


BUILDING A PEOPLE'S ECONOMIC ECOSYSTEM THROUGH THE SYNERGY OF COOPERATIVES AND MSMEs FOR GOLDEN INDONESIA 2045

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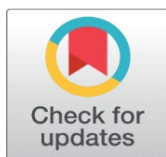
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ABSTRACT

This article analyzes strategies for building a people's economic ecosystem through optimizing synergy between cooperatives and MSMEs in order to realize the vision of Golden Indonesia 2045. Using a literature analysis and secondary data approach, this study explores the concept of the people's economic ecosystem, the role of cooperatives, the challenges and opportunities of MSMEs, and the synergy strategy between the two sectors. The implementation of the grand theory of growth and equity was also discussed as a policy foundation. The results of the analysis show that strengthening the digital ecosystem, optimizing collaboration between stakeholders, and developing a data-based monitoring system are the keys to building effective synergy between cooperatives and MSMEs. This study concludes that with the right strategy, the synergy of cooperatives and MSMEs can be the main driver in creating inclusive and sustainable economic growth towards Golden Indonesia 2045. Policy recommendations include strengthening digital infrastructure, improving cross-sector coordination, and developing a comprehensive evaluation system to support evidence-based decision-making in the development of the cooperative and MSME sectors

Keywords: Synergy, Cooperatives, MSMEs, People's Economy

1. INTRODUCTION

Indonesia has great potential to become one of the world's economic powers by 2045. World Bank projections show that Indonesia has the opportunity to become a high-income country with a GDP per capita of US\$23,199 in 2045. To realize the vision of Golden Indonesia 2045, inclusive and sustainable economic

development is needed by involving all levels of society. Cooperatives and Micro, Small, and Medium Enterprises (MSMEs) have a strategic role as the backbone of the national economy which is able to absorb 97% of the workforce and contribute 61% to Indonesia's GDP.

Despite having great potential, cooperatives and MSMEs still face various challenges in their development. Access to financing, technology, and markets is still the main obstacle for MSME actors in Indonesia. Data from the Ministry of Cooperatives and SMEs shows that only 30% of MSMEs have access to formal financial institutions. In addition, the adoption rate of digital technology among MSMEs is still relatively low, with only 13% of MSMEs having utilized e-commerce platforms. This condition hampers the competitiveness and productivity of MSMEs in facing global competition.

Synergy between cooperatives and MSMEs can be a strategic solution in overcoming these challenges. Cooperatives, with the principles of mutual cooperation and togetherness, can act as an intermediary institution that facilitates access to financing, technology, and markets for MSMEs. Studies show that cooperatives that synergize with MSMEs are able to increase the income of their members by up to 30% and expand the marketing network of MSME products. In addition, this collaboration can also encourage innovation and knowledge transfer among business actors, thereby increasing the competitiveness of MSMEs in the global market.

To optimize the synergy of cooperatives and MSMEs, a conducive people's economic ecosystem is needed. This includes supportive policies, adequate digital infrastructure, and the development of quality human resources. The government has set a target for digital cooperative growth of 500% by 2024. This initiative is expected to accelerate the digital transformation of cooperatives and MSMEs, so that they can contribute more in realizing the vision of Golden Indonesia 2045. By building a strong people's economic ecosystem through optimizing the synergy between cooperatives and MSMEs, Indonesia can create inclusive, sustainable, and globally competitive economic growth.

1.2. PURPOSE OF WRITING

- 1) Analyze strategies to build a people's economic ecosystem that focuses on optimizing synergy between cooperatives and MSMEs.
- 2) Identifying opportunities and challenges in optimizing the role of cooperatives and MSMEs as the main driver of the people's economy towards the vision of Golden Indonesia 2045.
- 3) Formulate policy recommendations to strengthen collaboration between cooperatives and MSMEs in order to create a resilient and sustainable people's economic ecosystem

1.3. SCOPE

This paper will discuss the concept of a people's economic ecosystem as the foundation of Indonesia's economic development towards the vision of Golden Indonesia 2045. The people's economy ecosystem will be defined as a system that involves various stakeholders, including the government, the private sector, and the community, in supporting the development of micro, small, and medium enterprises (MSMEs) and cooperatives. The discussion will include the characteristics of the people's economy, which focuses on people's economic actors in the form of

cooperatives and MSMEs, as well as their role in reducing social inequality or the Gini ratio.

