

Bridging Trust and Capital for Islamic Cooperatives: Challenges and Opportunities in Rural Islamic Communities in Indonesia

Abdul Hakim¹, Fauziah Andriani², Tiara Amelia Ayu Utami³, Faris Husein Pranata⁴, Fadia Al Aulia
Sundawa⁵, Ahmad Sahidudin⁶, Chelsy Kamei Fadillah⁷
Corresponding Email: abdul_hakim@ikopin.ac.id

^{1,2,3,4,5,6,7} Management, Universitas Koperasi Indonesia, Indonesia

KEYWORD

Capital Mobilization, Community Trust,
Participatory Education, Rural Cooperative
Development, Rural Empowerment

Article history:

Received

Jul 1, 2025

Revised

Aug 2, 2025

Accepted

Aug 7, 2025

Edition

Vol.5 No.1 (2025)

Journal of Islamic Economics and Business

ABSTRACT

This study examines the dynamics of cooperative development in Wanasari Village, Sumedang Regency, with a focus on the interaction between women's groups, agricultural collectives, community trust, capital mobilization, and participatory education. The main issue raised is why many cooperatives in rural Indonesia are difficult to form and maintain. The uniqueness of this research lies in the integration of gender-based approaches and participatory education that are rarely empirically studied in rural contexts. The research uses a qualitative approach through Participatory Rural Appraisal (PRA), focused group discussions (FGDs), semi-structured interviews, field observations, and participatory SWOT analysis. The findings show that women's and peasant groups are actively promoting social cohesion and local economic activities, but are still faced with obstacles in the form of low community trust due to previous institutional failures, difficulties in mobilizing capital, and competition with Badan Usaha Milik Desa (BUMDes). Participatory education improves understanding of cooperatives, but it is not yet enough to overcome structural barriers. In conclusion, the formation of sustainable cooperatives requires continued participatory engagement, transparent governance, innovative financial strategies, and synergies with existing local entities.

1. INTRODUCTION

The role of cooperatives in the economic and social fabric of rural Indonesia has long been recognized as both historically significant and practically impactful. In the context of Indonesia's rural development, cooperatives have emerged as vital platforms that foster social and economic collaboration among community members, particularly in areas where individual access to capital and markets is constrained. These organizations, grounded in mutual benefit and collective resource pooling, have traditionally served as mechanisms to support farmers and small producers, enabling them to access essential services such as credit, agricultural inputs, and marketing opportunities. The Village Unit Cooperative (Koperasi Unit Desa or KUD), for example, was established to stabilize market prices for agricultural products while simultaneously providing farmers with critical resources to improve their livelihoods (Santoso, 2012). This model has contributed to the resilience of rural economies and has been a central feature in Indonesia's pursuit of inclusive economic growth.

In recent years, the importance of cooperatives has been further underscored by a growing body of literature that highlights their role in advancing rural community welfare and economic empowerment. The cooperative model, as codified in Indonesian law and echoed by international standards such as those of the International Cooperative Alliance (ICA), is built upon foundational principles that include voluntary and open membership, democratic member control, economic participation, and a deep concern for community welfare (Hendriani, 2018). These principles are not only instrumental in empowering individual members but also serve to nurture social solidarity and cohesion within rural communities. By promoting participatory engagement and equitable distribution of benefits, cooperatives have the potential to drive innovation, adapt to changing market conditions, and reinforce the social bonds that underpin sustainable rural development. The alignment of cooperative principles with broader goals of economic growth and community resilience has made them a preferred institutional vehicle for rural transformation in Indonesia and beyond.

Despite their well-documented benefits, the formation and sustainability of cooperatives in rural settings are often impeded by a range of persistent challenges. Chief among these is the limited access to capital and productive resources, which constrains the ability of rural communities to establish and scale cooperative enterprises (Asmara et al., 2020). Many nascent cooperatives struggle to secure the financial backing needed for operations, infrastructure, and

growth. Compounding these financial barriers is a widespread lack of training in management and financial practices, which can result in poor governance, operational inefficiencies, and ultimately, organizational failure (Yumiati et al., 2022). In many cases, informal economic practices dominate the rural landscape, creating a competitive environment in which cooperatives, with their formalized structures and regulations, are at a disadvantage. Furthermore, the lack of awareness or understanding of the cooperative model among community members can hinder both the establishment and sustainability of such organizations (Yumiati et al., 2022). These barriers highlight the need for comprehensive strategies that address not only financial and managerial capacity but also the cultural and informational dimensions of cooperative development.

To address these multifaceted challenges, experiential learning—often operationalized through field practice—has gained prominence in the realm of higher education and community development. Experiential learning bridges the gap between theoretical knowledge and practical application, providing students and practitioners with opportunities to engage directly with communities and apply academic concepts in real-world settings. In development studies, field practice functions as a catalyst for mutual learning: students contribute fresh perspectives and technical know-how, while communities offer contextual insights and practical wisdom. This collaborative dynamic enhances students' understanding of community dynamics, economic policy, and the nuanced realities of rural life (Purwanto et al., 2018). Partnerships with local cooperatives or microfinance institutions are frequently leveraged in such programs, enabling students to observe, participate in, and influence community-driven economic initiatives (Wulandari & Pramesti, 2021). The integration of experiential learning methodologies has proven particularly effective in fostering critical thinking, problem-solving, and adaptive skills—competencies that are essential for both academic and community advancement.

