

## ANALYSIS OF CHALLENGES AND OPPORTUNITIES FOR THE DEVELOPMENT OF SYARIAH COOPERATES IN THE DIGITAL ERA (Study of Sharia Cooperative Solution With Lamlhom)

**Seri Murni\***

Ar-Raniry State Islamic University  
serimurni.@ar-raniry.ac.id

**Afdhalurrajul**

Ar-Raniry State Islamic University  
200602043@student.ar-raniry.id

### Abstract

Digitalization also opens up new opportunities for Islamic cooperatives in developing products and services that are in line with Islamic law. Challenges also accompany the digitalization of Islamic cooperatives, such as data security and privacy risks. This study aims to analyze the challenges and opportunities for the development of the Lamlhom Islamic Cooperative in the digital era. The method used is a qualitative approach with field study research. The results of this study found that the main challenges include limited human resources, low digital literacy, infrastructure constraints, and the role of the Sharia Supervisory Board. However, digitalization enhances service efficiency, accelerates transactions, and attracts younger generations. The implementation of the USSI application supports accountable data management. Adaptation efforts are carried out through internal training and a hybrid system. Management support and member enthusiasm are important social capital in the digital transformation of Islamic cooperatives.

**Keywords:** Sharia cooperatives, digitalization, challenges, opportunities.

### Abstrak

Digitalisasi juga membuka peluang baru bagi koperasi syariah dalam pengembangan produk dan layanan yang sesuai dengan syariah. Tantangan juga mengiringi digitalisasi koperasi syariah, seperti risiko keamanan data dan privasi. Penelitian ini bertujuan untuk menganalisis tantangan dan peluang pengembangan Koperasi Syariah Solusi Bersama Lamlhom di era digital. Metode yang digunakan pendekatan kualitatif dengan penelitian lapangan (field study research). Hasil dari penelitian ini ditemukan adanya tantangan utama meliputi keterbatasan SDM, literasi digital rendah, serta kendala infrastruktur dan peran Dewan Pengawas Syariah. Namun, digitalisasi meningkatkan efisiensi layanan, mempercepat transaksi, dan menarik generasi muda. Penerapan aplikasi USSI mendukung pengelolaan data yang akuntabel. Upaya adaptasi dilakukan melalui pelatihan internal dan sistem hybrid. Dukungan manajemen dan antusiasme anggota menjadi modal sosial penting dalam transformasi digital koperasi syariah.

**Kata kunci:** Koperasi syariah, digitalisasi, tantangan, peluang.

## INTRODUCTION

Digitalization has become a major trend in the era of digital transformation. This phenomenon not only impacts the large corporate sector, but also penetrates into sharia-based cooperatives. Digitalization of Islamic cooperatives is the process of applying information and communication technology (ICT) to operations and services to meet sharia principles and improve efficiency,

Digitalization also opens up new opportunities for Islamic cooperatives in developing products and services that comply with sharia principles. Utilizing digital platforms makes it easier for cooperatives to offer sharia-

based financial products, such as savings and financing based on profit-sharing or mudharabah principles (Firdaus & Zuhrohtun, 2020).

Cooperatives serve as the center of the community's economic movement, aiming to meet the needs of capital and other necessities of life. Cooperatives have a vital role in creating joint ventures among economically limited individuals. To improve the welfare of the people, the Indonesian government pays serious attention to the development and progress of cooperative institutions managed by cooperative bodies (Camelia & Hasyim, 2018).

Aceh Province was granted the status of a special region by the Government of Indonesia, which gives it greater authority in regulating and managing government affairs and the interests of the local community. This includes various fields such as politics, economy, law, education, customs, and the implementation of Islamic sharia, as stipulated in Laws Number 44 of 1999 and Number 11 of 2006. In accordance with Law Number 11 of 2006 concerning the Government of Aceh, Article 125, Aceh is given a special policy to implement Islamic sharia in the aspect of muamalah through local regulations contained in Qanun Number 11 of 2018 concerning Sharia Financial Institutions.

One of the non-banking financial institutions operating in Aceh is a cooperative, which is engaged in financing and savings in accordance with a predetermined system. According to Mohammad Hatta, known as the Father of Cooperatives, cooperatives are a form of joint business that uses the principles of kinship and mutual cooperation to achieve prosperity and welfare (Hendra et al., 2021:121).

Islamic cooperatives are regulated in the non-banking qanun, precisely in Chapter IV Article 28, which includes three main points: (1) cooperatives as community-owned businesses aim to provide benefits and are based on the principle of mutual assistance among members; (2) financing cooperatives can only operate after fulfilling sharia principles, including operational standards and personnel requirements; (3) further provisions regarding sharia cooperatives are regulated in governor regulations. The entire system and procedure of sharia cooperatives is adjusted to the system that applies to Sharia Financial Institutions, including in terms of the financing process, system, and contracts used in accordance with sharia economic principles.

