

THE EFFECTIVENESS OF COOPERATIVE MANAGEMENT ON IMPROVING THE WELFARE OF THE PEOPLE OF GORONTALO CITY

Dr Usman Moonti M.Si

(Lecturer at Faculty of Economics, Gorontalo State University)

DOI: <https://doi.org/10.56293/IJMSSSR.2022.4538>

IJMSSSR 2022

VOLUME 4

ISSUE 6 NOVEMBER – DECEMBER

ISSN: 2582 - 0265

Abstract: This type of qualitative research through a phenomenological approach, while the results showed that cooperative management still has to be improved, both in terms of quality and quantity, in principle, cooperative activities lead to improving the welfare of cooperative members and the community so that in practice cooperatives must have productive activities that have high selling value and smooth economic turnover so as to increase profits which ultimately improve the welfare of members and the wider community both micro and macro.

Keywords: Management, Welfare, Improvement, Cooperative, Effectiveness

CHAPTER I. INTRODUCTION

Cooperative activities which are the foundation of the community's economic strength are needed in the context of development, where the end of these activities is the achievement of community welfare in both micro and macro contexts. Cooperatives as an activity consisting of members and cooperative management itself is engaged in fulfilling the needs of life that can be consumed by the community so that the benefits can be felt by members and cooperative management, which leads to an increase in community welfare.

Cooperatives have a role in advancing the economy of society at large, besides that cooperatives also play a role in improving the welfare of cooperative members and cooperative management, and this has been proven that cooperative activities in various regions in Indonesia, especially in Gorontalo, continue to exist and develop even though developments are not as fast as other companies.

The Indonesian government, especially the Gorontalo city government, has an obligation to provide community welfare, of course through cooperative activities as one of the pillars of economic activity it is hoped that the burden of the economic burden of the community can be reduced, for this reason the government must have policies related to cooperative activities in order to be able to exist and succeed Cooperatives in principle both from micro and macro aspects do not yet have the ability to carry out their role effectively and strongly. This is because the Cooperative still faces structural obstacles in controlling production factors, especially capital. Thus It still needs wider attention by the government so that the existence of cooperatives in Indonesia, especially in Gorontalo city, can truly be the principle of economic power.

Cooperatives are activities based on the existence of common interests and goals which involve a group of people who have the same goals and interests, namely the creation of economic power that leads to the welfare of its members. Cooperatives are the people's economic movement based on the principle of kinship.

The phenomenon of the number of cooperatives established and spread throughout the provinces in Indonesia, especially in Gorontalo city, is expected to support the economy of the community, but in fact it has not been able to reduce poverty, so that optimal steps are needed to improve in terms of quality and quantity, improvement from the aspect of human resources. product development, etc.

A. Problem Formulation

1. How does cooperative management improve community welfare in Gorontalo?
2. How is an effective and efficient cooperative management strategy so as to improve the Gorontalo Community Economy?
3. What are the challenges of cooperative management in Gorontalo?

CHAPTER II. LITERATURE REVIEW

A. Definition of a Co-operative

1) Definition of Cooperative in Terms

The definition of co-operative simply begins with the word "co" which means together and "operation" which means work. So the definition of a cooperative is cooperation. While the general understanding, Cooperative is a collection of people who have the same goal, bound in an organisation that is based on kinship with the intention of prospering members.

2) Definition of Cooperatives According to Law

Law No. 25 of 1992 (Indonesian Cooperatives): Cooperatives are business entities consisting of individuals or cooperative legal entities by basing their activities on cooperative principles as well as a people's economic movement based on family principles.

3) Definition of Cooperatives According to Experts

The following is the definition of a cooperative according to experts:

- Dr Fay (1980)

Cooperative is an association with the aim of doing business together consisting of those who are weak and are always sought with a spirit of not thinking of themselves in such a way that each is able to carry out their obligations as members and get rewards in proportion to their use of the organisation.

- R.M Margono Djojohadikoesoemo

Co-operative is an association of human beings who by themselves want to work together to advance their economy.

- Prof R.S. Soeriaatmadja

A cooperative is a business entity voluntarily owned and controlled by members who are also its customers and operated by them and for them on a profit or cost basis. Thus, a Co-operative is an entity or institution doing business together on the basis of co-operative principles, so as to obtain greater benefits at lower costs through an enterprise that is owned and democratically supervised by its members.

B. Foundations of Co-operatives

Cooperatives also have several foundations including the following:

1) Pancasila Idiil Foundation

As a means to achieve a just and prosperous society, cooperatives can not be separated from the foundations of the law as the foundation of Indonesian cooperatives is Pancasila. In accordance with the spirit of the nation's personality, Indonesian cooperatives should be aware that in itself there is a personality as a reflection

of life influenced by circumstances, place, time environment, with a characteristic element of the Almighty God, mutual cooperation in the sense of working together, mutual assistance, kinship with the motto of Bhineka Tunggal Ika.