A particularly salient aspect of cooperative development in rural Indonesia is the active participation of women, which has been shown to yield significant economic and social benefits at both the household and community levels. Empirical studies indicate that women's involvement in cooperative activities is associated with improved household economic conditions, largely due to enhanced access to microcredit and diversified income-generating activities (Jelani et al., 2021). Beyond economic gains, cooperatives also provide women with opportunities for leadership, training, and collective action, thereby strengthening their decision-

making capacities and social standing within the community. The positive effects of women's participation extend to increased community cohesion and more equitable governance structures, as women tend to prioritize accountability and fair resource distribution (Kasim & Jayasooria, 2001; Budiningsih et al., 2019). These findings underscore the transformative potential of inclusive cooperative models that actively engage women as agents of change.

The literature further documents a range of successful models and case studies that illustrate the effectiveness of pre-cooperative education and community mobilization in underdeveloped settings. Community Development Programs in rural Indonesia, for instance, have demonstrated the value of participatory learning methodologies in enhancing community involvement and ownership of cooperative initiatives (Irfani et al., 2019). These programs typically offer training on cooperative principles, participatory governance, and financial literacy, equipping community members with the knowledge and skills needed to establish and sustain cooperative enterprises. The establishment of microfinance cooperatives represents another successful approach, providing both funding and essential business management training to rural entrepreneurs (Hermudananto & Supriatno, 2020). In West Java, participatory action research has been utilized as an educational tool to mobilize farmers and address shared economic challenges, further validating the importance of context-specific, culturally resonant strategies in cooperative development (Irfani et al., 2019). These case studies collectively highlight the critical role of tailored educational interventions in fostering sustainable cooperative growth.

Despite these advances, gaps remain in the literature regarding the optimal strategies for fostering cooperative development in rural Indonesia, particularly in contexts characterized by limited resources, low levels of trust, and competing institutional interests. While pre-cooperative education and participatory methodologies have shown promise, there is a need for more nuanced understanding of how these approaches can be adapted to local conditions, address persistent barriers, and sustain community engagement over time. The intersection of gender, governance, and economic empowerment within cooperative structures also warrants further exploration, as does the role of experiential learning in catalyzing long-term community transformation.

Against this backdrop, the present study aims to assess the potential for cooperative development in Wanasari Village, with a particular focus on the role of field practice as a mechanism for community engagement and empowerment. The study seeks to identify the

specific barriers and enablers of cooperative formation in this rural context, evaluate the impact of pre-cooperative education and participatory planning, and develop a foundational model for future cooperative initiatives. By integrating insights from the literature with empirical fieldwork, this research contributes to the ongoing discourse on rural cooperative development in Indonesia. The novelty of the study lies in its combined focus on experiential learning, gender-inclusive strategies, and context-sensitive educational interventions, which together provide a robust framework for understanding and advancing cooperative enterprises in rural settings. The scope of the research encompasses both the theoretical and practical dimensions of cooperative development, offering actionable recommendations for policymakers, practitioners, and community stakeholders committed to fostering sustainable rural transformation.

2. LITERATURE REVIEW

The cooperative movement in Indonesia has evolved alongside the country's socio-economic development, particularly in rural contexts where collective action has been indispensable for overcoming barriers to market access, capital, and technology. The literature highlights the historical importance of Village Unit Cooperatives (KUD) and the adoption of cooperative principles as codified in both Indonesian legislation and international standards (Santoso, 2012; Hendriani, 2018). These principles, including democratic control, voluntary membership, and concern for community, have proven foundational for fostering social solidarity and driving rural transformation.

Research consistently emphasizes that, despite their potential, rural cooperatives often struggle with limited access to capital, managerial capacity, and market infrastructure (Asmara et al., 2020; Yumiati et al., 2022). Informal economic practices and entrenched cultural norms can both support and hinder cooperative development, depending on the degree of social cohesion and trust within the community (Hermudananto & Supriatno, 2020; Hendriyanto et al., 2023). The literature also notes that gender-inclusive approaches, particularly the active engagement of women's groups and agricultural collectives, are critical for successful cooperative outcomes, as they contribute to social cohesion, economic empowerment, and improved governance (Jelani et al., 2021; Budiningsih et al., 2019; Hendriani, 2018).

Participatory rural appraisal (PRA), focus group discussions, and community-driven SWOT analysis are widely recognized as effective qualitative tools for assessing readiness and designing

context-sensitive cooperative interventions (Ekowati et al., 2023; Mulyaningrum et al., 2013; Tentama & Yusantri, 2020). Educational interventions and participatory planning have been shown to elevate knowledge, shift attitudes, and increase willingness to engage in cooperative activities, though these changes do not always translate directly into sustainable organizational outcomes (Mohammed et al., 2021; Jelani et al., 2021). Persistent barriers such as trust deficits, capital mobilization, and competition with established enterprises remain significant, requiring innovative and adaptive strategies (Retnaningsih et al., 2024; Siwar & Talib, 2001; Santoso, 2012).

