

# Prospects and Challenges of Multi-Stakeholder Cooperatives in Supporting Community-Based Economy in Indonesia

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## ABSTRACT

Multi-stakeholder cooperatives (KMPs) play a crucial role in fostering economic inclusivity and sustainability within Indonesia's community-based economy. This study examines the effectiveness of KMPs, identifies key challenges in governance, financing, and stakeholder coordination, and explores strategic solutions to enhance their impact. Findings reveal that KMPs promote equitable economic participation, support local entrepreneurship, and encourage long-term financial stability. However, challenges such as governance complexities, limited access to capital, and stakeholder misalignment hinder their effectiveness. Regional variations further influence the success of KMPs, highlighting the need for tailored policy interventions. Despite these challenges, emerging opportunities—such as digitalization, alternative financing models, and strengthened regulatory support—offer potential pathways for growth. To maximize the impact of KMPs, targeted policies, improved financial mechanisms, and stronger multi-sector collaborations are essential. By addressing these issues, KMPs can serve as transformative economic models, fostering sustainable development and enhancing resilience in local economies across Indonesia.

Keywords: Multi-Stakeholder Cooperatives, Economic Inclusivity, Governance, Financial Sustainability, Community-Based Economy

## 1. INTRODUCTION

In recent years, Indonesia has been exploring alternative economic models to promote inclusivity and sustainability, particularly in the context of cooperative enterprises. One of the most notable developments is the introduction of Multi-Stakeholder Cooperatives (*Koperasi Multi Pihak* or KMP), which aim to integrate various economic actors—including producers, consumers, workers, and local communities—within a single cooperative structure. This model is designed to address socio-economic disparities by ensuring that multiple interest groups can participate equitably in decision-making processes and share in the benefits of cooperative success (Ministry of Cooperatives and SMEs of Indonesia, 2021).

The regulatory framework for KMPs was formally established through Minister of Cooperatives and SMEs Regulation No. 8 of 2021 (Regulation of the Minister of Cooperatives and SMEs No. 8 of 2021), which came into effect on April 28, 2022. This regulation provides a legal basis for the formation, governance, and operational mechanisms of multi-stakeholder cooperatives in Indonesia. According to recent data from the Indonesian Consortium for Cooperative Innovation (ICCI), as of December 2024, there are 231 registered multi-stakeholder cooperatives nationwide. This indicates a growing adoption of the model, driven by the increasing awareness of its potential benefits in fostering economic resilience and sustainability.

Despite the positive momentum, the implementation of KMPs in Indonesia faces significant challenges. Legal and bureaucratic complexities, limited public awareness, and the difficulty of balancing diverse stakeholder interests pose barriers to the effective functioning of these cooperatives. Furthermore, access to financing and market competitiveness remains a persistent issue, particularly for cooperatives in rural areas that lack adequate resources and infrastructure (Birchall, 2004). Addressing these challenges is crucial to

ensuring that KMPs can effectively contribute to a community-based economic model that prioritizes equity and sustainability.

This paper aims to explore the prospects and challenges of multi-stakeholder cooperatives in supporting Indonesia's community-based economy. Specifically, the study seeks to:

1. Analyse the effectiveness of KMPs in promoting economic inclusivity and sustainability.
2. Identify key obstacles faced by KMPs in terms of governance, financing, and stakeholder coordination.
3. Propose strategic solutions to enhance the impact of KMPs on local economies, particularly in rural and underdeveloped regions.

By providing an empirical assessment of recent developments and examining case studies of successful KMPs, this research contributes to the broader discourse on cooperative models as a means of sustainable economic growth in Indonesia. The findings will be particularly relevant for policymakers, cooperative practitioners, and researchers interested in alternative economic frameworks that emphasize social equity, shared governance, and long-term community resilience.

