

# THE ROLES OF UNIVERSITY STUDENT COOPERATIVES IN DEVELOPING INDONESIA COOPERATIVES

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**Abstract.** *The Indonesia Cooperative Law states that the aims of cooperative are to improve member promotion and to develop national economy order in creating and achieving the developed and prosperous society. One of the cooperatives with prominent roles is the university student cooperative. Its members, board of directors and internal supervisors are derived from the students; while the external supervisor is the head of university. This composition could indicate that the kind of cooperative is managed and organized by human resources with good competency. The research aims to find out a model of developing cooperatives focusing on young generation. It uses the survey method for 24 university student cooperatives in Yogyakarta Special Region, West Sumatra, South Sulawesi and West Kalimantan. The collected data were analyzed by using the descriptive method. The results of the research show the human resource of cooperative determines the cooperative performance. The students experience how to organize and manage cooperative well which become behavioral reference for future cooperative behavior. The students having positive experiences tend to replicate cooperative activities in their society. The existence of the cooperatives should make the cooperative movement more alive as the university students have fighting spirit, intellectual quotient and other potencies to be optimized. The cooperative is run during their education time at university where students are prepared to develop their future. Based on the ideal roles, the university student cooperatives could function as a movement and motivator for the university students to have entrepreneurial spirit and to run their own business.*

**Keywords:** *cooperative, human resources, behavioral preference, replication*

## 1. INTRODUCTION

Article 3 of Indonesian Act number 25 year 1992 concerning Cooperatives, affirms the purpose of cooperatives is to promote member's welfare, as well as participate in the development of national economic, based on Pancasila and the 1945 Constitution.

Student cooperatives are cooperatives whose members are students at certain universities where the cooperative is established. The aims of Student Cooperative are to fulfil members needs through their business, to be a student learning place in managing a coop business, and/or to be a socio economic or people base economic laboratorium. The Student Cooperative is also expected to be able to create young entrepreneurs and cooperative movements cadre that will advance the people base nation's economy.

According to Directorate General of Higher Education data at 2018, the number of universities in Indonesia are 4,586 units, with around 5.8 million students. If the assumption of 1 universities establish 1 student cooperative, and all students become Student Cooperative members used, the number of student cooperative in Indonesia will become 4,586 units, with 5.8 million members. But the reality shows that the number of student cooperative only reaches 20 percent from the number of total Universities with the range of members 10 to 20 percent from

the total number of students.

These conditions indicate that cooperative regeneration is critical, even though in Indonesia cooperatives are constitutional mandates, on the other hand, students as the nation's successors new generation are strategic partners to re-brand and build future cooperatives. So, it is necessary to conduct research to see the role of Student Cooperative as one of the cooperative development agencies.

## PROBLEMS IDENTIFICATION

- 1) What problems do Student Cooperatives have?
- 2) How are Student Cooperative's performances?
- 3) What are the roles of Student Cooperative as an agent to boost students' interests joining and developing cooperative?

## 2. METHODOLOGY AND LOGICAL CONSTRUCT

Survey method and descriptive data analysis used in this study, which was conducted in four selected purposively provinces.

The logical construct that underlies this research is based on the theory of HR Management, Cooperative theory, motivation and replication theory of human behavior, which can be graphically seen in Figure 1.

