

Governing Market Access for Cooperatives and SMEs: A Cluster-Based Ecosystem Framework from Indonesia

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ABSTRACT

This study examines how market access for cooperatives and micro, small and medium enterprises can be strengthened by shifting from fragmented firm-level support towards a cluster-based institutional ecosystem. Using Indonesia as a policy-oriented business governance case, the study integrates cluster, entrepreneurial ecosystem, procurement, digitalisation and policy-mix perspectives with stakeholder discussion evidence from Jakarta and Semarang. The analysis identifies three systemic constraints: fragmented institutional interventions, heterogeneous enterprise readiness, and weak conversion of support activities into recurring market relationships. It proposes a framework that segments enterprises by readiness, differentiates clusters by market purpose, assigns complementary ecosystem roles, and organises support around strategic market linkage. Cooperatives can act as aggregators while government, public enterprises, private firms and enabling institutions provide orchestration, demand and infrastructure. Ecosystem performance should be assessed through buyer continuity, procurement participation, supply-chain integration and enterprise upgrading rather than programme outputs alone.

INTRODUCTION

Cooperatives and micro, small and medium enterprises occupy a central position in Indonesia's production and employment structure. Recent government reporting continues to describe micro, small and medium enterprises as accounting for more than 64 million business units, more than 60% of national gross domestic product and almost 97% of employment, while their share of national exports remains around 15.7% (Coordinating Ministry for Economic Affairs, 2025). These proportions make their development a question of economic structure rather than a narrow small-business programme. Cooperatives add a second institutional dimension. They may operate as enterprises in their own right, but they can also aggregate production, organise purchasing, coordinate quality, strengthen bargaining and connect dispersed producers to larger buyers. In this article, cooperatives and micro, small and medium enterprises are therefore treated together as community-based market actors, abbreviated as CMSMEs after first use.

The policy problem is that economic importance does not automatically translate into sustained access to wider markets. Many CMSMEs continue to depend on local, informal or episodic demand even after participating in training, financing, exhibitions, certification programmes or digital onboarding. The constraint is partly internal: management capability, production volume, quality consistency, working capital and technological readiness vary substantially across enterprises. It is also systemic. Market participation depends on procurement rules, logistics, payment arrangements, distribution infrastructure, information flows, certification systems and connections with reliable buyers. An enterprise can improve its capabilities yet still fail to enter a supply chain if the surrounding market-access system is fragmented.

This distinction is particularly important in Indonesia because support is distributed across central ministries, provincial and local governments, state-owned and regional government-owned enterprises, financial institutions, digital platforms, universities, business associations, cooperatives and private firms. Institutional diversity can mobilise resources, but diversity is not equivalent to integration. Separate mandates, databases, budgets, performance indicators and programme cycles may lead to duplicated assistance for some beneficiaries and gaps for others. The Ministry of Micro, Small and Medium Enterprises' current 2025-2029 policy direction explicitly recognises that MSME data remain dispersed across 27 ministries and agencies and positions SAPA UMKM as a mechanism for integrating data and empowerment programmes (Ministry of Micro, Small and Medium Enterprises, n.d.). The contemporary policy context therefore reinforces a question already visible in the underlying case material: how can existing resources be organised around an end-to-end pathway to sustainable market access?

This study develops an integrated governance framework that connects these issues. Its central argument is that CMSME market access should be understood as an ecosystem outcome generated jointly by enterprise readiness, collective organisation, institutional quality, market connectivity and governance arrangements. The paper makes five contributions. First, it combines

cooperatives and micro, small and medium enterprises within one market-access category while recognising the distinctive role of cooperatives as potential collective-market institutions. Second, it reframes clusters from administrative groupings to market-linkage mechanisms. Third, it connects cluster and entrepreneurial ecosystem perspectives with procurement, digital systems, logistics and strategic partnerships. Fourth, it introduces a study-derived five-category segmentation for differentiated intervention. Fifth, it proposes ecosystem performance measures that focus on sustained market relationships rather than counts of programme participants, platform registrations, events or memoranda of understanding.

The remainder of the article reviews the conceptual foundations, explains the evidence-informed case approach, diagnoses the Indonesian market-access governance challenge, presents the cluster-based ecosystem framework, examines key governance dilemmas and derives policy and managerial implications. The Indonesian case is used to develop a practical governance architecture rather than to claim a universal model. Its broader relevance lies in emerging economies where large populations of micro and small enterprises coexist with multiple public programmes, uneven local institutional capacity, digital inequality and fragmented markets.

LITERATURE REVIEW

Market access as an ecosystem outcome

Market access is often discussed as the ability of a firm to sell a product, but for small enterprises the concept is wider. Sustainable market access includes participation in supply chains, institutional and corporate procurement, distribution networks, digital marketplaces, strategic buyer relationships and, where appropriate, export channels. Each route has requirements that exceed product promotion. Suppliers may need certification, standardised documentation, volume consistency, traceability, reliable delivery, working capital and information systems. Buyers, in turn, face transaction costs, compliance obligations, supply risks and quality assurance requirements. Market access is thus co-produced by sellers, buyers and the institutions governing exchange.

