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Local Cooperatives in Adaptation and Survival amid Global Change and Technological Development

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ABSTRACT

This research aims to analyze the adaptation strategies of KUD Sarwa Mukti in facing global changes, market challenges, and technological developments. The main focus of the research is how local cooperatives can maintain their relevance and achieve business sustainability amidst constantly changing economic dynamics. The method used is descriptive qualitative with a case study approach. Data was collected through in-depth interviews with cooperative management and members, direct observation of operational activities, and analysis of documents such as financial reports and cooperative work programs. The results show that KUD Sarwa Mukti implements several key adaptation strategies, namely diversification of products and services, utilization of digital technology, strengthening partnerships, and improving human resource quality. Diversification is carried out by expanding business from the agricultural sector to savings and loan units and the distribution of basic necessities. Digital technology is utilized for promotion through social media and transaction recording. In addition, partnerships with various parties help expand the cooperative's network and business opportunities. Other important factors are visionary leadership and active member participation. Strong leadership enables fast and precise decision-making, while member involvement ensures that policies made are in accordance with common needs. Cooperative values such as gotong royong are maintained and become a strength in facing changes. In conclusion, KUD Sarwa Mukti is an example of a cooperative that has successfully adapted effectively in the era of disruption and can be a model for other cooperatives in Indonesia in facing the challenges of the times.

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INTRODUCTION

Globalization is a process that accelerates social and economic interactions across national borders through advances in communication technology, market deregulation, and the mobility of capital and labor. This phenomenon has changed how the world economic system operates and created high interdependence between regions. However, beyond the opportunities created, globalization also brings serious consequences such as economic inequality, labor market instability, weakening local democratic sovereignty, and environmental crises.

Globalization forces every business or organization to face various challenges that can impact their existence and competitiveness, and cooperatives are no exception. As a pillar of the membership-based economy, cooperatives are not immune to the impact of evolving global dynamics. Amidst these global pressures, local cooperatives especially in developing countries need to find ways to survive and adapt independently.

Various studies since 2021 reinforce the importance of cooperative adaptation to global and technological dynamics. Fauziyah & Rizaldi (2021) highlight cooperative strategies in facing the Industrial Revolution 4.0 era, such as improving HR capacity, capital, managerial skills, and digital marketing strategies, which are crucial for maintaining competitiveness. Udin Hidayat (2022) emphasizes that cooperative modernization requires digital acceleration, including member education and collaboration with external parties to expand the use of technology-based platforms. Setyaningsih & Marsudi (2024) add that digital transformation not only increases efficiency, transparency, and productivity, but also demands organizational culture change. Salsabila Charista & Setiawan (2025) reported that micro cooperatives in Indonesia that establish partnerships with technology providers can remain relevant in facing the competition of digital economy platforms. At the policy level, Azmi (2025) outlines the stages of cooperative digitalization strategies from super-apps to the implementation of AI and Open API as a response to infrastructure challenges, digital literacy, and regulations, and as a path towards cooperative modernization. These five studies show that technology integration, improved HR quality, strengthened partnerships, and regulatory support are key pillars of local cooperative adaptation to remain relevant amidst market pressures and global transformation.

This research aims to analyze how local cooperatives, especially KUD Sarwa Mukti, are able to adapt and survive amidst global changes characterized by market challenges and technological developments. The focus of this research is to identify concrete strategies implemented by cooperatives in maintaining business sustainability, expanding market reach, and utilizing digital technology in operations and services to members. In addition, this research also explores the extent to which the role of leadership, member participation, and cooperative values support the adaptation process amidst the pressures of economic globalization. To achieve these goals, this research uses a descriptive qualitative approach with a case study method on KUD Sarwa Mukti as the main subject. Data collection techniques are carried out through in-depth interviews with cooperative management and members, direct observation of operational activities, and analysis of documents such as financial reports, work programs, and digital promotional media of the cooperative. The data obtained is analyzed through data reduction, data presentation, and conclusion drawing, in order to deeply understand the patterns of adaptation and cooperative strategies in responding to market and technology challenges. This approach was chosen to provide a comprehensive and contextual overview of the dynamics of local cooperative adaptation in facing global pressures in a real and sustainable manner.

METHODOLOGY

This research uses a qualitative method with a case study approach. This approach was chosen to explore in depth how local cooperatives, in this case KUD Sarwa Mukti, respond to the challenges of globalization, market dynamics, and technological developments. The research location was determined purposively because KUD Sarwa Mukti is considered active in innovating products, member service quality, and institutional strengthening.

Data collection techniques were carried out through:

- Semi-structured interviews with administrators, supervisors, partners and active members who have a direct role in cooperative activities and have been members or administrators of the cooperative for at least two years.
- Direct observation of cooperative operational activities.
- Documentation in the form of financial reports, work programs, and social media activities.

