



## COMMUNITY SERVICE : ENTREPRENEURSHIP POTENTIAL THROUGH COOPERATIVES IN INDONESIA AND MALAYSIA

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### Abstract

Objective from devotion This is For build awareness for entrepreneurs in to move economy through cooperatives in Indonesia and Malaysia. MEA 2025 is continuation from MEA 2015 and aiming For make ASEAN economy is growing integrated And cohesive ; empowered competition And dynamic ; improvement connectivity And Work The same sectoral ; resilient , inclusive , oriented as well as centered on public ; and global ASEAN. Coverage Work The same economy ASEAN : Work The same ASEAN economy covers field industry , trade , investment , services And transportation , telecommunications , tourism , and finance . Besides that , work The same This covers field agriculture And forestry , energy and minerals, as well as business micro small And medium (SMEs). Since 2016, the Ministry of Cooperatives and SMEs has acted as *a focal point in the ASEAN Coordinating Committee on Micro, Small, and Medium Enterprises (ACCMSME)* cooperation . The cooperation forum bridges the synergy and integration of work programs at the ASEAN level with national work programs, especially in the development of MSMEs. The participation of the Ministry of Cooperatives and SMEs in ACCMSME is realized through involvement in MSME development activities and programs implemented in ASEAN member countries, which refer to the ASEAN Strategic Action Plan for MSME Development (*Strategic Action Plan on SMEs Development*) . Opportunities economy This can of course be utilized by cooperatives whose business units are included in micro, small and medium enterprises (MSMEs). The approach that can be done in diversifying products and increasing competitiveness through the development of Cooperative Business. This approach is very appropriate because cooperatives can be done en masse based on the potential of UMKM actors.

**Keyword:** *Community Service; Entrepreneurship ; Cooperative.*

### Introduction

Faculty Economy And Business Al Washliyah Muslim Nusantara University Medan is developing devotion public international based on Study Programs in the Armed Forces Cooperative Malaysian nationalities Kelana Jaya Selangor Malaysia collaborate with the Malaysian Cooperative Institute IKMA and Manipal International University. Service public international is part from activity academic work done by lecturer And FEB study program students in Malaysia which took place for 3 days . One of form Devotion public international with theme “ Potential for Entrepreneurship Through Cooperatives in Indonesia and Malaysia ” implements bi dang - field knowledge in Management Study Program And Accounting . Purpose from devotion international This is For build awareness for entrepreneurs in to move economy through cooperatives in Indonesia and Malaysia. MEA is abbreviation for the ASEAN Economic Community or internationally known as AEC (Asean Economic Community). MEA 2025 is continuation from MEA 2015 aims For make ASEAN economy

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is growing integrated And cohesive , empowered competition And dynamic , improvement connectivity And Work The same sectoral , resilient , inclusive , oriented as well as centered on public and global ASEAN. Coverage Work The same economy ASEAN includes field industry , trade , investment , services And transportation , telecommunications , tourism , and finance . Besides that , work The same This covers field agriculture And forestry , energy and minerals, as well as business micro small And medium (MSMEs). Can We Look profile ASEAN economy as following :

1. ASEAN countries are rich in commodity source Power natural in the form of energy , minerals and plant food ;
2. Amount ASEAN has a large population , namely 679.69 million Soul (2023), majority is age productive ;
3. Growth economy ASEAN countries are relatively high , an average of 5% - 6% per year . For push equality development between countries members ( *narrowing the development gap* ), ASEAN has *Initiative for ASEAN Integration (IAI)* or Initiative ASEAN Integration (IIA). IIA aims create development evenly between ASEAN-6 (Brunei Darussalam, Indonesia, Malaysia, Philippines, Singapore , and Thailand) and CLMV ( Cambodia , Laos, Myanmar, and Vietnam).
4. **Implementation Initiative for ASEAN Integration:** *Initiative for ASEAN Integration* implemented in form , project training improvement capacity , assistance development institutions , policy advice , and studies eligibility .
5. **Funding project Initiative for ASEAN Integration:** Implementation project on generally get funding from ASEAN-6, partners speech , or institution international in IIA framework and bilaterally .
6. **Projects Initiative for ASEAN Integration:** On at first project *Initiative for ASEAN Integration* implemented in the field economy such as , development infrastructure , human resources, improvement capacity integration area , energy , climate investment , tourism , poverty alleviation public poor , and improvement quality alive . In In its development , the IIA project was expanded covers field politics-security And social culture .

Beside that , above Indonesia's proposal , ASEAN has agree **ASEAN Framework on Equitable Economic Development** (AFEED) or Framework ASEAN Work on Equitable Economic Development . Framework Work the put forward efforts , between others , reduction gap development , strengthening quality source Power human , improvement welfare social , development business micro small And medium (MSMEs), and more participation wide in the ASEAN integration process .