An ecosystem lens generalises this insight. Business ecosystem thinking emphasises interdependence among organisations rather than isolated competition (Moore, 1993). Entrepreneurial ecosystem research extends attention to institutions, actors, networks and regional conditions that shape entrepreneurial outcomes (O'Connor and Audretsch, 2023). Institutional quality influences how effectively ecosystem resources are transformed into performance (Audretsch et al., 2024), while network structures affect connectivity, access and the functioning of entrepreneurial systems (Ancona et al., 2023). Applied to market access, these studies suggest that enterprise capability is necessary but insufficient. The surrounding arrangements determine whether capability can be converted into sustainable participation.

Clusters and collective market capability

Clusters are valuable for CMSMEs because the limitations of individual scale are substantial. A single enterprise may have insufficient volume for institutional purchasing, limited bargaining power, high compliance costs and little capacity to maintain specialised marketing, logistics or quality functions. Clustering can create shared resources, specialisation, knowledge exchange, stronger bargaining power, coordinated logistics and collective visibility. Porter (1998) frames clusters as geographically concentrated but interconnected firms and supporting institutions whose relationships and complementarities can generate competitive advantage. Schmitz (1995) explains how external economies and deliberate joint action can create collective efficiency among small enterprises.

However, collective potential is not the same as collective capability. Effective clusters require governance: someone must identify opportunities, coordinate members, organise supply, maintain quality, negotiate with buyers, manage shared resources and be accountable for performance. Jain et al. (2022), in discussing shared resources in SME clusters, underline the importance of governance arrangements rather than treating collective resources as self-managing. This provides a useful distinction for policy. A cluster that exists in a database or receives periodic events may remain weakly connected to demand. A market-oriented cluster must have operational relationships that enable its members to fulfil market requirements collectively.

From clusters to institutional ecosystems

Cluster theory is strongest in explaining proximity, inter-firm relationships, specialisation and collective efficiency. An ecosystem perspective adds actors whose resources are essential but may lie outside the cluster itself: central and local governments, state and regional government-owned enterprises, financial institutions, universities, logistics providers, digital platforms, business associations and strategic buyers. No single actor controls all the resources required for sustainable market development. Ecosystem performance therefore depends on complementarities, connectivity, role clarity and coordination.

This is also why the article treats digitalisation as an ecosystem enabler. A marketplace, database or digital service becomes valuable when it connects to procurement, logistics, financial systems, market intelligence and institutional support. Sagala and Őri's (2024) systematic review shows that SME digital transformation depends on technological, organisational, managerial and environmental factors. Prihandono et al. (2024), focusing on Indonesian SMEs, similarly connect digital transformation with digital strategy and competitive conditions. The policy objective should therefore not be digital onboarding as an endpoint, but a digital infrastructure that helps enterprises transact, fulfil and learn within a wider market system.

Heterogeneity and differentiated intervention

CMSMEs are highly heterogeneous in continuity, size, formalisation, managerial capability, digital readiness, growth ambition, production capacity and procurement readiness. Treating this population as homogeneous creates two risks. First, support may be too advanced for survival-oriented or seasonal enterprises that still require basic formalisation, continuity and livelihood resilience. Second, more capable firms may repeatedly receive generic training while lacking specialised support for supplier development, procurement, standards or export preparation. Both cases generate poor resource allocation.

Zhang and Wang (2023) demonstrate that SMEs do not benefit equally from supportive policies and that firm heterogeneity shapes policy effects. This supports differentiated intervention but does not dictate a specific segmentation. The five-category segmentation used later in this article - seasonal enterprises, household-based enterprises, permanent local enterprises, digitally ready enterprises and nationally or globally expansion-oriented enterprises - is therefore presented as study-derived rather than borrowed from prior literature. Literature supports the principle; the case generates the operational typology.

Research gap and conceptual positioning

Several mature literatures illuminate parts of the market-access problem, yet they are often treated separately. SME capability research emphasises internal barriers; cluster research explains collective efficiency; entrepreneurial ecosystem research examines institutions and networks; procurement research considers access to public purchasing; digital transformation research examines technology and organisational readiness; and public policy studies examine support instruments. Less attention is given to how these elements can be governed as one market-access system in which the central outcome is durable connectivity to buyers.

