

Innovating Community Engagement: Onte's Proposal on Five-Stage Progressive and Sustainable Model for Inclusive Development in Indonesia

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Received: October 13, 2024 | Revised: June 26, 2025 | Accepted: July 19, 2025 | Online Publication: July 22, 2025

ABSTRACT

Stakeholder engagement has increasingly become a central theme in a development discourse; however, its implementation often remains fragmented and superficial due to the conceptual and methodological inadequacies. This gap is the strongest motivation of this research, which aims to build a model of progressive and sustainable community engagement through community-based economic institutional collaboration. Employing a heuristic approach, this model synthesizes empirical insights from several community-based activities to develop a conceptual framework that supports inclusive development through economic institutional collaboration. The five fundamental stages that make up this model include: (1) social investigation as the baseline information gathering; (2) social mapping to portray actors and their influence in the community; (3) vision-building to articulate a common dream; (4) establishment of community-based business institutions; and (5) collaboration between community business institutions and the government in the form of secondary cooperatives. This model emphasizes the process of extracting accurate and reliable information from the community, exploring potential of sustainable livelihood, and accompanying in every activity until it ultimately increases the dignity of the community from being a stakeholder to a shareholder. It also addresses common causes of cooperative failure by institutionalizing a community partnership with the local government. The proposed model contributes methodologically to participatory development practices and provides a strategic framework for fostering durable, bottom-up institutional transformation in Indonesia and beyond.

Keywords: community engagement, cooperatives, institutional collaboration, perseroda, stakeholders

INTRODUCTION

In the past two decades, sustainability has become a central global concern. This has been understood as a response to the challenges of environmental governance, industrialization-related externalities, and biodiversity conservation (Ruggerio, 2021). Despite the absence of a comprehensive definition, this issue has sparked extensive debate and led to the emergence of systemic approaches rooted in the social sciences and humanities. Classical thinking on sustainability—such as Elkington's (1997) foundational triple bottom line concept—has subsequently been expanded through the connected circular and concentric models by Barron & Gauntlett (2002), as well as more recent global development programs like the MDGs and SDGs (Wen et al., 2020), all of which emphasize the importance of the social dimension in sustainable development.

In Indonesia, human development through poverty reduction and improved access to basic services has become a key priority in the agenda of sustainable social development (Bappenas, 2019). Although government capacity remains limited (Kementerian PUPR, 2019), the effectiveness of social programs is still hindered by unsustainable top-down approaches that are unresponsive to local wisdom, rendering communities mere recipients of benefits (Lindawati, 2014; Rudiana & Afifah, 2019; Wicaksono, 2020). Therefore, the participation of the private sector through Corporate Social Responsibility (CSR) is essential, especially when implemented through sustainability-based approaches that recognize local potential and actively involve communities (Ananda, 2023; Kartikawangi, 2017; Pujiyono et al., 2017; Susanto et al., 2022).

The principles of CSR in Indonesia have undergone significant transformation, shifting from mere philanthropy to a strategic organizational approach that mandates community involvement as an operational requirement (Baba & Abrizah, 2018; Cha & Rajadhyaksha, 2021). Community engagement is now understood as a deeper process with broader impacts, encompassing active community participation in planning and collective decision-making, such as through partnerships, Creating Shared Value, social entrepreneurship, and inclusive business models (Rahardja, 2024). Kujala et al. (2022) highlight that the success of stakeholder engagement depends heavily on local contexts, which facilitate the emergence of leadership and community trust. However, there remains a conceptual gap regarding the progressive stages of this engagement, particularly in terms of community-government collaboration to support economic self-reliance. This study, therefore, focuses on the following research question: How can the stages in the stakeholder engagement process be carried out progressively and continuously to support the success of community economic self-reliance through effective collaboration?

This study aims to systematically identify and describe the progressive and sustainable stages of stakeholder engagement processes to support community economic self-reliance through effective collaboration and partnerships. It offers a novel contribution in the form of a new collaborative approach between community institutions and the government, focusing on the development of inclusive community enterprises. Theoretically, this research contributes to the development of a conceptual model for community engagement by mapping out sustainable engagement stages, while also enriching the understanding of multi-stakeholder collaboration in economic development. Practically, the findings provide strategic guidance for local governments in designing empowerment policies based on structured engagement, and in strengthening partnership strategies that foster synergy between communities and other stakeholders.

METHODS

This study is an effort to develop a model of community and stakeholder involvement through the formation of sustainable community-based economic institutions. Silverius Oscar Unggul, who is commonly called Onte, is a world-class social entrepreneur who has a high passion for community empowerment, especially community empowerment in terrestrial forests (Joel, 2014; Shapiro, 2018). Through his cold hands, many breakthrough community empowerment programs through the concept of engagement developed by him are still running today.

