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Strategy for Strengthening Community Participation and Digitalization of Red and White Cooperative Governance in Sukabumi City

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Abstract: This research aims to strengthen community participation and implement digitalization in the governance of the Red and White Cooperative (KMP) in Sukabumi City. The method used is a participatory approach by involving lecturers as supervisors and students as facilitators through legality counseling activities, managerial workshops, and intensive field assistance that includes door-to-door interaction for information system activation and curation of member products. The results of the study showed a significant increase in the participation and digital literacy of cooperative members, with an increase in the understanding of collective benefits by 56%, trust in the management by 61%, and digital report literacy by 63%. Digitization and information disclosure have succeeded in reducing the apathy of citizens, strengthening trust, and encouraging the development of cooperative productive business units. This program proves that the integration of persuasive education and digital technology is the main key in restoring the dignity of urban cooperatives and encouraging economic independence.

Keyword: Community Participation, Digitalization, Red and White Cooperatives, Digital Literacy, Transparency, People's Economy, Sukabumi City.

INTRODUCTION

In the era of a rapidly growing digital economy, community-based economic institutions such as cooperatives face significant existential challenges. Digitalization has changed the fundamentals of market competition, where the speed of information and transaction efficiency are the keys to business sustainability. Solihin (2024), in his research emphasized that digital transformation is an important key in increasing market competitiveness, but cooperatives are often left behind in adopting digital technology. This causes traditional institutions to risk losing relevance in the eyes of the public who now prefer instant, transparent, and information technology-based services.

Locally, the government's efforts to strengthen the people's economy are realized through the establishment of the Red and White Cooperative (KMP). However, the implementation of KMP in urban areas, especially in Sukabumi City, has different dynamics compared to rural areas. At the sub-district level, KMP faces structural obstacles in the form of the absence of autonomous funds equivalent to the Village Fund. This budget limitation requires much more efficient management so that the stimulus provided can have a wide impact on members, considering the lack of large regular fund support from local governments for sub-district level entities.

Juridically, KMP has a strong foundation as a company organization with the status of a perfect legal entity based on Law Number 25 of 1992. Maryam (2026), emphasized in her study that the status of this legal entity provides legitimacy and legal protection for cooperatives to carry out their operations professionally and independently as legal subjects. This legal recognition should be the main capital for KMP in Sukabumi City to build member trust. However, in reality, legal legitimacy alone is not enough to drive active community participation if it is not accompanied by transparency supported by modern management systems.

Based on field findings in one of the villages in Sukabumi City, there is a striking contradiction in community participation. On the one hand, residents' enthusiasm for the savings and loan program is very high because it is considered an instant financial solution. However, on the other hand, there is a great apathy towards the development of productive business lines. This condition is in line with the analysis of Junaedi & P. (2025), which states that the initial enthusiasm for the Red and White Cooperative is often clashed with the problem of participation and understanding of members that are only limited to basic financial functions, so that the potential of other collective economies is not optimally exploited.

The gap in financial and digital literacy in society also triggers the emergence of an attitude of "caring not care" or social apathy. This phenomenon hinders the integration of technology in cooperative operations because members do not see the added value of changing manual to digital systems. In fact, the use of information and communication technology (ICT) has been proven to significantly affect market efficiency and overall business performance (Solihin 2024). Without massive education, the products produced by KMP will remain trapped in the internal market and it will be difficult to penetrate the more competitive external market due to limited access to information.

The urgency of this service lies in the urgent need to manage the government subsidy fund of Rp20,000,000 so that it does not become a spent fund. Currently, the allocation of funds is divided into 40% for facilities and 60% for working capital. The use of funds for facilities should be prioritized on digital infrastructure in order to build "Digital Trust". Digitalization through e-commerce platforms and information systems has a great influence on business performance, where transparency of reports can erode the apathy of the community because they can monitor the development of cooperatives openly and accountably (Ramdansyah & G. 2024)

Seeing the complexity of these problems, an integrative strategy is needed through educational seminars and technical assistance to change the paradigm of society from "not understanding to understanding". Digital transformation in the MSME and cooperative sectors in Indonesia has a positive impact on increasing revenue and operational cost efficiency (Ramdansyah & G. 2024). Through this service, KMP in Sukabumi City is expected to optimize existing capital stimulus, strengthen member participation through better literacy, and utilize digital technology to bring local products to compete in a wider national market

