



Strategic Optimization of Village Cooperatives for Economic Sovereignty and Poverty Alleviation: A Case Study of Sindangpakuon Village

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Abstract

The purpose of this study is to investigate the structural reform of economic institutions at the village level, with Sindangpakuon Village serving as the primary case study. This is done with the intention of reducing poverty. Even though Indonesia has undergone a significant amount of decentralisation, a great number of rural areas continue to be trapped in cycles of economic dependence. As a result of the widespread presence of exploitative informal lending, which is commonly referred to as "Bank Emok" in the community, the situation has become drastically worse. Within the framework of the "Lentera Desa" community service framework, this study utilised a Business Process Reengineering (BPR) approach to conduct an analysis of the inefficiencies that are currently being experienced by Village-Owned Enterprises (BUMDes) and Village Cooperatives (KOPDes). In order to compete with informal lenders, the intervention built a distribution structure known as "Hub and Spoke" as well as computerised loan procedures. Sindangpakuon is in high demand from industrial supply chains; yet, the findings reveal that impediments impeding capital accumulation stem from weak institutional synergy and onerous administrative procedures. This is despite the fact that Sindangpakuon is in widespread demand. The purpose of this article is to offer an integrated ecosystem in which the cooperative serves as the retail and financial nexus, bringing together products from BUMDes and local Micro, Small, and Medium Enterprises (MSMEs). It is suggested that there is an interrelated ecology. It should come as no surprise that strategic alignment with the national plan of "Koperasi Desa Merah Putih" provides the essential regulatory and financial leverage in order to achieve long-term independence. Based on the findings, it appears that increasing openness through the use of digital dashboards and lowering the barriers to transaction can greatly increase community participation in villages that are located in close proximity to industrial areas. This provides a model that can be replicated in order to achieve economic autonomy in those areas that are rural.

Keywords: Village Cooperatives, BUMDes Synergy, Poverty Alleviation, Bank Emok Mitigation, Business Process Reengineering

1. Introduction

In order to bring the "Indonesia Emas 2045" vision into reality, it is essential to find a solution to the ongoing poverty that is prevalent in the rural areas of Indonesia. To overcome this underlying structural hurdle, it is necessary to take action. Although national economic indicators typically reflect a steady recovery in the post-pandemic age, the truth indicates that there is still a disparity between the welfare of urban and rural areas. This is the case despite the fact that there is a discrepancy between the welfare of urban and rural areas. It is at the grassroots level that this imbalance is brought to light. According to research conducted by Prasetyo and Thomas (2021) and BPS (2025), the poverty rate in rural areas is approximately 12.23% during the course of the year 2024. This figure is significantly greater than the poverty rate in urban areas, which may be found to be 6.78%. Despite having a high industrial density, Java is home to 12.62 million people who are living below the poverty line (Muallidin, 2025). This comes despite the fact that Java has a high population density. In this particular location on the island of Java, this disparity is particularly visible and noticeable here. With the goal of entirely eradicating extreme poverty by the year 2026, the government of Indonesia has set this goal. According to Hadfield (2025), the revitalization of economic institutions in rural regions is one of the most essential elements that must be met in order to have this objective accomplished.

The "Koperasi Desa Merah Putih" (KDMP) initiative, which is often referred to as the Red and White Village Cooperative Initiative, is given a large amount of importance in this national plan. According to Hadfield (2025) and Syahrizal (2025), the objective of this initiative, which was initiated in response to Presidential Instruction No. 9 of 2025, is to cultivate and build up to 80,000 cooperatives at the village level in order to serve as the "Soko Guru" (backbone) of the rural economy. This program was created in reaction to the Presidential Instruction. In addition to

their existing function as "one-stop facilities" that integrate retail distribution, cold storage, agricultural logistics, and financial services, these cooperatives are also intended to act as institutions that offer services related to savings and lending (Hadfield, 2025). The execution of such a comprehensive plan from the top down, on the other hand, is fraught with significant challenges, such as a lack of public trust, restricted administrative capabilities, and the ubiquitous impact of illegal informal lenders (Johan, 2024). Some of these challenges are listed below.

