

## Partnership Strategy as an Effort to Empower the Economy in Increasing Income and Community Welfare

### (Case Study on the Business of Sharia Farmers Livestock Cooperative Mitra Subur Bondowoso Regency)

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**Abstract:** This study aims to provide an overview and understanding of the implementation of partnership strategies in Islamic economic empowerment to increase community income and welfare. A partnership refers to a cooperative business relationship that serves as a strategic collaboration between two or more parties based on the principles of mutual need, mutual growth, and mutual benefit. Such cooperation inherently involves mentoring and development, as each party possesses its own strengths and weaknesses. These differences complement each other one party compensates for the other's weaknesses through guidance and capacity building, and vice versa. This research employs a descriptive qualitative method, with the researcher acting as the primary instrument. The study was conducted at the Koperasi Ternak Tani Syariah (Sharia Livestock Farmers Cooperative) in Karanganyar Village, Tegal Ampel District, Bondowoso Regency. Data were collected through interviews, documentation, and observation. Data analysis was carried out using data reduction, data display, and conclusion drawing techniques. The data sources used in this study consist of both primary and secondary sources. The results show that the partnership model implemented by KTTS follows the core-plasma pattern, with the institution functioning as the provider of goods and product marketing. The existence of this partnership concept at KTTS has proven to empower its members/partners, enhancing their income and overall welfare. Empowerment is carried out through training that helps members learn how to engage in livestock farming more effectively and efficiently. This, in turn, has a significant impact on increasing the income and well-being of each member.

**Keywords:** Partnership Strategy, Income Improvement, Welfare

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## INTRODUCTION

Livestock business is one of the important subsectors in the national economic structure, especially in supporting food security, labor absorption, and improving the welfare of rural communities. On the scale of the people's business, livestock activities are considered adaptive to the socio-economic conditions of the village community. The relatively short production cycle and fast capital turnover make this business attractive to low-income households. As an illustration, goats can be kept for three to four months before being sold, allowing farmers to earn income in a not too long time (Sofyan, 2006; Directorate General of PKH, 2022). Accessibility to local resources, such as natural feed and family labour, also encourages communities to make farming a promising business option, especially for those with limited access to the formal sector.

Technical and structural obstacles are the main challenges faced by smallholder farmers in developing their businesses sustainably. Soaring feed prices, limited access to medicines and animal health services, and fluctuations in the selling price of livestock products have been ongoing problems since the 1998 monetary crisis. The inequality between production costs and farmers' income has an impact on declining profit margins. Business continuity becomes increasingly vulnerable when business management is carried out independently, without institutional support such as cooperatives, livestock groups, or assistance from technical agencies. The absence of a risk protection system and low managerial capacity of farmers have also aggravated this condition, so that not a few smallholder farms have stagnated and even stopped operating (Sudrajat et al., 2020; Ministry of Agriculture of the Republic of Indonesia, 2021).

The condition of limited resources and the lack of institutional support in the smallholder farming business have encouraged the birth of a partnership model between farmers and various parties, such as feed provider companies, financial institutions, and technical assistance institutions. This partnership model is designed as a solution to overcome production and marketing barriers through the provision of production inputs (feed, seeds, medicines), continuous technical assistance, and guaranteed purchase of livestock products. The partnership scheme not only helps to improve the efficiency of livestock businesses, but also strengthens farmers' bargaining positions in the supply chain. One form of institution that plays an important role in bridging the relationship between farmers and business partners is cooperatives.

Cooperatives have the characteristics of being a membership-based economic organization based on the principles of democracy, togetherness, and justice. The function of cooperatives is not only as a forum for collective business, but also as a social institution that strengthens the economic solidarity of the community. Since the early days of independence, cooperatives have been recognized as the main pillars in people-based economic development. Based on data from the Ministry of Cooperatives and SMEs (2023), there are more than 127,000 active cooperatives throughout Indonesia, with a contribution to the national Gross Domestic Product (GDP) reaching around 5.1%. This figure reflects the great potential of cooperatives in strengthening people's economic sectors, including livestock, through facilitating access to financing, distribution of production facilities, and distributing livestock products to a wider market.

