



EVALUATION OF THE POLICY ON THE FORMATION AND RECRUITMENT OF MANAGEMENT OF THE MERAH PUTIH VILLAGE/SUB-DISTRICT COOPERATIVE

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Abstract :

The accelerated formation of the Merah Putih Village/Sub-district Cooperative has raised fundamental issues. The cooperative's administrative structure was quickly established, but the recruited administrators were not necessarily capable of running the business, creating a gap between legality and operationalization. This study aims to evaluate the policy of establishing and recruiting cooperative administrators in North Kalimantan Province. The study employed a qualitative approach with an evaluative design based on William Dunn's six policy evaluation criteria. The study population was cooperative stakeholders in North Kalimantan, while the sample consisted of nine informants selected purposively in Tarakan, Nunukan, and Tana Tidung. Informants included government officials, village and sub-district heads, administrators, supervisors, assistants, and members. Data were collected through interviews, observation, and documentation, then analyzed using the Miles and Huberman interactive model consisting of data reduction, data presentation, and conclusion drawing. Data validity was maintained through triangulation of sources and techniques. The results showed that administrative achievement was high, but operational achievement was still limited. Recruitment through deliberation was legitimate, but not accompanied by standardized competency assessments. Coaching for administrators is also inadequate, and policy accuracy depends heavily on adaptation to local conditions. Research concludes that the quality of the recruitment process determines the success of the policy. Therefore, the government needs to establish minimum competency criteria, map the initial competencies of administrators, conduct practice-based training, provide appropriate mentoring, and shift the measure of success from mere establishment to functioning.

Keywords : Policy evaluation, village cooperatives, management recruitment, competency, North Kalimantan

INTRODUCTION

The Merah Putih Village/Sub-district Cooperative was born from Presidential Instruction Number 9 of 2025 concerning the Acceleration of the Establishment of Merah Putih Village/Sub-district Cooperatives. The instruction was signed on March 27, 2025, and targeted the establishment of approximately 80,000 cooperatives in all villages and sub-districts in Indonesia (Presidential Instruction Number 9 of 2025, 2025). This program was positioned as a supporter of food sovereignty, economic equality, and strengthening the people's economy towards Indonesia Emas 2045. However, the massive pursuit of establishment has actually given rise to problems in the institutional aspect, particularly in



governance and the quality of human resources of administrators. Field data shows a wide gap between administrative and operational achievements. In Banten Province, for example, 1,551 of 1,552 villages and sub-districts have established legally incorporated cooperatives, but only 211 outlets operate through 156 cooperatives, and not a single cooperative has applied for financing from a state bank as of the end of October 2025. This situation confirms that the success of the policy is not solely measured by the number of cooperatives established, but rather by the ability of administrators to run their businesses sustainably. Similar problems could potentially arise in many other provinces due to the uniform formation pattern and tight deadlines.

Problems become increasingly apparent during the formation and recruitment of management. Recruitment, which typically occurs through short-term village meetings, risks producing managers who lack managerial skills. This cooperative manages a variety of business units, from grocery stores and savings and loans, pharmacies, to logistics, which require the ability to develop business plans, manage finances, and lead collectively. The gap between regulatory strength and cooperative performance in the field arises from the limited skills of managers as policy implementers (Wibowo, 2026). Cooperative performance also depends heavily on the combination of entrepreneurial spirit and manager competence (Fahmi, 2025). Therefore, formation that ignores the quality of recruitment has the potential to create a fragile cooperative. This is the main issue addressed in this study: the extent to which management formation and recruitment policies are designed and implemented to produce competent managers and a sustainable cooperative.

Previous studies on cooperatives have focused on two directions. Some have focused on general policy analysis and considered the formation of cooperatives a strategic step for village economic growth (Effendi et al., 2025). Others have focused on capacity building through training and demonstrated that digital innovation training improves management competency (Refianto, 2026). However, no research has specifically evaluated policies at the point of management formation and recruitment using a systematic policy evaluation framework. This is where this research is novel. Unlike studies that place recruitment as a secondary issue, this study makes the process of management formation and recruitment the primary object of evaluation and links it to standard policy evaluation criteria. This research also fills the gap between macro-level policy studies and technical training studies.

