

Challenges And Strategies of Multi-Stakeholder Cooperative Initiation for The Sustainability Of People's Markets in Yogyakarta, Indonesia: A Phenomenological Qualitative Study

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Abstract

People's markets (*pasar rakyat*) in Indonesia face numerous challenges, including predatory lending, price manipulation, and stagnating cooperatives, which are compounded by unbalanced competition from retail chains and digital marketplaces. Single-stakeholder cooperatives have so far been unable to overcome these challenges. This study examines the problems faced by market cooperatives in Yogyakarta and formulates a strategy for initiating multi-stakeholder cooperatives as an innovation for market-cooperative sustainability. The study uses a phenomenological qualitative design, drawing on in-depth interviews with key figures from market cooperatives across Yogyakarta, and Focus Group Discussions (FGDs) for validation. Data were analysed using ATLAS.ti as an analytical tool. Guided by Baswir's (2008) economic-democracy framework, the study identifies three interrelated problem dimensions: intellectual capital (human resources), institutional capital (organisation and governance), and material capital (infrastructure and finance) and proposes five strategic elements for multi-stakeholder cooperative development: human and youth development, relevant business models, stakeholder collaboration, leveraging the advantages of people's-market products, and cooperative-based market governance reform. The findings are context-specific to Yogyakarta and are intended as an initial institutional model that requires further legal and operational validation.

Keywords: Multi-Stakeholder Cooperative, People's Market, Yogyakarta, Cooperative Governance, ATLAS.Ti-Assisted Qualitative Analysis

INTRODUCTION

People's markets (*pasar rakyat*) constitute a fundamental pillar of Indonesia's local economy and social fabric. They provide employment, facilitate the circulation of local products, and serve as accessible trading spaces for micro and small enterprises, while also sustaining social

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networks and community-based livelihoods, particularly for low- and middle-income groups (Brown, 2016; Donovan et al., 2020). Despite their strategic importance, people's markets in Indonesia continue to experience persistent challenges, including declining competitiveness, weak institutional management (Tanuwidjaja & Wirawan, 2012), limited access to finance, weak welfare redistribution (Dunggio & Yasa, 2016), non-performing loans (Suarjaya, 2015), and inadequate coordination among stakeholders (Purnomo & Harmadi, 2017; Santosa, 2020).

A defining feature of people's markets is the coexistence of multiple interdependent stakeholders traders, market managers, local governments, cooperatives, suppliers, financial institutions, and surrounding communities. Market governance in Indonesia, however, often remains fragmented and hierarchical, with decision-making dominated by public authorities or specific interest groups (Bromley, 2009; Indroyono & Santosa, 2011), resulting in conflicts of interest and the marginalisation of small traders (Ostrom, 2010).

Multi-stakeholder cooperatives offer a relevant institutional alternative. Unlike conventional cooperatives organised around a single member category, multi-stakeholder cooperatives formally integrate diverse stakeholder groups within one organisational and governance framework (Birchall, 2017; Leviten-Reid & Fairbairn, 2011), recognising multiple interests through shared ownership and democratic decision-making (Münkner, 2014). This model is intended to reduce coordination failures, internalise externalities, and strengthen collective responsibility (Michaud & Audebrand, 2017; Ajates, 2021; Lund, 2011; Sacchetti & Borzaga, 2021) characteristics particularly relevant where economic transactions are embedded in dense social relations. Freeman's (1984) stakeholder theory, which argues that organisations should balance the interests of multiple stakeholders, provides a useful analytical lens for this socio-economic structure.

Despite their potential relevance, empirical research on multi-stakeholder cooperatives in Indonesia remains limited. Existing cooperative studies predominantly examine savings-and-loan or producer-based cooperatives, with limited attention to governance innovation and stakeholder plurality (Spear et al., 2017). Research on Indonesian people's markets, meanwhile, has largely emphasised infrastructure revitalisation, spatial planning, and regulatory compliance rather than institutional and organisational arrangements (Donovan et al., 2020; Purnomo & Harmadi, 2017). Comparative literature on multi-stakeholder cooperatives comes mainly from European and North American contexts (Sacchetti & Borzaga, 2021), and differences in regulatory frameworks and informal market practices mean such findings cannot be directly generalised to Indonesia.

This study addresses this gap by examining the problems of market cooperatives in Yogyakarta's people's markets and formulating a strategy for initiating multi-stakeholder cooperatives as an institutional response. In doing so, it contributes to (a) cooperative-governance theory, by testing the applicability of the multi-stakeholder model beyond conventional

cooperative sectors; (b) the literature on Indonesian people's markets, by foregrounding institutional and organisational rather than purely infrastructural dimensions; and (c) policy discussions on cooperative revitalisation, by offering an empirically grounded, context-specific institutional model rather than a general collaboration proposal. The scope of this study is limited to Yogyakarta; extending the model to other regions of Indonesia would require further empirical validation.

LITERATURE REVIEW

Stakeholder theory (Freeman, 1984) holds that organisations perform best, and are more legitimate, when they balance the interests of all groups affected by their activities rather than a single constituency. Applied to cooperatives, this suggests that formally including traders, suppliers, consumers, workers, and other affected parties as members rather than only savers or borrowers can better align an institution's decisions with the interests of the community it serves.

