



DIGITALIZATION STRATEGY OF SAVING AND LOAN COOPERATIVES AS A REVITALIZATION EFFORT IN THE MODERN ERA

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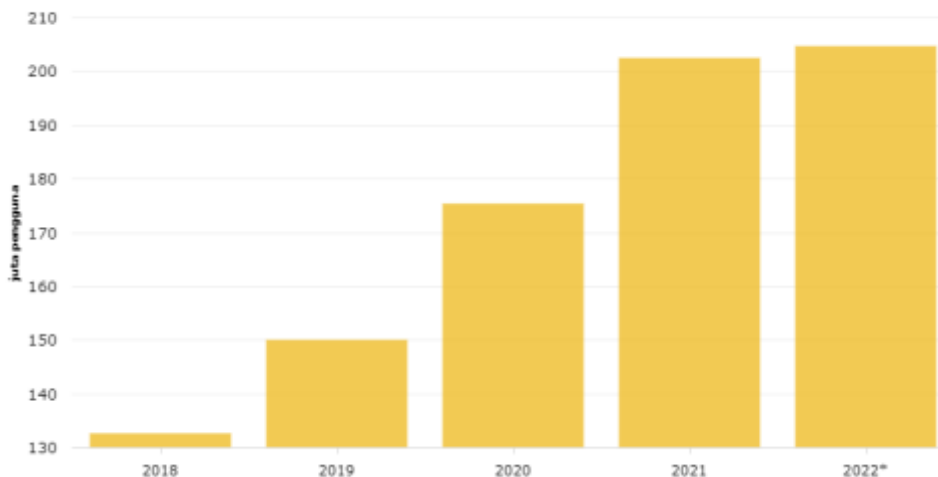
Article history:	Abstract:
<p>Received: June 6th 2023 Accepted: July 6th 2023 Published: August 10th 2023</p>	<p>The purpose of this study is to explain that cooperatives as a financial institution that helps the path of economic empowerment in Indonesia which is based on partnerships still have their own challenges, namely, the development of cooperatives in Indonesia is still hampered. With the trend in the number of internet usage in Indonesia, it is hoped that it will be able to bring innovation to cooperatives in the country, for example, the digitalization of cooperatives. This is done as an effort so that cooperatives are not eroded by the progress of the times. This study aims to find out how efforts to revitalize savings and loan cooperatives go digital. This research method uses library research (Library Research). Cooperatives have a big role in improving the economy in Indonesia by providing capital to MSMEs and reducing unemployment. Cooperatives have several inhibiting factors such as lack of innovation and digital transformation. The effort to revitalize cooperatives through digital is to build a digital platform equipped with a strong IT infrastructure.</p>

Keywords: cooperatives, digital, economic empowerment, MSMEs

INTRODUCTION

Cooperative as a financial institution that helps the way empowerment economy in Indonesia based on kinship. Still own challenge alone that is, development cooperatives in Indonesia still hampered. According to the Minister of Cooperatives and SMEs, Teten Enter, involvement inhabitant For increase economy through cooperative Still counted small, about 8.41% if juxtaposed with amount overall data in various countries which reached 16.31%. Reason others, supported with sign that sannya cooperative is institution old fashioned finances palpable by renewal digitization. Cooperative Alone own a number of type One of them is a cooperative save borrow.

Cooperative save borrow is a financial body non-banks with activity keep saving and giving credit For its members. Cooperative save borrow obey to laws that are Constitution Number 17 of 2012 concerning cooperative as renewal of Law Number 25 of 1992 concerning cooperative. Compared to financial bodies other like *leasing* or banking, the process of disbursing funds from cooperative more *simple* as well as relatively shorten time. For savings, banking institutions give more interest A little compared with given interest cooperative save borrow. Over time, there is progress technology that has become increasingly complex over the period revolution Industry 4.0 identified at an astonishing speed in parts internet technology. famous term mark revolution Industry 4.0 namely "*internet of things*". Where are all sector part business what we can be certain of is need digital system for sustain his efforts.



(Fig. 1, Total Internet Use in Indonesia in 2018-2022)

Can seen with carefully that internet usage in Indonesia in figure 1 in 2022 if compared to 2018 increased in a manner significant. Indonesia is a country with resident most internet users from the whole country. To quote the We Are Social report , found 204.7 million internet users in Indonesia January 2022.

There is a trend number Internet usage in Indonesia is expected capable bring innovation in cooperatives in the country, for example, digitization cooperative. this done as efforts to be cooperative No eroded by the progress of time. Development digitization cooperatives can also help the community in developing his business digitally . cooperative save borrow is example of digitalization developments. Cooperative save digital lending accommodates service savings and credit available reached via the internet. E xistence digitization help cooperative save borrow in reach Indonesian society broad. In addition, provide convenience to the candidate member cooperative for be a part of member cooperative save digital loan. For example , inventory member with easy and no convoluted. Description an regarding pe service savings as well credit can accessed online as a result can make it easy member cooperative For know availability of the required data without must date *offline* .