Theoretically, this research is based on William Dunn's theory of public policy evaluation, which assesses policy performance through six criteria: effectiveness, efficiency, adequacy, equity, responsiveness, and accuracy (Fatmariyanti & Fauzi, 2023). This framework is used to assess whether the policy of establishing and recruiting administrators achieves the intended results and is on target. The effectiveness and adequacy criteria highlight the administrators' ability to run the business, while the responsiveness and accuracy criteria assess the suitability of the recruitment mechanism to the needs of the village community. This theory is reinforced by the perspective of policy

implementation, which asserts that policy success is determined by the regulatory capacity to organize the implementation process and by the capacity of the implementers (Wibowo, 2026). The theoretical foundation is complemented by the concept of cooperative administrator competence and governance, which emphasizes strategic planning, financial management, and collective leadership as determinants of performance (Fahmi, 2025).

Based on the above description, this study aims to evaluate the cooperative formation policy, analyze the management recruitment mechanism and its impact on institutional competence and readiness, and assess the policy's suitability with public policy evaluation criteria. The benefits of this study are twofold. Theoretically, the study enriches the study of cooperative policy evaluation by integrating policy evaluation theory and the concept of management competency in a new policy context. Practically, the research results are expected to provide input for the central and regional governments, the Ministry of Cooperatives, and village stakeholders to improve recruitment design and strengthen management capacity, so that the acceleration of cooperative formation does not stop at administrative achievements, but continues to become a productive and sustainable village economic institution.

RESEARCH METHOD

This study employed a qualitative approach with an evaluative design. The qualitative approach was chosen because the study sought to deeply understand the process of establishing and recruiting administrators of the Merah Putih Village/Sub-district Cooperative, along with the meaning and context behind it, rather than simply calculating achievement figures. The evaluative design aimed to assess policy performance based on William Dunn's six public policy evaluation criteria: effectiveness, efficiency, adequacy, equity, responsiveness, and appropriateness (Fatmariyanti & Fauzi, 2023). These six criteria serve as an analytical framework for assessing the extent to which the establishment and recruitment policies resulted in competent administrators and a cooperative ready to operate.

The research was conducted in North Kalimantan Province, targeting villages and sub-districts that had established cooperatives. This location was chosen based on several considerations. North Kalimantan is Indonesia's youngest province, established in 2012, and shares a direct border with Malaysia. Its territory is vast, relatively sparsely populated, and dispersed, with many villages located in border, inland, and coastal areas with limited access. These conditions, combined with the limited expertise in cooperative management, make the formation and recruitment of administrators a relevant issue to evaluate. This context also allows the research to capture policy dynamics in a region with unique institutional challenges, making its findings useful for other similar regions.

The research data consists of primary and secondary data. Primary data were obtained through in-depth interviews and observations of informants selected purposively, based on their suitability to the research objectives and

focus (Himam et al., 2026). Key informants included cooperative service officials, village and sub-district heads, cooperative administrators and supervisors, facilitators, and members as beneficiaries. Secondary data were sourced from relevant regulations, particularly Presidential Instruction Number 9 of 2025, cooperative institutional documents, official reports, and relevant government publications.

