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Study of Development of Small-Competitive Cooperative and Business Developments in Dealing with Industrial Era 4.0 in West Java Province

Mukhtar Abdul Kader*
Nurdiana Mulyatini†
Wiwin Setianingsih‡

Abstract

This study examines the development of cooperatives and micro-enterprises to be able to compete in the industrial era 4.0, 24,048 cooperatives and micro-small businesses in West Java are inactive, this shows that cooperatives and micro-small businesses have not been able to compete with other business entities, especially the use of internet technology, this inability causes of diseases that cause new poverty in society. In 2017, the poor in West Java recorded 4,168,440 in 19th place out of 34 provinces in Indonesia. The purpose of this study was to find out how cooperatives, micro and small enterprises and cooperative development strategies and micro enterprises in West Java in the industrial era 4.0, the method used is a field study method using secondary data and SWOT analysis techniques (strengths, weaknesses, opportunities, threats). Cooperatives and communities in West Java province in order to survive need to adapt to the industrial era 4.0, namely focusing on improving managerial quality, products and services, utilizing digital technology, increasing collaboration with banks, increasing business capital, building strong networks with the government, improving quality cooperation between cooperatives and Micro and Small Enterprises in ASEAN, improving the quality of services and the role of the community.

Keywords: SWOT analysis, industrial era 4.0, cooperative development, competitive cooperative, micro-small businesses.

I. INTRODUCTION

Popular economy is attached to cooperatives, this has been a long time even since the Dutch colonial era cooperatives already exist in this archipelago (Suhartono, 2011). The cooperative was founded starting from togetherness and economic equality of the community is seen in one of the articles contained in the 2012 cooperative law which states that each member is the owner of the cooperative (Kemenkumham RI, 2012). In almost every village in Indonesia there are cooperatives even today being developed into village-owned enterprises. The number of cooperatives in 2017 reached 24,589 spread across 27 districts and cities, the average active cooperatives 43.76%

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* Lecturer of management, Faculty of Economics, Galuh University, Jl. R. E. Martadinata No. 150 Baregbeg Ciamis, West Java, Indonesia. Phone: 0265 772060, E-mail: info.fe@unigal.ac.id Web page: www.unigal.ac.id.

† Lecturer of management, Faculty of Economics, Galuh University, Jl. R. E. Martadinata No. 150 Baregbeg Ciamis, West Java, Indonesia. Phone: 0265 772060, E-mail: info.fe@unigal.ac.id Web page: www.unigal.ac.id.

‡ Lecturer of management, Faculty of Economics, Galuh University, Jl. R. E. Martadinata No. 150 Baregbeg Ciamis, West Java, Indonesia. Phone: 0265 772060, E-mail: info.fe@unigal.ac.id Web page: www.unigal.ac.id.

(10,759 cooperatives) and the remaining 56.24% (13,830 cooperatives) were inactive (Dinas Koperasi Jabar, 2021). This shows that cooperatives have not been able to compete optimally with other business entities.

Furthermore, so do small businesses, whose numbers have increased in the last 10 years. In 2006 the number of small businesses was 4.21 million increased in 2016 was 4.63 million. This is a considerable economic potential that needs to be maintained. On the other hand, the poverty rate in West Java in 2017 from 34 provinces in Indonesia and is ranked 3rd if seen Total, namely: 4,168.44 people. One of our tasks is to optimize the performance of cooperatives and small businesses in order to have high performance so that the impact on employment and reduce the number of unemployed. To survive, cooperatives and micro businesses must have high competitiveness. The main strength to have competitiveness in the Industrial Age 4.0 is to have a good long-term relationship with suppliers and customers and the use of information technology (Suhartono, 2011). The term industrial era 4.0 it self was officially born in Germany precisely when the Hannover Fair was held in 2011.

Industrial era 4.0 is a mandatory part of development planning and has become part of today's development strategies. The policy taken certainly aims to maintain business continuity, for example, Germany always strives to be at the forefront of manufacturing (Ridwana, 2019).

Almost in all countries today have applied the concept of industrial era 4.0, although with different names such as smart factories, industrial internet of things, smart industry, or advanced manufacturing. Even though they have different sentences, one direction is to increase the competitiveness of the country's industry in welcoming a very dynamic global market. Not to forget also on social-based business, small-scale cooperative business and Micro and Small Enterprises in various business fields competing in implementing how to use the internet to increase the capacity and capability of their businesses to compete (Setianingsih et al., 2020)

In line with these other obstacles, of course we will face the vast geographical Indonesia is a challenge for the industrial world, the obstacle is internet connectivity (Rahmana, 2009). Therefore, for the application of industrial era 4.0 other technology support is needed. In facing and now in its era, all components of the business must participate and prepare anything that is excellence and obstacles in the industrial era 4.0 (Prasetyo & Sutopo, 2018).