The integration pursued here addresses seven related gaps. First, market access is reframed from a firm-level barrier problem to an ecosystem governance problem. Second, clusters are examined as institutional mechanisms for sustainable market linkage rather than merely geographic concentration. Third, ecosystem analysis is oriented towards market access as the focal outcome. Fourth, procurement is integrated with cluster organisation, digital systems, logistics and strategic partnerships. Fifth, cooperatives are positioned alongside MSMEs as collective-market institutions rather than analysed in isolation. Sixth, fragmented programmes and overlapping interventions become a core governance concern. Seventh, ecosystem performance is translated into operational outcomes such as buyer continuity, procurement participation, supply-chain integration, partnership quality, market diversification and enterprise upgrading. Together these elements provide the conceptual basis for the framework developed from the Indonesian case.

METHODOLOGY

This paper is an evidence-informed policy and business governance case study of the Indonesian CMSME market-access system. The underlying study was designed for institutional diagnosis and policy framework development rather than respondent-level statistical inference. The evidence base combines a structured synthesis of relevant literature and policy documents with stakeholder discussion evidence from Jakarta and Semarang. The case material records recurring concerns concerning overlapping programmes, the absence of integrated beneficiary data, coordination difficulties and fragmented institutional responsibilities. Stakeholder categories represented in the underlying discussions include central ministries, local governments, CMSME associations, state-owned and regional government-owned enterprises, and private-sector participants.

The analysis proceeds through five linked steps. First, market access is defined as sustained participation in identifiable market channels rather than completion of support activities. This allows the analysis to distinguish programme outputs - such as training attendance, digital registration or exhibition participation - from market outcomes such as repeat buying, procurement contracts, supply-chain integration and market diversification. Second, internal enterprise limitations are separated analytically from external ecosystem constraints. This is important because the same enterprise capability may generate different outcomes under different procurement, logistics, buyer-connectivity or coordination conditions.

Third, the analysis maps the institutional functions required to convert enterprise capability into market participation. These functions include strategic direction, local orchestration, aggregation, supplier development, financing, payments, logistics, data, certification, knowledge support and demand creation. The approach focuses on functions before organisations because several institutions can perform similar functions, while one institution can contribute to several functions. This also helps expose duplication and gaps.

Fourth, the study develops a differentiated cluster architecture. Enterprises are segmented by continuity, organisational capability, market orientation, digital readiness and growth trajectory; clusters are then differentiated by market purpose rather than product alone. The resulting categories are not intended as rigid legal classifications. They are decision aids for matching support intensity, governance arrangements, partners and performance indicators to realistic market pathways.

Fifth, the framework is stress-tested conceptually against governance dilemmas observed in the case: national coordination versus local adaptation; inclusion versus performance; digital connectivity versus physical infrastructure; administrative cluster formation versus market-driven cluster management; institutional autonomy versus programme integration; and short-term outputs versus long-term ecosystem outcomes. The purpose is not to eliminate these tensions but to design governance principles that make them explicit and manageable.

The available case material does not report a respondent-level sample size, interview protocol or transcript-based coding frequencies. Accordingly, this

paper does not claim statistical representativeness, saturation in the formal qualitative sense, or causal effects. Stakeholder evidence is used to identify and organise recurring governance patterns, while the literature is used to establish conceptual plausibility and boundaries. This methodological restraint is important because the article's contribution is a policy architecture that can be subsequently tested through comparative regional cases, network analysis, procurement data and longitudinal market-outcome measures.

RESEARCH RESULT

The Indonesian CMSME market-access system

Strategic importance and fragmented institutional support

Indonesia's CMSME system combines very large numbers of small economic actors with a correspondingly wide institutional support architecture. The current policy environment recognises that MSME development requires more than finance. The Ministry of Micro, Small and Medium Enterprises' 2025-2029 direction identifies limited standards, certification, technology and innovation, low participation in industrial value chains, and an underdeveloped business ecosystem as strategic issues. It also acknowledges that MSME data remain dispersed across 27 ministries and agencies, creating a direct policy rationale for integrated information and programme coordination (Ministry of Micro, Small and Medium Enterprises, n.d.).

The case material shows how fragmentation appears operationally. Similar training, exhibitions, financing facilitation, mentoring and digital onboarding may be implemented by different institutions under separate beneficiary databases and reporting systems. The same enterprise may be reached by several programmes while another enterprise remains outside the support network. Each institution can appear successful according to its own output indicators even when no institution is accountable for the complete pathway from capability building to recurring market participation. This is the central systems failure: the parts can function administratively while the end-to-end market-access process remains weak.

This diagnosis shifts the policy question. Rather than asking how many institutions or programmes support CMSMEs, the relevant question becomes whether these institutions operate as an interconnected market ecosystem. The distinction is consequential for accountability. Training is valuable when it addresses a defined market requirement. Certification matters when it enables a supplier to meet a buyer or regulatory standard. Finance matters when it supports working capital for an actual order or capacity expansion. Digital tools matter when they reduce transaction friction and improve market information. Without a market linkage objective, support can remain a sequence of disconnected activities.