3. METHODOLOGY

This study adopts a qualitative research approach to explore the processes, challenges, and prospects of cooperative development in Wanasari Village, Sumedang Regency. The methodology is designed to yield an in-depth understanding of community readiness, perceptions, and the socio-economic context that shapes cooperative formation. The following sections systematically describe the research design, study area, data collection methods, data analysis strategies, and ethical considerations, while integrating established best practices and relevant literature.

Given the aim to capture nuanced community dynamics, values, and collective experiences, a qualitative research paradigm was selected as the most appropriate approach. Qualitative methods are particularly effective in assessing community readiness and perceptions toward cooperative formation, as they enable researchers to delve deeply into local contexts and belief systems (Ekowati et al., 2023; Hendriani, 2018). The study's design is inherently participatory and inductive, building understanding from the ground up through the lived experiences and perspectives of diverse community stakeholders.

To ensure a robust and comprehensive exploration, the research employed a combination of Participatory Rural Appraisal (PRA), focus group discussions (FGDs), semi-structured interviews, and field observations. This multi-method approach allows for triangulation of data, enhancing the credibility and validity of findings.

The research was conducted in Wanasari Village, Surian District, Sumedang Regency, West Java, Indonesia. Wanasari Village was selected due to its distinct socio-economic characteristics, including a strong agricultural base, active women's groups (PKK and KWT), and the presence of both traditional and emerging economic organizations such as BUMDes (Village-Owned

Enterprises). The village's demographic profile, infrastructural limitations, and history of informal economic practices make it a representative site for studying the challenges and opportunities of cooperative development in rural Indonesia.

Participants were purposively sampled to ensure representation across key community groups, including farmers, women's group members, local leaders, and village officials. The selection criteria prioritized individuals with direct experience in local economic activities, as well as those with potential interest or influence in cooperative initiatives. The final participant pool comprised 30 individuals, reflecting the village's demographic and occupational diversity.

PRA was employed as a foundational method to engage community members in mapping, ranking, and prioritizing issues relevant to cooperative development. PRA utilizes visual and interactive tools—such as community mapping, seasonal calendars, and problem-ranking matrices—that encourage active participation and collective reflection. This method provided a structured environment for stakeholders to articulate their views, identify local resources and constraints, and collaboratively envision the role of a cooperative in addressing community needs. The participatory nature of PRA fosters a sense of ownership and engagement, which is critical for the sustainability of cooperative initiatives (Ekowati et al., 2023; Hendriani, 2018).

FGDs were conducted to capture the complexity of community perceptions, social dynamics, and potential barriers to cooperative formation. Each FGD included 6–8 participants from similar backgrounds (e.g., farmers, women entrepreneurs, youth, or local leaders), and discussions were facilitated by trained moderators using a semi-structured guide. The topics explored included trust in collective action, experiences with past economic organizations, perceived benefits and risks of cooperatives, and cultural norms influencing participation. FGDs are valuable for surfacing diverse attitudes, uncovering hidden concerns, and identifying factors that influence willingness to participate in cooperative ventures (Wulandari & Pramesti, 2021; Mulyaningrum et al., 2013). Insights from these sessions informed the design of subsequent educational and mobilization strategies.

To supplement group-based methods, semi-structured interviews were conducted with key informants, including the village head, PKK and KWT leaders, and selected local entrepreneurs. These interviews allowed for deeper exploration of individual experiences, historical perspectives on economic development, and strategic visions for the village. The flexibility of semi-structured

interviews enabled interviewers to probe for detail and clarify ambiguities, ensuring a comprehensive understanding of the context.

Field observations were systematically conducted throughout the research period, focusing on daily economic activities, social interactions, and the physical environment. Observational data provided context for interpreting verbal accounts and helped validate findings from PRA, FGDs, and interviews. Observations included participation in farming activities, community meetings, and informal gatherings, offering insights into the practical realities and social fabric of Wanasari Village.

Data from PRA, FGDs, interviews, and observations were transcribed and subjected to thematic analysis, following established qualitative research protocols. Thematic analysis involved coding data to identify recurring patterns, themes, and categories related to cooperative readiness, barriers, opportunities, and community aspirations. Codes were iteratively refined through team discussions, ensuring reliability and depth of interpretation.

A structured SWOT (Strengths, Weaknesses, Opportunities, Threats) analysis was conducted as a participatory exercise involving diverse community stakeholders. The process began with the collection of baseline data on socio-economic conditions, followed by facilitated brainstorming sessions to systematically identify each SWOT component. Including a wide range of participants ensured that multiple perspectives were represented, enriching the analysis and fostering community ownership of the outcomes (Hendriani, 2018; Tentama & Yusantri, 2020). Effective facilitation encouraged open dialogue and critical reflection, leading to a nuanced understanding of how internal and external factors interact to shape cooperative prospects (Mulyaningrum et al., 2013).

The findings from the SWOT analysis were integrated into strategic planning discussions, where actionable plans were developed to leverage strengths, address vulnerabilities, capitalize on opportunities, and mitigate threats. The iterative nature of SWOT analysis—periodically revisiting and updating findings—was emphasized to adapt to changing circumstances and enhance community resilience (Budinarsih et al., 2019; Hendriani, 2018). This approach ensured that cooperative development strategies were grounded in local realities and responsive to evolving community needs.