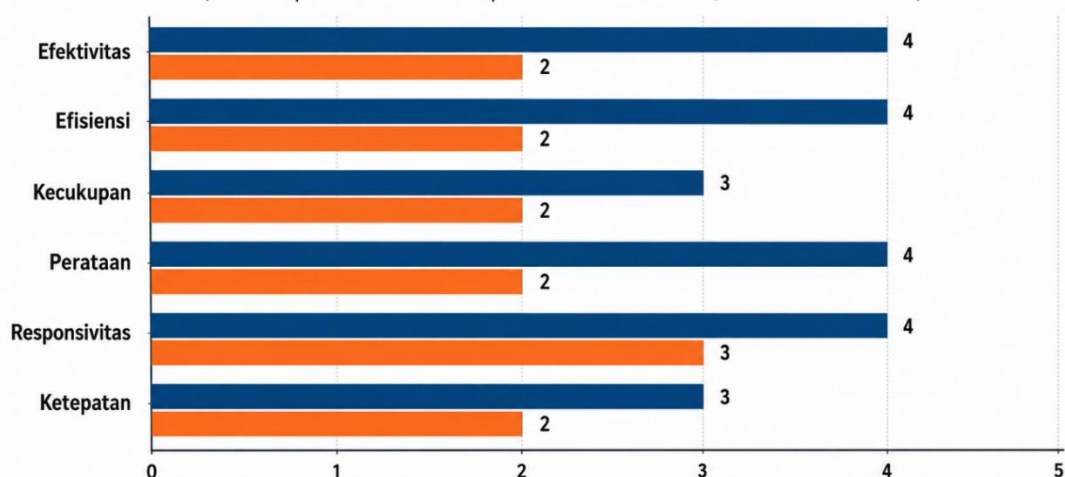
Data collection was conducted through three complementary methods. Semi-structured interviews were used to explore informants' experiences and perspectives on the process of establishing and recruiting management. Observations focused on the activities and institutional conditions of the cooperative in the field. Documentation examined the cooperative's regulations and administrative files. These three methods were combined to enrich and reinforce the data obtained.

Data were analyzed using the Miles and Huberman interactive model, which includes data reduction, data presentation, and conclusion drawing and verification (Miles et al., 2014). Data reduction was carried out by sorting information according to policy evaluation criteria, presenting data in descriptive and matrix form, and drawing conclusions directed towards answering the research objectives. Data validity was maintained through source and technique triangulation, namely by comparing statements from various informants and various data collection methods to ensure consistent and credible findings (Nurfajriani et al., 2024).

RESULTS AND DISCUSSION

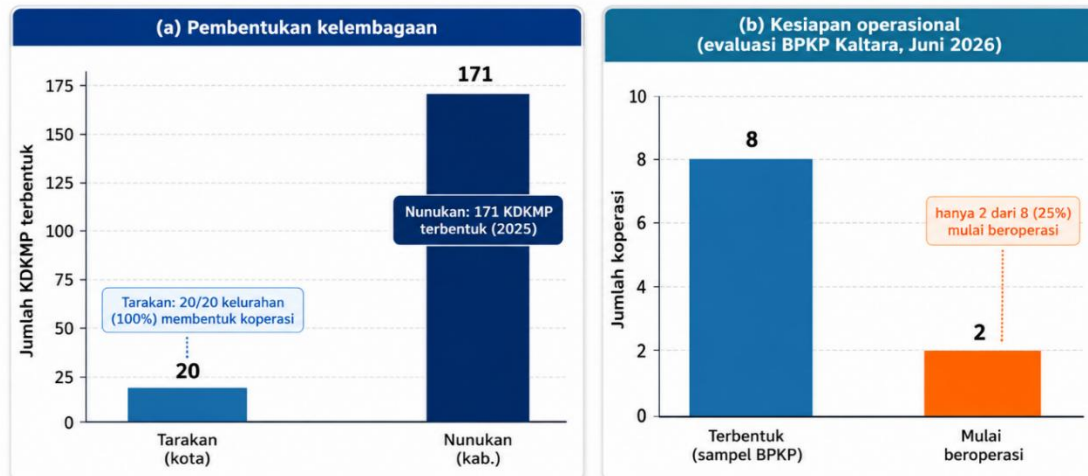
This study involved nine informants coded Informant 1 to Informant 9. They were spread across three regions in North Kalimantan Province: Tarakan City, Nunukan Regency including border villages, and Tana Tidung Regency. The informants consisted of cooperative service officials, village and sub-district heads, cooperative chairmen and treasurers, cooperative administrators in border areas, business assistants, cooperative supervisors, and MSME members and actors. Information from interviews and observations was compared with official data from city and district governments and the results of supervision by the North Kalimantan Financial and Development Supervisory Agency (BPKP). All findings were compiled based on William Dunn's six policy evaluation criteria, and a summary is shown in Figure 1.

