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Implementation of the Merah Putih Village Cooperative (KDMP) in the Perspective of Public Policy in Pandean Village, Trenggalek Regency

Ely Via Bustanul Nur Halisha[1], Laily Purnawati[2]

Public Administration Study Program, Faculty of Social and Political Sciences, Tulungagung University

bustanulnew48@gmail.com, lailypurnawati@gmail.com

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Abstract:

The Merah Putih Village Cooperative (KDMP) is a government strategic program to strengthen the village economy through cooperatives as the center of community economic activities. This study aims to describe and analyze the implementation of the KDMP policy in Pandean Village, Durenan District, Trenggalek Regency, as well as identify factors that affect the success and obstacles to its implementation. The research uses a qualitative descriptive method with d ata collection techniques in the form of interviews, observations, and documentation. The data was analyzed using the theory of program implementation suitability from David C. Korten, which includes the suitability between programs and users, programs wit h implementing organizations, and beneficiary groups with implementing organizations. The results of the study show that the physical construction of KDMP Pandean Village has been completed and is classified as the fastest and most magnificent compared to other villages in Trenggalek Regency, the organizational structure and legality of management have been formed, and the community provides support and great expectations for the existence of cooperatives. However, the implementation of the program has not been running optimally because cooperatives have not been actively operating due to the lack of clarity on operational directions and filling of business facilities from the central government. This study recommends that the central government immediately issue technical guidelines for KDMP operations so that the benefits of the program can be immediately felt by the community.

Keywords:
Public Policy, Policy Implementation, Merah Putih Village Cooperative

Author Correspondence:

(Ely Via Bustanul Nur Halisha, Public Administration Study Program, Faculty of Social and Political Sciences Tulungagung University)
Email: bustanulnew48@gmail.com

Introduction

In realizing the equitable distribution of community welfare, Indonesia's economic development needs to be encouraged from the village base. Villages are no longer positioned solely as objects of development, but also as subjects that have great potential to drive the national economy (Agus Sutisna, n.d.). Cooperatives are one of the main instruments to strengthen the economy of village communities because they prioritize the principles of togetherness, justice, and economic independence so that they have a strategic role in improving the welfare of village communities in a sustainable manner (Afrianto et al., n.d.).

The government continues to encourage the strengthening of village cooperatives through the development of the Merah Putih Village Cooperative (KDMP) as part of the village-based economic development strategy. This program is one of the national development agendas encouraged by President Prabowo Subianto, with an emphasis on the importance of village economic independence as the foundation of national economic resilience (Fatimatuzzahro et al., n.d.). Through this policy, village cooperatives are directed not only to function as savings and loan institutions, but also as centers of village economic activities that are able to provide various community needs.

KDMP is expected to be a solution to the dominance of modern retail that is increasingly growing in rural areas. The presence of modern retailers such as Alfamart and Indomaret brings significant changes in the consumption patterns of rural communities (Elim et al., n.d.). With modern management systems, extensive distribution networks, and technological support, modern markets are able to offer competitive prices and better services so that village cooperatives face great challenges in maintaining their existence (Science and Social Humanities et al., 2023).

Normatively, cooperatives have an important position in the Indonesian economic system as affirmed in Law Number 25 of 1992 concerning Cooperatives, which calls cooperatives the teachers of the national economy (Amren et al., 2024). However, in practice, the role of cooperatives is still not optimal. Data from the Central Statistics Agency (2023) shows that the contribution of cooperatives to Gross Domestic Product (GDP) is still relatively small, which is around ±5%, and not all cooperatives are actively

running their businesses, so there is a gap between the ideal role of cooperatives as a pillar of the people's economy and real conditions on the ground (Maulana et al., n.d.).

This problem is reflected in the real condition of KDMP in Pandean Village, Trenggalek Regency. Based on the results of field observations, this cooperative is not yet operational and goods are not yet available, even though President Prabowo Subianto has inaugurated the Red and White Cooperative in Nganjuk Regency, East Java, on Saturday, May 16, 2026, which was also attended by the Regent of Trenggalek Mochamad Nur Arifin. Unlike other village cooperatives that have run various business units, the Pandean Village KDMP even though it has been administratively formed and the building has been completed, has not carried out business activities that provide economic benefits to the community.

The lack of operation of cooperatives is influenced by several things, such as limited capital, human resources (HR) managers, and the absence of mature business planning. This condition shows that cooperatives are still in the stage of institutional strengthening before they can carry out economic and service functions for the village community. From a public policy perspective, this shows that the implementation of the KDMP program has not been running optimally. Based on this background, this research is focused on two questions: how to implement the KDMP policy in Pandean Village, Trenggalek Regency, and what are the inhibiting factors in its implementation and management. This study aims to describe and analyze the implementation of the program and identify the factors that affect its success and obstacles, with the hope of making an academic contribution to the development of public policy implementation studies in the field of cooperatives as well as becoming a practical consideration for local governments in optimizing the implementation of KDMP.