## **2. LITERATURE REVIEW**

### **2.1. The Concept and Structure of Multi-Stakeholder Cooperatives**

Multi-stakeholder cooperatives (MSCs) have gained increasing attention as a governance model that integrates diverse actors—such as producers, consumers, workers, and investors—into a single cooperative framework. This model differs from traditional single-stakeholder cooperatives by allowing multiple groups to participate in decision-making and share ownership, which can enhance both economic resilience and social inclusivity (Sacchetti & Birchall, 2018). The legal and institutional frameworks governing MSCs have been widely discussed in cooperative literature, particularly regarding their ability to balance the interests of heterogeneous members while maintaining operational efficiency (Münkner, 2004).

One of the key advantages of MSCs is their capacity to generate social value beyond financial returns. Sacchetti and Tortia (2014) highlight that MSCs foster stronger local networks, social capital, and long-term sustainability, particularly when embedded within a well-defined regulatory framework. However, the effectiveness of this model depends on transparent governance structures and equitable decision-making mechanisms, as conflicting interests between stakeholder groups may hinder cooperative efficiency (Leviten-Reid & Fairbairn, 2011).

### **2.2. Advantages and Challenges of Multi-Stakeholder Cooperatives**

Several studies emphasize the comparative advantages of MSCs over traditional cooperative models. Their flexibility in accommodating different stakeholder interests allows for more diversified income streams and reduced financial risks (Lund & Novkovic, 2023). Moreover, MSCs often promote social inclusion and fair distribution of resources, making them particularly suitable for community-driven economic development (Novkovic, 2019). In Indonesia, this model has been increasingly explored as a means to support micro, small, and medium enterprises (MSMEs), as noted by Nur et al. (2025).

However, governance complexity remains a major challenge. Michaud and Audebrand (2019) argue that the presence of multiple interest groups within a cooperative can lead to power imbalances and conflicts, particularly when the roles and responsibilities of different stakeholders are not clearly defined. Similarly, Gonzalez (2017) notes that MSCs in the agricultural and food sectors often struggle with stakeholder engagement due to diverging priorities between investors and producers. In the Indonesian context, Akbar (2022) highlights that current legal frameworks do not yet fully accommodate the unique governance needs of MSCs, requiring further policy refinement to ensure long-term viability.

Another significant challenge is financial sustainability. MSCs often face difficulties in accessing capital and maintaining profitability, particularly in rural economies where cooperative-based enterprises compete with conventional businesses (Purnomo et al., 2016). Hamdani (2025) suggests that integrating digital financial services and strengthening public-private partnerships could enhance the financial resilience of MSCs in Indonesia.

### **2.3. Multi-Stakeholder Cooperatives in Indonesia: Policy and Practical Implications**

Indonesia has recognized the potential of MSCs as a key driver of a community-based economy, particularly following the introduction of Ministerial Regulation No. 8 of 2021, which legally formalized this cooperative model (Nuraini et al., 2025). Recent research highlights the growing number of registered MSCs in Indonesia, with more than 231 cooperatives established under this framework as of 2024 (ICCI, 2024). However, the implementation of MSCs still faces various institutional and operational challenges, including bureaucratic hurdles, limited public awareness, and inconsistent policy enforcement (Hamdani, 2025).

To maximize the potential of MSCs in Indonesia, it is essential to develop policies that support capacity building, financial access, and governance innovation. Sacchetti and Birchall (2018) emphasize that successful MSCs require continuous stakeholder engagement and adaptive regulatory mechanisms. Additionally, leveraging local potential and collaborative networks, as suggested by Nuraini et al. (2025), could enhance the long-term sustainability of these cooperatives in Indonesia's economic landscape.

## **3. RESEARCH METHODS**

This study employs a qualitative research method to examine the prospects and challenges of multi-stakeholder cooperatives (MSCs) in supporting community-based economies in Indonesia. Qualitative research is particularly suitable for policy analysis as it allows for an in-depth exploration of regulatory frameworks and socio-economic contexts (Creswell & Poth, 2016). The research focuses on policy analysis and literature review, utilizing secondary data sources to explore the implementation and impact of MSCs in Indonesia.

