

Effectiveness of the Partnership Pattern of the Sumber Makmur Village Unit Cooperative (KUD) in Malang Regency in Improving Community Welfare

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Abstract

The purpose of this study was to determine the effectiveness of the implementation of the business partnership between the Sumber Makmur Village Unit Cooperative (KUD) and PT Hanjaya Mandala Sampoerna has been running effectively. This study also try to find out how the business partner relationship formed between the Sumber Makmur Village Unit Cooperative (KUD) and PT Hanjaya Mandala Sampoerna could develop business and improve community welfare in Ngantang, Malang Regency. Study focused on description about partnership implementation and what benefits are obtained from it. This type of research is descriptive qualitative research. The data collection method used is a system of observation, interviews, distribution questionnaires, and documentation. The population of this study are employees of Cigarette Production Partner (MPS) in Ngantang, while the number of respondents as a sample is employees who get direct benefits from the company. Data analysis uses data reduction, data presentation, and drawing conclusion. Result from this study reveal that there is reduced unemployment rate of the Ngantang community since the start of the factory construction, approximately 90% of MPS workers are local people. Another finding is about the existence of CSR funds can provide better education to the Ngantang community to respond to Natural Disasters, Fires, and the Environment in the form of reforestation, as well as help or reduce the cost of education for orphans. In general, partnership between KUD and HMS is able to increase the economic growth of the Ngantang community and its circumstances.

Keywords: Business Partnerships, Community Welfare, Cooperatives, Effectiveness of Partnerships

Introduction

Based on the 1945 Constitution Article 33 paragraph 1 states that the economy is structured as a joint effort based on the principle of kinship. The meaning contained in the verse is very deep, namely that the developed economic system should not be based on competition and a very individualistic principle. This also indicates that the Indonesian Economic System is a democracy based on the spirit of togetherness so the economic system following the philosophy and ideological basis is the Pancasila Democratic System. The Pancasila Democracy System emphasizes that the actors of economic activity consist of three actors who are the source of the national economic business (Baswir, 2013; Subandi, 2010). The three actors in the Indonesian economic system can be said to be business entities. The business entities in question consist of State-Owned Enterprises (BUMN), Private-Owned Enterprises (BUMS), and Cooperatives. According to Article 33 of the 1945 Constitution, the three business entities have the same goal of achieving prosperity and the welfare of the people based on the spirit of togetherness and kindness. Therefore, it is hoped that the three business entities can work together to improve the balance of the economy in Indonesia. This is important considering that the existence of

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cooperatives continues to face various challenges and opportunities in globalization and turbulence that has occurred throughout the world until now (Bretos & Marcuello, 2017).

One of the business entities that have a very important position in growing the people's economic potential and national economic development is a cooperative. Cooperatives are business entities that do not only focus on individual prosperity and profit alone but more on the togetherness and welfare of its members to achieve common goals based on cooperative principles (Subandi, 2010). The main purpose of cooperatives lies in effort to create a democratic life, togetherness, kindness, and openness (Baswir, 2013). Indonesian Law No. 25 of 1992 Article 3 states that the purpose of cooperatives is to promote the welfare of members in particular and society in general and to participate in building the national economic order to create an advanced, just and prosperous society based on Pancasila and the 1945 Constitution. In developing national economic through cooperatives, the Indonesian government formulates policies listed in Long-Term Development (PJP) II, which are more reliant on increasing the productivity and creativity of human resources in cooperatives to create a healthy business climate for the development of cooperatives (Sumarsono, 2003). Therefore, cooperatives require effective and efficient management in developing their business units so that the goals of cooperatives in improving the welfare of members in particular and the prosperity of society in general and participating in building the national economic development. Following the Cooperative Law Number 25 of 1992 concerning cooperatives, article 58 paragraph 1 where stated that cooperatives carry out activities to develop cooperation between cooperatives and with other business entities, both at the national and international level (Sumarsono, 2003). A cooperative partnership is a pattern of business cooperation carried out by cooperatives with inter-cooperatives and with other business entities such as BUMN and BUMS to achieve common goals, in which consist of harmony creation, balance, and skills by taking into account the principles of mutual need, strengthening and benefit.

