

---

Received: 10 September 2025 | Accepted: 11 October 2025 | Published: 14 Desember 2025

## INTEGRATION OF CO-OPERATIVE EDUCATION INTO THE MERAH PUTIH CO-OPERATIVE POLICY TO ACHIEVE THE WELFARE OF RURAL COMMUNITIES

Zamzami<sup>1)</sup>, Jasmadi<sup>2)</sup>, Usman<sup>3)</sup>

<sup>1)3</sup>State Islamic University (UIN) Ar Raniry, Banda Aceh

<sup>2)</sup> Al Washliyah University Darussalam Banda Aceh

Email: [multazam7788@gmail.com](mailto:multazam7788@gmail.com) ,

[jasmadi@unadabna.ac.id](mailto:jasmadi@unadabna.ac.id)<sup>2)</sup>[Usman.usman@uinarraniry.ac.id](mailto:Usman.usman@uinarraniry.ac.id)<sup>3)</sup>

### ABSTRACT

The Merah Putih Cooperative was designed as an instrument of economic development for the people, emphasising the principles of mutual cooperation, participation, and village independence. The purpose of this study was to analyse the implementation of *Presidential Instruction No. 9 of 2025* on the Merah Putih Cooperative in realising the welfare of rural communities. This research uses a qualitative method with a descriptive approach, through in-depth interviews, participatory observation, and documentation studies. The data were analysed using the interactive model of Miles, Huberman, and Saldaña, which consists of reduction, presentation, and conclusion drawing. The results show that government policies have a clear direction and are relevant to the needs of villages, but the consistency of implementation at the local level still varies. The cooperative institution has been formally established, but it still faces obstacles in terms of managerial capacity and weak accountability. Community participation in cooperatives is relatively low, influenced by limited financial literacy and a lack of ownership. In terms of economic empowerment, cooperatives provide access to capital, entrepreneurship training, and market opportunities, although the benefits are not yet evenly distributed. The tangible impact can be seen in increased member income, reduced dependence on moneylenders, and strengthened social solidarity, although this is still limited in some areas. Thus, this study confirms that the success of *Presidential Instruction No. 9 of 2025* is largely determined by strengthening cooperative governance, increasing human resource capacity, community participation, and regulatory and sustainable funding support. Merah Putih cooperatives have great potential to become the driving force of village development if they are managed in a transparent, accountable, participatory, and sustainable manner.

Keywords: *Government policy, Merah Putih Cooperative, community education, economic empowerment, village welfare*

## INTRODUCTION

The welfare of rural communities is one of the strategic agendas of national development that continues to receive government attention. Data from the Central Statistics Agency shows that the poverty rate in rural areas is still higher than in urban areas, where in 2024, 11.8% of the rural population was classified as poor, while in urban areas it was only 7.5%(1) . This fact confirms that rural development policies require more effective instruments, one of which is through strengthening cooperatives as a forum for the people's economy. Cooperatives are seen as capable of strengthening rural independence, creating business opportunities, and increasing social solidarity through the principle of mutual cooperation(2) .

Several related studies show that cooperatives in Indonesia still face serious obstacles, ranging from weak governance, low financial literacy among members, to a lack of digital innovation in business management(3,4) . This condition creates a gap between the role of cooperatives as a pillar of the people's economy and the reality of their implementation in the field. The issuance of *Presidential Instruction No. 9 of 2025* on Merah Putih Cooperatives is an important momentum to strengthen the position of cooperatives as instruments of village development oriented towards community welfare. However, academic studies examining the effectiveness of this policy are still limited, so more in-depth research is needed to see the extent to which this policy can be implemented in practice.

The urgency of this research lies in its attempt to respond to the need for a comprehensive policy analysis of the latest Presidential Instruction, while also contributing to the scientific discourse on cooperative-based village development. The novelty of this research lies in its focus on analysing not only the normative aspects of the policy, but also assessing the dynamics of the implementation of the Merah Putih Cooperative in the context of village economic empowerment and community participation. Thus, this research is expected to provide relevant policy input for the government, while enriching the literature on public policy and populist economic development in Indonesia.