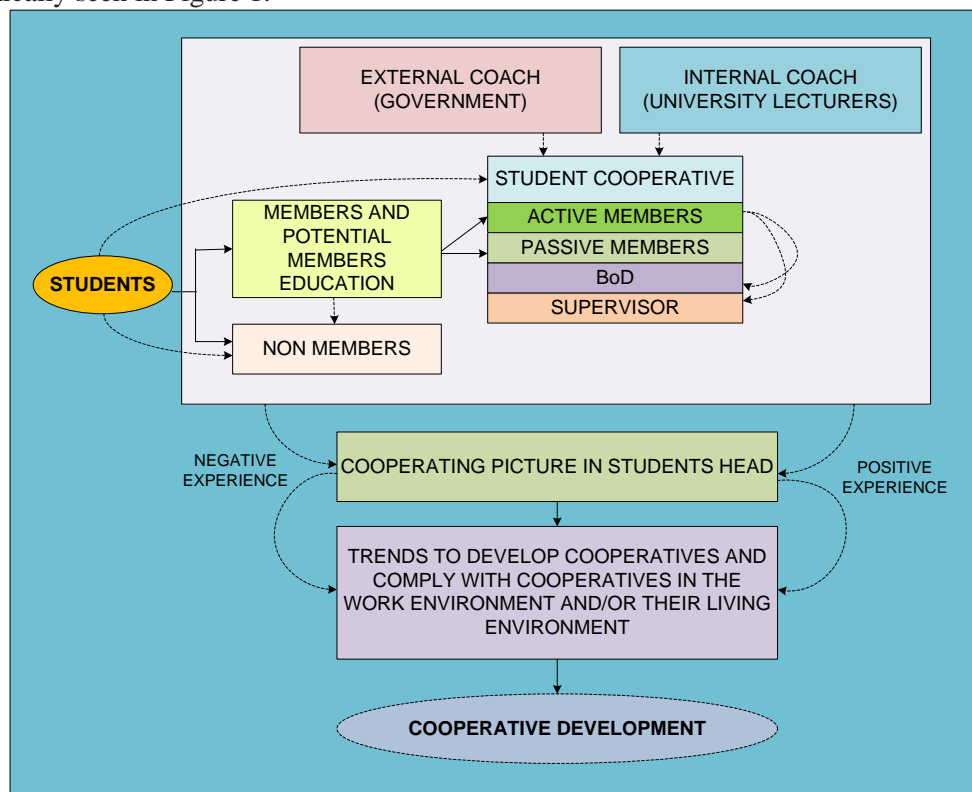


Figure 1. Logical Construct of Research on The Role of University Student Cooperative in Developing Indonesia Cooperatives

## 3. METHODS

The selection of the right research method is the essence of a study. Therefore, choose the right method that is most suitable for the research. It is better to use the original reference so that the understanding of the method is correct. **Use past tense sentences** Explain the context/ setting of the study - where is the research conducted? Explain the duration/ time of fieldwork? When will the research be carried out? How long? Explain why it was carried out at that time. Explain why it is carried out in a certain time period. Describe the respondent involved in the research or the materials used in the study. Write down the criteria of the respondent or

materials. Justification/ explain why involving the respondent or using these materials. Describe the method/ instrument of data collection used. Justify/ explain why the method/ instrument is used. Explain what the advantages of the method/ instrument used compared to other methods/ instruments? Explain the data analysis. Explain how the data is analyzed, explain the stages in data analysis.

## 4. RESULT AND DISCUSSION

### 1) Respondents and Research Area

The number of respondents and the study area in detail can be seen in Table 1.

Table 1. Number of Respondents, Research Area and Status of Cooperatives

No	Research Area (Provinces and City)	Number of Student Coop Samples	Number of Respondents		Total
			Board Directors/ Supervisors	Internal Coach	
1.	West Sumatera	4	16	4	20
2.	South Sulawesi	7	18	3	21
3	SR Yogyakarta	6	20	4	24
4.	Malang City	7	19	3	22
Total		24	60	16	87

### 2) Research Area Profile

The survey results in 4 Provinces show the Student Cooperative Performance as follows:

Table 2. Performance of Student Cooperative Activities in Sample Provinces

No	Research Area	Number of Universities (Unit)	Number of Student Coop (unit)	%	Active StuCoop : Total number of StuCoop		Total Number of StuCoop : Universities (%)
					Unit	%	
1.	West Sumatera	31	12	38.71	7	58,33	22.58
2.	South Sulawesi	103	17	16.50	8	47,06	7.77
3.	SR Yogyakarta	106	14	13.21	8	57,14	7.55
4.	Malang City	62	9	14.52	7	77,77	11.29
Total		302	52	17.21	30	57,69	9.93

Source: Directorate General of Higher Education and [nik.depkop.go.id](http://nik.depkop.go.id)

The mapping results of Student Cooperative's performance in the selected provinces showed that in percentage, the average number of active Student Cooperative only reached 57.69 percent from total number of Student Cooperative, whereas if the percentage was calculated by comparing the number of Universities with the number of active Student Cooperative, the average only reached 9.93 percent.