His success in leading several NGOs such as Jaringan Untuk Hutan (JAUH), Perkumpulan Telapak Indonesia (Telapak) and Yayasan Inisiasi Alam Rehabilitasi (YIARI) led Onte to be trusted to become Deputy Chairman of the Indonesian Chamber of Commerce and Industry (KADIN Indonesia) for

Environment and Forestry in 2021. His forestry career did not stop here. In mid-January 2025 Onte was assigned as the Chief Advisor to the Minister of Forestry of the Republic of Indonesia.

This study is a qualitative study with a heuristic approach, where this method is effective for tracing a conceptual thought to be enriched in order to become a solution. This method operates by prioritizing the art and expertise of researchers in an effort to collect various research sources related to the research topic obtained from observations, documentation, and interviews (Sayono, 2021). Then, as a specialty of this method, is the formation of an assessment on something that could be the main reference in decision-making. This method even allows the output of notes and corrections to the recommendations of a study. The heuristic method was implemented by emphasizing the exploration of participants' experiences, meanings, and perceptions through a flexible and reflective process. Data collection was conducted through interacting and living with the community (live-in), participatory observation of all aspects of daily community activities, and focused informal communication designed to capture the dynamics of stakeholder engagement within the local community context. Information analysis was carried out iteratively using a thematic approach, wherein the researcher actively reflected on the findings and progressively built an understanding until achieving a depth of meaning relevant to the research objectives.

So far, the heuristic method has been widely used in research in the field of history (Hand et al., 2021; Sayono, 2021), intellectual biography (Kinseng, 2024) and education science (Marginson, 2022; Schallert et al., 2022). But according to Maniatakou et al. (2024) The essence of the heuristic method is the activity of searching and validating various sources in order to obtain information, material, or evidence so that it can also be used to analyze social sciences as long as it is relevant to the purpose of the study. The selection of informants in this study employed a purposive sampling method, involving the deliberate selection of participants based on criteria relevant to the research objectives. This process began with in-depth communication with central village figures to identify frequently emerging issues, followed by confirmation of information through other sources who were deemed to have a comprehensive understanding of the context. The number of informants was not predetermined; therefore, the investigator's intuition played a crucial role in ensuring data completeness. When the information had become solid and saturated—indicated by data repetition and the absence of significant new findings—data collection could be redirected to other emerging issues. However, if the information was still insufficient, the data collection process had to be continued.

RESULT AND DISCUSSION

Onto's ideas are based on the urgency of involving local communities to ensure that their livelihood needs and socio-cultural perspectives are truly considered and even prioritized. In fact, the community also becomes a key-stakeholder in protecting the environment while benefiting from sustainable forests. This has proven to have an impact on the growth of a sense of ownership and responsibility for sustainable forest management practices. Onte's efforts in organizing the community resulted in the awarding of two Forest Stewardship Council (FSC) certifications at Hutan Jaya Lestari Cooperative (KHJL) in South Konawe District in 2005, Southeast Sulawesi Province and at Wana Lestari Manoreh (KWLM) Cooperative in Kulonprogo in 2011, Yogyakarta. KHJL was initially established in 2004 by 54 members on only 754ha of land. Currently, KHJL manages 6397 hectares of community-owned teak plantations. Likewise, KWLM has managed 957 hectares of community forest with 11,700 members so far.

The achievements of the two cooperatives are largely determined by the pattern of approach and community involvement formulated by Onte. The green timber business by KHJL and KWLM has provided tremendous economic, social and environmental benefits to local communities in the form of financial incentives and a strong sense of ownership over environmental resources, especially forests. Their success in the green timber industry has served as evidence that local community cooperatives are capable of playing a leading role in sustainable forest management. It successfully proved that the cooperative was able to meet the stringent requirements needed to obtain certification from the international Forest Stewardship Council's Smartwood program.

Community involvement illustrates how there is a fair redistribution of authority. Here, the role of the community is revitalized so that the community has its rights back in accordance with grades, degrees of authority, and responsibilities at each stage of the process so that the results can facilitate the decision-making process (Allen et al., 2019).

The values of inclusivity, collaboration, natural approach and institutional building in the pursuit of shared prosperity are the underlying philosophical values of Onte thinking. This philosophy emphasizes that communities, whether based on geographical areas, common interests or common goals, have a central role in identifying directions, determining priorities and making decisions to address challenges that affect them. In this process, community engagement is not only a tool to solve problems but also a means to build communication and gain community trust, strengthen social relationships, and create a sense of ownership over the outcomes achieved. Onte wants to ensure that all voices within the community are comprehensively heard. As such, the concept emphasizes the development of a long-term, multi-stakeholder relational creation process.

