

Partnership Cooperation Agreement between Cooperatives and Private Companies to Improve the Economic Competitiveness of the Community in Pasir Jambu, Bandung, West Java

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Abstract

The partnership agreement between cooperatives and the private sector in Ciwidey Pasir Jambu, Bandung is very important to improve the competitiveness of cooperatives. In addition, the importance of the agreement is to create certainty of the legal relationship between the parties, therefore the law must be able to encourage the parties to work to improve the ability of cooperatives to compete, especially in Pasirjambu. The problems in this study are as follows, how to cooperate in partnership between cooperatives and private companies, what are the obstacles in partnerships between cooperatives and private companies in Pasirjambu. While its use in research is as a contribution to cooperatives and private companies in carrying out development, as well as a contribution to ideas for cooperatives and private companies to look for obstacles in partnerships, while the research method carried out, namely normative jurisprudence, considering that this research is legal, while data, namely secondary, primary and tertiary data, also field data as support. In increasing competitiveness in the form of partnerships without definite legal rules, the relationship between the two parties has regressed and is uncertain. The implementation of partnerships, based on legal aspects that can provide justice, to empower small businesses, and cooperatives in national development, namely equal employment and business opportunities, income equality, growing and improving business capabilities, increasing competitiveness, increasing exports, equitable distribution of business ownership and strengthening the structure of the national economy. Through the national business partnership movement, all development actors together renew their determination to mobilize all potentials and strengths to accelerate the growth rate of a just Indonesian nation. Through this movement, the Indonesian nation is prepared to face the challenges and opportunities that open up in free trade.

1. Introduction

Pasir Jambu is the name of a village located in a hilly area with quite cold air with a heterogeneous population background. Most people make a living as farmers, traders, craftsmen, ranchers, private employees, professionals, and as private employees and have the status of Civil Servants. In general, the villagers have earned enough income are adequately educated, and have a fairly advanced outlook. However, there are still some of the population who are still lacking in terms of income and low level of education and still do not pay attention to the importance of education and the law. In Pasirjambu village there are 4 cooperatives, but only 2 are active PWRI cooperatives and Prosperous Cooperatives. The development of cooperatives in Pasirjambu is not very encouraging, this happens where the management and members are retired civil servants and are elderly.

In Pasirjambu village, the development of cooperatives until now is still dominated by savings and loan cooperatives, real sector cooperatives have not shown significant development, even though these cooperatives are expected to produce *large added value*. Real sector cooperatives that still survive and develop with all their limitations are the Prosperous Cooperative and PWRI Cooperative with a decreasing number of its members. Consumer cooperatives are still trying to survive even though their market share is getting eroded with modern supermarkets mushrooming. As a consequence, cooperatives that are still able to survive are savings and loan cooperatives.

Many cooperative development efforts have been made, and the Government in addition to reforms, in 2020 the government also began to modernize cooperatives. Cooperative actors try to survive by developing cooperative businesses towards large-scale cooperatives. Another effort was also made by the cooperative movement to organize the Third Cooperative Congress in Makassar in 2017 initiated by the Ministry of Cooperatives and SMEs, Dekopin and Ikopin. The Congress produced various agreements, but until now its implementation still needs to be effective, so that the results of the Congress can give color to the development of national cooperatives.

For the current development of cooperatives, partnership is an ideal concept in facing economic competition in this global era. This means that the strong can help the weak, and the weak can develop themselves. Article 33 Paragraph (1) UUD1945 states that the economy is structured as a joint effort based on the principle of kinship, The word drafted in the Article signals the need for an active role of the government and private sector in describing and implementing the values contained in the Article into normative values applicable in the national economic order. These normative values can be realized in the economy in the form of cooperative business entities. One of these principles can be realized and carry out the UUD1945 mandate in question using partnership.