Building on this, multi-stakeholder cooperatives are cooperatives whose bylaws formally recognise more than one class of member (e.g., producer, worker, consumer, and supporter/investor members) within a single governance structure, each typically holding a defined and often differentiated set of voting and representation rights (Birchall, 2017; Leviten-Reid & Fairbairn, 2011; Vézina & Girard, 2014). The model has been associated with reduced coordination failures and stronger collective responsibility (Michaud & Audebrand, 2017; Ajates, 2021; Lund, 2011), but the international literature also cautions that combining heterogeneous stakeholders in one institution does not by itself equalise power among them (Spear et al., 2017; Sacchetti & Borzaga, 2021); without explicit safeguards, better-resourced members (e.g., government agencies, investors, or larger suppliers) may dominate governance at the expense of smaller traders or consumers.

Baswir's (2008) economic-democracy framework is used in this study to organise the empirical problems of market cooperatives into three forms of capital that cooperatives must control to function effectively: *intellectual capital* (the knowledge, skills, and human-resource capacity of members and administrators), *institutional capital* (organisational structures, governance rules, networks, and management systems), and *material capital* (physical infrastructure, financial capital, and technology). These three categories are not always mutually exclusive in practice for example, a lack of managerial knowledge (intellectual capital) can directly cause weak governance systems (institutional capital) and the classification rules used to assign specific issues to each dimension in this study are set out in the Methods section (Section 3.4).

Finally, New Institutional Economics (Coase, 1937; Williamson, 1975; North, 1993) frames institutions including cooperatives as mechanisms that reduce transaction costs and enable more efficient exchange, and views institutional change as either evolutionary or, at moments of crisis, more abrupt. This provides the theoretical basis for treating the initiation of multi-stakeholder cooperatives as a deliberate

institutional-change strategy rather than a spontaneous market outcome.

METHOD

Research Design

This study uses a phenomenological approach, a philosophical approach and research methodology that focuses on the study of human experience and how things appear to individuals in their consciousness (Neubauer, 2019). This approach is carried out through in-depth interviews to explore the views of key figures related to the problems faced by market cooperatives, as a basis for the innovation strategy of multi-stakeholder cooperatives in Yogyakarta's people's markets.

Participants

Problem identification was carried out on all market cooperatives and cooperatives active in the Yogyakarta people's markets, totalling 25 cooperatives. The 25 cooperatives participating in this study constitute the entire population of market cooperatives in the Special Region of Yogyakarta, based on reference data from the Department of Cooperatives and Small and Medium Enterprises of the Special Region of Yogyakarta and the respective cooperative agencies of the regencies and cities. The number of informants, their positions, institutional affiliations, length of experience, and distribution across the 25 cooperatives listed in the table below:

Table 1. List of Participants

Participan	Institution	People Market/Region	Position	Length of Experience
1	Al Mawaddah Cooperative	Sambilegi Market, Sleman	Chairman	10 years
2	Gemah Ripah Cooperative	Gamping Market, Sleman	Vice of Chairman	29 years
3	Bina Usaha Barokah Cooperative	Sleman Market, Sleman	Chairman	4 years
4	Niaga Binangun Cooperative	Wates Market, Kulon Progo	Manager	8 years
5	Padang Pangan Cooperative	Demangan Market, Jogja	Chairman	25 years
6	Pasar Beringharjo Cooperative	Beringharjo Market, Jogja	Accountant	20 years
7	Rukun Agawe Santosa Cooperative	Kranggan Market, Jogja	Treasury	30 years
8	Jogja Mitra Sejahtera Cooperative	Wates Market, Kulonprogo	Manager	17 years
9	Mukti Bareng Cooperative	Sentolo Market, Kulon Progo	Chairman	4 years
10	Muthia Cooperative	Bendungan Market, Kulon Progo	Accountant	15 years
11	Barokah Handayani Cooperative	Banaran Market, Gunung Kidul	Chairman	5 years
12	Mitra Amanah Sejahtera Cooperative	Semanu Market, Gunungkidul	Manager	10 years
13	Sekar Indah Cooperative	Paliyan Market, Gunungkidul	Secretary	12 years

14	RIM Cooperative	Semanu Market, Gunungkidul	Finance	15 years
15	Mubarak Cooperative	Argosari Market, Gunungkidul	Finance	10 years
16	Widodo Cooperative	Kemadang Market, Gunungkidul	Chairman	16 years
17	Sumber Rejeki Cooperative	Piyungan Market, Bantul	Chairman	6 years
18	Handayani Cooperative	Banaran Market, Gunungkidul	Finance	12 years
19	Bina Rejeki Cooperative	Karangmojo Market, Gunungkidul	Finance	5 years
20	Mekar Cooperative	Argosari Market, Gunungkidul	Secretary	9 years
21	Progo Makmur Cooperative	Sentolo Market, Kulon Progo	Chairman	11 years
22	Manunggal Market	Bantul Market, Bantul	Manager	10 years
23	Tamzis Cooperative	Borongan Market, Bantul	Staff	6 years
24	Nur Rahmah Cooperative	Mblambangsari Market, Gunungkidul	Finance	8 years
25	Perak Cooperative	Banaran Market, Gunungkidul	Secretary	10 years

Data Collection

Data collection was conducted over a two-month period—from August to September 2025—across 25 market cooperatives located in five regencies and cities within the Special Region of Yogyakarta: Bantul, Kulon Progo, Gunungkidul, and Sleman Regencies, and the City of Yogyakarta. Interviews lasted approximately one hour per participant and were conducted in Indonesian; responses were documented in notebooks and recorded using digital recording devices. Transcription involved creating written copies from the notes and recordings, a process partially carried out using Google Notes.