Previous studies have shown that cooperatives not only play a role as providers of goods and services, but also as an instrument for economic empowerment of

membership-based communities. The function of cooperatives develops as a socio-economic force that is able to strengthen the position of farmers in the value chain. The existence of cooperatives encourages increased productivity and efficiency, expands access to resources, and creates job opportunities through upstream-downstream integration in the production system. The results of the research of Susanti et al. (2021) revealed that livestock cooperatives run with participatory and transparent principles significantly increase farmers' income and reduce dependence on middlemen. In addition, cooperatives also facilitate access to microfinance and entrepreneurship training, thereby strengthening the individual and collective capacity of their members. In the context of the market, cooperatives play a role in increasing the bargaining power of farmers through efficient supply chain management, fair sales contracts, and joint marketing strategies. The effectiveness of cooperatives in adopting a strategic partnership system needs to be studied more deeply so that this potential can be optimized in supporting inclusive and sustainable local economic development.

The issue of cooperative governance is a crucial aspect in strengthening cooperative institutions in Indonesia. Low management quality, weak accountability systems, and lack of internal supervision are often the causes of cooperative failures in carrying out their functions optimally. The Ministry of Cooperatives and SMEs has set a strategic agenda to encourage cooperative governance reform through managerial training, digitalization of the administrative system, and strengthening regulations based on public accountability. Professionalism in cooperative management is an absolute requirement for this entity to be able to survive and compete in the midst of the challenges of globalization, market liberalization, and faster digital transformation. Mardikanto and Soebianto (2017) emphasized that cooperatives that apply the principles of good cooperative governance—which include transparency, member participation, accountability, and fairness—have better institutional resilience. Raharjo (2016) also added that strengthening the financial information system and digital-based reporting contributes to increasing the trust of members and business partners. Good governance will be the foundation for modern cooperatives in playing a strategic role in the people's livestock sector and other people's economic sectors.

In order to strengthen the role of cooperatives and micro, small, and medium enterprises (MSMEs), the Indonesian government has established five strategic programs as the pillars of people's economic empowerment policies. The program includes the creation of a conducive business climate, the development of business support systems, the increase in entrepreneurial capacity and the competitiveness of MSMEs, the empowerment of micro businesses, and the strengthening of cooperative institutions. These five programs are designed to create collective efficiency through strengthening community-based economic structures. This approach is expected to be able to expand cooperatives' access to economic and technological resources, as well as increase their role as a locomotive for community economic development at the local and national levels (Mansur & Mahfudz, n.d.; Rukmana, 2006). The implementation of this program is also in line with the spirit of institutional reform and cooperative transformation into professional, adaptive, and innovation-based entities.

Challenges in cooperative empowerment are inevitable, especially related to limited human resources, access to capital, and managerial literacy. In the midst of intense market competition and digital acceleration, cooperatives are required to no longer run on their own conventionally. Cross-sector collaboration through strategic partnership patterns is an urgent need for cooperatives to strengthen their networks, expand market access, adopt new technologies, and obtain sustainable financing. Partnerships with the private sector, financial institutions, research institutions, and local governments are transformative strategies that are able to increase the competitiveness of cooperatives in the midst of increasingly complex economic dynamics. A study by Purwanto et al. (2019) emphasizes that partnership-based institutional synergy can be an effective solution in dealing with structural problems that often limit the role of cooperatives in the economic empowerment of members. Through strengthening inclusive partnership networks, cooperatives are expected to be able to transform themselves into competitive business entities as well as socially just.

The strategic partnership pattern is an effective approach in improving the capabilities of cooperative organizations, especially in strengthening human resources and internal managerial systems. The involvement of cooperatives in partnership networks with business actors, financial institutions, universities, and government agencies opens up opportunities for knowledge and technology transfer. In livestock cooperatives, this model directly contributes to the improvement of members' skills in animal health management, feed efficiency, waste treatment, as well as the use of digital technology in production recording and marketing. The support of strategic partners strengthens production efficiency while improving the quality and competitiveness of livestock products in the market. Cooperatives that have access to cheap financing and guaranteed markets tend to be more stable in the face of price volatility and more innovative in developing derivative products such as dairy, meat, and organic fertilizers. Purmaningsih (2007) noted that cooperatives that are active in partnerships tend to have higher productivity and a better level of business sustainability than cooperatives that run conventionally.

