

Exploring Coopetition in the Lowest Level of Bureaucracy: Competition and Cooperation in Indonesian Village Indexes

(Meneroka Kerjasama Pesaing di Peringkat Terendah Birokrasi: Persaingan dan Kerjasama dalam Indeks Kampung Indonesia)

M. R. Khairul Muluk
M. D. Syahirul Alam
Ardian Prabowo
(Faculty of Administrative Science, Brawijaya University)

ABSTRACT

Coopetition has become more influential in the development of organization theory due to the increasingly complex, dynamic, and interdependent relationships among organizations. This concept is paradoxical because it combines two opposites—competition and cooperation. This study aimed to explain how coopetition is used in public sector organizations, including institutional relations within inter and intra bureaucracy. This descriptive qualitative research employed interactive data analysis, including condensing and displaying collected data from which conclusions are drawn. In addition, triangulation was implemented for improving the validity of the study. This research found a rivalry between two Indonesian ministries that were in charge of village affairs. The Ministry of Home Affairs (MOHA) managed village government affairs, while the Ministry of Village Affairs (MOVA) controlled village development and community empowerment. This rivalry resulted in competition at both the national and village levels. Despite this competition, field administrators at the village level cooperated because government and development responsibilities could not be separated in street-level operations. Coopetition was practiced at the lowest level bureaucracy despite the competition at the highest level because of the interdependence of government and development processes. The practical implication of this study provides an opportunity for the government to design coopetition as a strategy to achieve government or development goals more effectively.

Keywords: inter-ministerial competition; micro-level cooperation; public sector coopetition; village government; village index.

ABSTRAK

Kerjasama pesaing telah menjadi lebih berpengaruh dalam pembangunan teori organisasi disebabkan oleh hubungan yang semakin kompleks, dinamik dan saling bergantung antara organisasi. Konsep ini adalah paradoks kerana ia menggabungkan dua pertentangan—persaingan dan kerjasama. Kajian ini bertujuan untuk menjelaskan bagaimana kerjasama pesaing digunakan dalam organisasi sektor awam, termasuk hubungan institusi di antara dan di dalam birokrasi. Penyelidikan kualitatif deskriptif ini menggunakan analisis data interaktif, termasuk meringkaskan dan memaparkan data terkumpul dari mana kesimpulan dibuat. Selain itu, triangulasi telah dilaksanakan bagi meningkatkan kesahan kajian. Kajian ini mendapati terdapat persaingan di antara dua kementerian Indonesia yang bertanggungjawab dalam hal ehwal kampung. Kementerian Dalam Negeri (KDN) menguruskan hal ehwal kerajaan kampung, manakala Kementerian Hal Ehwal Kampung (MOVA) mengawal pembangunan kampung dan pemerksaan masyarakat. Persaingan ini mengakibatkan persaingan di peringkat kebangsaan dan kampung. Di sebalik persaingan ini, pentadbir lapangan di peringkat kampung memberi kerjasama kerana tanggungjawab kerajaan dan pembangunan tidak dapat dipisahkan dalam operasi peringkat bawahan. Kerjasama pesaing diamalkan di peringkat rendah birokrasi walaupun terdapat persaingan di peringkat tertinggi kerana saling bergantung di antara proses kerajaan dan pembangunan. Implikasi praktikal kajian ini memberi peluang kepada kerajaan untuk merangka kerjasama pesaing sebagai strategi untuk mencapai matlamat kerajaan atau pembangunan dengan lebih berkesan.

Kata kunci: Persaingan antara kementerian; kerjasama peringkat mikro; kerjasama sektor awam; kerajaan kampung; indeks kampung.

Received 19 July 2020; Accepted 15 March 2022

INTRODUCTION

Public sector organizations are becoming increasingly dynamic and complex, thus requiring an appropriate approach to achieve their objectives effectively. The increasingly complex bureaucracy of public-sector organizations in Indonesia is due to both the vertical and horizontal nature of the bureaucratic network. This situation occurs at every level of government, including the village government administration. The complexity of village management can be seen through the involvement of the highest government level (the central government ministries). The capacity of the village government (the lowest unit of government) is important in supporting all government programs. This capacity involves basic data accuracy at the village level. However, until recently, the accuracy of village data remained questionable. Therefore, several government agencies (including ministries) have compiled their own independent databases. Several ministries compete and cooperate in compiling their own version of the same set of data. This phenomenon requires research to determine how collaboration and competition occur in compiling Indonesian village databases.

At the beginning, the combination of cooperation and competition was developed in the business sector and was known as *coopetition* (Gast et al. 2015). This combination produced a paradoxical relationship between two contradictory notions (Raza-Ullah et al. 2014; Bengtsson et al. 2016). This paradox has been investigated, and research has shown that competition and competing interests prevent effective cooperation (Beeri and Magnússon 2019). However, this combination of competition and cooperation is needed in increasingly complex, interdependent, and dynamic situations (Czako and Rogalski 2014; Czako 2018). Several types of *coopetition* have been proposed (Bengtsson and Kock 1999), including balanced *coopetition* (Li et al. 2018), and patterns of *coopetition* have also been investigated (Azzam and Berkowitz 2018). *Coopetition* influences the performance of organizations (Le Roy and Czako 2016), value creation (Czako et al. 2014; Gnyawali and Charleton 2018), and innovation (Corte 2018).