Opportunity economy This can of course be utilized by cooperatives whose business units are included in micro, small and medium enterprises (MSMEs). The approach that can be done in diversifying products and increasing competitiveness through the development of Cooperative Business. This approach is very appropriate because cooperatives can be done en masse based on the potential of UMKM actors. Indonesian Cooperatives were established on July 12, 1960 by Drs. Moh. Hatta. At that time he served as Vice President. As an economist, he argued that a people's economy could prosper the Indonesian people. For his services in the field of cooperatives, Drs. Moh. Hatta was appointed as the Father of Indonesian Cooperatives. Referring to Law Number 25 of 1992 concerning Cooperatives, the definition of a cooperative is a business entity whose members are individuals or cooperative legal entities that base their activities on cooperative principles. Cooperatives are also referred to as people's economic movements based on the principle of family. From this description, it can be concluded that a cooperative is an association that aims to meet the needs of its members. This can be done by selling daily necessities at low prices or without the intention of making a profit.



Malaysian National Cooperative Force Berhad or ANGKASA is the apex cooperative that covers all types of primary, secondary and tertiary cooperatives throughout Malaysia. ANGKASA is recognized by the Government as the body representing the Malaysian Cooperative Movement at the national and international levels. Angkatan Koperasi Kebangsaan Malaysia Berhad (ANGKASA) was registered on 12 May 1971 under the Cooperative Ordinance 33/1948. ANGKASA was established based on the resolution of the Second Cooperative Congress which was inaugurated by His Excellency Tun Abdul Razak Hussein, the second Prime Minister of Malaysia. ANGKASA is the only leading cooperative that represents the cooperative movement throughout Malaysia. In exercising the authority stated in Paragraph 57(2)(b) 502 of the Cooperatives Act 1993, the Minister declares Angkatan Koperasi Kebangsaan Malaysia Berhad (ANGKASA) as the body representing the Malaysian cooperative movement at the national and international levels. Cooperative entrepreneurship is a positive mental attitude in cooperative endeavors, by taking innovative initiatives and the courage to take risks and adhering to the principles of cooperative identity, in realizing the fulfillment of real needs and increasing shared welfare. From this definition, it can be stated that cooperative entrepreneurship is a positive mental attitude in cooperative endeavors. The main task of cooperative entrepreneurs is to take innovative initiatives, meaning trying to find, discover, and utilize existing opportunities for the common good. Entrepreneurship in cooperatives can be carried out by members, bureaucratic managers who play a role in cooperative development and catalysts, namely people who care about cooperative development.

## 1.1 Objective Activity

1. Exploring local social, economic and cultural developments in country place *Community Engagement* International on going.
2. Digging into problems and finding solutions to things that often occur in cooperatives in both countries, such as financial problems that include inefficient use of funds, less competent human resources and the lack of quality of products and services provided by school cooperative members.
3. Train self-competence and improve the quality of lecturers by providing assistance and support to the international community in improving welfare and sustainable development.
4. Developing the potential of lecturers to improvise And innovation in profession field of education, social, economic and cultural international competitiveness.
5. Inspiring lecturers and students to become agents of social change who care about social, humanitarian, or environmental issues at the global level.
6. Encourage collaboration between universities in both countries to exchange knowledge, resources and experience in understanding global issues.

## 1.2 Benefits of Activities

1. Intercultural Experience: Lecturers and students get the opportunity to interact with different communities and cultures by learning to appreciate differences, broaden cross-cultural horizons, and understand global challenges.
2. Practical Skills Development: Through field projects, lecturers and students develop practical skills related to the discipline. Lecturers and students can apply the theory learned in class to real-world situations.
3. Social Skills Development: lecturers and students improve interpersonal skills by learning to



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- communicate well, work in teams, and understand the social dynamics of international society.
4. Increased Social Awareness: Lecturers and students gain a deeper understanding of international social and environmental challenges and can make positive contributions to addressing these issues.
  5. Field Experience in an International Context: International community service provides faculty and students with valuable experience in business practices and sustainability at a global level.

### 1. Method

The method implemented in this international community service is through joint discussions and training in developing cooperatives through the potential of MSME actors, carried out in several stages. namely the preparation, implementation and evaluation stages.

- A. Preparation Stage, is stage beginning Which done For identify need problems that exist in cooperatives in Indonesia and the Malaysian Space Cooperative in general. As for Several stages of preparation for international service are a) Recording the needs of discussion and training participants, b) Preparing discussion and training materials, c) Compiling a questionnaire for material evaluation
- B. Implementation Stages is the second stage in implementation community service activities at the Angkasa Malaysia Cooperative, his activities includes: a) Giving material to discussion participants and training about digital marketing about importance marketing past digital as a means of promoting UMKM products, b) Providing discussion materials and training on human resource skills and good service, c) Providing discussion materials and training on efficient use of funds for cooperative members. Providing questionnaires to discussion and training participants to better understand digital marketing, c)
- C. The last is the stage Evaluation. Stages evaluation by giving questionnaires to discussion and training participants to better understand the problems that occur and the stages discuss And see results the questionnaire that has done by participant training.



