

Build A Koperasi Organization As A Big House Of Umkm In Tangerang City

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ABSTRACT

This study aims to explain the existing conditions of out-of-pocket koperasi organization in Tangerang City and explain the pattern of synergism between urban village koperasi organization and UMKM, so as to create business competitiveness based on a sustainable populist economy by utilizing various potentials. The results showed that the existence of sub-district koperasi organization in Tangerang City still seemed forced and less able to synergize with existing UMKM. Koperasi organization should be able to become homes for UMKM by utilizing the potential that exists in the region as well as the penta helix model of cooperation. Koperasi organization and UMKM must also be able to utilize and use information and technology for business management and marketing of their products or services.

Keywords: Koperasi, UMKM, Business Synergy

PRELIMINARY

As we all know, the nation we love, namely the Indonesian nation, is currently facing a very tough test, namely the Corona Virus Disease-19 (Covid 19) Pandemic. Where the growth of the National Economy is experiencing serious challenges, the number of poverty and unemployment is increasing, the business world, especially cooperatives and SMEs are experiencing a severe impact in terms of Production, Marketing and Financing.

Observing the dynamics of national and state life as well as the living conditions of the people who are still facing various challenges and problems, the Indonesian koperasi organization movement feels it is necessary to take systematic, strategic and comprehensive steps to build people's economic life through the role of koperasi organization in an equitable and fair manner.

Based on the national goals in the Preamble to the 1945 Constitution, in particular the national goal of realizing general welfare, and koperasi organization are the foundation of Indonesia's economic efforts, as well as deepening the philosophy of national and state life in Pancasila, in particular the second principle " Just and civilized humanity" and the precepts of Five "Social justice for all Indonesian people" therefore building a just and prosperous Indonesian people's life must be carried out by all elements of the nation, through togetherness and mutual koperasi organization as a noble culture of national life.

The new challenges faced by the world of national koperasi organization today are not only to change but to force cooperative actors to start a way of doing business by utilizing the development of digital technology and product innovation, but also taking advantage of the momentum to create a new vision in the midst of very dynamic socio- economic changes.

The new challenge faced by the world of koperasi organizations in Indonesia is not only to change the conventional way of doing business but also to be able to take advantage of the development of information and technology (IT). Therefore, there must be a change that involves the issue of mindset and a change in the system of governance in business. In that context, the koperasi organization must carry out a total reform of its business management system that has been running so far.

As we all understand at this time, the Covid-19 pandemic outbreak encourages and demands that koperasi organization not only have to grow and develop in the 4.0 era, but also follow the progress of IT digitalization and Artificial intelligence (AI) is coloring industrial life which is spreading to people's daily behavior. It is realized that Indonesian cooperatives must have the readiness and provision of reliable resources based on a determination to be ready to change in responding to current challenges.

The problem in this study can be formulated as follows:

1. How is the existing condition of urban village koperasi organization in Tangerang City?
2. What are the efforts to revitalize the management of sub-district koperasi organization so that village koperasi organization can become a home for the empowerment of UMKM in Tangerang City?

3. What novelties and technologies can cooperatives take advantage of to be able to compete with other businesses?
4. What synergistic patterns can be created between sub-district koperasi organization, UMKM, the government, the business world and campuses so that efforts to realize sub-district koperasi organization are homes for the empowerment of UMKM in Tangerang City?

RESULT AND DISCUSSION

1. The Existing Condition of The Village Koperasi Organization

The Tangerang City Government since 2017 has made a breakthrough in the field of people's economy, with the establishment of a koperasi organization in every kelurahan. As of 2018, 104 koperasi organization have been formed which correspond to the total number of sub-districts in this region.

The establishment of sub-district koperasi organization in Tangerang City has the aim of growing and developing economic activities so that they are more resilient, independent, innovative and have high and strong competitiveness in facing all crisis challenges by building partnership networks and strengthening cooperatives in each village as one of the a people's economic movement that is run based on the principles of kinship and mutual cooperation.

The existence of this koperasi organization can also help the community and UMKM in the area to gain access to capital from the Tangerang City Government through koperasi organization, which so far have received a lot of business capital from organized loan sharks.