Indonesia in this case the government has adopted a policy as outlined in the short-term and long-term development plans called RPJMN, namely the development of inter-island internet network infrastructure using the Palapa Ring system. This program will build optical fiber throughout Indonesia with a length of 13,000 kilometers, thus the internet will connect all regions in Indonesia from Sabang to Merauke, of course, at an affordable cost, so that industrial era 4.0 can be enjoyed not only in Java, but also in Kalimantan, Maluku and Papua, so that the contribution of each large island in Indonesia to the national GDP can be more balanced, because so far the Indonesian GDP cake is dominated by the islands of Java and Sumatra which results in income inequality between islands in Indonesia (Bappenas, 2019).

This study aims to find the best strategy for developing cooperatives and small businesses in West Java that have high competitiveness so that they can survive in this industrial era 4.0 (Claiborne et al., 1995).

II. LITERATURE REVIEW

2.1. Cooperatives

According to law number 17 of 2012 concerning cooperatives article 1: "cooperatives are legal entities established by individuals or cooperative legal entities, with the separation of the assets of its members as capital to run a business, which fulfills the common aspirations and needs in the economic, social sector and culture in accordance with the values and principles of the cooperative" (Kemenkumham RI, 2012). Meanwhile, according to the definition of cooperatives in general is: "cooperatives are understood as associations of people who voluntarily unite themselves to strive to improve their economic welfare through the formation of a democratically managed business entity". Meanwhile, according to (Rumetna et al., 2020), "a cooperative is a business organization whose owners/members are also the company's main customers". From the three definitions, it can be argued that a cooperative is a legal entity which is a voluntary association of people with the aim of improving the economic welfare of members in particular and the community in which they work in general.

2.2. Small Business

According to the law of the Republic of Indonesia number 20 of 2008 concerning micro, small, and medium enterprises (UU No. 20 Tahun 2008, Kemenkumham RI, 2008) it explains that: micro enterprises, namely productive businesses owned by individuals or individually owned enterprises criteria as follows:
1) Have a net worth of not more than IDR 50,000,000 (fifty million rupiah), excluding land and buildings for business premises.
2) Have an annual sales result of not more than IDR 300,000,000 (three hundred million rupiah).

2.3. Competitiveness

Competitiveness is related to the level of output produced for each unit of input used or known as productivity. Increased productivity can be seen from the increase in capital and labor, the quality of inputs, and the 12 applied technologies. According to Frinces (2011), competitiveness is the result of the advantages a company has and the added value of a company to produce something, either in the form of services or goods. Kenggulan comes from work processes that are carried out with good quality and professional management concepts accompanied by the contribution of the best resources such as raw materials, leadership, adequate finance, human resources and support from sophisticated technology.

According to Misbah and Budiyanto (2020) are: "human resource management views humans in the organization as assets that need to be cared for, improved skills and maintaining their commitment to work, these things will have an impact on increasing competitive advantage". Competitiveness is identified with productivity problems, namely by looking at the level of output produced for each input used. This increase in productivity is caused by an increase in the amount of physical input to capital and labor, an increase in the quality of the input used and an increase in technology (Ritonga & Hidayat, 2015). The approach that is often used to measure competitiveness is seen from several indicators, namely comparative advantage and competitive advantage. According to Sudaryanto et al. (2014), comparative advantage is an economic activity which, according to comparison, is more profitable for regional development the term comparative adventage (comparative advantage).

2.4. Analisis SWOT

According to Silipo et al. (2015) explains that, "SWOT analysis is the systematic identification of various factors to formulate a company strategy". This analysis is based on a logic that maximizes strengths and opportunities but simultaneously minimizes weaknesses and threats. According to Cahyono (2016) says that "SWOT analysis is a strategic planning method used to evaluate strengths, weaknesses or weaknesses, opportunities or opportunities, and threats or threats in a project or business speculation". And can be applied by analyzing and sorting various things that affect the four factors. According to Prawitasari (2010), SWOT analysis is defined as an evaluation of all strengths, weaknesses, opportunities, and threats. Meanwhile, according to Cahyono (2016) SWOT analysis is defined as: "analysis based on logic that can maximize strengths and opportunities, but simultaneously minimize weaknesses and threats". From some of the above meanings, the writer can conclude that SWOT analysis is a method to describe the conditions and evaluate a problem, project or business concept based on external and internal factors, namely strengths, opportunities, weakness, threats.

2.5. Industrial 4.0 Era

The definition of industrrial 4.0 era varies because it is still in the research and development stage. German chancellor, Prasetyo and Sutopo (2018) argues that industry 4.0 is a comprehensive transformation of all aspects of production in industry through the combination of digital technology and the internet with conventional industries. Natasuwarna (2019) emphasize the definition of the speed element of information availability, namely an industrial environment in which all entities are always connected and able to share information with one another.

A more technical understanding is conveyed by Prasetyo and Sutopo (2018) that industrial 4.0 era is the integration of cyber physical systems (CPS) and the internet of things and services (IoT and IoS) into industrial processes including manufacturing and logistics and other processes. CPS is a technology to combine the real world with the virtual world. This combination can be realized through the integration between physical and computational processes (embedded computer technology and networks) in a close loop.

Zhang et al. (2020) added that industrial 4.0 era is a term to refer to a collection of value chain technologies and organizations in the form of smart factories, CPS, IoT and IoS. Smart factory is a modular factory with CPS technology that monitors the physical process of production then displays it virtually and decentralizes decision making. Through the IoT, CPS is able to communicate and work together in real time, including humans. IoS are all service applications that can be utilized by every stakeholder, both internally and between organizations.