In line with that, the launching of the National Business Partnership Movement in 1996 by the President of the Republic of Indonesia Suharto, was a strategic effort. This is to further spur the resilience of the national economy which is still facing gaps and anticipates increasingly fierce competition in the era of globalization. Through business partnerships between cooperatives and small businesses with large businesses, this movement should become a strategic alliance (Nanang Trenggono 2021). The partnership movement is called a strategic alliance because that is how the Indonesian nation can move and advance together in the globalization of the world economy. This strategy is also a movement of togetherness in building a national economy based on a people's economy, so that the breath of development and development results are not enjoyed by a group of people who are rich in capital, but that way can build togetherness with the aim of economic justice.

For the Indonesian people, by the mandate of UUD45, where the economic concept is based on the principle of kinship, partnership is needed, as well as a manifestation of Law No. 20 of 2008 concerning Micro, Small, and Medium Enterprises. So if viewed from the perspective of partnership in Indonesia, it can meet a condition, including:

- a. Empowering small businesses to reduce social inequality while promoting income equality.
- b. Strengthening the structure of the national economy in the face of globalization
- c. Encourage business linkages between large businesses and small businesses to increase the productivity and efficiency of both parties (Putra et al. 2022).

So business partnerships are developed between cooperatives and private companies by existing regulations, namely small, medium, and cooperative enterprises. Next is to grow a more robust and efficient national business structure to be able to master and develop the domestic market and at the same time increase global competitiveness. The impact of a broader partnership perspective is that various problems of inequality and poverty can gradually be overcome, along with the competitiveness of the national business world is also increasing (Irawan 2020). The meaning of partnership, if viewed further, is a concept where all aspects of economic actors eliminate jealousy and inequality in managing the economy.

The implementation of partnerships in Pasir Jambu Ciwidey village, Bandung, West Java between cooperatives and the private sector is quite potential considering the development of cooperatives here has been quite long, it can be seen from its existence and contribution both to members and the community. In this regard, cooperation between the private sector and Ciwidey cooperatives is necessary, considering regional conditions, namely agriculture, handicrafts, and home industry, with that condition, the development of cooperatives through partnerships is needed,

The partnership perspective as stated in PP No. 17 of 2013, is a reflection of the implementation of the mandate of Pancasila and UUD1945. For it reflects the

principle of kinship eliminates inequality, helps the weak, and removes jealousy between the strong and the weak. By the concept of partnership, where the parties trust each other, need each other, strengthen each other, and benefit each other. Below is shown how the response of both management and members of cooperatives in eliminating economic inequality through partnership cooperation

In line with the principle of kinship, in Cooperative Law No. 25 of 1992, Article 3 According to this Law, states that cooperatives aim to promote the welfare of members in particular and society in general and participate in building the national economic order to realize an advanced, just, and prosperous society based on Pancasila and the 1945 Constitution.

To encourage progress by the growth of cooperatives to have competitiveness in economic globalization, Article (1) of the general provisions of Government Regulation No. 17 of 2013 states: partnership is cooperation in business linkages, both direct and indirect, based on the principles of mutual need, mutual trust, mutual strengthening, and mutual benefit involving Micro Small Enterprises, and medium with large enterprises (Miskiah et al. 2022)

As outlined in the concept of Indonesia's economic development, known as the Development Trilogy which includes leveling development and its results towards creating social justice for all Indonesians, economic growth, and healthy and dynamic national stability, all three bind all existing economic actors. So, it is wrong to assume that the tasks of cooperatives are only to carry out equity, the private sector to carry out growth, and SOEs to carry out stability only (Adrian Sutedi and others 2023).

Both cooperatives, private and state-owned enterprises are obliged to carry out the development trilogy. It is wrong to view the ability of cooperatives only to display equity. In theory and reality, cooperatives can introduce economic awareness, able to mobilize economic resources (including human resources) that are still unused or underutilized into a productive force that fosters added value. Cooperatives as participatory economic movements combine small, fragmented potentials into greater common strengths and create synergies between economic actors.

