

Cooperative Competitiveness for Community Development in West Java: Strategies and Outcomes

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ABSTRACT

Cooperatives, as a pillar of the people's economy in Indonesia, face significant challenges in increasing their competitiveness amid the era of globalization and digitalization. In West Java, the presence of cooperatives plays a vital role in community development; however, many cooperatives are still stagnating due to limited innovation and lack of collaboration. This study aims to identify strategies to strengthen the competitiveness of cooperatives and evaluate their impact on local community empowerment. The method employed is a qualitative case study approach involving 10 active cooperatives in West Java that have implemented community-based innovation and digitalization. Data was collected through in-depth interviews, observations, and document analysis, and then analyzed thematically using NVivo 14 software. The study's results show that the most effective strategies for increasing the competitiveness of cooperatives include digitizing services, product diversification, building community partnerships, and training human resources. Cooperatives that apply a collaborative innovation approach and build strategic networks have proven to experience improved membership and better economic growth. The implications of this study confirm the importance of strengthening collaborative ecosystems and adopting community-based innovations as the key to the success of modern cooperatives. This research also provides practical recommendations for the development of digitalization-based cooperative assistance programs and multistakeholder collaboration to accelerate sustainable community development in West Java.

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1. INTRODUCTION

In the midst of the dynamics of globalization and economic liberalization, strengthening the competitiveness of cooperatives is a crucial issue in community development. Cooperatives, as one of the pillars of the people's economy, face great challenges in competing in an increasingly competitive open market, both nationally and internationally. This phenomenon is not only occurring in developed countries, but also sweeping developing countries such as Indonesia, which rely on cooperatives to drive community-based economic growth. The changing global economic landscape requires cooperatives to increase innovation, professionalism, and operational efficiency, while maintaining the principles of social solidarity and equitable distribution of welfare that are characteristic of them (Siregar, 2023).

Based on a report by the Ministry of Cooperatives and SMEs of the Republic of Indonesia (2023), there are more than 127,000 active cooperatives in Indonesia, but only about 15% are considered to be performing well. In West Java Province itself, cooperatives play an important role in encouraging local economic growth, with a contribution to regional GDP of 8.2% (West Java KUKM Office, 2023). However, recent studies show that many cooperatives in this area still face structural problems such as weak management, low service

innovation, and lack of adaptation to digital technology, which hinder their competitiveness in the industrial era 4.0 (Wahyuningtyas & Disastra, 2023).

In particular, the main challenge for cooperatives in West Java lies in their inability to develop a sustainable competitive advantage. Many cooperatives still rely on traditional work patterns, without leveraging digitalization to expand market reach and improve operational efficiency. In addition, fierce competition with the non-cooperative small-medium enterprises (SMEs) sector that is more adaptive to market changes worsens the position of cooperatives in the local business ecosystem (Yulistiyo & Kurriwati, 2025). This raises an important question: what kind of strategy do cooperatives in West Java need to increase their competitiveness, while remaining faithful to the principle of the solidarity economy?

Previous research by Prihantono and Wiyani (2019) highlighted that cooperatives in Indonesia that adopt the principle of community-based innovation tend to have higher competitiveness. Meanwhile, research by Sukoharsono et al. (2023) in the journal *Sustainability* emphasizes the importance of building strategic collaboration between cooperatives and the private sector to strengthen community business resilience. On the other hand, Wahyuningtyas and Disastra (2023) also found that strengthening the digital competence of cooperative employees significantly contributes to improving organizational performance in the context of the digital economy society. These findings provide an important foundation, but specific case-study-based research in West Java is still limited.

Although there are various studies that examine strategies to increase the competitiveness of cooperatives at the national level, there have not been many studies that have in-depth analysis of the local context of West Java, which has unique socio-economic dynamics. In addition, most previous studies have focused more on managerial or macroeconomic aspects without delving into the perspective of the community and the real success of cooperatives in empowering local communities. Therefore, this study seeks to fill this gap by exploring the competitive strategies of community-based cooperatives in West Java and their impact on local socio-economic development.

