

The Role of Savings and Loans Cooperatives to Improve Welfare Cooperative Member (Case Study of KUD Sumber Rejeki Mojoagung Jombang)

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ABSTRACT

Cooperatives are a people's or community economy that must be developed and strengthened in order to foster economic democracy in society. So that cooperatives can become one of the foundations for creating a prosperous, prosperous and socially just society. The aim to be achieved in this research is to understand cooperative savings and loans and the role of savings and loan cooperatives in the welfare of cooperative members. This research uses qualitative research methods with a descriptive approach. Research that aims to understand the phenomena experienced by research subjects. For example, behavior, perception, motivation, action, holistically, and by means of descriptions in the form of words and language in a context. Descriptive research focuses on actual problems as they exist at the time the research takes place. Qualitative research is a type of research that aims to understand the phenomena experienced by research subjects and describe the condition of objects or events without the intention of drawing generally applicable conclusions. The descriptive research referred to in this context aims to provide an overview of the role of cooperatives in improving the welfare of members through managing the Sumber Rejeki Village Unit Cooperative (KUD) business so that this institution can be active to this day. In an effort to improve the welfare of members, the Sumber Rezeki savings and loan cooperative provides relief to its members to borrow capital without requirements and at very low interest rates compared to banks. The source of good fortune cooperative really operates according to its function, namely providing relief to the poor or lower middle class to improve their economic level. There are various efforts made by cooperatives to improve the economic welfare of members. Cooperatives always provide convenience for members. Various conveniences are provided by cooperatives to members, starting from the best services provided, services in savings and loans and services to members in other areas of cooperative business units. Based on data from field research conducted regarding the role of KUD Sumber Rejeki in the welfare of its members, they are as follows: 1. Efforts to improve the economic welfare of the community carried out by entrepreneurs by means of capital 2. Increasing economic income, experiencing an increase from previously just living with a lack of capital to now having enough to help the trader's economy. 3. Absorbing labor, this is proven by reducing unemployment around Gambiran Mojoagung to be more productive in developing their businesses.

Keywords: Cooperative; Well-being; KUD SumberRejeki.

INTRODUCTION

The role of society in the economy has a broad scope. Activities that include various things that are directly related to economic activities as well as activities that are outside of economic activities. The Indonesian economy has three economic power sectors to carry out various activities in the order of economic life, namely the state sector, the private sector and the cooperative sector.(Ningsih, 2021)

Development in Indonesia since independence has always been based on the principles of democracy where the community participates. The economy in Indonesia is based on the people, by the people, and for the people. So far, institutions that involve small people are cooperatives. Cooperatives are people's institutions that drive the people's economy to stimulate community welfare. Apart from that, cooperatives are one of the pillars of economic growth apart from BUMN, BUMS and Export-Import.

Among the four economic actors, cooperative business entities are cooperative business entities that are most in accordance with the meaning contained in Article 33 Paragraph 1 of the 1945 Constitution.

In the past, our nation was famous for its cooperatives. According to Muhammad Hatta, Father of Indonesian Cooperatives, cooperatives are economic institutions that are very suitable in Indonesia because of the familial nature of society. He is a figure who has been known for a long time and is considered the father of cooperatives. Cooperatives were known in Indonesia by R. Aria Wiriatmaja in Purwokerto, Central Java in 1986. He founded a credit cooperative with the aim of helping his people who were trapped in debt by loan sharks. Because in the past, many people borrowed money from loan sharks.

The cooperative then developed rapidly and was eventually imitated by Boedi Oetomo and SDI. In 1942 Japan occupied Indonesia. Japan occupied Indonesia. Japan then founded the kumiyai cooperative. At the beginning this cooperation was running well. However, its function changed drastically and became a Japanese tool for making profits and causing misery to the people. After Indonesia became independent on August 17 1945, through a long struggle in 1927 the regulation regarding the "Bumi Putera Cooperative Association" No. 91 of 1927. Through this regulation, permits to establish cooperatives were relaxed. The first cooperative congress was held at the urging of Bung Hatta on July 12 1947 in Tasikmalaya. In Indonesia, the role of cooperatives is very well known, especially among the lower middle class. This happens because some people start their businesses by borrowing capital either from other individuals or from certain places such as savings and loan cooperatives, banks and so on. This is due to the lack of business capital that is able to fulfill the community's economy.(Auqaf et al., 2018)

One of the goals of cooperatives is to advance the welfare of their members. The word prosperity has a broad meaning, is relative, and reflects more of a macro meaning. Meanwhile, what is needed is the operationalization of these macro goals into the micro goals of the cooperative. In line with the understanding that a cooperative is a business entity or company, the definition of welfare that is the goal of a cooperative is more directed towards an economic understanding. The welfare of a person or community can be measured from the income they earn, thus the aim of cooperatives is to improve the welfare of members which can be operated to increase member income.

