for conflict, and supported the effective implementation of the Utsman Program.

Table 1. Utsman Program Distribution Data.

Year	Disbursement	Number of Debtors
2022	Rp. 14.518.200.000,-	1.956
2023	Rp. 14.825.850.000,-	1.623
2024	Rp. 10.402.700.000,-	1.062
2025	Rp. 12.518.000.000,-	1.157

The data above shows that the distribution of subsidy funds is very adequate and this is one of the supporting factors in the collaboration between the Bukittinggi City Government and PT. BPRS Jam Gadang in the Utsman Program. This support is evident in the allocation of a subsidy budget provided continuously by the Bukittinggi City Government, the availability of human resources with clear duties and functions in managing the program, and the availability of service facilities that are easily accessible to the public. In addition, the use of digital media and socialization activities also support the dissemination of program information to the public. The availability of these resources helps facilitate coordination between actors, increases access to services for traders, and supports the sustainability of the Utsman Program in achieving its stated goals.

However, several indicators also become obstacles in the implementation of Collaborative Governance in financing street vendors in the Aur Kuning market area, especially in the utilization of the Utsman program, starting from the administrative procedures for Ustman beneficiaries, especially for traders in the Aur Kuning market area, starting from KK and KTP domiciled in Bukittinggi city, Priority for small and medium traders who have been trading for approximately 1 to 2 years, have complete identity documents for Bukittinggi city, and are not tied to other financing, and the BPRS administrative process is said by several traders to be a little complex and is expected to hold promotions and counseling related to the program, and from the BPRS has also implemented a form of program promotion to every sub-district in Bukittinggi city, but according to existing reports not all sub-districts receive promotions carried out by related parties, the Ustman program is very helpful for small traders because of financing without interest rate access, so it can be utilized carefully, and the administrative process is relatively complicated by traders who do not receive a form of introduction and counseling related to this program which was innovated by the central government with the BPRS.

Bukittinggi city regulation No. 8 of 2014 concerning the arrangement and empowerment of street vendors in article 32 paragraph 2 point b, is not fully in accordance with the regulations because BPRS clarified that they carried out promotions and counseling in every sub-district in Bukittinggi city only focusing on counseling the administrative process to receive ustman benefits and from the Bukittinggi city government side they also clarified that they only played a role in the aspect of subsidizing interest rates on ustman loans to traders and promoting superior programs to the Bukittinggi city community, and various ustman beneficiaries from the last 2 years admitted that they only received financing aspects without any education or empowerment of trading strategies to create sustainable PKL independence and the discourse on classy PKL still needs to be designed with more mature planning and preparation.

Table 2. Utsman Program Subsidy Data.

Year	Subsidy Received	Number of Debtors	Changes
2022	Rp. 2.574.989.266,-	1.956	-
2023	Rp. 2.499.916.63,-	1.623	Turun 2,92% dari tahun 2022
2024	Rp. 1.820.472.500,-	1.062	Turun 27,18% dari tahun 2023
2025	Rp. 2.190.650.000,-	1.157	Naik 20,33% dari tahun 2024

From 2022 to 2025 there was a decrease of:

$$\frac{2.190.650.000-2.574.989.266}{2.574.989.266} \times 100 = -14{,}93\% \text{..(i)}$$

Based on the Utsman Program subsidy data, the amount of the subsidy fluctuated during the 2022–2025 period. In 2023, the subsidy decreased by 2.92% compared to 2022, from Rp2,574,989,266 to Rp2,499,916,630. A more significant decrease occurred in 2024, namely by 27.18% to Rp1,820,472,500. However, in 2025 the subsidy amount increased again by 20.33% to Rp2,190,650,000. Despite the increase in 2025, the subsidy value was still 14.93% lower than in 2022. This finding indicates that the Utsman Program subsidy budget support is experiencing dynamics that have the potential to affect the program's capacity to reach micro-entrepreneurs and street vendors.

Fluctuations in the number of customers and the amount of subsidies for the Utsman Program are not due to low public interest, as the program remains highly sought after by small and medium-sized traders in Bukittinggi City. However, this high level of interest has not been able to consistently increase the number of beneficiaries each year. Research findings indicate that this condition is more influenced by the program's limited capacity, which relies on the amount of subsidies allocated by the Bukittinggi City Government. Therefore, although there is no official quota for applicants, budget availability indirectly limits the number of debtors that can be served. Furthermore, the administrative process, considered quite complex by some traders, is also a factor that reduces the realization of beneficiaries. There is a gap between the high public demand for the Utsman Program and the program's ability to accommodate that demand, which causes the number of customers and subsidies distributed to tend to fluctuate from year to year.

Discussion

The research findings indicate that the Utsman Program has implemented the principles of Collaborative Governance through a collaboration between the Bukittinggi City Government and PT. BPRS Jam Gadang in financing street vendors (PKL) in the Aur Kuning Market area. This collaboration is evident in the clear division of roles, with the government acting as a regulator and provider of financing margin subsidies, while PT. BPRS Jam Gadang acts as the program's technical implementer. This finding aligns with the views of Ansell and Gash (2008) who stated that resolving public problems requires the involvement of various actors through a collaborative process based on shared roles, responsibilities, and resources. Furthermore, the success of the collaboration is supported by clear regulations, intensive communication, and coordination through evaluation meetings and other official forums. This condition aligns with the face-to-face dialogue dimension in the Ansell and Gash (2008) model, which emphasizes that direct dialogue is a crucial factor in building trust, commitment, and shared understanding among the actors involved in the collaboration. However, the research also found several obstacles, such as administrative processes that were considered complicated by some vendors and uneven program socialization. As a result, some vendors still choose informal financing sources because they are perceived as more accessible. Furthermore, the implementation of the Utsman Program remains more focused on providing access to financing than on sustainable business empowerment. These findings indicate that the established collaboration has been able to increase access to capital for street vendors, but has not yet fully achieved the goal of comprehensive economic empowerment. Therefore, strengthening outreach, simplifying procedures, and integrating financing programs with business mentoring are needed to more optimally achieve the goals of the collaboration.

