

# From Cooperative to Welfare: Analyzing the Impact of Food Security on the Welfare of Members of Pasir Jaya Cooperative

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## Abstract

This study investigates the impact of food security on the welfare of members of the Pasir Jaya Cooperative, a rural cooperative located in Pasir Luhur Village, Rokan Hulu Regency. Grounded in the collectivist principles embedded in Indonesia's constitutional and legal frameworks, cooperatives are positioned not only as economic entities but also as agents of social welfare. Using a qualitative case study approach, data were collected through in-depth interviews, observation, and documentation involving 13 key informants. The results reveal that the Pasir Jaya Cooperative plays a significant role in enhancing member welfare by providing access to affordable and stable food supplies. However, several challenges hinder its effectiveness, including limited product availability, slow capital turnover due to installment-based payments, lack of product variety, and inadequate inventory management. These limitations affect both member satisfaction and the cooperative's ability to sustainably manage food distribution. The study highlights the need for strategic improvements, particularly in the areas of technology-based inventory systems, alternative funding strategies, product diversification, and cooperative education. The findings underscore the strategic relevance of food security as a pathway to improve member welfare and suggest practical measures to strengthen the role of cooperatives in rural economic development.

**Keywords:** Cooperative, food security, member satisfaction, member welfare, rural economy.



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## INTRODUCTION

Indonesia's economy is grounded in the spirit of collectivity and mutual cooperation (Ford & Honan, 2019; Harefa & Harefa, 2024), as enshrined in Article 33, paragraph (1) of the 1945 Constitution, which states that the economy is organized as a joint effort based on the principles of kinship (Lindiawatie & Shahreza, 2018). This principle underpins the existence of cooperatives as a unique form of economic organization that not only aims to generate profit but also emphasizes shared welfare. Cooperatives have proven to play a significant role in strengthening local economies and expanding economic inclusion, particularly among communities traditionally underserved by formal economic systems (Nur, 2019). In this context, cooperatives serve as strategic instruments in promoting equitable and sustainable economic development (Asmara et al., 2023).

Aligned with the mandate of Article 3 of Law No. 25 of 1992 on Cooperatives of the Republic of Indonesia, cooperatives are intended to improve the welfare of their members in particular and society in general, while also contributing to national economic development 1945" (Fauzi & Maula, 2022). Member welfare is not merely measured in economic terms (Khumairah & Julia, 2023), but also includes social aspects and the capacity of individuals to live independently, creatively, and justly (Perkasa et al., 2024). Therefore, cooperatives are expected to deliver tangible benefits such as access to quality goods and services, price stability, and accessible financial services. When managed with good governance and a high level of accountability, cooperatives tend to foster loyalty and active participation among members (Pasaribu & Kusmilawaty, 2024). Conversely, poor management can lead to dissatisfaction and a decline in member engagement (Siraj & Hågen, 2023).

The role of cooperatives becomes even more critical when linked to the issue of food security, particularly in rural areas reliant on agriculture (Kalogiannidis et al., 2024). Adequate food security serves as a fundamental pillar in building a prosperous society (Wijayanti et al., 2023). This includes ensuring the availability of affordable, safe, and nutritious food for all cooperative members (Alfitrah & Perkasa, 2023). With their capacity to manage the distribution of goods and services, cooperatives can help mitigate price fluctuations and ensure the steady availability of food, especially for low-income households (Wiguna & Sukadana, 2018). The connection between food security and welfare is increasingly significant in an economic environment vulnerable to climate change and global market uncertainties.

Koperasi Usaha Bersama Pasir Jaya, located in Pasir Luhur Village, Kunto Darussalam Subdistrict, Rokan Hulu Regency, exemplifies a cooperative striving to fulfill this role. Through savings and loan services, the provision of basic goods, and the distribution of fertilizers, this cooperative aims to strengthen its members' economic resilience and support local food security. However, based on observations and interviews, several challenges have been identified, including stagnant income growth among members, suboptimal management, and inadequate fulfillment of basic needs. This reflects a gap between the idealism of cooperatives as instruments of economic empowerment and the practical realities of their implementation. This issue is critical to investigate in order to determine the extent to which cooperatives can contribute to improving member welfare through a food security approach.

This study aims to analyze the impact of food security on the welfare of members of the Pasir Jaya Cooperative. The novelty of this research lies in its integrative approach, which directly links the role of cooperatives in ensuring food security with improvements in member welfare—a perspective that has rarely been explored in the context of rural cooperatives. This study not only evaluates the economic performance of cooperatives but also positions food security as a strategic variable in the development of community-based welfare. Accordingly, the research is essential to encourage cooperatives to optimize their functions while addressing existing challenges in empowering communities through collective economic solidarity.