Public Policy

Etymologically, the term policy comes from the Greek word polis which means country or city, which was then absorbed into Latin to politia and English to policie, which is related to the control of public affairs or government administration. Meanwhile, the word public comes from the Latin publicus which means public or common property. From these two terms, public policy can be understood as a guideline made by the government to carry out community life. Thomas R. Dye (1992) in (Budget, 2014) defines public policy as everything that the government chooses to do or not to do; both remain government actions that have a purpose. Kristianti added that public policy is an

interconnected strategic decision taken by the government to overcome public problems (Kristian, 2023). The success of a public policy can be seen from several dimensions, namely the achievement of policy goals, the efficiency of resource use, fair treatment of all parties, the socio-economic impact caused, the level of community participation, and the sustainability of the policy itself (Saputro et al., 2022).

Policy Implementation

Policy implementation is a process that connects established policies with concrete actions to achieve desired goals, the success of which is influenced by communication, resources, disposition, and bureaucratic structure (Edward III). Donald S. Van Meter and Carl E. Van Horn emphasized that policy implementation is the actions taken by individuals or groups, both government and private, that are directed to achieve the goals that have been set in a policy (Akbar et al., 2025), with five interrelated variables, namely policy standards and objectives, resources, inter-agency communication, characteristics of implementing organizations, and social and economic environmental conditions. Several other models of implementation theory also enrich this study, including Mazmanian and Sabatier models which highlight the characteristics of problems, clarity of policy content, and environmental factors (Sabatier et al., 2017); Merilee S. Grindle's model that divides the success of implementation into the content of policy and the context of implementation; as well as a top-down approach that emphasizes the implementation of compliance with the instructions that have been designed centrally. Based on these various opinions, implementation can be concluded as the implementation carried out by individuals and groups according to the planning that has been made to achieve the predetermined goals.

The success of policy implementation ultimately comes down to the quality of public services felt by the community. Public services are activities to meet the needs of services for the community in accordance with applicable laws and regulations, both in the form of goods, services, and administrative services, which are the responsibility of government agencies (Dwimawanti, n.d.; Law No. 25 of 2009). The purpose of public services is to provide quality services to meet basic needs and improve the welfare of the community as a whole, through fast, precise, and fair services (Dwiyanto, 2011;

Sinambela, 2010), with consistent, transparent, and accountable service standards as a reference.

Merah Putih Village Cooperative Program (KDMP)

KDMP is a strategic government program that aims to strengthen the village economy through the development of cooperatives as the center of community economic activities, as well as encourage village independence by utilizing local potential in the fields of agriculture, trade, and micro, small, and medium enterprises (MSMEs). In its implementation, KDMP is developed as a multi-business cooperative that includes basic food services, fertilizer distribution, savings and loans, health services, and the provision of energy needs such as gas, so that cooperatives can become integrated service centers in the village. In addition, KDMP is directed to be a link between producers and markets so that local products can be marketed more widely and competitively. From an institutional perspective, KDMP is managed by village communities as members of cooperatives with a participatory and democratic system, while the government plays a role as a facilitator who provides policy support, coaching, and mentoring.

Previous Research

Zainal Muksin et al.'s research on the implementation of village road infrastructure development policies using the Van Meter and Van Horn models found that the success of implementation is greatly influenced by communication, resources, and coordination between institutions; the research is relevant because it uses the same theoretical framework, although it focuses on the infrastructure sector, while this research focuses on the economic sector and village public services. Agus Dwiyanto's (2002) research on public service reform in Indonesia shows that the quality of public services is still influenced by the low professionalism of the apparatus and the weak bureaucratic system, which is relevant to the importance of the quality of human resources in supporting the success of village cooperative programs. The research of Rina Mulyana et al. (2025) on cooperative management in Indonesia found that the low quality of human resources and limited capital are the main factors inhibiting the development of cooperatives; The study discusses cooperatives in general, while this study examines one specific case, namely KDMP in Pandean Village, Trenggalek, from the perspective of public policy implementation.

Methodology

This study uses a qualitative descriptive approach, which is research carried out to obtain descriptive data in the form of written and spoken words from information and activities observed in the field (Haryanti & Indarti, 2022). This approach was chosen because the researcher intends to analyze and explain why the KDMP program in Pandean Village has not run optimally, by referring to communication factors, resources, implementing disposition, and bureaucratic structure as stated by Van Meter and Van Horn. The focus of the research is directed at the implementation of the program and its inhibiting and supporting factors, with the research location in Pandean Village, Durenan District, Trenggalek Regency, which was chosen because it is the location of the KDMP implementation with the fastest and most magnificent physical development compared to other villages in the district.

The data used is in the form of qualitative data that includes overview, information, theory, and previous research, which is sourced from primary data and secondary data. Primary data was obtained through direct interviews with the village head and the management and employees of the Pandean Village KDMP, while secondary data was obtained from documents, archives, and related references. The research instruments included interview guidelines, observation sheets, and documentation sheets. Data collection techniques were carried out through interviews, direct observation of the location and facilities of the cooperative, as well as documentation of records and archives related to the implementation of the program.