Research findings indicate that the collaboration between the Bukittinggi City Government and PT. BPRS Jam Gadang in the Utsman Program has fulfilled the elements of Collaborative Governance as proposed by Ansell and Gash (2008), particularly in the aspects of communication, commitment, and role allocation between actors. The existence of ongoing coordination and regulatory support demonstrates the importance of cooperation in achieving the goal of community economic empowerment.

These findings align with research by Irsyad, Wilda, and Zuwardi (2023) and Hamzah Syaifullah (2025), which showed that the Utsman Program contributed to increasing access to capital and business development for MSMEs. Furthermore, these findings support Dira Ardianti's (2024) research, which emphasized the importance of communication and resources in implementing the Utsman Program. However, this study found that challenges remain, including administrative complexity and suboptimal program outreach to all traders, potentially limiting the program's benefits.

Unlike previous research that focused more on the impact of financing or program implementation, this study highlights the collaborative process between local governments and Islamic financial institutions as a critical factor in the success of the Utsman Program. Thus, this study makes a novel contribution by demonstrating that the effectiveness of the Utsman Program is determined not only by access to financing but also by the quality of collaboration and the sustainability of resource support from the actors involved.

The findings of this study contribute to the development of Collaborative Governance theory, particularly in demonstrating that successful collaboration is determined not only by communication, commitment, and role-sharing between actors, but also by sustainable financial support. In the context of the Utsman Program, the collaboration between the Bukittinggi City Government and PT. BPRS Jam Gadang demonstrates that synergy between the public sector and Islamic financial institutions can be an effective strategy in supporting the economic empowerment of street vendors (PKL).

Practically, the results of this study can be used as a reference for the Bukittinggi City Government and PT. BPRS Jam Gadang to improve the effectiveness of the Utsman Program by strengthening outreach, simplifying administrative procedures, and developing business mentoring programs for financing recipients. Furthermore, this study can also serve as a reference for other local governments in designing collaborative financing programs aimed at improving capital access and the welfare of micro-entrepreneurs. Thus, the collaboration established is not only oriented towards capital distribution but also towards sustainable community economic empowerment.

This study has several limitations. First, the study focused solely on the implementation of Collaborative Governance in the Utsman Program for street vendors (PKL) in the Aur Kuning Market area of Bukittinggi City, so the findings cannot be generalized to similar financing programs in other areas. Second, this study used a qualitative approach with a limited number of informants, so the results emphasize a deeper understanding of the collaboration process rather than measuring the program's impact quantitatively. Furthermore, this study focused more on the collaborative relationship between the Bukittinggi City Government and PT. BPRS Jam Gadang, so it did not fully examine the perspectives of all program beneficiaries.

Based on these limitations, future research is recommended to expand the scope of the study to different locations or financing programs to gain a more comprehensive understanding of the application of Collaborative Governance in community economic empowerment. Future research could also employ a mixed methods approach, combining qualitative and quantitative data, to more objectively measure the impact of the Utsman Program on business development and trader welfare. Furthermore, future research could examine the roles of other actors and the level of beneficiary satisfaction to provide a more comprehensive picture of the effectiveness of collaboration in the financing program.

5. CONCLUSIONS

This study analyzes the implementation of collaborative governance between the Bukittinggi City Government and PT BPRS Jam Gadang regarding financing for street vendors (PKL) through the Utsman Program, and identifies the factors influencing its execution. The results indicate that collaborative governance was implemented through a clear division of roles, continuous communication and coordination, and a shared commitment between the two institutions. This collaboration successfully expanded access to Sharia-based financing for micro-entrepreneurs while supporting community economic empowerment. These findings reinforce the collaborative governance theory proposed by (Ansell & Gash, 2008), which posits that the effectiveness of collaboration is influenced by intensive communication, actor commitment, a clear division of roles, and adequate resource support.

The collaboration was supported by a clear regulatory framework, effective communication and coordination, institutional commitment, and the availability of financing subsidies from the Bukittinggi City Government. challenges to the program's sustainability remain, including complex administrative requirements, limited dissemination of information to all business operators, and a high reliance on local government budget support. These findings demonstrate that the success of collaborative governance is determined not only by positive relationships among actors but also by institutional capacity, resource sustainability, and the parties' ability to manage implementation challenges adaptively.

Theoretically, this study contributes to strengthening the application of the collaborative governance concept within the partnership between local governments and Sharia financial institutions for community economic empowerment. The study recommends that both parties expand program reach, simplify financing administration procedures, enhance business mentoring for beneficiaries, and strengthen coordination and periodic evaluation to improve program effectiveness and sustainability. Future research is advised to examine the application of collaborative governance in similar financing programs in other regions by incorporating variables such as collaborative leadership, trust levels, institutional capacity, beneficiary participation, and program sustainability to gain a more comprehensive understanding.

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