


A Dedication Of Cooperatives In Building The Indonesian Economy

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Article Info	ABSTRACT
Keywords: Cooperatives, Indonesian Economy, Gross Domestic Product (GDP)	This study aims to analyze the impact or contribution of cooperatives in building the Indonesian economy. Cooperatives as institutions that prioritize the principles of togetherness and economic democracy have great potential in empowering communities to build the Indonesian economy. The strategic role of cooperatives in helping communities that are ultimately able to become one of the key factors in realizing the vision of Golden Indonesia in 2045. This study uses a quantitative descriptive method using secondary data sourced from the Central Statistics Agency and the Ministry of Cooperatives and SMEs. The method of data collection is through a literature review. The results of the study show that cooperatives in Indonesia have consistently experienced growth over time wherein 2000 the number of active cooperatives was 88,930 units and in 2021 it increased to 127,846 units or an increase of 43.76% in a period of 22 years, then the composition of cooperative capital in Indonesia also consistently experienced significant growth. The growth in the number of units and capital structure of the cooperative shows that cooperatives still exist in Indonesian society as one of the people's economic institutions. The strategic role of cooperatives as one of the driving forces of the national economy can also be seen from how much influence cooperatives have on the national gross domestic product (GDP) in the last 5 years which has continued to grow. The journey of the national economy has a very close relationship with the people's economic institutions called cooperatives. Cooperatives have been able to answer the challenges of uncertain conditions into controlled conditions, until now, for 77 years cooperatives have given color or dedication to the Indonesian economy and it is hoped that the strategic role of cooperatives can continue to be improved.
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INTRODUCTION

Indonesia Emas 2045 is a visionary target that must be the main focus of all sectors including the economy so that it is necessary to accelerate the development of the national economy evenly and fairly. Throughout the history of Indonesia including before the era of independence, one of the main axes in driving the national economy was through the strategic role of Cooperatives which aimed to help alleviate the economic suffering of the community both caused by colonialism and also loan sharks at that time (CF Site, 2018). Although cooperatives began to have a positive impact on society, the development of

cooperatives was also unstable due to regulations made by the Dutch colonialists. After the independence of the Republic of Indonesia, cooperatives were led by Mr. Muhammad Hatta and at the same time made him the Father of Indonesian Cooperatives. Law Number 25 of 1992 mentions the principles of cooperatives which include: voluntary and open membership, management is carried out democratically, the distribution of remaining business results is carried out fairly in proportion to the size of each member's business services, independence, and added the principle of cooperative education and cooperation between cooperatives.

Through these principles, cooperatives are seen as a people's economic movement that is in accordance with the principle of mutual cooperation of the Indonesian people. The development of technology and information has accelerated the process of every line of life including the economic aspect, with increasingly rapid global progress must be accompanied by adjustments as a form of response to the progress of civilization but still maintaining the values and principles that have been established. The current digitalization era presents a major challenge to one of the people's economic institutions called cooperatives. Cooperatives with the noble principles they have must dare to declare their identity as a model of economic drivers that will continue to exist in society in the past, present, and future. This challenge requires cooperatives to evolve by improving themselves both through utilizing the strategic role of regulation and expanding cooperative education to the community.

Cooperatives are also known as the "Soko Guru" which is an integral and inseparable part of the national economic system which aims to carry out the constitutional mandate as well as being a hope in building the people's economy.(Rohmat AB, 2015). Based on data released by the Central Statistics Agency (BPS) in 2023, Indonesia has a population of 275.8 million people.(BPS, 2024)which is spread across83,794 villages and sub-districts(4), meanwhile the number of poor people in Indonesia is 26.2 million people or 9.5% (BPS, 2024) of the total Indonesian population today, with these conditions, we need the strategic role of cooperatives to help improve the welfare of the community which in the end can become one of the key factors in realizing the vision of Golden Indonesia in 2045.

Literature Review

Definition of Cooperative.