2) Structural Foundation of the 1945 Constitution

The 1945 Constitution places the Cooperative in the position as the pillar of the national economy. In the 1993 State Policy Guidelines (GBHN), it was reaffirmed that the essence of national development as the practice of Pancasila is the development of Indonesian people as a whole and the development of Indonesian society as a whole. This is very much in line with one of the functions and roles of cooperatives, which is to improve the quality of human life and society.

3) The mental foundation of comradeship and personal awareness

Therefore, cooperatives as the people's economic movement need to be more involved in development efforts, to achieve more equitable development, grow from below, take root in the community and receive broad support from the people.

4) Operational foundation Article 33 of the 1945 Constitution, Cooperative Law No. 12 1967, Cooperative Law No. 25 1992

Article 33 paragraph 1 of the 1945 Constitution states that the Indonesian economy is organised as a joint effort on the principle of kinship. In its explanation, among other things, it is stated that the prosperity of the community is prioritised, not the prosperity of individuals, and the form of company that is in accordance with this is a cooperative.

Since 21 October 1992, the legal basis of Indonesian Cooperatives which was originally Law Number 12 of 1967 concerning Principles of Cooperatives, State Gazette of the Republic of Indonesia Year 1967 Number 23, and Supplement to State Gazette of the Republic of Indonesia Year 1967 Number 2832 changed to Law Number 25 of 1992 concerning Cooperatives. This law was ratified by President Soeharto, and published in the State Gazette of the Republic of Indonesia Year 1992 Number 116.

CHAPTER III. RESEARCH METHOD

Qualitative research type through phenomenological approach

CHAPTER IV. DISCUSSION

A. Cooperative management towards improving community welfare in Gorontalo

Cooperatives that are scattered in an area where the existence of the cooperative adjusts the conditions, culture and characteristics where the cooperative is located has an influence on the level of progress of the cooperative and the community's economy. Such as the existence of cooperatives in Gorontalo City, which shows an uneven distribution in each sub-district.

Therefore, the existence of cooperatives in Gorontalo City requires special attention from the government so that their distribution can be evenly distributed. Because the role and prospect of cooperative development in this area is very important in improving the community's economy. This can be seen with the existence of government programmes to develop the community's economy, including improving the quality of human resources, creating a conducive climate, direct assistance, and credit.

For this reason, regional development, government programmes related to cooperative policies should be carried out openly, competitively and oriented towards the welfare of the community so as to achieve economic improvement in cooperative members.

Cooperatives in Gorontalo City are still the hope of community members in improving the economy. The number of cooperatives in Gorontalo City reached 231 units, with details of 57 developed cooperative units, 38 developing cooperative units and 136 stagnant cooperative units, the main road factor that makes it easy for members to visit cooperatives, making the distribution of cooperatives in Gorontalo City uneven in each sub-district and only clustered in the city centre. Even so, cooperatives in this city remain a source of pride because they are able to fulfil the needs of the community and the community gets good service.

"The development of cooperatives in Gorontalo City continues to increase, it can be seen from the level of development of the number of cooperatives, the amount of turnover, the development of cooperative assets, the development of the amount of own capital and external capital of the cooperative that has increased, the development of the amount of residual income, and the existence of cooperative financial management that is carried out transparently to members",

Effective and efficient cooperative management strategies so as to improve. Economy. Gorontalo Community

The evaluation results of the Gorontalo City Manpower, Cooperatives and MSMEs Office show that the role of cooperatives now occupies an important position as the driving force of the economy and contributes greatly to labour absorption. In addition, opportunities for cooperative development are also wide open following the Gorontalo City Government's programmatic policy that simplifies all licensing processes. Evidently, from year to year the number grows significantly. As of mid-2018, the number of cooperatives has reached 305 units with 40,924 members.

With this in mind, Gorontalo Mayor Marten Taha on 12 July 2018 received the Satya Lencana Pembangunan award from Indonesian President Joko Widodo, which was presented at the peak of the 71st national Cooperative Anniversary in Tangerang, Banten. The award is a continuation of the Bakti Jasa Koperasi award that was also received by the Gorontalo City Government from the Ministry of Cooperatives and MSMEs in 2017. During the event, Marten said that the existence of cooperatives in Gorontalo City showed a very good growth. Not only in terms of quantity, but also the quality of management. Evidently, several cooperatives in Gorontalo City have achieved achievements both at the provincial and national levels. Marten said, there are four things that Gorontalo City Government has done to foster the spirit of cooperatives while strengthening their existence so that they can play an active role in supporting the economy.