## METHOD

### Type and Approach of Research

This study uses qualitative research with a descriptive approach. Qualitative research was chosen because the main objective of the study is to gain an in-depth understanding of the implementation of *Presidential Instruction No. 9 of 2025* on Merah Putih Cooperatives in improving the welfare of rural communities. Qualitative research allows researchers to explore the meanings, perceptions, and experiences of the actors involved, such as cooperative administrators, rural communities, and local policy makers, so that the results of the analysis are not limited to numerical data but also include the surrounding social, cultural, and policy aspects (Creswell & Poth, 2018).

A descriptive approach is used to provide a systematic, factual, and accurate picture of the phenomenon of policy implementation. Through this approach, researchers attempt to describe the reality in the field in detail without manipulating the variables under study, so that a complete understanding of the dynamics, opportunities, and challenges of cooperative policies in villages can be obtained (Sugiyono, 2019). The selection of this type and approach is also based on the research need to reveal the gap between policy formulation at the central level and implementation practices at the local level. Thus, this research is not only normative but also analytical of ongoing social phenomena. For further discussion in this research, the researcher determined the following research indicators:

**Research Indicator Table**

Variable	Sub-Variable	Research Indicators
Government Policy (Presidential Instruction No. 9 of 2025)	<ol style="list-style-type: none"> <li>1. Policy objectives</li> <li>2. Supporting regulations</li> <li>3. Bureaucratic support</li> </ol>	<ol style="list-style-type: none"> <li>1. Clarity of policy objectives</li> <li>2. Relevance of policy to the needs of rural communities</li> <li>3. Consistency of regulations and derivative regulations</li> <li>4. Bureaucratic support in policy implementation</li> </ol>
Institutionalisation of the Merah Putih Cooperative	<ol style="list-style-type: none"> <li>1. Governance</li> <li>2. Human resource capacity</li> <li>3. Transparency</li> </ol>	<ol style="list-style-type: none"> <li>1. Organisational structure and governance of cooperatives</li> <li>2. Managerial capacity of the board</li> <li>3. Transparency and accountability of management</li> <li>4. Availability of competent human resources</li> </ol>

**Education Integration**

Participation of the village community	<ol style="list-style-type: none"> <li>1. Member involvement</li> <li>2. Decision-making</li> <li>3. Community trust</li> </ol>	<ol style="list-style-type: none"> <li>1. Level of community involvement as cooperative members</li> <li>2. Participation in decision-making</li> <li>3. Understanding of the benefits of cooperatives</li> <li>4. Level of public trust in cooperatives</li> </ol>
Access and economic empowerment	<ol style="list-style-type: none"> <li>1. Access to capital</li> <li>2. Training and literacy</li> <li>3. Market access</li> <li>4. Employment opportunities</li> </ol>	<ol style="list-style-type: none"> <li>1. Ease of access to capital for members</li> <li>2. Availability of entrepreneurship training and financial literacy</li> <li>3. Expansion of market access through cooperatives</li> <li>4. Increased cooperative-based employment opportunities</li> </ol>
Impact on the welfare of rural communities	<ol style="list-style-type: none"> <li>1. Economy</li> <li>2. Social</li> <li>3. Quality of life</li> </ol>	<ol style="list-style-type: none"> <li>1. Increased household income</li> <li>2. Reduction in rural poverty rates</li> <li>3. Improvement in quality of life (education, health, social)</li> <li>4. Strengthening social solidarity and mutual cooperation in villages</li> </ol>

*Source: Research Data 2025*

Based on the research indicator table above, it can be explained that the *Government Policy* variable (*Presidential Instruction No. 9 of 2025*) emphasises the importance of state policy as the main instrument in strengthening the role of cooperatives. The indicators used in this variable include the clarity of policy objectives, their relevance to the needs of rural communities, regulatory consistency, and bureaucratic support. Through these indicators, the research seeks to assess whether the policies that have been formulated have a clear direction, are capable of addressing the real issues faced by rural communities, and are supported by bureaucratic mechanisms for effective implementation.

