



## Development Strategy for the Merah Putih Village/Sub-district Cooperative in Ogan Komering Ulu Regency

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**Abstract:** The Indonesian economy has been built on active community participation, with cooperatives serving as key instruments for inclusive economic development. The Merah Putih Village/Sub-district Cooperative (Koperasi Desa/Kelurahan Merah Putih KDKMP) plays a strategic role as a community-based economic institution that manages local resources, accommodates community aspirations, and creates productive employment opportunities. In Ogan Komering Ulu (OKU) Regency, cooperative potential remains underutilized; official data from 2024 indicate that out of 396 registered cooperatives, 168 were inactive due to limited human resources and weak managerial systems. This study aims to analyze the development strategy of KDKMP in OKU Regency. A quantitative descriptive method was employed using SWOT analysis. The sample consisted of 10 KDKMPs with 80 respondents, including cooperative managers and members, selected through purposive sampling. The results show that KDKMP development is positioned in Quadrant I, indicating strong internal conditions and favorable external opportunities. Accordingly, the recommended strategic priority is an SO (Strength–Opportunity) strategy, emphasizing the optimization of internal strengths to capitalize on external opportunities in order to enhance cooperative performance and sustainability.

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## Introduction

Since its inception, Indonesia's economic system has emphasized

active community participation as a fundamental driver of development, as constitutionally mandated in Article 33 paragraph (1) of the 1945 Constitution. This principle positions cooperatives as institutional instruments of the people's economy that integrate economic efficiency with social justice and collective welfare (Swasono, 1991; Mubyarto, 2003). Recent studies reaffirm that cooperatives remain relevant as grassroots economic actors, particularly in rural and local contexts, although their effectiveness increasingly depends on institutional capacity and governance quality (Nugraha et al., 2023).

Cooperatives are widely recognized as socio-economic institutions that do not merely pursue profit but also promote social responsibility, solidarity, and member participation, which are essential for inclusive local economic development (Rosmiati, 2014; Doktoralina, 2025). Empirical evidence from recent Indonesian studies demonstrates that cooperatives contribute to local economic resilience by strengthening access to capital, facilitating local value chains, and generating multiplier effects within village economies (Simamora, 2025; Assaihun et al., 2025). These findings support the argument that cooperatives function as both economic and social mechanisms at the grassroots level.

In this context, the Red and White Village/Sub-district Cooperative (Koperasi Desa/Kelurahan Merah Putih KDKMP) is designed as a strategic local economic institution that mobilizes village resources and enhances community participation. Recent research on village-based cooperative models highlights that such institutions play a dual role: stimulating economic activities while reinforcing social cohesion and community resilience (Kader, 2018; Putra, 2023). However, contemporary empirical studies consistently report persistent challenges in cooperative performance, particularly related to weak managerial competence, limited access to capital, inadequate governance systems, and underdeveloped partnership networks (JPTAM, 2018; Nugraha et al., 2023).

In response to these challenges, the Indonesian government issued Presidential Instruction No. 9 of 2025 to accelerate the establishment of KDKMP nationwide as a strategic policy to promote economic equity and community empowerment. Although this policy reflects strong political commitment, recent evaluations indicate that implementation outcomes vary significantly across regions, with many cooperatives struggling to operationalize policy objectives due to institutional and human resource constraints (Tempo, 2025; Antara, 2025). Similar findings are reported in studies on cooperative development programs, which emphasize that policy-driven initiatives often face gaps between regulatory intent and local implementation capacity (Doktoralina, 2025).

Despite growing academic attention to cooperatives and rural economic development, most recent studies remain normative or policy-oriented and provide limited empirical analysis of cooperative implementation at the district and village levels. In particular, there is a lack of context-specific research examining how newly introduced cooperative models such as KDKMP function in practice and what institutional factors influence their effectiveness (Nugraha et al., 2023; Simamora, 2025).

Therefore, this study positions itself as an empirical contribution to the literature on cooperative governance and community-based economic development by examining the implementation of KDKMP in Ogan Komering Ulu Regency. By focusing on local institutional capacity, managerial readiness, and implementation challenges, this research extends existing studies and provides evidence-based insights for strengthening cooperative governance and sustainability at the grassroots level.

According to official data from the Ogan Komering Ulu (OKU) Regency Office of Cooperatives, Small and Medium Enterprises for the 2024 fiscal year, prior to the implementation of the KDKMP program, the number of cooperatives in the region was relatively large; however, a substantial proportion were inactive due to limited human resource

capacity and weak managerial systems. Specifically, of the 396 cooperatives registered across 13 sub-districts, only 228 were active, while 168 cooperatives were classified as inactive (Online Data Submission/ODS, 2024). This condition indicates that although the cooperative sector in OKU Regency possesses considerable quantitative potential, its qualitative performance remains suboptimal and requires a more efficient, adaptive, and context-sensitive development strategy.