### **3.1. Research Approach**

The study adopts a policy analysis approach, centering on the Ministerial Regulation No. 08 of 2021 issued by the Ministry of Cooperatives and Small and Medium Enterprises of Indonesia. This regulation serves as the primary framework governing MSCs in the country. By analysing the policy content, the study aims to evaluate its effectiveness in fostering sustainable cooperative development while identifying potential gaps and implementation challenges.

### **3.2. Data Collection**

The research relies on secondary data collection, drawing from relevant books, journal articles, government reports, and institutional publications. The primary sources include legal documents, academic studies on cooperatives, and reports from government and non-governmental organizations that assess the role of MSCs in Indonesia's economic landscape. Secondary data analysis is an established method in qualitative research that enables researchers to examine pre-existing materials to derive meaningful insights (Miles & Huberman, 1994).

The selection of literature is based on relevance and credibility, with a focus on studies that provide insights into multi-stakeholder governance, cooperative economics, and policy evaluation. Key sources include works by Sacchetti and Birchall (2018) on MSC governance, Novkovic (2019) on cooperative economics, and Indonesian policy documents related to cooperative development.

### **3.3. Data Analysis**

The study employs content analysis to interpret policy documents and academic literature. Content analysis is a systematic technique used in qualitative research to identify patterns, themes, and meanings within textual data (Krippendorff, 2018). The analysis follows a thematic approach, categorizing findings into key themes such as:

- a) **Regulatory Framework:** Examining the provisions of Ministerial Regulation No. 08 of 2021 and its implications for cooperative governance.
- b) **Economic and Social Impact:** Assessing how MSCs contribute to community-based economic growth.
- c) **Challenges and Opportunities:** Identifying barriers to implementation and potential strategies for improvement.

By utilizing a non-interview-based qualitative method, this research ensures an objective and comprehensive assessment of existing policies and literature, enabling a structured evaluation of MSCs' role in Indonesia's cooperative sector.

4. RESULTS AND DISCUSSION

4.1. Research Results

This section presents the key findings of the study on the prospects and challenges of Multi-Stakeholder Cooperatives (KMPs) in supporting community-based economies in Indonesia. The results are structured according to the research objectives, providing a clear understanding of the effectiveness of KMPs, the key obstacles they face, and potential strategies for enhancement.

4.1.1. Effectiveness of KMPs in Promoting Economic Inclusivity and Sustainability

A. Enhancing Economic Inclusivity through Multi-Stakeholder Participation

Multi-stakeholder cooperatives (KMPs) offer a unique governance structure that integrates diverse actors, including producers, consumers, workers, and investors, into a single economic entity. This structure fosters economic inclusivity by ensuring that marginalized groups have a voice in decision-making processes (Sacchetti & Birchall, 2018).

Table 1. the Effectiveness of KMPs in Promoting Economic Inclusivity and Sustainability

Indicator	Description	Impact on Community-Based Economy
Equitable Participation	Involvement of various stakeholders (producers, consumers, investors)	Enhances financial and social inclusion
Local Entrepreneurship Support	Access to funding, training, and market opportunities	Strengthens MSMEs and rural businesses
Sustainability Initiatives	Adoption of eco-friendly and ethical business models	Promotes long-term economic resilience

The inclusion of multiple stakeholders enhances social equity, as it redistributes economic benefits more fairly compared to single-stakeholder cooperatives. Furthermore, research by Michaud & Audebrand (2019) highlights that the participatory model of KMPs promotes social cohesion and empowers historically disadvantaged groups, such as small-scale farmers and informal workers, by providing them with a platform to influence economic policies.

B. Sustainability and Long-Term Viability of KMPs

Sustainability in multi-stakeholder cooperatives is achieved through a balanced approach to economic, social, and environmental objectives. Novkovic (2019) argues that KMPs serve as effective tools for job creation and social transformation, as they prioritize long-term stability over short-term profit maximization. Unlike investor-owned firms, KMPs reinvest profits into community development and ecological sustainability, aligning their business practices with sustainable development goals. Additionally, Gonzalez (2017) highlights that KMPs in the agricultural sector have successfully adopted sustainable farming practices through cooperative decision-making, ensuring both environmental stewardship and economic resilience.