The main objectives of the livestock cooperative partnership pattern include strengthening the capital structure, improving product quality, stabilizing selling prices, and expanding formal market access. Cooperative institutions are strengthened through contract-based partnerships, production standardization, and shared logistics systems, so as to create a more efficient and long-term oriented supply chain. A study conducted by Saptana and colleagues (n.d.) showed that the implementation of value-based partnerships was able to increase productivity by up to 30%, as well as boost farmers' income by 18% within two years. Chamid (2010) and Ester (2014) also found that cooperatives that establish strategic partnerships have a greater chance of surviving in the midst of economic pressures and market competition, while strengthening the collective well-being of members. The application of this model is considered very relevant in the framework of local economic development, because it not only focuses on the profit aspect, but also strengthens community participation, builds economic independence, and encourages fair distribution of business benefits.

The concept of partnership in the context of economic development is defined as a form of cooperation between small business actors and medium and large business actors, which is carried out through a pattern of coaching, mentoring, and technology

transfer with the principle of mutual benefit. Business partnerships are built on the basis of synergy that creates mutualistic relationships or positive-sum games, where all parties involved benefit fairly and sustainably. Not only business transactions, partnerships function as an instrument of value-added distribution that favors weak economic actors. Within this framework, cooperatives act as a connecting node between smallholder farmers and large business actors in an integrated production and marketing scheme (Mansur & Mahfudz, n.d.).

Bondowoso Regency in East Java Province has prominent livestock potential, especially in beef cattle and goat commodities. The geographical location in the highlands with the abundant availability of natural feed makes this area conducive to the development of people's livestock. Based on data from the Bondowoso Regency Livestock and Fisheries Office (2023), the goat population reached more than 160,000 heads, while the beef cattle population was recorded at above 90,000 heads. This number shows that the livestock sector has a strategic position in the local economic structure and holds great potential to be developed through a modern and adaptive cooperative institutional system. The availability of local human resources with experience in the field of livestock farming, support for regional policies, and the collective spirit of the village community are strong social capital for the implementation of the livestock cooperative partnership model in a more structured and professional manner.

The Sharia Livestock Farmers Cooperative (KTTS) Mitra Subur is one of the active and growing livestock cooperatives in Bondowoso Regency. The cooperative has adopted a core-plasma partnership model in developing its business network, particularly in the goat and beef cattle farming sector. Through this pattern, the KTTS acts as a core business that facilitates the provision of production facilities, such as superior livestock seeds, quality feed, and medicines, as well as providing technical assistance services on a regular basis to local farmers who act as plasma. Cooperatives also manage access to marketing livestock products, both through local markets, regional collectors, and community-based digital platforms. This approach makes the KTTS a link between upstream and downstream in the livestock value chain, as well as an institution that strengthens the position of smallholder farmers in the local economic system.

The partnership pattern developed by the Mitra Subur Summit is systematically designed to answer various structural challenges faced by small farmers. Limited business capital, low mastery of technology, inconsistent product quality, fluctuations in selling prices, and high operational costs are the main focuses of cooperative interventions within the framework of partnerships. Through the integration of production, training, and marketing services, the KTTS has succeeded in creating a more efficient, transparent, and sustainable livestock business system. This institutional innovation has a positive impact on increasing the productivity of farmers, expanding the distribution network, and strengthening the institutional structure of the village economy. The KTTS partnership model also has the potential to be replicated in other regions as a form of best practice in the development of sharia-based and community-based livestock cooperatives.

This research is focused on the analysis of the strategy of implementing the partnership pattern carried out by the Sharia Livestock Farmers Cooperative (KTTS) Mitra Subur as an instrument for economic empowerment of the farming community in

Bondowoso Regency. The focus of the study is directed at the extent to which the partnership is able to increase income, business capacity, and welfare of livestock partners through the integration between cooperative institutional support and the active role of plasma farmers. This research is relevant in the context of the development of cooperatives in the livestock sector which not only play a role as an economic entity, but also as an agent of social transformation that encourages independence and community-based development.