Based on observations in the field, of the 104 koperasi organization that were formed, it was still impressed that there was coercion in their formation. This is reinforced by the discovery of many koperasi organization management and members who do not know their rights and obligations and responsibilities for the sustainability of the koperasi organization business.

Currently, the cooperative business is still oriented towards savings and loan businesses, but the scope of its membership is only limited to the village human resources. As a result, the purpose of establishing a village koperasi organization to eliminate moneylenders is still low, especially when it comes to the achievement of the functioning of koperasi organization that are strong, independent, innovative and have high and strong competitiveness.

The management of sub-district koperasi organization is carried out as if they still only fulfill the demands of the village to form a koperasi organization without being accompanied by education, coaching and empowerment of the koperasi organization. Whereas in the Tangerang City area, positive synergies can be created by utilizing the existence of the campus to koperasi organization in community service carried out by the campus by providing knowledge transfer of koperasi organization management.

Koperasi organization management is carried out as is without innovation, so that koperasi organization efforts become more independent, far from existing expectations. Moreover, koperasi organization human resources as managers are currently far willing and able to use technology as a marketing medium, considering that the business is only limited to savings and loans and has not tried to gather UMKM that have good products in the village as members who can be empowered.

2. Revitalization of Koperasi Organization

The management of the koperasi organization, which currently seems to only fulfill the leadership's demands for a koperasi organization, must change its mindset. The village government must first socialize to the community as well as record the existence of UMKM in the village and identify people who want to become members. Thus, koperasi organization are formed on the basis of the needs and interests of members, and not only feel owned by the village officers.

Sub-district koperasi organization must always be able to gather UMKM in their villages to be more empowered, so that koperasi organization are able to become homes for UMKM themselves and feel their role and benefits. If previously the pattern of fostering koperasi organization and UMKM was carried out separately, then in the future it must be able to be integrated, and not become a separate activity. Koperasi organization can act as coordinators for UMKM in the village, and government programs in the context of empowering UMKM can be coordinated by sub-district koperasi organization, including in the coaching section, access to capital, access to equipment assistance, improvement of soft skills, product marketing, and so on. This can be seen from the following image.

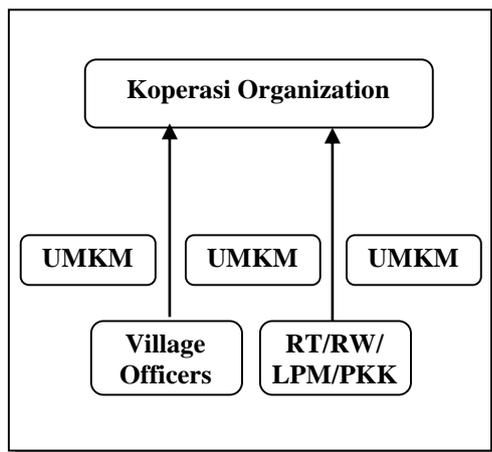


Figure 1.
Existing Conditions of Koperasi Organization Membership

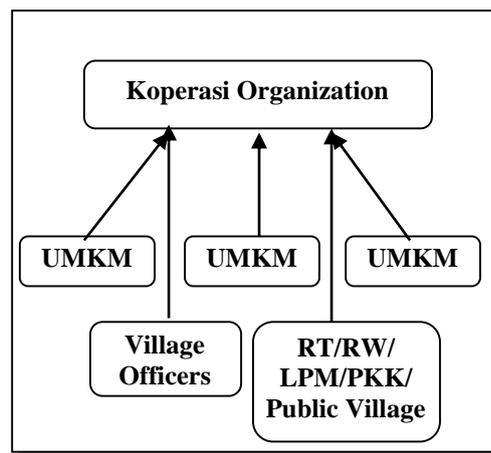


Figure 2.
Expected Conditions of Koperasi Organization Membership

Figure 1 above explains the current condition of the membership of the koperasi organization, where the members are the village officers and the community is represented by the RT Chair, RW Chair,

LPM, and PKK members in the village, without collecting members from members, which causes the koperasi organization business to be a business savings and loan. While in Figure 2 it is an expected condition where the membership of the koperasi organization is not only the village officers, but all the people living in the village including those who are the administrators of RT, RW, LPM and PKK and involve UMKM in the village area.