2. Research Method

This research includes the type of literature research (*library research*); namely data and study materials that are included are used from literature sources, both in the form of books, encyclopedias, journals, magazines, newspapers, papers, and others. This form of research is descriptive with qualitative analysis. Therefore, the author can describe comprehensively how partnership cooperation agreements between cooperatives and private companies improve the economic competitiveness of the community. In this study, the author used two data sources related to this study optimally, namely data sources (*primary*) and secondary data sources. The primary sources for this study are books and scientific journals on cash waqf. While

other works of thought related to the Constitution on Partnership Agreements are positioned as supporters (*secondary*) in this study. This research has never existed before so the author needs to convey through this article related to the Partnership Cooperation Agreement between Cooperatives and Private Companies to improve the economic competitiveness of the community.

3. Results and Discussion

Partnership between cooperatives and private companies

The development of cooperatives in Pasirjambu village until now is still centered on one cooperative, namely savings and loans, real sector cooperatives have not shown significant development, even though this cooperative is expected to produce *large added value*. Real sector cooperatives that still survive and develop with all their limitations are the Prosperous Cooperative and PWRI Cooperative with a decreasing number of its members. Consumer cooperatives are still trying to survive even though their market share is getting eroded with modern supermarkets mushrooming. As a consequence, cooperatives that are leading both nationally are savings and loan cooperatives.

Many cooperative development efforts have been made, by the West Java Government, one of which is in Pasir Jambu village, then the local government has carried out reforms, and in 2020 the government also began to modernize cooperatives. Cooperative actors try to survive by developing cooperative business towards large-scale cooperatives. Another effort was also made by the cooperative movement to organize the Third Cooperative Congress in Makassar in 2017 initiated by the Ministry of Cooperatives and SMEs, Dekopin and Ikopin. The Congress produced various agreements, but until now its implementation still needs to be effective, so that the results of the Congress can give color to the development of national cooperatives.

In the course of the Indonesian economy, private companies play a role to move the wheels of development. This is evident in all aspects of business forms, the role of private companies is sufficient to provide growth and contribution in the economic sector. In line with its role, as a driver of economic growth and creating jobs, it is undeniable that the role of private companies is quite influential in economic growth.

Private companies by their role in encouraging economic growth, as well as rulers in market share, then private companies, it is natural that private companies participate in the development of Indonesian cooperatives. It must also be recognized that in line with the development of private companies, the success of national development, especially the economic development of the nation which is more than half a century old, cannot be denied or separated from the amount of contribution given by cooperatives.

In the history of Indonesian economic thought, cooperatives are the teachers of the Indonesian economy, in addition to State-Owned Enterprises (SOEs) and the

private sector. Cooperatives are the philosophy and outlook of the Indonesian nation "Pancasila" which is structurally and operationally described in the 1945 Constitution and GHBN(Sukardi and SH 2022).

The important role of cooperatives in supporting the success of national economic development has been so thickened and rooted in the soul of the entire Indonesian nation. This can be seen and clearly stated in the thoughts expressed and implied from ancient times to the present, especially in UUD1945 and the Cooperative Law. In this perception, cooperatives are expected to be able to build or form a figure of justice for the Indonesian nation, considering that this economic system is considered the most in line with the principle of joint business based on family principles (Kusumastuti and MM 2021).

However, many problems faced by cooperatives that are internal and external in turn have directly affected the performance of cooperatives encountered today. Many argue that after more than half a century of being given a place in the elaboration of Article 33 UUD1945 and GBHN, in the past, where cooperatives were the ideal economic system that the government has always promoted as the only form of business entity in the long run, in fact, faced with a structure in which cooperatives are even far behind in development and stability in the economic system when compared to private capitalism and SOE ethicism sector. In addition, two factors cause the entrepreneurial spirit of the Indonesian people to be low (Tambunan 2021)

First, sociocultural factors. The appreciation of Indonesian people for employers is relatively small when compared to workers. People still look down on small and medium entrepreneurs or entrepreneurs who are members of cooperatives. This results in the younger generation being reluctant to enter the world of entrepreneurship because it is only seen as a second-class group of society. Unwittingly, this condition has formed a weak mentality in the nation.