In-depth interviews were conducted by researchers assisted by informants tasked with collecting data, namely Rahmat Subangun, Dwi Jayanti, Irmawati, and Wanda Siahaan. The primary topics outlined in the interview guide covered cooperative-related issues—viewed generally as well as through human resource, institutional, and material lenses—along with the potential and challenges associated with initiating multi-stakeholder cooperatives. Four research assistants handled participant interviews, process recording, and result transcription, with the consistent implementation of the interview guide strictly monitored through coordination and weekly meetings.

Data Analysis

Problem identification was conducted using Baswir's (2008) economic-democracy framework, which categorises three issues of capital control by cooperatives: intellectual, institutional, and material capital. Specifically, this study explores the obstacles of market cooperatives in Yogyakarta based on the results of previous studies that found problems in market cooperatives in the fields of membership, finance, markets, human resources, networks, technology, trade, competition, and management (Tanuwidjaja, 2012; Santosa, 2018; Suyatna, 2020). Data were analysed qualitatively using the ATLAS.ti analysis tool, which can facilitate the discovery of patterns, themes, and

insights (Hwang, 2008). The outcome of this first stage of the research is a set of maps/diagrams of market cooperative problems and strategies for developing multi-stakeholder cooperatives in Yogyakarta's people's markets.

Qualitative data analysis was conducted using a thematic analysis approach with the aid of ATLAS.ti software. ATLAS.ti was utilized to organize transcripts, store and retrieve quotations, perform coding, group codes, and explore relationships between categories. The software itself did not constitute the analysis method; the interpretation and development of themes were carried out iteratively by the researcher based on the interview data. All interview recordings were transcribed verbatim, and the transcripts were cross-checked against the recordings for accuracy. The transcripts were then imported into ATLAS.ti as research documents. The researcher read the transcripts repeatedly to gain a comprehensive understanding of the experiences, challenges, and strategies shared by the informants before commencing the systematic coding process.

The coding process employed a hybrid approach combining deductive and inductive methods. Initially, the researcher used an analytical framework comprising three problem dimensions: (1) human resources, (2) institutional aspects, and (3) facilities and infrastructure. This framework served as a preliminary set of categories to guide the analysis in alignment with the research objectives. Subsequently, inductive coding was performed at the data level. Transcript segments containing meaningful information were assigned codes representing the content or meaning of the informants' statements. New codes were added when issues, experiences, obstacles, or strategies emerged that were not adequately covered by the initial framework. Thus, the deductive framework was not used to constrain the data but rather as a "sensitizing framework" that was developed and refined based on empirical findings.

Codes sharing similar meanings were compared and grouped into subcategories. Categories and themes were reviewed iteratively—referring back to the original transcript quotations—to ensure that interpretations remained grounded in the data. Themes were determined not merely by the frequency of a code's occurrence, but by consistent patterns of meaning, relevance to the research questions, inter-category relationships, and the ability to explain the challenges and strategies associated with initiating multi-stakeholder cooperatives in traditional markets. ATLAS.ti features such as code grouping, querying, code co-occurrence, and network views are utilized to explore relationships between codes and categories. Researchers then use the results of this exploration to construct a thematic structure and map conceptual relationships between themes.

The coding process is carried out by the lead researcher acting as the primary coder. Other research team members review portions or all of the coding results to assess the consistency of interpretations. Any discrepancies in coding or data interpretation are addressed through discussion, involving a re-examination of original excerpts, the context of

the informants' statements, and the code definitions in the codebook. Codes or definitions are revised as necessary. This process is conducted iteratively until a consensus on data interpretation is reached. If the study involves only a single coder, the process must be described differently, without claiming inter-coder agreement or consensus coding.

The three problem dimensions are then organized into a thematic structure that links empirical findings to the research objectives. These three dimensions—human resources, institutional aspects, and facilities/infrastructure—represent clusters of problem patterns identified from the various codes and categories found in the informants' narratives. The final analysis yields more than just a list of codes or categories from ATLAS.ti; it provides a thematic interpretation of the challenges faced in initiating multi-stakeholder cooperatives in traditional markets, as well as the strategies that can support this initiation process.

Validation through Focus Group Discussion

Research validation was carried out through Focus Group Discussions (FGDs). A single Focus Group Discussion (FGD) was conducted three hours at September 15, 2025 involving previously interviewed actors and 15 academics, experts, and cooperative practitioners in Yogyakarta. The topics discussed in the FGD included the challenges faced by market cooperatives, the potential of multi-stakeholder cooperatives as an alternative solution, and strategies for initiating multi-stakeholder cooperatives in traditional markets. Overall, the FGD results confirmed and aligned with the findings from previous interviews with market cooperative administrators.

RESULTS AND DISCUSSION

The results show that market cooperatives in Yogyakarta face general problems that, following Baswir's (2008) economic-democracy framework, can be grouped into three dimensions: human resources (HR)/membership (intellectual capital), organisation/institution (institutional capital), and material/infrastructure (material capital). The results of ATLAS.ti are revealed in four images: the first image shows the overall problems faced by market cooperatives in Yogyakarta, the second image shows human resource and membership problems, the third image shows organisational and institutional problems, and the fourth image shows material and infrastructure problems.