The theoretical contribution of this research lies in the enrichment of the study of institutional-based cooperative partnership strategies from an Islamic economic perspective, especially in the aspects of distribution justice, help-help (*ta'āwun*), and business sustainability. This research also provides a conceptual basis for the development of a partnership model that balances economic interests and sharia principles in cooperative governance. On the other hand, practically, the results of the research are expected to be used as a strategic reference for policy makers at the regional level, cooperative administrators, and community assistance institutions in designing and implementing partnership-based cooperative institutional strengthening policies in the livestock sector. Mapping effective partnership strategies can also be used as a reference for replication for other regions with similar social and economic characteristics.

## LITERATURE STUDY

### Partnership

Partnership is a business cooperation between two or more parties based on the principle of mutual need, mutual enlargement, and mutual benefit in the context of achieving common goals (Sulistiyani, 2004). This concept not only reflects the transactional relationship between economic actors, but also reflects a synergy that emphasizes aspects of collaboration, risk sharing, and sustainability. Partnerships are an important strategy in building productive relationships between large and small business actors, or between financial institutions and the local economic community.

According to Hafsah (1999), business partnerships are a form of long-term business relationships that strengthen each other, where each party brings its own resources to be developed synergistically. In the context of people's economic development, partnerships are seen as a means of strengthening small businesses to be able to face market pressures and limited resources. This is particularly relevant in the development of cooperatives in the livestock sector, which generally face capital, technology, and market access constraints.

The business partnership run by the Sharia Livestock Farmers Cooperative (KTTS) Mitra Subur is a form of institutional collaboration that refers to the principles of balance, equality, and common skills based on mutual trust between cooperatives and breeder partners. The main goal of this partnership is to increase the productivity of livestock businesses and the welfare of farmers based on collective interest. This model supports an empowerment approach that is not only economic, but also social and educational.

Kartasmita (1996) emphasized that true partnership is a form of relationship that creates a positive-sum game situation, where all parties involved benefit proportionally. Therefore, the success of partnerships is highly dependent on commitment, trust, and coordination mechanisms that are built in a fair and transparent manner.

From an institutional perspective, cooperative-run partnerships can also be seen as a strategy of power distribution and strengthening of a more equal social structure. As explained by Mubyarto (1998), the existence of people-based economic institutions such as cooperatives will be stronger if they are connected in a network of partnerships that are able to provide added value systemically. Thus, partnerships in the context of livestock cooperatives are not just a form of economic cooperation, but an institutional strategy to create competitiveness, encourage social innovation, and strengthen community independence through equitable business relationships.

### Economic Empowerment

Empowerment is a social intervention process that aims to strengthen the capacity of individuals and community groups to optimally utilize their potential and the environment. This process aims to give people control over decisions that affect their lives, including in the economic field. According to Mardikanto and Soebianto (2017), empowerment is defined as a systematic effort to increase power or empowerment through strengthening assets, access, and community participation in sustainable economic activities.

In the context of development, community empowerment includes a process of social change that encourages society to realize its role as a subject of development. This process involves the ability to formulate needs, recognize potentials, prioritize problems, and develop and implement action plans that are appropriate to local conditions. The community is no longer positioned as a mere object of assistance, but as an active actor who is empowered in managing its economic life. This is very relevant in the context of the Bondowoso community which is a partner of the Sharia Livestock Farmers Cooperative (KTTS) Mitra Subur, where cooperative institutional interventions aim to encourage the independence of farmers through productive and participatory partnerships.

Economic empowerment through sharia livestock cooperatives provides space for the community to gain access to production facilities, technology, technical assistance, and market guarantees, which directly impact increasing income. Rosyidi (2006) defines income as the flow of money from business actors to the community in the form of salaries, wages, interest, rent, and profits. In the KTTS partnership, the income obtained by plasma partners does not only come from livestock products, but also from production efficiency, product quality improvement, and expansion of marketing networks facilitated by cooperatives.