C. Strengthening Local Economic Ecosystems

By fostering collaboration among different stakeholders, KMPs contribute significantly to local economic development, particularly in rural and underdeveloped regions. Research by Lund & Novkovic (2023) emphasizes that KMPs create localized supply chains, reducing dependency on external markets and enhancing community self-sufficiency. This localized economic model allows cooperatives to respond more effectively to regional needs, supporting small businesses and providing employment opportunities within communities. In Indonesia, the application of multi-stakeholder cooperative models in forestry and tourism has demonstrated positive economic outcomes, as evidenced by studies such as Purnomo et al. (2016), which

document policy-strengthening initiatives for small and medium-scale enterprises through cooperative collaboration.

Overall, the effectiveness of KMPs in promoting economic inclusivity and sustainability is evident in their ability to integrate multiple stakeholders, advance social equity, and contribute to sustainable development. However, challenges remain in governance, financing, and policy alignment, necessitating further strategic efforts to enhance their impact.

#### **4.1.2. Key Challenges Faced by KMPs**

##### **A. Governance Complexity and Decision-Making Processes**

Multi-stakeholder cooperatives (KMPs) face inherent governance challenges due to their diverse membership base, which often includes producers, consumers, workers, and external supporters. The need to balance varying interests can lead to complex decision-making processes, as each stakeholder group may have different priorities and expectations. According to Leviten-Reid and Fairbairn (2011), effective governance in multi-stakeholder cooperatives requires mechanisms that ensure inclusivity while maintaining operational efficiency. However, in practice, achieving a fair and effective decision-making structure remains a significant challenge. Governance complexities can sometimes result in decision paralysis or conflicts among stakeholder groups, which, if unresolved, can hinder cooperative performance and sustainability.

##### **B. Financial Constraints and Limited Access to Capital**

Financial sustainability is a critical challenge for KMPs, particularly in rural or underdeveloped regions where access to capital is restricted. Unlike traditional single-stakeholder cooperatives, KMPs often struggle to secure financing due to their unique structure and risk profile. Münkner (2004) highlights that the legal and financial frameworks supporting cooperatives are often designed for single-stakeholder models, making it difficult for KMPs to access traditional funding sources. Additionally, external investors may be hesitant to fund multi-stakeholder initiatives due to governance complexities and the potential for conflicts among members. As a result, KMPs must rely heavily on internal capital generation, government support, or alternative financing mechanisms such as grants and social investment funds, which may not always be sufficient to support long-term growth.

##### **C. Stakeholder Coordination and Engagement**

Ensuring active participation and engagement from all stakeholders is another major hurdle for KMPs. Since these cooperatives bring together multiple parties with different levels of influence and interests, maintaining stakeholder alignment can be challenging. Michaud and Audebrand (2019) argue that successful multi-stakeholder governance requires strong mechanisms for dialogue and collaboration. However, in many cases, stakeholders may not have equal access to decision-making processes, leading to perceived or actual power imbalances. For example, producers or workers might feel overshadowed by institutional members or financial stakeholders, creating tensions that undermine cooperative cohesion. Establishing clear roles, transparent communication channels, and participatory governance structures are crucial for mitigating these challenges.

##### **D. Regulatory and Institutional Barriers**

The legal and regulatory environment for KMPs in Indonesia is still evolving, and existing cooperative laws do not always fully accommodate the complexities of multi-stakeholder models. Akbar (2022) points out that Indonesian cooperative regulations are primarily designed for traditional cooperative structures, limiting the ability of KMPs to operate effectively within the legal framework. Bureaucratic red tape and inconsistent policy support further exacerbate these challenges, making it difficult for KMPs to scale their operations or access government incentives. Addressing these regulatory barriers requires policy adaptations that recognize the unique nature of KMPs and provide legal clarity on their governance and financial structures.