Unequal readiness and the limits of uniform programming

The Indonesian CMSME population contains enterprises with fundamentally different operating logics. Seasonal businesses may function irregularly and supplement household income. Household-based businesses may have more stable activity but limited organisational separation and production scale. Permanent local enterprises can maintain recurring operations and established customers. Digitally ready enterprises have greater capacity to use online channels and structured operating systems. Expansion-oriented enterprises may be capable of standardisation, procurement participation or export preparation. Cooperatives also vary in professional management, member participation, financial discipline and aggregation capability.

A uniform intervention ignores these differences. Entry-level support can be essential for a household producer but redundant for a procurement-ready supplier. Conversely, a highly demanding export or procurement programme can exclude a viable local business whose realistic pathway is incremental upgrading. The policy challenge is therefore not to choose between inclusion and selectivity, but to create differentiated pathways. Inclusion can be preserved through broad access to appropriate entry points, while more intensive resources are matched to readiness and market opportunity.

Weak cluster governance

Indonesia has long used sentra or cluster approaches around products, sectors and local economic strengths. Such grouping can improve visibility and provide a convenient unit for programme delivery. Yet administrative clustering does not answer operational questions: who identifies buyers, negotiates terms, coordinates production, enforces quality, organises logistics, manages shared assets and tracks performance? If these functions are absent, the cluster remains a beneficiary grouping rather than a market actor.

The role of a cluster coordinator is therefore central. Effective coordination requires legitimacy among members, professional capability, a buyer orientation and sufficient operational authority to solve collective problems. A cooperative may perform this role when its governance is strong, but cooperative status should not be used as a proxy for capability. In other cases a professional cluster management unit, association, anchor firm or partnership arrangement may be more appropriate. The design principle is functional: governance should be chosen according to what the cluster must do to serve its intended market.

Procurement as a market-access channel

Government, state-owned enterprise and regional government-owned enterprise procurement can provide recurring demand with greater continuity than one-off exhibitions or promotional events. It can also expose CMSMEs to standards that support later private-market upgrading. However, procurement imposes both supplier-side and buyer-side requirements. CMSMEs may struggle with documentation, taxation, certification, volume, quality consistency, delivery reliability and tender procedures. Buyers are concerned with accountability, supply reliability, compliance, transaction costs and risk.

This produces a governance dilemma between inclusion and procurement efficiency. Simply lowering requirements can undermine quality and

accountability, while maintaining large contract sizes and complex procedures can exclude small suppliers. A cluster or cooperative aggregation mechanism can reduce this tension by pooling supply and centralising some compliance functions. Supplier development, smaller lots, certification assistance, onboarding support and collective fulfilment can improve participation while maintaining buyer requirements. Procurement policy thus becomes part of ecosystem design rather than a separate administrative domain (Hoekman and Taş, 2022; Flynn, 2026).

Digital systems and ecosystem visibility

The market-access system also contains multiple databases, registration platforms and monitoring arrangements. When systems are not interoperable, institutions repeatedly collect similar data, beneficiary duplication is harder to detect, and the upgrading trajectory of an enterprise cannot be followed across programmes. Platform metrics may focus on registrations or transactions, while public programmes report participant counts. Neither necessarily answers whether an enterprise has achieved sustainable market access.

Interoperability is therefore not merely an information-technology concern. It is a governance mechanism for shared accountability. The emerging SAPA UMKM architecture is policy-relevant because it is designed as an integrated information and service platform, including stronger links to procurement and other support functions (Ministry of Micro, Small and Medium Enterprises, 2026). The systems objective should be a common view of enterprise readiness, interventions received, market opportunities and outcomes, while respecting institutional mandates and data governance requirements.

From fragmented activities to a market-access pathway

The diagnosis can be summarised as a conversion problem. Indonesia has substantial institutional resources, but these resources do not always convert into sustainable buyer relationships. The required shift is from a programme logic to a pathway logic: identify the enterprise and its readiness; identify the feasible market destination; organise the appropriate cluster or collective mechanism; assign complementary institutional roles; provide only the capabilities and infrastructure needed for that market; establish the buyer relationship; and measure continuity and upgrading. This sequence forms the basis of the framework in the next section.

Cluster-based market-access ecosystem framework

Study-derived CMSME segmentation

The first component of the framework is segmentation. Five categories are proposed from the underlying study. Seasonal enterprises operate irregularly and frequently have a supplementary-income orientation. Household-based enterprises are home-centred, rely substantially on family labour and have relatively stable but limited scale. Permanent local enterprises operate continuously and have an established local customer base, with potential for regional expansion. Digitally ready enterprises combine more structured

operations with the capability to transact through digital channels. Nationally or globally expansion-oriented enterprises have stronger management, higher standardisation, scalable production and potential readiness for procurement or export.