There are six design principles for industry 4.0, namely interoperability, virtualization, decentralization, real time capabilities, service oriented and modular. Based on some of the explanations above, industry 4.0 can be interpreted as an industrial era where all entities in it can communicate with each other in real time at any time based on the use of internet technology and CPS to achieve the goal of achieving new value creation or optimization of existing value from every process in the industry.

III. RESEARCH METHODOLOGY

The method used in this study is the field study method, the data used are secondary data from the ministry of cooperatives and small and medium enterprises (UMK) of the Republic of Indonesia and the office of cooperatives and small

businesses of West Java province, namely the recapitulation of cooperative data in 34 provinces, micro business development, small and medium size in 2016-2017, active cooperatives by province 2006-2016 and population per province in Indonesia. Data collection techniques using documentation techniques, the first stage is the publication of data collection using Google scholar services, studies of government agencies in the form of reports, accredited national journals and even national journals in every well-known university in Indonesia, while processing techniques and data analysis using SWOT analysis. This analysis is based on logic that can maximize strengths and opportunities, but at the same time minimize weaknesses (weakness) and threats (threats).

After the SWOT indicators have been determined, the first step is to determine the weights, ratings, and scores. Weights are determined based on the level of importance or urgency of handling on a scale of 1 to 5 (1= not important, 5= very important).

The second step is to add up the weights and weakness weights. Then calculated the relative weights for each indicator that is on the weaknesses and weaknesses, so that the total value of the weight becomes 1 or 100%. In the same way the weights and weights are calculated for opportunities and threats. The third step is to determine the rank. Rating is our analysis of what might happen in the short term (for example, in the next year). The rating value for the Strength Variable is given a value of 1 to 4. It is given a value of 1 if it is possible that its performance is decreasing compared to the main competitor indicator. Rated 2 if the indicator is performing the same as its main competitors. Meanwhile, given a value of 3 or 4, if the indicator is better than the main competitors. The higher the value, the better the indicator's performance next year compared to the main competitors.

Rating of weakness variable is given a value of 1 to 4. It is given a value of 1 if the indicator has more weaknesses than its main competitors. In fact, it is given a score of 4 weaknesses in this indicator, it will decrease compared to the main competitors next year. This means that giving a rating value for the weakness variable or threat variable is opposite by giving a rating value for the strength variable and the opportunity variable. The score value is based on the result of the weight value multiplied by the rating value. The total score for internal factors indicates that the more 1, the more internal weaknesses than the strengths. Whereas the more it increases 4, the more strengths the weaknesses.

Table 1
Diagram Matrix SWOT

| Internal External IFAS EFAS	Strength (S) Determine 5-10 internal strength factors.	Weakness (W) Determine 5-10 factors of internal weakness.
Opportunities (O) Determine 5-10 external opportunities.	**Strategy SO:** use strength by utilizing opportunities. **Turn Around Strategy (3)** Minimize weaknesses for opportunities.	**Strategy WO:** overcome weakness by utilizing opportunities. **Aggressive Strategy (1)** Make use of existing opportunities and strengths.
Threats (T) Determine 5-10 external threat factors.	**Strategy ST:** use strength to avoid threats. **Defensive Strategy (4)** Minimize weaknesses and defend against external threats.	**Strategy WT:** minimize weaknesses and avoid threats. **Diversification Strategy (2)** Utilize strength to deal with external threats.

Source: Rangkuti, 2018.

To be able to calculate the quadrant position from the SWOT analysis, we need a combination of weight and rating.

IV. RESULTS AND DISCUSSIONS

Cooperatives in West Java number 24,048 spread across 27 regencies of the city, the distribution can be seen as follows:

Picture 1
Distribution of Cooperatives in Each Regency City in 2017
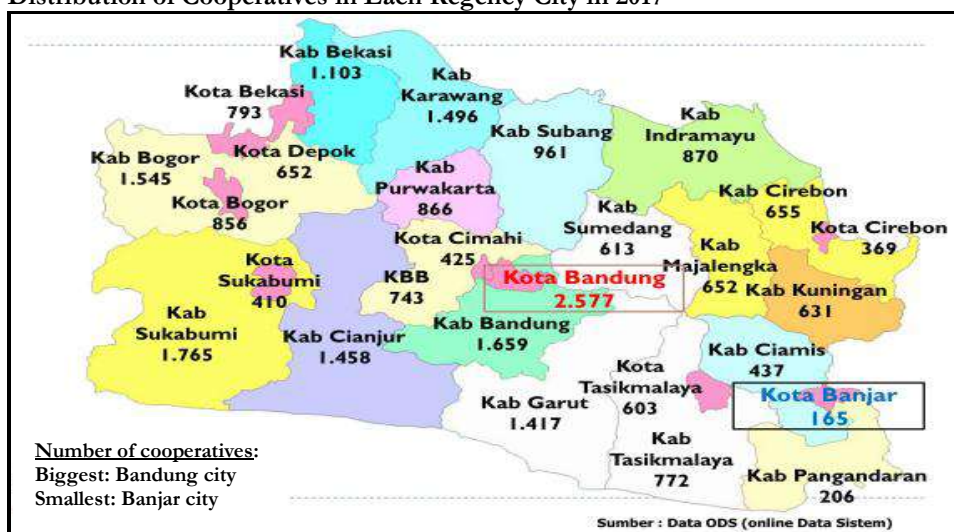
4.1. Micro Small Business in West Java Province