Coopetition theory is also used in the public sector and is particularly common in new public management approaches that use business methods to solve problems faced by the public sector. The public sector generally relies on cooperation (Cecon 2009; Grenier 2011) and inter-institutional collaboration (Raisiene et al. 2019) to achieve its objectives. The development of *coopetition* in the public sector faces several issues. The first issue concerns the reason *coopetition* is needed in the public sector—the complexity of situations (Popescu 2011) and the dynamic environment (Leskaj 2017) encountered in the public sector. The second issue concerns the bodies involved in *coopetition*: MNCs and government (Luo 2004), local authorities (Assens et al. 2017), and national and local governments (Beeri & Magnússon 2019). The third issue concerns the benefits gained from *coopetition* in the form of the values of public service and common interest (Assens et al. 2017).

The problem faced by the village government and bureaucrats in Indonesia is the existence of a strict separation between the functions of the government and the development of village governance. This separation is a reflection of the rivalry of government structures at the national level (Desapedia 2019). It is based on Government Regulation No. 47/2015, which regulates the implementation of the Village Law. The Government Regulation reaffirms Presidential Regulation No 11/2015 on the functions of the ministries of Home Affairs (MOHA) to regulate village government and Presidential Regulation No 12/2015 on the functions of the ministries of Village Affairs (MOVA) to regulate community development and empowerment. Consequently, the governmental process must comply with regulations derived from MOHA, while the development process must comply with the regulations of MOVA.

Village government and development functions are integrated by the planning and budgeting process. In this combination, the village government must comply with the Ministry of National Development Planning Affairs (MOPA) regulations. The Minister of National Development Planning, which also acts as the Head of the National Development Planning Agency (Bappenas), implements a nationally integrated development planning system from the central to local government levels (based on Law No. 25/2004). In this case, planning at the village level should also integrate the national development planning system guided by the National Development Planning Agency (Suchaini et al. 2020).

The most evident rivalry is between MOHA and MOVA, and the roles of the field administration of the two ministries differ at the village level (Desapedia 2019). MOHA uses the village government and bureaucracy, while MOVA uses village facilitators. One example of this rivalry is the differences in regulations for what can be integrated: village data and index. Each ministry has its own village data with indicators, updating processes, and utilization, but they also have many similarities. At the village level, this rivalry results in competition as well as cooperation between field administrators. Competition is the result of differences in references from the structure above. Cooperation occurs because the functions of government and development cannot be separated in its operations.

This research aims to explain how competition at the highest government level influences the relationship process at the lowest government level. This study describes how relationships between competition and collaboration emerge between field administrators in the village. In addition, this study theoretically proves that

coopetition can take place at the lowest level of public-sector organizations, which are generally cooperation based. Practically, this research implies that public-sector organizations can employ coopetition to achieve their goals effectively rather than engage in mere cooperation or competition.

The structure of this paper begins with a literature review on the development of coopetition theory. Then, it describes the phenomena of competition within inter-ministeries at the national level. Furthermore, this paper explains how the injecting competition into the cooperation between street-level operators of those ministeries at the village level establishes coopetition at the lowest level bureaucracies. Finally, this paper discusses that coopetition theory can be employed in public-sector organization.

LITERATURE REVIEW

Coopetition theory was developed by Brandenburger and Nalebuff (1996), who argued that organizational processes are not static and stable but dynamic and constantly changing. Consequently, seeing the organization as competing with other entities was no longer relevant because, at the same time, it also cooperates to achieve its goals. Other parties are considered to be both competitors and complementary (value net). Moreover, Brandenburger and Nalebuff (1996) focused on business organizations. Hence, the organizational goals they considered were related to creating and capturing value. Coopetition theory was developed using game theory, and the analysis was based on the acronym PARTS: players, added values, rules, tactics, and scope.

Coopetition theory was developed further by Yami et al. (2010), who argued that coopetition is paradoxical because it brings together two conflicting concepts—cooperation and competition. Integrating these two concepts is complex. Competitors are no longer considered opponents but friends. At the same time, partners are no longer considered only friends but also opponents. Coopetition can take place at three levels: the macro-level (coopetition between countries), the meso-level (coopetition between organizations), and the micro-level (coopetition within an organization). In addition, coopetition involves organizational interdependence resulting from several characteristics. First, interdependence is a source of value creation. Second, interdependence is based on positive and variable-sum games that benefit all the parties involved. Third, the benefits obtained are the convergence of the interests of all these parties. The idea of coopetition is no longer used only for business organizations but can be extended to other types of organizations, such as non-profit organizations, the public sector, and even interactions between countries. The areas of coopetition theory that require further studies include i) the scope of the coopetition concept, as two competing opinions exist regarding the dichotomy or continuum between cooperation and competition, ii) the context, process, and performance of coopetition, and iii) the assessment method for developing coopetition.

