



Governance Values of Koperasi Desa Merah Putih: Reconstructing Tan Malaka's Thought

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Article Info

Article history:

Received : March 25th, 2026

Revised : May 30th, 2026

Accepted : June 12th, 2026

Published : June 18th, 2026

Published by:



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ABSTRACT

This article reconstructs the governance values of Koperasi Desa/Kelurahan Merah Putih through Tan Malaka's economic thought, particularly the cooperative ideas articulated in GERPOLEK. Using qualitative document analysis and conceptual reconstruction, the study compares Tan Malaka's ideas on production, distribution, collective capital, organization, education, leadership, mutual cooperation, and people's welfare with the contemporary institutional orientation of village cooperatives. The analysis identifies nine interrelated values: economic sovereignty, production orientation, community control over distribution, collective financing, organizational discipline, member education, integrity-based leadership, solidarity, and welfare orientation. These values indicate that village cooperatives should not be reduced to administrative units or retail intermediaries. They should operate as member-controlled productive institutions integrating local resources, markets, financing, learning, and accountability. The reconstructed framework links Indonesian political-economic thought with contemporary cooperative governance and provides a normative basis for strengthening institutional autonomy, substantive participation, and sustainable village economic development.

Keywords: Cooperative governance; Koperasi Desa Merah Putih; people's economy; Tan Malaka; Village development.

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1. Introduction

Koperasi Desa/Kelurahan Merah Putih (KDMP) is positioned as an instrument for strengthening village economies through institutions owned and controlled by their members. Its policy direction includes developing businesses based on local potential, shortening distribution chains, expanding access to financing, strengthening food security, and building sustainable village economic ecosystems. Such objectives resonate with the community-development role of cooperatives, which can retain economic and institutional benefits within local areas [1]. They also correspond to Indonesia's broader transition toward participatory village governance, although formal participation remains shaped by unequal social relations and institutional capacity [2], [3].

Cooperatives differ from investor-owned enterprises because control rights and economic benefits are attached to members as users. This distinctiveness creates a dual objective: maintaining business viability while protecting member democracy. Cooperative governance therefore confronts persistent tensions involving business efficiency, democratic control, managerial authority, and collective identity [4]. Increasing diversity of member interests may also raise governance costs when cooperatives expand activities without clearly defined mission boundaries [5]. Strengthening KDMP consequently requires a value framework that is not merely legal-administrative, but also capable of safeguarding organizational purpose, identity, and member sovereignty.

The regulatory framework for KDMP provides a basis for institutional development, business development, reporting, capacity building, monitoring, and information systems. Nevertheless, regulation primarily answers what should be established and how the organization should be supervised. It does not always adequately explain why village cooperatives should be developed as institutions of the people's economy, which social relations should be preserved, and what values should constrain government intervention and business expansion. This philosophical gap risks reducing cooperatives to extensions of administrative projects rather than economic organizations rooted in the collective interests and capacities of communities.

Tan Malaka's thought offers an entry point for addressing this gap. In GERPOLEK, cooperatives are not viewed merely as trading organizations but as economic weapons in the struggle to build the people's independence [6]. Production is positioned as the foundation, distribution must be controlled by the people, capital is accumulated collectively, and organizations require discipline, administration, leadership, and member education. He states: "The first purpose of a cooperative is to obtain the lowest possible prices for its members. The smallest possible profit that is obtained may be used to enlarge the organization itself" [6]. The statement presents a philosophical critique of managing economic organizations around profit accumulation. Profit is not the ultimate objective, but a limited surplus to be reinvested in organizational capacity and collective benefit.

Contemporary studies reinforce several elements of this position. Member participation, board quality, vertical integration, and collective action affect the performance of Indonesian cooperatives [7]. Cooperative membership may also be associated with improved yields and production efficiency when organizations provide producers with relevant access, coordination, and support [8], [9]. At the village level, however, participation cannot be ensured merely by providing formal forums. Dialogue, trust, commitment, and shared understanding are necessary for collaborative governance [3]. Member education and integrity-based leadership are therefore prerequisites for preventing cooperative democracy from becoming a formality.