The development of Islamic cooperatives in Aceh in 2023, where Aceh has a total of 6,974

cooperatives, with 3,967 active cooperatives (57%) and 3,007 inactive cooperatives (43%) (BPS, 2024). While the number of active cooperatives is relatively large, the number of inactive cooperatives is also quite high, signaling challenges in maintaining the sustainability and operational effectiveness of cooperatives in this area.

Meanwhile, in 2023 in Aceh Besar District there were 388 registered cooperative units. Of these, 272 cooperative units were active, which means that around 70% of the total cooperatives in Aceh Besar are still operating and carrying out their functions in the economic sector of the community. Meanwhile, the remaining 116 cooperative units, or around 30%, are registered as inactive cooperatives (BPS, 2024).

The existence of active cooperatives in Aceh Besar certainly indicates that most cooperatives in the region still have a significant contribution to the local economy, whether in terms of savings, financing, or other business activities. However, the high number of inactive cooperatives also reflects major challenges in the management and sustainability of cooperatives, which can be caused by internal factors such as ineffective management or external factors such as changing economic conditions and market needs.

As an effort to improve the common welfare of cooperative members, in particular, and society in general, Islamic cooperatives also adapt to technological developments and digitalization. The digitalization of Islamic cooperatives aims to expand access to financial services, accelerate the transaction process, and increase transparency and accountability in financial management.

In Lamlhom settlement, Islamic cooperatives are now integrating digital systems for various services, such as mobile applications or online platforms, which allow cooperative

members to access financial information, conduct transactions, and apply for loans more easily and quickly. Through digitalization, cooperatives can monitor capital management in real-time, simplify record-keeping, and facilitate communication between management and members.

The digital economy is present and aligned with the government's Digital Economy Declaration as a national development program. Through this program, Cooperatives will be trained to compete at the national and even global level. Digital economy becomes the main driver of Cooperative growth in Indonesia and also encouraged by the Indonesian government Cooperatives will accelerate digital adoption through various programs. The digital era not only offers challenges in the form of disruption of conventional business models, but also provides great opportunities for Islamic cooperatives to expand access to services, improve efficiency, strengthen transparency, and reach members in remote areas.

In the context of Aceh, sharia cooperatives in Lamlhom itself have great potential to be developed. This is supported by a strong legal foundation, such as Qanun Number 11/2018 on Sharia Financial Institutions, which provides legitimacy and clear operational direction for sharia-based financial institutions, including cooperatives. In addition, the Aceh Government through the Office of Cooperatives and SMEs has also shown a real commitment in supporting the development of cooperatives, both through training, mentoring, and digitalization programs.

In addition to great potential, Islamic cooperatives in Lamlhom also face various challenges, such as limited professional human resources, limited business capital, and not yet maximizing the application of modern management principles in cooperative governance. Another challenge is the low level of digital literacy among some cooperative

administrators and members, which has an impact on the slow adoption of digital technology as a whole. Therefore, this study aims to concretely identify the opportunities and challenges faced by Islamic cooperatives in the digital era, as well as formulate appropriate strategies so that cooperatives are able to develop sustainably and make a real contribution to improving the welfare of the community.

## LITERATURE REVIEW

### Cooperatives

The definition of cooperatives according to the 1967 Cooperative Law Number 12 concerning the Principles of Cooperatives, Indonesian cooperatives are people's economic organizations with a social character, consisting of people or cooperative legal entities which constitute an economic arrangement as a joint business based on family principles (Pandji & Ninik, 2003:4). Meanwhile, the definition of sharia cooperatives is better known as KJKS (Sharia Financial Services Cooperative) and UJKS (Cooperative Sharia Financial Services Unit). Sharia Financial Services Cooperatives are cooperatives whose business activities are engaged in financing, investment, and savings according to the sharia profit-sharing pattern (Soemitra, 2009:407).

Shariah cooperatives are technically cooperatives whose principles, objectives, and business activities are based on Islamic sharia sources, namely the Al-Quran and Hadith. The purpose of sharia cooperatives is to prosper the economy of its members in accordance with Islamic norms and morals and create brotherhood and justice among members. This cooperative in carrying out its activities is based on the principles of Islamic sharia.

### Legal Basis of Sharia Cooperatives

The legal basis of Islamic cooperatives is found in the Al-Quran, Hadith, and Law. Among them are the following:

1. Al-Quran

Islam provides comprehensive guidance in all aspects of life, including economics and muamalah. One of the basic principles taught in the Qur'an is fairness and halalness in transactions. This is reflected in Allah's word in QS. An-Nisa verse 29:

أَنْ إِلَّا بِالْبَاطِلِ نَكْمَ اللَّهُ إِنَّ ۖ بِي أَمْوَالِكُمْ تَأْكُلُوا لَا ءَامِنُوا الَّذِينَ هَٰؤُلَاءِ  
(٢٩) رَجِيمًا بِكُمْ كَانَ أَنْفُسَكُمْ تَقْتُلُوا وَلَا مِّنْكُمْ تَرَاضَ عَنْ بَٰعْرَةٍ تَكُونُ

Meaning: O you who believe, do not eat of one another's wealth by unlawful means, except by way of a mutually acceptable trade between you. And do not kill yourselves; surely Allah is Most Merciful to you (Q.S. An-Nisa: 29).