This study is based on three mutually supportive theoretical frameworks: structural functionalism as the grand theory, and two middle-range theories—stakeholder theory and institutional theory. Structural functionalism views society as an integrated and stable social system, wherein each element functions in relation to others within the system. The two middle-range theories underlying this research are stakeholder theory and institutional theory. Stakeholder theory emphasizes the importance of involving multiple stakeholders in the community engagement process. Stakeholder theory is an important foundation to ensure that decision-making should not only benefit one group but should also create value for all parties involved. With this approach, organizations can achieve shared and linear goals by meeting the demands of broader social, environmental and economic development. So this theory is critical and very relevant in Onte's thinking because it supports the formulation of inclusive strategies, especially because the business world and society increasingly demand the fulfilment of sustainability indicators, transparency, and accountability. Because inclusive strategy formulation requires consideration of the interests of the various parties involved. This is effective in preventing the domination of one party so that decisions become more fair and balanced.

Similarly, the implementation of institutional theory. *Institutional theory can help unravel community dynamics by explaining how institutionalized norms, values and rules influence individual behavior to the formation of organizations in society.* In Onte's thinking, institutions are entities that are very instrumental in uniting the community's common dream. This is also confirmed by Onte's masterpieces, namely KWLM and KHJL. Onte formulates community unification through the formation of cooperatives. *Cooperative institutions are effectively able to formulate a framework that unites and builds social expectations and guides community action.* Cooperative institutions are proven to be able to effectively accommodate the interests of multiple stakeholders so that they can collaborate to improve resource management, share information and knowledge, and provide support for capacity building. With this concept, the community, which was previously only a stakeholder, is now the owner of the company. From stakeholder to shareholder. This can significantly increase the dignity of the community.

One distinctive feature of this study is that it is grounded in a constructivist qualitative epistemology, which emphasizes that knowledge is constructed through interaction between the researcher and participants within a dynamic social context. Consequently, understanding the experiences and perspectives of local communities in the context of stakeholder engagement becomes essential. The use of a heuristic approach allows for flexibility in interpreting the meaning of a highly complex social reality. This approach places local context, experiences, and community perceptions at the center of the analysis, in order to produce authentic, relevant, and applicable insights for collaborative community economic empowerment efforts.

Onte's proposal developed five stages for conducting community engagement:

Social Investigation

Social investigation is one of the methods that has been developed by Onte to be able to portray and map the conditions of the social structure as well as be as complete as possible according to what actually happens in the field. This method is important to build trust to seek initial information that is expected to be an important signpost for the investigator to determine who the informants will be interviewed and how much influence they have in the social structure. An inappropriate method of determining informants will cause the loss of a lot of time, energy, and resources to address a problem, especially those related to the surrounding community.

The output of social investigation activities will produce a comprehensive report, including the untold story behind all events experienced by the community. It is expected that, based on this, holistic information about the real needs and original ideas that can become long-term solutions for the community will be obtained. In order to understand the culture and customs of the community, investigators must live with the community for a period of time. The investigators will become part of the community, work like the community, mingle, and discuss their daily problems using the local language.

According to field experience, the informal approach is more effective as it builds closer bonds. When compared to other formal approaches such as FGDs and official meetings, not everyone is able to express their opinions in front of a forum (Ridlo et al., 2018). This is because the information presented at the forum is generally normative and not confidential. Yet it is confidential information that can be useful in conducting the next stage, namely social mapping.

This informal approach can be done in the evening after maghrib or isha prayers, chatting casually over coffee. Casual conversations can start with family introductions, daily work activities, hobbies, and network breadth. After that, slowly start to get into the core of the information sought. It can also be interspersed with funny stories or jokes to keep the atmosphere fluid and familiar.

Some proof of the effectiveness of informal communication that are aligned with the objectives of social investigation are that it can increase trust and encourages more active engagement (van Zoonen et al., 2024). Because when informal communication processes are conducted, participants feel more fluid, blended, feel there is no hierarchy, which in turn allows researchers to access deeper and authentic information more spontaneously (Denner et al., 2024). This is particularly important in social investigations that require a deep understanding of context and individual perspectives. This method also effectively eliminates formal communication barriers. This is because in formal situations, participants tend to provide answers in accordance with social norms or expectations that they think they want (Gohori & van der Merwe, 2021).

It is rare that information needs can be met in a single visit. Then the visit can be conducted again at another time. It is different with FGDs, where it is very difficult to invite the audience to another FGD if there is inaccurate information obtained. The important thing to do is to ensure that the information obtained is valid and reliable. Therefore, triangulation method is used (Flick, 2004).