The categories are developmental, not hierarchical labels of worth. They help match support to realistic trajectories. A seasonal enterprise may first need continuity, basic formalisation and a viable local channel. A household-based enterprise may benefit from simple production planning, packaging, collective purchasing and local aggregation. A permanent local enterprise may need regional distribution, certification or working-capital arrangements. A digitally ready enterprise may require marketplace optimisation, fulfilment, inventory integration and broader buyer connectivity. An expansion-oriented enterprise may need supplier qualification, standards, procurement integration, export compliance and professional finance.

This approach also avoids treating digital readiness as a universal dividing line. Digital capability is important, but it should be interpreted in relation to the enterprise's operating model and market. A small producer may gain more from reliable aggregation and logistics than from immediate multi-platform expansion. Conversely, an already structured enterprise may need data interoperability and supply-chain systems rather than introductory digital literacy.

Cluster differentiation by market purpose

The second component is to design clusters around market purpose. Product similarity can be useful, but it does not determine the governance system required. A local-market cluster prioritises proximity, stable community demand, local distribution and basic quality consistency. A procurement-oriented cluster requires stronger documentation, volume aggregation, quality assurance, contract management and delivery reliability. A digital-market cluster requires catalogue quality, inventory, fulfilment, customer service, payment integration and data use. An export-oriented cluster requires advanced standards, logistics, documentation, scale and market intelligence.

Market-purpose differentiation makes infrastructure and partnerships more disciplined. Training is chosen because it addresses a market requirement; technology is introduced because it solves an operational bottleneck; finance is connected to working-capital or investment needs generated by actual opportunities; and partner selection follows the same logic. The cluster is therefore a vehicle for collective market capability, not a permanent programme category.

Institutional ecosystem architecture

The third component assigns complementary functions across the ecosystem. Central government provides strategic direction, cross-sector policy alignment, common standards and interoperability requirements. Local governments are positioned as operational ecosystem orchestrators because they

are closer to enterprises, local infrastructure, regional specialisation and local procurement. Their role is not simply to reproduce national programmes but to connect national instruments to local market realities.

Cooperatives can aggregate production, coordinate purchasing and supply, strengthen bargaining and act as market intermediaries. State-owned and regional government-owned enterprises can contribute procurement, logistics, transportation, commercial infrastructure and anchor demand. Their potential role is therefore greater than corporate social responsibility or short-term training. Private corporations can act as strategic buyers, supplier-development partners and routes into wider supply chains. Universities can contribute capability development, innovation, incubation, applied problem-solving and evaluation. Digital platforms provide connectivity, transaction infrastructure and data; financial institutions provide finance, payments and working capital; logistics providers enable reliable fulfilment; and business associations provide networking, representation and market information.

The architecture is intentionally function-based. It does not require every actor to participate in every cluster. The relevant ecosystem is the smallest set of complementary actors capable of supporting the intended market pathway. This avoids an opposite problem in which ecosystem language simply creates larger committees without clearer operational responsibility.

Strategic market linkage as the organising objective

The fourth component changes the organising objective from support delivery to market linkage. Potential channels include government procurement, state-owned and regional government-owned enterprise procurement, corporate supply chains, distributors, retail, digital marketplaces and export markets. Each support activity is evaluated according to whether it improves access to one or more of these channels.

This creates a different sequence for programme design. Rather than beginning with available training or a predetermined technology, the process begins with a market opportunity and the capability gap that prevents access. Certification then supports a defined standard; training addresses a defined operating requirement; finance supports a defined investment or working-capital need; digitalisation supports a defined transaction process; and cluster formation supports a defined collective requirement. The logic is means-to-outcome rather than programme-to-participant.

Operational partnership model

The fifth component strengthens partnership quality. Partnerships should not be evaluated mainly by the number of memoranda of understanding, events or institutional names. An operational market partnership should specify roles, resources, market contribution, responsibilities, decision rights and performance expectations. Possible arrangements include buyer-cluster partnerships, public-enterprise-CMSME supplier programmes, cooperative-producer arrangements, university-cluster capability partnerships, logistics-cluster service agreements, finance-cluster facilities and platform-cluster integration.

Where market development requires time, multi-year relationships are preferable to ceremonial or event-based collaboration. Continuity allows partners to learn, invest and adjust. The relevant measure is not whether a partnership exists on paper but whether it creates repeat transactions, reduces bottlenecks or improves the cluster's ability to fulfil market requirements.

Integration logic and ecosystem performance

The complete framework follows a practical sequence: enterprise segmentation -> appropriate market-purpose cluster -> institutional role allocation -> capability and infrastructure support -> strategic market linkage -> recurring market participation -> upgrading and scaling. It is differentiated, coordinated, market-oriented, locally adaptive, digitally enabled and accountable.