## 2. Hadith

The legal basis is taken from the hadith of Sunan Abu Dawud Number 2936, the following hadith:

أَبِي عَنْ الرَّبْرِقَانَ بْنِ مُحَمَّدَ حَدَّثَنَا الْمُصَيَّبِيُّ سُلَيْمَانَ بْنَ مُحَمَّدَ حَدَّثَنَا  
ثَابِتٌ أَنَا يَقُولُ اللَّهُ إِنَّ قَالَ رَفَعَهُ هُرَيْرَةُ أَبِي عَنْ أَبِيهِ عَنِ النَّبِيِّ حَيَّانَ  
بَيْنَهُمَا مِنْ خَرَجَتْ خَانَهُ فَإِذَا صَاحِبَهُ أَحَدُهُمَا يَخُنُ لَمْ مَا الشَّرِيكِينَ

"Narrated Muhammad ibn Sulaiman Al Mishshishi, narrated Muhammad ibn Az Zibriqan, from Abu Hayyan At Taimi, from his father, from Abu Hurayrah, and he narrated it. He said: Allah says: "I am the third party of two partners, so long as neither of them betrays his partner. If he betrays him, then I am out of both of them." The meaning of the above Hadith is that Allah SWT will protect and help two people who are allies and lower the blessings on their views. If one of the allies betrays his friend. Allah SWT will remove the help and blessing. There are positive values contained in cooperation, namely:

## 3. Law

Law Number 25 of 1992 concerning Cooperatives. Government Regulation Number 17 Year 1994: Dissolution of cooperatives by the government. Government Regulation Number 4 of 1994: Requirements and Procedures for Ratification of Deed of Establishment and Amendment of Articles of Association of Cooperatives. Government Regulation Number 9

of 1995: Implementation of savings and loan business activities by cooperatives. Government Regulation Number 33 of 1998: Participation capital in cooperatives. Ministerial Decree of Cooperatives and SMEs Number 98 of 2004: Notary of cooperative deed maker. Minister of Cooperatives and SMEs Regulation Number 10 of 2015: Cooperative institutions. Minister of Cooperatives and SMEs Regulation Number 15/2015: Saving and loan business by cooperatives. Minister of Cooperatives and SMEs Regulation Number 9/2018: Organization and guidance of cooperatives. Ministerial Decree Number 22/2020: Procedures for submitting data on cooperative debtors in the context of providing interest subsidies/margin subsidies for credit/financing for micro, small, and medium enterprises in order to support the national economic recovery program.

## 4. Fatwa

Based on Fatwa DSN-MUI/VII/2012 concerning the application of Sharia principles, that LKS (Sharia Financial Institutions) that channel funds must ensure that the contracts used in channeling these funds must be Sharia-based and must not be based on ribawi.

## Types of Cooperatives

There are several types of cooperatives based on function. In the Law of the Republic of Indonesia Number 17 of 2012, it is stated that the types of cooperatives in Indonesia are as follows (Annisa et al, 2022:90):

### 1. Consumer Cooperative

This cooperative is intended for consumers of goods and services. Usually they sell various daily necessities.

### 2. Producer Cooperative

This cooperative applies to producers of goods and services. It sells goods produced by its members.

### 3. Service Cooperative

A cooperative is similar to a consumer cooperative, but it provides services to its members.

#### 4. Savings and Loan Cooperative

A savings and loan cooperative provides credit to its members. This cooperative aims to help its members who need money in the short term with easy terms and low interest.

#### 5. Multipurpose Cooperative

Multipurpose Cooperative provides several services at once. For example, it sells consumer goods, or provides savings and loan services.

### **Digital Era**

The Digital Era is a period of time that has certain characteristics. In the era of digitalization, the integration of digital technology has brought significant changes in the operations of Islamic cooperatives. Digitalization includes the development of digital payment systems such as e-wallet and QRIS, which simplify transactions for both cooperative members and the general public. In addition, digital platforms for loan and deposit services allow cooperative members to access services easily and quickly through an app or website. Digitalization also includes a digital-based financial recording system, which ensures transparency and accountability in fund management, and supports a sharia-based marketplace to support cooperative members' micro, small, and medium enterprises (MSMEs). With this digital innovation, Islamic cooperatives become more efficient, accountable, and inclusive, while being able to compete with other financial institutions (Financial Services Authority, 2021; Ramadhan & Santoso, 2020).