With a good partnership relationship among its stakeholders, cooperatives will get business capital assistance from outside both between cooperatives and other business entities. In the form or entity of a cooperative, a collective action to increase mutual prosperity is very important to do (Borzaga & Galera, 2016; Puspita & Marliyah, 2022). The more business capital the cooperative gets, the more opportunities for cooperatives to develop cooperative business units (Baswir, 2013). Cooperative also considers the importance of the services quality provided in order to increase the sense of belonging and satisfaction among its members (Hidayati et al., 2016). If the business unit in the cooperative is growing, cooperative's income will also increase, and this will affect the scale of the cooperative. With the development of increasingly advanced cooperatives, cooperatives can improve their ability to provide services to members in particular and the community in general, as well as being able to provide jobs for the surrounding community, to be able to improve welfare. However, the role of cooperatives remains important in rural areas (Bijman & Wijers, 2019; Hardiyanti et al., 2019) even though there is a village government organization or BUMDES which plays a crucial role in encouraging the prosperity of rural communities (Wijayanti & Taufik, 2022). Instead, this will strengthen the pattern of sustainability development among stakeholders in the village (Pradesa & Agustina, 2020) and can minimize the risks that arise from these various stakeholders (Pradesa et al., 2021; Taufik et al., 2022). Partnerships carried out by cooperatives have a positive influence on business performance both financially and non-financially (Saparuddin & Bado, 2011). The partnerships are carried out to provide a real role in business performance, especially in the aspect of capital because the easier it is for cooperatives to get access to capital through partnerships, the greater the opportunity to improve business performance.

Several previous studies on cooperative partnerships show a variety of interesting phenomena, but the focus on various research loci has succeeded in revealing the importance of partnership patterns carried out by cooperatives (Nurzila et al., 2022). For example, the nucleus-plasma partnership pattern where cooperatives take sides as the nucleus and dairy farmers as plasma can be categorized as effective (Soedarto & Hendrarini, 2021). In black soybean farming, the partnership pattern with this cooperative provides benefits, profits, capital assistance or loans, and price certainty, as well as purchases of black soybean farming production (Andajani & Sidhi, 2019). While in the coffee industry, there are benefits to be gained by coffee farmers who partner with cooperatives, specifically in the form of facilities provided by the cooperatives where they partner (Rahmi et al., 2017).

Previous study analyze implementation of partnership at KUD Tani Bahagia consists of a partnership of the four KUD Tani Bahagia business units run smoothly and mutually profitable

(Angelia & Kirwani, 2015). This study reveals about benefits obtained by the partnership during 2012-2014 include the development of cooperative businesses which have increased, an increase in cooperative's profit for members, increased production, additional business income and business premises for partner institutions and can reduce unemployment and increase income for the people.

In terms of structure in a cooperative, evidence for a causal relationship between ownership and governance on cooperative performance tends to be difficult to understand (Grashuis & Ye, 2019), Given the relevance of cooperatives in debates around the concept of rural development, agricultural sustainability and inclusive business, surprisingly there is little information about whether cooperatives development for society involve smallholder farmers or another stakeholders around society (Bijman & Wijers, 2019). Another example shown that pattern of partnership formed between red chili farmers and Lestari horticultural cooperatives is the Agribusiness Operational Cooperation (KOA) pattern (Nandhita & Rondhi, 2018). In the partnership there is a partnership agreement where the Lestari horticultural cooperative and red chili farmers both have rights and obligations that must be fulfilled.

Previous empirical studies have shown that business management through partnerships will provide benefits for cooperatives, members in particular, and society in general. The partnership pattern built by the Sumber Makmur Ngantang Village Unit Cooperative (KUD) with PT Hanjaya Mandala (HM) Sampoerna has provided a multiplier effect on the Ngantang community and its surroundings, namely by providing employment opportunities and distributing corporate social funds (CSR) to improve welfare, both workers and society. The importance of cooperative partnerships with MSMEs and large businesses for superior commodities was also emphasized in the previous study (Irawan, 2018). Although the economic conditions and structure in Indonesia are not yet fully conducive to fostering partnerships based on pure business considerations or a healthy competitive market drive, business partnerships have a strong enough foundation in the country's constitution (Irawan, 2018).