Human Resources and Membership Issues

Human-resource and membership issues are among the most fundamental problems facing market cooperatives, reflecting a wide gap between the human resources of market cooperatives and those of private or state-owned companies. Based on the interviews, three related aspects were identified: limited human resources, members with large loans, and members who borrow without collateral.

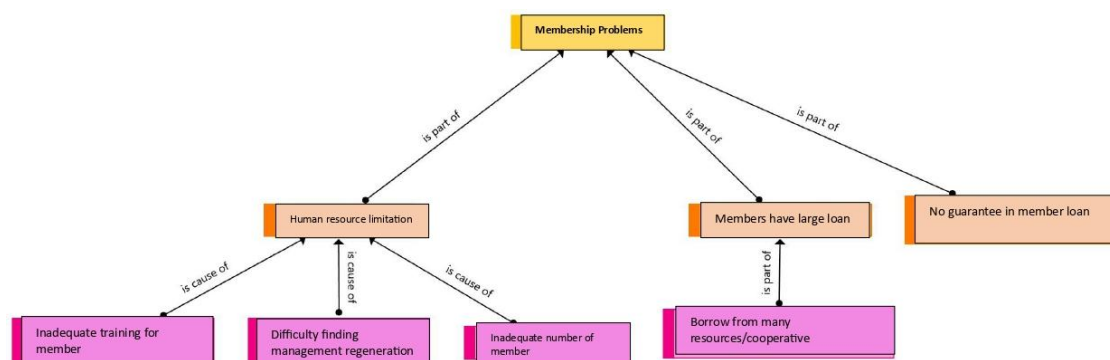


Figure 1. Human Resources and Membership Issues

Limited human resources, both in quantity and quality, are a fundamental problem. This includes inadequate training, difficulty recruiting new managers, and an insufficient number and quality of personnel. Many administrators lack digital literacy, which limits cooperatives' ability to compete with online market applications, and many carry out their work manually, reducing efficiency. This is as stated by one of the participant:

"Unfortunately many cooperative administrators and members lack sufficient understanding of technology, making it difficult for us to adapt and compete with other institutions that are more advanced in terms of digitalization" (participant 12, cooperative finance).

Participants also reported that IT knowledge is essential for managing data and improving administrative efficiency, but that prior training has often been too theoretical to address real-world issues, and budget constraints limit cooperatives' ability to support further education for members and administrators. As a participant said:

"We want to support members in becoming university graduates or pursuing higher education, but budget constraints make this difficult to achieve" (participant 13, cooperative secretary).

Recruiting new management personnel is difficult, leading to a predominance of older administrators and limited transfer of knowledge and skills; younger members are often reluctant to take on cooperative management roles, leaving cooperatives short of professional personnel able to introduce new technology and business strategies.

"The cooperative's management team has never changed, as serving as an official entails difficulties in running the cooperative; furthermore, the current board members are elderly" (participant 1, cooperative chairman).

This is broadly consistent with findings from the Center for People's Economic Studies at Gadjah Mada University (UGM), which similarly found market cooperatives in Yogyakarta constrained by limited human resources, business stagnation, weak connectivity, and inconsistent application of cooperative principles (Indroyono & Santosa, 2011).

Membership stagnation is compounded by members' substantial debts, which push traders to borrow from multiple financing sources

sometimes described by informants as a “dig a hole, cover a hole” pattern including, in some cases, informal lenders charging high interest rates despite the ease and speed of access. Limited human capital appears to make new loans a stronger motivation for cooperative membership than participation in human-resource capacity-building programmes that do not have an immediate impact on traders’ turnover. As a participant said:

"The training was supposed to involve direct fieldwork, but so far, it has been conducted solely through theory rather than hands-on field practice" (participant 7, cooperative treasury).

Organisational and Institutional Problems

The institutional and organisational development of market cooperatives in Yogyakarta lags behind other business institutions, reflecting several underlying governance problems identified through the interviews.

