

The Role of the Merah Putih Village Cooperative in Improving the Community Economy in North Lombok Regency

Adi Purmanto

Akademi Bisnis Lombok

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Abstract

North Lombok Regency is one of the new autonomous regions in West Nusa Tenggara Province that has significant human resources (HR) and natural resources (SDA) potential. This potential is an important capital in supporting the economic development of rural communities through cooperatives. The Red and White Village/Sub-district Cooperative Program (KDKMP) is a strategic government policy to strengthen the people's economy, improve community welfare, and realize equitable distribution of village economic development. This study aims to analyze the role of the Red and White Village Cooperative in improving the community's economy in North Lombok Regency. The research method used is descriptive qualitative with data collection techniques through field observations, community interviews, literature studies, documentation, and document analysis related to village cooperatives. The results show that the Red and White Village Cooperative plays an important role in increasing community access to capital, developing micro, small, and medium enterprises (MSMEs), expanding the marketing of local products, and creating jobs for rural communities. In addition, the presence of productive-age human resources is a major supporting factor in the development of cooperatives in the agriculture, trade, tourism, and creative industry sectors. However, cooperative development still faces various challenges, such as poor management quality, limited digital literacy, limited business plan development skills, and increasingly fierce market competition. Therefore, a strategy is needed to strengthen cooperatives through human resource capacity building, management training, MSME mentoring, digital technology utilization, and government and private sector support to enable cooperatives to develop independently, professionally, and sustainably.

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Corresponding Author:

Adi Purmanto

Akademi Bisnis Lombok

Email: adipurmanto@gmail.com

1. INTRODUCTION

North Lombok Regency is one of the youngest regions in West Nusa Tenggara Province after being formed in accordance with [Law Number 26 of 2008](#). The Law on the 21st of 2018, enacted on the 21st, is the legal basis for the establishment of North Lombok Regency in West Nusa Tenggara Province. This regency is the result of the division of West Lombok Regency, which consists of 5 sub-districts: Pemenang, Tanjung, Gangga, Kayangan, and Bayan, to improve public services and accelerate development in the northern region of Lombok Island. This law establishes Tanjung as the capital of the existing regency, which has enormous potential in Human Resources (HR) and Natural Resources (SDA). The people of North Lombok are known for their strong spirit of cooperation, hard work, and the ability to adapt to changing times. This potential is the

main capital in building and strengthening the village economy through a good forum, namely, cooperatives.

The Red and White Village/Sub-district Cooperative Program (KDKMP) is a key initiative of President Prabowo Subianto's administration to strengthen the people's economy and achieve food self-sufficiency at the village level. Its primary target is to establish 70,000 to 80,000 cooperative units across Indonesia as distribution centers for necessities and local economic empowerment. These cooperatives are designed not simply as ordinary business entities, but as instruments of people's economic sovereignty based on Article 33 of the 1945 Constitution. Their primary objectives include: *Cutting the Supply Chain*, namely helping the community, especially farmers and fishermen, to escape the clutches of middlemen and the detrimental practice of *ijon*. *Food Availability*, namely, is a place for storing (warehouse) and distributing agricultural products so that prices remain affordable and fair for the community. As well as being a place for the *Logistics Center*, namely, encouraging economic equality by providing complete facilities such as cold storage and daily necessities outlets.

KDKMP is present as a form of strengthening the village economy that is oriented towards shared prosperity. This cooperative is expected to be able to drive the people's economy by utilizing the abundant human resources and local potential in each village with the Legal Basis and Development Target of this KDMP is to ensure this program runs quickly and directed, President Prabowo issued a legal umbrella through Presidential Instruction (Inpres) Number 9 of 2025 concerning the Acceleration of the Establishment of Red and White Village/Sub-district Cooperatives. This policy is coordinated cross-sectorally by the Ministry of Cooperatives and the Coordinating Ministry for Food.

Village economic development is a crucial effort to improve community welfare. One way to strengthen the village economy is through cooperatives. Cooperatives are based on the principles of cooperation and togetherness, which align with the character of Indonesian society. North Lombok Regency has significant human resource potential. Most residents work in agriculture, trade, tourism, and micro, small, and medium enterprises (MSMEs). With this potential, the Merah Putih Village Cooperative is expected to become a driving force for the village economy.

2. RESEARCH METHODS

This research uses a qualitative descriptive method. Data were obtained through:

1. Field observation
2. Community interviews
3. Analysis of documents related to village cooperatives
4. Observation of the socio-economic conditions of village communities
5. Documentation

The data was analyzed descriptively to describe the role of cooperatives in improving the community economy in North Lombok Regency.

3. RESULTS AND DISCUSSION

1. The Role of Cooperatives in Improving the Community Economy

The Merah Putih Village Cooperative plays a vital role in improving the welfare of rural communities. Through a joint venture system, the cooperative can help communities gain access to business capital at lower interest rates than other financial institutions. Furthermore, the cooperative also assists in marketing community products, such as agricultural products, crafts, and MSME products. With the cooperative, communities have greater opportunities to increase their income and expand their business markets.

Cooperatives also serve as a forum for community economic education. Cooperative members can learn about business management, financial management, and effective marketing strategies.