Based on several previous studies on cooperative partnerships, it can be concluded that the partnership will run if the parties who partner together benefit. The pattern of partnerships by cooperatives that are often carried out leads to an increase in economic value both institutionally and in the community (Hardiyanti et al., 2019; Soedarto & Hendrarini, 2021; Wiwin et al., 2022). From the background above, the objectives of this study are: 1) to describe the description of the implementation of the partnership carried out by KUD Sumber Makmur Sub-district in Ngantang, Malang Regency; and 2) analyze the benefits obtained by the partnership carried out by the cooperative with relevant stakeholders at KUD Ngantang, Malang Regency.

Methods

This study uses a qualitative approach, using a descriptive approach that seeks to describe and interpret objects as they are. This research is used to describe systematically the facts and characteristics of the object or subject being studied appropriately (Sugiyono, 2014:14). The data obtained in the form of primary data is the main data taken directly from the informant. Secondary data is data obtained from documents or archives, while the data collection techniques used are observation, in-depth interviews, and documentation. The data analysis technique uses the Miles and Huberman model (Miles et al., 2014) namely: a) Data reduction, b) Data presentation, c) Conclusion d) Data Validity Checking e) Source triangulation, and f) Conducting Member checks.

Results and Discussion

MPS Ngantang is one of the 38 Cigarette Production Partners (MPS) the first largest cigarette company in Indonesia, namely PT Hanjaya Mandala Sampoerna. MPS Ngantang was established on July 5, 2006, under the auspices of KUD Sumber Makmur Ngantang having its address at Jalan Raya Waturejo No.23 Waturejo Village, Ngantang District, Malang Regency, East Java. MPS Ngantang is semi-autonomous. The occupied land area is 12,053 M² and the building area is 3,699 M², with ups and down conditions, due to its location on the slopes of the mountains. Currently, MPS Ngantang has 979 employees consisting of 31 monthly employees, 102 daily employees, and 846 temporary workers. There are 32 male employees and 947 female employees. Education is not required, so MPS Ngantang employees have 287 elementary education backgrounds, 433 junior high schools, 245 high school students, and 13 college students. The work system implemented by MPS Ngantang is based on production targets. Hand Kretek Cigarette (SKT) workers are subject to a minimum target amount in

their work. Within one hour, employees are targeted to complete 345 cigarettes milled, 1,500 cigarettes per hour for Push Cutter, 1,800 cigarettes per hour for Pack, and 8,000 per hour for bandrol. Workers who work continuously for 4 (four) hours are given a half-hour (30 minutes) break. Overtime work is voluntary but morally it is the obligation of workers, especially in certain cases workers are obliged to participate in carrying out overtime work, both on weekdays and Sundays such as:

- a. To meet production targets
- b. If the work piles up and needs to be completed immediately
- c. In urgent circumstances or force majeure such as floods, damage to installations/buildings, fires, earthquakes, and other unexpected events.

Overtime work is allowed only on the orders of superiors or with the approval of superiors. Even though the employees have been accepted into the company, they are still in the status of prospective employees, because there is a probationary period of three months. The reason is that, even though they are considered proficient because they have attended BLK training, the company still wants to choose employees who are truly competent in their field of work.

Workers Compensation System

With the workload that has been targeted, the company provides wages under the Malang Regency Minimum Wage (UMK) worth Rp. 2,781,565- per month plus Rp. 10,000, - Sampoerna Minimum Wage (UMS). So, the total salary received each month by SKT workers is Rp. 2,791,565, - per month. Due to the status of daily workers and piece workers, the salary is given once a week. The nominal value is excluding overtime hours. The compensation applied at MPS Ngantang is if a woman is sick or not, decides to go to work or not, the worker still gets paid from her menstrual leave for 2 days. Besides menstrual leave, there is a special leave that is entitled to women, namely maternity leave for 3 months and abortion for 1.5 months. There are many leaves that workers are entitled to without reducing the wages they receive, namely official holidays set by the government, factory closures for the benefit of factories, annual leave (12 working days), special leave including married workers (3 days), workers circumcising their children (2 days), workers marry off their children (2 days), workers baptize their children (2 days), the wife gives birth or miscarries (2 days), a family member dies (2 days), a family member in 1 house (sister/brother biological) died (1 day), sick leave, religious worship leave (1 week before departure and 1 week after arrival). The leader's work system is not like rolling workers in general. The target achieved is how the programs made can be implemented within the specified timeframe. The task of the leader is to oversee the program by looking at the performance of the rolling group based on what was reported by the foreman. Likewise, with the foreman, they will receive program socialization and work system direction from the leader.