### 3) Student Cooperative Sample's Performance

The results of the study showed the responses of respondents regarding the existence of Student Cooperative as follows:

### a. The role and position of Student Cooperative on campus

The results showed that according to respondent's response, the role and position of Student Cooperative in each campus could be described as follows:

1. Student Cooperative was placed as a Student Activity Unit (SAU), this model was applied in 23 (95.83 percent) out of 24 Student Cooperative samples.
2. Student Cooperative is placed as part of campus activities, non-SAUs, in this case Student Cooperative is part of campus activities, generally referred as the Student Cooperative Community.

This model was applied in one (4.17 percent) out of all Student Cooperative samples.

### b. Student Cooperative Benefit

The results show that 100 percent of respondents stated that Student Cooperative had provided benefits to students who were members. The form of perceived benefits can be seen in Table 5.

Tabel 5. The Benefit of Student Cooperative from Student's Point of View as a Member

No	StuCoop Benefit	Number of Samples	Frequency (%)				TOTAL	%
			WS (20)	SS (21)	SRY (24)	Malang (22)		
1	Improving Coop Knowhow;	87	20 (100)	17 (80.95)	20 (83.33)	16 (72.72)	73	83.90
2	Frequent Coop Seminar or workshop invitation;	87	12 (60.00)	10 (47.61)	21 (87.50)	4 (18.18)	47	54.02
3	Improving Friendship Networking;	87	18 (90.00)	15 (71.42)	23 (95.83)	16 (72.72)	72	82.76
4	Coop Service to fulfill student's Need	87	15 (75.00)	16 (76.19)	21 (87.50)	18 (81.81)	70	80.46
5	Coop Experience	87	18 (90.00)	19 (90.48)	22 (91.67)	18 (81.81)	77	88.50
6	Lower price than others	87	8 (40.00)	3 (14.28)	12 (50.00)	6 (27.27)	29	33.33
7	Coop Surplus	87	16 (80.00)	6 (28.57)	16 (66.67)	8 (36.36)	46	52.87

Table 4 shows that the greatest benefit of Student Cooperative's existence is the experience of cooperating, followed by increasing cooperative knowhow and improving friendship networks. While the lowest rank is the price in Student Cooperative which is lower than and getting Cooperative Surplus SHU. This shows that Student Cooperative Board of Director have not been able to take advantage of the friendship network, the relationship that is just limited to friendship, has not led to the development of Cooperative's business, this is reinforced by the BoD's background is less effective in the formation of cooperation and business networks, due to the period of Student Cooperative BoD's is limited to one year.

### c. Student Cooperative Management

The results of the study on Student Cooperative management performance can be grouped into 3 (three) sections as follows:

#### 1. Institutional Management

The study of Student Cooperative institutions is focused on the position of Student Cooperative in the university system: a. Student Cooperative as one of the university laboratory; b. Student Cooperative as a Student Activity Unit (SAU); c. Student Cooperative as a Student Community.

The results of the study on Student Cooperative institutional can be seen in Table 6.

Table 6. Institution Performance of Student Cooperative Samples

No	Province	Number of Samples (unit)	Stucoop samples		Institutional Model					
			Unit	%	Lab		SAU	%	Student Community	%
	West Sumatera	12	4	80	0	0	4	100	0	0
	South Sulawesi	17	7	41.17	0	0	7	100	0	0
	SR Yogyakarta	14	6	42.85	0	0	6	100	0	0
	Malang City	9	7	77.78	0	0	6	85.71	1	11.11
	Total	52	24	53.33	0	0	23	95.83	1	4.17

The results of a study show that 23 Student Cooperatives were placed as Student Activity Units (95.83 percent) and the rest, 4.17 percent of Student Cooperatives placed as Communities and no Student Cooperative was functioned as a laboratory for teaching and learning activities at Universities where the Student Coop established.