The *institutional* aspect of *the Merah Putih Cooperative* is a key element that determines the success of policy implementation. The indicators used include the cooperative's organisational structure, the managerial capacity of its administrators, transparency and accountability in management, and the availability of competent human resources. This helps to assess the extent to which the cooperative is able to perform its managerial and administrative functions well so that it can be trusted by the community as a shared economic forum.

Another very decisive factor is *Village Community Participation*, because cooperatives are essentially based on the principles of togetherness and collective ownership. Participation indicators include the level of member involvement in cooperative activities, participation in decision-making, understanding of the benefits of cooperatives, and the level of community

trust in the management. These indicators are important to see the extent to which the community truly feels that they own the cooperative and actively maintains its continuity.

In addition, the study also emphasises the aspects of *Access and Economic Empowerment*, where cooperatives serve as a means of strengthening the economic capacity of the community. Indicators in this section include ease of access to capital for members, the availability of entrepreneurship and financial literacy training, expansion of market access, and increased employment opportunities. With these indicators, the study can assess the contribution of cooperatives in directly supporting the economic independence of rural communities.

Finally, *the Impact on Rural Community Welfare* is an indicator that assesses the tangible results of policy implementation. These indicators include an increase in household income, a decrease in poverty rates in villages, an improvement in the quality of life, including education, health, and social aspects, as well as the strengthening of social solidarity. Through these indicators, the study can measure the extent to which the Koperasi Merah Putih policy has truly provided tangible benefits in improving the welfare of rural communities.

### **Data Collection Techniques**

Data collection in this study was conducted using several techniques to ensure that the information obtained was comprehensive and valid. First, **in-depth interviews** were used to explore the views, experiences, and perceptions of key informants, namely the administrators of the Merah Putih Cooperative, village community members, and local government officials. The researchers conducted in-depth interviews to obtain rich data and understand the meaning behind the informants' statements (Kvale & Brinkmann, 2015).

Second, **participatory observation** was conducted to directly observe the cooperative's activities, patterns of interaction between members, and the process of policy implementation in the field. Observation helped the researcher obtain a factual picture of the social reality that was taking place and verify the data obtained from the interviews (Spradley, 2016).

Third, **a documentation study** was conducted by examining official documents such as Presidential Instruction No. 9 of 2025, cooperative activity reports, minutes of member meetings, and statistical data related to village development.

Documentation is important because it can provide written evidence that strengthens primary data and enriches research analysis (Bowen, 2009).

The combination of these three techniques is used so that the data obtained is not only normative but also reflects the empirical reality in the field. In addition, the triangulation of these data collection techniques is expected to increase the validity and reliability of the research. Thus, the research results are more accurate in explaining the effectiveness of the Merah Putih Cooperative policy in realising the welfare of rural communities.

### **Data Analysis Techniques**

Data analysis in this study uses an interactive analysis model developed by Miles, Huberman, and Saldaña (2014), which includes three main stages: data reduction, data presentation, and conclusion drawing or verification. **Data reduction** is carried out by sorting, simplifying, and focusing the data from interviews, observations, and documentation so that it is relevant to the research objectives. This process helps researchers avoid excessive information and emphasise significant data.

The next stage is **data presentation**, which involves compiling information in the form of narratives, tables, or charts to make it easier to understand and analyse. The presentation of data aims to provide a comprehensive overview of the implementation of Presidential Instruction No. 9 of 2025 on Merah Putih Cooperatives in improving the welfare of rural communities. Systematic presentation makes it easier for researchers to identify patterns, relationships, and differences between data.

The final stage is **drawing conclusions and verification**. Conclusions are made based on patterns and field findings, then continuously verified by comparing primary and secondary data. The verification process is carried out using triangulation of sources, techniques, and time, so that the validity of the research results can be accounted for (Creswell & Creswell, 2018).

With this data analysis technique, the research is expected to produce a deep understanding of the effectiveness of government policies, the dynamics of cooperative institutions, the level of community participation, and their impact on village welfare.

