

Trend Analysis of the Development of Indonesian Cooperatives (Empirical Study for the Period 2012-2021)

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DOI: <https://dx.doi.org/10.47772/IJRISS.2024.801086>

Received: 16 January 2024; Revised: 25 January 2024; Accepted: 30 January 2024; Published: 06 February 2024

ABSTRACT

The development of Indonesian Cooperatives as a company cannot escape the dynamic conditions of changes in its environment. In the last decade, the development of Indonesian Cooperatives has been colored by the existence, implementation of Law (UU) Number 17 of 2012, and the Covid-19 pandemic. Descriptive method with trend analysis is used to explain how the development of Cooperatives for the period 2012-2021. The results show that: (1) the development of the Cooperative in the 2012-2021 period was triggered by the implementation of Law Number 17 of 2012, (2) during the Covid-19 pandemic (2020-2022) at first it caused a shock that caused the cooperative business to contract, because many members attracted a lot but subsequently it turned out that aspects of the cooperative business, especially capital, business volume and operating surplus grew positively, with different percentage sizes. So it is confirmed that the development and growth of the cooperative business has a strong level of resilience during the covid-19 pandemic.

Keywords: cooperative development, Law number 17 of 2012, covid-19 pandemic

INTRODUCTION

The development of Indonesian Cooperatives as a business entity or company that is owned by members and creates subscriptions to members and the community does not escape the dynamic conditions of changes in the environment. In the last decade, the dynamic things that have occurred in the journey of Indonesian Cooperatives that have given enough color to change are, first, the implementation of Law Number 17 of 2012 concerning Cooperatives and second, the Covid-19 Pandemic.

Law 17 of 2012 is a new law formed as a substitute for Law Number 25 of 1992 which is considered obsolete, so that it is no longer able to become a legal umbrella and a strong juridical basis for Cooperative changes in cooperative practices that continue to move forward in line with the progress of the business environment, the needs of members and the importance of adapting to the trend of progress. The Covid-19 pandemic on the other hand has hit the world since the end of 2019 and entered the homeland in the first quarter of 2020. The two events are mutually exclusive. The presence of Law Number 17 of 2012 is something that is designed and highly expected by the community and the Cooperative Movement, in order to bring about a better direction of change. Meanwhile, the Covid-19 Pandemic is an event that is not expected, but it is also not easy to prevent or overcome it, so that its impact is destructive not only to health and social life, but also to the basic economic joints of society including the sustainability of cooperatives.

In this regard, this study tries to describe the extent to which the two events, namely the implementation of Law Number 17 of 2012, have brought structural changes to the development of cooperatives, and to what extent the Covid-19 pandemic has had an impact on cooperatives. By using a series of secondary data, this research is intended to provide an initial overview of the phenomenon of the dynamics of the Cooperative

environment. That way, the purpose of this research is focused on analyzing secondary data on the development of Cooperatives, to find out: (1) changes in the business and institutional aspects of the Cooperative after the implementation of Law Number 17 of 2012 concerning cooperatives, (2) The impact of Covid-19 on aspects of cooperative institutions and businesses.

LITERARY REVIEW

Definition, Functions and Elements of Cooperative Dynamics

Indonesian Cooperatives according to Law Number 25 of 1992 is defined as a business entity consisting of individuals or legal entities of Cooperatives by basing its activities on Cooperative principles as well as a people's economic movement based on family principles. From this definition, the character of Indonesian Cooperatives is recognized, namely: (1) as a business entity or company, (2) as a legal entity, which is commensurate with other forms of legal entities, such as PT (Perseroan Terbatas) or other forms of legal entities. (3) focusing on members, who have two identities, namely as owners and at the same time as service users or customers of the Cooperative.

The function and role of the Cooperative is to build and develop the potential and economic capacity of members in particular and the community in general to improve their economic and social welfare. In realizing the function of the Cooperative with a member base, the internal structure of the Cooperative is driven by two main factors, namely: Institution and business.

The Cooperative's business is always in line with the needs of members, so that the Cooperative's function can be said to be an aggregator to create higher economic value and benefits for members and the community who receive the excess of the Cooperative's existence, as well as the continued growth of the Cooperative. The institutional side includes membership management, governance.

According to Billiet A, Dufays F, Friedel S, Staessens M. (2021) Cooperatives are hybrid organizations that maximize value, instead of profit. They are owned, governed, and controlled by their members. They are more resilient than the conventional enterprises in times of crisis, thanks to their peculiar governance characteristics that ensure member centrality. Next to member centrality, the embeddedness of cooperatives in their local environment and a global movement enhances mission centrality as well as trust and solidarity among their members, local communities, and other cooperatives.