#### - Mechanism for selecting of Board of Directors and Supervisors

The results of the study show that all Student Cooperative have elected BoD's and Supervisors through the mechanism of Annual Member Meetings, the period of Student Cooperative's BoD is only one year.

#### - The regeneration process of the BoD's of Student Cooperative

The regeneration process was generally not well planned, however, based on information from the coach or external supervisors, there were 2 (8.33 percent) cooperative samples, namely Student Cooperative in Special Region of Yogyakarta which had a more patterned BoD regeneration system, which in general could be described as follows:

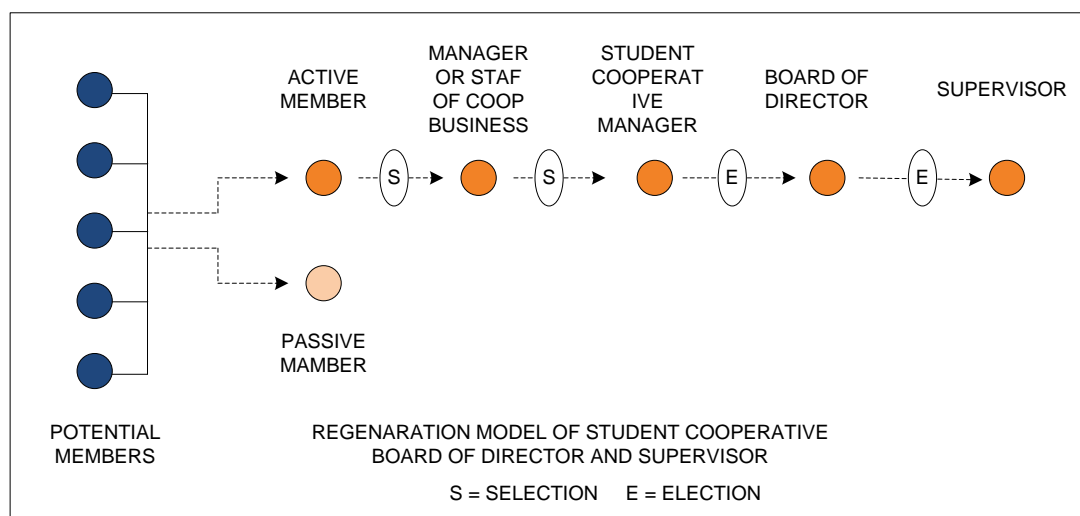


Figure 2. Model of Regeneration System

#### d. Membership Management

The results show that all samples have membership management as follows:

- a. All samples have a member registration system, even though have not been set up in the form of standard operating procedures yet;
- b. All registration systems are applied and used as a reference for membership registration;
- c. Only one has a membership exit system, this is evident from the alumni who were generally not declared to quit the coop membership. If the member no longer wants to use coop services, then they immediately stop their activities as a member, and the Cooperative groups them into inactive members.

#### **e. Number of Cooperative Members**

The results of the study show that members are students at universities where the student cooperatives are formed, the number of student cooperative members is quite diverse but in percentage terms, all sample administrators state that the number of Student Cooperative members only ranges from 5 to 10 percent of the number of active students in the Faculty or university. Another thing revealed in the study related to membership, is that the number of active members of the Student Cooperative only reaches the range of 10 to 20 percent of all members. The main causes of the lack of students joining and being active members are:

- a. There is no obligation for students to become members of the Student Cooperative;
- b. There is a fee to become a member, both for principal savings, of 10,000 (ten thousand) Rupiahs up to 100,000 (one hundred thousand) Rupiahs, as well as for mandatory savings in the range of 2,000 (two thousand) Rupiahs up to 10,000 (ten thousand) Rupiah, this is felt besides burdening students, also the payment system is not practical, members must pay in cash to the Cooperative office at the beginning of each month;
- c. The cooperative business unit is not attractive to students (not a pull factor); Cooperative business activities face very tight competition, including the presence of Lecturers and Employees Cooperative who have similar businesses with Student Cooperatives, or in other conditions Student Cooperatives are prohibited from doing similar business to University Lecturers and employees Cooperative (canteens, photocopies, or business units other)