As people's business entities, cooperatives need to build themselves and improve themselves, and be able to compete with other business entities based on cooperative principles, so that it is hoped that cooperatives as people's business entities will be able to act as pillars of the national economy whose function is to strengthen the people's economy, and build the national economic order in to create a just and prosperous society. Cooperatives also play an important role in forming or developing the mindset of village communities.(Diahastuti, 2011)

The task of cooperatives is to produce economic benefits in an effort to support the increase in members' economic activities as stated in PSAK No. 27 of 1999, that the main task of cooperative business entities is to support the economic interests of their members in order to advance their membership. Members as owners and users of services must receive optimal service. On the other hand, it will also fully participate in cooperative activities, therefore the economic function that must be carried out by the cooperative is the business of its members, not the pursuit of as large an SHU as possible. Cooperatives are marketers of member products and providers of input needed by members so that with these benefits, member awareness will grow to always participate in the cooperative.(As et al., 2020).

METHOD

This research uses a qualitative research method with a descriptive approach. The descriptive research referred to in this context aims to provide an overview of the role of cooperatives in improving the welfare of members through managing the Sumber Rejeki Village Unit Cooperative (KUD) business so that this institution can be active to this day. The location of the research carried out by researchers is the Sumber Rejeki Village Unit Cooperative (KUD), precisely on Jl. Raya Mojoagung, North Gambiran, Gambiran, Mojoagung District, Jombang Regency, East Java. Data and data sources in this research use primary data and secondary data. Data collection techniques include observation, interviews and documentation. The data analysis technique in this research goes through several steps, namely collecting data from the results of documentation between the cooperative management and the people who make loans, both primary and secondary data, assessing the savings and loan cooperative itself, based on constructive aspects, describing based on the results of data analysis, make temporary conclusions based on the results of the data description.

RESULT AND DISCUSSION

In an effort to improve the welfare of members, the Sumber Rezeki savings and loan cooperative provides relief to its members to borrow capital without requirements and at very low interest compared to banks. The source of good fortune co-operative really operates according to its function, namely providing relief to the poor or lower middle class to improve their economic level.

The implementation of cooperative business activities cannot be free from obstacles that can hinder the running of cooperative businesses. The obstacles faced by KUD Sumber Rejeki include: first, the community still does not understand and understand cooperatives and their products, so this becomes an obstacle to the development and growth of cooperatives, especially KUD Sumber Rejeki. Second, the high level of member arrears. Some members who are in arrears have been resolved amicably and there are still some members who are in arrears, even stubborn and approaches are still being taken. One of the results of interviews from cooperative members regarding whether cooperatives lend urgent emergency funds "This KUD is very helpful in urgent situations, because we borrow directly and quickly to disburse funds"

If you look at the lives of the Gambiran people, now it is much better than before when they only worked at other people's places. Now they no longer need to depend on other people for their living, because they themselves are able to run their own business, even though their income is not very large, but at least they are able to support their family's livelihood and economy. Results of interviews with KUD Sumer Rejeki members who borrowed "They think that this cooperative is very good, because it helps with capital for business. The funds were used to open a shop business."

From the results of research regarding the role of the Sumber Rejeki Cooperative in improving the economic welfare of members. The cooperative has thought about it in accordance with economic principles. When the financial realization or money is disbursed to its members to be used for their respective businesses. When they run a business with the help of a cooperative which provides their working capital directly, their economy and welfare are met. In improving the economic welfare of members as a whole, it is not only their economy that is helped, but all forms of social life problems, not just their economic problems.

A cooperative is said to be successful in carrying out its vision and mission when the cooperative is able to provide improvements to the entire community who are its members. The improvement referred to here is improving the lives of those who were previously unable to become capable. Being able doesn't mean being able to buy everything you want even if you don't need it. However, they are able to meet their daily food needs and send their children to school. That is why it is necessary to be aware of each other not to maintain each other's egoism and prioritize cooperation and family. If we look at cooperatives in their daily lives, they are really needed by people in the lower classes, therefore cooperatives should think a thousand times in order to be able to provide the best service to their members. Because the more people are interested in taking capital in the cooperative, the more convincing it will be that the cooperative is successful in improving community welfare.

CONCLUSION

Based on data from field research conducted regarding the role of KUD Sumber Rejeki in the welfare of its members, it is as follows:

- Efforts to improve the economic welfare of society are carried out by entrepreneurs by means of capital
- Increasing economic income, experiencing an increase from previously just living with a lack of capital to now having enough can help the merchants' economy.
- Absorbing labor, this is proven by reducing unemployment around Gambiran Mojoagung to be more productive in developing their businesses.

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