Mongkhonvanit (2014) developed coopetition theory further by using the triple helix platform, which is a collaboration between universities, industry, and government to produce regional competitiveness for all the parties involved. Regional competitiveness is an intermediate goal toward value creation for every player involved. Coopetition has two types: dyadic coopetition, which, when developed using cluster management, becomes network coopetition, the second type of coopetition. Each type of coopetition comprises simple and complex coopetition. Mongkhonvanit's research showed that coopetition is not only a business sector problem but can also involve the public sector. Hence, these two sectors are in a coopetition situation that supports a win-win solution in dealing with the dynamics of rapid change.

Most recently, Daidj (2017) proposed that coopetition is the newest part of strategic management. The analysis for understanding coopetition has three levels: country, market/industry, and company. Strategies at the company level can be in the form of corporate, business, and operational strategies, which often aim to increase competitive advantage. With increasing complexity, organizations not only need to maintain competition but also need to enter into collaborations. The concept of coopetition is now a necessity for organizations in developing strategies from a resource-based view. Coopetition is also used to develop organizational innovation capabilities. Moreover, it is the application of strategic alliances to achieve the sustainable innovation needed for the survival of the organization in the long term.

While, most competition studies focus on business sector organizations, the current study focuses on public sector organizations, specifically the government. Daidj (2017) stated that competition occurs at the corporate, business, and operational levels in business organizations. Such a competition occurs at the lowest level of multilevel governance, which is the operational level of a national policy decision. This study shows that coopetition at the village level is similar to the micro-level [according to Yami et al. (2010) framework] in the public sector. Therefore, this study must investigate whether the national relationships (competition, cooperation, or coopetition) occur similarly at the local level. The occurrence of coopetition at the operational level in public sector organizations is a new concept in coopetition theory.

RESEARCH METHOD

This qualitative study was conducted in several stages. First, the level of studies and research location were determined. The second stage was the data collection, which involved determining the type, the sources needed, and its collection method. The last stage was the data analysis. This research had two levels of study. The first was the central government level and involved document research using official sources issued by the relevant ministries: MOHA, MOVA, and MOPA. The second level was the local level. This research was conducted in 2019 in Ngawi Regency, East Java Province, Indonesia in Baderan Village, Geneng District, and Bringin Village, Bringin District. These villages are located about 200 km from Surabaya (Provincial Capital City) and were selected because of the dynamics of development and village administration. Secondary data on the central government were collected by reviewing official documents issued by MOHA, MOVA, MOPA, and Statistics Indonesia (BPS). Primary data sources were obtained through interviews to deepen the initial document analysis. Informants in this research were determined purposively by considering the mastery of the problem. The informants were the head of Baderan Village, the head of Bringin District, the head of *Bumdesma* (a joint village-owned enterprise) in Bringin District, the head of the Village Community Empowerment Service, and several community leaders living in Baderan and Bringin villages. Data were analyzed using interactive data analysis developed by Miles et al. (2014). The analysis included data condensation, display, and conclusion drawing or verification. Data condensation was implemented by selecting, focusing, and simplifying the collected data for preparing data display. Then, displays were presented by describing information from informants and documents, organizing the matrix or table, and narrating the stories for drawing conclusions. Explanation was the ultimate form of verification, while triangulation was implemented to support the validity.

RESULTS

Indonesia is a unitary state divided into five levels of territorial administrative division. Two tiers of local government are granted autonomy from the central government. The province or upper tier is divided into regency and city or lower-tier levels. The regency (*kabupaten*) and city (*kota*) represent rural-based and urban-based local governments, respectively. The country has 34 provinces, 416 regencies, and 98 cities (BPS-Statistics Indonesia: 2020). Regencies and cities are divided into two tiers of sub-municipalities, with district and village as the upper and lower tiers, respectively. Furthermore, 7,246 districts are divided into 83,813 villages (BPS-Statistics Indonesia: 2020), including 8,479 administrative villages (*kelurahan*). Districts (*kecamatan*) and villages employ administrative functions delegated by a regency or city. A village has autonomous functions acknowledged by Law 6/2014.

The Indonesian central government level has 34 ministries. Two main ministries in Indonesia are responsible for public administration affairs at the village level: MOHA and MOVA. MOHA has the task of carrying out the formulation and supervision of policies at the local government level, including village government functions. MOVA is concerned with village development and community empowerment.

The authority of MOHA in regulating and supervising the village government includes areas of village management, information administration, financial and asset management, and regulation. The other authorities involved in these areas are the head of village direct election, village bureaucracy, implementation of central government assignments, village institutions, cooperation, and development evaluation. Village government is a feature of village autonomy, and it regulates and executes village affairs in accordance with the aspirations of the local community. The village government consists of the village head and the village consultative body assisted by the village bureaucracy. It is regulated by MOHA Regulation number 84/2015, which covers the organizational structure of the village government. In this regulation, the number of village bureaucrats can be set according to the level of village profile status. The community elects the village head directly, but the village head appoints the village bureaucrats from members of the village community. Village bureaucrats are not civil servants. The village government is tasked with planning, organizing institutions, procuring resources, and supervising the administration.