1. First, providing access to bank capital through the KUR programme
2. Secondly, providing free notary deed assistance and facilitating free licensing up to the ministerial level.
3. Third, facilitating the provision of free SHT.
4. Fourth, we routinely hold technical guidance for co-operative actors to improve co-operative management. 'This is what we have been doing all this time,' he said. For this reason, Marten hopes that the existence of healthy cooperatives can be maintained and every year routinely hold SHU meetings as a rule that must be adhered to by cooperatives for evaluation. He also encouraged all cooperative actors in Gorontalo City to continue to innovate to develop cooperative businesses, expand their network and develop products that are competitive in the market.

In yesterday's gathering, rewards in the form of business facilities were also handed over to a number of cooperatives that had previously been revitalised by the Gorontalo City Government. Awards were also given to a number of cooperative figures in Gorontalo City. In addition, Gorontalo City Government also handed over assistance in making notary deeds for 5 cooperatives, SHT assistance for MSME players, as well as KUR assistance by banks. Head of Labour, Cooperatives and MSMEs of Gorontalo City Ben Idrus said that the existence of cooperatives and MSMEs in Gorontalo is very strategic. The business sector plays a role in fostering the economic independence of the community so that it helps the government's efforts in encouraging the improvement of people's welfare. Ben said, similar to cooperatives, MSMEs in Gorontalo City are also growing well. Until mid-2018, the number of MSME players reached 7,821 people with a business volume of 25.1 billion. "All of this cannot be separated from the combination of programmes between the central, provincial and Gorontalo City governments. We will continue to maintain the programme in the future for the advancement of cooperatives and MSMEs in Gorontalo City."

B. Challenges of cooperative management in Gorontalo

Cooperatives are urged to improve institutional quality and competitiveness in order to compete to penetrate the Asean region. Moreover, cooperatives have a strategic role to boost the community's economy. Currently, cooperatives in Indonesia are faced with two main challenges. First, improving the institutional and management quality of cooperative units. Second, we also need to continue to improve the competitiveness of cooperative units and not only play a role at the national level but also world class.

"Strengthening these two things will increase the number of cooperative units that are able to take part in the ASEAN region and domestically will further strengthen social capital," said Presidential Special Staffer for Economics and Development Firmanzah, as quoted on the official website of the Cabinet Secretary. In addition, in a number of Scandinavian countries, cooperative membership networks have proven to be able to reduce the risk of social conflict due to the spirit of togetherness, kinship and justice that binds individuals and members of business entities. Firmanzah added that cooperatives in Indonesia play a very strategic role in driving the pulse of the community's economy and development. The role and function of cooperatives are not only limited to economic activities but also as a manifestation of the collective spirit, togetherness and principles of justice rooted in Indonesian society, namely gotong royong. "The cooperative business model is a manifestation of our basic constitution, namely the 1945 Constitution paragraph 1, which states that the economy is structured as a joint effort on the principle of kinship. It is our duty together and all elements of the nation to continue to advance the cooperative sector in Indonesia," he said.

As a business unit, cooperatives need support to be more competitive and modernly managed based on the principles of togetherness and kinship. "So that cooperatives will be able to play an important role like other forms of business such as state-owned enterprises and companies.

In order to encourage cooperatives in Gorontalo to strengthen the people's economy and food sector, Vice Chairman of the House of Representatives from the NasDem faction, Rachmad Gobel, collaborated with the Ministry of Cooperatives and SMEs to socialise and develop cooperatives at a hotel in Gorontalo on Saturday (30/1). Besides Rachmad Gobel, the event was also attended by Deputy for Supervision of the Ministry of Cooperatives and SMEs, Ahmad Zabadi, Directors of the Revolving Fund Management Agency (LPDB), Regent of Bone Bolango, Gorontalo, Hamim Pou, and Mayor of Gorontalo, Marten Taha. "Cooperatives are the most appropriate people's economic institution in realising economic democracy in Gorontalo. In addition, cooperatives also have values and principles that are in line with Pancasila,"

According to one of the politicians, Rachmad Gobel explained that the concept of cooperatives initiated in Gorontalo not only encourages people to utilise cooperatives as one of the economic drivers, but they must be fostered and provided with regular assistance. they will also become farmers, as well as qualified and competitive MSME players. The Ministry of Cooperatives and SMEs strongly supports the cooperative development programme initiated in Gorontalo, because cooperatives strengthen food security. Meanwhile, SMEs itself is a concept that the Ministry of Cooperatives and SMEs focuses on. "The Ministry of Cooperatives and SMEs will give full attention to cooperatives in Gorontalo. The Minister even asked that one or two cooperatives fostered by Mr Rachmad Gobel be prioritised by the Ministry of Cooperatives and SMEs," said Ahmad Zabadi.