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Collected data was analyzed thematically through the stages of reduction, categorization, and conclusion drawing.

RESULT AND DISCUSSION

Based on the results of interviews, observations, and documentation of KUD Sarwa Mukti, the following main findings were obtained:

Adaptation Strategies Implemented

Table 1. Adaptation Strategies

No	Adaptation Strategy	Concrete Implementation
1	Business Diversification	Development of savings and loan units and distribution of basic necessities
2	Membership Services	Service in communication and a forum for cooperative members
3	Strengthening Partnerships	Cooperation with distributors, financial institutions, and local partners
4	Human Resource Quality Improvement	Internal training, involvement of members in basic technology training

Source : Charista, S., & Setiawan, W. L.

1. The role of technology and digitalization in the development of KUD Sarwa Mukti

Currently, KUD has not fully utilized digital applications or marketplace platforms to market its products or services. However, some indirect promotional efforts are carried out, for example by students or parties conducting research and field work practices (PKL), who help introduce and market KUD through social media. It should be noted that KUD itself does not directly produce processed products. The products available at the cooperative are consigned from KUD's fostered groups. Therefore, digital marketing strategy has not been a primary focus. Meanwhile, for fresh milk marketing, KUD does not use a special application. However, the distribution system runs smoothly because KUD is a member of the Gabungan Koperasi Susu (GKS) [United Milk Cooperative]. The Milk Processing Industry (IPS) regularly comes directly to KUD to pick up fresh milk. This indicates that the quality of milk from KUD is widely recognized by partners. Currently, the average total solid (solid content in milk) is around 12.2%, which indicates good milk quality.

2. KUD's constraints in facing technological developments and market changes

Currently, KUD has not used special funds or capital to purchase modern technological devices. This is not because KUD rejects the times, but rather because of priorities in the use of funds, namely to maintain price stability for members and maintain the quality of milk produced. KUD's main focus is on the services and management of fresh milk deposited by members. It should be known that the dairy cows do not belong to the cooperative, but to the members. Therefore, service to members is a priority, including maintaining the quality and quantity of milk deposited. Although it has not utilized technology to its maximum, KUD has future plans to start implementing technology, especially in the cashier payment system. For example, it will start to be directed to be able to accept digital payments such as QRIS or debit cards, as an initial step towards service digitalization.

3. Readiness for new technology use in cooperative activities, e.g., through training or computer/application use?

For now, KUD management has started to participate in training to improve their understanding and readiness to face technological developments. It is hoped that this year, supervisors will also attend similar training. This step is part of KUD's efforts to adapt to the times, especially in the use of technology in cooperative operational activities.

4. Response of cooperative members regarding changes and use of technology in cooperative activities

For the time being, the majority of cooperative members support the use of technology in cooperative activities. They realize that the utilization of technology is an important step to keep up with the times and improve service efficiency. Currently, the implementation of technology is being carried out in stages by the cooperative's management and supervisors.

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5. Opportunities and challenges arising from globalization that affect cooperatives like KUD

In the context of globalization, KUD has great opportunities especially in the fresh milk receiving and distribution sector. Currently, most of the national milk demand is still met through imports—about 80% of Indonesia's milk demand still comes from abroad, while domestic production only meets about 20%. This is a great opportunity for cooperatives like KUD to increase their role in meeting local fresh milk needs. However, on the other hand, the challenges faced are also quite significant. Competition with imported products that may be cheaper or have certain standards is one obstacle. In addition, challenges in adopting technology, continuous product quality improvement, and maintaining partner and consumer trust are also things that need to be considered in facing the era of globalization.

6. Strategies implemented by KUD to survive and compete in the increasingly competitive market conditions today

In facing increasingly fierce market competition, KUD implements several key strategies to ensure the cooperative continues to operate optimally and provide benefits for its members. These strategies include:

- Maintaining and Improving Milk Quality
  Fresh milk quality is the main focus because it is KUD's main commodity. By maintaining quality standards, KUD can maintain the trust of the milk processing industry (IPS) which is a permanent partner of the cooperative.
- Maximum Service to Members
  KUD is committed to providing the best service to its members, ranging from administration, supporting facilities, to assistance in livestock activities. Good service will increase member loyalty and strengthen cooperative solidarity.
- Encouraging the Addition of Dairy Cow Population
  To increase milk production, KUD encourages members to increase the number of livestock. This not only increases the volume of production but also has a positive impact on the farmers' income.
- Establishing Cooperation with Various Parties
  KUD actively establishes relationships and cooperation with government agencies, educational institutions, and private companies. This cooperation can be in the form of training, technical assistance, distribution partnerships, and innovation in cooperative management.