In the Tanjungsari District of the Sumedang Regency in West Java, the village of Sindangpakuon is one of the most prominent examples of these institutional challenges. It is located in the Sumedang Regency. In Sindangpakuon, which is situated within an industrial corridor, a phenomenon that is referred to as "land-squeeze" takes place. The occurrence of this phenomenon suggests that the community has only 15 hectares of agricultural land remaining as a result of the rise in the number of industrial operations (KKN Group 161, 2025). The intensive animal husbandry industry, which includes aquaculture of chicken and catfish, has become an absolute requirement as a result of the reduction in the amount of land that is appropriate for agricultural purposes. Despite the fact that this shift has taken place, the economic institutions of the village, which include the Village-Owned Enterprises (BUMDes) and the Village Cooperatives (KOPDes), continue to function in a manner that is distinct from one another. Informal lenders who engage in predatory lending are sometimes referred to as "Bank Emok" (Johan, 2024; Ruswandi, 2021). This is due to the fact that there is a lack of synergy between institutions, which results in a hole that is swiftly filled by these lenders.

According to Johan (2024), the "Bank Emok" system takes advantage of the community's desire for speedy liquidity by offering unsecured loans at exorbitant interest rates and by utilising group-based accountability. This is something that the system does. Due to the fact that the funds from their social assistance (PKH) are frequently diverted to settle debts or to participate in illegal internet gambling (judol), the residents of Sindangpakuon have reached a critical juncture in their relationship with these lenders, which has resulted in the perpetuation of the cycle of poverty (KKN Group 161, 2025). This has caused the cycle of poverty to continue. Universitas Padjadjaran's Vocational School is in charge of overseeing the "*Lentera Desa*" community service initiative. Through the implementation of management strategies, specifically Business Process Reengineering (BPR), the objective of this effort is to break this loop in order to enhance the efficiency of the village cooperative.

In order to create a "*Desa Mandiri*" (Independent Village) within an industrial context, the goal of this research is to propose that there must be a fundamental change in the way that village companies engage with the community and the market sector. This is the proposal that will be made. It is possible that the transformation of KOPDes into a primary distribution center for BUMDes and local MSME products will result in the establishment of price stability, market access, and a safe financial harbour for the people who live in the village. Performing a comprehensive evaluation of the *Lentera Desa* intervention and presenting a strategic road map for obtaining economic autonomy in rural areas through the implementation of digital transformation and the integration of institutions are the two goals that this essay aims to accomplish.

2. Literature Review

2.1. The Theory of Institutional Synergy and Rural Resilience

In modern rural development theory, the concept of economic resilience is emphasized as something that is not the outcome of distinct company units but rather of an interconnected institutional framework. This is because economic resilience is not something that can be attributed to individual business units. According to Kusumasari (2025), Law No. 6 of 2014 in Indonesia provided Village-Owned Enterprises (BUMDes) with the legal framework necessary to manage local assets and enterprises that are rooted specifically in the community. Indonesia is the country that enacted this law. BUMDes, on the other hand, frequently have challenges when it comes to addressing individual residents in their capacity as retailers or when it comes to providing microfinance services, which are typically the responsibility of cooperatives. It is essential for the village to have a synergy between BUMDes as a "production engine" and KOPDes as a "distribution and finance hub" in order to maximize the community's Original Income (PAD). This is according to Kusumasari (2025) and Muallidin (2025).

By utilizing the "Triple Helix" concept, which advocates for collaborative governance between the government (regulators), the private sector (off-takers), and academic institutions (knowledge providers) (Kusumasari, 2025), it is possible to comprehend this synergy in the most efficient manner possible. This collaboration is expanded into a "Penta-Helix" framework inside the framework of the Merah Putih Cooperative effort. This framework mixes community social capital and media in order to guarantee transparency (Budiantoro, 2025 in the year 2025). Several researchers, like Muhallidin (2025) and Saragi et al. (2021), have found that social capital is the most important aspect that leads to the success of cooperative endeavors. A definition of social capital would be the networks, norms, and trust that encourage coordination and collaboration for the purpose of mutual benefit from one another.