In the local context of OKU Regency, the KDKMP program is implemented not merely as a response to a national policy directive, but also as a strategic instrument for strengthening village economic independence. Data from the OKU Regency Office of Cooperatives and SMEs (2024) reveal that local economic potential particularly in the agricultural, plantation, and home-industry sectors has not yet been optimally mobilized through cooperative institutions. This gap between economic potential and institutional performance highlights structural weaknesses in cooperative governance and operational capacity at the village and sub-district levels.

Preliminary field observations further indicate that several newly established KDKMP units continue to face persistent challenges, including:

- 1) Limited institutional capacity of management and supervisory boards, particularly in areas of administration, business planning, and professional cooperative management;
- 2) Constraints in capital availability and access to financing, which hinder the development of productive cooperative business activities; and
- 3) Weak and unstructured partnership networks, both with the private sector, financial institutions (including state-owned banks/HIMBARA), and local government stakeholders.

These conditions suggest that the success of the KDKMP program cannot be assessed solely based on the number of cooperatives established, but must also consider the ability of KDKMP to operate sustainably,

professionally, and productively as local economic institutions. Although regulatory frameworks and budgetary support have been provided, empirical evidence indicates that KDKMP implementation in OKU Regency continues to encounter complex and multidimensional challenges. These challenges underscore the need for a strategic development approach grounded in an in-depth analysis of real institutional conditions rather than a purely normative or policy-driven perspective.

Accordingly, an effective cooperative development strategy should be formulated based on a comprehensive assessment of internal and external factors, including the strengths, weaknesses, opportunities, and threats (SWOT) faced by KDKMP in OKU Regency. Such a strategy is essential to strengthening institutional capacity, expanding partnership networks, and enhancing the competitiveness of cooperatives at the local level. Through this approach, KDKMP is expected to function not merely as a formal organizational entity, but as a genuine driver of village economic development, in line with the constitutional mandate and the foundational ideals of Indonesia's people-centered economic system.

Based on this background, this study aims to identify and analyze the key factors and strategic alternatives that influence the development of Red and White Village/Sub-district Cooperatives (KDKMP) in Ogan Komering Ulu Regency, thereby providing empirically grounded recommendations for strengthening cooperative sustainability and local economic empowerment.

## **Cooperatives and People-Centered Economic Development**

Cooperatives are widely recognized as institutional instruments of a people-centered economy that integrate economic objectives with social values, collective ownership, and democratic governance (Swasono, 1991; Mubyarto, 2003). In developing countries, cooperatives play a strategic role in mobilizing local resources, strengthening community participation, and reducing structural economic inequality at the grassroots level (Birchall,

2018). Recent studies emphasize that cooperatives contribute to inclusive growth not merely through profit generation but through their capacity to empower members, enhance social capital, and reinforce local economic resilience (ILO, 2022).

In the Indonesian context, cooperatives remain central to rural economic development strategies, particularly in villages with strong agricultural, plantation, and home-industry potential. However, empirical evidence suggests that the effectiveness of cooperatives depends heavily on institutional quality, managerial competence, and the ability to adapt to local economic conditions (Doktoralina, 2025; Putra, 2023). This indicates that cooperative development must go beyond normative ideals and focus on strengthening organizational capacity and governance mechanisms.

### **Village-Based Cooperatives and Local Economic Empowerment**

Village-based cooperatives are designed to function as localized economic institutions that channel community aspirations, manage local resources, and create productive employment opportunities (Kader, 2018). Recent empirical studies show that cooperatives at the village level can generate multiplier effects in local economies by strengthening input-output linkages and facilitating access to markets and finance for micro and small enterprises (Simamora, 2025). These findings reinforce the argument that village cooperatives are not only economic actors but also social institutions that enhance community cohesion and collective resilience.

Nevertheless, several studies also highlight persistent challenges faced by village cooperatives, including weak managerial skills, low member participation, limited capital access, and fragmented partnership networks (JPTAM, 2018; Nugraha et al., 2023). Such constraints often lead to cooperative inactivity or formalistic existence without meaningful economic impact. This condition is consistent with evidence from OKU Regency, where a significant proportion of registered cooperatives remain

inactive despite substantial local economic potential.