Indicators of empowerment success in this context can be seen from increasing the welfare of partners, the ability to reinvest in business, and improving the overall quality of life. In line with the opinion of MG & Londa (2014), consistently increasing income will strengthen people's purchasing power, increase their savings ability, and expand household economic opportunities. Therefore, economic empowerment through cooperative partnerships is not only material, but also touches on social, institutional, and spiritual aspects, which are important foundations in sustainable local economic development.

### Welfare

Welfare is an ideal condition that reflects the fulfillment of basic human needs as a whole, both from economic, health, social, spiritual, and psychological aspects. In general, a person or a family is said to be prosperous if they are able to live in decent, safe, healthy conditions, and have the opportunity to develop optimally according to their capacity. From a development perspective, well-being is not only measured by economic indicators alone, but also includes a broader quality of life, such as access to educational services, health, and participation in social life.

Widyastuti (2012) explained that in the context of the BKKBN program on Prosperous Family Development, family welfare is classified into two main categories, namely pre-prosperous families and prosperous families. Pre-prosperous families refer to the condition of households that have not been able to meet basic needs properly. Meanwhile, prosperous families have been able to meet basic needs and show better social development. The basic criteria for determining this level of well-being include several important indicators, including the ability to carry out worship according to beliefs, eat at least twice a day, have more than one pair of clothes, a mostly permanent residence (not a ground floor), and the ability to take family members to a health facility if sick.

These indicators reflect the multidimensional dimension of well-being. In the context of the partner farming community of the Sharia Livestock Farmers Cooperative (KTTS) Mitra Subur in Bondowoso Regency, the existence of a partnership pattern has been proven to contribute to improving the welfare of members. Partner communities that previously experienced limitations in access to capital, technology, and markets, have gradually shown improvements in household income, quality of housing, access to nutrition, and the ability to bear the costs of education and family health. This is proof that the partnership-based institutional approach is able to support the achievement of prosperous family indicators as developed within the framework of national development policies.

The welfare of the community in the framework of a cooperative-based economy also shows that the success of economic development is not solely determined by the growth of per capita income, but also by the equitable distribution of results and the overall improvement of the quality of life of individuals. Cooperatives that uphold the principles of justice, solidarity, and participation allow members to not only enjoy economic results, but also to gain social security and a sense of security collectively. In the long run, this is what forms the foundation of sustainable prosperity and is resilient to external economic dynamics.

## **RESEARCH METHOD**

This study uses a descriptive qualitative approach with the aim of in-depth describing the strategy of implementing partnership patterns in the Sharia Livestock Farmers Cooperative (KTTS) Mitra Subur in Bondowoso Regency as an effort to empower the economic empowerment of the farming community. The qualitative approach was chosen because it is appropriate to explore social phenomena as a whole, allowing researchers to understand the dynamics of partnerships from the perspective of actors directly involved in the field (Moleong, 2014; Creswell & Poth, 2018). Researchers act as the main instrument in the data collection and interpretation process, assisted by



interview guidelines, observation sheets, and documentation to maintain consistency of field data.

The location of the research was determined purposively in Karanganyar Village, Tegal Ampel District, Bondowoso Regency, which is the center of the operational activities of the KTTS cooperative. The location was based on the consideration that the summit is actively implementing the core-plasma partnership model on an institutional scale. The data sources in this study consist of primary data and secondary data. Primary data was obtained through in-depth interviews with cooperative management, partner breeders (plasma), and other supporting partners such as financial institutions and related agencies. Meanwhile, secondary data was obtained from cooperative documents, annual activity reports, training archives, and statistical data from the Bondowoso Regency Livestock and Fisheries Office.

Data collection was carried out through three main techniques, namely semi-structured interviews, participatory observations, and documentation studies. The interviews were used to explore firsthand the perceptions, experiences, and strategies of partnership implementation run by the KTTS. Participatory observation was carried out to directly observe livestock business activities, feed distribution processes, and cooperative relationship mechanisms with business partners. Meanwhile, documentation studies are used to browse various institutional archives that support data analysis (Sugiyono, 2017).