Snowball triangulation is a method used to increase the credibility and validity of research findings (Yunindiyawati et al., 2022). Credibility refers to the trustworthiness and reliability of a finding, while validity refers to the extent to which a finding accurately reflects or evaluates the theory being investigated. Triangulation is done by integrating theories, methods, or observers in a study; it can help ensure that fundamental biases that arise from the use of a single method or single observer are overcome. Snowball triangulation is a procedure that enables data validation and can be used in both quantitative and qualitative research (Cohen et al., 2002; Noble & Heale, 2019).

However, Onte emphasizes this triangulation method as one of the mandatory procedures and labels it as “follow the name”. Follow the name is an approach to explore, test and verify information to the name mentioned by the initial informant and is done in a chain until the information is saturated. This method can only work well if done with a non-formal approach, namely social investigation.

The sustainable livelihood approach serves as a critical framework for community engagement and development, wherein social capital is recognized as a key component that enhances the effectiveness of social investigations while also serving as a significant direction in community development. When social capital is aligned with human and natural capital, investigators can more effectively foster community self-confidence, which in turn strengthens physical and financial capital. This alignment also facilitates access to essential information, enhances the legitimacy of investigations, and aids in understanding potential barriers and opportunities in the field, including the risks of exclusivity or resistance. Investigators who are proficient in the dimension of social capital are better equipped to identify key actors who hold influence and legitimacy within the social structure, thereby enabling a more effective social mapping process.

Social Mapping

Social mapping is a method to obtain information about socio-cultural conditions directly in an area. The information that can be revealed through mapping activities will depend on the stage of the

information gathering process that has been carried out. Mapping is carried out to obtain both general information and more specific information; the topic can be broad or selected (Gunawan et al., 2018).

There are several things to report as outputs of this activity.

- a. Determination of actors and actors' relationship networks. A mandatory criterion in a social mapping study is the determination of actors and the network of relationships between actors. The mapping of this relationship network aims to determine the dynamics of social interaction between actors who have roles and influences. This network of relationships between actors includes relationships between institutions and institutions, institutions and individuals, and individuals and individuals (Chen & Wu, 2021).

The criteria for assigning actors at this stage are that recognized as a community leader, having influence, and having their voice heard by the community. They are usually, former village heads, traditional leaders, and religious leaders. They are influential because of their position, e.g. definitive Village Head, chairperson of the Village Representative Council. They also have influence because of their assets, for example, the owner of the largest rice field/pond/garden, so many residents work for them.

- b. Mapping actors into three broad groups: positive, neutral, and negative influences. Positive influences are actors who, in their capacity, have the desire to participate and encourage. Neutrals are actors whose capacity has not yet determined their attitude. A person with a negative influence is an actor who has the potential to hinder, force, or stop the program (Pirozzi, 2023).
- c. Identification of sustainable livelihoods. It is also important to recognize the various potentials for sustainable livelihoods, referring to the internal strengths of the community, to be used as capital to meet current needs without compromising the ability of future generations to meet their needs (Lasso & Dahles, 2018).
- d. Identify types of vulnerability and vulnerable groups. Vulnerable groups are groups of people who are in circumstances or conditions that lead to or cause an inability to deal with a threat. Vulnerable groups are groups that should be given capacity-building in order to fulfil their needs (Das et al., 2020; Ramírez Eudave et al., 2022).
- e. Identify potential and historical conflicts in the village. Identification attempts to differentiate the groups involved into two types: pseudo-groups and interest groups. Pseudo-groups actually have the same interests. Meanwhile, interest groups are formed from pseudo-groups that generally have clear structures, organizations, programs, goals, and membership. In conflict theory, Diprose & Azca (2020) explain that society is always in a process of change characterized by continuous conflict between its elements. It is important to identify these so that risks can be controlled.

Onto intervened by adding emphasis on investigators to explore local wisdom. One of the weaknesses often encountered in the field is the lack of integration of local knowledge into the social mapping process. Overly technocratic or theory-based approaches often devalue community knowledge. This has the potential to cause the mapping results to be less relevant or not contextualized with the real situation of the community.

At the social mapping stage, the urgency of social capital plays a critical role. Investigators are guided to identify individuals who serve as local champions (informal leaders) as well as key actors who have historically bridged relationships between groups. For instance, this includes examining the role of middlemen and their influence on the timber trade, identifying individuals whose opinions are respected and who, through their roles, shape the lives of segments of the community and whose perspectives are followed. Additionally, the analysis should consider what programs are needed to empower local champions to stimulate the use of social capital for the benefit of the broader community. Thus, social capital effectively guides the direction and plays a significant role in resource distribution and in maintaining the continuity of social dynamics, which often remain undetected within formal institutional frameworks.

