

## **Innovation of and in Informal Actor Network**

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### **Abstract**

How the informal sectors create and share innovation in gaining competition is very important in tourism development. Commonly, informal sectors are embedded in their routines and lack of innovation capacities. Based on the case of pedicab drivers in Yogyakarta, it was found that as informal sector in tourism activity, the drivers have created product innovation. This street level of innovation is mainly done by seeing the tourists as the potential demand/profitable customers. They have created innovation on physical performance of the pedicab, the capacity of pedicab to serve the tourists, and the union as the organization of the pedicab drivers. Furthermore the pedicab has transformed not only as a transportation mode but also as one of cultural tourism attraction in Yogyakarta.

The study also shows that pedicab drivers unions have significant roles in creating and sharing innovation among them. Basically the unions were formed to organize the pedicab drivers that grown up significantly after economic crisis in 1998. In these unions the pedicab drivers can improve their capacity, such as by conducting a language course; sharing information about tourism issues and urban transport's rules; discussing strategies to improve their appearance, etc.

The union has strategic position both externally with other tourism actors in Yogyakarta and internally within the members. Externally, through the union, the pedicab drivers can have bargaining position to the policy makers and formal tourism actors, such as shop, attraction, hotel and restaurant. Through the union the pedicab drivers can communicate their aspiration and problems during their daily activities. Conversely, through the union, the policy makers and the formal tourism actors can communicate their programs and information related to tourism development to the pedicab drivers as one of noteworthy tourism actors. The union can get the figures of demand and trend of tourism through these external links. Furthermore the figures are needed to create the product innovation. In this case, the role of local champion (the leader of the union) is very important to facilitate the network between union and the formal actors. On the other hand, internally, the union is a means of social network among the pedicab drivers. The members who have similar characters could share the opinion, problems, knowledge, and information easily. This social network makes the process innovation done with fewer problems.

**Keywords:** informal actor networks, innovation mechanism, sustainable tourism development