In promoting village development, MOVA manages basic social services, develops economic activities and faculties, utilizes natural resources and appropriate technology, and empowers communities. It also plans village area development, including infrastructure and the rural economy. Furthermore, MOVA strengthens the village's capacity by forming a facilitation process that empowers the community through assistance, organization, direction, and service. Facilitators conduct the facilitation based on MOVA Regulation number 3/2015. The village facilitator assists the authorities in planning, implementing, monitoring development and community empowerment, and increasing governance capacity.

To improve the welfare of village communities and to ensure that equitable development is carried out in villages, the central government provides a village grant sourced from the APBN (state budget) (Government Regulation number 60/2014). The grants can be used to improve public services, develop the village economy,

reduce development disparities between villages, and strengthen village communities. The village grant is for the development and empowerment of village communities, and MOVA has the authority to set the priorities. The central government allocates the village grants nationally in the state budget in each fiscal year. The village grant is then transferred through the APBD (regency budget) to the village budget.

COMPETITION IN DEFINING THE VILLAGE INDEX

Competition occurs between the village databases of MOHA, MOVA, and MOPA ministerial agencies. The three databases used for village development are the village profile, development index (IPD), and the developing village index (IDM). The village profile began in 1996 and was refined in 2007, IPD was launched in 2015, while the IDM began in 2016. These three databases use the village as the unit of analysis and portray multidimensional situations that display overlapping databases. Moreover, the databases are used in similar ways for village development. The main differences between the databases are their management institutions and the data production methods. The legitimacy of this difference is that the data adjusts to the program interests of each institution.

Initially, MOHA released the village profile based on MOHA Decree number 25/1996. The profile data were then improved to obtain accurate, comprehensive, and integral information that illustrates village development (MOHA Regulation number 12/2007). Furthermore, the profile classifies villages as self-supporting, self-developing, or self-sufficient. It contains data about the village condition, including basic family, potential natural and human resources, institutions, infrastructure and facilities, and progress and problems. The aim of the village profile is to discover and explore the development potential through empowerment programs.

The village profile is needed to provide basic data for preparing development plans. It is a guideline for physical community development and capacity-building programs. The availability of adequate data facilitates the process of planning village development. Development programs become more effective and targeted to encourage self-supporting and self-developing villages to become self-sufficient (Masterplan Desa 2019). The village profile existed before the Village Law no. 6/2014 was enacted, which meant that it preceded the IPD and IDM indexes.

MOPA and BPS-Statistics Indonesia issued the IPD index in 2015, a complex multidimensional measure compiled from village potential (Podes) data. It presents the results of the 2014 village potential census released by BPS-Statistics Indonesia. Moreover, the IPD index is territorial data released by MOHA Regulation number 39/2015. The Podes data have been collected by BPS since 1980 but were updated in 2008 and 2014 (BPS 2020). The Podes data support the population, economic, and agricultural census. BPS updated the Podes data in 2019 through interviews with village heads or bureaucrats. The IPD index measures development progress for planning from the village to the national level. The index includes five dimensions and 42 indicators describing the service availability and accessibility to the community. These dimensions are basic and public services, infrastructure, accessibility or transportation, and government administration. Furthermore, the IPD index introduces three classifications, with the independent village (*desa mandiri*) as the highest, followed by developing (*desa berkembang*) and underdeveloped village (*desa tertinggal*).

MOVA issued the IDM index based on Regulation number 2/2016 and measures of the village development level. The index has five classifications, including very underdeveloped, underdeveloped, developing, developed, and independent villages. This classification determines the status of village development and is a reference for policy interventions. For instance, underdeveloped villages are divided into very underdeveloped and underdeveloped. This finer-grained classification shows the differences in the policy affirmations for very underdeveloped and underdeveloped villages. The IDM index is a composite of social, economic, and ecological resilience (Hadi 2015). The village status can change with its circumstances, such as from developing to underdeveloped due to economic shocks, natural disasters, or social conflicts. Similarly, the villages that manage their potential, values, innovation, and entrepreneurship are classified as developed.