Data analysis follows the Miles and Huberman model in (Sugiyono, 2023) which consists of data reduction, data presentation, and conclusion drawn. Data reduction is carried out by selecting and simplifying information that is relevant to the focus of the research; the presentation of data is systematically arranged so that it is easy to understand; and conclusion drawing is carried out by interpreting the data that has been analyzed to obtain research findings. The validity of the data is tested through triangulation, which is comparing data from interviews, observations, and documentation from various informants, as well as member check, which is reconfirming the data obtained to the source to ensure its suitability with the actual conditions (Sugiyono, 2023).

Result and discussion

The Pandean Village KDMP is located on Highway No. 1, Pandean Village, Durenan District, Trenggalek Regency. The program planning was initiated in mid-October 2025 and construction began in January 2026. Based on the results of the field survey, the construction of the Pandean Village KDMP took place very quickly compared to other villages in Trenggalek Regency. The Head of Pandean Village, Mr. Warno, emphasized that the Durenan KDMP is one of the three best cooperatives in Trenggalek Regency, and the village government provides full support for the implementation of the program. This is evidenced by the cooperative buildings that have been established and ready to operate, while in several other villages the construction of similar cooperatives has even stopped in the middle of the road. However, until now there has been no clarity from the central government regarding the filling of business facilities and the operation of cooperatives so that they can run immediately.



Figure 1. Cooperative Building of Merah Putih Village Pandean Village

Program Implementation Conformity Analysis

Referring to the Program Implementation Theory from David C. Korten in (Tarigan, 2008), the success of a program can be seen from three elements of conformity, namely the conformity between the program and the utilizers, the conformity between the program and the implementing organization, and the conformity between the beneficiary group and the implementing organization. The three elements are used to analyze the implementation of KDMP in Pandean Village as follows.

1. Compatibility between the Program and the Utilizer. The KDMP program in Pandean Village has basically been in accordance with the needs of the community as a means of village economic turnaround. The community has high hopes that the existence of cooperatives can support the village economy, expand access to capital, and improve the welfare of residents. However, even though the physical development has been completed and the community is ready with the products to be marketed, the central government has not provided clarity regarding its operation. The slow and convoluted bureaucratic process is the cause of the suitability between the program and its use cannot be felt immediately, thus causing disappointment among the community and the village government who are ready to welcome the presence of KDMP.
2. Compatibility between the Program and the Implementing Organization. The implementation of the Pandean Village KDMP shows a fairly good readiness, as evidenced by the buildings that have been completed earlier than other villages in Trenggalek Regency. The village head stated that the organizational structure has been formed, legality has been fulfilled, and the management has received briefing and training from the government. This condition shows the compatibility between the program and the implementing organization. However, the readiness of the organization has not been realized in real activities because it is still waiting for directions regarding the operational mechanism, type of business, and program management from the central government.
3. Compatibility between the Beneficiary Group and the Implementing Organization. The relationship between the community as a beneficiary group and the cooperative management is quite well established. The people of Pandean Village support the existence of KDMP and have high hopes for the benefits that will be obtained, and some have even begun to think about business ideas to be carried out. The cooperative management has also carried out socialization and institutional preparation through various community activities at the Village Hall, such as meetings of PKK women and immunization activities. However, because the cooperative has not yet operated, interaction in the form of services and program utilization has not been able to take place optimally, so that the compatibility between the beneficiary group and the implementing organization has only been achieved at the preparation stage, not yet at the stage of implementation and utilization of the program.



Figure 2. Researcher Interview with the Village Head

Overall, the three elements of conformity in the David C. Korten model have begun to form in the implementation of KDMP in Pandean Village, but external obstacles, namely the absence of clear operational direction from the central government, are the main factors that make the benefits of the program not yet tangible to be felt by the community. These findings are in line with the view of Van Meter and Van Horn that the success of policy implementation is not only determined by the readiness of implementers at the local level, but also by communication and coordination factors between institutions, in this case between the village government and the central government.

Conclusion

Based on the analysis with David C. Korten's Program Implementation Theory, the implementation of KDMP in Pandean Village shows that three elements of conformity have begun to be formed: the program is in accordance with the needs of the community, the implementing organization is ready to carry out its duties, and the community supports the existence of cooperatives. However, the implementation has not run optimally due to external factors in the form of dependence on instructions and instructions from the central government, so that the cooperative is still in the preparation stage and the benefits of the program have not been realized by the community. Thus, the main obstacle to implementation does not lie in the readiness of the village and cooperative management, but in the absence of clear operational direction from the central government.

Based on these findings, this study recommends that the central government immediately issue clear technical instructions and operational directions related to the

implementation of KDMP, so that cooperatives that have been formed and ready to carry out activities can operate immediately. The local government is expected to continue to provide assistance and increase the capacity of the management through training and coaching, while cooperative management needs to prepare institutional, administrative, and business planning aspects so that they are ready to run the program when the operational policy has been determined. The community is also expected to actively participate in supporting the existence of cooperatives as a means of village economic empowerment, so that with the synergy between the central government, local governments, cooperative administrators, and the community, the implementation of KDMP in Pandean Village can run optimally and provide real benefits for improving community welfare.

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Disclosure statement

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