

Cooperatives And Inclusive Economy in The Era of World Change A Case Study of Community Cooperatives

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Abstract. This study aims to analyze the role of cooperatives in promoting inclusive economic growth amid the dynamics of global changes, including climate change and economic uncertainty. The research employs a qualitative approach, conducting in-depth interviews with cooperative managers and stakeholders from the community sector. The findings indicate that cooperatives have significant potential as key drivers of an inclusive economy through principles such as open membership, economic democracy, and fair distribution of benefits. However, cooperatives face challenges related to digitalization, access to financing, and competitiveness. The discussion emphasizes the importance of transforming cooperatives into adaptive, collaborative, and technology-based models to meet the needs of members in a globalized era. In conclusion, cooperatives can serve as a sustainable solution to achieve inclusive economic development if supported by progressive regulation and enhanced human resource capacity.

Keywords: Cooperative, Digital, Community.

1. Introduction

Gaining the points we need to create a more open and fair digital space is crucial given the issues we face today. As the online world continues to grow and evolve, we observe how a few large companies hold most of the power. This kind of control is somewhat frightening not only does it make markets less competitive, but it also poses significant risks to the security of our data, our freedoms, and ensuring everyone has a fair chance in the digital realm (Custers, B. 2022). These cloud giants have a strong grip on the market and consumer information, creating an environment where things are not always transparent, and people are not held accountable for their actions. They set the rules for using, selling, and sharing data, which is sometimes prioritized over personal freedom and the community's own data (Zachariadis, et.al 2019).

Severe digital divides limit opportunities for new ideas and progress in participatory digital engagement. With globalization, every organization or business is subject to various challenges that affect its sustainability and competitiveness, to which cooperatives are not exceptions. As a pillar of the membership economy, cooperatives are inescapably linked to the ever-changing global situation (Lythreathis, S., et al., 2022). While globalization offers exposure to wider markets, it also introduces fiercer competition and makes the distribution chain more complicated.

In Indonesia, cooperatives have a presence in nearly every province, and their presence is greatest in West Java. As of 2020, statistics made public by the Ministry of Cooperatives and SMEs show that more than a quarter of cooperatives in Indonesia are operating on a regular basis. the head of the West Java Cooperative Office and Small Business Office, called on cooperatives to step up their game and prepare for the Industrial Revolution 4.0 (Kader, M. A. 2022). In today's world, everyone—from ordinary people to businesses and cooperatives—needs to keep up with technology and automation to stay ahead. the top official at the Ministry of Cooperatives and Small and Medium Enterprises, noted that over the past four years, from 2017 to 2020, about 50% of cooperatives in West Java have closed because the products they produced were not durable (McGaughey, E. 2022). Therefore, they must change their business strategies by leveraging advances in information technology. Everyone in cooperatives must be creative and innovative in using digital technology to manage and accelerate their readiness for environmental changes. The economy is driven by using economic resources owned or controlled by the majority of Indonesians (Apriliyanti, I. D., & Kristiansen, S. O. 2019). By “owned by the people,” it means that the economy should be directly created by the people, either individually or through people's economic organizations such as MSMEs and other small and large enterprises. The economy has its own slogan: “from the people, by the people, for the people.” Companies use social networks primarily for marketing and communicating with customers, providing them with the information they need (Shi, C et al. 2019). Meanwhile, the Covid-19 pandemic, a highly contagious disease caused by a type of coronavirus, has hit us hard in many ways, making us reconsider if certain scientific issues are still worth attention. So far, sustainability efforts have made some progress, but there is confidence that more can be done. Covid-19 has truly pushed us to use online services for working and schooling, digital payments, and using phones to spread information. However, these changes still present challenges. They have major impacts on maintaining sustainability, which remains work in progress. It is crucial to remember that technology—especially ICT—and how we are all connected in today's world, is key (Pandey, N., & Pal, A. 2020).

Previous studies show that cooperatives face their own challenges in the era of global change, which require them to adapt to the current world transformations. This research aims to convey aspirations and share solutions for cooperative business actors in Indonesia so that cooperatives can adapt to the digitalization era through this study. The method used will be a case study combined with interviews with cooperative business actors. Previous research indicates that cooperatives face unique challenges in the era of global change that compel them to adapt to the current transformations in the world. The purpose of this study is to express the aspirations and share solutions for cooperative business actors in Indonesia so that cooperatives can adapt to the digitalization era. The method to be used involves conducting case studies and interviews with cooperative business practitioners.

3. Method

This research uses a qualitative approach with a case study design type on the Sawargi Bakti Mandiri Utama Cooperative (SBMU), a cooperative in Cimahi City. The reason for choosing SBMU is that it is considered representative of community-based cooperatives that are able to exist and thrive amidst social and economic changes today. SBMU was established in 2012, and following 13 years of business, the cooperative currently has approximately 1,300 active members. It runs business activities through three main sectors: (1) savings and loans, (2) trade, and (3) services, including Umrah savings, Qurban savings, education savings, and Eid al-Fitr celebration savings.

Data collection was accomplished by holding qualitative interviews with cooperative managers following a list of guided questions. The interview protocol covered three main topics: (1) how the cooperative sees its mission amid ongoing societal transformation, (2) major innovations implemented for developing the cooperative further, and (3) how it addresses digitalization and technological innovation.

The qualitative approach was chosen because it provides an in-depth view of complex social and economic variables and the practices of cooperatives as agents of change. Data were collected first-hand and interactively through interviews and descriptively analyzed to uncover themes, patterns, and meanings from the participant responses. The descriptive analysis provides an overview of the strategies, challenges, and contributions of cooperatives during the era of digitalization and global change.

