



## EDITORIAL

**Toward Adaptive Economies****Safroni Isrososiawan**

Editor-in-Chief

Universitas Islam Negeri Mataram, Indonesia  
[safroniisrososiawan@uinmataram.ac.id](mailto:safroniisrososiawan@uinmataram.ac.id)

Artificial intelligence (AI) has evolved beyond a productivity-enhancing technology to become a fundamental driver of economic transformation. Across industries and public sectors, AI increasingly redefines how value is created, coordinated, and captured through intelligent automation, data-driven decision making, and digitally connected ecosystems. Organizations no longer compete solely through superior resources or technological assets but through their ability to continuously adapt business models, reconfigure organizational capabilities, and orchestrate collaborations across increasingly complex networks. Consequently, digital transformation has become less a question of technology adoption than of organizational and institutional adaptation capable of generating sustainable value in environments characterized by continuous disruption (Vial, 2019; Verhoef et al., 2021; Dwivedi et al., 2023).

Despite this rapid evolution, contemporary scholarship remains fragmented across multiple research traditions. Artificial intelligence research has predominantly focused on algorithmic capability and technological performance, business model innovation literature has emphasized organizational value creation and competitive renewal, while digital ecosystem studies have explored interorganizational collaboration and platform-based innovation. Although each perspective provides valuable insights, their separation limits our understanding of how adaptive capabilities emerge simultaneously across organizations, institutions, governments, financial systems, labor markets, and regional innovation ecosystems. Collectively, the contributions assembled in this issue suggest that adaptation itself—not technology—constitutes the missing integrative mechanism linking AI-driven transformation with resilient economic development.

**Adaptive Capabilities as the New Foundation of Value Creation**

A dominant intellectual pattern emerging from this issue is the reconceptualization of adaptive capability as the principal driver of economic transformation. Traditional strategic management has long explained competitive advantage through valuable resources and organizational capabilities (Barney, 1991; Teece, 2007). While these perspectives remain foundational, AI introduces a fundamentally different competitive environment characterized by accelerating technological change, continuous knowledge renewal, and persistent environmental uncertainty. Under these conditions, competitive advantage no longer derives primarily from possessing superior resources but from continuously reconfiguring those resources in response to evolving technological and institutional conditions.

Artificial intelligence amplifies this shift by enabling organizations to sense environmental change with unprecedented speed, generate predictive insights, automate increasingly complex decision processes, and coordinate dispersed knowledge across organizational boundaries. Yet the strategic value of AI remains contingent upon complementary capabilities involving organizational learning, leadership, governance, institutional flexibility, and ecosystem collaboration. Technology alone rarely produces sustainable transformation; instead, transformation emerges through the orchestration of technological intelligence with human expertise, organizational routines, and adaptive governance structures. AI therefore functions less as an independent production factor than as a catalyst that accelerates capability renewal throughout organizations and innovation ecosystems.

This broader perspective substantially extends Dynamic Capabilities Theory. Whereas conventional interpretations primarily emphasize organizational sensing, seizing, and transforming, the studies synthesized in this issue collectively demonstrate that adaptive capabilities increasingly transcend organizational boundaries. They emerge through recursive interactions among heterogeneous actors including firms, governments, financial institutions, universities, regulators, and digital platforms. Such ecosystem-level capability development reflects an important evolution in strategic management thinking, where resilience becomes a property of coordinated adaptive systems rather than isolated organizations. AI contributes to this evolution by facilitating knowledge integration, institutional coordination, and continuous experimentation across increasingly interconnected ecosystems.

The implication is equally significant for theories of business model innovation. AI reshapes business models not merely by automating existing activities but by redefining the mechanisms through which organizations create and capture value. Intelligent decision systems, predictive analytics, digital platforms, and data ecosystems enable organizations to redesign relationships with customers, suppliers, governments, and communities while simultaneously increasing organizational responsiveness under uncertainty. Consequently, adaptive capability becomes inseparable from business model innovation because continuous capability renewal enables organizations to redesign value propositions in response to rapidly changing technological and societal conditions.

## **Ecosystem Coordination Beyond Organizational Boundaries**

A second theme emerging across this issue concerns the growing importance of ecosystem coordination as the dominant architecture of adaptive economies. Earlier innovation research frequently portrayed firms as the principal locus of technological development. Contemporary AI-enabled transformation, however, increasingly unfolds through interconnected ecosystems in which knowledge, capabilities, financial resources, regulatory institutions, and digital infrastructures become deeply interdependent.

This ecosystem perspective fundamentally changes how resilience should be understood. Rather than representing an organizational capacity to recover from disruption, resilience increasingly emerges as a collective capability generated through coordination among multiple actors operating across institutional boundaries. AI strengthens these interactions by enabling continuous information exchange, real-time coordination, predictive governance, and collaborative learning among participants whose activities were previously fragmented. As a result, ecosystem resilience depends less on the robustness of individual organizations than on the quality of adaptive relationships connecting diverse institutional actors.