Qualified Human Resources Encourage Advanced and Competitive Cooperatives

Cooperatives are the economic power of the community which grows and develops in the midst of society which is expected to be able to serve the economic needs of members and the community. To grow cooperatives, the human resource factor (HR) of cooperative administrators and managers has a very important role, so that the quality of cooperative human resources must be improved. The management and management of cooperatives must be able to act professionally, always continue to learn and improve the quality of cooperative activities so that with the resources they have, they will be able to prosper all cooperative members in particular and society in general.

The administrators and all cooperative management must be professional, skilled, and have insight so that they can bring cooperatives to be more advanced and able to compete in the current era of globalisation, cooperative administrators and managers must have a tough mentality, be creative in building cooperative businesses, and be

able to turn challenges into opportunities. In addition, the board must also be able to effectively manage cooperative finances and capital and also be able to build relationships and business networks with other institutions.

The government is trying to take strategic steps to develop cooperatives. However, this does not mean that the management and management of cooperatives are always dependent on assistance from the government. Instead, cooperative administrators and managers can foster cooperative independence and increase their productivity through more innovative activities based on knowledge and technology. "This attitude of dependence is what makes many cooperatives not develop and even many of them are forced to close their businesses. For this reason, creativity, innovation, and breakthroughs from cooperative administrators and managers are needed to advance cooperative businesses,"

CHAPTER V. CONCLUSION

Cooperatives need to improve institutional quality and competitiveness in order to compete so that cooperatives have a strategic role to activate the community's economy. Currently, cooperatives are faced with two main challenges. First, improving the institutional and management quality of cooperative units. To advance the community's economy, cooperatives need to create productive activities so that the products produced will be purchased by the community so as to provide benefits to the cooperative, of course, with these benefits will improve the economy of cooperative members who are part of the community.

LITERATURE

1. Anhari, Ally Sultan Al. 2010. "Analysis of Financial Statement Performance at Sendang Mulyo Cooperative in Wonogiri". Thesis. Surakarta: Muhammadiyah University Surakarta.
2. Arifin, Johar. 2002. Co-operative Management. Jakarta: Gramedia.
3. Arikuntoro, Suharsimi. 2006. Research Procedure A Practical Approach. Jakarta: PT Rineka Cipta.
- Chianiago, Arifinal. 1987. Indonesian Cooperatives. Bandung: Angkasa.
4. Bintari A., 1987, Economics and Cooperatives, Bandung, Ganeca Exact Bandung
5. Chaidir Ali, 2005, Legal Entity, Bandung, P.T. Alumni
6. Erwan Dan Diah, 2007, "Quantitative Research Methods", Jogjakarta, Gaya Media UU
7. Firdaus, 2001, Commercial Bank Lending Management, Bandung, Alfabeta
8. H.M.N. Purwosutjipto, 1986, Basic Understanding of Indonesian Trade Law, Forms of Company, Jakarta, Djambatan
9. Hermansyah, 2008, Indonesian National Banking Law, Jakarta, Kencana Prenada Media Group
10. Hilman Hadikusuma, 1995, Methods of Making Legal Science Thesis, Bandung, Mandar Maju
11. Cashmere, 2000, Banking Management, Jakarta, PT. Raja Grafindo Persada
12. Cashmere, 2000, Banking Management, Jakarta, P.T Raja Grafindo Persada -----, 2002, Banking Basics, Jakarta, P.T Raja Grafindo Persada
13. M.D. Sagimun, 2000, Indonesian Cooperatives, Jakarta, P.T. Midas Surya Grafindo
14. Ninik Widiyanti and Sunindhia, 2009, Cooperatives and the Indonesian Economy, Jakarta, Rineka Cipta
15. Rachmadi Usman, 2001, Legal Aspects of Banking in Indonesia, Jakarta, PT. Gramedia Pustaka Utama
16. Ronny Hanitijo Soemitro, 1994, Legal and Juridical Research Methods, Jakarta, Ghalia Indonesia
17. Rudianto, 2010, Cooperative Accounting, Jakarta, Erlangga
18. Sagimun. 1983. Indonesian Cooperatives. Jakarta: General and Professional Knowledge Magazine, Department of Education and Culture.
19. Sugiono. 2009. Statistics for Research. Bandung: Alfabeta.
20. Suharso, Ana Retnoningsih, "Big Indonesian Dictionary Lux Edition", Semarang, CV Widya Karya.
21. Sujadi. 2003. Co-operative Management. Surakarta: Faculty of Economics UMS.
22. Sumadi Suryabrata, 1988, Research Methods, Jakarta, CV Raja Wali
23. Constitution of the Republic of Indonesia Year 1945
24. Co-operative Law Number 25 of 1992
25. Banking Law Number 10 of 1998