TABLE 1. Competing Village Indexes in Indonesia

	Village Profile	Village Development Index (IPD)	Developing Village Index (IDM)
Institution	MOHA	MOPA & BPS	MOVA
Interest	Development & administration	Development & planning	Development & empowerment
Year of Initiation	1996, 2007	2015	2016
Unit Analysis	Village	Village	Village
Source of Data	Primary data collected by local bureaucrats.	Secondary data (Podes census in 2014 & regional data of MOHA 2015)	Primary data collected by village facilitators
Dimension of Index	Basic family data Village potential	Basic services Infrastructure	Social security Economic security

	Village development	Accessibility Public services Government	Ecological security
Village Classification	Self-supporting village	Underdeveloped village	Very underdeveloped village Underdeveloped village
	Self-developing village	Developing village	Developing village
	Self-sufficient village	Independent village	Developed village Independent village

Source: Authors

Table 1 shows a comparison between three indexes with the same data describing varied village information. Although the indices have diverse dimensions, they explore and use the same information. The village classifications are similar, but the three organizations have different managements, implementations, and budgets. Moreover, the information in certain cases exhibit slight differences due to timing and the data collection method. The IPD issued by MOPA and BPS is based on the Village Profile issued by MOHA. Field competition occurs between MOHA and MOVA as central government agencies in issuing the village index.

COOPETITION AT THE LOCAL LEVEL

The rating in the village profile and the IDM index have different consequences for the village government. The profile determines the Village Government Arrangement (MOHA Regulation number 84/2015). Self-supporting villages are only allowed to have two sections under the village secretary and two departments under the head of the village. Self-developing villages are allowed to have three sections and three departments. Self-sufficient villages must have three sections and three departments. In general, the village profile is a MOHA instrument that allows the central government to engage in the public administration in the village. The main concerns of MOHA are related to government issues and government support for development. MOHA's government domain includes the village structure, village bureaucracy, fostering personnel, and general village administration, including public order. In carrying out its policies, MOHA has a stronger coordination path. At the local level, the local government bureaucracy is in charge of village affairs (usually through the Department of Village Community Empowerment), and MOHA's directions and policies are more relevant than those of other ministries. At the village government level, MOHA also provides guidance and oversight of the general administration of the village government to ensure that village authorities comply with the directions of MOHA. Generally, the bureaucratic path of the territorial government is controlled by MOHA from the provinces through the regencies/cities, districts, and villages, or subdistricts.

The IDM index released by MOVA determines how much the village grant is for each village. The village grant is intended for village development and community empowerment and is not related to support for the village government. The more underdeveloped a village is, the greater the attention and budget that are devoted to developing the village. The impact of this approach is shown by comparing the village conditions in 2015 with those in 2019. To carry out its policies and programs more effectively, MOVA has its bureaucratic approach at the village level. A key position in this approach is commonly called the Professional Facilitator (MOVA Regulation number 18/2019). This position can be one of several types: local village facilitator (focused on the village), village facilitator and technical facilitator (focused on the district), and community empowerment experts—municipal, provincial, and central government experts. In this approach, MOVA is not dependent on the territorial government bureaucracy controlled by MOHA. Therefore, its policies and programs are more effective and consistent with its goals.

The competition between MOHA and MOVA at the lowest level of bureaucracy appears in the use of village profile and IDM index data. In an interview, an official of the village government stated:

“It is clear that Ngawi Regency does not use IDM as a reference. We use village profile data. What is clear is that I do not calculate the IDM indicator myself. All of the data are input by village facilitators.”

The Village Community Empowerment Department (DPMD) of the Ngawi Regency does not use the IDM index as a reference for making development policies. Instead, it uses village profile data, which are input by the village government and managed by MOHA. The IDM index uses a database managed by MOVA but is not used by DPMD because the data input process is only carried out by village facilitators. The DPMD officials only complete a limited verification of the information that has been input by village facilitators. Complete verification should include comprehensive information irrespective of whether it has been input by the village facilitators. The IDM data are considered unreliable because they have not been verified by DPMD and does not cover many other things. Consequently, the data are purely subjective assessments by village facilitators. Moreover, the input process is carried out without adequate coordination and verification by the village head. This circumstance

implies communication difficulties between the facilitators and the village government, as revealed in the following interview with another informant:

“This is a contradiction because IDM is an indicator for village grant calculation. The facilitators complained that the village head was not open to giving information. They are better off being an underdeveloped village and add budget affirmations.”

The interview revealed why the village heads did not respond well to IDM data updates. IDM determines the classification of villages, which indicates the value of the village grant given in the following years. The more a village is classified as underdeveloped, the greater the value of the village grant that is awarded, and the more development must be prioritized. This arrangement is due to MOVA’s policy of empowering the village by prioritizing its funding incentives.

The priority concerns the development and maintenance of basic and economic infrastructure. The latter includes the support and establishment of productive-scale economic enterprises and village community empowerment activities to pioneer village economic barns. These activities include the formation of community economic enterprises and village-owned enterprises by providing access to capital and managing production, distribution, and marketing for productive-scale agricultural economic activities and other economic efforts. The generation of employment opportunities is necessary for both the welfare and sustainable development of the village community.

Consequently, village facilitators have difficulty asking the village head for help in updating IDM data. Therefore, MOVA has an approach for obtaining the required data updates. In another interview, a local officer stated:

“It is an order from the Ministry of Villages directly to the village facilitators. In 2017, IDM emerged and became a controversy. The relationship of the office with the facilitators is quite good. I have worked with the village facilitators, and our tasks are related and intensive.”