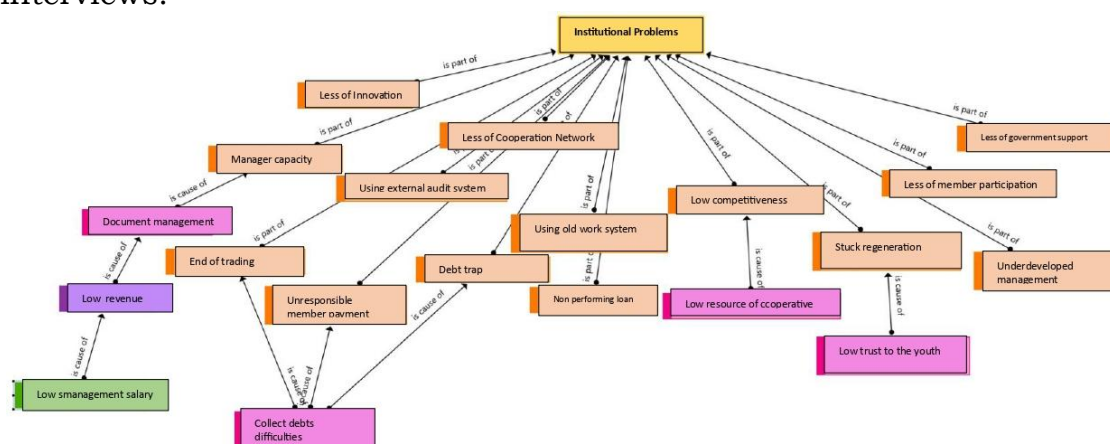


Figure 2. Organisational/Institutional Problems

Market cooperatives face unequal competition from banks and other financial institutions increasingly present in people’s markets, as well as from informal lenders operating outside the market. Because a single trader can borrow simultaneously from a cooperative and several other institutions, cooperative membership has declined, weakening the financial base and sustainability of cooperatives. Increasing competition from banks offering similar schemes for micro, small, and medium enterprises (MSMEs) has also contributed to declining cooperative savings and non-performing deposits, while cooperative products struggle to compete with more technologically advanced alternatives. This is as stated by a participant:

"Intense competition—driven by the entry of numerous large banks into the market—has led to a situation where individual traders take out loans from multiple cooperatives; consequently, these cooperatives struggle to grow due to the borrowers' widespread indebtedness" (participant 5, cooperative manager).

This is broadly consistent with New Institutional Economic theory, which holds that institutions function to reduce transaction costs and enable efficient exchange (Coase, 1937; Williamson, 1975); the pattern

observed suggests that market-cooperative institutions in Yogyakarta are not yet functioning optimally in this respect.

Bad debt is a further challenge: cooperative members report declining turnover linked to weak purchasing power, and in at least one cooperative reported in the interviews, bad debt reportedly exceeded 20% of the loan portfolio, straining cash flow. As stated by a participant:

"Current economic conditions are unfavorable, significantly impacting the cooperative's financial turnover. Many members are struggling to meet their loan repayment obligations, resulting in high levels of bad debt" (participant 15, cooperative finance).

This is consistent with earlier findings on chronic bad-debt problems among market cooperatives (Suarjaya, 2015) and traders' preference for private lenders due to faster, simpler loan processes (Hasanah, 2022), as well as with prior findings on unresolved planning and management issues in people's markets (Tanuwidjaja & Wirawan, 2012).

Cooperative management capacity is also limited, particularly for administrative and documentation tasks, a pattern participants linked to low compensation for cooperative management roles, which reduces incentives for full engagement in organisational activities and slows the implementation of new programmes and ideas. This is as a participant said:

"Document management remains disorganized; due to inadequate office facilities, cooperative-related files are still intermingled with personal items at the cooperative chairperson's home" (participant 3, cooperative chairman).

Frequent changes in management, without consistent continuity, also create confusion among members when new administrators bring different visions for existing programmes consistent with Shah's (2020) finding that market cooperatives often face limited financial resources, inefficient management, late payments, and inadequate credit facilities, alongside limited managerial expertise in market dynamics.

"Most board members are not optimally involved in operational activities or decision-making, causing programs to progress slowly. This lack of engagement hinders the cooperative's development, while a lack of initiative also impacts innovation and the renewal of its strategies" (participant 12, cooperative finance)

The absence of significant change in business model, technology, or governance reflecting conservative, largely older-generation management has left market cooperatives unable to keep pace with more innovative competitors, consistent with New Institutional theory's view that institutional change may be gradual (evolutionary) or, at critical junctures, more abrupt (revolutionary) (North, 1993).

Material and Infrastructure Problems

Limited material and infrastructure remain a barrier to the development of people's market cooperatives in Yogyakarta.

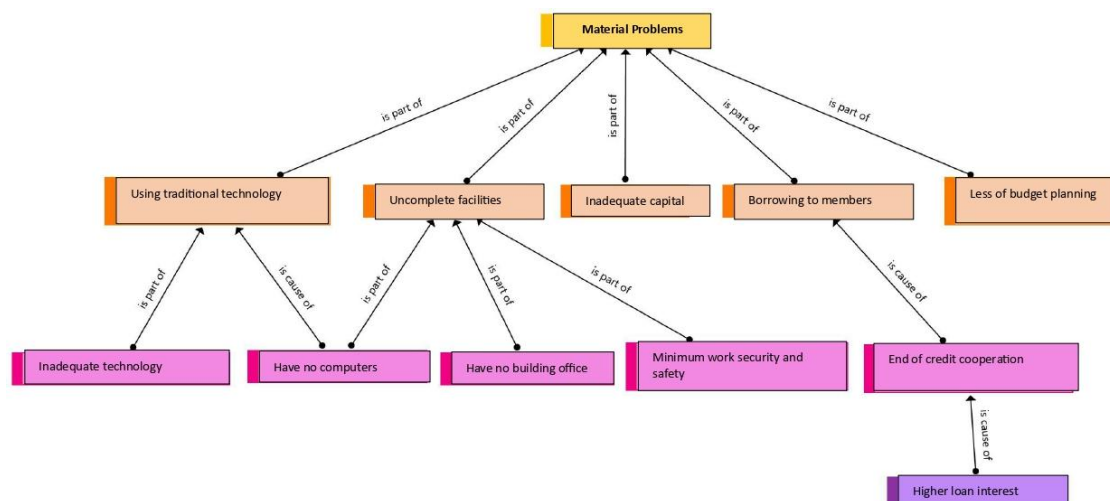


Figure 3. Material Problems

Many market cooperatives lack their own buildings and remain dependent on market-office space, limiting their institutional identity and the facilities they can offer members; some reported outdated buildings and disorganised document storage, with cooperative files sometimes kept at an administrator's home. As a participant said:

"Our cooperative does not yet have its own dedicated building. We still rely on the Market Agency for our location and physical facilities, meaning we utilize space available within the market complex" (participan 16, cooperative chairman).