Furthermore, the paper will explore the crucial role of cooperatives in the people's economy. Cooperatives will be discussed as an important instrument in empowering the community and building a mutual cooperation-based economy. The role of cooperatives in providing access to financing, marketing, and capacity building for their members will be analyzed. The paper will also discuss the challenges and opportunities faced by MSMEs in the context of Indonesia's economy. This includes issues such as access to financing, technology adoption, human resource development, and competitiveness in global markets.

The main focus of the paper will be directed to the synergy strategy between cooperatives and MSMEs to optimize their contribution to the national economy. This strategy will include the formation of a mutually supportive business ecosystem, where cooperatives can act as facilitators of MSME growth. Paper will explore various innovative initiatives, such as the development of digital platforms to bring MSMEs together with a wider market, as well as business mentoring programs that involve cooperatives as strategic partners. The implementation of the grand theory of the popular economy will be discussed as a problem-solving tool, focusing on how this theory can be applied to create an inclusive and sustainable economic development model. The paper will analyze how the principles of the people's economy can be integrated into government policies and programs to encourage the growth of MSMEs and cooperatives, as well as improve the welfare of the community as a whole.

2. DISCUSSION AND ANALYSIS

2.1. THE CONCEPT OF THE PEOPLE'S ECONOMIC ECOSYSTEM

The concept of a populist economic ecosystem is a holistic approach in building an economy centered on the empowerment of the wider community. According to Marzuki in [Dzikri Abadi \(2017\)](#), the populist economy is an economic system based on the economic strength of the people, where economic activities are carried out independently in managing the potential resources owned and controlled. This concept emphasizes the combination of production units with production factors that produce goods or services, with the impact of profits directly felt by the people involved.

The people's economy ecosystem involves various stakeholders, including the government, the private sector, and the community, in supporting the development of micro, small, and medium enterprises (MSMEs) and cooperatives. This system aims to reduce social inequality or Gini ratio by empowering people's economic actors. The main characteristic of the people's economy is its focus on economic activities carried out by the people with the independent management of various economic resources.

In building a populist economic ecosystem, there are several important aspects that need to be considered. Zulkarnain in [Musfiq Arifqi \(2020\)](#) emphasized the importance of considering the background of community expertise and regional characteristics in applying this concept. In addition, the people's economy must include all economic activities that are in accordance with the expertise of the majority of the community and utilize regional characteristics as the value of regional potential.

The implementation and practice of the people's economic ecosystem can be seen from various initiatives carried out by the government and the private sector.

For example, PT Bank Rakyat Indonesia (Persero) Tbk has implemented the go smaller, go shorter, and go faster strategies to empower MSMEs through funding and business assistance. This strategy aims to create a new source of growth by empowering MSMEs and strengthening the economic resilience of the community.

In the digital era, the people's economic ecosystem also needs to adapt to technological developments. Data from the Ministry of Cooperatives and SMEs shows that as many as 3.79 million MSMEs have used online platforms in marketing their products. To strengthen this ecosystem, regular training and education are needed, especially for the 15-25 year age group, as well as more favorable funding and support policies for MSMEs. Thus, the people's economic ecosystem can develop to be more inclusive and adaptive to changing times.