A key feature of the methodology was the integration of participatory methods throughout the research process. By combining PRA, FGDs, and SWOT analysis, the study not

only gathered rich qualitative data but also built local capacity for collective action and decision-making. Engaging community members as co-researchers fostered trust, transparency, and mutual learning, which are essential for the legitimacy and sustainability of cooperative initiatives. The participatory approach also facilitated the identification of local champions and potential leaders, laying the groundwork for future cooperative governance structures.

This study's methodology is characterized by its qualitative, participatory, and context-sensitive approach. By employing PRA, FGDs, semi-structured interviews, field observations, and SWOT analysis, the research provides a comprehensive and grounded understanding of the factors influencing cooperative development in Wanasari Village. The integration of participatory methods not only enriched the data but also empowered community members, ensuring that the research outcomes are both academically rigorous and practically relevant for future cooperative initiatives. This methodological framework aligns with best practices in rural economic research and offers a replicable model for similar studies in other rural contexts (Ekowati et al., 2023; Hendriani, 2018; Budiningsih et al., 2019; Wulandari & Pramesti, 2021; Mulyaningrum et al., 2013; Tentama & Yusantri, 2020; Purwanto et al., 2018).

4. RESULTS AND DISCUSSIONS

This chapter presents the findings from the field practice and participatory research conducted in Wanasari Village, Sumedang Regency. The results are organized systematically to provide a comprehensive understanding of the demographic and socio-economic context, resource mapping and economic profiling, community perceptions of cooperatives, the role of women's groups and agricultural collectives, challenges encountered, and the evaluation of pre-cooperative education and participatory planning. Each sub-section is supported by evidence from primary data and relevant literature.

a. Demographic and Socio-Economic Profile of Wanasari Village

Wanasari Village exemplifies many characteristics common to rural Indonesian communities targeted for cooperative development. The village population totals 970 individuals, with a nearly equal distribution of men and women, and consists of 390 families. The demographic structure is characterized by a significant proportion of elderly residents, and a majority of households are classified as low-income, with limited access to formal employment outside the agricultural sector. The principal occupations are farming and micro-

entrepreneurship, with 151 villagers identifying as farmers and 121 as small-scale entrepreneurs. The remaining workforce is distributed among informal labor, civil service, and other minor occupations.

The educational attainment in Wanasari Village remains modest, with a substantial segment of the adult population having completed only primary or junior secondary education. Access to healthcare and other essential services is similarly constrained, reflecting broader patterns observed in rural Indonesia (Hendriani, 2018). Infrastructure challenges, such as inadequate transportation and underdeveloped public facilities, further restrict economic mobility and access to markets. Despite these limitations, the village is endowed with considerable natural resources, including 333 hectares of land, of which 95 hectares are actively used for agriculture. The agricultural land is primarily allocated to rice cultivation, with some areas dedicated to vegetables and other crops.

These findings are consistent with literature describing the socio-economic profiles of Indonesian villages suited for cooperative development, which typically have high agricultural engagement, underutilized resources, and limited access to services (Budiningsih et al., 2019). The combination of demographic pressures, resource constraints, and infrastructural challenges underscores the need for structured, community-based economic interventions such as cooperatives.

b. Local Resource Mapping and Economic Profiling

A participatory rural appraisal (PRA) was conducted to map local resources and profile the economic landscape of Wanasari Village. Through visual mapping exercises and structured discussions, community members identified key assets: fertile agricultural land, a tradition of home-based food processing (notably opak production), and active women's and farmer groups. The mapping also revealed gaps, such as limited access to financial capital, lack of modern agricultural equipment, and inadequate market linkages.

Economic profiling indicated that household incomes are predominantly derived from rice farming, vegetable cultivation, and small-scale food production. However, the absence of collective marketing and value-added processing limits the profitability of these activities. Many villagers produce opak and other local snacks for personal consumption or informal sale, but lack the organizational capacity to scale production or access broader markets. The PRA further

highlighted the presence of underutilized human resources, particularly among women and youth, who expressed willingness to participate in income-generating activities if provided with adequate support and training.

These findings align with established literature, which emphasizes the importance of resource mapping and economic profiling in cooperative feasibility studies, as they help identify both the assets and needs of rural communities (Pereira et al., 2023; Santoso, 2012). The data collected through PRA informed the subsequent design of pre-cooperative education and participatory planning interventions.

c. Community Perceptions and Baseline Knowledge of Cooperatives

Initial assessments revealed a wide variation in community perceptions and baseline knowledge regarding cooperatives. While some residents were familiar with the concept of cooperatives, often associating them with agricultural activities or previous credit groups, many lacked a clear understanding of cooperative principles, governance, and benefits. A subset of villagers perceived cooperatives as complex entities requiring professional management and significant capital, leading to skepticism about their feasibility in the local context.