This article reconstructs KDMP governance values based on Tan Malaka's cooperative thought. It asks which values can be derived from that thought, how those values can be mapped onto KDMP governance needs, and what governance framework can be formulated. Its contribution lies in developing a model grounded in Indonesian political-economic thought that connects production, distribution, financing, organization, education, leadership, solidarity, and welfare. The study is limited to a conceptual reconstruction of GERPOLEK and KDMP policy documents; it does not assess the empirical performance of a specific cooperative.

2. Theoretical Background

2.1. Cooperatives as Collective Economic Institutions

Cooperatives are collective economic institutions in which members simultaneously occupy the positions of owners, users, and beneficiaries. This structure produces governance requirements that cannot be adequately explained by investor-centered corporate theories. Rather than eliminating tensions between social and economic objectives, cooperative governance must manage them through participation, accountability, professional management, and protection of the cooperative's collective purpose [4]. From a community-development perspective, cooperatives can reduce producer fragmentation, strengthen bargaining positions, and coordinate access to inputs, financing, processing, and markets [1]. Evidence of improved yields and efficiency among agricultural cooperative members indicates that collective action can generate productive benefits when supported by appropriate services and governance [8], [9].

2.2. Production, Distribution, and Capital in Tan Malaka's Thought

In GERPOLEK, production constitutes the foundation of cooperative strength [6]. A cooperative that stops at buying and selling may remain dependent on producers, wholesalers, and capital owners outside the community. A production cooperative, by contrast, organizes resources, labor, processing, and value addition. This orientation places productivity and independence at the center of strategy rather than transaction volume alone. Control over distribution complements the production orientation. The people's output may remain subject to exploitation when marketing, logistics, and price-setting are controlled by external intermediaries. Production, storage, transportation, and marketing should therefore be viewed as one value chain. Collective capital reduces dependence on

moneylenders or forms of financing that dominate organizational decisions. External financing is not rejected, but it should strengthen member capacity without taking control of the cooperative.

2.3. Organization, Education, and Leadership

Tan Malaka links cooperatives with administration, discipline, division of responsibilities, leadership, and popular education [6]. This perspective rejects the romanticization of mutual cooperation without organizational capacity. Solidarity requires rules, recordkeeping, accountability, and conflict-management mechanisms. Empirical work on Indonesian cooperatives likewise demonstrates the importance of participation, board quality, vertical integration, and collective action [7]. Member education has both economic and civic functions. Through cooperatives, members learn decision-making, report interpretation, supervision, and responsibility for shared resources. Cooperative participation can also generate learning about collective work, alternative production practices, food security, and social inclusion [10]. Education is therefore not an additional activity, but an infrastructure of cooperative democracy.

2.4. KDMP Governance and Value Reconstruction

KDMP is intended to strengthen village economies, develop businesses based on local potential, shorten distribution chains, expand financing, and support food security [11]–[14]. Its business scope may include basic-needs trading, agricultural processing, production inputs, warehousing, logistics, services, and other productive activities. The breadth of this scope requires clear mission boundaries so that cooperatives are not drawn into diversification unrelated to member needs [5]. The reconstruction proposed in this study treats Tan Malaka's thought as a normative source rather than a historical formula to be mechanically applied. Its criteria are that cooperative activity should strengthen the people's production, preserve member control, build organizational capacity, and advance collective welfare.

3. Method

3.1. Research Design

This study employs a qualitative approach combining document analysis and conceptual reconstruction. Document analysis was selected because the principal objects are intellectual texts and policy documents. It involves the systematic review and evaluation of written materials to generate meaning, understanding, and knowledge [15]. Conceptual reconstruction connects ideas produced in a historical context with contemporary governance problems without treating the two contexts as identical. The study is conceptual rather than an empirical test. Its contribution is developed through the synthesis and adaptation of concepts to address a clearly defined theoretical problem [16]. A methodological literature review was also used to organize and synthesize relevant knowledge transparently [17].