##### **E. Sustainability and Long-Term Viability**

Ensuring long-term sustainability is a persistent challenge for KMPs, particularly in competitive markets where cooperative principles may not always align with business imperatives. While KMPs aim to balance economic, social, and environmental goals, maintaining financial viability while adhering to cooperative values can be difficult. Novkovic (2019) suggests that multi-stakeholder cooperatives must continuously innovate and adapt to market conditions while reinforcing their social mission. However, without adequate financial resources, strong leadership, and strategic planning, many KMPs struggle to sustain themselves in the long run.

The challenges faced by KMPs highlight the need for structural reforms, financial innovations, and stronger stakeholder engagement strategies. While these cooperatives offer significant potential for promoting economic inclusivity and sustainability, addressing governance, financial, regulatory, and coordination challenges is essential for their long-term success. By adopting adaptive governance models, securing diverse funding sources, and advocating for supportive policies, KMPs can enhance their resilience and maximize their impact on local economies.

4.1.3.Key Regional Variations and Case Comparisons

Multi-stakeholder cooperatives (KMPs) in Indonesia operate within diverse economic, social, and policy environments. These variations influence their effectiveness, governance structures, and economic impact. Regional disparities in infrastructure, financial access, and local governance play a crucial role in shaping KMP operations (Novkovic, 2019). By analyzing regional differences, we can identify best practices and potential areas for policy improvement.

To better understand these regional disparities, the following table provides a comparison of KMPs in three distinct regions: Java, Sumatra, and Eastern Indonesia. Each region presents unique challenges and opportunities based on economic conditions, governance structures, and stakeholder involvement.

Table 2. The comparison of KMPs in three distinct regions

Aspect	Java	Sumatra	Eastern Indonesia
Economic Strength	Strong, diverse economy	Resource-dependent economy	Developing, tourism-focused
Governance	Well-regulated, strong networks	Medium regulation, moderate support	Weak regulatory frameworks
Access to Finance	High, multiple funding options	Moderate, bank reliance	Limited, informal lending prevalent
Key Challenges	High competition, bureaucratic hurdles	Land ownership issues, governance complexity	Infrastructure limitations, lack of skilled labor
Opportunities	Innovation in cooperative models	Agricultural and plantation-based cooperatives	Eco-tourism and fisheries-based cooperatives

**Java:** KMPs in Java benefit from a well-established financial and regulatory environment. However, bureaucratic processes and intense market competition pose significant challenges (Sacchetti & Birchall, 2018). Urban-based KMPs often integrate digital solutions, whereas rural cooperatives focus on agricultural supply chains.

**Sumatra:** With its vast natural resources, Sumatra’s KMPs are primarily engaged in agriculture and forestry. However, governance complexity and unclear land tenure policies hinder cooperative expansion (Purnomo et al., 2016). Strengthening stakeholder coordination can enhance sustainability.

**Eastern Indonesia:** This region faces the greatest infrastructure and financial access challenges. However, opportunities lie in developing community-based cooperatives in tourism and fisheries. Support from external funding and government initiatives is crucial (Gonzalez, 2017).

Understanding these regional variations highlights the need for tailored policy interventions. Policies should focus on:

**Java:** Simplifying bureaucratic processes and fostering innovation.

**Sumatra:** Clarifying land ownership policies and strengthening governance.

**Eastern Indonesia:** Expanding infrastructure and improving access to financial resources.

By addressing these challenges, KMPs can enhance their contributions to local economies and foster sustainable development across Indonesia’s diverse regions.

4.1.4. Emerging Trends and Opportunities in Multi-Stakeholder Cooperatives

A. Digitalization and Technological Integration

The adoption of digital platforms and financial technologies (FinTech) is transforming the operations of Multi-Stakeholder Cooperatives (KMPs). By leveraging digital payment systems, e-commerce, and blockchain technology, cooperatives can enhance transparency, efficiency, and member engagement. According to Michaud & Audebrand (2019), technological advancements in cooperative governance help bridge the gap between stakeholders and ensure inclusive decision-making. This trend is particularly relevant in Indonesia, where digital financial inclusion is a national priority.