The term cooperative comes from the English word co-operation which means working or trying together. Cooperatives are a form of business entity that provides opportunities for individuals or agencies to collaborate, work together, and work together to improve the welfare of its members through cooperation based on a family spirit (Nasution, et al., 2024). Cooperatives are one of the efforts or efforts of the people's economic movement. Initially, cooperatives consisted of a group of people who had a lower level economy, where a group of people joined the cooperative with the aim of improving their welfare together. However, over time, cooperatives did not only consist of a group of people who had a lower level economy, but also consisted of a group of people who had a high level of economy (Effendi, et al., 2018). Cooperatives are one of the financial institutions that have an important role in building the community's economy. Cooperatives develop through

three institutions and channels. First, cooperatives are driven and controlled by organizations and politics. Second, cooperatives develop through movements by the government and third, cooperatives develop through movements by individual or group initiatives (Yuvanda, 2021).

Cooperative Principles

The cooperative principles according to Law No. 25 of 1992 in Article 5 paragraph 1, are as follows:

1. Membership is voluntary and open
2. Management is carried out democratically
3. The distribution of remaining business results is carried out fairly in proportion to the size of each member's business services.
4. Limited return on capital
5. Independence

According to Law No. 25 of 1992 in Article 5 paragraph 2, in developing cooperatives, cooperatives implement the following cooperative principles:

1. Cooperative education
2. Inter-cooperative cooperation

The cooperative foundation is the foundation that allows the cooperative to grow, develop and achieve its goals and ideals. According to Wijoyo (2021), the cooperative foundation is divided into 3, namely:

1. Idiil Foundation

The ideological basis of cooperatives is the basis used to achieve the goals and ideals of cooperatives. Cooperatives are a forum for a group of people who aim to improve the welfare of their members. As a people's economic movement, cooperatives have the right to life guaranteed by the 1945 Constitution and to realize a just and prosperous society. Therefore, cooperatives have goals that are in line with the ideals of the Indonesian nation, because the ideological basis of the Indonesian state is Pancasila.

2. Structural Foundation

The structural basis of cooperatives is the foundation of cooperatives as a foothold in the structure of community life. In every country, the constitution regulates the order of community life. The 1945 Constitution is the basic rule that regulates the implementation of the philosophy of life and moral ideals of the Indonesian nation. Therefore, cooperatives in Indonesia are based on the foundation of the 1945 Constitution.

3. Mental Foundation

The mental foundation of cooperatives is loyalty and personal awareness. The value of loyalty is the original nature of the Indonesian people and has existed since long ago. This nature is seen in the real actions of the Indonesian people which are carried out in real actions and behavior in mutual cooperation activities. Therefore, in cooperatives, both mental foundations are needed, namely loyalty and personal awareness that support each other, help each other's lives and supervise each other.

Functions of Cooperatives in the Economic Sector

According to Law No. 25 of 1992, Article 4, the functions of cooperatives are as follows:

1. Cooperatives function to build and develop the potential and economic capabilities of members in particular and society in general to improve their economic and social welfare.
2. Cooperatives play an active role in efforts to improve the quality of human and community life.
3. Cooperatives strengthen the people's economy as the basis for the strength and resilience of the national economy with cooperatives as their mainstay. Cooperatives strive to realize and develop the national economy which is a joint effort based on the principles of family and economic democracy.

Basically, cooperatives are inseparable from the economic sector, therefore according to Moonti (2016), cooperatives have an important function in the economic sector, namely:

1. Cultivate a more humane business motive
2. Develop a fairer method for sharing remaining business profits
3. Combating monopolies and other forms of capital concentration
4. Offering goods and services at lower prices
5. Increase member income
6. Simplifying and streamlining trade procedures
7. Cultivate an attitude of honesty and openness in company management
8. Maintaining a balance between demand and supply, between needs and fulfillment of needs
9. Train people to use their opinions actively.