The contributions in this issue collectively reinforce this broader interpretation by demonstrating that adaptive ecosystems extend well beyond private firms. Financial systems increasingly operate as adaptive networks capable of reallocating resources under systemic uncertainty. Workforce resilience depends upon coordinated capability development among organizations, educational institutions, governments, and technology providers. Fiscal

governance similarly evolves through institutional learning and adaptive intelligence rather than compliance mechanisms alone. Regional development increasingly reflects the orchestration of AI capabilities distributed across universities, industries, governments, and innovation intermediaries. Even industrial competitiveness under geopolitical uncertainty becomes increasingly dependent upon collaborative knowledge diffusion and ecosystem reconfiguration rather than isolated organizational innovation.

Taken together, these perspectives suggest that AI is reshaping not only organizational capabilities but also the institutional architecture through which economic adaptation occurs. Adaptive economies therefore emerge from the interaction of technological intelligence, institutional flexibility, collaborative governance, and ecosystem learning operating simultaneously across multiple levels of analysis. This represents a significant theoretical departure from conventional models that primarily locate competitive advantage within individual organizations, offering instead a systemic understanding of adaptation in which value creation becomes an emergent property of interconnected adaptive ecosystems.

## **Institutional Adaptation and Resilient Governance**

Beyond organizational transformation, this issue also highlights an equally important intellectual shift toward institutional adaptation as the foundation of resilient economies. The expansion of AI into financial systems, public administration, taxation, and development policy demonstrates that technological transformation increasingly challenges institutional arrangements rather than merely organizational routines. Traditional governance mechanisms, many of which were designed for relatively stable environments, struggle to accommodate the speed, complexity, and interconnectedness characterizing AI-enabled economies. Consequently, adaptive governance becomes an essential strategic capability through which institutions continuously interpret emerging technologies, redesign regulatory frameworks, and coordinate collective responses to evolving economic challenges.

This perspective substantially broadens existing institutional theory. Classical institutional scholarship has largely explained organizational change through legitimacy, coercive pressures, and institutional isomorphism (DiMaggio & Powell, 1983). While these mechanisms remain relevant, they offer only partial explanations for contemporary digital economies in which institutions must respond proactively to technological disruption rather than merely conform to environmental expectations. Adaptive institutions increasingly depend upon continuous learning, experimentation, and collaborative governance that enable public and private actors to respond effectively to rapidly evolving technological ecosystems.

Artificial intelligence reinforces this institutional transformation by enhancing governments' ability to process information, monitor complex systems, and support evidence-based policymaking. Yet AI simultaneously introduces new governance challenges involving transparency, accountability, cybersecurity, data ownership, algorithmic bias, and regulatory coordination. These developments indicate that institutional resilience cannot be achieved solely through technological deployment. Instead, sustainable governance requires integrating AI with institutional learning, adaptive regulatory capabilities, and cross-sector collaboration that collectively strengthen long-term public value creation.

An important contribution emerging from this issue is therefore the reconceptualization of resilience itself. Rather than representing recovery following disruption, resilience increasingly reflects continuous institutional adaptation before, during, and after systemic change. Financial systems illustrate this transition particularly well. Instead of functioning merely as mechanisms for allocating capital efficiently, adaptive financial ecosystems continuously reconfigure investment priorities, strengthen institutional coordination, facilitate financial innovation, and support economic transformation under persistent uncertainty. Similarly, adaptive fiscal governance depends less upon improving taxpayer compliance

than upon developing organizational capabilities capable of sensing technological change, redesigning administrative processes, and maintaining long-term fiscal sustainability within AI-enabled digital economies.

Comparable adaptive dynamics also characterize workforce transformation. AI increasingly reshapes occupations through task augmentation, human–machine collaboration, and continuous competency renewal rather than simple technological substitution. Consequently, workforce resilience emerges through synchronized interactions among employers, educational institutions, governments, technology providers, and workers themselves. Human capital remains essential, yet its strategic value increasingly depends upon ecosystem-wide coordination capable of supporting lifelong learning, institutional flexibility, and adaptive capability development throughout rapidly evolving labor markets.

Viewed collectively, these developments suggest that governance itself is becoming an adaptive ecosystem. Public institutions, regulatory agencies, financial organizations, educational systems, and private enterprises increasingly function as interconnected components of broader socio-technical systems whose resilience depends upon coordination rather than isolated optimization. AI strengthens these interactions by enabling continuous feedback, predictive intelligence, and collaborative decision-making, thereby transforming governance from a predominantly hierarchical process into an adaptive capability distributed across institutional networks.