Financial capital constraints are compounded by declining member savings, difficulty accessing bank financing due to perceived risk, and difficulty meeting collateral requirements, which in turn limits cooperatives' ability to offer larger loans that could help members grow their businesses. This is as stated by a participant:

"We face difficulties accessing financing because banks consider us high-risk, and many members are not actively contributing capital" (participant 12, cooperative finance).

Most cooperatives also rely on manual administration paper-based member records, cash-flow reporting, and receipts which participants described as slow, error-prone, and inefficient; some cooperatives lack basic computing equipment, requiring administrators to use external facilities such as photocopy shops or internet cafés for administrative tasks. This is as stated by participants:

"Record-keeping is still carried out manually using logbooks; this is certainly neither effective nor efficient, as retrieving archived data requires a significant amount of time" (participan 4, cooperative manager).

"Regarding technology at cooperative access to and utilization of technology remain very low; in fact, modern technology is not used at all" (participan 7, cooperative treasury).

Rationale for a Multi-Stakeholder Cooperative Model

The problems identified above are both urgent and central to the case for multi-stakeholder cooperative innovation in Yogyakarta's people's markets. A multi-stakeholder cooperative model has the

potential to bridge relationships among producers, traders, consumers, and investors under a shared vision, offering an institutional alternative to help stabilise cooperatives amid declining market activity. This is as said by a participant:

"If the relationships among producers, traders, consumers, and investors are well-established—united by a shared vision and mission to develop the cooperative—then a Multi-Stakeholder Cooperative could very well serve as a solution to maintain economic stability in a market that is becoming increasingly quiet over time" (participant 4, cooperative manager).

By formally involving stakeholders such as government, business actors, and community representatives, a multi-stakeholder cooperative could, in principle, provide members with better access to resources, technology, and markets, and enable a broader exchange of knowledge and experience that strengthens cooperative capacity and competitiveness, as stated by participant:

"I strongly support this multi-stakeholder cooperative model. This initiative holds great potential for developing cooperatives in a more inclusive and collaborative manner. By involving various parties—such as the government, business players, and the community—cooperatives can more easily access resources, technology, and markets." (participant 12, cooperative finance)

Based on the Focus Group Discussion (FGD), there was a shared view that multi-stakeholder cooperatives have significant potential to integrate various actors in the community market value chain, from farmers as producers, market traders, laborers as consumers, the government, and supporting communities. This synergy is expected to create a more efficient distribution system, guarantee product quality and origin, expand market access, and provide basic necessities at more competitive prices for members. Actor's experience in connecting producers and consumers, the idea of labor cooperatives as markets for farmers' products, and the hopes of market traders for cooperatives to play a role in distribution demonstrate that the interests of various stakeholders are complementary and can be integrated through a multi-stakeholder cooperative model.

The FGD also identified several challenges that consistent with interview result need to be addressed in the development of multi-stakeholder cooperatives. Key issues include low management regeneration, limited human resource competency, low member participation, the dominance of savings and loans compared to the real sector, weak understanding of the concept of multi-stakeholder cooperatives, and regulatory and institutional barriers. Furthermore, there remains a coordination gap between producers, traders, and consumers, preventing the potential for collaboration from being realized in a sustainable business model.

It should be emphasised that this potential is a theoretical proposition derived from the problems identified through this study and from the comparative literature, rather than an outcome directly

observed within an operating multi-stakeholder cooperative in Yogyakarta, since no such cooperative currently exists in the study area.

Strategy for Initiating a Multi-Stakeholder Cooperative

Based on the problem analysis, interviews, and FGDs, this study formulates a strategy for initiating multi-stakeholder cooperatives in Yogyakarta's people's markets, organised around efforts to develop cooperatives' intellectual, institutional, and material capital. The five elements of this strategy are: human and youth development, a relevant business model, collaboration among stakeholders, leveraging the advantages of people's-market products, and reform of people's-market governance. The five elements below combine findings directly reported by participants (marked accordingly) with the authors' theoretically informed proposals for how those problems could be addressed (also marked accordingly); the two should not be read as equivalent in evidentiary status.



Figure 4. Multi-Stakeholder Cooperative Initiation Strategy in Yogyakarta's People's Markets

Human and Youth Development

(Problem base: reported by participants; proposed response: authors' proposal, informed by the literature.) Field research found that the most fundamental problem facing Yogyakarta's people's market cooperatives is limited human resources, consistent with Reid & Fairbairn's (2011) argument that addressing cooperative problems through multi-stakeholder models should begin with human-resource development, and with Michaud & Audebrand's (2017) emphasis on the mentoring role of university-based intellectuals. Building on Santosa et al.'s (2018) proposal for education and training centres ("Market Schools") in people's markets, this study proposes that multi-stakeholder cooperative initiation in Yogyakarta begin with popular education involving all parties associated with the prospective cooperative, serving

as a vehicle for transferring values, knowledge, and skills relevant to multi-stakeholder cooperative management (Lund, 2011; Ajates, 2021). Because the human-resource gap identified in this study also reflects an inter-generational gap in cooperative leadership, the proposed strategy pairs this education initiative with a leadership-regeneration mechanism.