B. Sustainable and Socially Responsible Business Models

Sustainability is becoming a core focus of KMPs, aligning with the global movement toward social entrepreneurship and corporate responsibility. Many cooperatives are shifting towards eco-friendly business models, such as sustainable agriculture, renewable energy, and ethical supply chains. Sacchetti & Tortia (2014) highlight that multi-stakeholder cooperatives can generate significant social value by prioritizing environmental and social objectives alongside financial sustainability.

C. Strengthened Public-Private Partnerships (PPPs)

Collaboration between cooperatives, government bodies, and private enterprises is creating new growth opportunities. Governments are increasingly recognizing the role of cooperatives in fostering economic resilience and providing policy incentives to support their expansion. Lund & Novkovic (2023) emphasize that multi-stakeholder cooperatives thrive when embedded in supportive regulatory frameworks and receive strategic backing from institutional actors.

D. Expansion into New Sectors

Traditionally dominant in agriculture and microfinance, KMPs are now expanding into new industries such as healthcare, education, and digital services. For instance, in the healthcare sector, cooperatives are providing affordable medical services through member-driven insurance schemes. Novkovic (2019) notes that multi-stakeholder models are particularly effective in addressing service gaps in underdeveloped regions, ensuring equitable access to essential services.

E. Youth and Women’s Inclusion

The participation of youth and women in cooperative leadership and entrepreneurship is rising, driven by targeted capacity-building initiatives. Empowering these groups ensures long-term sustainability and innovation within KMPs. Gonzalez (2017) highlights that cooperatives embracing gender and generational diversity benefit from enhanced creativity and adaptability, making them more competitive in dynamic market environments.

Table 3. The Emerging Trends and Opportunities

Trend	Description	Potential Benefits
Digitalization	Adoption of digital platforms for financial transactions and governance	Increases efficiency and transparency
Alternative Financing	Use of crowdfunding and impact investments	Expands access to capital
Government Support	Policy incentives and regulatory improvements	Strengthens cooperative resilience

The future of KMPs in Indonesia is shaped by a combination of digital transformation, sustainability imperatives, policy support, sectoral diversification, and inclusive participation. These emerging trends present significant opportunities for cooperatives to strengthen their impact on community-based economies while navigating challenges in governance and market competition. Strategic adaptation and innovation will be key to leveraging these opportunities for long-term success.

## 4.2. Discussion

The findings of this study highlight the critical role of multi-stakeholder cooperatives (KMPs) in fostering economic inclusivity and sustainability. However, the effectiveness of KMPs is influenced by various internal and external factors, including governance structures, financial sustainability, and stakeholder coordination. This discussion aims to interpret these findings within the broader context of cooperative economics, drawing on relevant literature while maintaining a primary focus on the implications of the study.

### 4.2.1. Governance and Multi-Stakeholder Engagement

One of the key findings of this study is the complexity of governance in KMPs, which is both an advantage and a challenge. Multi-stakeholder models allow diverse groups—such as workers, consumers, producers, and investors—to have a voice in decision-making, leading to more equitable outcomes (Sacchetti & Birchall, 2018). However, these diverse interests can also lead to governance inefficiencies and decision-making bottlenecks. Michaud and Audebrand (2019) highlight that managing conflicting interests within KMPs requires a well-defined governance framework that balances inclusivity with operational efficiency. The findings suggest that successful KMPs in Indonesia have adopted structured decision-making processes to mitigate these challenges, yet there remains a need for better capacity-building initiatives to enhance leadership and participatory governance skills among cooperative members.