This research is expected to provide empirical insights into the extent of the relationship between food security and cooperative member welfare. Its contributions go beyond enriching the academic discourse on cooperatives and food security, as it also aims to offer strategic recommendations for cooperative managers, policymakers, and relevant stakeholders to enhance the role of cooperatives as agents of societal welfare. In this way, the study holds relevance not only in academic terms but also in practical efforts to promote cooperative-driven development in rural communities.

## **METHOD**

This research was conducted at Koperasi Usaha Bersama Pasir Jaya, located in Pasir Luhur Village, Kunto Darussalam Sub-district, Rokan Hulu Regency. The type of research used in this study was a qualitative method with a case study approach (Sugiyono, 2018). This approach allowed the researcher to gain an in-depth understanding of the context, dynamics, and issues occurring within the cooperative. Data were collected through in-depth interviews, observation, and documentation, all of which aimed to obtain a comprehensive picture of the cooperative's conditions and practices.

The study involved 13 informants, consisting of one cooperative chairperson, one secretary, one treasurer, and ten cooperative members. The selection of informants was carried out using purposive sampling, which involves selecting individuals based on specific criteria relevant to the research objectives. Data analysis employed the Miles and Huberman model, which includes three main steps: data reduction, data display, and conclusion drawing. Data reduction was conducted to simplify and organize raw data in a more focused manner. Subsequently, the data were presented in narrative or matrix form to facilitate interpretation. Conclusions were drawn based on emerging patterns throughout the analysis process and were verified to ensure the validity of the research findings.

## **RESULTS AND DISCUSSION**

### **Result**

This study aims to analyze the role of cooperatives in enhancing members' welfare through food security and to identify the challenges cooperatives face in pursuing this objective. Data were collected through interviews, observation, and documentation, and subsequently analyzed using the Miles and Huberman model. The findings reveal several key insights regarding the contributions of cooperatives to food security and member welfare, as well as the constraints they encounter in fulfilling these roles.

**Table 1. The Role of Cooperatives in Enhancing Member Welfare**

No	Cooperative Role Aspect	Description
1	Provision of Affordable Food Access	The cooperative provides food products at more affordable prices for its members, helping them meet basic needs. However, some members reported that not all items are consistently available.
2	Stability of Food Supply	By managing collective food distribution, the cooperative reduces price volatility and ensures a more stable food supply for members. Nonetheless, a number of members noted occasional inadequacies in product availability.

Source: Processed by the author, 2025

Based on the analysis of the cooperative's role in improving member welfare in Table 1 above, interviews with the cooperative chairperson highlight the significance of this role. Mr. AS, the Chairperson of the Cooperative, stated: "The cooperative plays an important role in providing affordable access to food for members, which helps them meet their basic needs. The cooperative has also contributed significantly to improving members' economic conditions." However, divergent views were expressed by other informants. Mr. SN, one of the members, remarked: "The cooperative's role is not yet optimal, as the goods provided are still insufficient to meet members' needs."

These findings suggest that Koperasi Usaha Bersama Pasir Jaya has a meaningful role in enhancing member welfare through affordable food security initiatives. However, there remain critical gaps in fully meeting member needs. Some members emphasized that the range and availability of essential goods provided by the cooperative remain limited. Thus, it is imperative for the cooperative to continually improve its capacity to meet member demands more effectively.

**Tabel 2. Challenges Faced by the Cooperative in Enhancing Member Welfare**

No	Challenge	Description
1	Product Availability	The cooperative often lacks sufficient stock to meet member demand, resulting in dissatisfaction.
2	Slow Capital Turnover	Many members purchase goods on installment plans, causing delayed capital turnover and hindering restocking processes.
3	Limited Product Variety	There is a need to expand the range of products offered so that members are not compelled to shop elsewhere.
4	Inefficient Stock Management	In the absence of an effective inventory management system, the cooperative struggles to maintain adequate product availability.

Source: Processed by the author, 2025

The challenges identified in Table 2 above represent significant obstacles that hinder the cooperative's ability to improve member welfare through food security initiatives. As noted by Mr. AS, the cooperative chairperson: "One major challenge we face is restocking goods, as slow capital turnover caused by the installment payment system limits our ability to replenish inventory." Additionally, Mr. MU, the cooperative secretary, stated: "One of our challenges is the limited variety of products. We recognize that members want more options, and we need to find ways to meet that demand."

These insights indicate that in order to enhance member welfare and strengthen food security, cooperatives must address key issues related to capital turnover, product availability, variety of offerings, and stock management efficiency. Addressing these issues is essential for optimizing cooperative performance and ensuring that member needs are met more effectively and sustainably.