3. Novelty and Technology

Looking at the development of contemporary post-reform koperasi organization that koperasi organization are more identified with the basis of a people's economy, without first paying attention to the condition of human resources from the community, so that the basic concept of koperasi organization is based on the principle that koperasi organization are a method of self-organized self-help and autonomous, independent organizations, and Private (SHOs: Self Help Organizations) began to be neglected. As a result, many aid programs aimed at the people's economic base have failed.

A real case study in Tangerang City is the JPS assistance program that aims to empower the community which often involves cooperatives in it, such as KUT (Kredit Usaha Tani), P3P (Development of Rural Development Programs), PDM-DKE (Regional Empowerment in Overcoming the Impact of the Economic Crisis), P2KP (Urban Poverty Reduction Program), KIP (Kampung Improvement Program), PNPB Mandiri (National Program for Community Empowerment), PKH (Family Hope Program) etc., which have involved elements of the community, NGOs, and academics with little involvement of the bureaucracy The government, and some of its objects are koperasi organization formed by the community or UMKM, continue to fail.

The author has several reasons that might be used as reasons why the existing koperasi organization have been powerless, even though they have been internalized with various empowerment programs, as well as how to handle them as a form of novelty and technological breakthrough so that cooperatives become independent and innovative, as presented in the table.

Table 1.
Koperasi Organization Problems and Novelty and Technology Solution

No	Problems	Novelty and Technology Solution
1.	Weak Human Resources Koperasi Organization: Koperasi Organization that exist so far are not managed by a professional, so the development of this organization is more influenced by external influences and is no longer autonomous.	Research and mentoring activities were carried out for three years for selected koperasi organization as role models, by the campus by involving lecturers and students. The koperasi organization here is useful for the campus as a social laborator
2.	Lack of Knowledge of Koperasi Organization Members: Koperasi Organization are founded on the basis of togetherness and openness, both in terms of equality of rights, obligations, and interests. But currently, koperasi organization are only used by some people who <i>in fact are</i> koperasi administrators, so that the management of	Conducted socialization and technical guidance to all management and members of koperasi organization related to their understanding of the establishment of cooperatives as a forum for them to be able to be more independent towards a prosperous

	koperasi organization is mostly permanent, and members are used as mass power to raise aid funds. Even if the koperasi organization develops a <i>retail</i> business, the price charged to members is actually higher than the market price. Koperasi organization are also a political necessity, administrators are eternal, and members are used as mass power to raise aid funds. Even if the koperasi develops a <i>retail</i> business, the price charged to members is actually higher than the market price.	society. The philosophy of articles of koperasi organization must be made by mutual consensus and democratically, not a formality as contained in a notary deed.
3.	Weak Management of Koperasi Organization: The existing management of koperasi organization is generally developed in a traditional manner, making it difficult to follow the dynamics of economic growth and difficult to compete with similar economic actors.	Provide continuous assistance for three years and revitalize the organization's management as a professional business entity based on the people's economy.
4.	Lack of Access to Capital: Information on access to capital still relies a lot on subsidies from the government, even though there are private institutions that develop a lot of capital for the development of Small and Medium Enterprises (UKM)	Invite relevant stakeholders as potential investors : ⇒ Optimization of capital from members ⇒ Improving voluntary savings for high-income people ⇒ Opening access to capital from the government ⇒ Open access capital CSR funds ⇒ Open access banking capital
5.	Bureaucracy: Government intervention on cooperatives is still too large, because many still think that cooperatives are an extension of the government, so that the formation of cooperatives is no longer independent and very bureaucratic.	Opening FGDs to find joint solutions between campuses, the business world and the government, to the formation of regional regulations for the development of cooperatives that are independent and innovative and have competitiveness in business continuity
6.	Limited market access: Marketing is still very limited and local (village).	Inventorying market opportunities for cooperative products and obtaining cheap production materials by collaborating with the business world facilitated by the government and accompanied by campuses and utilizing simple technology such as social media and trying to enter <i>e-commerce</i> links

4. Synergism Pattern

To realize the village koperasi organization that has been formed in the Tangerang City area as a large house for empowering UMKM, synergism is needed between village koperasi organization and various parties, including campuses, the business world including banking and existing e-commerce companies. This synergism pattern can be schematized as follows.