### **Challenges of Sharia Cooperative Development in the Digital Era**

Islamic cooperatives in the digital era are at an important junction that demands the ability to adapt to rapid technological change

(Hermawan et al., 2024). On the one hand, the digital era offers great opportunities for Islamic cooperatives to expand service coverage, improve operational efficiency, and provide easy access for their members. However, on the other hand, this digital transformation also brings challenges that cannot be ignored.

The main challenges faced by Islamic cooperatives include technology, human resources, and regulation. In terms of technology, Islamic cooperatives need to invest in digital systems that are secure, reliable and compliant with sharia principles (Syaiful et al., 2022). This requires not only high costs but also the ability to select and manage the right technology. In addition, limited digital literacy among cooperative administrators, managers, and members is an obstacle in maximizing the benefits of technology.

In terms of human resources, Islamic cooperatives need to increase the capacity of human resources to be able to manage digital transformation effectively. Digital competency training and development is a top priority to ensure that everyone involved understands how the new technology works (Hakim & Nisa, 2024). In addition, a digital-based work culture also needs to be built to be in line with the times. Regulation is also a significant challenge. Sharia cooperatives must ensure that their digital technology implementation is in accordance with applicable regulations, both from the aspect of cooperative law and sharia principles. The lack of specific guidelines regarding digitalization in the Islamic cooperative sector may lead to doubts and obstacles in its implementation (Wardhani et al., 2023).

Islamic cooperatives can leverage the digital era to create new opportunities by utilizing digital platforms, Islamic cooperatives can expand their member base, provide more inclusive financial services, and improve

operational transparency and accountability. For this reason, a well-thought-out strategy and collaboration between various parties, including the government, financial institutions, and technology developers, are needed for Islamic cooperatives to optimize the benefits of digital transformation.

### **Opportunities for Sharia Cooperative Development in the Digital Age**

Digital transformation has a very important role in providing services to consumers in the modern era. Digital transformation allows consumers to access information and services anytime and anywhere (Smith, et. al, 2021). With online platforms, customers can easily access the products or services they need through mobile devices or computers (Werdiningsih, 2023). Automation of business processes and the use of the right software, companies can improve operational efficiency, this leads to improved response time and the ability to provide faster service to consumers (Ula, 2020). In a modern era that is highly digitally connected, cooperatives need to keep up with the digital transformation trend to stay relevant, competitive, and efficient in meeting the needs of their members and customers. Digital transformation is no longer an option, but a necessity to ensure the long-term viability of cooperatives.

### **SWOT Analysis**

SWOT analysis is a technique first developed at Stanford in the 1970s and has become an important tool in organizational strategic planning. SWOT evaluates four important elements in an organization, project, or business: *strengths*, *weaknesses*, *opportunities*, and *threats*. Although simple, this framework is very useful to help organizations identify strengths, improve weaknesses, reduce threats, and take advantage of opportunities.

Kurniasih & Rusfiana (2021:76) explain that SWOT analysis consists of 4 factors, which are as follows:

1. *Strengths*; Strengths are resources, skills, or advantages that a company or organization has compared to its competitors, as well as according to the needs of the market it serves.
2. *Weaknesses*; Weaknesses are limitations or deficiencies in resources, skills, and capabilities that can significantly hinder the performance of an organization or company.
3. *Opportunities*; Opportunities are favorable conditions in a company or organization's environment. One source of opportunities comes from important emerging trends.
4. *Threats*; Threats are unfavorable conditions in a company or organization's environment.

### **METHODOLOGY**

This research is a *field study research* by conducting direct observation to the object of research through a qualitative approach. The data source of this research is primary data obtained from the first data source on the object of research. Primary data is collected through interviews with Lamlhom Islamic cooperative managers and employees of Islamic cooperatives in Lamlhom with observation or direct observation data collection techniques. The research location was at an Islamic Cooperative in Lamlhom. This research also applies SWOT analysis to develop Islamic Cooperatives in the digital era.

### **RESULTS AND DISCUSSION**

The sharia cooperative Solusi Bersama Lamlhom (SBL) is one of the sharia-based cooperatives that focuses on empowering the people's economy through the principles of justice and transparency. This cooperative has a vision to become a trusted Islamic financial institution and be able to improve the welfare of

its members through sharia-based financial and business services. Islamic cooperative Solusi Bersama Lamlhom (SBL) provides two financing products, namely murābahah financing and Hawālah bil ujah financing. With the main focus on community economic development in Lamlhom Settlement, with the main sectors involving agriculture, plantations, and micro-enterprises, especially in the field of cake making.