2.2. Sociological Analysis of “*Bank Emok*” and Financial Inclusion

One of the manifestations of what Ulrich Beck calls the "Risk Society," the phenomenon that is known as "*Bank Emok*" in West Java is a sign of the uneven route of modernization that develops new vulnerabilities for groups that are already disadvantaged (Johan, 2024). There are still significant obstacles that rural towns must overcome in order to gain access to the market, such as stringent collateral requirements and complicated administrative procedures (Johan, 2024). Despite the fact that the number of formal financial services available in urban centers has expanded, this is the case. According to Ruswandi (2021) and Sugianto (2024), *Bank Emok* often targets housewives (mothers) who prefer to sit on the floor (emok) while conducting financial transactions. This gap is covered by *Bank Emok* through the utilisation of "relational contracts" and the speed with which payouts are processed.

The "joint and several liability" structure that *Bank Emok* utilizes is the mechanism that is responsible for the risk that the institution presents. When one member of a group fails to make a payment, the other members of the group are required to satisfy the debt. This can result in substantial social coercion, tension inside the household, and even violence from the other members of the group (Johan, 2024). The high interest rates and weekly installments of these loans can sometimes result in "debt-stacking," which is when borrowers take out additional loans in order to pay off their existing debts (Ruswandi, 2021). This is something that has been discovered via study, and it is something that may appear to be beneficial at first. The term "reflexivity" refers to the capacity of formal institutions to reflect on their own service failures and come up with innovative, legal alternatives that are on par with the speed and accessibility of informal lenders (Johan, 2024; Sugianto, 2024). In order to achieve success, it is necessary to eliminate this practice.

2.3. Business Process Reengineering (BPR) and the Digital Leap

Zaidah et al. (2025) state that Business Process Reengineering (BPR) is a process that involves the fundamental rethinking and radical redesign of business processes in order to deliver exceptional improvements in critical indicators of performance. This is done in order to achieve the goal of becoming more efficient and effective. In this era of Industry 4.0 and Society 5.0, the most important factor that makes business process reengineering (BPR) possible is the digitalization of rural institutions like hospitals and schools. According to study that was carried out on village service offices in Indonesia (Zaidah et al., 2025), Business Process Reengineering (BPR), which is facilitated by Information Technology (IT), has the potential to increase throughput efficiency from 30.85% to 89.61%. This is accomplished by removing manual stages that do not add value to the process.

It is vital for village cooperatives to make the shift from manual bookkeeping (using Excel or paper logs) to integrated web-based management systems, as stated by Pajri and Sa'ida (2026). This transition is an essential aspect of the digital transformation process. Real-time reporting, automated loan assessments, and public transparency dashboards are all vital when it comes to recovering the trust of the community (Budiantoro, 2025). The execution of this shift makes it feasible to conduct all of these things. Furthermore, digitalisation makes it possible to apply "Hub and Spoke" logistics models, which have been shown to be efficient in optimising distribution in contexts with distributed demand, such as rural clusters (Khan, 2024; Li et al., 2022). These models have been proved to be useful in optimising distribution in certain circumstances.

3. Materials and Methods

3.1. Materials: The Sindangpakuon Profile

The village of Sindangpakuon, which is situated in Tanjungsari, Sumedang, was the location where this investigation was carried out in the year 2025. As a component of the "Lentera Desa" initiative, the research was carried out. The following is a selection of the records and materials that were examined throughout the investigation:

- The compilation of these reports, which are referred to as Instrument Observasi, which is an abbreviation for Institutional Observation Reports, is the responsibility of KKN Group 161 of Universitas Padjadjaran. The poultry units (500 chicks) and catfish breeding units (KKN Group 161, 2025) of BUMDes are accurately represented by them. They provide an exact portrayal of the current condition.
- The records of KOPDes Merah Putih Sindangpakuon are now being analysed as a component of the process of evaluating the financial and membership ledgers associated with the organization. Currently, the organization has 107 members who are members of the manual system, and there are 119 members who are members of the SIMKOPDES system, which is still in its early stages (KKN Group 161, 2025).
- The information that was gathered during the Fishbone Analysis sessions, which were attended by the Village Head, managers of KOPDes, and actor representatives from MSME, is incorporated into the Workshop Diagnostics.