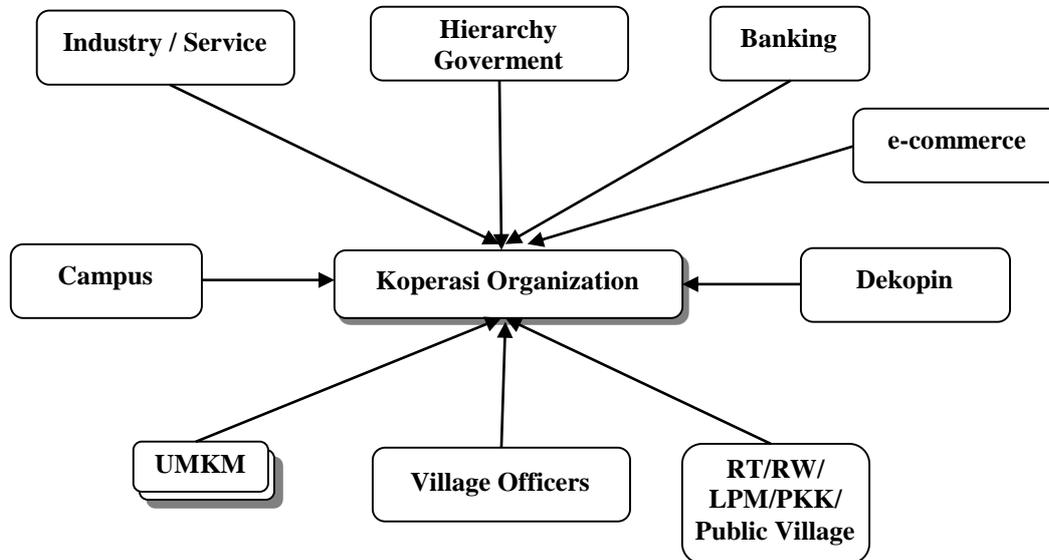


Figure 3.
Koperasi Organization Synergism Pattern

Figure 3 above describes the synergistic pattern of urban village koperasi organization in Tangerang City with several stake holders, whose functions can be explained as follows:

- a. UMKM are people who live in the local kelurahan and act as members of the koperasi organization as well as producers.
- b. The village officers as an element of cooperative development is also a member of the koperasi organization.
- c. Communities living in the village including RT, RW and PKK administrators act as members of the koperasi organization.
- d. The government (Central/Provincial/City) acts as a regulator and fosters the business of koperasi organization and UMKM.
- e. Dekopin (Central/Provincial/City) acts as an element of fostering, developing and building koperasi organization.
- f. Industry or service is a company that can act as a supplier of raw materials and/or users of products from UMKM or koperasi organization and can act as an alternative capital through the company's CSR funds.
- g. Banking as a company providing credit to koperasi organization or other access to capital through the CSR funds of banking companies.
- h. E-Commerce acts as a koperasi organization business partner in marketing cooperative products or UMKM (koperasi organization members).

- i. The campus acts as an organization that provides knowledge transfer to koperasi organization or UMKM (koperasi organization members) by providing technical guidance through community service activities carried out by students and lecturers.

Basically, in addition to partnering with the sale of koperasi organization bussines products or UMKM (koperasi organization members), koperasi organization can also utilize simple technology through social media networks such as Facebook or Instagram, although it will be more effective to enter into business partnerships with e-commerce companies.

As we all know, Indonesia has now entered the Digital Economy Era. Data released by the Association of Indonesian Internet Providers, in 2019 states that there are more than 132.7 million internet users in Indonesia. This is certainly an opportunity for koperasi organization and UMKM activists to market their goods and services through Social Media.