### SWOT Analysis

**Table 1.**  
**SWOT Analysis**

STRENGTH	WEAKNESS
<ol style="list-style-type: none"> <li>1. Kopsyah SBL runs a business with sharia principles such as profit sharing, murabahah, and ijarah contracts.</li> <li>2. Has implemented an internal digital system to support daily operations.</li> <li>3. Easy and fast financing procedures, with light terms.</li> <li>4. Conduct supervision, guidance, and encourage the conversion of cooperatives to the sharia system.</li> </ol>	<ol style="list-style-type: none"> <li>1. The internet network is not stable and the equipment is not adequate.</li> <li>2. Not all employees have the ability to operate digital systems.</li> <li>3. Limited budget for technology procurement and HR training.</li> </ol>
OPPORTUNITY	THREATS
<ol style="list-style-type: none"> <li>1. Digitalization is a great opportunity to expand service coverage and operational efficiency.</li> <li>2. Technology education is carried out gradually to members, especially those who are not yet accustomed to it.</li> <li>3. The government supports the digital transformation of cooperatives through training, applications, and technology partnerships.</li> <li>4. The existence of the Aceh Sharia Council (DSA) as a DPS supervisor improves the quality of supervision of Islamic cooperatives.</li> </ol>	<ol style="list-style-type: none"> <li>1. Cooperative digital systems are still vulnerable to cybersecurity threats.</li> <li>2. Reliance on digital systems increases the potential risk of cyberattacks.</li> <li>3. The level of understanding of digital technology among employees and members is still limited.</li> <li>4. Low digital literacy affects member engagement in digital systems.</li> </ol>

**Table 2.**  
**SWOT Matrix Strategy Analysis**

Internal Factors	SO Strategy (Strength-Opportunity)	WO Strategy (Weakness-Opportunity)
	<ol style="list-style-type: none"> <li>1. Utilize the digital system that has been implemented to expand the reach of cooperative services to surrounding villages through online platforms.</li> <li>2. Integrate the values of sharia cooperatives with the support of digitalization programs from the government to strengthen the image of a modern sharia-based cooperative.</li> <li>3. Optimizing the USSI application to speed up services while maintaining sharia principles.</li> </ol>	<ol style="list-style-type: none"> <li>1. Apply for assistance from the government or partners to overcome infrastructure and human resource limitations through training and technology grants.</li> <li>2. Improve employee competence through digital literacy training organized by the Cooperative Office or partner institutions.</li> <li>3. Gradually develop technological facilities and infrastructure by utilizing digital partnership opportunities.</li> </ol>
External Factors	WO Strategy (Weakness-Opportunity)	WT Strategy (Weakness-Threat)
	<ol style="list-style-type: none"> <li>1. Apply for assistance from the government or partners to overcome infrastructure and human resource limitations through training and technology grants.</li> <li>2. Improve employee competencies through digital literacy training organized by the Cooperative Office or partner institutions.</li> <li>3. Gradually develop technological facilities and infrastructure by utilizing digital partnership opportunities.</li> </ol>	<ol style="list-style-type: none"> <li>1. Develop a roadmap for improving human resources and technology to deal with digital security risks and low member literacy.</li> <li>2. Gradually build a data security system while improving employee and member understanding of digital risks.</li> <li>3. Provide hybrid services (manual and digital) so that members can still access services comfortably while adapting to digitalization.</li> </ol>

Based on the results of the analysis of the SWOT matrix, four alternative strategies are obtained that can be used by the Lamlhom joint solution sharia cooperative. This strategy includes internal and external aspects to improve cooperative development in the digital era.

#### 1. Strategy (S-O)

The cooperative can take advantage of the strengths in the form of digitalization readiness and strong Islamic cooperative values to expand service coverage to a wider area, such as surrounding villages. The utilization of the USSI application that has been used is also an important asset to accelerate sharia-based services, in line with the support of the government's digitalization program.

#### 2. Strategy (S-T)

Mr. Teby Maulana also directed efforts to anticipate various external risks, such as the security of digital systems that are still vulnerable and the low digital literacy of some members. In this case, the strength of the internal system that has been built can be maximized through strengthening the data security system, educating employees about cyber security, and combining digital approaches with personal communication so that all members can still be served optimally.

#### 3. Strategy (W-O)

The DPS suggests that cooperatives overcome the limitations of infrastructure and human resources by utilizing opportunities from training programs and technology facilitation by the government and partners. Efforts to increase employee capacity through digital literacy training can be carried out on an ongoing basis, as well as optimizing the potential for technology grants or cooperation to overcome the limitations of existing devices.

#### 4. Strategy (W-T)

The Islamic cooperative office focuses on mitigating the risk of digitalization by developing

a long-term plan to gradually increase the capacity of human resources and technology. In addition, cooperatives can also provide hybrid services, a combination of manual and digital systems, so that all members can continue to access services comfortably while slowly being introduced to digital systems. This approach is important to maintain service stability and build member trust in the ongoing digital transformation process.