As one illustrative option which requires further institutional and legal feasibility assessment before implementation university students could serve in administrative roles under the supervision of academic staff, within a collaborative-learning arrangement (Michaud & Audebrand, 2017; Ajates, 2021); this specific arrangement is a normative proposal by the authors and was not directly reported by informants as an existing practice. Renewing cooperative human resources in this way is presented as a precondition for the digital-technology adoption needed in production, marketing, and governance. This is consistent with FGD result that multi-stakeholder cooperative initiation need to be supported by cooperative education and training, management capacity building, community outreach on the concept of multi-stakeholder cooperatives, and the development of partnership schemes that connect farmers, traders, laborers, the government, universities, and supporting communities.

Relevant Business Model

(Problem base: reported by participants; proposed response: authors' proposal, informed by the literature.) Because market cooperatives' business activities have largely been limited to savings and loans, they have not been able to exploit business opportunities available within people's markets and their associated supply chains. Following Vézina & Girard (2014), this study proposes that multi-stakeholder cooperatives develop business models and services more directly relevant to the needs and opportunities of their stakeholders for example, joint wholesale purchasing, which could improve price efficiency for staple products such as rice for consumers, traders, and farmer-suppliers alike, and a planned distribution system (direct sale at the market, sales through cooperative stores, and home delivery) in which the cooperative functions as a distribution hub linking farmer/supplier members to consumer members at more equitable prices. This is consistent with FGD results that the existence of a joint venture that is economically viable and capable of providing tangible benefits to all members. These are proposed business models informed by the comparative literature and are not yet operating within the cooperatives studied.

Collaboration Among Stakeholders

(Problem base: reported by participants; proposed response: authors' proposal, informed by the literature.) Weak networks and collaboration, and a wide gap among the parties involved in people's markets, indicate limited social capital a pillar for market development. This study proposes developing multi-stakeholder cooperatives as a shared platform through which stakeholders including academic

advisors, farmers, traders, and workers can build the social capital, and the empathetic, non-purely-transactional communication, associated with stronger social cohesion (Langlois & Girard, 2005; Lund, 2011; Levi, 1998; Michaud & Audebrand, 2017; Ajates, 2021), community concern (Vézina & Girard, 2014; Leviten-Reid & Fairbairn, 2011), and empowerment of marginalised groups (Levi, 1998; Wilkinson & Quarter, 1996). This is consistent with FGD results, are directed at strengthening cross-stakeholder collaboration through the development of business models that connect upstream and downstream sectors, starting with commodities with high demand and a clear supply chain.

Leveraging the Advantages of People's-Market Products

(Reframed per reviewer feedback: presented as potential opportunities rather than established facts, pending supporting evidence.) People's markets have sustained themselves partly through the distinctiveness of the products they trade, most of which are supplied by farmers and livestock keepers in rural areas, positioning people's markets as outlets for local economic exchange (Lund, 2011). Because these products are typically distributed with fewer intermediary stages, they may offer potential advantages in freshness and traceability compared with more processed retail alternatives, and, insofar as they originate from smallholder and traditional production systems, may also present opportunities to be marketed around natural or environmentally friendly attributes.

These are presented here as potential opportunities to be leveraged and communicated to consumers for example, through targeted marketing under the multi-stakeholder cooperative rather than as established, independently verified facts about health, safety, or environmental outcomes, since this study did not collect food-safety or environmental data. Multi-stakeholder cooperatives could function as a vehicle for developing local, traceable, and environmentally conscious product lines, echoing findings by Ajates (2021) on multi-stakeholder cooperatives' role in alternative food systems. This is in line with FGD results that multi-stakeholder cooperatives can develop as collective economic ecosystems that focus not only on financial services but also on strengthening distribution, marketing, and empowering the local economy in a sustainable manner.

Governance Reform: Structure, Feasibility, and Safeguards

(Problem base: reported by participants centralised, government-dominated market governance; proposed response: authors' proposal requiring further legal and institutional validation.) Centralised governance by local governments, with limited involvement of traders' associations and market cooperatives in managing market assets, has constrained cooperatives' organisational capacity. This study proposes that multi-stakeholder cooperatives take on a greater role in market management, potentially supported by fiscal incentives such as tax relief, adjusted levies, budget allocations, or profit-sharing arrangements around market

assets, and by digital tools for marketplace and social-media-based market operations (Santosa, 2017).

Governance structure (illustrative proposal). An operational multi-stakeholder cooperative model would need to specify, at minimum: (a) which stakeholder groups (e.g., traders, suppliers/farmers, consumers, workers, local government, and academic partners) are eligible for membership and under what conditions; (b) whether these groups form separate membership classes with differentiated voting rights, or a single class with equal votes; (c) how the governing board or supervisory body is composed across member classes, to avoid any single class (for instance, government or investor representatives) controlling decision-making; and (d) a defined mechanism such as a joint steering committee or mediation procedure for resolving conflicts among traders, suppliers, consumers, government, and other parties. This study proposes such a multi-class structure as a starting point for stakeholder deliberation, rather than as a finalised design; the specific voting weights and board composition would need to be negotiated with and agreed by the stakeholders involved in each cooperative's establishment.