METHOD

This community service activity adopts the service of (Deni and Ruswandi 2025; Ruswandi et al. 2026; (Sobar and Ruswandi 2025); Khofifah, Wulandari, & Juliansyah 2026)), by implementing the Participatory Action Research (PAR) approach. This approach emphasizes the active involvement of the community in the entire research process, with the aim of encouraging the creation of more effective and sustainable social change. The implementation method is divided into two main categories: (1) Lecturer activities which include counseling on the legality aspects of cooperatives based on Law No. 25 of 1992 (Syaharuddin 2017) and managerial strategy workshops; and (2) Student activities which are packaged in an intensive field assistance program. In this program, students engage in direct interaction through door-to-door techniques to help activate information systems and curate superior products of residents (Dwiranata 2019) This strategy allows students to find the root of social problems that hinder the progress of cooperatives through persuasive social interaction.

The service partner is the Red and White Cooperative (KMP) which is located in one of the villages in Sukabumi City, Indonesia. The selection of locations at the sub-district level provides a unique context regarding the limitations of autonomous budget support compared to the village area. This activity involved ±70 subjects, consisting of core administrators and local residents. Based on the students' in-depth observation during the service period, a behavioral contradiction was found: residents had a very high enthusiasm for savings and loan services, but showed a strong apathy towards the development of cooperative productive business units. This "care, not care" factor is the main obstacle for cooperatives to develop beyond the emergency financing function.

The service implementation steps are designed to dissect and address these participatory issues through three transformative phases:

Social Initiation & Identification Phase (Pre-Activity)

In the initial stage, students conduct field observations to map the readiness of infrastructure and the mentality of members. In this phase, students find fundamental problems, namely the gap of trust and low sense of belonging to cooperatives. Despite the availability of facilities and capital support from government stimulus, students identified that without active participation, these facilities tend to be unused and capital does not revolve around the productive sector because members only focus on personal loan interests.

Execution & Re-Education Phase (Activities)

In response to the findings of residents' apathy, students accompanied lecturers to hold a Seminar "KMP: From Us to Us" to change the paradigm of residents from "not understanding" to "understanding". The main focus of the seminar is to erode the passive mentality and foster collective awareness. Furthermore, students guided the "Go Digital Cooperative" Workshop, where students trained administrators to use technology as a tool for transparency. It is hoped that digitally open reports can reduce public doubt and trigger the return of active participation in marketing internal products to a wider market (S. Syaharuddin, 2017)

Participatory Monitoring & Impact Phase (Monev).

Students conduct evaluations through participatory observation to see changes in residents' attention during and after the activity. Evaluation during the activity (process evaluation) is focused on increasing citizen involvement in discussions. Meanwhile, post-field evaluation (impact evaluation) is carried out to ensure whether the management remains consistent in using the digital system as a medium of communication with members to maintain the level of public concern and trust that has been built

Table 1. Program Implementation Time, Materials and Targets

Week To	Action Name (Program)	Materials & Focus of Activities	Target Output Behavior
1	Social Infiltration	Gathering (Saba Warga) & Identifying the Roots of Apathy	Mapping of the psychosocial problems of the residents
2	Transparency Audit	Review of the allocation of subsidy funds (Facilities & Capital 20 million)	Digital infrastructure readiness baseline
3	Mindset Shift	Seminar "Talking about Innovation" (KMP Literacy)	Change from "Don't Understand" to "Understand"
4	Digital Round I	Door-to-door Assistance & Transparency Activation	Formation of member trust (Trust)
5	Ronda Digital II	Curated internal products & Creative marketing strategies	Activation of community productive business units
6	Engagement Forum	Open Deliberation (Cooperative Managerial Simulation)	Increased active participation of members
7	Sustainability Check	Impact Evaluation & Submission of Further Plans	Independence of management and participation

RESULTS AND DISCUSSION

The implementation of community service in the Merah Putih Cooperative (KMP) of Sukabumi City begins with a basic thesis that the failure of cooperatives in urban areas is often not caused by the lack of capital, but by the factor of lack of participation. The community at the village level has very different characteristics from the village community; They are more exposed to the flow of information but tend to be more individualistic in economic action.

Therefore , the series of activities designed by the student team not only touches on the managerial aspect, but also the psychosocial aspect. The goal is to break down the wall of apathy that has made KMP only walk in place. The strategy used is to marry a warm personal approach with a transparent and cold digital system.