- Information concerning the requirements of the industrial food supply program (SPPG) for the Sindangpakuon region, which demands a daily quantity of eggs equal to two hundred kilograms (KKN Group 161, 2025). The market data includes this information as part of its collection.

3.2. Methods: The BPR Framework

The research was carried out by employing a qualitative descriptive technique, which was then integrated with a structured BPR methodology, which consisted of the stages that are listed below:

It is the initial stage to uncover the underlying reasons why the cooperative is not being exploited to its full potential. This is accomplished through the process of diagnostic mapping, also known as fishbone analysis. According to the findings of the analysis, failures were classified into the following categories: Manpower (mindset, dependency), Method (manual systems, limited distribution), Material (uncompetitive prices), Machine (lack of digital tools), Environment (policy shifts), and Measurement (lack of key performance indicators) (KKN Group 161, 2025).

Process Standard Operating Procedures (SOPs) are now being written for the two primary operations of the cooperative, which are distribution and funding. This is the second stage of the process, which is called "Redesigning the Process" (Action Planning). According to Khan (2024) and Pajri and Sa'ida (2026), the "Hub and Spoke" theory was utilised in order to accomplish this objective. This theory was applied to the workflows of the "24-Hour Digital Loan" as well as the logistical operations.

Taking Action, also referred to as Stage 3: Implementation The intervention that was referred to as "Lentera Desa" consisted of mentorship sessions with the objective of transforming the cooperative from a passive savings entity into an active economic hub. This (KKN Group 161, 2025) featured training on the productive loan systems known as "KASTURI" (*Kirim Sekarang Bayar Tujuh Hari*) and "PASAR" (Pagi Antar Sore Bayar). Both systems are referred to as "KSATURI" and "PASAR," respectively.

Throughput Efficiency was the formula that was used to measure the efficiency of the institution at the fourth stage of the evaluation process.

$$ThroughputEfficiency = \frac{ProcessingTime(NoDelay)}{TotalTimeinSystem} \times 100\%$$

This metric was used to compare the manual 7-day reporting cycle against the targeted 5-minute digital reporting goal (Zaidah et al., 2025).

4. Results and Discussion

4.1. Diagnostic Assessment: The Efficiency Gap and Institutional Paradox

The field observation of Sindangpakuon Village highlights a classic rural development paradox: the presence of high market demand adjacent to an underperforming production unit (KKN Group 161, 2025). BUMDes Sindangpakuon possesses the facilities and a healthy population of 500 chickens, but it operates at a fraction of the scale required to be self-sufficient.

Table 1: Comparison of Current Institutional Performance and Strategic Benchmarks in Sindangpakuon Village

Performance Metric	Current Status	Target Strategic Benchmark
Poultry Production	25 kg / day (400 eggs)	200kg / day (SPPG Demand)
Egg Quality	20 eggs / kg	16 eggs / kg (Industry Standard)
Feed Expenditure	3.5 million IDR / month	< 2.5 million IDR (Self-produced)
Cooperative Records	Manual (Excel/Book)	Digital Real-time Dashboard
Member Engagement	107 Passive Members	250+ Active Participants

It was revealed during the diagnostic phase that the BUMDes is only capable of generating a daily net profit of between 100,000 and 200,000 IDR, although having a gross revenue of 700,000 IDR (KKN Group 161, 2025). This was the main finding that emerged from the investigation. The unit is not yet profitable enough to make a contribution to the Village Original Income (PAD) since all the funds are being misdirected toward building and feed costs. This is the reason why the unit is not yet profitable enough. The vulnerability of small-scale production is underlined by the fact that, as of January 2025, falling market prices for eggs have caused an imbalance in which expenses exceed income, suggesting that this imbalance has happened (KKN Group 161, 2025). This imbalance has an effect of highlighting the fragility of small-scale production.