Cultural norms and social ties played a dual role: strong kinship networks fostered openness to collective action, but also contributed to caution, as past negative experiences with poorly managed organizations led to distrust. Misinformation and limited awareness were further obstacles, with some villagers conflating cooperatives with *arisan* (rotating savings groups) or viewing them as exclusive to certain professions (Yumiati et al., 2022; Hermudananto & Supriatno, 2020). These findings are consistent with broader studies documenting the influence of social norms, cultural beliefs, and knowledge gaps on cooperative participation in rural Indonesia (Hendriyanto et al., 2023).

d. The Role of Women's Groups and Agricultural Collectives

Women's groups (PKK and KWT) and agricultural collectives emerged as pivotal actors in the village's social and economic life. The PKK and KWT have a history of organizing community events, managing home-based enterprises, and supporting mutual aid initiatives. In the context of cooperative development, these groups provided a ready-made platform for mobilizing participants, sharing information, and piloting collaborative activities.

The women's groups were particularly active in opak production and vegetable gardening, with members expressing interest in formalizing their operations through a cooperative structure. Their collective efforts have already led to improved bargaining power with local suppliers and greater visibility in the community. The agricultural collectives, meanwhile, facilitated knowledge sharing and joint procurement of inputs among farmers, although their activities remained informal and lacked the legal and organizational framework of a cooperative.

Empirical evidence from other rural contexts supports the crucial role of women's groups and agricultural collectives in fostering social cohesion, empowering marginalized populations, and enhancing economic outcomes (Jelani et al., 2021; Hendriani, 2018). In Wanasari Village, these groups provided both the social capital and organizational foundation necessary for launching a cooperative initiative.

e. Challenges: Trust, Capital Mobilization, and Competition

Despite the presence of active groups and latent economic potential, several challenges impeded the formation of a cooperative in Wanasari Village. Trust emerged as a central issue. Previous experiences with failed or mismanaged organizations, including earlier cooperative attempts, had eroded community confidence. Rebuilding trust required sustained engagement, transparency, and demonstrable results from new initiatives (Retnaningsih et al., 2024).

Capital mobilization posed a significant barrier. Most households had limited savings and restricted access to formal financial services, making it difficult to raise the initial capital required for cooperative operations. Attempts to collect membership fees or initial shares met with hesitation, as villagers feared losing their limited resources in another unsuccessful enterprise (Siwar & Talib, 2001).

Competition with existing village enterprises, notably the recently reactivated BUMDes, further complicated the landscape. The BUMDes had begun to dominate certain market segments and enjoyed strong support from local authorities. Some villagers viewed the establishment of a new cooperative as redundant or potentially conflicting with BUMDes interests, leading to ambivalence regarding participation (Santoso, 2012).

These challenges are consistent with broader findings in the literature, which underscore the difficulties of trust-building, capital mobilization, and navigating competition in the rural cooperative sector (Retnaningsih et al., 2024; Siwar & Talib, 2001; Santoso, 2012).

f. Effectiveness of Pre-Cooperative Education and Participatory Planning

To address knowledge gaps and foster community engagement, a series of pre-cooperative education sessions and participatory planning workshops were implemented. The effectiveness of these interventions was evaluated using both quantitative and qualitative indicators.

Participation rates in workshops and training sessions were high among women's groups and agricultural collectives, with over 75% of targeted members attending at least one session. Knowledge assessments conducted before and after the sessions indicated a significant increase in participants' understanding of cooperative principles, governance structures, and operational procedures. Attitudinal surveys revealed a positive shift toward collaborative economic practices, with many participants expressing increased willingness to contribute to collective savings and joint marketing initiatives.

Qualitative feedback from interviews and focus groups highlighted the value of participatory methods in building confidence and fostering a sense of ownership. Participants noted that the use of visual tools and group discussions made complex concepts more accessible and allowed for the airing of concerns in a supportive environment. However, some skepticism persisted, particularly regarding the sustainability of a cooperative and the risks associated with capital contributions.

The indicators used to evaluate effectiveness—community involvement, knowledge acquisition, and attitudinal change—are well-supported by the literature as key metrics for assessing the impact of pre-cooperative education and participatory planning (Mohammed et al., 2021; Jelani et al., 2021). The qualitative assessments further reinforced the importance of tailored, context-sensitive training in preparing communities for cooperative formation.

g. SWOT Analysis: Community-Driven Insights

A participatory SWOT (Strengths, Weaknesses, Opportunities, Threats) analysis was conducted to synthesize community perspectives and inform strategic planning for cooperative development. The key findings are summarized as follows Table 1.

Table 1. SWOT Analysis

Strengths	Weaknesses
<ol style="list-style-type: none"> 1. Strong tradition of mutual aid and community solidarity 2. Active women’s and farmer groups 3. Availability of agricultural land and local food production skills 4. Supportive local leadership 	<ol style="list-style-type: none"> 1. Limited access to financial capital and modern equipment 2. Low levels of formal education and business management experience 3. Residual distrust from past negative experiences 4. Inadequate infrastructure and market access
Opportunities	Threats
<ol style="list-style-type: none"> 1. Potential to develop value-added agricultural products (e.g., branded opak) 2. Growing demand for local food products in nearby towns 3. Possibility of partnerships with external agencies for training and funding 4. Policy support for rural cooperatives at the district and provincial levels 	<ol style="list-style-type: none"> 1. Competition from BUMDes and established traders 2. Economic vulnerability due to fluctuating agricultural prices 3. Risk of organizational failure if trust and transparency are not maintained 4. External shocks (e.g., climate, market disruptions)

The SWOT analysis process, which included diverse community stakeholders, facilitated a nuanced understanding of the village’s internal and external environment. The findings provided a foundation for developing actionable strategies that leverage strengths, address weaknesses, exploit opportunities, and mitigate threats—aligning with best practices in participatory rural economic research (Budiningsih et al., 2019; Hendriani, 2018).