Research Approach	Research Subject	Technique	Analysis
Qualitative	Cooperative Company	Interview	Descriptive, formulating themes and patterns from the collected data

Through this strategy, the study aims to present an integral picture of the cooperatives as an important instrument in inclusive and sustainable local development amid the wave of global change.

4. Results and Discussion

Some of the cooperative's strategic long-term plan is to create a vision to be achieved by 2030. Not only does the vision reflect the cooperative's ambition to enhance its financial performance but also for improving member welfare, quality of service, and organizational capacity. These goals are presented in the following table.

has 2000 active and productive members IT systems operate	4 billion trading assets Money turnover 45 billion/year
Good service (similar to bank) Asset 14 billion	revenue of 3.6 billion/year Bad loans below 8%
Savings and loan assets 7 billion Services assets 4 billion	Improvement of cooperative human resources The cooperative office/building is already owned

In this era of rapid change, digitalization and globalization are inevitable forces that significantly impact business actors, particularly cooperatives such as Koperasi Sawargi Bakti Mandiri Utama (SBMU) in Indonesia. Discourses and evidence concerning the impact of globalization and digitalization on cooperatives indicate that the two have made significant changes. Digitalization enables business organizations to utilize technology to improve operational efficiency, boost service quality, and facilitate employees' access to information and finance transactions (Thalayan, J., 2024). Technological innovation has enabled businesses to provide products and services around applications, platforms, and digital payment systems that spur economic growth. Conversely, globalization presents opportunities for collaboration by expanding networks and facilitating access to broader markets. However,

to adapt effectively to these changes, there must be a focus on developing human resource capabilities and ensuring compliance with regulations, so that business operations can be optimized without compromising the cooperative's core values of collaboration and teamwork. Ultimately, collaboration, innovation, and the advancement of digital competencies are critical to sustaining growth and competitiveness in this evolving landscape (Putri, F. A. T. 2025). In facing the era marked by the currents of globalization, the role of cooperatives becomes increasingly vital and relevant. The fundamental principle of cooperatives, encapsulated in the phrase "from us, for us," underscores that the profits and benefits generated by cooperatives originate from their members and are returned to those very members. This makes cooperatives economic institutions that collectively empower their communities (Widjaja-Adhi, A. B., & Soetjipto, B. 2025). Unlike shopping at convenience stores, where profits flow to the private business owners, spending through cooperatives allows these profits to remain within the cooperative's member community. This creates an economic cycle that directly benefits the members.

Moreover, advancements in technology and social media provide strategic advantages in communication and product marketing for cooperatives. Through digital platforms, information about cooperative products and services can be disseminated rapidly and efficiently at a low cost, fostering closer and more responsive interactions between cooperatives and their members. Thus, digitalization and globalization not only present challenges but also offer significant opportunities for cooperatives to strengthen their social and economic functions, ultimately promoting sustainable member welfare (Remmang, H., et.al 2024).

Innovation is a key driver in fostering the growth of cooperatives amid the constantly changing market dynamics. While traditional cooperatives are often recognized primarily as savings and loan institutions, current innovations have expanded their functions beyond this role to include services in trade and other sectors. In the service domain, cooperatives have developed specialized savings products that cater to specific needs such as Umrah pilgrimage, Qurban, education, and Eid celebrations, thereby bringing cooperatives closer to the needs of their members (Ariyani, L., et.al 2021)..

Furthermore, cooperatives have tapped into the potential of the tourism industry by forming strategic partnerships with various travel agencies to offer tourism-related services aimed at boosting cooperative revenue and business growth. To strengthen member independence, cooperatives also create opportunities for members to actively participate in cooperative activities, for example, through the development of independent service-based enterprises.

Innovation in the trade sector continues to be enhanced to increase the cooperatives' capacity and market reach. Overall, the diversification of services from savings and loans to trade and services—especially through collaboration in the tourism sector and member empowerment—represents a significant strategic step in reinforcing both the growth and the economic contributions of cooperatives (Pradnyamita, L. G. I., & Darma, G. S. 2022). In facing the era of digitalization and technological advancement, the strategy implemented by the cooperative prioritizes the use of social media as an effective tool for promotion and communication. Additionally, the cooperative actively adapts to evolving government regulations and policies, including adhering to the latest laws to ensure compliance and the continuity of operations.

The main challenge faced is enhancing competitiveness, particularly in the sales and marketing aspects of cooperative products amid increasingly fierce competition. Therefore, the cooperative emphasizes the importance of a strong team and high adaptability to overcome ongoing changes. Moreover, it leverages the potential of its approximately 1,300

members as an extensive marketing network, thereby strengthening product distribution and increasing production capacity.

This approach is key to maintaining the cooperative's existence and growth amidst the complex dynamics of the digital and global environment.

5. Conclusion

In this era of worldwide transformation, business forms the core in being used as a foundation in building an economy that is sustainable. Based on this research, it is evident that cooperatives can also enhance the welfare of members through the principles of economic cooperation and solidarity but may not always be in accordance with economic empowerment in society. Therefore, it is crucial that corporations are inclusive economic players under the influence of globalization effects and shifting economic paradigms. Cooperative growth-enabling policies such as access to education, technology, and financing must be prioritized in order to help cooperatives be able to function efficiently and contribute constructively towards sustainable and equitable economic development.

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