Implementation of Law Number 17 Year 2012

Law Number 17 of 2012 is a replacement law for Law Number 25 of 1992 which is believed by the Cooperative Movement to be less updated as a legal basis for the current problems of Cooperatives faced with a rapidly changing environment, both due to the influence of globalization, the era of open information, technology and digitalization. However, Law No. 17 of 2012 was not long-lived, because on May 28, 2014, Law No. 17 of 2012 was entirely canceled by the Constitutional Court (MK), so that it temporarily returned to Law No. 25 of 1992. Some of the points that were considered by the Constitutional Court for the annulment decision were that: 1) violating the 1945 Constitution, 2) the entry of the corporate spirit, thus reducing the basic joints of mutual cooperation as the soul of the cooperative business, 3) eliminating the principle of kinship, 4) the use of cooperative capital certificates and participation capital as a component of cooperative capital is seen as opening up the entry of capitalists into cooperatives,

Although it is only less than 3 (three) years old, according to Suwandi (2018) that Law Number 17 of 2012 carries the spirit of change, including: 1) the identity, definition, values and principles of cooperative identity in accordance with the 1995 ICA-Manchester article, 2) the Cooperative management can partly come from non-member professionals, 3) recognition of Sharia pattern Cooperatives, 4) changes in the

nomenclature of Cooperative capital by separating capital from members and debt, and introducing capital instruments in the form of “Cooperative Capital Certificates (SMK)”, 5) the existence of an independent Cooperative Supervisory Agency, and (6) the existence of a Cooperative Member Deposit Insurance Agency.

Impact of Covid-19 Pandemic

The Covid-19 pandemic is a worldwide outbreak, so in this case it is felt not only in Indonesia but in most parts of the world since the end of 2019, in Indonesia itself this outbreak was declared by the Government as a pandemic in the first quarter of 2020 and declared as endemic in June 2023.

The Covid-19 Pandemic outbreak in our homeland has had a negative impact on the world of small businesses as well as large businesses. The impact was described by the Ministry of Cooperatives and SMEs as hitting the availability of raw materials, the production process, the decline in business sales and the difficulty of business liquidity. With declining business sales, many Micro, Small and Medium Enterprises (MSMEs) and Cooperatives are having difficulty surviving, so that some have to lay off employees, and even close their businesses.

In terms of cooperatives, Suwandi's research (2023) states that Savings and Loan Cooperatives in three member business clusters in the tourism, batik and food sectors experienced a decrease in business, capital, SHU and an increase in credit or loan collectability. However, savings and loan cooperatives that have relative resilience are savings and loan cooperatives in the batik craft/industry cluster.

METHODOLOGY

This research is descriptive in revealing the facts of quantitative data on the development of Indonesian Cooperatives for the period 2012-2021. The data collection technique is carried out by interaction between researchers and data source managers, and by utilizing secondary data from the OSS (Online data System) of the Ministry of Cooperatives and SMEs and publication data of the Central Statistics Agency (BPS).

Variables and Time Span

Research variables include: 1) number of cooperatives, 2) Cooperative Capital, 3) Cooperative Business Volume, and 4) Cooperative Business Surplus. The time span of the analyzed data is for 10 years, namely the time period 2012-2021. With a time span of 10 years, it is sufficient to do a trend analysis. The 2012-2014 time period is the time when Law No. 17 of 2017 is valid and implemented, and the time period after that is the condition where the Cooperative is back under Law No. 25 of 1992. While the period of the covid-19 pandemic outbreak is 2019-2021.

Technical Data Analysis

To determine the aggregate development of cooperative variables, consisting of the number of cooperatives, cooperative capital, business volume, and surplus of cooperative business results using trend analysis, using Microsoft Office Excel. The resulting trend function is then used to estimate the development of cooperative variables (number of cooperatives, capital, business volume and surplus results) in 2022 and 2023. Trend analysis was conducted on: 1) partial development for each variable of the number of cooperatives, cooperative capital, business volume and surplus of cooperative business results. 2) the development of the average growth of each variable in the number of cooperatives, cooperative capital, business volume and surplus of cooperative business results.

FINDING AND DISCUSSION

Finding

Trend of Cooperative Development

The overall development of cooperatives in 2012-2016 as shown in Table 1 and graph 1 shows a variety of increasing trends, in the period of time afterwards, especially 2016, the variables of the number of cooperatives, number of members, cooperative capital, business volume and surplus of operating results show a downward trend.