Competition between MOHA and MOVA is hidden, but a good cooperative relationship exists between the approaches of the two ministries in villages. This cooperation results from the need for ministries to achieve the same goal of village development and community welfare. Although they have different indexes, the ministries have one goal of community welfare, which starts with village development and community empowerment. The relationship between village facilitators and officials is good because each party brings benefits and needs support from each other. The facilitators need the village government for the development program to run efficiently. The village government also needs facilitators to assist in developing and preparing appropriate financial reports. As many village bureaucrats lack the skills required in managing finances and compiling grant reports, they need help from facilitators. The grant is an affirmative fund often considered very large for the village government. Therefore, the government strictly controls the village grant to ensure its effective use. Fear also arises because the ability of village bureaucrats to manage finances is not balanced by the demands for accountability. This concern was evident from the interviews with village community leaders:

“In terms of village financial management, the regulation should not be grayed out. This would lead to fears of village bureaucrats against law enforcement officials in the use of the budget, for example, related to the allocation of APBDs (village budget) to village-owned enterprises.”

This situation has led to cooperation between the village government and facilitators concerning development programs. However, facilitators only assist with development as instructed by MOVA, while the village government expects their assistance with other administrative matters. Village governments experience great difficulties implementing development because of the many agencies involved. These agencies conduct their respective programs with their resources. Moreover, the village government often cannot adapt to the changes in regulations and requires assistance from facilitators on administration matters. The situation concerning the many provisions of government agencies and their frequent changes is seen in the complaints of a village head:

“It is usually rather late for national village grant (DD) and regency village grant (ADD). The delay was due to the schedule from the regency concerning changes in the regulations. Usually, the regulation training is in the second and third months, related to technical implementer in village financial management (PTPKD) issues and village budget implementation. The Activity Implementation Team (TPK) that used to help is no longer there, and only one head of department remains. Previously, there were four heads of department. These are all related to the village budget (APBD). In the past, 30% was for operations and 70% for empowerment. There are changes to DD that must be entered into post 4, and cannot be entered into post 1. The Regency Community and Village

Empowerment Department (DPMD) was also in a frenzy. There have been many changes in regulations at the Ministry of Villages. APBD budgeting procedures also always change. The treasurer usually deals with e-planning (Ministry of Home Affairs) and regency-sponsored village financial system (siskeudes). Before entering the e-planning, we need to handle siskeudes first by calculating the village deliberations (musdes) as input into e-planning. Also, the village government work plan (RKP) must be consistent with the village medium-term development plan (RPJMD). Therefore, the four aspects that need management are e-planning, siskeudes, village profiles, and village-web.”

These views have been triangulated with the opinions of other informants, thus explaining why many players are involved in village government and development. The players have their interests and instruments to be implemented by the village. This diversity brings difficulties because the village demands adequate capacity to harmonize the activities. The challenge is compounded by changes in regulations that require compliance from the village government. Disobedience in implementing the existing regulations brings legal consequences. The collaboration of facilitators and the village government is also competitive in different aspects, as stated by a local official:

“The core of development and government should be separate. Although the lower level needs to be separated, we still do not know the possible battle. We are still looking for formulations that do not contradict the rules.”

The interviews have shown that the differences and competition arise from two approaches brought by MOHA and MOVA. This competition affects the lowest level of the Indonesian government system. In addition, the differences at the highest level are imposed at the lowest level. Moreover, the planning system’s integration of different systems is raised as a responsibility of MOPA, a different central institution. This integration results in local cooperation, where parties involved accomplish their respective tasks.

DISCUSSION

This study aimed to demonstrate the existence of competition in villages, the lowest level in the government hierarchy. The competition at the village level is inter-ministerial and comes from the highest hierarchical structure in the public sector bureaucracy. It is also practiced by village field administrators because of the need to collaborate in accomplishing government and development tasks. Each party cannot complete these tasks separately because of the interdependence between government and development functions. This interdependence is the primary cause of village competition despite the national competition.

The interdependence is crucial for village officers due to the complexity of the central government agency programs implemented. It is also crucial between village officers and facilitators due to the frequent changes in government regulations. These changes illustrated the dynamics in the lowest levels of government organizations, such as villages. Consequently, the village government’s interdependence, complexity, and dynamics promote cooperation amid competition. Czakon and Rogalski (2014) and Czakon (2018) stated that competition is driven by complex, dynamic, and interdependent situations. The competition occurs at a supra-structure level and is influenced the lowest level. However, the achievement of objectives in the public sector is influenced by cooperation and collaboration. Cecon (2009), Grenier (2011), and Raišienė et al. (2019) stated that the public sector relies on cooperation and inter-institutional collaboration.

Cooperation in the village administration could be applied to the public sector despite the theory being developed in the business sector by Brandenburger and Nalebuff (1996). The finding also suggested that competition theory could aid the development of new management approaches in the public sector using a business perspective. Additionally, competition theory could provide a crucial new perspective for public-sector organizations in achieving their objectives.