It has been determined that the most significant institutional error that has taken place is the lack of connectedness that exists between the production of BUMDes and the distribution of KOPDes. BUMDes is able to avoid the distance barrier that is connected with delivering goods to the cooperative office by selling its eggs directly to homes in the local area at a reasonable price (KKN Group 161, 2025). This allows BUMDes to circumvent the distance barrier. Because of this, people who live a significant distance away from the BUMDes site either do not get aware of the business or choose market alternatives that are more expensive due to the costs of transportation (KKN Group 161, 2025). This is a consequence of the fact that people who live in this location do not become aware of the business.

4.2. Reengineering the Methodology: The "Hub and Spoke" Distribution Model

To solve the "distance barrier" and fragmented demand, this research proposes the Hub and Spoke Model as a structural solution (Khan, 2024; Li et al., 2022). In a typical urban-rural logistics network, scattered demand leads to low node utilization and high transport costs (Li et al., 2022). The "Hub and Spoke" design addresses this by concentrating resources at a central node and utilizing local "spokes" for last-mile delivery.

- The Hub: The KOPDes Merah Putih office acts as the central hub for bulk procurement of staple goods (sembako) and as the primary aggregator for BUMDes eggs and catfish (KKN Group 161, 2025).
- The Spokes: Three selected "*Warung RW*" (neighborhood kiosks) located in different residential zones. These kiosks act as daily drop-off points for cooperative products.
- Economic Incentive: Kiosk owners receive a 3% commission on sales, transforming them into "KOPDes Ambassadors." Residents benefit from prices 10% lower than market rates within walking distance of their homes (KKN Group 161, 2025).

This model ensures that BUMDes production (25kg/day) reaches the entire village population, rather than just the immediate neighbors, creating the scale needed for the proposed 150 million IDR poultry expansion project (KKN Group 161, 2025).

4.3. Redesigning Loans: The 24-hour Digital SOP for Anti-Bank Emok Mitigation

The dominance of *Bank Emok* is not due to low interest rates (which are high) but due to "instant accessibility" (Johan, 2024). To reclaim the microfinance market, KOPDes must redesign its loan process using a Business Process Reengineering lens to match this speed. The "Lentera Desa" intervention introduced a 24-Hour Digital Loan SOP (KKN Group 161, 2025).

Table 2: Comparison of Credit Systems

Feature	Bank Emok (Informal)	KOPDes (Reengineered)
Application	ID Photo via Whatsapp	Google Form + Whatsapp Bot
Liability	Joint/Group Liability	Solidarity/Individual-based
Verification	Immediate/Relational	Automated notification/Phone verification
Disbursement	Instant cash	Digital transfer (SOP verified)
Productive Use	High risk of consumptive use	Guaranteed via KASTURI (Raw materials)

One of the most important aspects of this reengineering is the KASTURI (*Kirim Sekarang Bayar Tujuh Hari*) system (KKN Group 161, 2025). Raw supplies or equipment are typically provided by the cooperative to micro, small, and medium-sized enterprises (MSMEs) rather than cash, which can be used for "judol" or the repayment of debt. This ensures that the credit is used for "Productive Accumulation," which assists the borrower in generating income in order to pay off the loan within seven days (KKN Group 161, 2025). By digitizing this workflow, the reporting and assessment cycle can be reduced from ten days to five minutes, which results in a significant increase in the throughput efficiency of the cooperative's capital (Zaidah et al., 2025).

4.4. Synergistic Nexus: The BUMDes-KOPDes-MSME Integrated Ecosystem

The end goal of village sovereignty is to have complete control over the whole value chain that are confined inside the boundaries of the community. This is the ultimate goal of village sovereignty. As a result, it is necessary for the three most important economic actors in Sindangpakuon to form a contractual relationship with one another, as stated by Kusumasari (2025) and KKN Group (161, 2025).