Furthermore, based on BPS data processed from the total actors or activists of koperasi organization and UMKM who have used digital technology or e-commerce business, which utilizes the main market place platforms in Indonesia such as blibli.com, Tokopedia, Lazada, and Bukalapak. In addition, the ministry of koperasi organization and UMKM continues to encourage efforts to utilize digital technology for koperasi organization and UMKM business players.

Various policies and programs in developing koperasi organization and UMKM towards a digital economy, including:

- a. Registration of koperasi organization legal entities and amendments to the articles of association of koperasi organization online .
- b. Capacity building for UMKM human resources and students (vocational training) as techno-preneurs.
- c. PLUT development through digital UMKM villages, in collaboration with PT. Telkom Tbk.
- d. Registration of UMKM as Merchant at Smesco Market Place, www.smescotrade.com and cooperation with other market places.

The policies and programs of the Ministry of Koperasi and UMKM are one of the efforts and steps in supporting the government's target to make Indonesia a Digital Energy Of Asia where the number of koperasi organization and UMKM that have gone online as many as eight (8) million units can be achieved. There are a number of initiatives that the Ministry of Koperasi and UMKM are currently undertaking to strengthen and modernize cooperatives as listed above, including:

- a. Improving the ease of doing business ecosystem that allows koperasi organization to access a wider market, finance and develop business capacity as widely as possible. Koperasi organization must enter the leading national economic sectors, namely food, commodities, maritime, tourism, and processing industries. The future of Indonesia is in the millennial generation, cooperatives must enter the creative economy sector, where young people are currently involved in the

sector. Koperasi organization that are currently active, be it producer cooperatives, consumer koperasi, service koperasi, savings and loans koperasi, and others must be in a unified ecosystem that is integrated with each other.

- b. Currently, friendly sources and channels of financing for koperasi organization and UMKM are in the process of being reformed and the LPDB has set 100% of its distribution to koperasi organizations with easier procedures. Savings and loans koperasi organization, Micro Waqf Banks and BMTs can be partners in financing channels for koperasi organization and UMKM. In the midst of the Covid 19 pandemic, koperasi organization can become government partners to succeed in the National Economic Recovery Program (PEN).
- c. Currently, the Ministry of Koperasi and UMKM is preparing the National Strategy for koperasi organization and UMKM. Policy instruments that will later be able to accommodate the collaborative work of all policy makers. Not limited to education, training, and assistance for koperasi organization utilizing the digital ecosystem. Operationally, the provision of digital basic infrastructure for koperasi organization can be initiated by the government, local governments, or business consortiums, both private and state-owned. Digitization must be understood as part of improving business processes, better accountable governance and modernization of services.
- d. The economic turbulence during the Covid 19 pandemic provides a valuable lesson that the financial sector bussines koperasi or savings and loans are very vulnerable and easily contracted by the escalation. It is necessary to prepare a supervisory and deposit insurance system in koperasi organization so that they can provide a sense of security for those who place deposits or investments in koperasi organizations.

We hope that koperasi organizations in Indonesia are able to answer the challenges of the times and competition with other economic actors. Let's rekindle the spirit by making koperasi organizations as the people's economic strength in the recovery of the national economy.

CONCLUSION AND RECOMMENDATIONS

In the economic system adopted by the Indonesian people, this country is always experiencing ups and downs of economic growth along with indicators such as employment opportunities, investment, savings, interest rates and the size of the state budget.

Aware of the inability to continue economic growth indefinitely, where its development is always marked by a period of increasing economic activity, followed by a peak point which is also a turning point (The Upper Turning Point) a crisis marked by a decline or Baisse, until the growth rate and scale other macroeconomics hit rock bottom. The above is certainly a picture of an unbalanced economic system when the economic system is focused on one particular point and ignores fundamental points.

Marked by the start of the new normal era, the Awakening of koperasi organozation as the great house for UMKM Empowerment. This is where the momentum of the role of koperasi organozation as the

nation's economic system is needed, given the very fundamental movement where the very dynamic and strategic role of koperasi organization in the nation's economy will lead to the welfare of the Indonesian people.

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