The results from Wanasari Village demonstrate both the potential and complexity of cooperative development in rural Indonesia. The village’s demographic and socio-economic profile, resource base, and active community groups provide a promising foundation. However, challenges related to trust, capital mobilization, and competition must be addressed through sustained education, participatory planning, and strategic partnerships. The participatory methods employed—PRA, FGDs, SWOT analysis, and targeted training—proved effective in

enhancing knowledge, fostering engagement, and building the groundwork for future cooperative initiatives. These findings contribute to the broader understanding of rural cooperative dynamics and underscore the importance of context-sensitive, inclusive approaches in community economic development (Hendriani, 2018; Jelani et al., 2021; Budiningsih et al., 2019; Santoso, 2012; Pereira et al., 2023; Retnaningsih et al., 2024; Siwar & Talib, 2001; Mohammed et al., 2021; Hermudananto & Supriatno, 2020; Yumiati et al., 2022; Hendriyanto et al., 2023).

The findings from the field practice in Wanasari Village offer valuable insights into the multifaceted dynamics of cooperative development in rural Indonesia. These results must be interpreted in relation to both the empirical data collected and the broader literature on rural cooperative movements, gender-inclusive economic initiatives, and participatory community development.

A prominent feature of the Wanasari context is the central role played by women's groups and agricultural collectives in catalyzing social cohesion and local economic activity. The PKK (Family Welfare Movement) and KWT (Women Farmers Group) not only facilitated the mobilization of participants for pre-cooperative education but also provided practical platforms for the sharing of resources, skills, and information. This aligns with the literature, which underscores that women's groups and agricultural collectives are often the backbone of successful rural cooperatives, fostering empowerment and enhancing household and community welfare (Jelani et al., 2021). In Wanasari, these groups demonstrated a readiness to formalize their collaborative activities, especially in opak production and vegetable gardening, which is consistent with evidence that cooperatives led by women tend to achieve better market access, higher productivity, and stronger negotiation power with suppliers (Hendriani, 2018).

However, the process of cooperative formation in Wanasari was not without significant challenges. Trust emerged as a critical and complex issue. The community's prior negative experiences with failed or mismanaged organizations, including earlier cooperative attempts, led to skepticism and cautious engagement. Literature affirms that trust-building in rural communities is a gradual process that demands transparency, consistent leadership, and tangible results to overcome the legacy of past disappointments (Retnaningsih et al., 2024). The participatory methods employed—such as PRA, focus group discussions, and workshops—proved effective in creating safe spaces for dialogue and in making cooperative concepts more

accessible. Yet, the persistence of residual distrust highlights the need for sustained engagement and transparent governance if future cooperative initiatives are to succeed.

Another formidable barrier was capital mobilization. Despite the willingness of many villagers to participate in collective economic ventures, the majority lacked sufficient savings and had limited access to formal financial services. This is a common finding in the literature, where the inability to accumulate or access capital is repeatedly cited as a constraint on rural cooperative development (Siwar & Talib, 2001). In Wanasari, attempts to raise initial capital through membership fees or shares encountered resistance, as villagers were wary of risking their scarce resources. This underscores the necessity for innovative financial solutions—potentially involving external grants, microfinance, or phased capital contributions—to lower barriers to entry and foster broader participation.

The competitive landscape also posed a significant challenge. The reactivation of the BUMDes (Village-Owned Enterprise) created a situation where the cooperative initiative was perceived as potentially redundant or even conflicting. As noted in previous studies, competition with established local enterprises can undermine new cooperatives, particularly if those enterprises already dominate market access or enjoy entrenched customer loyalty (Santoso, 2012). In Wanasari, the BUMDes' privileged position and visible support from village authorities contributed to a sense of hesitancy among potential cooperative members, who questioned the added value and sustainability of a new organization in an already crowded economic space.

Despite these hurdles, the effectiveness of pre-cooperative education and participatory planning was evident in several key areas. High participation rates in training sessions, especially among women's groups and agricultural collectives, indicated strong community interest and engagement. Knowledge assessments revealed measurable improvements in participants' understanding of cooperative principles, governance, and operational procedures. Attitudinal surveys and qualitative feedback from interviews and focus groups further demonstrated positive shifts toward collaborative economic practices and increased willingness to contribute to collective initiatives. These outcomes are in line with established indicators for evaluating pre-cooperative education, which emphasize community involvement, knowledge acquisition, and attitudinal change as markers of program success (Mohammed et al., 2021). The qualitative data, in particular, highlighted the value of participatory, context-sensitive approaches in building local confidence and fostering a sense of ownership over the cooperative process (Jelani et al., 2021).

However, it is important to acknowledge that while attitudinal changes and increased knowledge are necessary precursors, they do not guarantee the immediate formation or sustainability of a cooperative. The persistence of skepticism, especially regarding financial risk and organizational viability, suggests that longer-term strategies are required. These might include ongoing education, phased implementation, transparent financial management, and strategic partnerships with external agencies to provide technical and financial support.