The collected data were analyzed using an interactive model from Miles, Huberman, and Saldaña (2014) which consisted of three main stages, namely data reduction, data presentation, and conclusion drawn. Data reduction is carried out by filtering relevant information from the results of interviews and observations, then compiling it in the presentation of data in the form of thematic narratives and analytical matrices. Conclusions are drawn in stages through strengthening patterns and relationships between data found in the field. To ensure the validity of the data, the triangulation technique of sources, techniques, and time is used, and member checking is carried out on the main informant to obtain confirmation of the results of the researcher's initial interpretation (Burhan, 2007; Moleong, 2014).

This approach allows researchers to gain a comprehensive understanding of sharia-based livestock cooperative partnership strategies in increasing income and community welfare. In addition, this approach also facilitates the identification of the factors that support and inhibit the implementation of partnerships, as well as evaluate the potential replication of partnership models in other regions with similar socio-economic characteristics.

## **RESULT**

### **Business Partnership Strategy of the Mitra Subur Summit in Community Economic Empowerment**

The Sharia Livestock Farmers Cooperative (KTTS) Mitra Subur in Bondowoso Regency implements the core-plasma partnership pattern as the main strategy in empowering the economy of the farming community. This strategy places cooperatives as a core institution that not only acts as a provider of means of production, but also as a facilitator, educator, as well as a link between smallholder farmers and the wider market.

This approach is a systematic and integrated form of institutionalization, with the aim of strengthening the economic capacity of local communities who have been in a vulnerable position to market dynamics and production uncertainty.

In practice, KTTS provides production inputs such as quality sterile goat seeds, dry feed from modern formulations, vitamins and livestock supplements, and technical assistance services that include cage management training, business registration, and animal health management. The maintenance process is carried out by plasma partners who are local breeders for two to three months (one production cycle), with four harvest cycles in one year. The scheme provides stable and planned economic opportunities for partners, with a fair and transparent profit-sharing system. After the maintenance period is completed, the cattle will be weighed to determine the selling value based on the live weight. The KTTS then buys back the livestock from plasma partners at an agreed market price, providing market certainty and guaranteed income for farmers. This model minimizes the risk of sales failure that is common to individual breeders who do not have strong market access. In addition, cooperatives also conduct livestock quality classification, which provides additional incentives for partners who succeed in improving the quality of maintenance.

In terms of financing, the KTTS provides two flexible funding schemes according to the economic profile of the partners. The first scheme is the banking financing model, where cooperatives act as intermediaries between farmers and partner financial institutions (banks/Islamic financial institutions). Capital is channeled in the form of goods (in-kind), such as seeds, feed, and livestock medicines, not cash, to avoid misuse of funds and maintain production effectiveness. This scheme also provides flexibility for farmers who do not have enough initial capital, with installments adjusted to the harvest time.

The second scheme is the self-financing model, which is intended for plasma partners who already have their own source of capital. In this scheme, cooperatives function as aggregators of livestock products, open market access, and provide technical services and training. This model is more flexible and encourages the independence of farmers, without neglecting the coaching function inherent in cooperative structures.

Both schemes are designed to address differences in economic capacity and experience levels of farmers, but remain within a collaborative framework and sharia principles. This strategy reflects empowerment based on trust, transparency, and active participation. Farmers are not only involved as production implementers, but also as strategic partners in decision-making related to quality, production time, and yield distribution.

The KTTS partnership strategy has also been proven to increase community entrepreneurship literacy, strengthen socio-economic networks between farmers, and encourage the emergence of a resilient local economic ecosystem. Cooperatives do not simply become economic entities, but develop into social institutions capable of building solidarity, trust, and empowerment at the grassroots level.

### **The Impact of Partnership Strategies on Revenue Increase**

The implementation of the core-plasma partnership strategy carried out by the Sharia Livestock Farmers Cooperative (KTTS) Mitra Subur shows a significant impact on

increasing the income of breeder partners. Data from interviews and observations show that around 60% of the total partners experienced a significant increase in income, with an average income reaching around Rp 6,000,000 in one harvest cycle for two months. The income is generated from livestock populations ranging from 30 to 50 heads, which directly reflects the effectiveness of production management as well as the efficiency of the use of business inputs in the partnership pattern.