### **Challenges of Utilizing Digital Innovation in SBL Sharia Cooperatives and Efforts to Resolve Them**

The development of information technology in the era of the Industrial Revolution 4.0, which is characterized by the rapid development of digital technology, makes the future will experience major changes. Cooperatives in the era of the 4th industrial revolution must adapt and transform in the face of a constantly dynamic environment. The first step that needs to be taken in transforming cooperatives is to build creative and innovative characters for the people who drive cooperatives (Dwipradnyana et al., 2020).

Digitalization services are a form of public service transformation that can create many strategic opportunities, especially in driving national economic growth. One of the positive impacts of digitalization is the increase in transactions through e-commerce platforms, along with changes in people's consumption patterns who now prefer to shop online. This change in habit has contributed greatly to the increasing volume of national digital transactions. However, there are still major challenges in implementing digitalization, especially in the cooperative sector.

Therefore, it can be seen that most of the SBL Lamlhom Islamic cooperatives have not yet adopted the digital system optimally. One of the main causes is the use of a manual recording

system in the cooperative's administrative process. This process is not only time-consuming, but also prone to errors and inefficiencies. In addition, another challenge lies in human resources (HR) who are not fully prepared for the digital era. Currently, many cooperative administrators and members are above the age of 25, which tends to make it difficult to adapt to the ever-evolving digital technology.

The low level of digital literacy among cooperative human resources is an obstacle in the transformation process towards technology-based cooperative services. For this reason, strategic steps are needed in the form of training and digitalization assistance for cooperative administrators and members, as well as adequate technological infrastructure support so that cooperatives can compete and contribute optimally in the national digital economy ecosystem.

The main obstacle in using digital applications does not come from the difficulty of the system itself, but rather external factors such as electricity availability. In the early stages of implementation, an adaptation process is needed to understand the use of new applications, which is normal in any transition to a digital system. Employees must learn to recognize the features of the application and understand new procedures, so it takes time to get used to it. However, a bigger obstacle arises when there is a power outage, which causes application-based services to be temporarily suspended. Under these conditions, to maintain service continuity, transactions were still recorded manually on slips, and once the power was back on, new data was then entered into the digital system. This strategy shows the flexibility and readiness of employees in dealing with unexpected situations without stopping services to customers. This also confirms that the implementation of the digital

system is quite effective, it just requires more stable infrastructure support to ensure the smooth operation of the cooperative in the future.

Lack of understanding of the benefits and working mechanisms of digital technology has limited member participation in cooperative digital systems. In fact, the success of cooperative digitalization is highly dependent on the active involvement of all members, both in the transaction process and digital data-based decision-making.

Therefore, cooperatives need to design a more systematic and sustainable education strategy, such as hands-on training, counseling, or the use of easy-to-understand visual media, to improve the overall digital literacy of members. This step is important so that all members can adapt to technological developments and support efficiency and transparency in digital based cooperative management.

In facing the challenges of the digital era, Islamic cooperatives need to take a strategic approach that is gradual but directed. One important effort is to increase digital literacy for cooperative administrators and members through training, technical guidance, and the provision of materials that are easy to understand. This aims to enable all elements of the cooperative to adapt to new technologies effectively. In addition, strengthening infrastructure and selecting digital applications that suit the cooperative's capacity are important steps to ensure smooth operations. Given that many cooperative members are still accustomed to manual systems, the transition should be done with an inclusive approach, so as not to create resistance to change.

Another challenge faced by Islamic cooperatives is related to the role and capacity of the Sharia Supervisory Board (DPS). Sharia supervisors are not only required to understand

the application of sharia contracts in cooperative operations, but must also have a deep understanding of the basic principles of the cooperative itself. Not understanding the concept and mechanism of cooperatives will make it difficult for supervisors to implement sharia principles effectively. In addition, sharia supervisors are also faced with the challenge of understanding and ensuring the preparation of cooperative financial statements in accordance with sharia accounting principles. Thus, mastery of sharia aspects alone is not sufficient; a comprehensive knowledge of cooperative governance is also required.

Furthermore, the main challenge for the Sharia Supervisory Board is how to socialize the application of the sharia system to all elements of the cooperative, both to members, management, supervisors, and employees. The delivery of this understanding must be done using simple and understandable language, not with academic terms that are difficult for ordinary people to understand. This is important considering that there is still a misperception among the public, which considers that the application of sharia principles is only limited to labeling the contract, without substantial differences compared to the conventional system. Therefore, the Sharia Supervisory Board must be able to clearly explain the fundamental differences between sharia cooperatives and conventional cooperatives, with an effective communication approach so that members truly understand the added value and unique characteristics of sharia-based cooperatives.

### **Development Opportunities of SBL Lamhom Sharia Cooperative in the Digital Era**

SBL Syariah Cooperative views the development of the digital era as a strategic opportunity to expand and improve the quality of services to members. With the increasing use of

information technology in society, the cooperative sees digitalization as a means to improve operational efficiency, accelerate services, and expand reach to a wider range of members, especially the younger generation who are more familiar with technology. The utilization of this technology is an important step considering that currently, many people's consumption and transaction patterns have shifted to digital platforms, including in financial services and small and medium enterprises (SMEs).