This study found that although competition originally referred to phenomena in the business sector at macro-, meso-, and micro levels, it could also be applied at the micro-level in public organizations. This reinforced Yami et al. (2010) and Daidj (2017) observed competition at the micro-level or within an organization. The competition in this study occurred in the following circumstances in villages as the lowest level of organization. The first scenario was an interdependence between the development and government process. The second scenario had increased complexity due to supra-village bureaucracies employing field administrators and implementing various agendas. The third circumstance involved the dynamics of supra-village government regulation changes. These changes were initiated to complete the village government and development agenda.

CONCLUSIONS

This study showed the phenomena about how rivalry in national level government units imposed local level coepetition. The national competition influenced village competition and promoted coepetition at the village level. The field officers from various central agencies collaborated despite competition among administrators. This collaboration was crucial in achieving the goals of their respective agencies. This study observed that the need for collaboration arose because of the village programs' interdependence, complexity, and dynamics. This complexity was due to the reliance of supra-village agencies on villages to fully implement their agenda. Additionally, the high dynamics were due to the constantly changing supra-village government regulations.

Theoretical implication of this research was the support for the use of coepetition theory in the public sector despite the apparent paradox of combining competition and cooperation, thus supporting Popescu (2011) and Leskaj (2017). The novelty of this study was regarding the village-level analysis not investigated by other studies. Assens et al. (2017) discussed coepetition among local authorities but did not include a village-level analysis. Similarly, Beeri and Magnússon (2019) examined coepetition between national and local governance but only covered the municipality level. Therefore, this study contributes to broadening the thinking about using coepetition in the public sector and understanding the reason for integrating competition and cooperation. The practical implication in this result provides an opportunity for the government to employ coepetition in public-sector organizations as a strategy to achieve government and development goals.

The limitation of this study is that it was conducted on a limited number of villages and did not determine different coepetition types in public-sector organizations. It did not examine the balance of strength between cooperation and competition and whether balanced coepetition had occurred. Therefore, future studies should focus on other aspects of village coepetition, such as its benefits, the influence of performance on village government organizations, and broader interactions between actors. Coepetitive advantage in village public-sector organizations could also be investigated by increasing the number of case studies. Substantial opportunities are available for further studies on village coepetition because village governments implement central and local government programs that directly influence the community.

ACKNOWLEDGEMENT

We would like to thank to the Faculty of Administrative Science, Brawijaya University for funding this research.

REFERENCES

- Assens, C., Bartoli, A. & Hermel, P. 2017. What conditions for an appropriate public "Coopetition"? The case of French Local Government. *China-USA Business Review*, May, 16 (5), 201-209.
- Azzam, J.E. & Berkowitz, H. 2018. Patterns of Coopetition in Meta-Organizations. *September Working paper*, Forthcoming in *Routledge Companion to Coopetition Strategies*. Available at <https://www.researchgate.net/publication/325424899>
- Beeri, I. & Magnússon, M.A.S. 2019. Governance Relations in Small Nations: Competition vs. Cooperation and the Triple Role of Big Cities. *Lex Localis: Journal of Local Self-Government*, April, 17(2), 267 – 284.
- Bengtsson, M. & Kock, S. 1999. Cooperation and competition in relationships between competitors in business networks. *Journal of Business & Industrial Marketing*, 14(3), 178-194.
- Bengtsson, M., Raza-Ullah, T. & Vanyushyn, V. 2016. The coopetition paradox and tension: the moderating role of coopetition capability. *Industrial Marketing Management*, 53, 19-30.
- BPS-Statistics Indonesia. 2020. (viewed march 9th: 07.35 am). Available at <https://www.bps.go.id/subject/168/potensi-desa.html#subjekViewTab2>
- Brandenburger, A.M. & Nalebuff, B.J. 1996. *Co-Opetition: A Revolution Mindset tthat Combines Competition and Cooperation, And the Game Theory Strategy that's Changing the Game of Business*. New York: Doubleday Business
- Cecon, F. 2009. Co-operation - a Key for Better Quality in a Globalized World. *Administrație Și Management Public*, 12, 120-147.
- Corte, V.D. 2018. Innovation through Coopetition: Future Directions and New Challenges. *Journal of Open Innovation: Technology, Market, and Complexity*, 4(47), 1-13.
- Czakov W. 2018. Network coopetition. In *The Routledge Companion to Coopetition Strategies* edited by Fernandez A-S., Chiambaretto P., Le Roy F., Czakov W. Abingdon: Routledge.
- Czakov, W. & Rogalski, M. 2014. Coopetition typology revisited – a behavioural approach. *International Journal of Business Environment*, 6(1), 28-46.