#### 2.1.1 Time Effective Implementation Activity

This International Community Service activity will be held on 2-6 October 2023. Time its implementation is from start Morning day until afternoon day.



## 2.1.2 Place Activity

Place activity International Community service This carried out at the ANGKASA cooperative office located on Jalan Wisma Ungku A. Aziz, Jalan SS 6/1, 47301 Petaling Jaya, Selangor, Malaysia.



## 3. Results and Discussion

One way to develop cooperatives is through an approach. In the group approach, support (both technical and financial) is channeled to cooperative groups rather than to individuals. cooperative members. The group approach is believed to be better because (1) cooperatives individually are usually unable to capture market opportunities and (2) the business networks that are formed have proven to be effective in increasing business competitiveness because they can synergize with each other. For those who provide support, the group approach is also better because the process of identifying and empowering cooperatives becomes more focused and efficient. From the successful cases ( *success stories* ) encountered, the development of cooperatives in The group succeeded in increasing the competitive capacity of cooperative businesses, optimizing the potential of local human and natural resources, expanding employment opportunities, and increasing the productivity and added value of cooperatives.

Group-based cooperative development programs that have been carried out by the government include: (1) *extension workers* , (2) providing motivators to business groups, (3) providing technical support through technical service units, (4) implementing *trade fairs* to develop cooperative marketing networks, (5) creating *trading houses* , and others. Quoting Casselman's opinion namely *Cooperation is an economic system with social content*, meaning that cooperatives are an economic system that contains social elements. So according to Casselman, cooperatives contain economic and social elements. Cooperatives, seen from the economic element, are emphasized on how they work. based on motive economy (benefit economy for members ) while the social element places more emphasis on the position of members in the Cooperative (as owners and as customers and their relationships fellow members) (Hendrodjogi, 2002)

Theoretically, Cooperatives as business entities have competitive advantages compared to non-Cooperative business entities. The competitive advantages of Cooperatives are: "(1) competitive advantage in entering monopoly/market failure markets ; (2) competitive advantage in saving transaction costs ; (3) competitive advantage in creating interlinked markets ; (4) competitive advantage in gaining trust capital ; (5) competitive advantage in reducing uncertainty ; and (6) competitive advantage in creating innovation " (Röpke, 2005). There is four factors that determine whether a cooperative has a competitive advantage, namely: 1) Innovation/creativity factor of cooperative members; 2) Low cost factor and product differentiation; 3) Low price factor And marketing specialization product; 4) *Displacement* factor that is effect The negative side of

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government project assistance is mainly dependency (lack of innovation from cooperative members) (Sumarno and Caska, 2010). In order for cooperatives to have a competitive advantage, the pattern and strategy for developing cooperative businesses based on current business emphasizes more... on: (1) *Market Driven* , always focus on efforts to bring together the supply and demand sides of cooperative businesses; (2) *Inclusive* , including not only small and medium-scale companies but also large companies and supporting institutions to work with cooperatives; (3) *Collaborative* , always emphasizing collaborative solutions to economic issues from all stakeholders; (4) *Strategic* , helping stakeholders create a strategic vision for cooperatives concerning the economy; (5) *Value-creating* , strive for creation or increasing the added value of cooperatives. In addition, the importance of government support in the form of policies *and* coaching for cooperative businesses (Caska, 2011).

The importance of developing a strategic planning model for cooperatives in order to increase competitive advantage in the ASEAN economic community. (MEA). *First* , it is expected that the development and empowerment of cooperatives must reflect the values and principles of cooperatives. *Second* , cooperatives as a joint venture to meet the aspirations and economic needs of members can be implemented. *Third* , cooperatives can grow to be strong, healthy, independent, and resilient in facing increasingly dynamic national and global economic developments. *Fourth* , Cooperatives can grow in various conditions so that they have a competitive advantage in challenging competition, especially in the ASEAN Economic Community (AEC)



**4. Conclusion**

Implementation devotion society in Malaysia is effort Faculty Economy and Business Al- Washliyah Muslim University of the Archipelago For get recognition international , and this program will Keep going try implemented in other countries . Following This the benefits gained with carry out devotion international along with act continued :

1. International Community service themed implementation field Study program sciences at FEB, such as in the Management Study Program “ Potential for Entrepreneurship Through Cooperatives in Indonesia and Malaysia ”, building awareness for entrepreneurs in to move economy through cooperatives in Indonesia and Malaysia
2. International Community Engagement become Wrong one flagship program Faculty Economy and Business Al- Washliyah Muslim University of the Archipelago , then For the years next will be tried For Keep going walk with Of course just through collaborations international And involving No only Lecturer But Also involving students , or collaboration between lecturer And student
3. International Community service is form concrete from implementation science study program





lecturer Faculty Economy and Business AI- Washliyah Muslim University of the Archipelago in implementation devotion And become part from responsibility social University to public No except public international

4. International Community service This is implementation from develop collaborations international on in 2022 , the Faculty of Economy and Business AI- Washliyah Muslim University of the Archipelago will Keep going develop cooperation international in nature implementative .

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