Gambar 1. Evaluasi Kebijakan Berdasarkan Enam Kriteria William Dunn
(sintesis peneliti atas data primer dan sekunder, Kalimantan Utara)



The first finding shows that administrative achievements far outperform operational achievements. The formation process proceeded quickly due to a deadline imposed by the central government. A cooperatives official (Informant 1) stated that the mobilization process was effective, but successful formation does not necessarily mean the cooperative is ready to operate. Secondary data supports this assessment. All 20 sub-districts in Tarakan City had established cooperatives by May 2025, but BPKP monitoring results in June 2026 found that most of the eight cooperatives reviewed were still in the preparation stage, with only two having begun operations (Figure 2). In Nunukan Regency, 171 cooperatives were recorded as having been established by 2025, but only a small number were actually operating. This pattern aligns with the conclusion that there is a gap between regulatory strength and cooperative performance (Wibowo, 2026). Limited human resources and institutional literacy pose a major threat to the sustainability of cooperatives, despite a strong policy foundation (Ferrer et al., 2026; Hutagaol et al., 2026). The strength of the program at the strategic level is not automatically followed by readiness at the operational level (Effendi et al., 2025).

Gambar 2. Kesenjangan antara Pembentukan dan Operasionalisasi KDKMP di Kalimantan Utara



administrative or financial tests during the selection process. A manager in a border area (Informant 5) added that deliberations need to be supported by criteria, as selection based solely on proximity may not be suitable for financial or business management functions. As a result, the elected chairman (Informant 3) only realized the complexity of his duties after taking office. This situation demonstrates that democratic recruitment is not always the same as competency-based recruitment. Cooperative performance is determined by the combination of management competency and entrepreneurial spirit (Fahmi, 2025). Human resource development and organizational structure are also pillars of effective cooperative governance (Azzahara et al., 2025). Improving the competency of

managers and supervisors, including in legal aspects, has been shown to increase member trust and strengthen accountability (Wirawan & Firmani, 2024). Interestingly, the village deliberation notes in Sembakung Atulai District, Nunukan, have emphasized the importance of selecting a competent leader, so that the need for competence has actually been recognized from the start even though the assessment tools are not yet standardized.

The third finding indicates that support for administrators remains limited. Administrators' needs extend beyond socialization to include developing business plans, managing cash flow, controlling inventory, administering members, establishing work procedures, and collaborating with suppliers. The cooperative treasurer (Informant 4) emphasized that effective training involves hands-on practice with the cooperative's own transactions, not general material. A business mentor (Informant 7) found that a single training package was insufficient because each cooperative's level of readiness varied. The assignment of nineteen mentors to Nunukan, with seventeen of them overseeing approximately nine to eleven cooperatives per person, demonstrates the government's recognition of the importance of mentoring after a cooperative is established, while also indicating a significant mentoring burden. Structured training and mentoring have been shown to significantly improve the competency of cooperative administrators (Herkules et al., 2025; Refianto, 2026). Sustainable governance mentoring is also a prerequisite for the independence of village economic institutions (Nurhidayati et al., 2026; Nurjannah et al., 2024). Digitalization strengthens the efficiency and transparency of governance, although the digital capabilities of administrators remain a constraint (Pajri & Sa'ida, 2026).