### **Toward an Adaptive Economic Paradigm**

The collective contribution of this issue ultimately points toward a broader theoretical transition—from efficiency-oriented economic systems toward adaptive economies. Traditional theories of economic development have generally emphasized productivity growth, resource allocation, technological innovation, and market efficiency as the principal drivers of competitiveness. While these remain indispensable foundations, contemporary conditions characterized by artificial intelligence, geopolitical fragmentation, climate uncertainty, and recurring systemic disruption reveal that efficiency alone no longer guarantees sustainable development. Long-term competitiveness increasingly depends upon adaptive capacity operating simultaneously across organizations, institutions, ecosystems, and regions.

Artificial intelligence plays a distinctive role within this emerging paradigm because its value extends beyond automation or productivity enhancement. AI enables organizations and institutions to anticipate change, integrate dispersed knowledge, coordinate heterogeneous actors, accelerate organizational learning, and continuously redesign value creation mechanisms. These capabilities transform AI into a strategic infrastructure supporting adaptive economic systems rather than merely a technological resource. Consequently, competitive advantage increasingly reflects the capacity to orchestrate intelligence across interconnected ecosystems where innovation, governance, finance, workforce development, and institutional learning evolve together.

This issue therefore contributes to an emerging body of scholarship that views adaptation as a generative process rather than a defensive response to disruption. Adaptive economies do not simply recover from crises; they continuously reorganize capabilities, reconfigure institutions, and generate new pathways for innovation under persistent uncertainty. Such a perspective integrates insights from strategic management, innovation studies, organizational theory, digital transformation, and resilience research into a more comprehensive understanding of contemporary economic development.

Importantly, this emerging paradigm also carries significant implications for future research. First, adaptive capability should increasingly be examined as a multilevel construct spanning individuals, organizations, ecosystems, regions, and national institutions. Second, greater attention should be devoted to understanding how AI reshapes collaborative governance,

institutional learning, and ecosystem orchestration rather than focusing exclusively on technological adoption. Third, business model innovation should be investigated as a dynamic process embedded within adaptive ecosystems where value is co-created through continuous interaction among multiple stakeholders. Finally, resilience research should move beyond recovery-oriented perspectives toward theories explaining how adaptive systems continuously evolve under persistent uncertainty.

Rather than representing isolated theoretical advances, the contributions brought together in this issue collectively illustrate the emergence of a coherent intellectual direction. They suggest that future economic development will increasingly depend upon the capacity of organizations, governments, industries, and societies to cultivate adaptive capabilities that integrate technological intelligence with institutional flexibility, collaborative governance, and ecosystem coordination. In this sense, the transition toward adaptive economies is not simply a technological transformation but a fundamental reconfiguration of how value is created, sustained, and renewed in the digital age.

---

## References

- Barney, J. (1991). Firm resources and sustained competitive advantage. *Journal of Management*, 17(1), 99–120. <https://doi.org/10.1177/014920639101700108>
- Dwivedi, Y. K., Hughes, L., Baabdullah, A. M., Ribeiro-Navarrete, S., Giannakis, M., Al-Debei, M. M., et al. (2023). So what if ChatGPT wrote it? Multidisciplinary perspectives on opportunities, challenges and implications of generative conversational AI for research, practice and policy. *International Journal of Information Management*, 71, 102642. <https://doi.org/10.1016/j.ijinfomgt.2023.102642>
- Jacobides, M. G., Cennamo, C., & Gawer, A. (2018). Towards a theory of ecosystems. *Strategic Management Journal*, 39(8), 2255–2276. <https://doi.org/10.1002/smj.2904>
- Raisch, S., & Krakowski, S. (2021). Artificial intelligence and management: The automation–augmentation paradox. *Academy of Management Review*, 46(1), 192–210. <https://doi.org/10.5465/amr.2018.0072>
- Teece, D. J. (2007). Explicating dynamic capabilities: The nature and microfoundations of sustainable enterprise performance. *Strategic Management Journal*, 28(13), 1319–1350. <https://doi.org/10.1002/smj.640>
- Verhoef, P. C., Broekhuizen, T., Bart, Y., Bhattacharya, A., Dong, J. Q., Fabian, N., & Haenlein, M. (2021). Digital transformation: A multidisciplinary reflection and research agenda. *Journal of Business Research*, 122, 889–901. <https://doi.org/10.1016/j.jbusres.2019.09.022>
- Vial, G. (2019). Understanding digital transformation: A review and a research agenda. *Journal of Strategic Information Systems*, 28(2), 118–144. <https://doi.org/10.1016/j.jsis.2019.01.003>
- Yoo, Y., Henfridsson, O., & Lyytinen, K. (2010). The new organizing logic of digital innovation: An agenda for information systems research. *Information Systems Research*, 21(4), 724–735. <https://doi.org/10.1287/isre.1100.0322>