Performance measurement must follow the same logic. Indicators should include market-linkage effectiveness, buyer continuity, procurement participation, partnership quality and diversity, network connectivity, supply-chain integration, enterprise upgrading, market diversification and cluster sustainability. Training participants, platform registrations, events and memoranda can remain implementation metrics, but they should not be treated as final outcomes. The central test is whether institutional connectivity generates sustainable and broadly distributed market opportunities for CMSMEs.

Table 1. Study-derived CMSME segmentation and market pathways

Category	Operating profile	Priority pathway	Indicative support focus
Seasonal enterprise	Irregular activity; supplementary-income orientation	Continuity and viable local demand	Basic formalisation, product consistency, local aggregation
Household-based enterprise	Home-based; family labour; limited scale	Stable local market and collective efficiency	Packaging, production planning, collective purchasing, aggregation
Permanent local enterprise	Continuous operation; established local customers	Regional distribution and institutional readiness	Certification, working capital, distribution, quality systems
Digitally ready enterprise	Structured operations; capable of digital channels	Broader digital and multi-channel markets	Inventory, fulfilment, customer service, platform integration

Category	Operating profile	Priority pathway	Indicative support focus
Expansion-oriented enterprise	Higher standardisation; scalable production	Procurement, corporate supply chains and export	Supplier qualification, standards, finance, logistics, export readiness

Governance dilemmas and design principles

National coordination versus local orchestration

The framework requires both common national standards and local adaptation. Centralised coordination can reduce duplication, establish interoperable data, align policy objectives and support nationally consistent procurement or certification rules. Local governance provides contextual knowledge, proximity to CMSMEs, understanding of regional specialisation and the ability to coordinate local infrastructure. Excessive centralisation risks imposing uniform programmes on heterogeneous regions; excessive decentralisation risks fragmented systems and uneven quality. The proposed principle is nationally coordinated, locally orchestrated governance. National institutions define standards, shared outcomes and interoperable infrastructure; local actors configure the pathway around regional markets and enterprise conditions. This principle is consistent with the regional sensitivity of entrepreneurial ecosystems identified by O'Connor and Audretsch (2023).

Inclusion versus high-performance support

CMSME policy serves both social and economic objectives. A broad inclusion orientation supports livelihoods, resilience, poverty reduction and community participation. A high-performance orientation prioritises productivity, scale, procurement readiness, export potential and faster market results. Limited resources create a genuine tension between the two. The framework does not resolve it by choosing one objective. Instead, segmentation creates differentiated pathways. Inclusive entry remains possible, but resource-intensive interventions can be matched to readiness and market opportunity. This makes selection criteria more transparent and reduces the tendency to apply one programme to enterprises with incompatible needs.

Digital-first versus infrastructure-first development

Digital tools offer scalable connectivity, data and market reach. Physical operational capability determines whether an order can actually be fulfilled. Treating these as competing priorities creates a false choice. A digital-first programme can fail when production, storage, logistics and quality are weak; an infrastructure-first programme can underperform when enterprises remain disconnected from information and demand. Sustainable market access requires synchronisation. The sequencing may differ by cluster, but digital connectivity and physical fulfilment capability must ultimately converge (Sagala and Őri, 2024; Prihandono et al., 2024).

Administrative versus market-driven clusters

Administrative clusters are relatively easy to establish, map and count. Market-driven clusters are more demanding because they need buyers, professional coordination, quality discipline and operational accountability. Public programmes may therefore have incentives to prefer the visible output of cluster formation over the slower work of cluster functionality. The framework counters this bias by defining cluster performance in market terms. The question is not whether a cluster has been created, but whether collective organisation enables members to reach and retain markets they could not serve effectively as isolated enterprises.

Institutional autonomy versus ecosystem integration

Integration does not mean eliminating organisational mandates or placing all programmes under one institution. Ministries, local governments, enterprises, universities and financial institutions have legitimate responsibilities and accountability systems. The challenge is to create shared outcomes, interoperable information and explicit hand-offs between programmes. A common market-access objective can coexist with institutional autonomy if roles, data standards and outcome measures are agreed. Wang et al. (2023) provide a useful conceptual basis: effective entrepreneurial policy is configurational, requiring complementary instruments rather than a single dominant intervention.

Short-term outputs versus long-term ecosystem outcomes

Programme outputs are politically and administratively attractive because they are immediate and attributable. The number of enterprises trained, onboarded or financed can be reported within a budget year. Ecosystem outcomes such as repeat buyers, revenue continuity, procurement participation, supply-chain integration, cluster survival and upgrading emerge over longer periods and depend on several institutions. Attribution is harder, but the measures are closer to the actual purpose of market-access policy.

A balanced accountability system should therefore retain operational indicators while adding shared outcome metrics. This creates an incentive for institutions to complete hand-offs rather than optimise isolated programme counts. It also changes the role of monitoring from reporting activity to learning about where the market-access pathway fails.