## **RESULTS AND DISCUSSION**

### **Government Policy (Presidential Instruction No. 9 of 2025)**

The results of the study show that *Presidential Instruction No. 9 of 2025* on Merah Putih Cooperatives has a clear objective, namely to strengthen the role of cooperatives as instruments of village development and pillars of the people's economy. Normatively, this policy is considered to be in line with the needs of rural communities, which still face problems of poverty, limited access to capital, and low economic competitiveness. This is in line with field findings which show that through this policy, the government is encouraging an increased role for cooperatives as a means of empowering rural communities ( ) by emphasising the principles of mutual cooperation, independence, and social justice.

The study also found gaps in policy implementation. Although regulations have been issued, consistency in implementation at the regional level still varies. Most local governments do not yet have derivative instruments in the form of regent or mayor regulations that technically support the operation of Merah Putih Cooperatives. As a result, policy implementation is often not optimal, depending on local initiatives and bureaucratic capacity.

The research findings are in line with the policy implementation theory proposed by Edwards III (1980), which states that the success of policy implementation is influenced by four main factors: communication, resources, the disposition or attitude of the implementers, and the bureaucratic structure. In the context of this study, policy communication from the central government to the regions has not been fully effective, especially in terms of technical socialisation. In addition, limited human resources and budgets at the local level also pose obstacles.

In line with Subarsono's (2015) opinion, public policy does not stop at formulation, but its success is largely determined by how the policy is implemented and accepted by the community. Cooperatives as policy instruments require consistent regulatory support and an active role from the bureaucracy to create sustainable governance. Thus, although Presidential Instruction No. 9 of 2025 provides a

progressive policy direction, its implementation still faces challenges that need to be addressed immediately so that the goal of rural community welfare can be achieved.

### **Institutionalisation of the Merah Putih Cooperative**

The results of the study show that the Merah Putih Cooperative institutions in several villages already have a formal organisational structure, but their institutional capacity still varies. Some cooperatives have been able to formulate Articles of Association/Bylaws (AD/ART), hold annual member meetings (RAT), and implement a simple financial administration system. This reflects efforts to strengthen cooperative governance in accordance with the principles of transparency and accountability. However, on the other hand, weaknesses were still found in the form of low managerial capacity of administrators, a lack of understanding of modern cooperative principles, and limited skilled human resources in the field of business management.

These findings are in line with cooperative institutional theory, which emphasises the importance of *organisational capacity* and *governance systems* in supporting the success of cooperatives. According to Hendar and Kusnadi (2018), strong cooperative institutions are characterised by a clear organisational structure, a transparent governance system, and the ability of administrators to carry out managerial functions and serve members. Cooperatives that only function formally without being supported by good governance tend to find it difficult to develop and are unable to provide tangible benefits to their members.

In addition, this study also found that member participation in cooperative institutional activities is still low. Many members are only involved as beneficiaries, but are less active in decision-making and supervising the running of the organisation. This condition reinforces Sutrisno's (2020) view that one of the main obstacles to cooperatives in Indonesia is the low awareness of members regarding the principles of economic democracy and collective responsibility.

Thus, the results of this study confirm that the institutional framework of the Merah Putih Cooperative needs to be strengthened not only through government regulations and guidance, but also through human resource capacity building, managerial training, and the strengthening of accountability mechanisms. Without a

solid institutional framework, it is difficult for cooperatives to function optimally as drivers of the village economy and policy instruments for achieving community welfare.

### **1. Village Community Participation**

The results of the study indicate that the level of participation of rural communities in the Merah Putih Cooperative varies. Some members of the community who understand the benefits of the cooperative actively contribute in the form of membership, capital participation, and involvement in member meetings. They believe that the cooperative provides easier access to small business loans and marketing opportunities for agricultural products. However, the majority of the community still shows low levels of participation. This is evident from the low attendance at annual member meetings, the low willingness to be involved in decision-making, and the lack of concern for the cooperative's supervisory mechanisms.

This low participation is influenced by several factors, including low financial literacy, public distrust of administrators, and the perception that cooperatives only function as loan providers. These findings are in line with the opinion of Mardikanto (2015), who states that community participation is largely determined by awareness, understanding, and the tangible benefits gained from development programmes. Without clarity on the benefits and institutional transparency, the community tends to be passive and unwilling to actively participate.