## **Institutional Capacity and Cooperative Performance**

Institutional capacity is a critical determinant of cooperative performance, encompassing leadership quality, administrative systems, business planning capability, and internal control mechanisms (Birchall, 2018). Studies on cooperative governance demonstrate that weak institutional capacity directly undermines sustainability and competitiveness, particularly in rural and semi-rural settings (ILO, 2022). Conversely, cooperatives with professional management structures and clear operational strategies are more likely to survive and contribute to local economic development.

In Indonesia, recent research emphasizes that improving human resource competencies and managerial professionalism is essential for transforming cooperatives into productive economic entities (Nugraha et al., 2023). Without adequate training and capacity building, cooperative administrators often struggle to manage finances, develop business units, and establish external partnerships, resulting in limited economic impact.

## **Policy-Driven Cooperative Development and Implementation Challenges**

Government-led cooperative development programs are commonly used to accelerate economic empowerment at the local level. However, policy-driven initiatives often face implementation gaps between regulatory intent and operational reality (OECD, 2021). Studies indicate that top-down cooperative programs tend to be less effective when local institutional readiness and contextual conditions are not sufficiently considered (ILO, 2022).

In the case of the Red and White Village/Sub-district Cooperative (KDKMP), recent policy initiatives emphasize rapid establishment and institutional expansion. While this approach strengthens formal structures,

emerging evidence suggests that cooperative success cannot be measured solely by the number of units established, but rather by their ability to operate sustainably, professionally, and productively (Tempo, 2025; Antara, 2025). This underscores the need for strategic evaluation frameworks that assess both internal capacity and external environmental factors.

### **Strategic Analysis in Cooperative Development**

Strategic management literature highlights the importance of comprehensive analysis of internal and external factors in organizational development, particularly for institutions operating in dynamic and resource-constrained environments (David & David, 2020). The SWOT (Strengths, Weaknesses, Opportunities, and Threats) framework is frequently applied in cooperative and rural development studies to identify strategic priorities and formulate context-sensitive development strategies (Rangkuti, 2019).

Recent studies demonstrate that SWOT-based analysis is effective in diagnosing institutional weaknesses, identifying growth opportunities, and designing sustainable cooperative development strategies at the local level (Simamora, 2025). Therefore, applying a strategic analytical approach is highly relevant for assessing KDKMP development in OKU Regency, where institutional challenges coexist with significant economic potential.

### **Synthesis and Research Positioning**

The reviewed literature indicates that cooperatives play a vital role in local economic development, but their effectiveness is strongly influenced by institutional capacity, governance quality, and strategic alignment with local economic conditions. Despite increasing policy attention to village-based cooperatives, there remains a lack of empirical, district-level studies that systematically analyze the strategic factors influencing cooperative development, particularly for newly introduced models such as KDKMP.

Accordingly, this study positions itself as an empirical contribution that integrates cooperative development theory with strategic analysis to examine the internal and external factors shaping KDKMP development in Ogan Komering Ulu Regency. By adopting a strategic analytical perspective, this research seeks to bridge the gap between policy design and local implementation realities, and to provide evidence-based recommendations for strengthening cooperative sustainability and village economic empowerment.

## **Research Methods**

This study employs a survey method with a descriptive quantitative approach, which is considered appropriate for achieving the research objectives. The approach is designed to describe empirically the actual conditions of the development of the Red and White Village/Sub-district Cooperatives (Koperasi Desa/Kelurahan Merah Putih—KDKMP) in Ogan Komering Ulu (OKU) Regency and to formulate development strategies based on measurable and systematic data. A descriptive quantitative approach enables the researcher to capture institutional conditions, managerial capacity, and external challenges faced by KDKMP in a structured and objective manner.

The research was conducted in Ogan Komering Ulu Regency (OKU), South Sumatra Province, which consists of 13 sub-districts and has 157 registered KDKMP units. The selection of OKU Regency as the research location was purposive, based on the following considerations:

- 1) OKU Regency is one of the priority regions for the implementation of the KDKMP program in South Sumatra Province.
- 2) The majority of KDKMP units in this region are still in the early development stage and therefore require well-formulated improvement strategies grounded in local potential.

- 3) The local government of OKU Regency demonstrates strong commitment to strengthening KDKMP as part of broader efforts to promote people-centered economic development.

The population of this study comprises all Red and White Village/Sub-district Cooperatives operating in OKU Regency. From this population, the research sample was selected using purposive sampling, resulting in 10 KDKMP units drawn from 5 sub-districts. These sub-districts were chosen to represent geographical diversity and socio-economic variation within OKU Regency.