2.2. THE ROLE OF COOPERATIVES IN THE PEOPLE'S ECONOMY

Cooperatives have an important role in realizing the people's economy in Indonesia. According to [Mubyarto. \(2002\)](#) in the context of the populist economy or economic democracy, production and consumption activities are carried out by and for the community, with management under the leadership and supervision of the community members themselves. This principle of economic democracy can be implemented through a family-based cooperative forum. Cooperatives are considered the only form of company that is in accordance with the populist economy because the principles of the populist economy are contained in it.

The role of cooperatives in the people's economy can be seen from their function in meeting the common needs of their members. [Yuvanda et al. \(2021\)](#) explained that cooperatives were established on the basis of common needs among their members, which were then sought to fulfill them through the formation of a joint company. With the existence of a company that is jointly owned, it is hoped that the needs of members can be met in a better way than if it is done individually. This shows that cooperatives play a role in uniting the economic power of their members to achieve a greater common goal.

Cooperatives also play a role in improving people's welfare and reducing economic inequality. According to Puspayoga [Kominfo. \(2016\)](#) cooperatives have strategic potential in increasing economic growth, labor absorption, and income equity. Thus, cooperatives can contribute to reducing economic inequality in the community. This is in line with the principle of the people's economy which aims to realize the prosperity of the people equally.

However, the role of cooperatives in realizing a people's economy still faces challenges. Research conducted in Kabanjahe District, Karo Regency, shows that cooperatives have not fully reflected their contribution to the development of the people's economy that can be felt by the middle economic community [Napitupulu \(2023\)](#). There is still a lack of trust from some people in cooperatives. Therefore, efforts are needed to increase public understanding of the role of cooperatives and strengthen the performance of cooperatives so that they can be more optimal in realizing a people's economy.

2.3. CHALLENGES AND OPPORTUNITIES FOR MSMEs

In the next five years, Micro, Small, and Medium Enterprises (MSMEs) in Indonesia will face various challenges and significant opportunities. One of the main challenges faced by MSMEs is limited capital. According to the Center for Parliamentary Analysis of the Expert Body of the Secretary General of the House of

Representatives of the Republic of Indonesia, although MSMEs contributed 61.97% to GDP in 2020, they still have difficulties in accessing capital for business development [Hariani \(2024\)](#). This limitation makes it difficult for MSMEs to increase production scale and reach a wider market.

Another challenge faced by MSMEs is the lack of quality human resources (HR), especially in the fields of management and technology. This hinders business efficiency and productivity, and makes it difficult for MSMEs to adapt to changing times and compete with other business actors [Zihan \(2024\)](#). In addition, weak promotional capabilities and lack of use of digital technology for product marketing are also obstacles to the growth of MSMEs.

However, in the midst of these challenges, there is a great opportunity for MSMEs to develop. The government has developed seven MSME development strategies for the 2025-2029 period, which include a high-touch approach for MSMEs that can be a catalyst for the national economy and a low-touch approach for micro and subsistence enterprises [Hariani \(2024\)](#). This strategy is expected to help MSMEs overcome existing challenges and take advantage of growth opportunities.

Digital transformation also opens up great opportunities for MSMEs. Data from the Ministry of Cooperatives and SMEs shows that 3.79 million MSMEs have used online platforms to market their products [Zihan \(2024\)](#). This opportunity can be further utilized by improving the digital capabilities of MSMEs through training and education, especially for the age group of 15-25 years.

Despite facing various challenges, MSMEs still show extraordinary resilience. Data from the Ministry of Cooperatives and Small Enterprises shows that the number of MSMEs in Indonesia in 2020 reached 64.19 million units, an increase of 1.65 percent compared to 2019 [Isbahi \(2024\)](#). The contribution of MSMEs to GDP also increased from 60.34% in 2019 to 61.07% in 2020. With the right strategy and support from various parties, MSMEs have great potential to continue to grow and become the main driver of Indonesia's economy in the next five years.