The urgency of this research is even higher considering the transformation of the digital-based economy and the need to increase the economic resilience of communities post-COVID-19 pandemic. Cooperatives, which are actually rooted in the values of solidarity and economic democracy, have great potential to become an agent of inclusive community development. However, without increased competitiveness, cooperatives risk being marginalized in the flow of free market liberalization. Thus, designing a competitive strategy based on local wisdom and technological innovation is very urgent to maintain the sustainability of cooperatives as the motor of community development in West Java.

This research offers novelty by integrating the analysis of cooperative competitiveness through community approaches and digital innovation in a single conceptual framework. Unlike previous studies that were oriented towards business performance alone, this study also examines the impact of cooperative strategies on community socio-economic empowerment. In addition, this approach emphasizes the importance of multi-stakeholder collaboration between cooperatives, the private sector, local governments, and local communities as key to creating a competitive and sustainable cooperative ecosystem.

This research aims to: (1) Identify the strategies implemented by cooperatives in West Java in increasing competitiveness; (2) Analyze the key factors of success and challenges in the implementation of the strategy; and (3) Assess the impact of cooperative success on local community development, especially in the aspects of economic empowerment, welfare improvement, and strengthening social cohesion. With this goal, it is hoped that this research can provide theoretical contributions as well as practical recommendations for the development of competitive and globally competitive community-based cooperatives.

The main contribution of this research is to enrich the literature on cooperative development in the context of a digital economy society, especially in Indonesia. In addition, the results of this research are expected to be a strategic reference for cooperatives, regional cooperative offices, and community support organizations in designing cooperative competitiveness strengthening programs. The research also offers a conceptual model of the synergy between business competition and social solidarity, which is relevant to be applied in the economic development of cooperatives-based communities in various other regions.

The practical implications of this research include the development of cooperative empowerment strategies based on digital innovation, the development of cooperative human resource capacity, and the formulation of collaborative policies between cooperatives and the private sector. In addition, this research can be the basis for policymakers to formulate cooperative assistance programs based on local potential and strengthen the role of cooperatives as a strategic instrument in building socio-economic resilience of the community in the era of globalization. With an adaptive and contextual approach, cooperatives in West Java are expected to be able to transform into effective agents of change in sustainable community development.

2. METHOD

This study uses a qualitative approach of exploratory case studies to deeply understand the strategy of strengthening the competitiveness of cooperatives and their impact on community development in West Java Province. The case study was chosen because it provides an opportunity to explore the phenomenon in its original context, taking into account the inherent social, cultural, and economic complexities. The population in this study is all active cooperatives in the West Java region, with a special focus on cooperatives that have demonstrated strategic initiatives to improve their competitiveness. The sampling technique used is purposive sampling, with the criteria of cooperatives that have been operating for at least five years, have community-based innovation programs, and are located in urban and rural areas to obtain a variety of contexts. A total of 10 cooperatives were selected as samples, involving cooperative chairmen, operational managers, and active cooperative members as key informants.

The research instrument used was in the form of a semi-structured interview guide developed based on the conceptual framework of cooperative competitiveness, covering aspects of service innovation, community collaboration, digital technology adoption, and contribution to local socio-economic development. The validity of the content of this instrument was tested through panel discussions with cooperative and community development experts. To maintain the validity and reliability of the data, this study applied the source triangulation technique (from the chairman, members, and cooperative documents) as well as member checking where the initial results of the analysis were confirmed back to some informants. Data collection techniques include in-depth interviews, direct observation of cooperative activities, and internal documentation such as the cooperative's annual report. All interview data was recorded, transcribed verbatim, and analyzed thematically.