Workers' Rights Insurance

In addition to receiving a basic salary, various leave, and benefits, all MPS Ngantang employees (piece workers, daily, and monthly) receive various insurance packages from BPJS. Starting from BPJS Health which can already cover three children and a husband or wife, Employment Insurance, Pension Insurance, Work Accident Insurance, Death Insurance, to Old Age Insurance. In addition to BPJS insurance, workers also receive condolence money from MPS Ngantang in the form of donations for burial costs to workers and their children, wives/husbands in the event of death. The type of insurance that does not yet exist is education insurance. Even so, the company has several times appreciated the children of outstanding workers. Usually given a reward in the form of money as evidenced by student report cards.

Facilities for Workers

Public facilities in this company are adequate for workers. Like toilets, although not explicitly separated between men and women, workers are automatically separated. Because there are fewer men, they choose the toilet in the corner. There are toilets in various places, some are in the production department, and health center. Some have sitting toilets; some have squat toilets. For pregnant women, the toilet is separated separately. Although there is no specific resting place for workers, the factory environment is very comfortable and beautifully arranged in such a way. The canteen is often a place to rest and unwind while eating and drinking. For workers who are sick, pregnant women, menstrual pain, and breastfeeding mothers, the Polyclinic can be a comfortable place to rest. If pregnant women generally check with the obstetrician once a month, then SKT workers can take it every week. Because in the company's polyclinic, there are also obstetricians who

are ready to serve the workers. In addition, when there are sick employees who cannot be handled by the Polyclinic, the company has a car facility to take sick workers to the hospital. In general, the factory environment is very comfortable for the workers. Other facilities are a library that can be used to add insight to workers, UKM Corner which provides opportunities for workers to actualize their potential and as a provision when workers are retired, a visualization board that gives messages and motivation to workers to improve their performance, because on the board containing an appeal both morally and company rules, SRC (Sobat Research Center) is a forum provided by the company to provide opportunities for workers to innovate in work and production equipment, so that something more valuable can be produced, for example the push cutter innovation or the formation of GKM-GKM which provide input to the company so that it can have an effective and efficient work system, a safe and comfortable place for employee vehicle parking, a safe gathering point in the event of an event, for example fire, earthquake or the eruption of Mount Kelud which incidentally is only 7 K M from the factory location, music and karaoke stages which are used when workers feel bored with their work and do refreshing with music, locker rooms designated for each worker and neatly arranged drink bottles for each worker, and of course a prayer room for worship prayer for Muslims.

Improvement of Workers' Skills or Competencies

In addition to producing kretek cigarettes, the company provides various activities to increase the knowledge, awareness, and skills of the workers. This activity is called the EHS Program, which is classified into three programs. First, the Environment Program: Produces various vegetables from the Green House which is managed by MPS Ngantang workers. Third, the Safety Program (Safety Program): Emergency Response Planning Drill, including training on P3K from PJK3, quality testing of the work environment, Firefighting Training, K3 Inspection, and Safety Ridding (driving safety) all of which are carried out by workers who are formed as volunteers. Other activities OHS Permit Training, K3 Basic Training, Cancer Health Socialization, PPE (Personal Protective Equipment) Training, Conducting Medical Checks every year, Counseling on Hepatitis Disease, Briefing on Tuberculosis in commemoration of World Tuberculosis Day, Socialization on oral health in to commemorate World Oral Health Day, Socialization of safe driving from the Malang Police, and Leadership Training. In addition, MPS Ngantang also provides entrepreneurship training in the form of skills in making food and beverages, the implementation of which is when there is an office event or their family makes their food and drinks to be served, sewing skills, which can produce fashionable clothes and even become fashion champions at the international level. Malang Regency, Make Up Skills. Of course, some activities are attended by all workers, but some are only attended by a few workers. Both from group workers that work daily and monthly. By participating in various activities, workers of course have a wealth of experience in addition to skills other than producing cigarettes. Besides this, it is intended to provide provisions for workers when they are retired.

When workers have a lot of knowledge and skills, the company no longer recruits workers from outside. It is these SKT workers who are prioritized. If there is a promotion from linting to foreman, from foreman to leader, from leader to supervisor, then always consider the existing workers. Of course, this promotion is following the needs of the company. So far, everyone who has a leader or foreman position, of course, will always depart from the 'rolled worker' first. There are even monthly workers who have been recruited from 'rolled workers', it depends on the competency set of the workers.