3.2. Data Sources

The primary source is GERPOLEK by Tan Malaka, particularly the section discussing economic warfare and cooperatives [6]. Supporting works by Tan Malaka include Madilog and Naar de Republik Indonesia [18], [19]. Policy sources comprise Undang-Undang Nomor 25 Tahun 1992 tentang Perkoperasian, Undang-Undang Nomor 6 Tahun 2014 tentang Desa, Instruksi Presiden Nomor 9 Tahun 2025, and Peraturan Menteri Koperasi Nomor 2 Tahun 2025 [11]–[14]. Academic literature on cooperative governance, participation, community development, production, and conceptual methodology serves as secondary material.

3.3. Analytical Procedure

The analysis proceeded in four stages. First, units of ideas in GERPOLEK were identified according to production, distribution, capital, organization, education, leadership, solidarity, and cooperative purpose. Second, these units were coded into governance-value categories. Third, the categories were mapped onto the objectives,

business fields, and governance dimensions of KDMP. Fourth, relationships among categories were organized into a normative framework explaining the foundations, processes, and outcomes of cooperative governance.

Argumentative validity was maintained through conceptual triangulation among primary sources, policy documents, and cooperative-governance literature. The study does not claim that the resulting categories constitute the only possible interpretation of Tan Malaka. They should be read as an analytical reconstruction developed for contemporary governance needs.

4. Results and Discussion

4.1. Reconstructed Governance Values

The analysis produced nine interrelated values. They do not constitute an abstract moral list; instead, they form an institutional sequence extending from purpose and economic activity to organizational mechanisms and social outcomes. Tan Malaka's declaration that "A cooperative is a powerful economic weapon, equal in weight to political weapons as well as the carbine and grenade in the hands of a guerrilla" places cooperatives at a strategic level equivalent to political and military instruments of struggle [6]. In reconstructed form, this metaphor describes an institution that organizes the people's material power through production, distribution, capital, discipline, and solidarity.

Table 1. Reconstruction of Tan Malaka's cooperative values for KDMP governance

No.	Value	Reconstructed meaning	Implications for KDMP
1	Economic sovereignty	Strengthening the people's control over economic resources.	Evaluate business policies and partnerships by their effects on member autonomy.
2	Production orientation	Cooperative strength begins with producing and processing goods or services.	Prioritize productive businesses based on local potential and value addition.
3	Community-controlled distribution	Marketing and logistics should prevent value capture by external intermediaries.	Integrate production, warehousing, logistics, marketing, and price information.
4	Collective capital	Financing should strengthen members and reduce exploitative dependency.	Use member savings, transparent financing, and limits on external-capital dependence.
5	Organizational discipline	Solidarity requires administration, division of responsibility, and accountability.	Apply procedures, reporting, audits, supervision, and internal controls.
6	Member education	The cooperative is a space for economic, organizational, and civic learning.	Provide financial literacy, member-rights education, and business-capacity development.
7	Integrity-based leadership	Leaders should understand economics, remain close to members, and be trustworthy.	Use competency selection, conflict declarations, evaluation, and limits on authority.
8	Mutual cooperation	Production, capital, risk, and benefits are managed collectively.	Ensure substantive participation, member cooperation, and conflict-resolution mechanisms.
9	People's welfare	The ultimate objective is member benefit rather than organizational profit accumulation.	Measure income, market access, food security, affordability, and inclusion.

4.2. Internal and External Orientations of Cooperative Governance

Tan Malaka's two statements form an important conceptual pair. The statement concerning the lowest possible prices affirms the cooperative's internal orientation: protecting members from economic burdens and using surplus primarily to expand organizational capacity. The statement describing the cooperative as a powerful economic weapon affirms its external orientation: building the people's bargaining power in relation to dominant economic structures [6]. Both reject a governance model that measures success solely through profit.