Table 2. Governance tensions and design responses

Governance tension	Risk if one-sided	Design response
National coordination vs local orchestration	Uniformity ignores context / decentralisation multiplies fragmentation	National standards and interoperable systems; local configuration of cluster pathways

Governance tension	Risk if one-sided	Design response
Inclusion vs high performance	Resources spread too thin / vulnerable enterprises excluded	Differentiated pathways by readiness and market opportunity
Digital-first vs infrastructure-first	Online presence without fulfilment / capacity without connectivity	Synchronise digital connectivity with production, logistics and payment readiness
Administrative vs market-driven clusters	Clusters become countable beneficiary groups without buyers	Professional coordination and market-function performance indicators
Institutional autonomy vs integration	Duplicated programmes / over-centralised control	Shared outcomes, interoperable data and explicit hand-offs
Short-term outputs vs long-term outcomes	Activity counts displace sustainable market results	Retain implementation metrics but add shared buyer, procurement and upgrading outcomes

Policy and managerial implications

Government: from programme administration to ecosystem orchestration

The primary implication for government is to organise existing resources before creating additional programmes. National coordination should establish a common definition of market-access outcomes, shared data standards, role clarity and interoperable monitoring. Local governments should be empowered and assessed as operational orchestrators of cluster pathways, connecting local CMSMEs with procurement, infrastructure, universities, associations and market partners. Where several programmes address the same enterprise, information should be shared sufficiently to prevent unproductive duplication and to identify the next missing capability rather than repeating completed support.

The current policy direction towards SAPA UMKM is aligned with this principle because it seeks to integrate information and services across fragmented institutional arrangements (Ministry of Micro, Small and Medium Enterprises, n.d.; 2026). The value of such a platform will depend not only on the number of services integrated but on whether it helps users and institutions move from registration to market outcomes. A useful system would support readiness profiles, referrals, programme history, buyer opportunities and outcome tracking while maintaining proportionate governance over data access.

State-owned and regional government-owned enterprises: from assistance providers to anchor ecosystem actors

Public enterprises possess assets that can directly shape market access: procurement demand, logistics, transportation networks, commercial spaces,

distribution systems and supplier-development capability. Their contribution should therefore extend beyond temporary assistance. They can serve as anchor buyers or infrastructure partners for qualified clusters, provide transparent supplier-development pathways, and help smaller suppliers learn the operational disciplines required by larger markets.

This shift also changes performance expectations. A public enterprise empowerment programme should be judged not only by how many CMSMEs participate but by supplier continuity, quality improvement, recurring orders and the extent to which enterprises can later serve additional buyers. Anchor demand is most developmental when it builds transferable capability rather than permanent dependence on one purchaser.

Cooperatives and cluster coordinators: professionalise the aggregation function

For cooperatives, the strategic opportunity lies in aggregation and intermediation. Small producers often cannot individually meet volume, negotiation, logistics or compliance requirements. A professionally governed cooperative can consolidate demand and supply, coordinate quality, provide shared services and represent members in buyer relationships. However, this requires managerial competence, transparent governance, data discipline and accountability to members. Cooperative legal status should therefore be complemented by governance-capability assessment before assigning an aggregation role.

Cluster coordinators, whether cooperatives or other organisations, need a market-facing mandate. Their performance should include buyer development, fulfilment reliability, shared resource use, member upgrading and financial sustainability. Public support for coordinators can be justified when it builds functions that eventually become supported by transactions or membership value rather than indefinite programme subsidies.

Private firms and buyers: co-design supplier pathways

Private corporations should be treated as market partners rather than only sponsors. Supplier development can be designed around actual procurement categories, quality requirements and delivery expectations. Early buyer involvement reduces the risk that public capability programmes teach generic content disconnected from market specifications. It also allows clusters to understand demand volatility, compliance needs and commercial trade-offs before investing in expansion.

Buyer participation should not remove competition or procurement integrity. The purpose is to make requirements visible, improve supplier readiness and reduce transaction costs. Multi-buyer cluster relationships are preferable where possible because market diversification reduces dependency and provides stronger evidence that capability is transferable.

Universities, finance, digital platforms and logistics providers: connect enabling services to market milestones

Universities can provide diagnostic tools, product and process innovation, capability development and independent evaluation. Their contribution becomes

more valuable when linked to market milestones rather than stand-alone training. Financial institutions can design working-capital and investment products around order cycles and cluster aggregation. Digital platforms can provide demand signals, transaction data and interoperable services. Logistics providers can design collective fulfilment solutions that reduce small-shipment costs. The common principle is that enabling services should solve a bottleneck in a defined market pathway.