The development of technology is a great opportunity for Islamic cooperative institutions to be able to get a wide range and to develop the cooperative business itself, both in marketing and in services that are easier and faster and have a wide reach. With an integrated system, the service process becomes faster and less error-prone, thus increasing the satisfaction of cooperative members. The use of applications such as USSI enables secure and systematic data storage, as well as facilitates the process of searching, updating, and periodic data backup, which is very important to avoid information loss due to physical damage or human error. In addition, digital systems also strengthen transparency and accountability in cooperative management, which in turn builds member trust. The positive response from members shows that digitalization is not only beneficial for managers, but also directly felt by users of cooperative services, especially in terms of ease of access and speed of service.

SBL Syariah Cooperative has adopted desktop-based applications for the management of savings and loan transactions, as well as utilizing digital communication media such as WhatsApp groups to convey financial information to members. This strategy was taken as an initial step to familiarize members with the use of technology, considering that most

cooperative members are still dominated by those over 40 years old who are relatively slower in digital adaptation. This is reinforced by the cooperative's statement that every financial system adopted is thought of for the long term, and replacement to more modern systems such as mobile applications will be done according to the needs and readiness of members.

In areas like Aceh Besar, the challenge of access to cooperative services is often a major obstacle, especially for members living in remote areas. Through the implementation of digital systems, cooperatives can reach more members without geographical limitations. Services that previously required physical presence such as member registration, loan applications, checking deposit balances, or transaction reporting can now be done online only through digital devices such as mobile phones or computers. This certainly saves time, transportation costs, and energy, while making it easier for members to remain active in cooperative activities.

Moreover, digitalization also promotes transparency and accountability in cooperative management. Every transaction is automatically and neatly recorded in the digital system, reducing the risk of recording errors and data loss. This increases members' trust in cooperatives, which is an important social capital for the sustainability of these institutions. In addition, digitalization opens up space for service innovations, such as cooperative e-commerce to help members market their products to a wider market, as well as sharia-based digital financing that is faster, safer, and in accordance with the principles of fairness.

Equally important, the digital transformation of cooperatives also contributes to improving people's digital literacy. When members are encouraged to use technology, they simultaneously learn new skills that can be applied not only in the cooperative context, but

also in their daily lives, including in managing their businesses or personal finances. Regular training and mentoring related to technology utilization is also a strategic step to ensure that all members, including those who are not familiar with the digital world, can share in the benefits. Thus, cooperative digitalization is not only about technical efficiency, but also about equal access, economic empowerment, and improving the overall quality of life for its members.

## CONCLUSION

Based on the results of research and data processing and analysis, several conclusions can be drawn: Cooperatives face various challenges in the digitalization process, including limited human resources (HR) who still lack understanding of technology, especially among employees and administrators who are over 25 years old. In addition, external factors such as power outages and internet network disruptions are also obstacles that hinder the smooth running of digital operations. To overcome the barriers to digitalization, cooperatives need to take appropriate and applicable steps, starting with increasing the capacity of human resources through regular training and a mentoring system between employees, especially for administrators who lack understanding of technology. Furthermore, cooperatives can overcome infrastructure constraints by providing electricity backup devices such as UPS and using more than one internet service provider to maintain connection stability. In improving members' digital literacy, cooperatives need to conduct direct socialization, create simple visual guides, and implement digital systems gradually. The role of the Sharia Supervisory Board (DPS) should also be optimized through active involvement in digital-based training and supervision so that it remains in accordance with

sharia principles. In addition, cooperatives can collaborate with campuses or local digital communities to support technology implementation, and routinely evaluate digitalization performance so that any obstacles can be overcome in a sustainable and measurable manner.

Behind these challenges, digitalization opens up great opportunities for cooperatives in improving service efficiency, accelerating transaction processes, and expanding the range of services to members. The application of the USSI application has proven to be able to support more structured and accountable data management. Digitalization also encourages the modernization of Islamic cooperatives, making them more adaptive to the times and able to attract the younger generation. KSPPS Solution with Lamlhom shows adaptation efforts through internal training, gradual introduction of digital applications, and a combination of manual and digital systems as a form of mitigating infrastructure constraints. Support from management and the enthusiasm of some members are important social capital in the cooperative's digital transformation process.

## Suggestions

Based on the findings and conclusions obtained, the researcher provides the following suggestions:

1. Sharia Cooperative Solusi Bersama Lamlhom is advised to utilize social media as a means of communication and promotion in supporting the digitalization process. Platforms such as Instagram, Facebook, and WhatsApp Business can be used to convey service information, Islamic financial education, and build more active interactions with members. Utilizing social media can also increase transparency and public trust in cooperatives. Therefore, cooperatives need to appoint

special officers who manage social media accounts consistently and professionally, so that social media becomes an integral part in the development of adaptive and modern cooperatives. The cooperative should also collaborate with local technology and internet service providers to ensure network stability. In addition, it is necessary to prepare an emergency scheme in the event of a power outage, so that services are not completely stopped.