Data processing and analysis are carried out using the help of NVivo 14 software to facilitate the process of coding, categorization of themes, and analysis of relationships between concepts. Data analysis was carried out using the thematic analysis approach of Braun & Clarke (2006) which consisted of stages of familiarization with the data, initial code generation, theme grouping, theme review, theme definition, and narrative preparation of findings. The entire process is carried out with the principle of trail audit to ensure the traceability of the analysis process. With this method, it is hoped that the research can identify effective strategies to strengthen the competitiveness of cooperatives, uncover the driving and inhibiting factors, and understand the contribution of cooperatives to community development in a more complete and contextual manner in West Java.

3. RESULTS AND DISCUSSION

Research Data Presentation

This research involved 10 active cooperatives in various regions in West Java, which were selected based on the criteria of innovation adoption and contribution to the local community. The results of the data collection show five main strategies used to improve the competitiveness of cooperatives: digitization of services, product diversification, community partnerships, human resources (HR) training, and online marketing. The graph above shows the level of implementation of each strategy among the cooperatives studied, with *community partnerships* being the most widely adopted strategy (90%).

The following table shows in detail the distribution of the competitiveness strategies applied:

Competitiveness Strategy	Number of Cooperatives Implementing (out of 10)
Digitization of Services	8
Product Diversification	7
Community Partnerships	9
HR Training	8
Online Marketing	6

Research Data Analysis

Qualitative analysis shows that cooperatives that implement community partnerships and intensive HR training tend to perform better in expanding market networks and increasing member loyalty. Service digitization has also been proven to help speed up the administrative process, increase transparency, and make it easier for members to access cooperative services online.

In contrast, cooperatives that lack online marketing

strategies have difficulty attracting young members and expanding markets beyond traditional communities. This shows that the combination of internal innovation (HR training, digitalization) and external expansion (online marketing, partnerships) is the key to the competitiveness of cooperatives in the digital era.

Research Data Interpretation

Interpretation of the data shows that the success of cooperatives in building competitiveness is not only determined by the adoption of technology, but also by the ability to build a strong collaborative ecosystem with local communities. Cooperatives that foster close relationships with MSMEs, village governments, and civil society organizations are better able to mobilize member participation and increase collective capacity.

Digitization of services, although important, is not enough if it is not accompanied by increasing the capacity of human resources. Without adequate digital literacy, the use of technology can actually widen the gap between cooperative management and its members. Therefore, training and mentoring are key elements

One specific finding that is interesting is that cooperatives that actively build community partnerships have seen a 25% increase in the number of new members in the past two years. Meanwhile, cooperatives that focus on product diversification, such as expanding service types into agribusiness and community-based tourism, show an average turnover increase of 18% per year.

On the other hand, cooperatives that still maintain traditional business models without digital innovation experience stagnation in member growth and economic contribution. This shows that innovation based on community needs and adaptation to local market dynamics are the main keys in maintaining the relevance of cooperatives in the modern era.

Discussion

Strengthening Cooperative Ecosystem

The discussion of the results of this study shows that increasing the competitiveness of cooperatives is not enough only with internal modernization, but must be accompanied by the development of a strong collaborative ecosystem. Successful cooperatives are those that are able to become a network node between local economic actors, governments, and communities.

In the future, cooperatives in West Java need to adopt a collaborative innovation approach, where cooperatives not only focus on financial gains, but also on the socio-economic empowerment of the community. The modern cooperative model must be able to combine business logic and solidarity logic in one sustainable development strategy.

The Importance of Collaborative Ecosystem Development

This research shows that cooperatives cannot increase competitiveness only through internal modernization efforts such as digitalization or product diversification. The success of cooperatives in building a sustainable competitive advantage depends heavily on their ability to develop an inclusive and dynamic collaborative ecosystem. This ecosystem must involve various local actors such as MSMEs, local governments, educational institutions, and civil society organizations. This collaboration opens up cooperative access to new resources, a wider market, and innovations relevant to the needs of the community.

Within a collaborative ecosystem, cooperatives function not only as economic service providers, but also as links that strengthen social networks and community solidarity. This model allows cooperatives to magnify their social and economic impact simultaneously. With the involvement of various actors, cooperatives can build resource sharing mechanisms, manage common risks, and create social innovations that strengthen the resilience of local communities. Therefore, building a collaborative ecosystem is not just an additional strategy, but the main foundation in building cooperative competitiveness in the global era.