## Discussion

This section aims to connect the findings of this study with relevant theories and compare them with prior research. The main focus is to analyze the role of Koperasi Usaha Bersama Pasir Jaya in enhancing the welfare of its members through food security, as well as to identify the challenges faced by the cooperative in achieving this objective.

### 1. The Role of the Cooperative in Enhancing Member Welfare through Food Security

Koperasi Usaha Bersama Pasir Jaya plays a pivotal role in improving the welfare of its members by ensuring access to affordable food and maintaining supply stability. The findings indicate that the cooperative successfully provides food products at lower prices, thereby supporting members in meeting their basic needs. These results align with the study by Mindlin et al., (2022), which found that cooperatives can deliver substantial economic benefits to their members. Moreover, this is consistent with cooperative theory, which posits that cooperatives are established to fulfill the economic, social, and cultural needs of their members (Asmara et al., 2023; Ribas et al., 2022). Nonetheless, issues related to inventory management persist, as some members reported occasional unavailability of goods. Hence, improving distribution and inventory management systems remains critical to sustaining the cooperative's effectiveness (Yunani & Firmialy, 2025).

### 2. Challenges Faced by the Cooperative in Promoting Welfare through Food Security

Despite its important role, the cooperative faces several challenges that must be addressed, including limited product availability, slow capital turnover, narrow product variety, and inefficient stock management. Product availability is a major concern, as the cooperative often lacks sufficient inventory to meet member demand. This finding echoes the study by Handayani et al., (2020), which emphasizes that poor management can lead to member dissatisfaction. Inadequate stock can erode trust in the cooperative, underscoring the need for more effective inventory strategies. Additionally, slow capital turnover is attributed to the installment payment system adopted by many members, which hinders liquidity and limits the cooperative's operational capacity (Marcis et al., 2019). It is highlighted that constrained capital can obstruct a cooperative's ability to invest in service and product improvements. Limited product

variety also presents a challenge, as members may seek alternatives outside the cooperative. Fauzi & Maula (2022) stress the importance of comprehensively addressing member needs. Enhancing product diversity can increase member satisfaction and attract broader participation. Furthermore, inefficient stock management remains an issue, as the absence of proper management systems hampers inventory control. Damilola & Emmanuela (2022) assert that poor inventory practices can hinder cooperative growth. Therefore, adopting better management practices and technologies is essential to improving operational efficiency (Minzar & Mishra, 2024; Rahman et al., 2023).

### 3. Recommendations for Improvement

Based on the research findings, several strategic steps are recommended for Koperasi Usaha Bersama Pasir Jaya to improve member welfare through food security. First, the cooperative should enhance its inventory management system to ensure product availability. This can be achieved by leveraging information technology to monitor stock levels and member demand in real-time. Second, efforts should be made to secure additional funding sources to accelerate capital turnover. Third, conducting regular member needs assessments can help identify essential products, enabling the cooperative to expand its offerings effectively. Fourth, implementing educational and outreach programs to inform members about the benefits of the cooperative and how to access available services can increase member engagement and strengthen cooperative-member relations. Through these initiatives, Koperasi Usaha Bersama Pasir Jaya can optimize its performance and deliver greater benefits to its members. Overall, this study offers valuable insights for cooperative managers and stakeholders in designing more effective strategies to promote food security and improve member welfare. These findings are in line with previous studies that underscore the role of cooperatives in community economic empowerment and food security, as noted by (Guyalo & Ifa, 2023; Mhembwe & Dube, 2017).

## CONCLUSION

Based on the findings, it can be concluded that Koperasi Usaha Bersama Pasir Jaya plays a significant role in improving member welfare by providing access to affordable and relatively stable food supplies. This effort aligns with the fundamental purpose of cooperatives in fulfilling the economic needs of their members. However, the effectiveness of this role is constrained by several major challenges, including limited product availability, slow capital turnover due to the installment payment system, lack of product variety, and suboptimal inventory management. These obstacles not only reduce member satisfaction but also hinder the cooperative's capacity to carry out food distribution sustainably. Therefore, although the cooperative has made tangible contributions to food security and member welfare, enhancing managerial and operational capacities is essential for the sustainability of its role.

Following these findings, it is recommended that the cooperative strategically develop an inventory management system based on information technology to monitor demand and stock availability in real time. In addition, the cooperative should explore alternative funding sources to accelerate capital turnover and reduce dependency on members' installment payments. Expanding product variety based on regular member needs assessments is also crucial to maintain loyalty and broaden service coverage. Furthermore, cooperative education programs



can serve as effective tools to strengthen member participation and increase awareness of the cooperative's benefits. With a more structured and data-driven approach, the cooperative is expected to improve operational efficiency and reinforce its role in achieving sustainable food security and member welfare.

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