Results of Interviews with Several Employees

So far, the assumption that men are the main breadwinners in the family has been refuted by the fact that women work hand-rolled kretek (SKT) cigarettes. Most of them are the backbone of the family. One of them is Muyialim (51 years old), an SKT worker from Waturejo RT 17 RW 18, Ngantang District, Malang Regency. Since graduating from elementary school, Muyialim decided to work. He never continued his formal education nor attended any informal education. Thanks to this work, now Muyialim can pay for the needs of his family and can send his son to university level and his other child is still studying in high school.

Apart from Muyialim, who only graduated from elementary school, MPS Ngantang also has other SKT workers who only graduated from elementary school but can provide their children with education up to university. Like Pamiarsi (38 years old), a woman from Simo Village, Sidodadi, RT. 23 RW. 03, Ngantang District, Malang Regency. Although he only graduated from elementary school, he is very skilled in achieving his work targets every day. However, Pamiarsi and her husband, who also

only had elementary education, were able to send their children to the university level and the other child was still studying at elementary school and was able to have a permanent house that did not come from an inheritance but his own business.

Another SKT worker is Anik Suprapti (46 years old). Workers from Prabon RT 07 RW 01 Kaumrejo Village, Ngantang District, Malang Regency. A high school graduate (SMA), although he has 3 children and supports his father, he can send his 2 children to college (D3) and can have a permanent residence which he obtained from working at MPS Ngantang.

Another worker is Rumiana (47 years old). The worker from Prabon RT 25 RW 01 Kaumrejo Village, Ngantang District, Malang Regency, stated that although his education was only up to junior high school level and his husband also graduated from junior high school, with 2 dependent children, he was able to send his children to college level (S-1).

Indah Setyowati (37 years old). The worker from Jabon RT 05 RW 02 Tulungrejo Village, Ngantang District, Malang Regency, stated that although he and his husband only graduated from junior high school, they were able to send their children to college and secondary education and were able to have a permanent residence from their work at MPS Ngantang.

Village Unit Cooperative Business Partnership (KUD) Sumber Makmur with PT Hanjaya Mandala (HM) Sampoerna

The partnership between the MPS KUD Sumber Makmur business unit and PT HM Sampoerna has been established since July 5, 1994, against the background of the government's call to focus more on developing cooperatives and small and medium enterprises. In the 1990s the Indonesian state experienced a food crisis in which the productivity of farmers decreased, this resulted in the business income of KUD Sumber Makmur also decreasing. The appeal is intended for State-Owned Enterprises (BUMN) and Private-Owned Enterprises (BUMS). PT. HM Sampoerna, which at that time was a privately-owned company, offered partnership assistance with cooperatives. KUD Sumber Makmur is one of the cooperatives that received the offer with the conditions required by PT HM Sampoerna, the condition is that KUD Sumber Makmur must make a proposal for partnership submission, can provide strategic land and adequate labor resources. Then the organizational structure of the MPS management board is divided into two, the first is PT. HM. Sampoerna is responsible for product quality management, while both the Sumber Makmur KUD are responsible for managing the business. The duties and authorities have been regulated in such a way and stated in the MPS partnership contract. KUD Sumber Makmur conducts MPS partnerships intending to make KUD Sumber Makmur more developed and more profitable so that it can increase cooperative business income, expand job opportunities, and improve workforce skills through training. The principles in the implementation of the MPS partnership include mutual benefit where with this MPS partnership the KUD Sumber Makmur has increased operating income which will have an impact on increasing SHU so that KUD Sumber Makmur gains the trust of members, as well as the partner, PT. HM Sampoerna also feels benefited from this partnership because it gets a place of production and manpower in its business activities so that it can increase its production output. Therefore, in principle, in implementing mutually beneficial partnerships, the MPS business unit has succeeded in making it happen.

The partnership pattern that has taken place between KUD Sumber Makmur and PT HM Sampoerna takes place with the division of tasks and authorities, as has been found in the results of research that discusses the partnership pattern, KUD Sumber Makmur has a role in providing a place of production, labor and production equipment in the process of its partnership activities, while HM Sampoerna has a role in supplying raw materials, operating sales and providing training. The partnership pattern that exists in the MPS is included in the sub-contract partnership pattern, where this pattern shows that cooperatives or small and medium businesses produce goods or services that are components or part of large business production. So large companies provide the widest opportunity for small companies to purchase the raw materials needed continuously at a reasonable price. The existence of such a partnership pattern shows positive results in the development of the MPS business for KUD Sumber Makmur where KUD income has increased from year to year accompanied by an increase in employment which reached 979 people and cigarette production results which reached 4.68 million cigarettes per year. Based on this statement, it can be said that the implementation of the partnership in the MPS business unit has made KUD Sumber Makmur and PT HM Sampoerna more developed.