The business world in West Java is currently dominated by micro, small enterprises (MSEs). From the results of SE2016 continued, the number of these businesses reached more than 4.5 million businesses or 98.84% of the total non-agricultural businesses in West Java. This business is also able to absorb West Java's workforce of more than 9.7 million people or around 74.07% of the total non-agricultural workforce.

4.2. Development of Cooperatives and Micro Small Businesses (UMK)

4.2.1. Internal Factors
1) Identification of internal strengths and weaknesses

Identification of internal strategy factors in the form of strengths and weaknesses that influence the success of the development of cooperatives and small-scale businesses that are competitive in the province of West Java as shown in Table 2.

Table 2
Internal Strengths and Weaknesses

No.	Strengths	No.	Weakness
1.	UMK dominates enterprises in West Java province.	1.	There are still many MSEs that are not yet incorporated.
2.	Dominated by wholesale and retail trade, repair and maintenance of cars and motorbikes.	2.	Computer usage is still low.
		3.	Not maximizing online marketing.
3.	Provision and accommodation and provision of food and beverage.	4.	Lack of partnership.
		5.	In general, the quality of education of UMK managers is still low.
4.	Processing industry business.	6.	Don't know how to grow a business.
		7.	Still rely on bookkeeping manually.

To be continued Table 2.

No.	Strengths	No.	Weakness
	5. Businesses in accommodation and provision of food and beverage. 6. UMK is one of the most appropriate places to accommodate workers who do not have high skills. 7. UMK is the most absorbent of labor. 8. The role of women in driving the economy is large enough to be seen as supporting the family economy. 9. The best business performance is real estate. 10. UMK Construction has the highest employment absorption		8. Information limitations become obstacles in establishing partnerships with large companies. 9. UMK entrepreneurs are dominated by elementary school graduates. 10. The worst business performance was human health activities and social or educational activities. 11. Product quality is still low. 12. Lack of product innovation. 13. Low ability in the field of organization and human resource management. 14. The creation of a business climate that is less conducive, because it tends to develop towards mutually deadly competition.

Table 3
Matriks IFAS (Internal Factors Analysis Summary)

	No. Internal Factors	Weight	Rating	Score
(Strengths)	1. UMK dominates Enterprises in West Java province.	0.08	5	0.4
	2. Dominate first by wholesale and retail trade, repair and maintenance of cars and motorbikes.	0.04	5	0.2
	3. Dominate the second provision and accommodation and provision of food and beverage.	0.03	4	0.12
	4. Dominating the three processing industry businesses.	0.02	3	0.06
	5. Dominates all four businesses in accommodation and drinking food provides.	0.01	3	0.03
	6. UMK is one of the most appropriate places to accommodate workers who do not have high skills.	0.03	4	0.12
	7. UMK is the most absorbent of labor.	0.07	5	0.35
	8. The role of women in driving the economy is large enough to be seen as supporting the family economy.	0.04	5	0.2
	9. The best business performance is real estate.	0.05	3	0.15
	10. UMK construction has the highest employment absorption.	0.07	5	0.35
	Total Strengths	**0.44**		**1.98**
(Weakness)	1. There are still many MSEs that are not yet incorporated.	0.06	5	0.3
	2. Computer usage is still low.	0.05	5	0.25
	3. Not maximizing online marketing.	0.07	5	0.35
	4. Lack of partnership.	0.03	4	0.12
	5. In general, the quality of education of UMK managers is still low.	0.02	3	0.06
	6. Don't Know How to Grow a Business.	0.03	4	0.12
	7. Still Rely on Bookkeeping Manually.	0.03	4	0.12
	8. Information limitations become obstacles in establishing partnerships with large companies.	0.04	3	0.12
	9. UMK entrepreneurs are dominated by elementary school graduates.	0.03	5	0.15

To be continued Table 3.

No.	Internal Factors	Weight	Rating	Score
10.	The worst business performance was human health activities and social or educational activities.	0.02	5	0.1
11.	Product quality is still low.	0.04	3	0.12
12.	Lack of Product Innovation.	0.02	5	0.1
13.	Low ability in the field of organization and human resource management.	0.06	5	0.3
14.	The creation of a business climate that is less conducive, because it tends to develop towards mutually deadly competition.	0.06	5	0.3
	Total Weakness	**0.56**		**2.51**
	Total S + W	**1**		**4.49**

4.2.2. External Factors

1) Identification of opportunities and threats

External strategic factors include opportunity and threat factors. The identification of opportunity and threat factors is carried out to identify opportunities and threats factors that influence the sustainability of Sentul chicken development in Ciamis regency. Identifiable external opportunity and threat factors in Table 4.