2.4. SYNERGY STRATEGY OF COOPERATIVES AND MSMEs

The synergy strategy between cooperatives and MSMEs is an important step in developing a populous-based economy in Indonesia. This approach aims to strengthen cooperative institutions while empowering MSMEs to develop optimally. By uniting similar MSMEs in a cooperative forum, it is hoped that greater efficiency and economies of scale can be created.

One of the key strategies is to conduct surveys and observations to identify potential business development. This includes analyzing potential locations to open new branches, studying market needs, and assessing the ease of logistics access. The data collected from these observations is the basis for consideration in making strategic decisions related to the expansion of cooperatives and MSMEs of their members.

The use of technology is also an important aspect in the synergy strategy of cooperatives and MSMEs. In the digital era, the use of ERP (Enterprise Resource Planning) systems can help manage inventory and accounting more effectively. This system allows monitoring turnover development, analysis of income statements, and real-time management of stock of goods. Thus, cooperatives and MSMEs can make more precise business decisions and be responsive to market changes.

Collaboration between stakeholders is also the key to the success of this synergy strategy. Close cooperation is needed between the central government,

local governments, financial institutions, as well as all ministries and institutions that have cooperative and MSME development programs. This synergy is expected to optimize various existing development programs, avoid overlap, and ensure equitable access to available assistance and facilities.

The implementation of the synergy strategy between cooperatives and MSMEs needs to pay attention to the specific characteristics and needs in each region. Local governments have an important role in formulating policies and programs that are in accordance with local potential. An effective strategy must include short-term aspects to address urgent problems, medium-term for capacity building, and long-term to ensure the sustainability and competitiveness of cooperatives and MSMEs in the future.

2.5. GROWTH AND EQUITY THEORY AS A POLICY INSTRUMENT

The implementation of the grand theory of growth and equity as a problem-solving tool in optimizing the synergy of cooperatives and MSMEs towards a Golden Indonesia 2045 is a promising approach to realize inclusive economic development. The endogenous growth theory of [Barro & Martin \(2004\)](#) is an important foundation in understanding the dynamics of long-term economic growth. This theory emphasizes the importance of the role of human capital, innovation, and government policies in promoting sustainable growth.

In the context of cooperatives and MSMEs, the implementation of the endogenous growth theory can be realized through improving the quality of human resources. Training and capacity building for MSME actors and cooperative administrators is the key to increasing productivity and competitiveness. Investing in vocational education and training that suits the needs of the MSME sector can create a skilled workforce that is able to adopt new technologies and improve production efficiency.

The aspect of equity in growth theory also needs to be considered to ensure that the benefits of economic growth can be felt widely. The MSME development strategy in synergy with cooperatives can be an effective instrument in realizing economic equity. By uniting similar MSMEs in a cooperative forum, a larger economic scale can be created and a bargaining position in the value chain can be increased.

The implementation of this theory is also reflected in the government's budget allocation policy. Local government capital expenditure has a strategic role in providing basic infrastructure that supports the growth of the MSME sector. Budget priorities need to be directed to projects that have a high multiplier effect, such as the construction of roads, ports, or warehousing facilities that can facilitate the flow of MSME product distribution.

Innovation is another key factor in encouraging sustainable economic growth. The government needs to create an ecosystem that supports innovation among MSMEs and cooperatives. This can be done through fiscal incentives for research and development activities, facilitation of partnerships between MSMEs and research institutions, and the provision of business incubators that focus on the development of appropriate technologies.

The MSME development strategy also needs to pay attention to the aspect of spatial equity. Regional development assistance programs can be directed to reduce regional inequality, by paying special attention to disadvantaged areas. The

provision of digital infrastructure, for example, can open wider market access for MSMEs in remote areas.

The use of information technology is an important aspect in the MSME development strategy in the digital era. The use of an Enterprise Resource Planning (ERP) system can help MSMEs and cooperatives in managing inventory, accounting, and business analysis more effectively. This allows for faster and more accurate decision-making in responding to market changes.