Through these strategies, KUD hopes to continue to exist and develop, even though it has to face the challenges of globalization and dynamic market changes.

Discussion

Globalization has transformed the global economic landscape, creating both opportunities and serious challenges for local communities, including cooperatives. Previous research highlights the importance of cooperative adaptation to global and technological dynamics. Fauziyah & Rizaldi (2021) emphasize strategies such as improving human resource capacity, capital, managerial skills, and digital marketing. Udin Hidayat (2022) adds digital acceleration, member education, and external collaboration. Setyaningsih & Marsudi (2024) highlight digital transformation that not only increases efficiency but also demands organizational culture change. Meanwhile, Salsabila Charista & Setiawan (2025) found that partnerships with technology providers can help micro cooperatives remain relevant. Azmi (2025) outlines cooperative digitalization strategies from super-apps to the implementation of AI and Open API. These five studies indicate that technology integration, HR improvement, strengthening partnerships, and regulatory support are key pillars of local cooperative adaptation.

This research analyzes KUD Sarwa Mukti's adaptation strategies in facing global change, market challenges, and technological developments. The objective is to understand how local cooperatives can remain relevant and sustainable amidst global economic dynamics. This research uses a qualitative descriptive method with a case study approach. Data was collected through in-depth interviews, direct observation, and analysis of cooperative documents.

The research results show that KUD Sarwa Mukti successfully adapted through several main strategies:

- Business Diversification: KUD Sarwa Mukti developed savings and loan units and the distribution of basic necessities.

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- Utilization of Digital Technology: Although not yet fully utilizing digital applications or marketplaces for marketing, KUD has leveraged social media for promotion and transaction recording, often assisted by students or parties conducting research and field work practices. Future plans include implementing technology for payment systems such as QRIS or debit cards.
- Strengthening Partnerships: KUD established cooperation with distributors, financial institutions, and local partners. KUD's membership in the Gabungan Koperasi Susu (GKS) ensures a smooth fresh milk distribution system, with the Milk Processing Industry (IPS) regularly picking up milk.
- Improvement of Human Resource Quality (HR): KUD conducted internal training and involved members in basic technology training. KUD management also began attending training to improve understanding and readiness to face technological developments, with the hope that supervisors will follow similar training.
- Visionary Leadership and Member Participation: The success of KUD is inseparable from visionary leadership and active member participation, which enables strategic decision-making and policies relevant to common needs. The majority of cooperative members support the use of technology for service efficiency.
- The Value of *Gotong Royong* (Mutual Cooperation): The value of mutual cooperation is an important foundation in the adaptation process, strengthening cooperative values even as technology continues to develop.

Although KUD Sarwa Mukti has not used special funds for modern technology devices, this is due to prioritizing price stability for members and maintaining milk quality. The main focus is on service and management of fresh milk from members. Good milk quality, with an average total solid of around 12.2%, indicates widespread recognition from partners.

In the context of globalization, KUD has great opportunities in meeting national milk needs, considering that 80% of milk needs in Indonesia are still met through imports. However, the challenges faced are competition with cheaper imported products, technology adoption, continuous product quality improvement, and maintaining the trust of partners and consumers.

To survive and compete in a competitive market, KUD implements strategies:

- Maintaining and Improving Milk Quality: This is the main focus for maintaining trust from IPS.
- Maximum Service to Members: Providing the best service increases member loyalty and strengthens solidarity.
- Encouraging the Addition of Dairy Cow Population: Increasing the number of member livestock for higher production volume and farmer income.
- Establishing Cooperation with Various Parties: Partnerships with government agencies, educational institutions, and private companies for training, technical assistance, and innovation.

Overall, KUD Sarwa Mukti proves that local cooperatives with adaptive leadership, member participation, and gradual use of technology can successfully face global changes. This model can be a reference for other cooperatives in Indonesia to survive and develop in the era of disruption.

CONCLUSION

KUD Sarwa Mukti has successfully adapted to the challenges of globalization, market dynamics, and technological developments through business diversification, strengthening partnerships, improving the quality of human resources, and gradually adopting digital technology. Business diversification was achieved through the development of savings and loan services and distribution of basic necessities, while partnerships with the United Milk Cooperative Association, the milk processing industry, financial institutions, and related institutions played a crucial role in ensuring operational stability and business sustainability. Although digitalization has not yet been fully optimized, the cooperative has demonstrated its readiness for technological transformation through the use of social media and the planned implementation of a digital payment system, while prioritizing price stability and milk quality as its core commodity. This successful adaptation is strongly supported by visionary leadership, active member participation, and the preservation of the values of reciprocal cooperation, which position KUD Sarwa Mukti as a sustainable and relevant local cooperative and a potential reference model for other local cooperatives.

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