Table 4

External Opportunities and Threats

No.	Opportunities	No.	Threats
1.	The use of digital technology and the utilization of the internet network that is increasingly easy making it easier for cooperatives and MSEs to reach the widest market.	1.	The application of the ASEAN economic community (AEC) has made competition even more open.
2.	The banking sector provides microfinance literacy and makes policies that do not burden business operators.	2.	Have limited access to funding/venture capital financing.
3.	It is easy to get workers because job seekers are dominated by high school/vocational graduates.	3.	Threat of closing UMKM social media.
4.	The more widespread Islamic banking is more populist such as Baitul Maal Wat Tamwil (BMT).	4.	Weakening of the rupiah against the US dollar.
5.	Guarantees from the government to establish an institution to guarantee loans in an effort to finance small businesses.	5.	System downtime or UPS system failure (25%), cyber attacks (22%), human error (22%), and generator failure (6%).
6.	Standardization of cooperative and UMK products for the domestic and export markets.		
7.	Government support through the ministry of cooperatives and MSMEs that have priority programs for increasing the competitiveness of MSMEs and Cooperatives.		

Table 5

Matriks EFAS (External Factors Analysis Summary)

No.	External Factors	Weight	Rating	Score
1.	The use of digital technology and the utilization of the internet network that is increasingly easy making it easier for cooperatives and MSEs to reach the widest market.	0.09	5	0.45

To be continued Table 5.

	No.	External Factors	Weight	Rating	Score
(Opportunities)	2.	The banking sector provides microfinance literacy and makes policies that do not burden business operators.	0.06	3	0.18
	3.	It is easy to get workers because job seekers are dominated by high school/vocational graduates	0.08	4	0.32
	4.	The more widespread Islamic banking is more populist such as Baitul Maal Wat Tamwil (BMT).	0.04	2	0.08
	5.	Guarantees from the government to establish an institution to guarantee loans in an effort to finance small businesses.	0.05	2	0.1
	6.	Standardization of cooperative and UMK products for the domestic and export markets.	0.05	3	0.15
	7.	Government support through the ministry of cooperatives and MSMEs that have priority programs for increasing the competitiveness of MSMEs and cooperatives.	0.09	5	0.45
		Total Opportunities	**0.46**		**1.73**
(Threats)	1.	The application of the ASEAN economic community (AEC) has made competition even more open.	0.16	5	0.8
	2.	Have limited access to funding/venture capital financing.	0.06	3	0.18
	3.	Threat of closing UMKM social media.	0.08	2	0.16
	4.	Weakening of the rupiah against the US dollar.	0.18	5	0.9
	5.	System downtime or UPS system failure (25%), cyber attacks (22%), human error (22%), and generator failure (6%).	0.06	5	0.3
		Total Threats	**0.54**		**2.34**
		Total O + T	**1**		**4.07**

4.2.3. SWOT Analysis

Based on aspects of strengths, weaknesses, opportunities and threats, several competitive alternative strategies for Cooperative and UMK development can be arranged, internal and external aspects combined and arranged in a SWOT matrix that can clearly illustrate how external opportunities and threats faced can be developed. adjusted to the strengths and weaknesses they have. SWOT matrix which is usually called the internal and external matrix (IE), broadly speaking there are 3 types of strategies in the IE matrix analysis as follows:

1) Growth strategy which is a growth or diversification effort.
2) Stability strategy is a strategy that is implemented without changing the direction of the strategy that has been set.
3) Retrenchment strategy is an effort to reduce the amount of effort done.

Table 6
The Description of IFAS and EFAS

| IFAS / EFAS	Strength (S)	Weakness (W)
	1. UMK dominates enterprises in West Java Province (S1) 2. Dominating first by wholesale and retail trade, repair and maintenance of cars and motorcycles (S2).	1. There are still many MSEs that are not yet incorporated (W1). 2. Computer usage is still low (W2). 3. Not to maximize online marketing (W3). 4. Lack of partnership (W4).

To be continued Table 6.