Social capital contributes to strengthening social structures through the solidarity within homogeneous groups, as well as through bridging actors who connect diverse groups to foster innovation and knowledge exchange. Thus, social capital enriches the references for investigators to design social interventions that potentially enhance the adaptive capacity of the community. Incorporating social capital into the social mapping process is also effective in anticipating potential tensions within networks that may hinder program success. For example, when a dominant role by a particular group is overly bonding in nature, it can foster polarization and hinder the diffusion of new ideas. Integrating a social

capital perspective into social mapping provides more nuanced outcomes, offering interpretations of the dynamics of cooperation and conflict that shape community life.

Building a Common Dream

At the same time as social mapping, a parallel approach to the community is carried out with a different mission. The direction of the investigation changes as the findings of the social investigation are updated. Once all the local potentials of the village are known, the next step is to gather opinions from the community so that future goals can be determined. At this stage, the community will be invited to imagine and build a common future.

A core part of Onte's signature stakeholder engagement program is the search for the common dream of local communities based on local knowledge and wisdom. This is the quantum that transcends individual dreams and becomes the guide to the future desired by families and communities.

The primary source of livelihood for the community in South Konawe, Southeast Sulawesi Province at that time was illegal logging. This inevitably impacted the declining environmental quality and was not accompanied by a collective improvement in income levels. Only a small segment of the population—specifically those who worked as timber middlemen—were able to enjoy a disproportionately larger share of the benefits. A key finding that emerged as a common dream among the community was their desire to remain in their current place of residence, live in harmony with the forest without causing harm, while at the same time having a source of income sufficient to meet their daily needs.

The important thing instilled by Onte is that the investigator must be able to build confidence and raise the self-esteem of the community because generally rural communities do not have references to success and often feel inferior. This focus describes that Onte's proposal really seeks valid, reliable and contextual information about the habits and cultural customs of the community by relying on methods that blend in. This is often referred to by Onte as community defusing where philosophically there is a natural spread of ideas or information through very intense interaction.

Formation of Cooperatives

Communities that are convinced to work together to build their dreams must continue to be assisted until the formation of institutions that can oversee the economic activities of the community. At this stage, the formation of community-based business institutions is carried out. The urgency of establishing community-based business institutions such as cooperatives is a business model that focuses on community involvement and empowerment. This cooperative business is not only profit-oriented but also contributes to the social welfare of the community where the business is located. Click or tap here to enter text.

The connection with the previous stage is that Onte considers that by determining, building and realizing a common dream through the program will increase productivity while reducing lost opportunities compared to when the community carries out all its economic activities individually. The lesson learned from the field is that lost opportunities can be minimized by consolidating the community's inputs and outputs through one cooperative institution. This method will correct some of the variable costs including handling and shipping costs that were previously charged to each buyer but which can be taken over by the cooperative.

Cooperatives are established with the primary mission to have an economic impact on society. Its social goals can range from addressing inequality, improving access to basic services, to protecting the environment. Onte's mission goes beyond social and economic, building a socio-economic community that impacts environmental sustainability. KWLM invests by providing 3 seedlings for every tree sold to KWLM. Thus, the direction of sustainability is the maintenance of spring water from the forest.

Forests are a source of sustainability. Not only environmental sustainability including biodiversity, but also related to optimizing business potential. Onte's design in the KWLM and KHJL business model in increasing member income is to encourage the establishment of FSC wood sustainability certification. With FSC, the community can directly enjoy the benefits, namely easy access to global markets because of the trust of the market, especially from European and American countries. In addition, wood with FSC certificates has a premium price with a fairly high difference.

Several timber certifications are recognized in Indonesia, including FSC, SVLK, LEI, and PEFC. The choice of FSC certification is due to its ability to integrate ecological, social, and economic sustainability

values, which directly support the well-being of local communities while also opening access to premium global markets. This certification requires sustainable forest management practices that respect biodiversity, social and indigenous peoples' rights, and social equity. Consequently, it is highly relevant for supporting the empowerment of communities surrounding forests. Moreover, the FSC label is widely accepted in international markets, thereby enabling community timber products to achieve higher selling prices (green premium) compared to other certifications. This provides significant economic incentives for communities, including within cooperative or joint business schemes that can maximize economies of scale through input and output consolidation. Thus, FSC not only ensures legality but also offers added value in terms of sustainability, broader market access, and the potential for increased collective income for communities, making it the most appropriate choice in the context of community-based development.