In general, economic cooperatives can be interpreted as human efforts to meet their life needs. Rational humans will adhere to economic principles in fulfilling every economic activity they carry out. The role of cooperatives in building the Indonesian economy can be seen in terms of the number of cooperatives, the number of members, the wealth of cooperatives and the number of businesses. The role of cooperatives in Indonesia is very important, this can be seen from the importance of cooperatives as a gateway for small and medium enterprises, creating an independent society, driving the economy and creating new markets. Cooperatives, if utilized optimally and maximally, are expected to create an economy that is in line with the growth of cooperatives and reduce high unemployment rates, increase household income and reduce poverty levels in society (Abadi, 2021).

Cooperative economics discusses the role of economics in the development of cooperatives, the economics discussed is microeconomics, because cooperatives are seen as business units whose goal is economic. The purpose of cooperatives is to seek profit and provide services to their members to achieve prosperity. Cooperative economics begins to be discussed through the introduction of cooperatives in the market system. As part of the market system, cooperatives will compete with other business units that also provide services to the community. So that comparative advantage is a very important factor for the sustainability of cooperatives. Business efficiency is the main basis for assessing

competitive advantage. This means that only businesses that have the highest level of efficiency are able to compete in a broad market system. Therefore, the concept of cooperative efficiency is an important concern in building the economy in Indonesia (Abadi, 2021).

METHODS

This type of research uses quantitative descriptive research. Quantitative descriptive research is research conducted to determine the value of independent variables, either one or more variables (independent) without making comparisons, or connecting with other variables. This study uses secondary data sourced from the Central Statistics Agency and the Ministry of Cooperatives and SMEs. The data collection method in this study uses literature review research. Literature review research is obtained from reading books, journals and articles related to the research. The data analysis used in this study is a quantitative descriptive analysis research method, which is an analysis that collects, compiles, processes, and analyzes numerical data, in order to provide an overview of a particular situation so that conclusions can be drawn.

RESULT

Cooperatives as one of the driving forces of the people's economy have been proven to have a significant impact on building the economy of the Indonesian people. This contribution is manifested in the form of figures summarized in the following table:

Table 1. Development of Cooperatives in Indonesia

Year	Active Cooperative (Unit)	Cooperative Members (People)	Internal Capital (Million)	External Capital (Million)	SHU (Million)
2000	88,930	27,295,893	6,816,950.25	12,473,404.16	694,502.00
2001	89,756	23,644,850	11,699,952.00	16,322,599.10	3,134,446
2002	92,531	25,007,601	8,568,530.30	14,773,180.65	988,516.72
2003	93,800	27,282,658	9,419,987.16	14,939,422.15	1,871,926.70
2004	93,402	27,523,053	11,989,451.50	16,897,052.35	2,164,234.54
2005	94,818	27,286,784	14,836,208.06	18,179,195.39	2,198,320.31
2006	98,944	27,776,133	16,790,860.53	22,062,212.00	3,216,817.65
2007	104,999	28,888,067	20,231,699.45	23,324,032.14	3,470,459.45
2008	108,930	27,318,619	22,560,380.03	27,271,935.23	3,964,818.55

Year	Active Cooperative (Unit)	Cooperative Members (People)	Internal Capital (Million)	External Capital (Million)	SHU (Million)
2009	120,473	29,240,271	28,348,727.78	31,503,882.17	5,303,813.94
2010	124,855	30,461,121	30,102,013.90	34,686,712.67	5,622,164.24
2011	133,666	30,849,913	35,794,284.64	39,689,952.51	6,336,480.97
2012	139,321	33,869,439	51,422,621.07	51,403,537.20	6,661,925.53
2013	143,117	35,258,176	89,536,290.61	80,840,572.48	8,110,179.69
2014	147,249	36,443,953	105,800,829.73	94,861,986.91	14,898,647.12
2015	150,223	37,783,160	142,650,992.83	99,794,403.06	17,320,663.92
2016	151,170	11,842,415	26,252,357,744.94	28,231,537,387.44	2,711,200,015.98
2017	152,174	18,228,682	66,934,889.50	61,761,172.69	4,920,544.29
2018	126,343	20,049,995	74,904,877.10	66,222,238.12	6,112,567.87
2019	123,048	22,463,738	70,923,072.69	81,190,064.35	6,269,253.51
2020	127,124	25,098,807	79,309,284.59	90,487,674.84	7,225,095.60
2021	127,846	27,100,372	91,606,124.03	106,360,919.88	7,179,193.89