Each selected KDKMP contributed eight respondents, consisting of five cooperative administrators and three active supervisors, resulting in a total of 80 respondents. The criteria used in selecting the sample were as follows:

- 1) Geographic representation, ensuring that the selected sub-districts reflect regional variation and socio-economic diversity within OKU Regency.
- 2) Institutional legality, where the KDKMP has conducted a Special Village Deliberation (Musyawarah Desa Khusus/Musdessus) and possesses a valid deed of establishment.
- 3) Organizational activity, indicated by administrators and supervisors who actively perform institutional and supervisory functions.
- 4) Productive business operations, where the cooperative manages at least one active business unit.
- 5) Data accessibility and transparency, with cooperative administrators willing to provide the data and information required for the research.

Data were collected through structured questionnaires and supported by documentation and field observations to ensure data validity and completeness. The collected data were analyzed using a descriptive quantitative technique, which allowed for systematic interpretation of internal and external conditions affecting KDKMP development.

As the primary analytical tool, this study applied SWOT analysis (Strengths, Weaknesses, Opportunities, and Threats) to identify strategic

factors influencing the development of KDKMP in OKU Regency. SWOT analysis was used to evaluate internal organizational capabilities and external environmental conditions, thereby serving as a basis for formulating strategic recommendations aimed at strengthening institutional capacity, expanding partnerships, and enhancing the competitiveness of KDKMP at the local level.

## **Result and Discussion**

### **Result**

Data analysis in this study was conducted using a SWOT approach to identify internal and external factors in formulating a KDKMP development strategy in OKU Regency. The research results are divided into three stages:

1. Identification of internal factors,
2. Identify external factors, and
3. Preparation of SWOT analysis matrix.

### **Identification of Internal Factors**

Identification of internal factors includes conditions originating from within the cooperative and directly influencing the performance and institutional continuity of KDKMP.

### **Strengths**

The collected data shows several main strengths of KDKMP in OKU Regency, including:

- 1) Regional government involvement in KDKMP development. Regional governments actively provide training, mentoring, monitoring, and institutional facilitation to support early-stage cooperative development.
- 2) The institutional structure of the cooperative has been completely formed. All KDKMPs have carried out Musdessus, prepared AD/ART, and have a legitimate management and supervisory structure.

- 3) There is local economic potential that can be developed into cooperative business units. This potential includes agriculture, garden produce, small trade, and local services, all of which can be developed into productive businesses.
- 4) The high spirit of participation and mutual cooperation among village/sub-district communities. The participation of the community and village/sub-district officials is a crucial force supporting the sustainability of cooperatives.

These strengths indicate that the institutional foundations and social environmental support are well in place for the development of KDKMP.

## **Weaknesses**

In addition to its strengths, researchers also identified several internal weaknesses that still limit the effectiveness of KDKMP's performance in its early stages of development. These weaknesses include:

- 1) The managerial competence of administrators and supervisors is still lacking. This weakness is seen in the minimal ability in simple accounting, bookkeeping, business management, and business planning.
- 2) The use of digital technology in cooperative operations remains low. Most cooperatives do not yet use financial recording applications, member databases, or digital marketing platforms.
- 3) Member participation is uneven. This is often found in new KDKMPs, which are still in the socialization and trust-building stages. Internal oversight systems are suboptimal, despite the existence of formal structures.
- 4) The internal oversight system is not yet functioning optimally. Although a supervisory structure has been established, the working mechanisms, standard operating procedures, and oversight tools have not been systematically developed.

These weaknesses need special attention because they are the main obstacles in improving cooperative performance to the next stage.

### **Identification of External Factors**

This identification is carried out through policy analysis, socio-economic conditions in villages/sub-districts, market dynamics, and respondent perceptions that can influence the development of KDKMP in OKU Regency.

### **Opportunities**

There are several external opportunities that cooperatives can take advantage of to develop, including:

- 1) National policy support for the KDKMP Program. The central government, through Presidential Instruction No. 9 of 2025, is encouraging the acceleration of the formation and strengthening of village cooperatives as the driving force of the people's economy.
- 2) An integrated government training program is available. This program includes training in digital literacy, business management, cooperative accounting, and institutional strengthening.
- 3) Partnership opportunities with MSMEs and private companies. KDKMP has the potential to become a partner in marketing, distributing local products, and managing village/sub-district-based business units.
- 4) Economic growth in villages/sub-districts creates business opportunities. Increasing economic activity in villages/sub-districts creates opportunities for cooperatives to expand their range of productive businesses.

These opportunities show that the external environment is quite supportive and provides plenty of room for cooperatives to expand their business activities.