Legal and institutional feasibility. Any such structure including student administrative participation, academic supervisory roles, government involvement, asset management, and profit-sharing mechanisms would need to be reviewed against Indonesia's cooperative law and relevant local-government regulations before implementation; this study does not present these arrangements as immediately implementable, and a dedicated legal-feasibility review is recommended as a next step, ideally involving the relevant cooperative-supervision authority.

Risks and safeguards. Bringing multiple stakeholder groups into a single cooperative does not, by itself, equalise power among them (Spear et al., 2017; Sacchetti & Borzaga, 2021); government agencies, investors, financial institutions, academic partners, or larger suppliers could potentially dominate decision-making at the expense of small traders or consumers a risk sometimes described in the cooperative literature as elite capture. Mitigating this risk would require explicit safeguards in the cooperative's governance documents, such as capped voting shares per member class, minimum representation guarantees for trader and consumer members on the board, transparent financial reporting to all member classes, and a defined grievance or accountability mechanism through which less powerful members can raise concerns. These safeguards are proposed here as design principles for future development and stakeholder negotiation, not as arrangements already tested within this study.

Sustainability: Definition and Linkage to Strategy

In this study, "sustainability" refers jointly to (a) the organisational continuity of market cooperatives, (b) their financial viability (reduced dependence on high-cost external credit and improved repayment capacity), and (c) the livelihood security of trader-members, rather than

to environmental sustainability specifically, although Strategy 5.4 also touches on environmental positioning of products. Table 1 below summarises how each of the five strategic elements is intended to relate to these sustainability dimensions.

Table 1. Integrated Strategy Framework

Strategic Element	Problem Addressed	Proposed Action	Responsible Stakeholder(s)	Required Resources	Expected Output	Sustainability Dimension
Human & youth development	Limited HR quantity/quality; ageing leadership; low regeneration	Popular education ("Market School"); mentoring and leadership-regeneration programme	Cooperative members, university partners, local government	Training curriculum, mentors, funding for education programmes	Trained, younger cadre of cooperative administrators	Organisational continuity
Relevant business model	Business limited to savings & loans; missed market opportunities	Joint wholesale purchasing; planned distribution/delivery system	Cooperative management, farmer/supplier members, traders	Working capital, logistics arrangements	Diversified cooperative revenue streams	Financial viability
Stakeholder collaboration	Weak networks; low social capital; fragmented interests	Shared multi-stakeholder platform; empathetic communication mechanisms	All stakeholder groups, academic facilitators	Facilitation capacity, regular forums	Stronger inter-stakeholder trust and coordination	Organisational continuity
Product advantages	Underleveraged distinctiveness of people's-market products	Targeted marketing of freshness/traceability; potential eco-positioning	Farmer-suppliers, traders, cooperative marketing team	Marketing resources, (future) supporting evidence/certification	Improved market positioning of cooperative products	Trader-member livelihood
Governance reform	Centralised, government-dominated governance; limited cooperative role in asset	Multi-class governance structure with safeguards; legal-feasibility review; fiscal-incentive negotiation	Local government, cooperative board, legal advisors	Legal review, negotiated regulations, fiscal support	Legally validated, balanced governance model	Organisational continuity & financial viability

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CONCLUSION

Using a phenomenological approach and ATLAS.ti-assisted qualitative analysis, this study finds that market cooperatives in Yogyakarta's people's markets face three interrelated problem dimensions, following Baswir's (2008) economic-democracy framework: limited intellectual capital (inadequate human-resource training, difficulty regenerating management, and an insufficient number and quality of members, alongside members carrying large loans or borrowing without collateral); limited institutional capital (lagging competitiveness, weak credit performance, limited government support, and constrained management capability and innovation); and limited material capital (incomplete facilities, limited financial capital, and manual technology). Based on these findings, this study proposes a five-element strategy for initiating multi-stakeholder cooperatives in Yogyakarta's people's markets: human and youth development, relevant business models, stakeholder collaboration, leveraging people's-market product advantages, and governance reform while noting, as discussed in Section 5, that several elements of this strategy are authors' theoretically informed proposals that require further stakeholder validation, legal review, and, in the case of product-advantage claims, supporting evidence, before being treated as established recommendations.

The practical implication of this study is that initiating multi-stakeholder cooperatives in Indonesia is likely to require sustained involvement from university-based mentors and supportive state regulation and policy. Theoretically, the study suggests a need to extend cooperative-integration theory beyond supply-chain (vertical) integration toward horizontal integration across pentahelix actors government, community, academia, business, and media. These conclusions are bounded by the study's scope: they are drawn from Yogyakarta's people's markets specifically and should not be generalised to other regions without further empirical validation.

Further research could usefully employ action research, ethnographic, or case-study methods to capture the dynamics of multi-stakeholder cooperative initiation in greater depth, involve stakeholders beyond the immediate market environment, and apply Soft Systems Methodology to co-design a model and strategy for multi-stakeholder cooperative development that is explicitly agreed upon by all parties in the people's market, so that it can serve as a shared guideline for joint action.

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