## **2. Student Cooperative Business Management**

### **- Student Cooperative Business Type**

The type of business developed by the Cooperative sample are as follows: a. Photocopy, done by 18 Student Cooperative (75.00%); b. Office supplies, carried out by 19 Student Cooperative (79.17%); c. Grocery store, conducted by 16 Student Cooperative (66.67%); d. Canteen, done by 9 Student Cooperative (37.50%); e. Others (computer service and rental, workshop)

### **- Student Cooperative Business Scale**

The results show that all the Cooperative sample have micro business scale (based on the Republic of Indonesia Law Number 20 of 2008), due to the difficulty to obtain business capital, all business capital comes from principal savings and mandatory savings of members.

### **- Cooperation and Business Network**

The results of the study show that 100% of samples do not have a cooperative and business network, all business activities are carried out independently, utilizing their own capital.

### **- Financial and Accounting Management**

The results of the study show that all Student Cooperative have implemented simple financial management, with a simple application system. The cooperative-specific accounting system is implemented by 33.33 percent cooperatives while the remaining 66.67 percent uses simple general accounting, information obtained from the coach and external supervisors that the application of cooperative financial accounting as one of the results of education and training and/or technology guidance.

## **A. Student Cooperative Problems**

### **1) Institutional Problems**

Student Cooperative business in the sample provinces did not develop or even tended to decline, this was indicated by various things as follows:

- a. Minimum support from the University for Student Cooperatives, this is shown by the position of the Student Cooperative as SAU or as a Community, in this case the guidance made by the university is very limited, and there are indications that lead to omission (for Student Cooperative as a community);
- b. he development of Student Cooperative it all depends on the creativity of students as Student Cooperative's BoD or Supervisors, who have limitations both in management, developing cooperation and business networks and in increasing capital and business development.
- c. Student participation as a member is very low, this is related to Student Cooperative's own capital increase (principal savings and mandatory savings) and participation in the utilization of business units;
- d. 23 or 95.83 percent of Student Cooperative does not have clear provisions regarding termination of membership status in cooperative, resulting in an accumulation of inactive members from members who have passed the study at the university, without stating their membership, this is also related with the accumulation of principal savings and mandatory savings of members;

## 2) Business Problems

The type of business developed by Student Cooperative is very limited to the business of grocery stores, office stationery, photocopies and canteens, with a micro business scale, this condition tends to remain constant and does not change throughout the existence of Student Cooperative, due to various things as follows:

- a. Lack of Capital, caused by high arrears in compulsory members' deposits;
- b. Low participation of members in the utilization of cooperative business services, based on the respondents' information, the main cause is because the Student Cooperative cannot meet the needs of its members;
- c. The network of business cooperation between Student Cooperative has not yet been formed, so that the businesses run by Student Cooperative are not efficient and cannot compete with other business actors.

## 3) Financial Problem

Student Cooperative's financial problems are caused by: Increasing of Student Cooperative business capital is very difficult, because it only has one main source, which is derived from principal savings (new members) and mandatory savings of members, on the other hand increasing the number of members is very limited and tends to stagnate; on the other hand, the ability and awareness of students who are members to pay mandatory savings are also low. This has caused Student Cooperative's capital very limited, which is reflected in the business performance that is not innovative and difficult to develop.

## B. Student Cooperative Contributions in The Development of Cooperatives in Indonesia

Student Cooperative Contributions in the development of cooperatives in Indonesia, can quantitatively be described by Student Cooperative's performance in improving the welfare of students who are members in particular and students in general, this can be analyzed from various secondary data in the Province which are sampled as follows:

Comparing the number of universities with the number of Student Cooperative, this calculation uses the assumption that each university has one Student Cooperative. The results show that the number of universities in the four (4) Provinces were sampled as follows:

Table 7. Comparison of the number of Student Cooperative with universities and the number of active Student Cooperative with Student Cooperative numbers in the sample provinces