## Threats

Apart from opportunities, there are also threats that can affect the sustainability of KDKMP if not anticipated properly:

- 1) Competition with modern stores and minimarkets. The presence of modern retail in rural/sub-district areas has the potential to reduce the market for cooperative businesses.
- 2) Fluctuations in local commodity prices. Unstable agricultural raw material prices impact the sustainability of commodity-based cooperative businesses.
- 3) Cooperatives' dependence on external mentors. This dependence has the potential to hinder cooperative independence if mentoring is discontinued.
- 4) Low ability to adapt to digital technology. Delays in technology adoption can leave cooperatives lagging behind in the rapidly evolving digital marketplace.

These threats are challenges that must be faced with strategies to strengthen institutions and increase human resource capacity.

## GAP Analysis of Internal and External Factors

**Table 1. Internal Factor GAP Analysis**

Internal Factors	Expected Score	Perception Score (Mean)	GAP	Category
Local government support	5	4.32	- 0.68	Good
Institutional completeness	5	4.28	-0.72	Good
Local economic potential	5	4.21	-0.79	Good
Community participation	5	4.18	-0.82	Good
Competence of management	5	3.99	-1.01	Need attention
Utilization of technology	5	4.02	-0.98	Need attention

Based on the table above, the results of the GAP analysis indicate that all internal factors of the Ogan Komering Ulu Regency KDKMP have negative GAP values, indicating that the actual condition of the cooperative has not yet fully achieved the expected ideal conditions. However, the level of gaps varies relatively between factors. The factor of support from the local government obtained the highest mean value of 4.32, followed by institutional completeness and local economic potential, indicating that these aspects have been running quite optimally and can be used as internal strengths of the cooperative. Conversely, the largest gaps are in the aspects of management and supervisory competency and technology utilization, with higher GAP values and are in the category of needing attention. This condition indicates that limited human resource capacity and low ability to adopt technological developments are major obstacles in the development of KDKMP and require priority attention in the formulation of cooperative development strategies. This finding reinforces the results of the previous descriptive analysis, which showed that the main challenges of KDKMP lie in internal aspects of a managerial and technical operational nature.

**Table 2. External Factor GAP Analysis**

External Factors	Expected Score	Perception Score	GAP	Category
National policy support	5	4.34	-0.66	Very good
Mentoring program	5	4.29	-0.71	Good
Partnership opportunities	5	4.23	-0.77	Good
Business competition	5	4.05	-0.95	Alert
Price fluctuations	5	4.01	-0.99	Alert

The results of the GAP analysis of external factors indicate that national policy support, mentoring programs, and partnership opportunities have a relatively small gap level, so they can be categorized as opportunities that are quite conducive to be utilized in the development of KDKMP. Conversely, business competition and price fluctuations show a larger GAP value and are in the alert category, so they need to be

anticipated through adaptive cooperative strategies that are oriented towards institutional strengthening and cooperative business diversification.

The results of the GAP analysis are then used as the basis for classifying strategic factors into SWOT components. Factors with high perceived values and small gaps are categorized as strengths and opportunities, while factors with large gaps are categorized as weaknesses and threats. Thus, the GAP analysis serves as empirical reinforcement in the development of the IFAS and EFAS matrices.

### SWOT Factor Classification Identification

**Table 3. SWOT Factor Classification Based on Mean Score**

<b>Factor</b>	<b>Mean</b>	<b>Classification</b>
Government support	4.32	Strength
Cooperative institutions	4.28	Strength
Local potential	4.21	Strength
Competence of management	3.99	Weakness
Technology	4.02	Weakness
National policy	4.34	Opportunity
Business partnership	4.23	Opportunity
Market competition	4.05	Threat

Based on Table 3, factors with relatively high perceived values and small gaps, and a positive impact on cooperative performance, are classified as strengths and opportunities. Conversely, factors with lower perceived values or larger gaps, and potentially hindering cooperative performance, are categorized as weaknesses and threats. This classification clarifies the position of each strategic factor and serves as a quantitative basis for compiling the IFAS-EFAS matrix and determining the strategic position of KDKMP development in Ogan Komering Ulu Regency.

## **Implications of Internal Strength on KDKMP Development**

The results of the study indicate that the KDKMP in Ogan Komering Ulu Regency has relatively good internal strength, particularly in terms of commitment and support from the local government and the completeness of the cooperative's institutional structure. This finding is relevant to Chandler's (1962) view, which states that the success of a strategy is largely determined by an organization's ability to utilize internal and institutional resources effectively. The KDKMP's institutional structure, which is equipped with Articles of Association (AD/ART), a management structure, and basic legality, places the cooperative in a position ready to develop. This condition aligns with the policy direction of the Ministry of Cooperatives and SMEs (2025), which emphasizes the importance of institutions as the initial foundation for cooperative modernization. Therefore, the KDKMP's internal strength should be the main capital in optimizing various available coaching, training, and development programs for productive businesses. It needs to be strategically directed so that it does not stop at administrative aspects, but is able to encourage the strengthening of the cooperative's economic function in a real way.