The challenge faced is that timber is an annual crop. Although the yield is quite large, cooperative members still have to fulfil their daily needs. To overcome this, community cooperatives are allowed to grow weekly vegetables and secondary crops or monthly crops such as bananas, coffee, chocolate and seasonal fruits. It turned out that the success of this pattern formed the habit of the community that teak plants were their savings, similar to gold. Among KWLM and KHJL members, teak plants are easily traded and even used as collateral for debt transactions.

The establishment of cooperatives does not seem to be the ultimate goal of Onete's community engagement efforts. The number of cooperatives that have been built does not seem to be able to significantly increase people's income. Onete's legacy, such as the KWLM (Arifianto & Veritia, 2019) and KHJL (Veritia & Arifianto, 2020; Xu & Lu, 2021) has not been replicated in many regions. Onete's big dream is to establish and strengthen cooperative institutions as the driving force of the community's economy.

Village cooperatives have indeed helped to unite and escalate community income. However, over time, many cooperatives were found that did not perform their business, so the cooperative faded and even failed. According to Fuelton & Huet (2009) and Zainuri & Huda (2023), the dominant causes of cooperative management failure are managerial and structural problems. Managerial problems are more in the form of weak organizational capacity in managing business institutions.

For this reason, engineering is needed to maintain the sustainability of the cooperative. The application of the multi-stakeholder model is adopted in business institution building by including various actors in the value chain. In addition, the multi-party model is also feasible in social entrepreneurship. Summarizing the opinion, based on stakeholder dialogue, the various interest groups that participate in decision-making within the organization represent the interests of the public (Vidal, 2014). According to Gijselinckx (2009), multi-stakeholder collaboration in this model can strengthen public character, create innovation, and broaden the scope of objectives. This is because it gives rise to an exchange of a variety of viewpoints and sources of information that may be obtained due to the large network of constituent partners.

KWLM in Kulon Progo and KHJL in South Konawe have demonstrated significant performance achievements under the FSC certification program. KWLM successfully expanded its teak plantation area from 110 hectares in 2010 to 700.41 hectares in 2015, with standing timber volume increasing from 2,161.7 m³ to 10,718.3 m³, and Annual Allowable Cut (AAC) production rising from 336.8 m³ to 2,081 m³. In 2015, KWLM's timber sales value reached IDR 1.35 billion, supported by premium prices in the international furniture market. Meanwhile, KHJL experienced rapid membership growth from 57 to approximately 747 members, managing a total area of 754 hectares, with a standing teak volume of 18,692 m³ and log production of 14,945 m³ during the 2011–2020 period. Additionally, KHJL manages 4,640 hectares of Community Plantation Forests (HTP) that undergo annual FSC audits and offers premium prices for white teak timber up to IDR 4 million/m³, compared to the standard market price of IDR 2–2.75 million/m³.

Both cooperatives have reaped significant economic benefits from FSC certification, including access to premium markets, increased incomes, and substantial contributions to members' household incomes. According to a 2023 study by IPB, KHJL achieved a Net Present Value (NPV) exceeding IDR 7.7 million per Type I stratum and an Internal Rate of Return (IRR) of approximately 25 percent, while community forests contributed 17–20 percent of total household income. Overall, FSC certification has driven the expansion of productive land, intensified timber management, and strengthened the governance and sustainability of community forests, thereby delivering tangible positive impacts on

cooperative members' welfare and enhancing their competitiveness in both domestic and international markets.

Institutional Collaboration

Multi-party cooperatives (MSCs) are a new model developing in European countries and the United States, particularly Italy and Quebec (Lund & Novkovic, 2023). In these countries, the model is being implemented in an effort to achieve social and sustainability goals. This model allows the integration of running market activities while providing social services to its members. This is especially true for organizations engaged in social services, health, food systems, and agriculture. The representation of public interests carried by members of institutions involved in multi-stakeholder cooperatives is also used as an economic tool in driving social movements, including governments.

In many countries, MSCs have been institutionalized in regulations relating to social entrepreneurship. Through a commitment to fulfil the interests of all parties involved, Ajates (2021) elaborates that cooperative solidarity rearticulates the relationship between the business and social spheres of the economy in an environment where the global economy and new technologies require unlimited social mobility, labor, and knowledge. The benefits of collaboration and community empowerment will make this an attractive option for groups seeking to achieve common goals in a fair and democratic manner. With effective management and commitment from all parties, this model has great potential to create a positive impact on local and global economic development. Learn from the Sodiaal cooperative in France which receives guidance and protection facilities from the government, then there is the Rural Electrification Administration (REA) in the United States, then there is also Rabobank whose majority shares are owned by cooperatives so that Rabobank together with the government is more in favor of farmers and ranchers in the Netherlands. Then there is Japan, where the government seriously encourages cooperatives to have reliable subsidiaries so as to expand the scope of the cooperative's business. Onte's idea is relatively original and very contextual to the state of cooperatives and legislation in Indonesia.