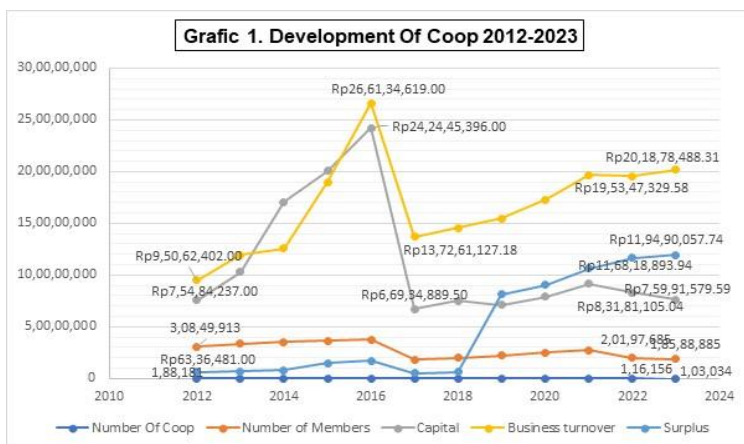
However, since 2017 it has tended to increase again until 2021. It is estimated that the development trend in 2022-2023 for the number of cooperatives, number of members, cooperative capital, and business volume (2022) has decreased, while the Surplus of Business Results business volume (2023) and Surplus of business results (2022-2023) has an increasing trend.

Table 1. Development of Cooperatives 2012-2021

Years	Number Of Coop	Number of Members	Capital	Business turnover	Surplus
2012	188.181	30.849.913	Rp75.484.237,00	Rp95.062.402,00	Rp6.336.481,00
2013	194.295	33.869.439	Rp102.826.158,00	Rp119.182.690,00	Rp6.661.926,00
2014	203.701	35.258.176	Rp170.376.863,00	Rp125.584.976,00	Rp8.110.180,00
2015	209.488	36.443.953	Rp200.662.817,00	Rp189.858.672,00	Rp14.898.647,00
2016	212.135	37.783.160	Rp242.445.396,00	Rp266.134.619,00	Rp17.320.664,00
2017	152.174	18.228.682	Rp66.934.889,50	Rp137.261.127,18	Rp4.920.544,29
2018	126.343	20.049.995	Rp74.904.877,10	Rp145.862.066,15	Rp6.112.567,87
2019	123.048	22.463.738	Rp70.923.072,69	Rp154.720.000,00	Rp81.190.064,32
2020	127.124	25.098.807	Rp79.309.284,56	Rp172.641.392,95	Rp90.487.674,84
2021	127.846	27.100.372	Rp91.606.124,03	Rp196.635.549,19	Rp106.360.919,88
2022*)	116.156	20.197.685	Rp83.181.105,04	Rp195.347.329,58	Rp116.818.893,94
2023*)	103.034	18.588.885	Rp75.991.579,59	Rp201.878.488,31	Rp119.490.057,74

Source: Processed from BPS Data and Ministry of Cooperatives and SMEs

*) Estimated data



Cooperative Growth

The number of cooperatives and the number of cooperative members have a negative growth trend, respectively -45.25% and -39.74%. The average number of cooperatives and number of cooperative members are 166,434 and 28,714,624.

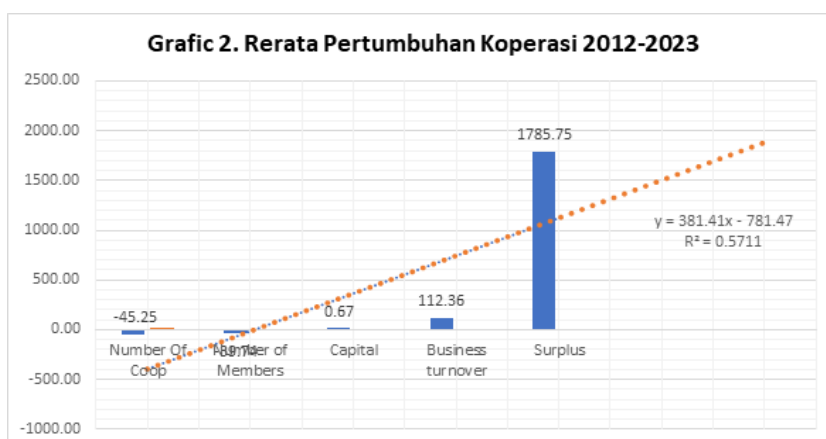
In contrast to the growth in the number of cooperatives and the number of cooperative members, it was found that the variables of capital, business volume and operating surplus had positive growth, although with very different magnitudes. Cooperative capital grew by the lowest percentage, namely 0.67%, while the volume of business amounted to 112.36% and the highest was the growth of surplus business results which reached 1,785.75%.