In terms of equity criteria, opportunities to become administrators are procedurally open through deliberation, but active participation tends to be limited to residents who regularly attend village forums. Community members (Informant 9) hope that ordinary citizens, women, youth, and business owners will have space, while the village head, who is also a supervisor (Informant 8), believes that cadre development is necessary for more equitable representation. In terms of responsiveness criteria, the policy's objective of strengthening the village economy is deemed relevant, but members (Informant 6) emphasized that tangible benefits determine community trust, as cooperatives with only a nameplate have not yet been felt. This policy is responsive at the objective level, but still requires adjustment to local needs. The importance of member participation in governance and representation as indicators of village economic institutions also confirms this (Azzahara et al., 2025; Tarlani et al., 2023).

The fourth finding highlights the critical importance of the appropriateness criteria, which are heavily influenced by the ability of policies to adapt to local conditions. A border area administrator (Informant 5) explained that business models suitable for cities may not be appropriate in border villages due to distance, transportation costs, limited suppliers, and small markets. The village head (Informant 8) added that business units must be tailored to the village's needs and not simply imitate other areas, especially if their primary

potential is agriculture or fisheries. Selecting administrators based solely on social trust without assessing competency risks creating mismatched positions, thus hindering full policy accuracy. Village cooperatives actually become sustainable economic drivers when their business models are grounded in local potential and wisdom (Syafrizal & Rusmewahni, 2026). A governance indicator framework can align procedural standards with regional specificities (Tarlani et al., 2023).

The synthesis of the six criteria confirms that policy success cannot be limited to administrative indicators such as deeds, structure, and the number of cooperatives. Data comparisons demonstrate a strong alignment between management complaints about limited competence and official oversight findings regarding poor operationalization. The cooperative chairman (Informant 3) emphasized that success means business units are operating, members are conducting transactions, record keeping is orderly, and economic benefits are felt. Therefore, further evaluation indicators need to shift to functionality, such as business unit operations, member transactions, financial reporting quality, management independence, supervisory function, cash flow, supply stability, and service utilization levels. This shift aligns with policy evaluation practices that assess outcomes based on effectiveness and adequacy, rather than simply administrative outputs (Fatmariyanti & Fauzi, 2023; Suyono et al., 2024). This direction also aligns with public administration studies in Indonesia that emphasize policy implementation and tangible impact (Adekamwa et al., 2024). The interrelationships between factors underlying this shift in indicators are summarized in the conceptual framework in Figure 3.



Figure 3 shows that the primary policy issue lies not in the intention or design of the regulations, but rather in the series of processes linking the speed of formation to the readiness of human resources. Target pressure places legality as the initial priority, while recruitment, which relies on social trust through deliberation, fails to identify the technical competencies needed to manage the business. The combination of these two conditions creates a managerial competency gap that then branches into two mutually reinforcing consequences: the gap between legality and operationalization and the accumulation of work on a small number of administrators who are more proficient in administration and technology. Within William Dunn's evaluation framework, this pattern explains why administrative achievements can be high while substantive achievements lag. The implication is that evaluation of cooperative policy should not simply focus on the number of legal entities but must also examine the quality of the recruitment process as a determinant of the final outcome. Therefore, improving the recruitment process and administrator development is key to breaking the chain of gaps and transforming accelerated formation into truly functioning cooperatives.

CONCLUSION

The policy for the formation and recruitment of administrators of the Merah Putih Village/Sub-district Cooperative in North Kalimantan Province demonstrates high administrative achievements, but limited substantive achievements. Recruitment through deliberation is socially legitimate, but it is not accompanied by standard competency assessments, resulting in managerial competency gaps, inadequate guidance, and policies that are not appropriate to local conditions in border and remote areas. This conclusion is supported by the agreement between the statements of nine informants and official data, both of which indicate a gap between formation and operation.

Therefore, the government and stakeholders are advised to establish minimum competency criteria along with job descriptions for each position before election, map the competencies of administrators immediately after appointment, conduct practice-based training differentiated by the roles of chairman, treasurer, business manager, and supervisor, provide mentoring appropriate to the region's readiness and potential, strengthen the supervisory function, and shift the measure of success from mere formation to functioning through business operations, member transactions, quality financial reports, and administrator independence, so that the acceleration of cooperative formation continues to become a productive and sustainable village economic institution.

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