No	Province	Number of University (Unit)	Number of Student Cooperative (unit)	%	Active StuCoop : Number of StuCoop		Active StuCoop : Universities (%)
					Unit	%	

	West Sumatera	31	12	38.71	7	58.33	22.58
	South Sulawesi	103	17	16.50	8	47.06	7.77
	SR Yogyakarta;	106	14	13.21	8	57.14	7.55
	Malang City	62	9	11.29	7	77.77	11.29
	Total	302	52	17.21	30	57.69	9.93

Table 7 shows that the number of universities in four (4) provinces were 302 units, but in percentage the number of Student Cooperatives was compared with the number of universities in each Province, are as follow: West Sumatra 38.71 percent; South Sulawesi 16.50 percent; DI Yogyakarta 13.21 percent; and Malang City 11.29 percent. This figure shows that universities that establish Student Cooperatives on average only reach 16.57 percent. These conditions are exacerbated by the small number of students joining the Student Cooperative as members, which are only 5 to 10 percent, and of the number of active members only reaches 10 to 20 percent out of the total number of its members.

Institutionally, the number of active Student Cooperatives only reached an average of 57.69 percent of the total Student Cooperatives. Comparison of the number of Student Cooperative with the number of cooperatives in the sample area only reached 0.34 percent. The results also show that the number of Student Cooperative who have a Cooperative Register Number certificate is only 12.50 percent, namely 3 of 24 Student Cooperative samples.

The results of the study show that the role of the Student Cooperative is not optimal in providing business services that are appropriate to the needs of its members, as well as providing benefits that support the lives and needs of its members. This is indicated by the participation of members in the utilization of the Cooperative business unit reaching only 10 to 20 percent, as well as the response of members to the fulfillment of their needs as students through cooperative business services is very low and not met members' expectations.

Comparison of the number of university students compared to the number of students who are members of Student Cooperative; the results showed that in percentage, the average number of students who were members of Cooperative only reached a range of 2 to 10 percent. This indicates that there are still very few students who voluntarily to become members of Student Cooperative. This is reinforced by the recognition of student respondents and internal coaches who stated that the number of active students only reached the range of 10 to 20 percent of the total members. This condition shows that from the aspect of student involvement in cooperating is still low, thus it can be said that Student Cooperative contribution to improving the member's welfare is low.

### C. Prediction of cooperating behavior replication

Human nature is a replication, experiences that are considered enjoyable will be repeated by people who experience them, if this opinion is associated with Skinner's (1987) opinion that behavior is a function of its consequences; Behavior with positive consequences tends to be repeated, while behavior with negative consequences tends not to be repeated. If this is associated with student behavior in cooperation, it is expected that students who get pleasant experience in cooperating will be replicated if they get the chance to do so. This is indicated by the results of the research as follows:

- Student respondents' answers to cooperative benefits tend to be very good, this shows that students enjoy cooperatives and feel the benefits of cooperating;
- Student cooperatives have provided a cooperative experience to students, in this case what students feel is the benefits of cooperating, both in the form of additional knowledge, networking and education and training in cooperatives. This is expected to have a positive influence on students regarding cooperative knowledge, which in theory will be replicated by students;



- c. All members of the cooperative students who became respondents expressed their desire to develop cooperatives in the community after they graduated, currently 40 percent of respondents (students and lecturers) have begun to pioneer the establishment of cooperatives in their neighborhoods, in the form of mosque and youth cooperatives and cooperative recitation groups.
- d. Thought about the role of Student Cooperative in providing learning and cooperative experiences that are expected to influence the development of cooperatives in Indonesia, which are described as both direct and indirect roles as shown below:

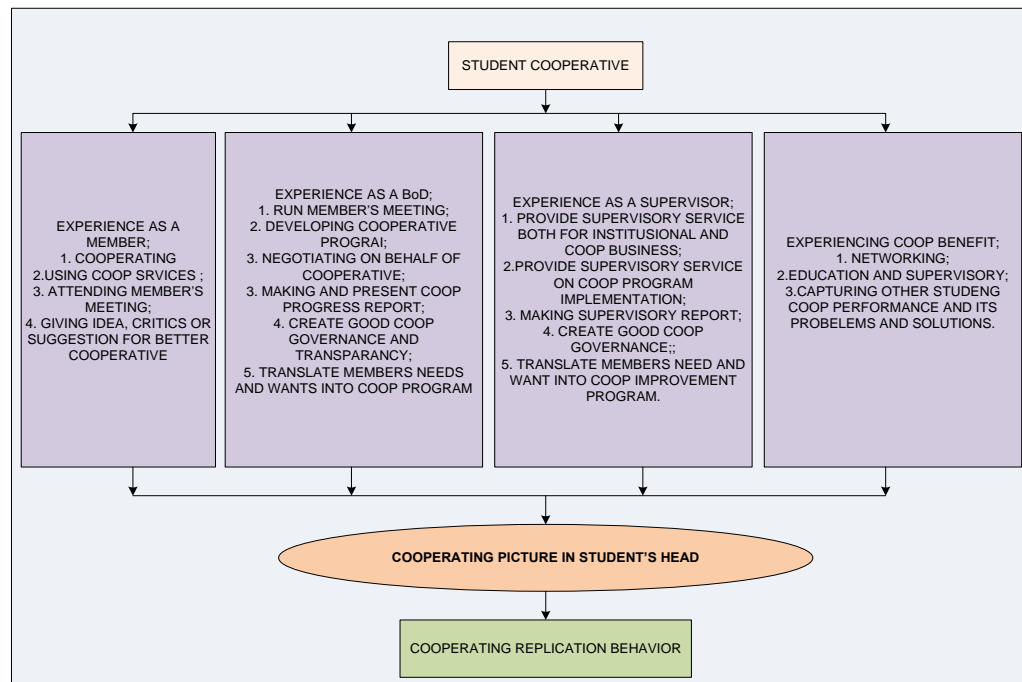


Figure 2. Student Cooperative Role in Affecting Cooperating Picture in Student Head Affecting Cooperating Replication Behavior.

## CONCLUSION AND RECOMMENDATION

- a. The performances of Student Cooperatives in the sample regions show less favorable conditions, this is indicated by the lack of the number of Student Cooperatives that develop in universities, the achievement of the number of new Student Cooperative the number of students who are members, the aspect of activity. They face some obstacles in developing their business, such as
  - a. Marginal Student Cooperative Performance and not become the main choice of students to organize and develop their interests and hobbies;
  - b. Development of a program for Student Cooperatives that faltered as a result of a very short BoD period, which did not allow them to relay the program properly;
  - c. The lack of university support for the existence of student cooperatives, encourages students to argue that the performance of the student cooperative depends on the partisanship of the university, this is feared to form a picture of the student's head that the progress of cooperatives is very dependent on the role and alignment of the government in the cooperative (in a narrow sense) and tend to blame others.
  - d. The Problems faced by student cooperatives can be grouped into institutional, business and business development issues as well as capital problems.
  - e. The Roles of Student Cooperatives in Cooperative Development in Indonesia are providing cooperative experiences for their members, and the experience gained in the form of negative experiences and positive experiences; Students who have positive experience from Student Cooperative have a high tendency to replicate cooperative activities in the community. The Role of Student Cooperatives in the construction of the Indonesian Cooperative is shown by the preference of Student Cooperative member students to replicate cooperative life in the community.

## RECOMMENDATION

To make Kopma as an Indonesian cooperative development agent, the steps that need to be taken are to provide positive experiences to students in cooperating, one of them is by improving the performance of Student Cooperatives through the following strategic steps:

1. Student Cooperatives get a proportional place in the mechanism of education, in this case the Student Cooperative must be used as a laboratory for the application of various knowledge learned by students;
2. Student Cooperative is placed as a strategic partner of the University in the development of people's economy;
3. Efforts to increase the effectiveness of cooperative replication by university alumni are carried out through the provision of good and right cooperative experiences that reflect the genuine Indonesian cooperative.
4. Making Student Cooperative Ideal standards as a model, and facilitating the modernization of IT-based Student Cooperative management, under the guidance of its University;

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