Within KDMP, success should therefore be assessed through price affordability for members, organizational strengthening, retention of value added within the village, expanded member control, and greater community economic independence. Economic sovereignty does not imply isolation from markets, government, or external capital. It requires that relations with external actors be determined through member decisions and evaluated according to their contribution to local capacity.

4.3. Production and Distribution as the Core Mission

The production orientation distinguishes this reconstruction from cooperative models that function only as stores or program distributors. Trading in basic necessities may provide an important service, but it does not necessarily create productive capacity. KDMP needs to identify commodities, services, knowledge, and networks that enable members to increase productivity and value added. Evidence linking cooperative membership with production outcomes and efficiency supports this priority [8], [9].

Production must be linked to distribution. Without marketing contracts, price information, storage, processing, and logistics, increased production may generate local oversupply or deepen dependence on intermediaries. Vertical integration is therefore relevant to cooperative performance [7]. However, integration should be pursued gradually and according to member needs so that it does not create an excessively complex organization.

4.4. Democratic Governance and Professional Management

Tan Malaka's reconstructed framework does not oppose member democracy and professionalism. Organizational discipline, administration, and division of responsibilities are precisely what enable collective ownership to function. Managerial authority must be sufficiently strong to operate the business, yet remain limited by mandate, transparency, and member evaluation [4].

Member meetings constitute a core mechanism, but their quality depends on information and capacity. Members who do not understand reports, risks, and business models will find it difficult to exercise control. Member education should therefore be included in budgets and work plans rather than treated as a ceremonial activity. Integrity should likewise be institutionalized through conflict-of-interest declarations, term limits, audits, complaint channels, and performance evaluation

4.5. Inclusion, State Support, and Practical Implications

Participation should be assessed substantively because participatory forums may reproduce inequalities of voice [2]. KDMP needs to ensure the involvement of women, small producers, informal workers, youth, and poor groups in access to membership, services, and decision-making. Dialogue, trust, commitment, and shared understanding are important for managing conflicts arising from diverse interests [3].

State support can strengthen KDMP through infrastructure, legal certainty, financing, and capacity development. It should nevertheless remain enabling rather than substituting for member deliberation. The reconstructed framework can be operationalized through evaluation indicators covering member-based core activities, a clear value chain, transparent financing, regular education, conflict-of-interest mechanisms, participation by vulnerable groups, and measurable member benefits

5. Conclusion

The reconstruction of Tan Malaka's thought produces nine governance values relevant to Koperasi Desa/Kelurahan Merah Putih: economic sovereignty, production orientation, community control over distribution,

collective capital, organizational discipline, member education, integrity-based leadership, mutual cooperation, and welfare. These values form a three-layer framework connecting normative foundations, economic architecture, and institutional capacity. The framework affirms that KDMP should not remain merely a legal entity, administrative unit, or trading intermediary. It needs to become a member-controlled productive institution that integrates local resources with processing and distribution while building organizational capacity through education and accountability. Government support, financing, and digitalization can strengthen cooperatives as long as they do not replace member control or create new dependencies. This study contributes by using Indonesian political-economic thought to formulate contemporary cooperative governance. Because the framework is conceptual, it requires empirical testing across KDMP organizations with different regional characteristics and business activities. Future research should develop operational indicators for substantive participation, local value added, distribution-chain integration, leadership quality, and the distribution of benefits to members.

Acknowledgments

The authors acknowledge the institutions and individuals who facilitated access to relevant documents and scholarly discussions. This statement should be revised to reflect actual contributions.

Funding Information

No funding involved in this research.

Author Contributions Statement

Author 1 conceptualization, methodology, formal analysis, and original draft preparation. Author 2 validation, literature review, and editing. Author 3 literature review, and editing.

Conflict of Interest Statement

No conflict of interest regarding this research.

Data Availability

Data availability is not applicable to this paper because no new empirical data were created or analyzed. The study is based on publicly identifiable books, regulations, policy documents, and academic publications.

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