IFAS / EFAS	Strength (S)	Weakness (W)
	3. Dominate the second provision and accommodation and provision of food and drink (S3). 4. Dominate the three processing industry enterprises (S4). 5. Dominate the four business accommodation and drink provision of accommodations (S5). 6. UMK is one of the most appropriate places to accommodate workers who do not have high skills (S6). 7. MSEs as the most absorbent of labor (S7). 8. The role of women in driving the economy is quite large is considered as supporting the family economy (S8). 9. The best business performance is real estate (S9). 10. UMK construction has the highest employment absorption (S10).	5. In general, the quality of education of UMK managers is still low (W5). 6. Don't know how to grow a business (W6) 7. Still rely on bookkeeping manually (W7). 8. Information limitations become obstacles in establishing partnerships with large companies (W8). 9. Entrepreneurs of UMK are dominated by elementary school graduates (W9). 10. The worst business performance is human health activities and social or educational activities (W10). 11. Product quality is still low (W11). 12. Lack of product innovation (W12). 13. Low ability in the field of organization and human resource management (W13). 14. The creation of a business climate that is less conducive, because it tends to develop towards mutually deadly competition (W14).
Opportunities (O) 1. The use of digital technology and the utilization of the internet network that is increasingly easy to facilitate cooperatives and MSEs to reach the widest market (O1). 2. Banks provide micro finance literacy and make policies that do not burden business operators (O2). 3. Easy to get workers because job seekers are dominated by high school/vocational school graduates (O3). 4. The more widespread Islamic banking is more populist such as Baitul Maal Wat Tamwil (BMT) (O4). 5. Guarantees from the government to establish an institution to guarantee loans in an effort to finance small businesses (O5).	**Strategy SO** 1. Improving managerial quality, products and services (S2, S4, S5, O6). 2. Increased use of digital technology in expanding access (S3, O1). 3. Increased collaboration with banks in increasing business capital (S1, O2, O4). 4. Build a strong network with government and the labor market (S6, S7, S9, S10, O3, O5). 5. Enhancing the role of government and the role of women in economic development (S8, O7).	**Strategy WO** 1. Maintaining legal and cooperative UMK and utilizing digital marketing. (O1, W1, W2, W3, W7, W8). 2. Maintaining good relations with businesses, governments and consumers (O2, O7, W4). 3. Maintaining good cooperation with banks and the government. (O2, O4, O5, W13). 4. Maintaining the quality of management and labor needs to anticipate the labor market at the SMA/SMK level (O3, W9, W14). 5. Maintained product standardization and the role of the government in increasing competitiveness. (O6, O7, W5, W6, W10, W11, W12).

To be continued Table 6.

IFAS		
EFAS		
6. Standardization of coopera-tive and MSE products for the domestic and export markets (O6). 7. Government support thro-ugh the ministry of coope-ratives and MSMEs that have priority programs for increasing the competitive-ness of MSMEs and cooperatives (O7).		
Threats (T)	**Strategy ST**	**Strategy WT**
1. The application of the ASEAN economic commu-nity (AEC) has made competition even more open (T1). 2. Have limited access to funding/business capital financing (T2). 3. Threat of closing social media UMKM (T3). 4. Weakening of the rupiah against the US dollar (T4). 5. System downtime or UPS system failure (25%), cyber attacks (22%), human error (22%), and generator failure (6%) (T5).	1. Improving the quality of cooperation between coo-peratives and MSEs in ASEAN (T1, S1, S2, S3, S5). 2. Increasing access to fund-ing with banking and processing industries (T2, S4). 3. Improve cooperation with the government relating to the utilization of social media and guarantee the impact of weakening rupiah (T3, T4, S1). 4. Improve service quality and community roles (T5, S8, S9). 5. Increase number of low skill workers (S6, S7, S10).	1. Collaborating on joint product exhibitions throughout ASEAN for the exchange of knowledge and experience and cooperation with governments relating to licensing (T1, W1, W2, W3, W4, W5, W8). 2. Collaborative financing from banks, training and development and market expansion through the use of the internet. (T2, W6, W7, W9). 3. Establish partnerships with other business actors and improve the quality of business management. (T5, W10). 4. Reducing system disruption to online services with the government. (T3, W14). 5. Implement cooperation training, business management, product quality improvement, innovation with the ministry of cooperatives and MSMEs (T4, W11, W12, W13).

When described in the IE matrix SWOT quadrant form above as follows:

Figure 2
SWOT Quadrant
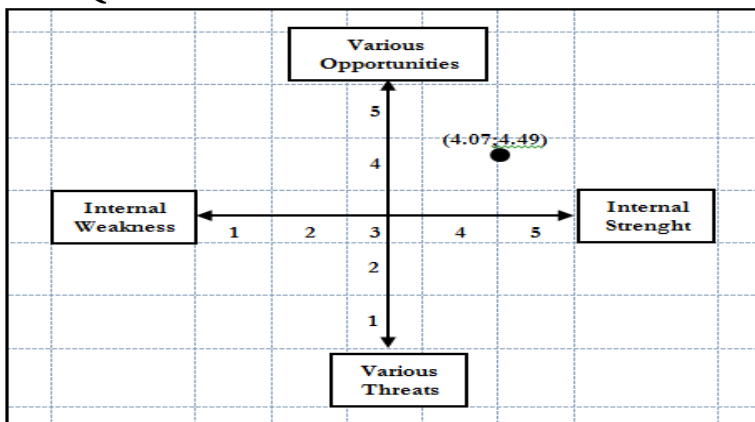
V. CONCLUSION, IMPLICATIONS AND RECOMMENDATIONS

5.1. Managerial Implications

The city of Bandung is the most as many as 2,577 and the least is the city of Banjar as many as 165. The development of cooperatives in West Java province as a whole from year to year has fluctuated but tends to increase from year to year. According to BPS Data last update 25 June 2018 that the province of West Java is the third most active cooperative in Indonesia. We can see active cooperative development in West Java in the last 10 years as follows:

Figure 3
Development of Cooperatives 2006-2016
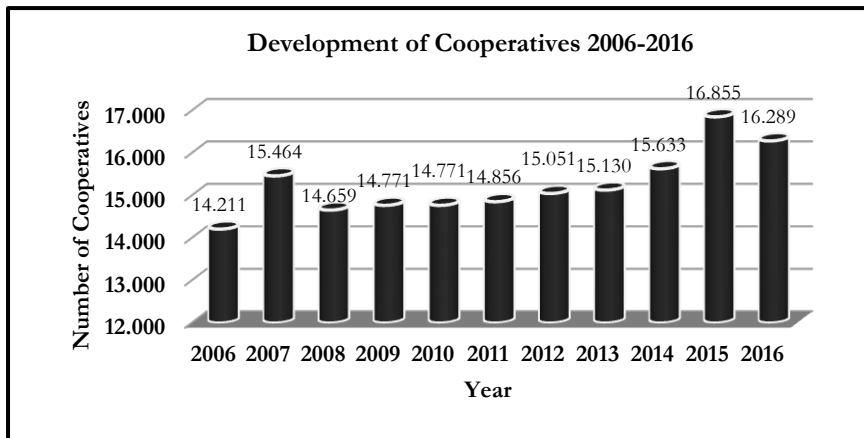

Source: 2019 processed data

From this picture it can be seen that the development of cooperatives in West Java province continues to increase even though in 2016 it declined. The development of cooperatives in West Java cannot be separated from the participation of cooperatives in various districts and cities, following the percentage of active cooperatives in West Java in 2017.

Insert Figure 4 here.

Whereas cooperatives based on types (producers, marketing, consumers, services and savings and loans) can be seen in the following data:

Figure 5
Cooperatives by Type West Java in 2017
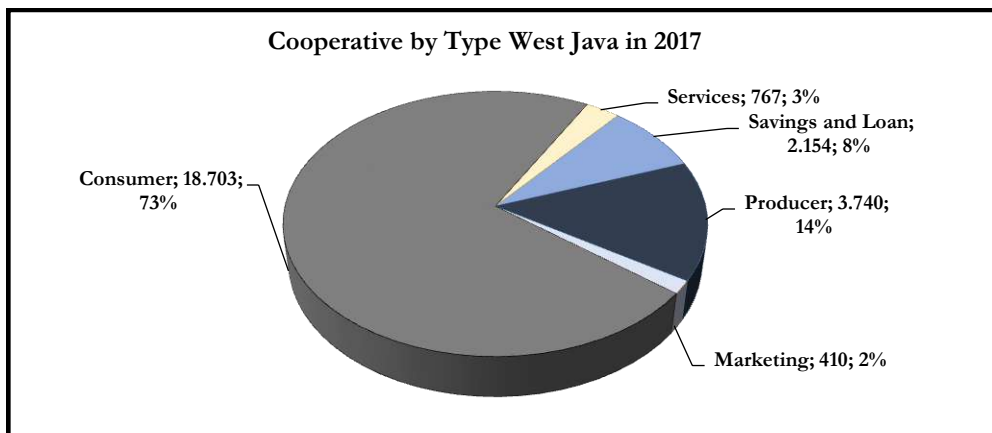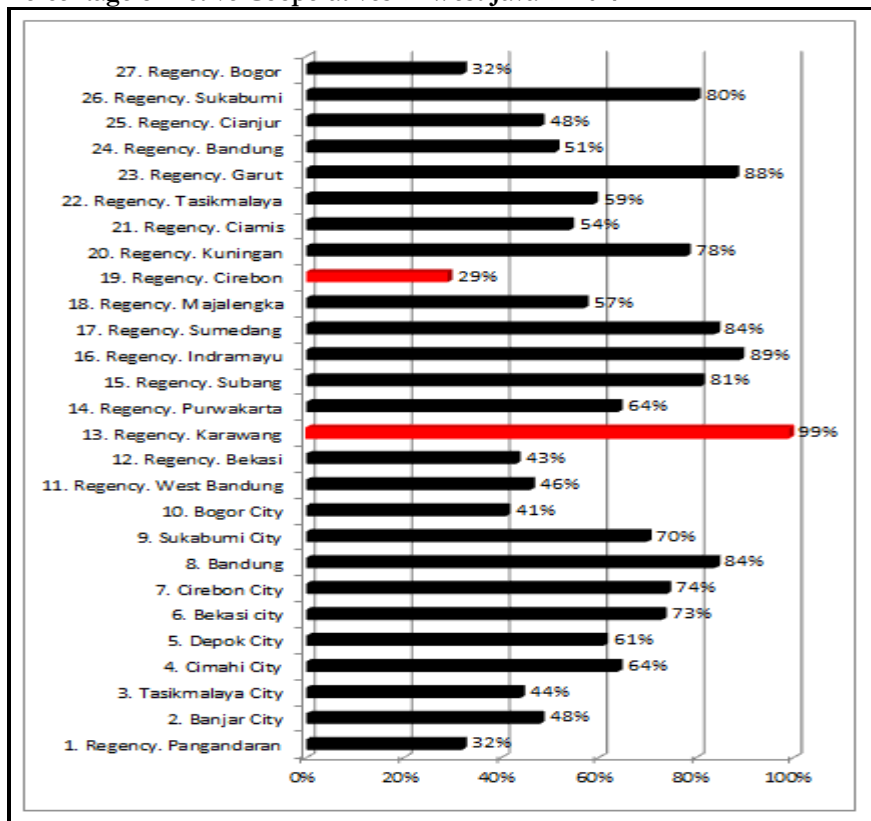

Source: data processed 2019.