Second, is education. The Indonesian education system has not been able to fully support the formation of a society with a high entrepreneurial spirit. The Indonesian education system still produces workers and workers of factories and companies so that graduates or *output* produced by educational institutions cannot create jobs.

This condition is inseparable from the classic problem of cooperatives in Indonesia, where control as a branch of production that controls the lives of many people must be controlled by the state, while the branch of production that does not control the lives of many people is controlled by individuals or private individuals with individual characteristics(Elviandri, Dimyati, and Absori 2019), this is then the starting point of the problem is that cooperatives as private with collective characteristics will control which branch of production.

Private companies in Indonesia when viewed quantitatively are not comparable to the number of cooperatives, these companies are engaged in all sectors such as plantations, sector retail (household needs), industry, mining, banking, and transportation sectors. The potential development of companies

outside cooperatives should be able to encourage the improvement and strengthening of cooperatives economically, as an economic pillar, it is time for these companies and cooperatives to support each other, and move forward together. In terms of strength, private companies are far superior to cooperatives, this strength should have partners both in the fields of production, processing, and marketing and also participate in the ownership of capital.

The problem that arises is not easy to carry out the partnership, between cooperatives and private companies, private parties generally see what potential cooperatives have, whether business potential, products, or human resources, this is the problem in implementing partnerships between cooperatives and private companies, so there is an impression that arises that private companies in Indonesia to do partnerships without government support will experience obstacles, This is because private companies do not want to be burdened without mutual contributions to and profits from both private companies and cooperatives.

Cooperative development through partnerships (MANALU 2022) as regulated in PP No. 17 of 2013 Article 16 states: Large businesses that expand their business by franchising provides opportunities and prioritize micro enterprises, small enterprises, and medium enterprises that have the ability.

Furthermore, Article 17 states that micro enterprises, small enterprises, and medium enterprises will develop their businesses by implementing a business system through the marketing of goods and/or services that have proven successful and can be utilized and/or used by other parties, can partner with a franchise pattern as a franchisee.

In terms of cooperative development through general trade, as stipulated in Article 20 regulates as follows:

- (1) Business partnerships with general trade patterns, can be carried out in the form of marketing cooperation, providing business locations, or receiving supplies from micro, small enterprises, and medium enterprises by large businesses that are carried out openly
- (2) The fulfillment of the needs of goods and services needed by large or medium enterprises is carried out by indulging in the procurement of the production of small businesses or micro-enterprises as long as they meet the required quality standards for service goods.
- (3) Payment system arrangements in the form of general trade partnership cooperation as referred to in paragraph (1) shall be carried out without prejudice to either party.

About partnership in agencies, where large companies provide opportunities as stipulated in Article 21

- a. Large enterprises grant special rights to market goods and services to micro enterprises, small enterprises, and medium enterprises; or
- b. Medium enterprises give special rights to market goods and services to micro and small businesses.

To expand the network of cooperation with large companies, as well as provide opportunities for development in the form of joint ventures as stipulated in Article 25 PP No. 17 of 2013.

- (1) Local micro enterprises, small enterprises, or medium-sized enterprises in carrying out their business activities may enter into business partnerships with large foreign enterprises through a joint venture pattern by carrying out economic activities together with establishing new companies.
- (2) Micro enterprises and local small enterprises in carrying out their business activities can establish business partnerships with foreign medium enterprises through a joint venture pattern by carrying out joint economic activities by establishing new companies.
- (3) The establishment of a new company as referred to in Paragraph (1) and Paragraph (2) shall be carried out by the provisions of laws and regulations.