Implications for other emerging economies

The Indonesian case may be relevant to other emerging economies characterised by large numbers of micro and small enterprises, substantial community-based economic activity, multiple public support programmes, uneven local institutional capacity and fragmented markets. The transferable lesson is not a specific five-category classification or organisational chart. It is a governance logic: institutional proliferation does not guarantee market access; cluster policy should focus on functionality and connectivity; collective institutions can overcome scale constraints; and support should be organised around sustainable demand rather than programme participation.

DISCUSSION

The framework contributes to business and systems research by connecting market-access policy to the design of an interdependent business system. The unit of analysis is neither the isolated enterprise nor the public programme. It is the conversion architecture through which enterprise capability, collective organisation, institutional resources and buyer relationships interact. This systems view helps explain why individually sensible interventions can produce weak aggregate results when they are not connected.

The first theoretical implication concerns the boundary between cluster and ecosystem perspectives. Cluster theory explains why proximity, specialisation and joint action can generate collective efficiency, but the Indonesian case shows that market linkage often requires actors and resources beyond the cluster boundary. Procurement authorities, public enterprises, digital platforms, financial institutions and logistics providers may determine whether collective capability reaches a market. The framework therefore positions the cluster as a meso-level coordinating unit nested within a wider market-access ecosystem.

The second implication concerns the role of cooperatives. Conventional analyses often treat cooperatives and MSMEs as separate enterprise categories. The framework instead focuses on function. A cooperative can be an enterprise, but it can also be an institutional device for aggregation, collective purchasing, quality coordination and bargaining. This function is especially important where small-firm scale is the binding constraint. At the same time, the framework rejects an automatic assumption that cooperative status creates coordination capability. Governance quality remains a condition for the collective role.

The third implication concerns policy mixes. Wang et al. (2023) demonstrate that ecosystem policy effectiveness arises from configurations of complementary instruments. The present framework specifies a market-access interpretation of

complementarity. Training, finance, certification, digitalisation, logistics and procurement support are complementary when they remove sequential or simultaneous bottlenecks along a defined pathway to a buyer. The practical unit of policy design should therefore be the pathway, not the programme catalogue.

The fourth implication is measurement. Ecosystem language can become rhetorical if performance remains measured through traditional programme outputs. By proposing buyer continuity, procurement participation, supply-chain integration, market diversification, partnership quality and upgrading as outcome measures, the framework makes ecosystem governance empirically testable. These measures can also support network analysis: actor connectivity can be examined alongside transaction or procurement outcomes to assess whether denser or more strategically configured relationships improve access (Ancona et al., 2023).

Finally, the framework offers a way to reconcile national policy coherence with regional diversity. Entrepreneurial ecosystems are context dependent (O'Connor and Audretsch, 2023). Indonesia's geographic, sectoral and institutional heterogeneity makes a fully uniform model unrealistic. Yet complete decentralisation can reinforce incompatibility and duplication. The nationally coordinated, locally orchestrated principle separates what benefits from standardisation - objectives, data standards, interoperability and outcome definitions - from what requires contextual design - cluster composition, partners, infrastructure and market channels.

CONCLUSIONS AND RECOMMENDATIONS

This study concludes that the main challenge in expanding market access for cooperatives and micro, small and medium enterprises (MSMEs) is not the quantity of support, but the ability to coordinate dispersed institutional resources into an ecosystem that connects enterprises with sustainable market demand. The proposed cluster-based ecosystem framework addresses this challenge through differentiated enterprise readiness, market-purpose-oriented clusters, complementary roles among public and private actors, and outcome-based performance measurement. Cooperatives can serve as collective-market institutions where governance capacity is sufficient, while government, public enterprises, private firms, and enabling institutions provide coordination, demand, infrastructure, financing, digitalisation, and supplier development.

The framework shifts attention from programme outputs to market outcomes, particularly buyer continuity, procurement participation, supply-chain integration, market diversification, enterprise upgrading, and cluster continuity. As a policy-oriented governance case, the study does not claim statistical representativeness or causal effects, and the proposed enterprise segmentation requires further validation across sectors and regions. Future research should therefore test the framework through comparative cases, network analysis, procurement data, and longitudinal evidence to assess its applicability and sustainability.

The study recommends that policymakers strengthen an integrated cluster-based market-access ecosystem by connecting enterprise development,

cooperative aggregation, procurement, financing, certification, digitalisation, logistics, and market-linkage programmes within a coordinated institutional framework. Enterprise support should be differentiated according to readiness and realistic market pathways, while cooperatives with adequate governance capacity can be strengthened as collective-market institutions and public enterprises, regional government-owned enterprises, and private corporations can be engaged as anchor buyers and supplier-development partners. National and local governments should clarify complementary roles, improve data and programme interoperability, and establish outcome-oriented monitoring based on buyer continuity, procurement participation, supply-chain integration, market diversification, enterprise upgrading, and cluster continuity. Future research should test the framework across different regions and sectors using comparative case studies, network analysis, procurement data, and longitudinal evidence to assess its applicability and effectiveness over time.

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