Collaboration between stakeholders is also the key to the successful implementation of the theory of growth and equity. Synergy is needed between the central government, local governments, financial institutions, as well as related ministries and institutions to optimize various MSME and cooperative development programs. This integrated approach can avoid overlapping programs and ensure equitable access to available assistance and facilities.

In the long term, the implementation of the endogenous growth theory in the development of MSMEs and cooperatives is expected to create a resilient and sustainable business ecosystem. This will support the creation of quality jobs, increase people's incomes, and ultimately contribute to the achievement of the Golden Indonesia 2045 vision.

Finally, it is important to evaluate and adjust the strategy regularly. Monitoring of key performance indicators such as productivity growth, labor absorption rate, and MSME contribution to GDP needs to be carried out consistently. This allows the government to fine-tune policies and ensure that the implementation of the theory of growth and equity remains relevant to the ever-changing economic dynamics.

3. CLOSING

3.1. CONCLUSION

Based on the discussion in this paper, it can be concluded that optimizing synergy between cooperatives and MSMEs has a crucial role in building a strong people's economic ecosystem towards the vision of Golden Indonesia 2045. Cooperatives and MSMEs, as the backbone of the national economy, have great potential to encourage inclusive and sustainable economic growth. However, various challenges such as limited access to capital, technology, and markets are still the main obstacles to the development of this sector.

The application of the grand theory of growth and equity is an important foundation in formulating a strategy for the development of cooperatives and MSMEs. This approach emphasizes the importance of improving the quality of human resources, innovation, and supportive government policies. Effective synergy strategies between cooperatives and MSMEs include the use of digital technology, strengthening collaboration between stakeholders, and developing programs that pay attention to the specific characteristics and needs in each region.

The role of the government is very important in creating an ecosystem that is conducive to the growth of cooperatives and MSMEs. This includes the provision of adequate infrastructure, fiscal policies that support innovation, and targeted capacity building programs. Synergy between the central government, local governments, financial institutions, and the private sector is the key to optimizing various cooperative and MSME development initiatives.

To achieve the vision of Golden Indonesia 2045, a long-term commitment and periodic evaluation of the implementation of cooperative and MSME development strategies are needed. By building a strong people's economic ecosystem through optimizing the synergy between cooperatives and MSMEs, Indonesia can create

inclusive, sustainable, and globally competitive economic growth. This will ultimately contribute to improving the welfare of the community at large and realizing Indonesia's ideals as one of the world's economic powers.

3.2. RECOMMENDATIONS

Based on the discussion in this paper, here are three main recommendations that can be put forward:

- 1) Strengthening the digital ecosystem for MSMEs and cooperatives. The government needs to prioritize the development of information technology infrastructure that supports the digital transformation of MSMEs and cooperatives. This includes the provision of equitable internet access, especially in disadvantaged areas, as well as the development of integrated digital platforms that facilitate access to markets, financing, and capacity building. An intensive digital training program is also needed to improve the ability of MSME actors and cooperative administrators to utilize technology for business development.
- 2) Optimizing synergy between stakeholders. Closer collaboration is needed between the central government, local governments, financial institutions, academics, and the private sector in developing cooperatives and MSMEs. The establishment of a cross-sectoral coordination forum can help harmonize various programs and policies, avoid overlap, and ensure equitable access to available assistance and facilities. Strategic partnerships between cooperatives, MSMEs, and large companies also need to be encouraged to strengthen the value chain and increase competitiveness.
- 3) Strengthening the data-based monitoring and evaluation system. The government needs to develop a comprehensive monitoring and evaluation system to measure the effectiveness of cooperative and MSME development programs. Systematic data collection and analysis on productivity growth, labor absorption, and contribution to GDP can help in more targeted policy adjustments. The implementation of an integrated information system that connects data from various related agencies is also needed untuk mendukung pengambilan keputusan berbasis bukti dalam pengembangan sektor koperasi dan UMKM.

CONFLICT OF INTERESTS

None.

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