Early Dynamics and Social *Infiltration*

In the first week, the student team started the action through *the Social Infiltration* method or locally referred to as "Saba Warga". This step is very crucial because students must be able to fuse with the pulse of the village community. Without the trust of the citizens, it is impossible for the digitalization program to be accepted as a collective solution. This

phenomenon of apathy is the impact of the lack of participatory communication between managers and members in urban areas (Kusuma 2020). Without two-way communication, communal institutions will lose their spirit of mutual cooperation (Syaharuddin 2017).

The description of activities in this phase involves visits to the homes of community leaders, market traders, and housewives. Students do not come as instructors, but as listeners who want to understand why residents are reluctant to be actively involved in cooperatives. From this, it was revealed that there was an old wound in the form of unclear financial statements in the past that triggered an attitude of "caring not care".



Figure 1. Students conduct persuasive dialogue with residents in residential areas

As illustrated in Figure 1, this *door-to-door approach* allows students to capture the anxiety of residents directly. Many residents actually have economic interests, but they are hesitant because they consider the cooperative management to be not transparent. This apathy, if left unchecked, will become a parasite that slowly kills the legal entity of the cooperative.

The results of observations in the second week show that residents actually have extraordinary product potential, ranging from culinary to handicrafts. However, they prefer to sell them independently for small profits rather than through cooperatives. This is because they do not see the added value provided by the institution other than emergency savings and loans.

Students then conducted *a Transparency Audit* of the government subsidy funds of Rp20,000,000 received by KMP. The team found that the 40% allocation for facilities has not had a visual impact on members. The ignorance of members about where the 8 million money went became fuel for the fire of skepticism in the community.

(Siti Maryam, 2026) (Siti Maryam, 2026)

Paradigm Reconstruction Through Literacy Seminars

Entering the third week, the team held a seminar "Talking Innovation Cases". This is a turning point where students are trying to move the mindset of citizens from "Cooperatives as a Burden" to "Cooperatives as Assets". This seminar was not held in a rigid air-conditioned room, but in a village hall that is familiar with the daily lives of residents. The seminar "Ngobrol Cases of Innovation" in the third week aims to overhaul the paradigm of members from consumptive to productive. The main challenge is to change the attitude of members who tend to be individualistic and skeptical of new programs **(Sari, 2019).** Through a persuasive approach, the enthusiasm of residents' savings and loans, which initially reached 78%, was successfully directed towards productive investment in local business units (Junaedi 2025)



Figure 2. Implementation of motivational seminar to increase awareness of cooperatives

In the forum shown in Figure 2, students dissected the working capital structure of 60% (IDR 12,000,000,-). Students understand that if this 12 million money is only circulated for consumptive savings and loans, then in a matter of months the capital will be stuck. Cooperatives need productive business units to maintain their financial breath.

A. Junaedi (2025) argues that urban people's enthusiasm for cash often blinds them to long-term investment opportunities. Students have to work hard to explain that by depositing their products in cooperatives, they are actually building a larger market ecosystem than just selling in front of their homes.

This paradigm shift began to be felt during the question and answer session. Residents who had been silent began to critically ask how the system of fair profit sharing was. This is a positive signal that apathy is starting to erode and turn into healthy transactional interests. Students welcome this as a first step towards sustainable active participation.

Technology Implementation: "Digital Ronda" as a Bridge of Trust

This transparency is a panacea to deal with long-standing distrust of members. Marketing local products to external markets digitally has been proven to trigger reactivation of members.



Figure 3. Technical assistance for the activation of information systems and digital markets

Figure 3 shows how students guide senior members in using the system. Success at this stage is highly dependent on students' patience in explaining digital functions. When residents see their 20 million grant capital balance reports in *real-time*, they feel a sense of security that they have never felt before.

"Digital Trust" adalah fondasi ekonomi masa depan. Di Sukabumi, kepercayaan ini dibangun dengan menunjukkan bahwa 40% dana sarana digunakan untuk membeli perangkat yang benar-benar memfasilitasi keterbukaan informasi (D. Ramdansyah, 2024) (D.

Ramdansyah, 2024). Warga merasa dihargai suaranya karena kini mereka memiliki alat kontrol sosial yang kuat terhadap pengurus.

The next stage is the curation of internal product of members. Students go around looking for local products that are worth selling but have poor packaging. Many processed food products are found that are very competitive in taste, but in appearance they do not have a selling value in the modern market. This is where students play the role of designers and marketing consultants for residents.

Students help residents create aesthetically pleasing product photos and compelling marketing narratives for external markets. KMP's products began to be registered on e-commerce platforms and social media. This digital transformation gives new hope that local products in the village can penetrate the national market, which automatically motivates residents to produce more through cooperatives.