This critical point underlies Onte's thinking. The novelty of this study is that, in line with Law No. 17/2012, Article 27 on Cooperatives, it is possible for cooperatives that have been formed in each village to merge into secondary cooperatives. Secondary cooperatives can be formed with a minimum of three primary cooperatives. Secondary Cooperative members are primary cooperatives that have similar economic interests and fulfil the requirements as stipulated in the Articles of Association.

Based on Law Number 23 of 2014 and Government Regulation Number 54 of 2017, the form of regional company (Perseroda) is considered to have the most appropriate characteristics because it is possible for ownership to be divided into shares owned by several parties with the regional government. In addition, the specific purpose of Perseroda is to generate profits and is fully subject to the Limited Liability Company Law so that it can provide benefits for the improvement of the regional economy in general without forgetting the main essence of establishing BUMD, namely providing more services to the community by balancing the social nature (Social Service Corporation) and commercial nature (Commercial Corporation).

Then, to maintain the sustainability of cooperative institutions with the aim of increasing member businesses and uniting business potential so that cooperatives become stronger, the Secondary Cooperative, together with the Pemda, formed Perseroda. The ownership of Perseroda is that the majority shareholder, 51% or more, is the regional government, and the remaining 49% or less is owned by the secondary cooperative and/or other business entities that have the same vision, mission, and business while maintaining the community-based nature of the business. Perseroda has a very important and strategic position in supporting the implementation of autonomy.

The government was chosen as a collaborator because it plays a very important role in promoting sustainable development because it has the authority and policies that can have a positive impact on the environment and society. The government also has large financial resources but needs approval from the legislature in every implementation of balancing economic growth and social and environmental preservation. Therefore, Onte's ideas are in line with the spirit of Law 17 of 2012 and Law 23 of 2014 and it is important for the government to make policies that are sustainable and fair in the long run.

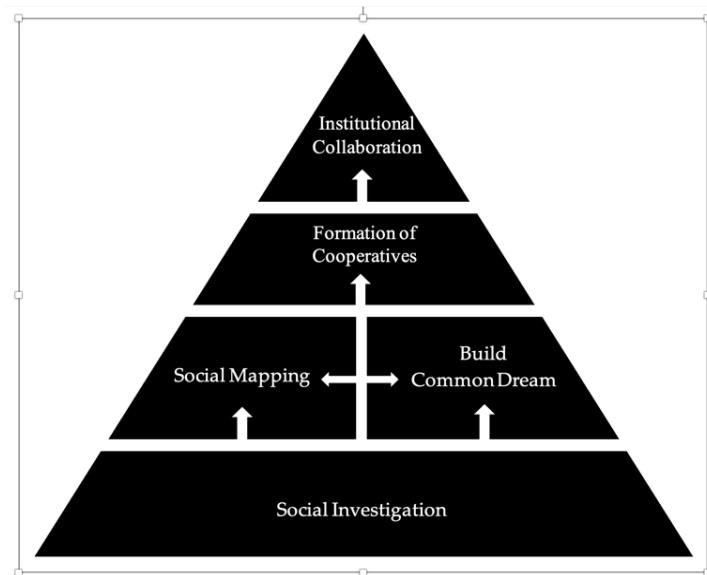


Figure 1. Five Steps Onte's Proposal of Community Engagement Approach

The government, with its authority, can promote sustainable growth by collaborating and partnering with business entities, non-governmental organizations, and stakeholders. Government and stakeholder synergies will foster and realize policies and ensure program sustainability. For example, the government can partner with businesses to expand consumption through sustainable market creation. Also, by improving managerial capacity, there will be an increase in performance to reduce the environmental and social impacts of business operations (J. Gunawan et al., 2020; Rudiana & Afifah, 2019). With the establishment of Perseroda, it is expected that the obstacles to primary cooperative management will be resolved. First, the low professionalism of the management and human resources will be resolved because the nature of Perseroda focuses on the goal of seeking profits to increase regional income and shareholders. Therefore, Perseroda will be managed independently, including in pricing and asset management. Thus, Perseroda will demand high professionalism and performance from cooperatives.

