

The Existence of Cooperatives as a Way of Eradicating Dependence on Moneylenders (Marketing Perspective)

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Abstract. As we know, small and medium enterprises in Indonesia are currently experiencing many internal and external obstacles. One of the biggest obstacles is the issue of funds. Moneylenders use this to attract people's attention to borrow funds from them. This study aims to analyze the impact of the existence of cooperatives on people's dependence on moneylenders. As many as 150 questionnaires have been distributed to cross-village cooperatives in Karanglewas, Kedungbanteng, and Cilongok sub-districts who work as traders daily. The analytical tools used in this study were SEM AMOS 21.0, Microsoft Excel, and SPSS 25. Based on the results of analysis and interviews, it was found that the existence of cooperatives was able to reduce people's dependence on moneylenders.

1. Introduction

One of the problems faced by Small and Micro Enterprises (SMEs) is the availability of capital and the difficulty of accessing capital to bank financial institutions as business capital credit providers. So far, many small and micro business actors have obtained business capital loans from mobile banks or from moneylenders (lenders) with high and burdensome interest rates. Almost all SMEs who choose to borrow from moneylenders complain about the difficulty of getting financing from banks because there are guarantee provisions.

As a result, SME's capital until now relies more on cultivating their own capital (self-financing) which is very limited or by borrowing from moneylenders, which are faster and easier to process. In terms of financing, there are at least two types of SME groups. The first group is bankable SMEs which are characterized by (1) having adequate formal legal instruments; (2) neater management; (3) sufficient marketing access; (4) presentation of financial information is acceptable according to technical bank requirements; (5) access to information and knowledge of banking products is quite broad; and (6) collateral (collateral) can meet technical bank requirements.

The second group is the unbankable UKM group, which is characterized by (1) not having adequate formal legal instruments; (2) management is not tidy; (3) limited marketing access; (4) presentation of financial information does not meet the requirements of technical banks; (5) access to information and knowledge of banking products is limited. and (6) requires the role of cooperatives as liaisons and partners in building relationships with banks. The second group is the one who has the potential to borrow money from moneylenders to get business capital.

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One of the bodies that can be a bridge between SMEs and banks is a cooperative. Based on the law that regulates cooperatives in article 3, cooperatives have the aim of prospering members in particular and society in general, as well as participating in building the national economic order in order to create an advanced, just, and prosperous society based on Pancasila and the 1945 Constitution.

There are many studies that have examined the effect of the existence of cooperatives on increasing the business capital of SMEs. However, not all stated that cooperatives had a positive impact on increasing SME capital. As research conducted by Fatimah and Darna (2011) which states that the existence of cooperatives has not been able to increase SME capital because of the low public understanding of the importance of cooperatives, the low ability of cooperative human resources both in terms of understanding about the benefits of cooperatives and in managing their management, as well as the negative stigma. from the community which causes a lack of trust from SMEs in cooperatives. In contrast to the results of research conducted by Arifianto (2015). According to the results of his research, cooperatives have a role in improving the welfare of members. The efforts made are not only providing credit but also providing assistance in order to maximize the use of the credit that has been given.

Based on the research results that have been described along with the research gap and supporting business phenomena, the researcher will conduct research on the impact of cooperatives on the performance of members of the Cross-Village Cooperative as an effort to eradicate moneylenders.

2. Literature Review

Cooperative

In general, a cooperative can be defined as a business entity that is owned and managed by its members. However, there are other meanings of cooperatives according to some experts. One of them is from the Father of Cooperatives, Mohammad Hatta. According to him, cooperatives are a joint effort to improve or improve life or economic standard based on the principle of helping. Based on Law (UU) Number 25 of 1992 concerning Cooperatives, Article 1 explains that cooperatives are business entities consisting of individuals or cooperative legal entities based on their activities based on cooperative principles, as well as a people's economic movement on the principle of kinship.

Based on the understanding of cooperatives in general and experts, the formation of cooperatives aims to improve the economic welfare of its members. Other goals include helping to improve the standard of living as well as the economy of its members and the surrounding community, assisting the government in realizing a just and prosperous society, and improving the economic structure in Indonesia. In Article 5, it is stated that the principles of implementing cooperatives are as follows: membership is voluntary and open, management is carried out democratically, the distribution of Business Profits (SHU) is carried out fairly in proportion to the amount of business services of each member, limited remuneration for capital and independence.

Moneylenders

Moneylenders in the KBBI are defined as people who provide a living and pay interest/usury/ moneylenders or moneylenders (Ministry of Education and Culture, 1995: 457). Meanwhile, according to Mohammad and Sutrisni (2013: 63), moneylenders are referred to as loan sharks because its activities suck out people's money in order to get profit by applying interest on the credit they live.