The Role of Cooperatives as Local Network Nodes

One of the key findings of this study is the importance of cooperatives transforming into a network node between local economic actors. Cooperatives that successfully expand their networks not only increase the volume of their business transactions, but also deepen their social legitimacy in the eyes of the community. By being a network node, cooperatives can play the role of aggregators of local demand and supply, bringing together the needs of communities with resources available within their own ecosystem.

In the context of West Java, cooperatives that actively build partnership networks with village governments, MSMEs, and educational institutions show significant performance improvements, both in member growth and turnover increases. Through this network, cooperatives can access technical training, funding support, and strengthen bargaining positions in the local supply chain. This shows that in building

competitiveness, cooperatives should not work in isolation, but should actively and strategically adopt a collaborative approach and multi-stakeholder partnerships.

Encouraging Community-Based Collaborative Innovation

The discussion of the results of this research also emphasized that cooperatives in West Java need to adopt a community-based collaborative innovation approach. Innovation here means not only creating new products, but also designing business models, service systems, and marketing approaches that are rooted in the specific needs of the local community. Involving cooperative members, community leaders, and external partners in the innovation process can accelerate the adoption of change and ensure that the innovations developed are truly relevant and sustainable.

Collaborative innovation also allows cooperatives to overcome internal resource limitations through synergy with other actors. For example, cooperatives can partner with universities for product research and development, work with digital startups to optimize online marketing, or collaborate with village governments for community-based empowerment programs. Thus, innovation is no longer an exclusive effort, but a collective process that involves all components of the local socio-economic ecosystem.

Integration of Business Logic and Social Solidarity

In building a competitive and sustainable cooperative ecosystem, it is important for cooperatives to be able to integrate business logic with social solidarity logic. A focus solely on business efficiency and profitability can cause cooperatives to lose their distinctive characteristics as value-based entities. Conversely, maintaining social solidarity without paying attention to modern market dynamics can leave cooperatives marginalized in economic competition.

Therefore, modern cooperatives in West Java need to design a development strategy that balances these two logics in harmony. For example, business innovations carried out by cooperatives must still take into account the principles of fair profit distribution, democratic participation of members, and community empowerment. This approach will make cooperatives not only economically competitive, but also remain relevant as a social force that strengthens community cohesion and fights for collective well-being amid the pressures of globalization.

Practical Involvement

The practical implication of this study is the need to design cooperative mentoring programs based on community innovation and adaptive digitalization. The local government through the Cooperative Office must strengthen its role as a facilitator and catalyst in bringing together cooperatives with technology, financial, and market network resources.

In addition, cooperatives need to build internal capacity through continuous training in the areas of modern management, digital literacy, and product innovation. In this way, cooperatives can maintain the principle of social solidarity while increasing competitiveness in an increasingly dynamic market economy.

4. CONCLUSION

This study confirms that the competitiveness of cooperatives in community development in West Java is highly dependent on a combination of internal innovation strategies and the development of a strong collaborative ecosystem. Cooperatives that are able to adopt service digitization, diversify products, strengthen human resource capacity, and establish active partnerships with local communities, are proven to have better socio-economic performance than cooperatives that maintain traditional work patterns. In addition to operational modernization, the success of cooperatives is also determined by their ability to integrate business logic with the principles of social solidarity, so that they remain relevant in the context of dynamic market competition without sacrificing collectivist values. This research also highlights the importance of community-based collaborative innovation as a strategic approach in strengthening cooperative resilience while empowering local communities. For further research, it is suggested that the exploration be extended to longitudinal analyses of the long-term impact of cooperative digital transformation on community well-being, as well as comparative studies between urban and rural cooperatives to explore richer contextual dynamics in the competitiveness enhancement strategies of community-based cooperatives.

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