### 4.2.2. Financial Sustainability and Access to Capital

Financial constraints remain a significant hurdle for KMPs, as evidenced by challenges in securing long-term funding. Traditional financial institutions often perceive multi-stakeholder cooperatives as high-risk entities due to their non-traditional ownership and profit-sharing structures (Lund & Novkovic, 2023). As a result, many KMPs struggle to access credit or external investments, limiting their ability to expand and sustain operations. The findings of this study indicate that cooperatives that have successfully diversified their revenue streams—through partnerships, grants, and social impact investments—are better positioned for long-term sustainability. The work of Novkovic (2019) further supports this notion, suggesting that financial sustainability in KMPs can be strengthened through hybrid funding models that combine cooperative equity contributions with external financial support.

### 4.2.3. Regional Variations and Adaptive Strategies

This study also highlights significant regional variations in the effectiveness of KMPs, with cooperatives in more developed regions of Indonesia exhibiting stronger financial resilience and governance structures compared to those in rural and underdeveloped areas. Purnomo et al. (2016) emphasize that multi-stakeholder processes must be tailored to regional economic and cultural contexts to maximize impact. For instance, in areas with strong social capital and community trust, KMPs tend to thrive due to higher member engagement and commitment. Conversely, in regions where cooperative culture is less established, there is a greater need for external support mechanisms, such as government facilitation and capacity-building programs.

### 4.2.4. Strategic Pathways for Enhancing KMP Impact

Given these challenges, the findings suggest several strategic pathways to enhance the effectiveness of KMPs in supporting community-based economies. First, there is a need for policy interventions that recognize the unique structure of multi-stakeholder cooperatives and provide tailored legal and financial support. Münkner (2004) argues that cooperative legal frameworks should be adaptable to accommodate the evolving nature of multi-stakeholder models. Second, fostering collaborations between KMPs and local governments, NGOs, and private sector actors can enhance resource access and capacity development. Lastly, digitalization and technology adoption present emerging opportunities for KMPs to streamline operations, improve financial transparency, and expand market access, particularly in rural regions (Nuraini et al., 2025).

In summary, while KMPs play a crucial role in promoting economic inclusivity and sustainability, their effectiveness is contingent upon overcoming governance, financial, and regional adaptation challenges. The study underscores the importance of structured governance frameworks, diversified financial strategies, and region-specific approaches to maximize the impact of KMPs. Future research should further explore innovative funding mechanisms and policy models that can enhance the resilience and scalability of multi-stakeholder cooperatives in Indonesia.



## 5. CONCLUSIONS

Multi-stakeholder cooperatives (KMPs) in Indonesia demonstrate significant potential in fostering economic inclusivity and sustainability within community-based economies. The research highlights that KMPs create equitable economic opportunities by integrating diverse stakeholders, ensuring resource accessibility, and fostering long-term financial stability. Their participatory governance structures empower local communities, enabling more democratic decision-making and promoting shared economic benefits. However, the effectiveness of KMPs varies across regions, influenced by factors such as institutional support, market conditions, and the level of stakeholder engagement.

Despite their advantages, KMPs face persistent challenges that hinder their full potential. Key obstacles include governance complexities, financial constraints, and difficulties in stakeholder coordination. Many cooperatives struggle with balancing diverse stakeholder interests, which can lead to inefficiencies and decision-making bottlenecks. Additionally, access to capital remains a critical barrier, particularly for cooperatives operating in rural or underdeveloped areas. Without strong financial backing and well-defined governance structures, KMPs risk operational instability and limited scalability. Addressing these issues is crucial to ensuring that KMPs can serve as viable economic models for sustainable development.

Moving forward, strategic interventions are necessary to enhance the impact of KMPs on local economies. Strengthening regulatory frameworks, improving financial accessibility, and fostering knowledge-sharing networks can help overcome existing barriers. Encouraging multi-sector collaborations between government entities, private investors, and community organizations will further support the growth of KMPs. By addressing these challenges and leveraging their unique advantages, KMPs can play a transformative role in shaping resilient and inclusive economic ecosystems in Indonesia.

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