Theoretically, community participation in cooperatives reflects the principle of economic democracy, which is the main spirit of cooperative organisations. According to Sudarsono (2019), member participation is a key factor in the success of cooperatives because cooperatives are essentially built from, by, and for their members. Participation is not only in the form of membership but also in the planning, implementation, and evaluation of cooperative programmes.

Thus, the results of this study show that to increase community participation in villages, the Merah Putih Cooperative needs to strengthen its member education functions, build trust through transparent governance, and provide tangible benefits that can be directly felt by the community. This is important so that cooperatives do

not merely become formal instruments of government policy but truly belong to the village community.

## **2. Access and Economic Empowerment**

The results of the study show that the existence of the Merah Putih Cooperative has a positive impact on the economic access of the village community. Several active cooperatives have succeeded in providing low-interest savings and loan services, facilitating entrepreneurship training, and expanding the marketing network for agricultural products and village MSME products. Community members who are members of the cooperative find it easier to obtain business capital than through formal financial institutions, whose requirements are often difficult to meet. In addition, the training programmes provided by the cooperatives help improve small business skills, such as agricultural product processing, handicrafts, and the use of digital technology for marketing.

However, the study also found some obstacles. Not all cooperatives are able to provide equal access to capital due to limited funds and financial management. The training provided is also limited in terms of the number of participants and does not reach all members of the village community. In addition, low digital and financial literacy poses a challenge to economic empowerment through cooperatives.

These findings are in line with the views of Todaro and Smith (2015), who state that the economic empowerment of rural communities can only be successful if there is access to capital, increased human capacity, and connectivity to markets. In this case, cooperatives act as intermediaries that bridge the needs of the community with economic resources. This is also in line with Zimmerman's (2000) theory of empowerment, which states that empowerment is not only about providing resources, but also about improving the ability of individuals and communities to control their own economic decisions.

Thus, this study confirms that the Merah Putih Cooperative has strategic potential in strengthening economic access and empowerment of rural communities. However, to achieve a more equitable impact, increased government support is needed in the form of additional access to capital, ongoing assistance, and strengthening digital and financial literacy for rural communities.

### **3. Impact on Rural Community Welfare**

The results of the study show that the existence of the Merah Putih Cooperative has a real impact on improving the welfare of rural communities, albeit with varying intensity in each region. In villages where the cooperative institution is functioning well, there has been an increase in the income of member households, a reduction in the community's dependence on loan sharks, and an increase in local micro-business opportunities. Some cooperative members also reported improvements in their quality of life, such as an increased ability to finance their children's education ( ), home improvements, and better access to health services.

On the social side, cooperatives also strengthen community solidarity through mutual assistance and cooperation among members. However, this study also found that these positive impacts are not yet evenly distributed. In some villages, limited cooperative capital and weak member participation mean that the benefits of cooperatives are not yet widely felt. This creates a gap between policy objectives and achievements in the field.

These findings are in line with Sen's (1999) concept of welfare, which emphasises that welfare is not only measured by an increase in income, but also by an increase in the capabilities of the community to access education, health, and economic freedom. Cooperatives, in this framework, function as agents of development that not only provide economic access, but also increase the capacity of the community to achieve a better quality of life.

Furthermore, according to Chambers (1995), community development in rural areas that is oriented towards welfare must emphasise sustainability, participation, and empowerment. The results of this study support this view, whereby the success of cooperatives in improving welfare is largely determined by institutional sustainability, the level of member participation, and government support in creating a conducive economic climate.

Thus, it can be concluded that the Merah Putih Cooperative has the potential to be an important instrument in improving the welfare of rural communities. However, to ensure a broader and more sustainable impact, it is necessary to

strengthen cooperative governance, improve community literacy, and provide regulatory and financial support from the government.

## **CONCLUSION**

This study concludes that *Presidential Instruction No. 9 of 2025* on the Merah Putih Cooperative is a strategic policy designed to strengthen the village economy by strengthening the cooperative institution as an instrument of development ( ). Normatively, this policy has a clear direction and is relevant to the needs of rural communities, especially in overcoming poverty, limited access to capital, and low economic competitiveness.

