

Red and White Cooperative: Challenges and Opportunities for Implementation in Manggarai Regency

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ABSTRACT

Presidential Instruction of the Republic of Indonesia Number 9 of 2025 launched the national program "Red and White Cooperatives" as an effort to accelerate community-based economic development in villages. This study analyzes the challenges and opportunities for implementing the program in Manggarai Regency, East Nusa Tenggara. The method used is a descriptive-qualitative approach with data collection techniques through literature studies, documentation, and semi-structured interviews with cooperative actors and stakeholders at the local level. This study highlights local socio-cultural, geographical, and economic conditions as well as institutional readiness to support village cooperatives. It was found that this program is promising as a solution to the people's economy, but faces obstacles in terms of cooperative literacy, infrastructure, and access to capital. The output of this study is a recommendation for a cooperative implementation strategy based on local wisdom that can be applied in areas with similar characteristics.

Keywords: Village Cooperatives, Community Economy, Manggarai, Red and White Cooperative, Inclusive Development, Regency.

1. INTRODUCTION

Cooperatives as one of the pillars of the national economy have a strategic role in building a people's economy. The government through Presidential Instruction No. 9 of 2025 initiated a program to establish the Red and White Cooperative in every village and sub-district in Indonesia. This program aims to create new centers of economic growth at the village level that are managed democratically and participatively. This cooperative is expected to be an instrument to overcome the problems of inequality, limited access to capital, and strengthen national economic resilience.

Manggarai Regency as part of East Nusa Tenggara Province is one of the regions that has unique characteristics in terms of topography, economy, and culture. The Manggarai community has a strong spirit of mutual cooperation, as well as a tradition of deliberation rooted in the traditional social system. This condition provides a strong social basis for the development of cooperatives. However, a number of challenges such as limited infrastructure, limited access to technology and information, and low financial literacy are the main obstacles.

This paper aims to provide a comprehensive analysis of the challenges and opportunities for implementing the Red and White Cooperative program in Manggarai Regency. By exploring local potential and examining existing obstacles, it is hoped that a contextual and sustainable implementation strategy can be formulated. This research is not only relevant for policy makers, but also important for the development of inclusive and adaptive cooperative practices to local dynamics.

2. LITERATURE REVIEW

The concept of cooperatives has long been known as a form of economic institution based on the values of solidarity, democracy, and justice. According to Law Number 25 of 1992, a

cooperative is a business entity whose members are individuals or cooperative legal entities that carry out business activities based on cooperative principles and as a people's economic movement based on the principle of family. In the context of village development, cooperatives are believed to be able to strengthen the local economic structure, increase the competitiveness of superior village products, and create jobs [1].

The Red and White Cooperative Program launched by the central government is a strategic initiative to strengthen the village economy through cooperative empowerment. This program is designed to integrate the function of cooperatives into the national economic system, with funding support from LPDB-KUMKM, managerial training, and institutional digitalization. One of the important innovations of this program is the recruitment of retired ASN and graduates to strengthen cooperative governance at the village level [2].

Various studies show that the success of cooperatives is largely determined by the quality of human resources, regulatory support, and active participation of members. [3] research emphasizes the importance of revitalizing cooperatives through management modernization, financial transparency, and multi-party collaboration. In the Indonesian context, many cooperatives are still experiencing stagnation due to managerial weaknesses and low member trust. [4] research also shows that managerial capacity and regulatory support are the keys to the success of cooperatives in rural development in Indonesia.

Internationally, [5] stated that community-based cooperatives have proven effective in improving the welfare of local communities in developing countries in Southeast Asia. The key to this success lies in the cooperative's ability to integrate local values with universal cooperative principles. In this case, the local context is an important factor in the success of cooperatives.

To understand the dynamics of cooperative institutions in development, [6] theory of community participation is relevant as a reference. Arnstein introduced the "Ladder of Participation" which shows the level of community involvement in the decision-making process, from manipulation to full citizen control. In the context of cooperatives, high participation from members reflects organizational health and institutional resilience. In addition, [7] Social Capital theory also provides a framework that trust, norms, and social networks play an important role in the success of collective initiatives such as cooperatives.

The latest relevant theory in the last ten years is the concept of "Community-Based Enterprise Development" developed by [8], which emphasizes the importance of collective entrepreneurship in increasing community empowerment in remote areas. This model combines the solidarity economy and social empowerment approaches as the foundation for cooperative development. In addition, the theory of "Adaptive Capacity" from [9] can also be used to see the ability of cooperatives to adapt to dynamic environmental, social, and economic challenges. This approach emphasizes the importance of institutional innovation and social learning as key factors in the sustainability of cooperatives.

Several regions that have successfully developed cooperatives, such as in West Java and Bali, show the importance of adapting to local values and community life patterns. Therefore, the implementation of the Red and White Cooperative in Manggarai must consider socio-cultural aspects, customary institutional structures, and subsistence economic patterns that are still dominant in the area.

3. METHODS

This study uses a descriptive-qualitative approach that aims to deeply understand the challenges and opportunities for implementing the Red and White Cooperative program in Manggarai Regency. This approach was chosen to capture the social, cultural, and economic dynamics that influence the success of cooperatives at the local level, especially in the context of the agrarian and traditional Manggarai community. Data were collected through three main techniques, namely First; Literature study, which includes a review of national regulations such as Presidential Instruction Number 9 of 2025, Law Number 25 of 1992 concerning Cooperatives, as well as journals and research reports related to cooperatives and village development. Second; Semi-structured interviews, conducted with cooperative managers, community leaders, village officials, and representatives of the local Cooperative Office. This interview aims to explore local experiences, perceptions, and aspirations towards the cooperative program. Third; Participatory observation, conducted on a limited basis in several villages that have started the process of establishing cooperatives or have active cooperatives. This observation helps capture the reality on the ground directly.