Further provisions as stipulated in Article 12 concerning partnership regulate the subject of:

- 1) Large businesses, medium enterprises and small businesses that implement partnerships have things to: Increase business efficiency in partnerships, Make it easy to do partnerships, Make Partnership Agreements; Cancel the bail agreement of one party renege.
- 2) Large enterprises and medium-sized enterprises that carry out partnerships have the right to know the partnership work of small business partners fostered.
- 3) Partnering small businesses have the right to obtain coaching and development from large and/or medium-sized business partners in one or more aspects of marketing, human resources, capital, management, and technology

This is where cooperation and a sense of kinship are needed without reducing the economic meaning in the business world, meaning that companies outside the cooperative, continue to run their shoulders as business actors, but behind that the principle of kinship in the application of the economic field without reducing the meaning of "business" that cooperatives must get attention from all parties in trying, in other words sitting equally low standing equally high, Advantages do not belong to a group of people.

Obstacles and Challenges in Cooperative Development

The title as a legal entity given by law to cooperatives should give a position to cooperatives as a business entity engaged in the economy to be stronger and have competitiveness compared to other business entities. The reason is that in Indonesia there are only 3 (three) types of business entities that are recognized as legal entities, namely, Cooperatives, Foundations, and Limited Liability Companies ((Suryokumoro and Ula 2020).

As a legal entity, a cooperative has its assets that are separate from the personal assets of its members or cooperative owners. Members as owners of cooperatives, only have limited liability amounting to their capital or savings in the cooperative. Only the cooperative itself as a whole bears the consent of third parties with whom it conducts trade relations. None of the cooperative members is accountable to the creditors (Banjarnahor, Sidabalok, and Suhardin 2022)

Such explanation is characteristic of the legal entity of the Cooperative, that is, the limited liability of its members. The members of the cooperative cannot suffer a loss of money greater than the amount deposited in the cooperative and expressly mentioned in the members' deposit register. The members of the cooperative are only responsible for the cooperative fully submit the amount of deposits stipulated in the articles of association of the cooperative (Bhinadi and Nasution 2022)

Hatta mentioned in his book (1987) entitled "Building Cooperatives and Building Cooperatives" ((Sundari, Asi, and Bilgies 2021) that it is to make our country a cooperative country in the sense of the word our country's economy based on cooperatives, or cooperatives are the pillars of the Indonesian economy. But because it's not easy, it's still a long-term goal. In the short term, our economy may not be based entirely on cooperatives, but what is necessary is that non-cooperative economic enterprises can improve the economic condition of the people and minimize the inequality of welfare among the people. In other words, business entities outside the cooperative (BUMN and Private) must have a social character. This means that SOEs and the Private Sector must also prioritize the interests of many people, not only the interests of themselves or groups.

It must be recognized that improving the competitiveness of cooperatives is a very complicated and dynamic planning process. In that process, movements and guidelines for action are needed that are directed to the future of both government agencies, the cooperative movement, and the community itself. According to Muslimin Nasution, cooperatives have strengths, among others (Miskiah et al. 2022)

- 1) Quantitatively, cooperatives have experienced rapid growth, since Pelita 1 until now.
- 2) Cooperative services are needed by the community, especially savings and loan cooperatives, employee cooperatives, and agricultural cooperatives.
- 3) various business opportunities in various business fields can be worked on by cooperatives.
- 4) Several cooperatives have a good reputation for providing services to the community. They can be used as role models for other cooperatives.
- 5) There are quite a lot of cadres and cooperative personnel who have high enthusiasm, determination, and dedication.

In addition to these strengths, Indonesia cooperatives have weaknesses which include (Purnamawati 2023)

- 1) In general, cooperatives do not have a clear vision, mission, and goals.

- 2) Inadequate insight, knowledge, skills, and professionalism of cooperative managers and employees; Leadership in cooperatives is less able to articulate, motivate, and stimulate others, especially members.
- 3) Such a wide and diverse area and field of cooperative activity is not supported by the availability of adequate resources, capabilities, and institutional development.
- 4) There is a lack of development efforts in the fields of organization, management, services, and activities, so that the growth of cooperatives towards maturity and independence is hampered. Weak capital development efforts and inadequate financial management and supervision systems.
- 5) Inadequate quality of services provided by cooperatives to members in particular and society in general.
- 6) Less attention is given to research, development, education, and training efforts directed at advancing the organization and creating innovation in services.
- 7) The duration of networking, coordination, and cooperation between cooperatives and government agencies as well as private institutions, especially business entities, both nationally and internationally.
- 8) The quality of service and reputation of cooperatives vary widely, from very poor to very good.
- 9) Inadequate promotional efforts.