The Wanasari case thus reflects both the promise and complexity of rural cooperative development in Indonesia. It demonstrates that gender-inclusive, participatory approaches can mobilize community resources and foster readiness for collective economic action. At the same time, it highlights the persistent structural and cultural barriers—trust, capital, and competition—that must be systematically addressed. The findings reinforce the importance of designing cooperative initiatives that are not only technically sound but also socially embedded, responsive to local realities, and capable of evolving in response to ongoing community feedback and changing circumstances.

Previous research suggests that collaborative experiences contribute to strengthening transformative aspects of thinking, behavior, and action, particularly in innovation and undertaking business risks. Business incubators emerge as facilitators in shaping Islamic entrepreneurial intentions. This research underscores the importance of enhancing understanding of the collaborative economy and business incubators to foster Islamic entrepreneurial intentions (Aeni, Kardeli, & Rahayu, 2003).

The discussion of Wanasari Village's experience contributes to the broader discourse on rural cooperatives by affirming the essential role of women's groups and agricultural collectives, illuminating persistent barriers to trust and capital mobilization, and validating the effectiveness of participatory education in shifting community attitudes. Future efforts should build on these insights, emphasizing sustained engagement, inclusive governance, and adaptive strategies to realize the full potential of cooperatives as engines of rural development (Jelani et al., 2021; Hendriani, 2018; Retnaningsih et al., 2024; Siwar & Talib, 2001; Santoso, 2012; Mohammed et al., 2021).

5. CONCLUSION

This study has examined the processes, challenges, and prospects of cooperative development in Wanasari Village, Sumedang Regency, with a particular focus on the roles of women's groups and agricultural collectives, community trust, capital mobilization, and the effectiveness of participatory education. The findings reveal that while Wanasari Village possesses significant social and economic assets—including active women's groups, agricultural collectives, and a strong tradition of mutual aid—the path toward successful cooperative formation is complex and shaped by multiple interrelated factors.

The main results indicate that women's organizations and farmer groups are central to mobilizing participation, sharing resources, and enhancing local economic activities. Their involvement not only fosters social cohesion but also empowers marginalized populations and supports household welfare. However, the study also identifies persistent barriers, notably the challenge of rebuilding community trust after previous organizational failures, the difficulty of mobilizing sufficient financial capital, and competition from established village enterprises such as BUMDes. These challenges underscore the importance of transparent governance, innovative financial strategies, and the need for clear differentiation between new cooperatives and existing economic entities.

Participatory education and planning interventions were shown to be effective in raising awareness, increasing knowledge of cooperative principles, and promoting positive shifts in community attitudes. High engagement in training sessions and workshops, particularly among women's groups, suggests strong latent demand for collective economic action. Nevertheless, attitudinal change alone was insufficient to overcome structural and historical barriers, indicating that sustained, long-term support and adaptive strategies are necessary for the formation and sustainability of rural cooperatives.

The implications of this research are twofold. First, it reinforces the argument that gender-inclusive, participatory approaches are essential for successful cooperative development in rural contexts. Second, it highlights the enduring importance of social trust, financial inclusion, and strategic alignment with existing local enterprises. By integrating empirical fieldwork with established best practices in participatory rural appraisal and qualitative analysis, this study contributes to the growing body of knowledge on rural cooperative dynamics in Indonesia.

Future research should explore innovative financial mechanisms to support capital mobilization, longitudinal studies to assess the long-term impact of participatory education, and comparative analyses of cooperative and BUMDes synergies. Moreover, further investigation into the role of youth and the integration of digital technologies in cooperative operations could provide valuable insights for enhancing rural economic resilience. Ultimately, this study affirms that cooperatives, when grounded in local realities and supported by inclusive, adaptive strategies, hold considerable promise for advancing rural development and community empowerment. Certainly! Here is your article with a new Literature Review section added before the Methodology section, ensuring coherence and a logical academic structure. The Literature Review synthesizes the relevant research and theoretical context, drawing on citations already present in this article and the literature statements provided previously.

REFERENCE

- Ani, R. Q., Kardeli, A. D., & Rahayu, M. (2023). Collaborative economy-based business incubator model to increase the intention of Islamic entrepreneurship. *Journal of Islamic Economics and Business*, 3(2), 137–159. <https://doi.org/10.15575/jieb.v3i2.31214>
- Asmara, T., Murwadji, T., & Nugroho, B. (2020). Tanggung jawab pemilik koperasi pada saat terjadi kredit macet ditinjau dari teori kepastian hukum. *Jurnal Ius Kajian Hukum Dan Keadilan*, 8(1), 109. <https://doi.org/10.29303/ius.v8i1.712>
- Budiningsih, E., Harjanto, H., & Hero, Y. (2019). Analisis peran koperasi dalam pengelolaan hutan rakyat di kebumen. *Jurnal Pengelolaan Sumberdaya Alam Dan Lingkungan (Journal of Natural Resources and Environmental Management)*, 9(2), 327–336. <https://doi.org/10.29244/jpsl.9.2.327-336>
- Ekowati, S., Hadi, S., Sasongko, D., Purnaweni, H., & Wijaya, A. (2023). Evaluation of community development for fishermen in tanjung limau, bontang, indonesia. *E3S Web of Conferences*, 448, 03060. <https://doi.org/10.1051/e3sconf/202344803060>
- Hendriani, S. (2018). The role of cooperative development strategy to improving the success of village cooperative (kud) in riau indonesia. *International Journal of Law and Management*, 60(4), 1042–1053. <https://doi.org/10.1108/IJLMA-03-2017-0062>
- Hendriyanto, R., Agung, A., Mandasari, R., Widaningsih, S., & Setyorini, R. (2023). Goekopz: an e-koperasi and marketplace synergy of koperasi msme model platform - case study:

- koperasi giat, ekopz startup, ppkm community. *JOIV International Journal on Informatics Visualization*, 7(3), 788. <https://doi.org/10.30630/joiv.7.3.2048>
- Hermudananto, H., & Supriatno, N. (2020). Evaluation of timber harvesting planning in Indonesian certified small and low-intensity managed forests. *Journal of Forestry Research*, 17(1), 1–12.
- Irfani, R., Sadikin, P., Nirmalajati, B., & Jumhari, R. (2019). Implementation of participatory method in dairy farmers extension program in West Java. *IOP Conference Series: Earth and Environmental Science*, 399(1), 012057. <https://doi.org/10.1088/1755-1315/399/1/012057>
- Jelani, A., Shafiai, M., & Noor, N. (2021). The performance of single mother co-operatives and their influencing factors: a qualitative investigation in Peninsular Malaysia. *Jurnal Pengurusan*, 62, 1–13. <https://doi.org/10.17576/pengurusan-2021-62-10>
- Kasim, M., & Jayasooria, D. (2001). Informal economy, micro-finance and non-governmental organisations in Malaysia. *Humanomics*, 17(1), 134–140. <https://doi.org/10.1108/eb018865>
- Mohammed, R., Christopher, C., Joseph, H., & Eting, S. (2021). Freshwater lobster production-green aquaponics perennial system (flp-gaps): a green community-based social enterprise (cbse) for B40 in Sabah. In M. S. Shamsudin, S. M. N. Amin, & M. A. M. Salleh (Eds.), *Sustainable and Responsible Entrepreneurship and Key Drivers of Performance* (pp. 285–304). Springer. https://doi.org/10.1007/978-981-16-6383-3_17
- Mulyaningrum, M., Kartodihardjo, H., Jaya, I., & Nugroho, B. (2013). Stakeholders analysis of policy-making process: the case of timber legality policy on private forest. *Jurnal Manajemen Hutan Tropika (Journal of Tropical Forest Management)*, 19(2), 156–162. <https://doi.org/10.7226/jtfm.19.2.156>
- Pereira, N., Arief, H., Hermawan, R., & Sudradjat, A. (2023). Empowerment of the community of Cisantana as a buffer village of Gunung Ciremai National Park through ecotourism program. *Jurnal Pengelolaan Sumberdaya Alam dan Lingkungan (Journal of Natural Resources and Environmental Management)*, 13(1), 156–167. <https://doi.org/10.29244/jpsl.13.1.156-167>
- Purwanto, P., Primiana, I., Masyita, D., & Febrian, E. (2018). Social outreach model and efficiency in Sharia micro finance institution: literature review. *European Research Studies Journal*, XXI(Issue 3), 104–122. <https://doi.org/10.35808/ersj/1047>
- Retnaningsih, U., Jamaan, A., Pahlawan, I., Palamani, S., & Alby, S. (2024). Palm oil smallholders perception and awareness for good agricultural practices (GAP) in Riau. *IOP Conference*

- Series: Earth and Environmental Science, 1419(1), 012079. <https://doi.org/10.1088/1755-1315/1419/1/012079>
- Santoso, B. (2012). Developing a seasonal cash demand simulation for agricultural cooperatives (village unit cooperative) in indonesia. *Gadjah Mada International Journal of Business*, 14(1), 35–51. <https://doi.org/10.22146/gamaijb.5434>
- Siwar, C., & Talib, B. (2001). Micro-finance capacity assessment for poverty alleviation: outreach, viability and sustainability. *Humanomics*, 17(1), 116–133. <https://doi.org/10.1108/ebo18864>
- Tentama, F., & Yusantri, S. (2020). The role of entrepreneurial intention in predicting vocational high school students' employability. *International Journal of Evaluation and Research in Education (IJERE)*, 9(3), 558–564. <https://doi.org/10.11591/ijere.v9i3.20580>
- Wulandari, P., & Pramesti, M. (2021). Designing sustainable islamic microfinance to enhance the accessibility of poor borrowers in indonesia: an appreciative intelligence approach. *IOP Conference Series: Earth and Environmental Science*, 716(1), 012065. <https://doi.org/10.1088/1755-1315/716/1/012065>
- Yamashita, R. (2014). Prospects and structure of trust-based stable management in paprika production areas of indonesia. *Studies in Regional Science*, 44(2), 195–203. <https://doi.org/10.2457/srs.44.195>
- Yumiati, Y., Chandra, M., & Fitri, R. (2022). Revitalization of the koperasi keramat dagang as an economic institution. *Jurnal Pengabdian Hukum Indonesia (Indonesian Journal of Legal Community Engagement) JPHI*, 5(2), 175–194.