4. RESULT AND DISCUSSION

4.1 Socio-Economic Conditions of Manggarai Regency

Manggarai Regency is located in the western part of Flores Island, East Nusa Tenggara, with an area of approximately 2,344 km² and a population of approximately 340,000 people in 2024 [10]. This area is dominated by mountainous topography with limited transportation access, especially in remote areas. The majority of the community relies on agriculture, livestock, and traditional crafts for their livelihoods.

However, access to markets, capital, and financial institutions is still limited. The level of community participation in cooperatives is still low, in line with the national trend that only around 10.3% of Indonesians are members of cooperatives [11]. In addition, the mountainous topography and limited road infrastructure and digital networks are challenges in implementing digital cooperatives.

The characteristics of the Manggarai community that still maintains traditional social systems such as drums, beo, and traditional deliberations make the village a strong social unit. This social structure provides great potential for the development of community-based economic institutions such as cooperatives. The culture of collectivity, mutual cooperation, and a sense of shared responsibility can be an important foundation in building inclusive and sustainable cooperatives.

However, various structural and cultural issues still become obstacles in economic development in Manggarai. Limited road infrastructure and communication networks are the main challenges in product distribution and access to markets. In addition, the level of financial literacy and entrepreneurship in the community is still low. Many people prefer to borrow from loan sharks because the process is fast and without collateral, even with high interest.

On the other hand, the potential of local economy that has not been optimally developed such as coffee, cloves, goat farming, and Manggarai ikat weaving opens up great opportunities for cooperatives as management institutions, aggregators, and product distributors. In this context, cooperatives can be a link between farmers and markets, between local producers and regional and national buyers.

4.2 Challenges of Implementing the Red and White Cooperative in Manggarai

From the results of the research conducted, it was found that there were four challenges in the implementation plan of the Red and White Cooperative in Manggarai Regency, namely First; Cooperative Literacy. Many villagers do not understand the principles of modern cooperatives. There is a perception that cooperatives are only savings and loan institutions. Second; Human

Resource Capacity. In this context, many villages do not have competent cooperative managerial staff. The Red and White Cooperative Program responded to this by involving retired ASN and graduates. Third; Initial Capital Access: The cost of establishing a cooperative and procuring facilities such as warehouses, logistics vehicles, and operational offices requires capital of between IDR 3-5 billion per cooperative unit [11]. Fourth; Digital Infrastructure. The limited internet network in many areas in Manggarai makes it difficult to develop digital-based cooperatives.

4.3 Opportunities to Strengthen Local Economy Through Cooperatives

Despite the challenges, Manggarai holds great potential. This potential then becomes the basis for the successful implementation of the Cooperative. The opportunity is that Manggarai Regency has superior products such as Manggarai Coffee, local corn, agricultural livestock, handicrafts such as ikat weaving. These products have broad market potential and can be utilized and managed by the Cooperative. In addition, despite having high social capital, the tradition of mutual cooperation and the value of collectivity of the Manggarai community can support the spirit of the cooperative. Then, multi-party partnerships that open up space for cooperation between cooperatives and local governments, BUMN, Universities and NGOs to strengthen institutions and funding.

4.4 Recommendation and Implementation Strategy

The recommendation and implementation strategy is described as an annual project that explains the agenda and technical activities. It is hoped that this plan can help map the chances of success of the Red and White Cooperative by minimizing challenges and maximizing opportunities. This agenda was created over a period of two years from 2025 to 2027.

Table 1. Recommendation and Implementation Strategy

Time	Agenda	Activity
Year 2025	Cultural Socialization	Cooperative education through traditional, church and local figure approaches.
Year 2025	Local HR recruitment	Utilize retired ASN and regional graduates as cooperative managers
2025-2026	Institutional Integration	Synchronization between cooperatives, BUMDes, farmer groups, and traditional institutions.
2026-2027	Gradual digitalization	Use of cooperative applications that are compatible with weak or offline-based networks.
2027	Market Development	The cooperative acts as an aggregator and distributor of agricultural and craft products to markets outside the region.

CONCLUSION

The Red and White Cooperative provides a strategic opportunity to strengthen the village economy in Manggarai Regency, especially in the agriculture, livestock, and crafts sectors. However, the realization of this program requires institutional readiness, increased cooperative literacy, and infrastructure support. An adaptive approach based on local culture and cross-sector collaboration is needed so that cooperatives not only survive, but develop into a people's economic power.

Despite facing various challenges, the implementation of the Red and White Cooperative in Manggarai also opens up strategic opportunities. One of them is the utilization of local superior products such as Manggarai coffee, cloves, ikat weaving, and goats. With the cooperative as an institution managing production and marketing, farmers and craftsmen can obtain greater added value through production consolidation and wider market access.

The culture of collectivity of the Manggarai community is an important social capital that can strengthen the cooperative structure. Deliberation activities, mutual cooperation work systems, and a sense of shared ownership strongly support the principles of participatory and democratic

cooperatives. In this context, a cultural approach is very important in the process of socialization and formation of cooperatives.

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