The success of this increase in income is closely related to the technical support provided by the cooperative, especially in the provision of quality dry feed and structured livestock management training programs. Modern feed based on dry formulations has been proven to be able to increase the weight of livestock more optimally, with an average weight gain of 2.5–3 kg per month. This is higher than the traditional pattern which is generally only able to increase the weight of livestock by around 1.5–2 kg per month. This increase in productivity certainly has a direct impact on the selling value of livestock, which is the main component in the plasma income structure.

In addition to a significant increase in revenue, the data also shows that around 20% of partners experience minor losses due to factors such as delays in livestock sales, fluctuations in local market prices, or high operational costs beyond initial estimates. Most of these losses are temporary and can be minimized through improvements in logistics systems and strengthening production evaluation mechanisms. Meanwhile, the rest are in a break-even position, showing that the partnership strategy provides business stability for partners even though it does not entirely generate maximum profits.

The technical training strategy carried out by the KTTS to plasma partners includes aspects of livestock maintenance, cage management, feeding techniques, and simple financial records. This approach strengthens the capacity of individuals to run livestock businesses professionally, which indirectly also encourages the development of work ethic, production discipline, and economic awareness among farmers. The long-term impact is the creation of an entrepreneurial mindset at the grassroots level, which is one of the indicators of the success of institutional-based economic empowerment.

These findings support the argument that the partnership model serves not only as an instrument for the distribution of inputs and production outputs, but also as a vehicle for improving the quality of human resources and transforming the local economy. Success in increasing income through this partnership pattern implies that sharia-based cooperatives such as the KTTS have great potential in shaping a more equitable, productive, and sustainable alternative economic system.

### **The Impact of Partnership Strategies on Community Welfare**

The results of the study show that the implementation of the core-plasma partnership pattern carried out by the Sharia Livestock Farmers Cooperative (KTTS) Mitra Subur not only has an impact on increasing the income of partners, but also makes a significant contribution to improving the welfare of the farming community as a whole. The majority of respondents stated that since joining cooperative partnerships, they have experienced improvements in the quality of household life, especially in terms of meeting basic needs such as clothing, food, housing, children's education, and access to health services.

The fulfillment of basic needs is the main indicator in assessing household welfare. Through a steady increase in income, plasma partners are able to buy more nutritious food on a regular basis, renew family clothes, and renovate their homes to make them more suitable and healthy. Some partners even allocate part of their profits to productive investments such as the purchase of additional livestock, farm equipment, and children's education funds. This condition shows that the income obtained is not only used for short-term consumption, but also used to support the family's economic development in the long term.

Another indicator that shows an increase in welfare is the ability of households to access education and health services. Partners stated that they are now better able to finance children's formal education needs, from the purchase of school supplies to financing higher education. In terms of health, increasing awareness of the importance of maintaining family health is also accompanied by an increase in economic ability to access medical services, both through government and private facilities. This is in line with the definition of welfare according to BPS and BKKBN, which includes not only economic aspects, but also social, educational, health, and spiritual dimensions.

Several partners also revealed that the existence of cooperatives as institutions based on sharia values has a positive impact on the spiritual life of the family. The cooperative activities held are not only economic, but also strengthen social and religious ties among members, such as through routine recitation, livestock alms, and other social activity collaborations. Thus, the improvement of well-being in this context is not partial, but comprehensive, covering both physical and spiritual aspects. Furthermore, the data shows that the sharia cooperative-based partnership model implemented by the KTTS plays a role as an effective empowerment instrument, because it is able to raise the socio-economic status of partner households from a pre-prosperous condition to a prosperous one. This transformation is reflected in concrete indicators, such as increasing asset ownership, participation in social and community activities, and growing confidence of partners in planning a better future. This improvement in quality of life reinforces the evidence that an inclusive, participatory, and value-based cooperative institutional strategy can be a key driver in creating sustainable rural well-being.

## DISCUSSION

The core-plasma partnership model run by the Sharia Livestock Farmers Cooperative (KTTS) Mitra Subur is a form of institutional synergy between the cooperative as a core entity and plasma farmers as business partners. This pattern is relevant to the theory of partnership according to Kartasasmita (1996), which states that partnership is a form of cooperation based on a mutually beneficial relationship (positive-sum game) and not exploitation. In this context, the KTTS not only functions as a provider of means of production, but also as a facilitator institution that strengthens the bargaining position of farmers in the local economic system.