## **Internal Weaknesses as Strategic Barriers to KDKMP Development**

In addition to its strengths, the research also revealed internal weaknesses that could potentially hinder the development of KDKMP, particularly in the areas of cooperative management and technology utilization. Limited management capacity, including in business planning, financial record-keeping, and internal oversight, prevented the cooperative from operating optimally in the early stages of development. This condition aligns with Münkner's (1995) view, which asserts that the sustainability of a cooperative is largely determined by the effectiveness of governance and the organization's internal capacity to carry out its economic and social functions. In the context of this research, these internal weaknesses are not positioned as the objective of the study, but rather as inhibiting factors that

need to be managed through a planned cooperative development strategy. Therefore, strengthening management capacity and modernizing operational systems are essential components of a strategy to improve cooperative performance and competitiveness.

### **External Opportunities as a Strategic Momentum for Strengthening KDKMP**

The analysis shows that the external environment provides significant opportunities for the development of KDKMP. Support from central and regional government policies, including the national program for strengthening village/sub-district cooperatives, creates a conducive climate for cooperative growth. This aligns with the International Cooperative Alliance (ICA, 2018), which states that cooperatives have the potential for sustainable development if they are able to synergistically utilize external environmental support. Furthermore, the growth of village and sub-district economic activity, as well as the potential of the local agricultural and trade sectors, opens up opportunities for cooperatives to develop business units based on local potential. These opportunities require cooperatives to have adaptive and contextual development strategies, so that cooperatives function not only as formal institutions but also as drivers of the local economy that are relevant to community needs.

### **External Threats and the Need for Adaptive Development Strategies**

Despite these opportunities, KDKMP also faces various external threats, such as the vulnerability of competition from modern retailers, fluctuating commodity prices, and the development of the digital economy, which the cooperative has not yet fully responded to. These threats require the cooperative to not only rely on external support but also be able to adapt strategically to environmental changes. Mintzberg et al. (1998) emphasized that an effective strategy is not a static one, but rather one that adapts to environmental dynamics. Therefore, KDKMP needs to accelerate the digitalization of management processes, strengthen information

systems, and increase the capacity of management to adapt to an increasingly digital and competitive economic pattern. These adaptive measures are not only to address threats but also to maintain the cooperative's long-term sustainability.

## Strategy Matrix

### IFAS Matrix (Internal Factors Analysis Summary)

**Table 4. IFAS Table (Internal Factors Analysis Summary)**

No	Internal Factors	Weight	Rating	Score
1	Basic understanding of cooperative management	0.10	4	0.40
2	Motivate administrators to increase capacity	0.09	4	0.36
3	The cooperative organizational structure has been formed	0.08	3	0.24
4	The legality of the cooperative is starting to be fulfilled	0.08	3	0.24
5	Initial training and mentoring support	0.07	3	0.21
	<b>Subtotal Strength</b>	<b>0.42</b>		<b>1.45</b>
6	Cooperative administration is not yet optimally organized	0.12	2	0.24
7	The ability to prepare written reports is still low	0.11	2	0.22
8	Lack of clear operational SOPs	0.13	2	0.26
9	The operational readiness of cooperatives is still limited	0.12	2	0.24
10	Limitations of internal work and management systems	0.10	2	0.20
	<b>Subtotal Weakness</b>	<b>0.58</b>		<b>1.16</b>
	<b>Total IFAS</b>	<b>1.00</b>		<b>2.61</b>

Based on the IFAS Matrix calculation, the total internal factor score of KDKMP was 2.61, which is above the theoretical average value of 2.50. This indicates that the internal condition of KDKMP is considered

adequate. The total strength score of (1.45) is greater than the weakness score of (1.16), indicating that the internal strength aspect is still more dominant than the weaknesses. The main strength of the cooperative is reflected in the basic understanding of cooperatives by the management and supervisors, the motivation of the management to increase capacity, the existence of a complete cooperative organizational structure, and the beginning of the fulfillment of the legal aspects of the cooperative. Meanwhile, internal weaknesses are still found in the administrative aspect, the ability to prepare written reports, the absence of Standard Operating Procedures (SOPs) such as Additional Regulations and Special Regulations for Cooperative Business Units, and the operational readiness of the cooperative. However, these weaknesses are technical and structural in nature and can still be improved through mentoring, coaching, strengthening human resource capacity, and strengthening cooperative governance gradually.