Cooperatives in Indonesia have consistently experienced growth over time where in 2000 the number of active cooperatives was 88,930 units and in 2021 it increased to 127,846 units or experienced an increase of 43.76% in a period of 22 years or it can be interpreted that every year cooperatives consistently grow by 2%, then the composition of cooperative capital in Indonesia has also consistently experienced significant growth, both capital sourced from internal cooperatives and capital from outside the cooperative. The growth in the number of units and capital structure in these cooperatives shows that cooperatives still exist in Indonesian society as one of the people's economic institutions, while the number of membership and remaining business results (SHU) fluctuate from year to year. Fluctuating cooperative membership is one of the cooperative's homework to continuously and consistently provide cooperative education to the community, while the fluctuating SHU value can be understood considering that the main goal of the cooperative is not to seek maximum profit like a company business but rather to fulfill the needs of its members through mutual cooperation in order to prosper together.

The strategic role of cooperatives as one of the driving forces of the national economy can also be seen from how much influence cooperatives have on the national gross domestic product (GDP) in the last 5 years which has continued to grow where in 2017 the value of cooperatives' contribution to GDP was 4.48% and then in 2021 it rose to 6.20% or exceeded the target set by the government at 5.20%, what we need to pay attention to is that in 2020-2021 there was a Covid-19 pandemic which caused an economic downturn almost all over the world, then the contribution of cooperatives to national GDP can be seen as follows:

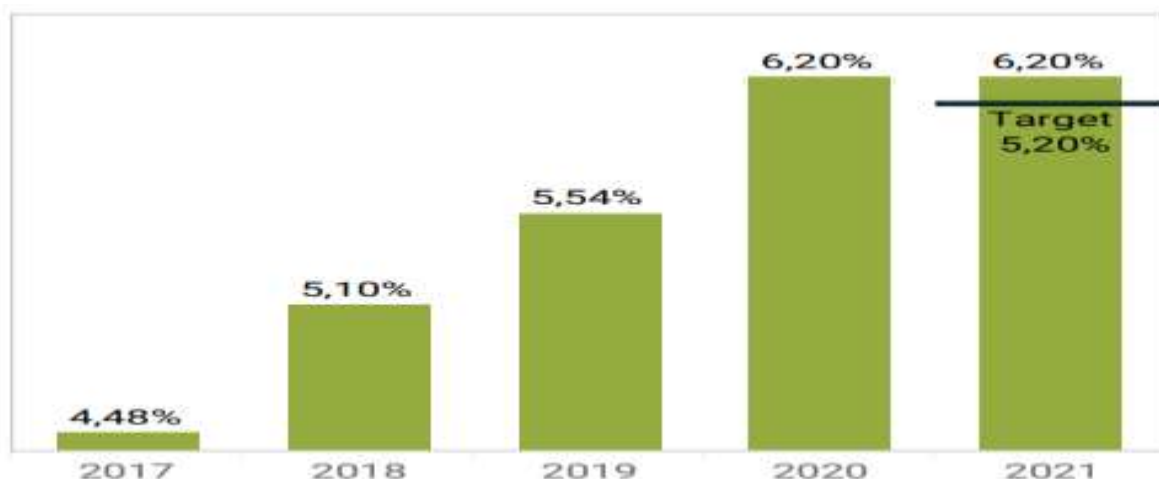


Figure 1. Impact of Cooperatives on National GDP in the Last 5 Years

As we know that GDP is one of the indicators to measure the economic health of a country where the measure represents the value of goods and services produced in a certain period of time, so that simply the GDP value determines whether an economy is experiencing growth or recession. With the consistent contribution of cooperatives in building the national economy, it is appropriate that cooperative education is included and embedded in the national education curriculum which makes schools a place for cooperative education as well as a practical laboratory place, so that cooperatives are attached early and eventually develop rapidly along with the growth of Indonesian society.