The second obstacle is the limited capitalization of cooperatives. Perseroda may seek additional capital from the relatively large private sector by issuing shares or bonds. What is a privilege is that Perseroda can receive capital from the capital participation mechanism from the local government. Similarly, market access is limited. The Local Government is able to mobilize regional apparatus organizations such as the UMKM Cooperative Office, the Tourism and Creative Economy Office to expand the marketing network for Perseroda products. It is expected that market access will be wider than if the cooperative only sells its own products. The third obstacle is the low performance of cooperative managers. Perseroda employees have the status of private employees so that employee competitiveness can improve company performance.

However, this fifth stage still cannot be carried out. Until now, remain still need a long discussion between the executive and legislative bodies regarding the formation of the Perseroda. During the discussion process with the local government, there were many predictions about the tough political process. However, it will be different when there are concrete examples. The challenge faced is that most bureaucrats and politicians have limitations in dealing with the complexity of problems, especially when faced with political interests. Furthermore, bureaucrats are also faced with paternalistic cultural habits and bureaucratic inferiority. What is encountered is that the executive still has to wait for "direction" from the legislature for the implementation of subsequent matters. In fact, it is not uncommon for the agenda to be very late from planning because it has to wait for a response from the legislator.

CONCLUSION

Community engagement efforts require a long and in-depth process. Starting from efforts to inventory potential, knowing the hopes and dreams of the community, followed by the formation of economic institutions that unite the community to the involvement of Government institutions to form the Perseroda. The existence of Perseroda needs to be optimized for management so that it truly becomes a

reliable economic force so that it can play an active role, both in carrying out its functions and duties and as a driving force for the regional economy. In addition to driving the economy, it is hoped that Perseroda can become a spur and harmonize the performance of cooperatives owned by the community.

The formulation of Onte's proposal is supported by a report from Social Enterprise UK year of 2023 in the State of Social Enterprise survey, which emphasizes that proactive government policy support, such as inclusive government contracts for social enterprises and partnerships with the public sector, is essential to encourage the growth and sustainability of the sector, which in turn can reduce the risk of failure. It goes on to say that government policies that support social enterprises, including cooperatives, such as working collaboratively, access to capital and technical assistance, as well as equity participation, can reduce the risk of failure. The study also highlights the importance of regulations that encourage the development of social enterprise ecosystems as a factor in the sustainability of social enterprises.

Incorporating a top-down program without knowing the local potential and not linear with community expectations will only increase the risk of program failure and this is in line with the argument from Mazzucato et al. (2020) that many policy failures occur when development policies or programs cannot achieve their stated goals because they no longer receive support from policy recipients. In this case, the community is no longer supportive because it is difficult for the community to interpret the form of the program, or the program is considered too political because it only accommodates the interests of certain groups. By prioritizing efforts to get to know the community truly, it will increase the potential for sustainability and progressivity of the community involvement program (Eriksen et al., 2021; Haverkamp, 2021).

Lee et al. (2022) emphasize that policies often fail when their implementation is not understood or accepted by the community. One of the main causes of policy failure is the lack of community involvement at the policy formulation stage. People are not involved because they feel unfamiliar and reluctant due to an imbalance of knowledge, expectations and programmes offered. It has also been argued that policies that do not actively involve the conditions, circumstances and expectations of beneficiaries are more likely to fail because people find it difficult to understand the objectives or consider the policy too biased for implementation in their daily lives (Zainuri & Huda, 2023). Genuine public participation is key to the sustainability of development programmes because it takes into account and promotes the local context. It will increase the sustainability and progressiveness of development policies, which often fail because they ignore the social context (Mutahara et al., 2020).

The Onte's proposal has actually become one of the ultimate methods successfully implemented by the Perkumpulan Telapak Indonesia in conducting community involvement and development in various projects. This success is because this method provides a extensively broad and open opportunity for the optimum participation of all community elements. This method is unrestricted to replication by adjusting to the plurality of cultures, habits, and local wisdom in each region. By applying this method, the community will easily understand the programme that is translated into operational activities, avoid overly utopian programme goals, easily make adjustments to conditions on the ground, and carry out mitigation plans due to constraints on the ground that limit alternative actions.

Methodologically, we believe that the Onte proposal has the potential to be replicated in other locations. Nonetheless, several limitations must be carefully considered as the limitations. First, investigators involved must have an in-depth understanding of the cultural characteristics and local community practices, including proficiency in communicating using the local language and dialect appropriately. Therefore, rigorous competency specifications are essential. Additionally, the background of investigators must be neutral and free from any particular bias to ensure that the community feels comfortable and open in sharing authentic information. Second, the emphasis on informal meetings that do not involve audio recordings or visual documentation can hinder the administrative reporting process to stakeholders. Consequently, effective communication with stakeholders is necessary to reach an adequate agreement regarding this matter.

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