### EFAS Matrix (External Factors Analysis Summary)

Table 5. EFAS Matrix (External Factors Analysis Summary)

No	External Factors	Weight	Rating	Score
1	Support from local government and village officials	0.15	4	0.60
2	Assistance from related agencies	0.14	4	0.56
3	Potential village business opportunities	0.13	3	0.39
4	Level of public trust in cooperatives	0.12	3	0.36
	<b>Subtotal Opportunity</b>	<b>0.54</b>		<b>1.91</b>
5	Business competition at the village level	0.16	2	0.32
6	Fluctuating village economic conditions	0.15	2	0.30
7	Market dynamics and limited business access	0.15	2	0.30
	<b>Subtotal Threat</b>	<b>0.46</b>		<b>0.92</b>
	<b>Total EFAS</b>	<b>1.00</b>		<b>2.83</b>

The External Factor Analysis Summary (EFAS) Matrix calculation results show a total external factor score of 2.83, higher than the theoretical average value of 2.50. This indicates that the external environment of

KDKMP is relatively conducive to cooperative development. The total opportunity score of 1.91 is much greater than the threat score of 0.92, indicating that external opportunities still dominate over threats. The main opportunities for cooperatives come from support from local governments and village/sub-district officials, assistance from related agencies, the availability of business opportunities at the village/sub-district level, and a relatively good level of public trust in cooperatives. The threats faced include business competition, fluctuating local economic conditions, market dynamics, and limited business access. Nevertheless, the magnitude of the available opportunities indicates that these threats can still be managed through adaptive cooperative development strategies based on local potential.

### **Determining SWOT Quadrant Position**

Based on the IFAS and EFAS matrix analysis, the cooperative is positioned in Quadrant I, namely the Strength–Opportunity (SO) condition. This position indicates that the cooperative has relatively adequate internal strengths and significant external opportunities for development.

**Table 6. Determining SWOT Quadrant Position**

<b>Component</b>	<b>Mark</b>
Total Strength (S)	1.45
Total Weakness (W)	1.16
<b>Difference (S – W)</b>	<b>+0.29</b>
Total Opportunity (O)	1.91
Total Threat (T)	0.92
<b>Difference (O – T)</b>	<b>+0.99</b>

Based on the results of the IFAS and EFAS Matrix calculations, it is known that the difference between strengths and weaknesses (S – W) has a positive value of +0.29, and the difference between opportunities and threats (O – T) also has a positive value of +0.99.

**Table 7. SWOT Coordinate Calculation**

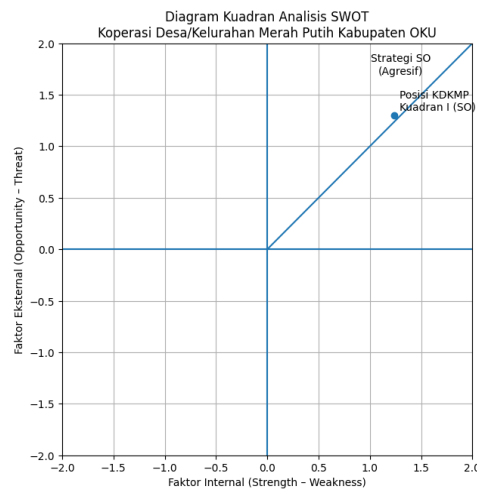
<b>Component</b>	<b>Mark</b>
X (S–W)	+0.29
Y (O–T)	+0.99
Quadrant Position	Quadrant I (SO)

Source: Data processed by researchers, 2025

Based on the results of the IFAS and EFAS matrix analysis, the total strength value was 1.45 and the total weakness value was 1.16, resulting in an internal difference (S–W) of +0.29. Meanwhile, the total opportunity value was 1.91 and the total threat value was 0.92, resulting in an external difference (O–T) of +0.99.

The positive internal and external difference values indicate that the Merah Putih Village/Sub-district Cooperative in Ogan Komering Ulu Regency is in Quadrant I (Strength–Opportunity). This position indicates that the cooperative has relatively adequate internal strength and is supported by significant external opportunities, so the appropriate development strategy is an aggressive strategy (growth-oriented strategy), namely utilizing internal strengths to capture available external opportunities.

Quadrant I indicates that the cooperative's development strategy should be directed at leveraging internal strengths to seize available external opportunities. Therefore, the strategic focus in the next stage will be an aggressive strategy that still considers strengthening internal systems and increasing human resource capacity. To visually clarify KDKMP's strategic position, the results of the SWOT coordinate calculations.