Mendrofa dan S, (2026) membuktikan bahwa transformasi digital pada UMKM di bawah naungan koperasi meningkatkan pendapatan anggota hingga 30% pada tahun pertama. Di KMP Sukabumi, efek ini mulai terlihat pada minggu keenam saat pesanan produk dari luar kelurahan mulai masuk. Keberhasilan ini menjadi promosi terbaik untuk meruntuhkan sisa-sisa apatisme warga yang masih ragu.

Monitoring, Evaluation, and Presentation of Quantitative Data

Monitoring is carried out daily through participatory observation. Students recorded every interaction and change in the attitude of the residents. The final evaluation in the seventh week used a questionnaire distributed to 70 active member respondents. The collected data is then processed to see the percentage of improvement in the quality of citizen participation and literacy.

Table 2. Comparison of Community Participation and Activity

No	Assessment Indicators	Pre-Test (%)	Post-Test (%)	Increase (%)
1	Understanding Collective Benefits	32	88	56
2	Trust in the Manager	21	82	61
3	Activeness in Deliberation	15	76	61
4	Digital Report Literacy	28	91	63

Berdasarkan Tabel 1, terlihat peningkatan luar biasa pada variabel literasi laporan digital (63%). Hal ini menunjukkan bahwa warga kelurahan sangat haus akan transparansi. Ketika sarana digital disediakan, mereka sangat antusias untuk mempelajari dan menggunakannya. Peningkatan kepercayaan sebesar 61% juga membuktikan bahwa sikap apatis selama ini hanyalah akibat dari kurangnya informasi.

Post-field evaluation also noted that the attendance of residents in cooperative meetings increased from an average of 10 people to more than 50 people. Residents no longer come just to borrow money, but to discuss product development and business profit sharing reports. This behavior change is the greatest success of the entire series of student service.

The synergy between government grants, student mentoring, and citizens' willingness to change has created a strong momentum. The allocation of 60% working capital is now really productive because residents feel responsible for supervising it.

Sustainability Strategic Constraint Analysis and Solutions

Of course, this trip is not without obstacles. The main problem recorded is the generation gap in the operation of digital systems. Senior members who are already accustomed to manual bookkeeping feel threatened by the new system. They are worried that they no longer have a role in management due to age limitations and technological understanding.

The solution offered by the team is to form a "Peer Assistant" or young cadre of the village. Students invite local youth to become companions for senior administrators. In this way, senior management remains valued for their experience in policy, while technical operations are assisted by youngsters who are more tech-savvy. This cross-generational synergy strengthens the internal structure of the cooperative. Agar pelayanan pasar digital tidak terganggu. berpendapat bahwa infrastruktur adalah kunci daya saing pasar di era revolusi industri 4.0.(M. Solihin, 20224)

In addition, problems were also found in the form of limited product stock when external demand increased. Residents who were previously apathetic are now overwhelmed by the high orders. The team advised cooperatives to create a common standard production procedure so that product quality and quantity are maintained even though orders have jumped sharply in a short time.

Sociologically, this service has given birth to "Digital Hope" in the midst of the people of Sukabumi. The 20 million rupiah fund is no longer just a number in the report book, but a social capital that reunites citizens who are divided by individualism. KMP has now transformed into an institution that is not only financially independent, but also strong in family.

The final reflection of this devotion shows that the main key to activating urban society is transparency supported by a human touch. Students have succeeded in becoming a catalyst that not only brings knowledge, but also brings honesty in the collective economic system. The Merah Putih Cooperative is now ready to welcome the future as a modern and participatory village economic center.

Through the sustainability of this program, it is hoped that KMP will no longer depend on government subsidies in the future. With the active participation of 70 members, the cooperative has enough market power to stand on its own. The digital innovation and paradigm change that students have put in place have become a valuable legacy for the development of the people's economy in Sukabumi City.

CONCLUSION

This community service activity has succeeded in answering the challenge of low member participation in the Red and White Cooperative (KMP) through the integration of persuasive approaches and digital transparency. Based on the results of the implementation, there is a significant behavioral transformation in the community, where apathy slowly turns into a collective awareness to raise productive business units. This success is proven quantitatively through a drastic increase in the aspects of hard skills and soft skills of partners, where literacy in the use of digital systems increased by 63% and understanding of cooperative strategic functions jumped by 56%. Overall, the level of members' trust in managers has made positive progress by 61% compared to the initial condition before the mentoring. This emphasizes that information disclosure supported by information technology is the main key in restoring the dignity of cooperatives in urban environments.

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