The stages of the MPS partnership that have been regulated following the rights and obligations that have been agreed upon in a partnership contract are (1) the cooperative submits a partnership proposal to PT. HM. Sampoerna; (2) PT. HM. Sampoerna conducted a review in the form of a feasibility survey of business partners to KUD Sumber Makmur such as the feasibility of access to roads and land to be used as a place of business; (3) PT. HM. Sampoerna and KUD Sumber Makmur discussed the survey assessment and the decision to agree to a partnership; (4) KUD Sumber Makmur conducts the trial phase to become a business partner of PT. HM. Sampoerna for three months; (5) both parties enter into a cooperation agreement where this agreement is marked with a black and white cooperation contract and the name of the business partner being carried out is the Cigarette Production Partner (MPS), which is a business unit engaged in hand-rolled kretek cigarettes (SKT) or cigarette rolling. manuals; (6) the existence of a meeting forum between KUD Sumber Makmur and PT. HM. Sampoerna to develop a work plan and organizational structure to facilitate the implementation of the MPS partnership; (7) make periodic reports on business activities that have been mutually agreed upon, this report is carried out every day by each management representative from each partnering party and later every month a joint evaluation meeting is held.

MPS Ngantang's Contribution to the Surrounding Environment

MPS Ngantang is located in Waturejo Village. This village is one of the villages in the Ngantang District, Malang Regency. With mountainous geographical conditions, this village is known as a PKK-based tourism village, which upholds kindness and cooperation. Residents in this village can be the basic capital of development as well as a burden for development. To be the basis of development, a large population must of course be accompanied by high-quality human resources. Handling the population is very important so that the potential that is owned can be a driving force in development. Therefore, the existence of MPS Ngantang in this village must of course contribute to development. Instead of being a burden, the existence of the kretek industry should ease the burden on the surrounding community, especially in building economic growth. Because 90% of MPS Ngantang employees are residents of Waturejo, Ngantang District, and 10% are filled by residents around Waturejo Village, namely Jombok Village, Kaumrejo Village, Sidodadi Village. The influence of the existence of MPS Ngantang includes:

a. Reducing Unemployment

The positive impacts felt by the existence of the MPS Ngantang company include: First, the reduction in the unemployment rate of the people of Waturejo Village and Ngantang District in general. Since the start of the factory construction, approximately 90% of MPS Ngantang workers have been Waturejo Village residents. This indicates that the HCS industry does have a lot of influence on the village. Second, through CSR funds, it can provide education to the community, especially Waturejo Village to respond to Natural Disasters, Fires, and the Environment in the form of reforestation. Third, with the existence of MPS Ngantang which routinely provides compensation to orphans around Ngantang, it can help reduce the education costs of orphans. The existence of the company does not harm the surrounding community. Turn Over rate of workers is very low because they feel comfortable working in this company. This is confirmed by Mukhtar, the operational manager of MPS Ngantang, according to him the reason why many SKT workers feel comfortable working at the company is that most of their needs are covered by the company. In addition, the company provides facilities and provides free health services to its workers in an effort to neutralize the body of the company's workers from the strong smell of tobacco. Such as by holding a program to give free milk, also by presenting doctors who are on standby at the company's clinic to allow their workers to check their health or health complaints while working at the factory.