Table 2. Growth of Cooperatives 2012-2021

Years	Number Of Coop	Number of Members	Capital	Business turnover	Surplus
2012	188.181	30.849.913	Rp75.484.237,00	Rp95.062.402,00	Rp6.336.481,00
2013	194.295	33.869.439	Rp102.826.158,00	Rp119.182.690,00	Rp6.661.926,00
2014	203.701	35.258.176	Rp170.376.863,00	Rp125.584.976,00	Rp8.110.180,00
2015	209.488	36.443.953	Rp200.662.817,00	Rp189.858.672,00	Rp14.898.647,00
2016	212.135	37.783.160	Rp242.445.396,00	Rp266.134.619,00	Rp17.320.664,00
2017	152.174	18.228.682	Rp66.934.889,50	Rp137.261.127,18	Rp4.920.544,29
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2020	127.124	25.098.807	Rp79.309.284,56	Rp172.641.392,95	Rp90.487.674,84
2021	127.846	27.100.372	Rp91.606.124,03	Rp196.635.549,19	Rp106.360.919,88
2022*)	116.156	20.197.685	Rp83.181.105,04	Rp195.347.329,58	Rp116.818.893,94
2023*)	103.034	18.588.885	Rp75.991.579,59	Rp201.878.488,31	Rp119.490.057,74
Growth 2012 -2023	-45,25	-39,74	0,67	112,36	1785,75
Average	166.434	28.714.624	117.547.372	160.294.349	34.239.967

Source: Processed from BPS Data and Ministry of Cooperatives and SMEs

*) Estimated data



DISCUSSION

The findings of the data analysis of the development of cooperative variables in the period 2012-2016 as described above show a varied trend of increase. This is the period where Law No. 17 of 2012 began to be promulgated and implemented. So it is confirmed that the issuance and implementation of Law No. 17 of 2012 triggered an increase in the number of cooperatives, the number of members, cooperative capital, business volume and surplus of cooperative business results. This is certainly in line with the rationale for the establishment of Law No. 17 of 2012 as a replacement for Law No. 25 of 1992 which is no longer considered capable of being a legal umbrella and basis for the growth of cooperatives whose challenges have been so different / changed.

The development and growth of the number of cooperatives and the number of cooperative members has a negative growth trend, respectively -45.25% and -39.74%. Different things happened to the growth of cooperative capital, business volume and operating surplus had positive growth with different magnitudes. Cooperative capital grew the lowest, at 0.67%, while the volume of business amounted to 112.36% and the highest was the growth of business surplus which reached 1,785.75%. Negative growth for the number of cooperatives and cooperative members specifically occurred in 2017 and 2018, the trigger was none other than government policy in rationalizing cooperatives through the dissolution of inactive cooperatives, resulting in a contraction in the number of cooperatives and their members.

At the time of the Covid-19 pandemic (2020-2022) at first (the first quarter of 2020) due to the shock, the business aspects of the cooperative contracted, among others because many members withdrew deposits and term deposits to meet funding needs, but after that period it turned out that the business aspects of the cooperative, especially capital, business volume and operating surplus, grew positively, although with different percentage sizes. So it is confirmed that the development and growth of the cooperative business has a resilient level of resilience.

CONCLUSION

From the results of research and discussion, several main points can be concluded, namely: 1) that the development of the Cooperative variable in the period 2012-2016 showed a varied upward trend. This is the period where Law No. 17 of 2012 began to be promulgated and implemented. So it is confirmed that the issuance and implementation of Law Number 17 of 2012 has triggered an increase in the number of cooperatives, the number of members, cooperative capital, business volume and surplus of cooperative business results, 2) At the time of the co-19 pandemic (2020-2022), it initially caused a shock that caused the cooperative business to contract, because many members withdrew deposits and term deposits to meet funding needs, but after that period it turned out that aspects of the cooperative business, especially capital, business volume and operating surplus, grew positively, with different percentage sizes. So it is confirmed that the development and growth of the cooperative business has a strong level of resilience during the co-19 pandemic.

LIMITATIONS

This study found new knowledge about the development of cooperatives triggered by the implementation of Law Number 17 of 2012 concerning cooperatives and confirmed the resilience of cooperatives during the covid-19 pandemic era. However, the analysis carried out is only limited to descriptive analysis with trend analysis. In the future, it is hoped that it can be strengthened by analyzing the influence of business variables and cooperative institutions, so that the dominant factors that influence the development and growth of Indonesian cooperatives can be identified.

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