According to Frans, et al (2018: 399), moneylenders are a type of work that is actually not much different from banks and non-bank financial institutions engaged in savings and loan services. The difference is, moneylenders are entrepreneurs who are not legal entities who manage their own business with their own policies and regulations. Ordinary moneylenders are someone within the community itself or migrants outside the community who are their customers.

Business Capital

The definition of venture capital is something that is used to establish or run a business. This capital can be in the form of money and energy (skills). Money capital is usually used to finance various business needs, such as pre-investment costs, licensing arrangements, investment costs to buy assets, to working capital. While capital expertise is a person's expertise in running a business.

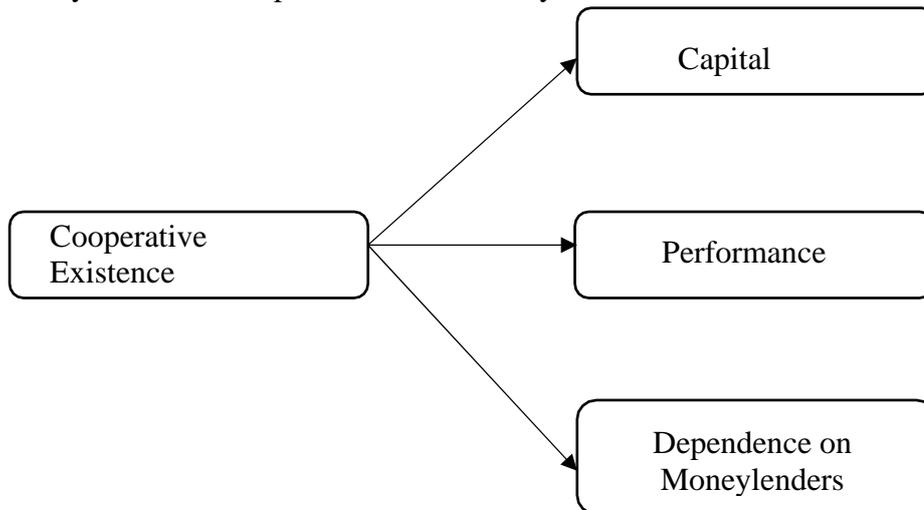
Business Performance

Ferdinand (2004) stated that business performance is a factor that is often used to measure the impact of the strategy implemented by the company. The company's strategy is always directed to produce good business performance (such as sales volume and sales growth rate) as well as good financial performance. Good business performance indicates a high level of sales, an increase in the number of sales both in product units and in monetary units. The improvement in business performance is also marked by good sales growth from year to year and higher growth than similar competitors and has a broad customer base compared to previous years. Companies that are able to create a competitive advantage will have the power to compete with other companies because the product will still be in demand by customers. Thus, competitive advantage has a positive effect on improving the company's business performance.

3. Research Methodology

The population in this study were all members of the Cross-Village Cooperative in the Districts of Karanglewas, Kedungbanteng and Cilongok. The analytical method used in this study is SEM AMOS, so to determine the number of research sample sizes, a guide for determining sample sizes of 5-10 times the parameter is used (Hair, et al, 2010). In this study there are 17 indicators and three path coefficients so that the estimated parameters are 20 parameters, so the sample taken is $20 \times 5 = 100$. The selection of respondents in this study

will use a random sampling method, because each member of the cooperative has the same opportunity to become respondents in this study.



Picture 1. Framework

4. Result

Based on the results of statistical tests that have been carried out, it can be concluded that all indicators pass the validity and reliability tests so that they can be used in the next stage of analysis. The results of the model suitability test can be seen in table 1. Based on these results, the model in this study is categorized as a **very good model**.

Table 1. Goodness of Fit Test

Model Fit Index	Cut-off Value	Model Analysis Results	The Meaning of Result
χ^2 – Chi Square	$< \chi^2$ 59,30351 (p 0,05; df 43)	114,293	Not Good
Probability	$> 0,05$	0,000	Not Good
CMIN/DF	$< 2,00$	2,658	Marginal
RMSEA	$< 0,08$	0,129	Good
GFI	$> 0,90$	0,826	Marginal
AGFI	$> 0,90$	0,733	Marginal
TLI	$> 0,95$	0,798	Marginal
CFI	$> 0,95$	0,842	Marginal

5. Conclusion

- There is a positive influence from the existence of cooperatives by increasing the performance of members of the Cross-Village Cooperative.
- There is a positive effect of the existence of cooperatives on increasing the business capital of members of the Cross-Village Cooperative.
- There is a negative effect of the existence of cooperatives on the number of members of the Cross-Village Cooperative who borrow from moneylenders.

Suggestion

In conducting this research, there are several things that become limitations for researchers such as words in the questionnaire that are difficult for respondents to understand. So future research is expected to be more thorough in making statement items in the questionnaire.

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