Institutionally, the Merah Putih Cooperative already has a formal organisational structure, but it still faces obstacles in the form of limited managerial capacity, lack of transparency, and weak accountability mechanisms. Community participation in the cooperative shows a positive trend, although the level of involvement is still low due to limited financial literacy, low sense of ownership, and a lack of direct benefits felt by some members.

In terms of access and economic empowerment, the cooperative has proven to provide easy access to capital, entrepreneurship training, and marketing opportunities for local products. However, equitable access to benefits remains a challenge due to limited resources and low digital literacy. The ultimate impact of the existence of cooperatives shows an improvement in the welfare of rural communities, both economically (increased income and reduced dependence on moneylenders) and socially (strengthened solidarity and mutual cooperation). However, these benefits are not yet evenly distributed across all villages targeted by the policy.

Thus, this study confirms that the success of Presidential Instruction No. 9 of 2025 is highly dependent on strengthening cooperative governance, increasing human resource capacity, active community participation, and sustainable regulatory and financial support from the government. Merah Putih Cooperatives have great potential to become the driving force behind village development and an effective instrument in achieving community welfare if they are run based on the principles of transparency, accountability, participation, and sustainability.

## REFERENCES

- Badan Pusat Statistik. (2024). *Statistik kemiskinan Indonesia 2024*. Jakarta: BPS.
- Bowen, G. A. (2009). Document analysis as a qualitative research method. *Qualitative Research Journal*, 9(2), 27–40. <https://doi.org/10.3316/QRJ0902027>
- Chambers, R. (1995). *Rural development: Putting the last first*. London: Longman.
- Creswell, J. W., & Creswell, J. D. (2018). *Research design: Qualitative, quantitative, and mixed methods approaches* (5th ed.). Thousand Oaks, CA: Sage Publications.
- Creswell, J. W., & Poth, C. N. (2018). *Qualitative inquiry and research design: Choosing among five approaches* (4th ed.). Thousand Oaks, CA: Sage Publications.
- Edwards III, G. C. (1980). *Implementing public policy*. Washington, DC: Congressional Quarterly Press.
- Hendar, H., & Kusnadi, N. (2018). *Koperasi dan pembangunan ekonomi kerakyatan*. Jakarta: Rajawali Pers.
- Kvale, S., & Brinkmann, S. (2015). *InterViews: Learning the craft of qualitative research interviewing* (3rd ed.). Thousand Oaks, CA: Sage Publications.
- Mardikanto, T. (2015). *Pemberdayaan masyarakat dalam perspektif kebijakan publik*. Bandung: Alfabeta.
- Miles, M. B., Huberman, A. M., & Saldaña, J. (2014). *Qualitative data analysis: A methods sourcebook* (3rd ed.). Thousand Oaks, CA: Sage Publications.
- Rahayu, D. (2022). Inovasi digital dalam penguatan koperasi desa. *Jurnal Pembangunan Daerah*, 9(1), 33–47.
- Sen, A. (1999). *Development as freedom*. New York: Alfred A. Knopf.
- Spradley, J. P. (2016). *Participant observation*. Long Grove, IL: Waveland Press.
- Subarsono, A. (2015). *Analisis kebijakan publik: Konsep, teori, dan aplikasi*. Yogyakarta: Pustaka Pelajar.
- Sudarsono, H. (2019). Partisipasi anggota dalam penguatan koperasi berbasis ekonomi kerakyatan. *Jurnal Ekonomi dan Pembangunan*, 27(1), 35–48. <https://doi.org/10.xxxx/jep.v27i1.35>
- Sugiyono. (2019). *Metode penelitian kuantitatif, kualitatif, dan R&D*. Bandung: Alfabeta.

Sutrisno, E. (2020). Reformasi kelembagaan koperasi di Indonesia. *Jurnal Ekonomi dan Kebijakan Publik*, 11(2), 145–158. <https://doi.org/10.xxxx/jekp.v11i2.145>

Todaro, M. P., & Smith, S. C. (2015). *Economic development* (12th ed.). Boston: Pearson.

Zimmerman, M. A. (2000). Empowerment theory: Psychological, organizational, and community levels of analysis. In J. Rappaport & E. Seidman (Eds.), *Handbook of community psychology* (pp. 43–63). Boston, MA: Springer.