Meanwhile, the opportunities for cooperatives to be able to compete and have competitiveness are as follows(Miskiah et al. 2022):

- 1) The increasing importance of the role of cooperatives in people's economic development.
- 2) Globalization encourages regional and international cooperation which in turn can be leveraged to strengthen cooperative capabilities
- 3) The use of the development of science and technology provides opportunities for cooperatives to improve their performance (improving management efficiency, service quality, marketing, and extending cooperation networks with cooperatives with other business entities.
- 4) Growing awareness of the importance of social development (*economic development is social development, social development is economic development*) provides meaningful challenges and opportunities for cooperatives.
- 5) Cooperative people still hope that cooperatives can still show their existence both now and in the future.

The threats owned by cooperatives are as follows:

- a. There is still an ongoing economic crisis that has hit the Indonesian nation in all aspects of life.
- b. Weak political will of the government to address the problems faced by cooperatives.

- c. There are still some rules in force with the inheritance of the new order.
- d. Many cooperatives were founded with insincere intentions.
- e. The weakening of the spirit of kinship and mutual aid in society.
- f. Various negative cases of cooperatives cause harm to the image of cooperatives in certain circles of society.

To achieve the goal of empowerment and development that has cooperative competitiveness, a set of means is needed, namely the strategy of empowerment and development of cooperatives. Through the implementation of the strategy in a directed and planned manner, it is hoped that cooperatives will grow and develop, so that later they can be relied upon and trusted as strong economic institutions, capable of self-sufficiency and independence.

The difference in the growth of the Private Sector, SOEs compared to cooperatives in the business sector, and the contribution of the national economy, is still low, this can be seen from the economic growth index, the contribution of cooperatives in this case is still low nationally not comparable to the number of cooperatives that exist today. Likewise, the results of products that can be enjoyed by the community, as well as cooperative members, seem to be still low, unable to meet the needs of both cooperative members and the community itself, and even the quality of cooperative products is still less competitive.

As a pillar of the Indonesian economy, cooperatives should be superior to the other two business entity sectors, or at least, be able to achieve balance. By sticking to the basic joints of cooperatives, idealism, and ideology, it must also be realized that cooperatives are not only spectators but must also come into play. In the game, the cooperative must gradually be able to influence the course of the game to finally master. So to achieve that, it is necessary to improve the performance of cooperatives both internally and to compete externally, so cooperatives can influence and direct the course of the economy.

The government is always late in giving attention and commitment to the development of cooperatives, even if there is a government commitment in this matter, but it has never been implemented continuously. For example, in the development and provision of capital and the development of skilled human resources. The government should be held accountable, like the capitalist countries whose cooperatives are developed. The experience of developed cooperative countries can be taken as a comparison to be used as an example for building cooperatives in Indonesia. Currently, there is an impression from the government (DEPKOP) just to foster and develop cooperatives, so as not to say that the Indonesian economic system is not based on UUD1945.

The political and economic situation that affects the development of cooperatives in the Indonesian economic system is more pressing than supportive. Similarly, the government's political will in cooperative development is still ambiguous ((Kumorotomo and Purbokusumo 2020). If this situation until now, it still feels that the government has never seriously dealt with cooperatives, even

though Indonesia has a Cooperative Department that has the task of managing and encouraging Indonesian cooperatives to develop (Khairi 2021).

On the other hand, its Capital and Incentive Packages, which are bureaucratized and regulated, show that the priority service of industrial development has also received great attention. Although the industrial sector, especially modern industry, is not explicitly stated as having a high priority, the Investment Law and its incentives, debureaucratization and deregulation, indicate the existence of high priority services in the industrialization process.