The SWOT quadrant diagram is compiled based on the difference between internal factors (S–W) and external factors (O–T), obtained from the IFAS and EFAS matrices. The horizontal axis (X) shows the difference between strengths and weaknesses, while the vertical axis (Y) shows the difference between opportunities and threats. Based on the SWOT quadrant diagram, the position of the Merah Putih Village/Sub-district Cooperative in Ogan Komering Ulu Regency is in Quadrant I (Strength–Opportunity) with coordinates (X = +0.29; Y = +0.99). This position indicates that the cooperative's internal strengths are greater than its weaknesses, and external opportunities are more dominant than the threats it faces.

According to Rangkuti (2016), organizations in Quadrant I are in a highly advantageous position and are recommended to implement an aggressive strategy (growth-oriented strategy), which maximizes internal strengths to capture external opportunities. Therefore, strategically, the KDKMP of Ogan Komering Ulu Regency has great potential for progressive and sustainable development. Several alternative SO strategies that can be implemented include:

- 1) Strengthening the role of KDKMP as a driver of the village economy based on local potential, by utilizing support from national policies and local governments.

- 2) Development of cooperative business units that are in accordance with the characteristics and needs of village communities, such as savings and loan businesses, agricultural trade, and local economic support services.
- 3) Increasing strategic partnerships with MSMEs, BUMDes, and the private sector, to expand business networks and cooperative market access.
- 4) Optimizing the participation of members and village communities, through strengthening the values of mutual cooperation and active involvement in cooperative activities.

## **Conclusion**

Based on the results of research and discussion regarding the development strategy of the Merah Putih Village/Sub-district Cooperative (KDKMP) in Ogan Komering Ulu Regency, the following conclusions can be drawn:

- 1) The internal condition of the KDKMP of Ogan Komering Ulu Regency is in the relatively strong category. This is demonstrated by the IFAS matrix analysis, with a total score of 2.61, reflecting that the cooperative's internal strengths outweigh its weaknesses. KDKMP's primary strengths include local government support, the cooperative's institutional framework, the village's local economic potential, and community participation and spirit of mutual cooperation.
- 2) The external environment of KDKMP is in a relatively conducive condition and supports the development of cooperatives. The EFAS matrix analysis showed a total score of 2.83, indicating that external opportunities outweigh threats. National and regional policy support, government training and mentoring programs, and business partnership opportunities are key opportunities that KDKMP can capitalize on.

- 3) The main weakness of KDKMP lies in the human resources aspect and the cooperative management system. Limited managerial competency of administrators and supervisors, low utilization of digital technology, and suboptimal internal administration and supervision systems are internal challenges that need to be addressed immediately so as not to hinder the development of cooperatives.
- 4) The external threats faced by KDKMP are moderate and can still be anticipated. Business competition at the village/sub-district level, fluctuations in agricultural commodity prices, and limited technological literacy among village communities are threats that require adaptive strategies, but are not yet at a level that significantly threatens the sustainability of cooperatives.
- 5) Based on the SWOT analysis, the strategic position of KDKMP Ogan Komering Ulu Regency is in Quadrant I (Strength–Opportunity). This position shows that KDKMP has relatively adequate internal strengths and quite large external opportunities, so that the most appropriate development strategy is a growth-oriented strategy.
- 6) The priority strategy for developing KDKMP is the SO (Strength–Opportunity) strategy. This strategy is directed at internal strengthening to capture external opportunities through institutional strengthening, business development based on local economic potential, increasing human resource capacity, and strengthening business partnerships to encourage the sustainability and competitiveness of KDKMP.

With practical implications, the regional government is expected to improve coaching and mentoring to KDKMP on an ongoing basis, particularly in the areas of cooperative management, simple accounting, and organizational governance. Training programs and capacity building for cooperative human resources need to be designed in a tiered and sustainable manner so that the competency of KDKMP administrators and supervisors can develop systematically. The regional government and relevant stakeholders are expected to facilitate strategic partnerships

between KDKMP and MSMEs, BUMDes, and the private sector to expand market access, capital, and cooperative business networks. KDKMP administrators and supervisors are advised to improve the professionalism of cooperative management, particularly in business planning, financial recording, and the consistent implementation of internal oversight functions. KDKMP needs to gradually adopt the use of digital technology, both in administration, member data management, and business development, so that cooperatives are able to adapt to the dynamics of the business environment. Increasing the active participation of cooperative members needs to be continuously encouraged through cooperative education, cooperative program socialization, and member involvement in strategic decision-making.

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