Field findings show that most partners experience increased income and improved welfare conditions. This is in line with the opinion of Mardikanto and Soebianto (2017) that community empowerment includes efforts to increase individual and collective capacity to be able to manage resources independently. The empowerment approach used by the Summit—through technical training, provision of production

inputs, and marketing guarantees – shows that cooperatives not only carry out economic functions, but also social and educational functions for their members.

The partnership pattern implemented by the Sharia Livestock Farmers Cooperative (KTTS) Mitra Subur strengthens the institutional view of cooperatives as a means of empowering the people's economy. This concept is in line with the thinking of Röpke (2003) who emphasized that cooperatives are not only economic platforms, but also instruments of social solidarity that are able to protect poor households from market pressures. The protective function of cooperatives lies in their ability to organize small economic actors in a collective structure that guarantees access to inputs, capital, technology, and markets. In the context of the Summit, cooperatives function as a link between plasma farmers and the market and productive resources in a more efficient and structured manner.

The participatory role in decision-making given to plasma partners reflects the democratic principle of cooperative economics, namely one member and one vote, not based on capital. This participation space is important to form a sense of shared ownership of the business, increase social responsibility, and strengthen members' motivation in maintaining business sustainability. Support services in the form of technical training, livestock management assistance, and financial consulting are concrete forms of knowledge transfer carried out by cooperatives to partners. This activity not only improves the skills of farmers, but also accelerates the process of social learning and innovation at the community level.

The values carried by the KTTS in business management are very relevant to the principles of Islamic economics. The concept of justice, deliberation, and cooperation (*ta'awun*) is the main foundation in institutional interaction between cooperatives and plasma partners. The financing scheme implemented does not use an interest system (*riba*), but in the form of goods and production inputs that are distributed based on mutual agreement. This practice reflects a system of profit sharing that is fair and does not harm either party. The pattern of economic relations built rests on the principle of mutual benefit (*maslahah*) and avoiding exploitation, as explained by Al-Qaradawi (1982) in an Islamic economic system that encourages ethical and mutually beneficial economic activities.

This sharia-based institutional approach shows that the Summit functions not only as an economic entity, but also as an agent of social transformation that promotes spiritual and moral values in business. This model approaches the inclusive and sustainability-oriented Islamic economic framework as proposed by Chapra (2000), which is a system that not only pursues economic efficiency, but also balances material and spiritual aspects. The partnerships carried out by the KTTS are an example of how local economic institutions can integrate Islamic ethical values with modern institutional principles in efforts to empower the community as a whole. However, challenges remain, especially in terms of low literacy of livestock technology and resistance to modern feed. This problem can be explained through the theory of innovation diffusion from Rogers (2003), which states that the adoption of innovation takes time and is influenced by social characteristics, education level, and trust in the institution that carries innovation. The summit can anticipate these challenges by strengthening a community-based approach to education and expanding experiential training programs.

The strategy carried out by the KTTS also shows success in building resilient and inclusive cooperative institutions. The SWOT analysis shows that the strength of cooperatives lies in managerial capacity, system clarity, and market connectivity, while the weaknesses lie in the access to livestock seeds and the limitations of modern market-oriented partners. Therefore, it is important for cooperatives to carry out institutional innovation in a sustainable manner in order to be able to adapt to external challenges and maintain the sustainability of partnerships. Overall, the Mitra Subur KTTS partnership can be categorized as an institutional practice that not only succeeds in increasing the income of business partners, but also strengthens the socio-economic structure of the farming community. This strengthens the view of Hafsah (1999) that a healthy partnership pattern can increase the capacity of small businesses and provide a multiplier effect for the surrounding community.

## CONCLUSION

This study shows that the partnership pattern carried out by the KTTS is a plasma core partnership pattern with institutions as providers of goods and product marketing. The existence of the partnership concept of Sharia Farmer Livestock Cooperatives can provide empowerment, increased income, and welfare for its members/partners. The empowerment carried out is in the form of coaching members on how to raise livestock in a more effective and efficient way and time. The impact will certainly have a great effect on increasing the income and welfare of each member.

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