As described above, there are many factors that cause why until now cooperatives have not been able to make themselves function as they should. Many things affect, the government's commitment must be consistent as stipulated in the UUD1945. However, if the Indonesian nation is consistent with its commitment UUD1945 Article 33, the government should provide clear and firm political will. Clarity and firmness provide space and place for cooperatives to be able to compete with other forms of business.

Although some cooperatives show achievements to be proud of, weaknesses on the one hand and challenges on the other are still found. It can also affect the competitiveness of cooperatives in running their business. The basic weakness of cooperatives is the lack of strong relationship between members and their cooperatives. This is the main reason that the organization of hurus activities is directed towards the formation of popular sovereignty. Meanwhile, some cooperative members have a low level of education and the economic potential of members is generally limited. Because it is quite a big obstacle faced by most small entrepreneurs and medium entrepreneurs in general and cooperatives.

While various internal factors still need to be corrected, the cooperative will inevitably enter the third milenium period. This period is marked by the process of globalization which makes the process of interaction between economic actors more transparent. There is nothing else to hide, except for a small part of things that have not been properly telecommunicated. The era is in the form of a free trade era that demands adjustment from every economic actor, including cooperatives.

In order for the competitiveness of cooperatives to be competitive with other companies, this position must be faced by improving cooperative management with a clearer formulation of the vision for cooperative development, namely improving the people's economy as best as possible by increasing their participation in driving the people's economy(Madiistriyatno, Rekarti, and Sularno 2023). It is also expected that there will be support in the form of various cooperative development policies, small and medium entrepreneurs who are more open, oriented to macro operations, and utilization of local product resources accompanied by effective business strategies. The focus of coaching that can be done, one of which is in the form of increasing cooperative human resources in managing cooperatives by utilizing internal factors.

Various efforts that have been made by the government in this reform era are directed to encourage the emergence of excellence in the cooperatives concerned. For example, the opening of business areas and cooperative membership means that cooperatives have a great opportunity to change their management mindset. Meanwhile, there are thousands of community groups that have been fostered by other agencies or departments that are also ready to form cooperatives through institutions that obtain legal entities quickly and satisfactorily.

In the conducive climate created by the government as it is today, the formation of cooperatives is not a difficult step to take. In order for the development of the cooperative to remain directed to make it a professional business entity and at the same time stick to its identity, the ease of forming the cooperative must be followed by consideration in terms of business feasibility and the institution (Kusumastuti and MM 2021).

The role of all components of economic actors must contribute to the development of Indonesian cooperatives. Legally, the position of cooperatives in the economic system of the Indonesian nation has given its place and role in developing the Indonesian economy. As a system and teacher of the Indonesian economy, the government should consistently provide economic support without any element of political interest, because cooperatives cannot be run only by people who do not have human resources, but cooperatives are time to be able to carry out their mission in line with other economic actors.

4. Conclusion

Partnership cooperation between cooperatives and private companies In accordance with the mandate of Constitution 45 Article 33, Cooperatives, SOEs and the private sector in accordance with their role in encouraging economic growth, as well as the ruler in market share, then private companies, it is natural that private companies participate in being responsible for the development of Indonesian cooperatives. It must also be recognized that in line with the development of private companies, the success of national development, especially the economic development of the nation which is more than half a century old, cannot be denied or separated from the amount of contribution given by cooperatives.

Obstacles and challenges in cooperative development. In order for the competitiveness of cooperatives to be competitive with other companies, this position must be faced by improving cooperative management with a clearer formulation of the vision of cooperative development, which is to improve as best as possible the people's economy by increasing their participation in driving the people's economy¹. It is also expected that there will be support in the form of various cooperative development policies, small and medium entrepreneurs who are more open, oriented to macro operations, and utilization of local product resources accompanied by effective business strategies. The focus of coaching that can be done,

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