The cooperative business sector in Indonesia is also diverse and spread across several sectors, the largest of which is in the financial services and insurance sector with a total of 57,370 units, followed by the agriculture, forestry, and fisheries sector with a total of 40,975 units. The quantity of cooperatives in the financial and insurance business sector is in line with the purpose of cooperatives, namely to ease the burden on the economy. The rapid development of cooperatives in this sector has earned it more attention from the government, which can be proven by the presence of the Regulation of the Minister of Cooperatives and Small and Medium Enterprises Number 8 of 2023 concerning Savings and Loan Businesses by Cooperatives. In addition, the financial sector, especially the savings and loan cooperative sector, also has potential risks that must be considered so that they can continue to be sustainable, including based on research (Purmiyati A, 2022) which states that the average performance that can be achieved by savings and loan cooperatives with

technology in East Java as the object of research and the province with the highest number of cooperatives in Indonesia is 65% of the maximum potential return, of course this is a priority that must be controlled as much as possible so that cooperatives do not experience losses.

Discussion of the strategic role of regulation in supporting cooperatives can be seen as an aspect that must be a priority in the next government. The regulation governing cooperatives in Indonesia is Law Number 25 of 1992 concerning Cooperatives which has become the legal umbrella in the management of cooperatives for years and culminated in 2012, the Indonesian government legalized new regulations to replace the old regulations on cooperatives in Indonesia through Law Number 17 of 2012 concerning Cooperatives which is considered a form of breakthrough in the management of cooperatives which in previous regulations were considered outdated or no longer in accordance with the legal needs and development of cooperatives (Rohmat AB, 2015). The ratification of Law Number 17 of 2012 did not last long because some cooperative movements and activists filed a judicial review to the Constitutional Court because they considered the latest regulation on cooperatives to be detrimental to the existence of cooperatives and contrary to the 1945 Constitution of the Republic of Indonesia which finally after the judicial review process Law Number 17 of 2017 concerning Cooperatives was officially revoked (Rohmat AB, 2015). In relation to this, it can be interpreted that the Law is a political product that is full of the interests of its creators so that it can be corrected for the benefit of the people. We should look forward to regulatory breakthroughs regarding cooperatives so that cooperatives in Indonesia are given space for sustainable improvement without losing their identity so that they can make a greater contribution to the national economy and provide an impact on the welfare of the Indonesian people.

CONCLUSION

The journey of the national economy has a very close relationship with the people's economic institution called cooperatives, as a complementary unit which is proven by its large and consistent contribution. The contribution of cooperatives can be seen as an example in the last 5 years which is shown through the percentage of cooperative contributions to Indonesia's national GDP with achievements above those targeted by the government in 2021, as we all know in 2020 and 2021 are years with a drastic and global decline in economic activity due to the covid-19 pandemic, but again cooperatives are able to answer the challenges of global conditions by continuing to provide a large and real influence on national economic stability. Based on this, cooperatives have been able to directly answer the challenges of uncertain conditions into controlled conditions, until now, cooperatives have given color or dedication to the Indonesian economy for 77 years and it is hoped that the strategic role of cooperatives can continue to be improved through several strategic plans that can be considered including: Expanding cooperative education through the strategic role of the high school curriculum with the hope that more and more Indonesian people or human resources will understand and be able to manage sustainable cooperatives. Issuance of regulations that are able to answer the needs of cooperatives in

developing their potential so that they are able to provide a greater and more sustainable economic contribution.

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