In addition to being referred to as "The Production Engine," BUMDes is a corporation that is responsible for the management of intensive livestock, particularly chicken and catfish. In order to reduce the monthly feed cost of 3.5 million IDR, the research advises that the four hectares of vacant land in the hamlet be utilized for the cultivation of

maize and the production of maggots (KKN Group 161, 2025). This would be done in order to achieve the intention of lowering the cost of feed. As a consequence of this integration, BUMDes transforms from a straightforward producer into an agro-unit by means of vertical integration.

Micro, Small, and Medium-Sized Enterprises (Those That Add Value): The local home industries, which currently number 250 in the district, are regularly divided (KKN Group 161, 2025). These businesses are referred to as small, medium, and micro enterprises. Micro, small, and medium-sized businesses (MSMEs) take part in a program called "Level 2 Empowerment," which provides them with training in digital marketing and packaging in order to meet the criteria of the sector. After then, the products that they manufacture are delivered to KOPDes so that they can be distributed to a more extensive audience (KKN Group 161, 2025).

KOPDes (The Market Integrator) is the company that fulfils this position since it is the official supplier for large-scale contracts. For example, the industrial SPPG program (KKN Group 161, 2025) requires 200 kg of eggs each day. KOPDes is the company that fulfils this role. KOPDes is able to deliver the quantity necessary to meet industrial supply chains, which is something that individual farmers are unable to accomplish (Hadfield, 2025). This is made possible by the consolidation of BUMDes production and the yields offered by local farmers.

This ecosystem has the ability to provide the necessary funds for the establishment of infrastructure such as cold storage and warehousing facilities (Hadfield, 2025; Syahrizal, 2025). This is accomplished by ensuring that the "Village Original Income" (PAD) and the cooperative's "Remaining Business Results" (SHU) are retained within the community.

4.5. Digital Transformation and Transparency: Reclaiming Public Trust

According to Budiantoro (2025), the most important technique for maximizing the growth of social capital in rural organizations is to maintain an open and honest environment. A "black box" perception is fostered by the manual maintenance of KOPDes data, which results in only 107 members being recorded, in contrast to the 119 members recorded in the SIMKOPDES system (KKN Group 161, 2025). This perception discourages participation. In accordance with the findings of Pajri and Sa'ida (2026), the acronym SIMKOPDES suggests that the implementation of a web-based system speeds up administrative procedures by more than fifty percent and lowers the number of errors that occur in recording by seventy percent.

The dashboard of a Google Sheet is updated on a weekly basis, on Friday afternoons, in compliance with the standard operating procedure for transparency. Saturday morning, a screenshot of the "Income - Expenditure = Balance" is distributed to the members of the WhatsApp group (KKN Group 161, 2025). This screenshot was taken from the WhatsApp group. This "radical transparency" is required in order to demonstrate that the monthly savings for members, which amount to 25,000 IDR in total, are utilized in a manner that is both secure and efficient (KKN Group 161, 2025).

A triadic empowerment initiative is being implemented here:

- Level 1 (Cooperative Cadre): Training five young people from each neighbourhood unit to act as digital ambassadors for the cooperative, providing assistance to the "Spokes" and promoting the digital services that are offered by the cooperative (KKN Group 161, 2025).
- Level 2 (Business Incubation) level, help is provided to ten potential micro, small, and medium-sized businesses (MSMEs) in order to facilitate the readiness of their products for the industrial supply chain (KKN Group 161, 2025).
- Level 3 (Success Stories): Monthly documentation of "Success Stories," which illustrate instances of persons overcoming Bank Emok debt through KOPDes, with the intention of changing the opinions of the community (KKN Group 161, 2025).

4.6. Alignment with National Policy: Koperasi Merah Putih

The strategy known as "*Lentera Desa*" is intended to fit in with the *Koperasi Desa Merah Putih* (KDMP) program that is now being carried out on a national scale. According to the *Sekretariat Negara* (2025), this plan, which was enacted in 2025, offers the necessary legal and financial framework for boosting projects that are carried out at grassroots level.