2. The Sharia Supervisory Board (DPS) is expected to be more active in understanding the principles of digitalization and providing input that is in line with sharia values in the development of cooperative technology. need to organize regular digital training for employees, management, and members to be able to adapt to technology. A hands-on training approach (*learning by doing*) can be more effective in improving digital competencies.
3. This research still has limitations in the aspect of the scope of the study which only focuses on one Islamic cooperative in the Lamlhom area. For this reason, future researchers are expected to expand the object of research to other Islamic cooperatives in Aceh and outside the region, so that a more comprehensive comparison can be obtained. In addition, the use of quantitative approaches or mixed methods can also strengthen the results of empirical analysis.

## REFERENCES

- Annisa I.F., Purba, B., Hasliah., Manaf, S., Rozaini, N., Nugraha, N.A., Susilowati, E., Anas, A., Nurhaedah., Wisnujati, N.S., Amruddin., & Agusta, R. (2022), *Bisnis dan Perekonomian di Indonesia*, Jakarta: Yayasan Kita Menulis.
- Camelia, F. S & Hasyim (2018). Perkembangan Ekonomi Koperasi Di Indonesia, *Jurnal Niagawan*, 7(2), 45-52.
- Dwipradnyana, I Made Mahadi, I Gusti Ayu Made Agung Mas Andriani Pratiwi, & I Gusti Nengah Darma Diatmika. (2020). Strategi Pengembangan Koperasi Di Era Digital Pada Koperasi Yang Ada Di Provinsi Bali, *Majalah Ilmiah Universitas Tabanan* 17 (2), 112-16. <https://ojs.universitastaban.ac.id/index.php/majalah-ilmiah/untab/article/view/87>.
- Firdaus, M., & Zuhrohtun, A. (2020). Pengaruh Fintech Syariah Terhadap Pembiayaan UMKM. *Jurnal Ekonomi dan Keuangan Syariah*, 4(2), 123-135.
- Hakim, A.S., & Nisa, F.L (2024). Pengembangan Ekonomi Syariah: Tantangan dan Peluang di Era Digital, *Jurnal Rumpun Manajemen dan Ekonomi*. 1(3), 143-156 doi:<https://doi.org/10.61722/jrme.v1i3.159>.
- Hendra, Arfandi SN, Sudarso, A., Candra, V., Handiman, U. T., Simarmata, H. M. P., Butarbutar, M., Sudarmanto, E., & Sugiarto, M. (2021). *Manajemen koperasi*. Medan: Yayasan Kita Menulis.
- Hermawan. A.P., Ardiyansyah, F., & Wahyudi, R.A.S. (2024). Perkembangan dan Tantangan Koperasi Syariah di Indonesia, *Koalisi: Cooperative Journal*. 4 (1),67-76.
- Kurniasih, D., Rusfiana, Y., Subagyo, A., & Naradhawati, R. (2021). *Teknik Analisa*. Bandung: Alfabeta.
- Pandji Anoraga & Ninik Widiyanti. (2003). *Dinamika Koperasi*, Jakarta: PT Adi Aksara.
- Ramadhan, M., & Santoso, B. (2020). Digital Transformation in Islamic Cooperative: Challenges and Opportunities.
- Smith, A., Johnson, B., & Davis, C. (2021). Dampak Transformasi Digital terhadap Peran Manajerial. *Jurnal Inovasi Manajemen*, 42, 57-78.
- Soemitra, A. (2009). *Bank & Lembaga Keuangan Syariah*, Jakarta: Kencana.
- Syaiful, M., Putra, H., & Zainuddin, A. (2022). Digital Transformation in Islamic Cooperatives: Challenges and Opportunities. *Journal of Islamic Economics and Finance*, 14(2), 45-60.
- Ula, R. (2020). *Otomatisasi Proses Bisnis Dan Dampaknya Terhadap Efisiensi Operasional Perusahaan*. Bandung: Penerbit Bisnis Cemerlang.

Wardhani, Yustiana, Syarief Gerald Prasetya, & Vera Clara Simanjuntak. (2023). Strategi Pengembangan Koperasi Melalui Kolaborasi Dan Transformasi Digital di Kota Bogor. *Jurnal Manajemen Dan Organisasi* 14(2), 184–93. <https://doi.org/10.29244/jmo.v14i2.44686>.

Werdiningsih, N. (2023). *Peran Platform Online Dalam Memudahkan Akses Pelanggan Terhadap Produk dan Layanan*. Yogyakarta: Penerbit Teknologi Digital.