2. Abundant Human Resources as Development Capital

North Lombok Regency has a significant working-age population. The village's young generation is highly creative and enthusiastic, a key asset for developing village cooperatives. This abundant human resource base can be channeled into various productive business sectors, such as:

- Modern agriculture
- Agricultural product processing
- Local culinary business
- Community craft industry
- Village tourism management
- Digital marketing of MSME products

Training and mentoring are crucial factors in improving the quality of cooperative human resources. Research shows that strengthening the capacity of cooperative human resources can significantly improve understanding of financial management and organizational governance.

3. Developing MSMEs Through Cooperatives

Micro, small, and medium enterprises (MSMEs) are a key economic sector for rural communities in North Lombok. Many residents operate in small-scale trade, culinary businesses, handicrafts, and services.

The Merah Putih Village Cooperative can become a center for MSME development through:

- Provision of venture capital
- Entrepreneurship training
- Marketing assistance
- Strengthening business networks
- Digitalization of local products

Through village cooperatives, village products can be marketed more widely, both locally and nationally. Digital marketing also opens up opportunities for communities to utilize social media and marketplaces to increase sales of village products.

4. Challenges of Developing Village Cooperatives

Despite having great potential, the development of village cooperatives still faces various challenges, including:

1. Low quality of cooperative management
2. Lack of public understanding about cooperatives
3. The courage of the management in making a business plan
4. Low utilization of digital technology
5. Increasingly tight market competition

In addition, transparency and accountability in cooperative management are also important factors that must be considered so that the community has trust in village cooperatives.

5. Village Cooperative Strengthening Strategy

To increase the success of the Merah Putih Village Cooperative in North Lombok Regency, several strategies are needed, namely:

- Improving cooperative management training
- Strengthening community digital literacy
- Assistance for village MSMEs

- Cooperation with the government and the private sector
- Development of digital marketing systems
- Transparency in cooperative management

Regional governments also need to provide support in the form of capital assistance, business development, and strengthening cooperative regulations so that they can develop professionally and independently.

6. Challenges Faced

Despite having great potential, the implementation of the Merah Putih Village Cooperative in North Lombok Regency still faces several obstacles, including:

1. Limited land and village assets for the construction of cooperative buildings.
2. Lack of public understanding of cooperative management.
3. Administrative constraints, such as processing the Business Identification Number (NIB).
4. Limited human resources in managing modern cooperatives.

Therefore, training, mentoring, and capacity building of cooperative administrators are needed so that cooperatives can develop professionally and sustainably.

7. Government Efforts and Community Support

The North Lombok Regency Government provides full support for the development of the Merah Putih Village Cooperative in North Lombok Regency through socialization and training of cooperative administrators carried out by the North Lombok Regency Cooperative and SME Service, and the provision of Regency assets to be used as a place to build cooperative outlets in several villages that do not have Village Assets.

Active community participation is a key factor in the success of cooperatives. The more members and involvement in cooperative activities, the greater the economic impact felt by the village.

Table: Comparison of Conditions Before and After the Existence of KDKMP

No	Aspect	Before KDKMP	After KDKMP
1	Access to Business Capital	People have difficulty obtaining business capital and depend on high-interest loans.	It is easier for people to obtain business capital at low interest through cooperatives.
2	Product Marketing	Agricultural products, crafts, and MSMEs are only marketed on a limited basis in the village environment.	Community products are starting to be marketed more widely through cooperatives, including digital marketing.
3	Community Income	People's income is relatively low and less stable.	People's incomes increased due to business development and market expansion.

4	Business Management Knowledge	People still have a minimal understanding of business and financial management.	Cooperative members receive training in business management, financial management, and marketing.
5	Human Resources Development	The potential of village human resources has not been utilized optimally.	Village human resources are starting to be directed towards productive businesses such as modern agriculture, MSMEs, and digital marketing.
6	Development of MSMEs	MSMEs develop independently with limited capital and business networks.	MSMEs receive support in the form of capital, training, mentoring, and strengthening of business networks.
7	Utilization of Technology	The use of digital technology in community business activities is still low.	People are starting to use social media and marketplaces to market local products.
8	Employment Opportunity	Employment opportunities for rural communities are still limited.	Cooperatives open up new business and employment opportunities for rural communities.
9	Economic Cooperation	Community businesses run independently without good coordination.	Community economic activities are more organized through a cooperative joint venture system.
10	Government Support	Community business development is still limited and unfocused.	The government provides support in the form of outreach, training, coaching, and cooperative asset assistance.
11	Trust in Economic Institutions	Some people have little confidence in village economic institutions.	Transparency and management of cooperatives are starting to increase public trust.
12	Village Economic Independence	The village economy still depends on outside parties.	Villages are beginning to gain economic independence through

			strengthening cooperatives and local businesses.
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4. CONCLUSION

The Red and White Village Cooperative National Program, abbreviated as KDKMP, plays a strategic role in improving the village economy in North Lombok Regency. With the support of abundant human resources, cooperatives are able to drive the village economy by developing community businesses, increasing access to capital, and strengthening MSMEs.

The success of cooperatives depends heavily on the quality of their human resources, community participation, and government support in improving their institutional capacity. Therefore, strengthening cooperative management through training and the use of digital technology is a crucial step in realizing independent and sustainable village cooperatives.

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