Financial Leverage: According to Hadfield (2025) and Syahrizal (2025), the establishment of a KDMP cooperative often requires an investment of three to five billion IDR. This is to be considered a financial leverage. By being a member of this network, Sindangpakuon will be able to acquire the finances that are required for its poultry expansion project, which is anticipated to cost 150 million IDR, as well as the proposed waste-to-fertilizer facility (KKN Group 161, 2025).

According to Hadfield (2019), the Ministry of Cooperatives intends to educate 240,000 supervisors in order to promote the protection of investments. Through the implementation of this external audit precaution, the "political temperature" hazards that have been recognised in Sindangpakuon are mitigated. The provision of this safeguard is made available in Sindangpakuon, which is a region in which changes in village leadership frequently hamper the functioning of institutions (KKN Group 161, 2030).

In order to achieve food self-sufficiency, also known as *Swasembada*, the KDMP is a strategic tool that can be utilized to achieve national food sovereignty (Hadfield, 2025). According to the *Sekretariat Negara* (2025), Sindangpakuon's emphasis on chicken and catfish provides direct support for the "Asta Cita" national objectives of achieving economic fairness and ensuring food security.

4.7. Addressing Environmental and Social Barriers: The Human Capital Challenge

The struggle for the independence of the village is about human behavior just as much as it is about the models of business models. According to the findings of the diagnostic phase, residents commonly develop a sense of "apathy" toward the BUMDes due to the fact that they are rarely involved in the management of the organization (KKN Group 161, 2025). This is the reason why residents feel disconnected from the BUMDes. In addition, the "lack of trust" that the village administration has in the functioning of BUMDes is a contributing factor that adds to a cycle of inadequate funding (KKN Group 161, 2025).

When it comes to overcoming this obstacle, the research emphasises the importance of "institutionalizing, not personalising." The institution becomes more resistant to political upheavals when all standard operating procedures (SOPs) are documented and official memorandums of understanding (MoUs) are signed between the cooperative and the village government (KKN Group 161, 2025). Furthermore, the inclusion of social aid (PKH) recipients as mandatory cooperative members, in conjunction with financial literacy training, has the potential to protect vulnerable populations from falling into the "debt-trap" of illegal lenders (Johan, 2024; KKN Group 161, 2025). This is because the presence of these individuals has the ability to protect vulnerable populations from borrowing money.

5. Conclusion

Through the strategic optimization of the synergy between Sindangpakuon's cooperative and BUMDes, it is possible to realize the transition of Sindangpakuon into an economically independent hamlet. A framework that can be replicated is provided by the "Lentera Desa" intervention. This framework addresses the fundamental constraints that are associated with rural development, which are restricted scale, manual processes, and predatory external pressures.

This study has primarily reached the following conclusions: BUMDes must serve as the "production engine," with a primary emphasis on intensive livestock and feed production, while KOPDes is responsible for serving as the "distribution and finance hub." Synergy is the term that best describes this situation. Through the formalization of the off-take relationship, residents are guaranteed pricing consistency, while producers are guaranteed market security; The digitalization of the trust mechanism is vital for expanding membership and community investment. Transparency can be achieved through the use of straightforward digital dashboards providing real-time information. In order to effectively compete with the "instant convenience" offered by Bank Emok, the only way to actually compete is to automate the loan procedure; There is a correlation between decentralization and participation. The "Hub and Spoke" concept, which makes use of neighborhood kiosks that already exist, is a low-capital strategy that can be utilized to increase the cooperative's reach and overcome geographical hurdles that prevent resident participation; Leveraging the national "Merah Putih" program provides the required funding and regulatory support to grow high-cost infrastructure and achieve long-term food sovereignty. This is made possible by policy alignment, which generates scale; Reclaiming the cooperative as the core of the village's economic life—a "one-stop facility" that empowers the community from the bottom up—is the way to welfare for Sindangpakuon and other industrial-adjacent villages across Indonesia. This is the path that leads to welfare.

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