It can be concluded that cooperatives in West Java are dominated by consumer cooperatives by 73%. When the crisis hit Indonesia, including West Java around 1997-1998, small and medium enterprises (UMK) remained strong when other large businesses collapsed. The advantages of MSEs can withstand various crises with the following reasons:

First   : MSEs produce goods and services that are consumed and close to the needs of the community.
Second : MSEs use local resources more than import
Third   : MSEs in general use relatively small capital. Thus, MSEs do not really feel the effects of the global crisis which is usually marked by a deep decline in the rupiah exchange rate.

Figure 4
Percentage of Active Cooperatives in West Java in 2017

Notes: source processed data from ODS (online data system) (BPS, 2017); and 27 regencies of West Java province + fostered cooperatives, the percentage of activeness is differrent, the average overall activity is 62.60%, the highest is 99% by Karawang districks and the lowest 29% in Cirebon districks.

5.1.1. Evaluation of Internal Environmental Factors

This stage is an advanced stage after identification of internal environmental factors in the form of compiling an IFAS (internal factor analysis summary) matrix to obtain a score. The score is the result of the total sum of the results of the multiplication of weights by rating each indicator of internal strategic factors. Weighting is done by classifying each indicator according to interests or rating, so that we can get the weight of each internal strategic indicator (strengths and weaknesses). The IFAS matrix can be seen in Table 2. The total score obtained in the IFAS matrix is 4.49,

which indicates that internal environmental factors are of good importance. This condition illustrates that the development of cooperatives and micro small enterprises that are competitive can control their internal environmental factors (strengths and weaknesses) and can support their development.

5.1.2. Evaluation of External Environmental Factors

Evaluation of external environmental factors is carried out using the EFAS matrix as shown in Table 8. The total score obtained on the EFAS matrix is 4.07

5.1.3. SWOT

The description of the results of the IE matrix and the SWOT quadrant above is describing Cooperatives and MSEs utilizing the strengths of their opportunities (SO strategy) and the description of cooperatives and MSEs overcoming the weaknesses of existing opportunities (WO strategy). Furthermore, how cooperatives and MSEs use strengths to deal with existing threats (ST strategy), and finally how cooperatives and MSEs overcome weaknesses that are capable of becoming threats (WT strategy). As for the results of IFAS & EFAS analysis that can be taken by cooperatives and MSEs is a growth strategy, namely SO and ST strategy.

1). SO strategies include:
  a) Improve Managerial Quality, Products and Services
  b) Increased use of digital technology in expanding access
  c) Increasing Cooperation with banks in increasing business capital
  d) Build a strong network with government and the labor market.
  e) Increasing the role of government and the role of women in economic development.

2). ST strategies include:
  a) Improving the quality of cooperation between cooperatives and MSEs in ASEAN.
  b) Increase access to funding with the banking and processing industry.
  c) Increasing cooperation with the government relating to the utilization of social media and guarantees the impact of the weakening of the rupiah.
  d) Improve service quality and community roles.
  e) Increase the number of low-skill workers.

5.2. Rocommendations

Cooperatives and MSEs in the province of West Java in order to survive need to adjust to the industrial era 4.0, especially cooperatives and MSEs in the city of Cirebon and maximize strategies outside the large trade, retail, repair and virgin car businesses. the right strategy used is to utilize strengths and opportunities, then use strength to deal with threats, namely: improving managerial quality, products and services, increasing the use of digital technology in expanding access, increasing collaboration with banks in expanding business capital, building strong networks with government and labor market; increasing the government's role and the role of women in economic development, improving the quality of cooperation between cooperatives and MSEs in ASEAN, increasing access to funding with the banking and processing industry, improving cooperation with the government relating to the utilization of social media and guaranteeing the impact of the weakening of the rupiah, improving the quality of services and the role of the community , increasing the number of low skill workers.

Cooperatives and micro small businesses in order to continue their lives in the era of industrial 4.0 era must always improve managerial and service quality, recognize technological developments, develop cooperation and always improve the quality of its

human resources. In order to follow up on this research, the authors make recommendations related to this study as follows: The number of cooperatives and MSEs that are less active overall averaged 62.60% can still be improved, it is hoped that good participation and cooperation from the ministry of cooperatives and MSMEs will continue to be improved especially fostering the use of internet networks to be able to compete with other MSEs in ASEAN and fostering quality management of cooperatives and MSEs, in order to improve the quality of management and human resources that are technology-savvy especially internet utilization technology to be able to develop their business as broadly as possible, MSEs in the category of real estate, education and the company services continue to be developed so that in the future it can absorb more workers, the government also participates intensively in helping cooperatives and MSEs so that their businesses are managed professionally to be able to produce competitive products in the global market, cooperatives and MSEs rus to build cooperation to open access to funding with banks with low interest rates and affordable.

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