b. Triggering Economic Growth

In addition to absorbing labor from the surrounding community to reduce unemployment, the existence of MPS Ngantang in Waturejo Village, Ngantang District also triggers the growth of Small and Medium Enterprises (SMEs) and the circulation of money for the Ngantang area and its surroundings, this is proven by the establishment of a new market in front of the area. MPS Ngantang, the circulation of money is ± Rp. 850 million per week and ± Rp. 3,5 billion per month, the formation of an association of vehicle drivers for shuttle employees ± 40 fleets for cars and several fleets for motorcycles

c. CSR for Village Communities

The impact of economic growth felt by some of the people above is of course indirect. The direct impact is of course the allocation of Corporate Social Responsibility (CSR) funds. Companies have a responsibility not only to workers but also to the surrounding community. Therefore, CSR is always closely related to sustainable development, taking into account social and environmental impacts in the short and long term. Thus, CSR can be said as the company's contribution to sustainable development goals utilizing impact management (minimizing negative impacts and maximizing positive impacts) on all stakeholders. The contribution of MPS Ngantang in allocating CSR funds is in the form of several activities that directly touch the substance of community needs. Among them are a) MPS Ngantang conducts education and training activities to build a disaster-resilient community, namely providing education about BLS, knowledge about firefighting and reforestation b) Providing early education about health to school children (how to wash hands and provide healthy food and fresh milk). c) Provide more benefits for the surrounding area (Compensation to Orphans in the area around Ngantang). In this process, not only management is involved, but also HCS workers. The workers usually have the initiative to make various kinds of service activities for the community. They only need to document their activities and then give them to the company, so that later they will get rewards. The socialization that has been done by the workers to the community such regarding a healthy lifestyle, a healthy environment, sleeping patterns, and eating patterns.

HM. Sampoerna does not allow outsiders to enter into this partnership so that the cooperative can play a full role in managing production and labor management in the MPS unit following the cooperation contract with PT. HM. Sampoerna, this business unit also does not require advertising promotions to promote the existence of MPS but the cooperative also continues to promote to maintain good relations with cooperative members and the community through opening job vacancies from these characteristics, it can be said that the market structure within the Ngantang District, Malang Regency is in the Cigarette Production Partner (MPS) business unit partnership, it is more directed to the monopoly market. This is due to the characteristics possessed by a monopoly market, thus, there is only one company, does not have similar substitutes, there is no possibility to enter the industry, can affect price determination, advertising promotion is not needed, so it is following the characteristics of the market. -Market characteristics that exist in the Cigarette Production Partner (MPS) business unit partnership. The partnership established by KUD Sumber Makmur with PT HM Sampoerna makes the assets owned by KUD Sumber Makmur grow and develop, and can be used for business development and company activities. Currently, MPS Ngantang stands on an area of 12,053 M² and a building covering an area of 3,699 M², with various facilities owned, both physically and non-physically. Facilities The assets owned besides land and buildings are places of worship, canteens, parking lots, greenhouse land, meeting places, lockers for employees, polyclinic, lactation corner, UKM corner, library, SRC (Sobat Research Center).

Asset utilization can be used to improve the ability of employees, outside of their main duties. To increase HR assets, the company provides skills both in the form of hard skills in the form of providing sewing training, farming training, providing entrepreneurial knowledge in the form of food and beverage processing, and soft skills in the form of strengthening faith by holding regular recitations and istighosah akbar every 3 months, awareness driving with safety riding training programs, P3K training from PJK3, firefighting training, testing the quality of the work environment, and social activities in the form of blood donations, donations for orphans, providing health education in the form of proper washing and giving milk. The operation of MPS Ngantang in 1994 has had an impact on the welfare and economic improvement of the Ngantang community, this can be proven by the success of MPS Ngantang employees who can send their children to higher education, even though employees only receive elementary education (SD) and can help the economy family. By providing higher education to their children, it shows that MPS Ngantang employees are trying to invest in the future, namely hoping to get a better life in the future. Apart from the economic aspect, the health aspect also gets attention and priority by MPS Ngantang, this is indicated by the existence of adequate health services, provided polyclinics, and health workers who regularly visit and provide health education to employees.

Conclusion

That the implementation of the partnership between the Sumber Makmur Village Unit Cooperative (KUD) and PT Hanjaya Mandala Sampoerna has been effective 2) That the Ngantang MPS which is a form of partnership between the Sumber Makmur Village Unit Cooperative (KUD) and PT Hanjaya Mandala Sampoerna has a positive impact on economic development and efforts of the Ngantang community and can improve the welfare of the Ngantang community. The partnership pattern that has been implemented between the Sumber Makmur Village Unit Cooperative (KUD) and PT Hanjaya Mandala Sampoerna must be maintained, considering that it has been more than 25 years since MPS has made a positive contribution to the Ngantang community. improve the economy and welfare of the Ngantang people, for example in the fields of tourism, agriculture, fish, and livestock cultivation.

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