- Czakon, W., Mucha-Kuś, K. & Rogalski, M. 2014. Coopetition research landscape: a systematic literature review 1997-2010. *Journal of Economics and Management*, 17, 121-150.
- Daidj, N. 2017. *Cooperation, coopetition and innovation*. London: ISTE.
- Desapedia. 2019. Kontradiksi Kelembagaan dalam UU Desa. Available at <https://www.desapedia.id/kontradiksi-kelembagaan-dalam-uu-des/>
- Gast, J., Filser, M., Gundolf, K. & Kraus, S. 2015. Coopetition research: towards a better understanding of past trends and future directions. *Int. J. Entrepreneurship and Small Business*, 24(4), 492–521.
- Gnyawali, D.R. & Charleton, T.R. 2018. Nuances in the interplay of competition and cooperation: towards a theory of coopetition. *Journal of Management*, 44(7), September, 2511–2534.
- Government Regulation no.47/2015 on Amendment on Government Regulation no. 43/2014 on Implementing Regulation of Law no. 6/2014 on Village.
- Government Regulation no.60/2014 on National Budget-based Village Grant.
- Grenier, C. 2011. The Appropriation of new arrangements of public organizations: locally negotiate to strategically act. *Administrație Şi Management Public*, 17, 6-32.
- Hadi, S. 2015. (accessed on December 8th 2019: 08.31) Indeks Desa Membangun dan Pembangunan Desa. Website Sekolah Desa: Sekolah Pembaharuan Desa. Available at <https://sekolahdesa.or.id/indeks-desa-membangun-dan-pembangunan-des/>
- Law no.6/2014 on Desa (Village)
- Le Roy, F. & Czakon, W. 2016. Managing coopetition: the missing link between strategy and performance. *Industrial Marketing Management*, 53, 3-6.
- Leskaj, E. 2017. The challenges faced by the strategic management of public organizations. *Administratie si Management Public*, 29, 151-161.
- Li, M., Hu, J., Ge, Y. 2018. Study on Co-Opetition in China's Edible Mushroom Industry: Take Shandong Province as an Example. *Modern Economy*, 9(1), 1-14.
- Luo, Y. 2004. A coopetition perspective of MNC–host government relations. *Journal of International Management*, 10, 431–451.
- Masterplan Desa. 2019. Available at <https://www.masterplandes.com/2019/08/20/pentingnya-profil-des/>
- Miles, M.B., Huberman, A.M. & Saldana, J. 2014. *Qualitative data analysis: a methods sourcebook*. 3rd edition. Los Angeles: SAGE Publications, Inc.
- MOHA Decree no.25/1996 on Database for Village Profile.
- MOHA Regulation no.12/2007 on Guidance of Compilation and Utilization of Database for Village Profile.
- MOHA Regulation no.39/2015 on Regional Code and Database of Government Administration.
- MOHA Regulation no.84/2015 on Organization and Methods for Village Government.
- Mongkhonvanit, J. 2014. *Coopetition for regional competitiveness: the role of academe in knowledge-based industrial clustering*. Singapore: Springer.
- MOVA Regulation no.18/2019 on Guidance for Village Community Facilitation.
- MOVA Regulation no.2/2016 on Developing Village Index.
- MOVA Regulation no.3/2015 on Village Facilitation.
- Popescu, L.G. 2011. Structural Dynamic of the Public Sector and Multilevel Governance: Between Hierarchies, Market and Network Forms. *Administration And Public Management*, 17, 47-63.
- Presidential Regulation no.11/2015 on Ministry of Home Affairs (MOHA).
- Presidential Regulation no.12/2015 on Ministry of Village, Underdeveloped Regional Development, and Transmigration (MOVA).
- Raisiene, A.G., Bilan, S., Smalskys, V. & Gečienė, J. 2019. Emerging changes in attitudes to inter-institutional collaboration: the case of organizations providing social services in communities. *Administratie si Management Public*, 33, 34-56.
- Raza-Ullah, T., Bengtsson, M. & Kock, S. 2014. The coopetition paradox and tension in coopetition at multiple levels. - *Industrial marketing management*. 43(2), 189-198.
- Suchaini, U., Harmadi, S.H.B. & Adji, A. 2020. Indikator Pembangunan Desa di Indonesia: Ditinjau Dari Ketidaksesuaian Indikator Pengukuran Pembangunan Desa. *TNP2K Working Paper 51*. Jakarta, Indonesia.
- Yami, S., Castaldo, S., Dagnino, G.B. & Le Roy, F. (eds.) 2010. *Coopetition: winning strategies for the 21st century*. Cheltenham, UK: Edward Elgar.

M. R. Khairul Muluk (corresponding Author)
 Faculty of Administrative Science
 Brawijaya University
 Jalan MT Haryono 163
 65145 Malang, Jawa Timur, INDONESIA.
 E-Mail: mrkhairulmuluk@gmail.com

M. D. Syahirul Alam
Faculty of Administrative Science
Brawijaya University
Jalan MT Haryono 163
65145 Malang, Jawa Timur, INDONESIA.
E-Mail: doddyfisip@gmail.com

Ardian Prabowo
Faculty of Administrative Science
Brawijaya University
Jalan MT Haryono 163
65145 Malang, Jawa Timur, INDONESIA.
E-Mail: ardiانprabowo11@gmail.com

GALLEY PROOF