Great hope , there is digitization cooperative save borrow will give effective effect as well as positive in revitalize cooperative save borrow in the country. Cooperative save borrow expected as tree resilience as well as strength For strengthen national people's economy through cooperative as his pillar.

RESEARCH METHODS

The research technique used in this research is technique descriptive as well as approach qualitative. Whitney (1960) suggests that technique descriptive is the research process fact past right opinion on invention subject or any studied object. Whereas technique qualitative, Quoting Saryono (2010), Research qualitative is technique applied For describe, explain , investigate, and get impact privileges social no can measured, explained as well as depicted through approach quantitative. So, got concluded that study descriptive qualitative in study This function For describe, describe, as well interpret impact exists digitization cooperative save borrow to empowerment economy based on qualitative data. The type of data used is secondary data , namely data taken direct through search or from draft official, that is work write scientific journals, books , and daily / magazines as well as tertiary data, ie giving material instructions on primary and secondary for example, encyclopedia. Data Collection Techniques used is a Literature Study. Reference from research This done is read and study print media , and books that contain about cooperative save borrow, so this data associated with material reading that has connection with study this .

RESULTS AND DISCUSSION

1. Cooperative Role Save Borrow in Economic Empowerment in the Modern Era

Cooperative save borrow is very vital in empowerment economy in Indonesia. Almost all public know cooperative in various meanings but, in general public know cooperative as a financial institution that owns connection tightly with economy citizenship. According to opinion of the International Labor Organization (ILO), economics citizenship is system economy conventionally done inhabitant For fulfil his needs . Residents here It means is inhabitant with activity economy conventional for example trader small businesses and SMEs, the people 's economy is one system management economy best . at the moment crisis monetary 1998. The reason, at that time technique economy citizenship considered succeed ensure MSMEs poverty. Since pre independence , economy citizenship in Indonesia already apply and become one tree Indonesian economy to now . Broadly speaking, economics based democracy in Indonesia is based on the 1945 Constitution Article 33 paragraph 1 to with 3, which contains principle that the country's economy is drawn up based on principle family , use production important by the state, as well usage biological the best For people's peace . This in line with cooperative as a financial institution that adheres to principle kinship and cooperation. one type focused

cooperative For activity saving and lending money to its members is cooperative save borrow, Where is the cooperative save borrow was established For help its members in fulfil need finance them, especially in matter get venture capital or cash in amount small until medium which is not have access to system banking . main goal cooperative save borrow is For repair well-being member through activity save borrow money with way more affordable and more profitable for member. Cooperative save borrow own role important in Indonesia's economy, namely :

1. Developing MSMEs

With exists cooperative save borrow , MSMEs get get capital from cooperative save borrow without through banks. one aspect The problems faced by SMEs are: No availability of sufficient capital For they endure with exists current fast economy this .

2. Increase growth economy

With existence of SMEs is element highest For country's economy , in 2020 MSMEs recruit power Work in big numbers i.e. 97% of the business world . MSMEs become solving in problem poverty in the country. Proven MSME can entrusted as safety on time emergency , past method creation opportunity work and value added . Success in grow the ability of SMEs is significant strengthen business economy so that SMEs benefit For promote procedure enhancement country's economy . With so , cooperative save borrow have strong benefits as source of running capital MSME development .

3. Reduce level unemployment

With exists empowerment of capital in MSMEs, where MSMEs have big implications to growth economy through mechanism in creation chance power work . Presence cooperative save borrow is also expected Can help people in need job . Generally , cooperative give opportunity to seeker work and absorb source Power human . Every humans can too Study arrange finance and earn income each month from management cooperative .

4. intellectual nation

Cooperative business No only in activities in the field service or material, but also carry out activity education for its members . Such education usually distributed shaped training skills and management finance and business . With so , position cooperative in make intelligent life very proven nation with give knowledge knowledge For members and society around .

For know how much big position cooperative save borrow For increase economy registered citizen as member . Writer find review through method interview the members cooperative save borrow Al-Azhar, Regency Pinrang , South Sulawesi, Indonesia, as following :

Sukmawati , (46 Years) as seller vegetables , flower market , via method interview , in the District Pinrang , 2 October 2019 : "I am Sukmawati , I is member Ksp Al-Azhar for 2 years , i take credit in K operation save borrow Al-Azhar because can dependable as well as more *simple* For take credit for members , as well I give thanks since Cooperative Office save borrow this Al-Azhar I feel helped especially in economy and primary needs "

Sukriati , S.Pd. (34 Years) as a teacher at 215 Pinrang Elementary School as well as as MSME Cosmetic *owner* , via interview , in the District Pinrang , on October 2 2019: " I Sukriati , me is an elementary school teacher . Income I as a teacher only Enough For primary needs , i think If only my monthly income enjoy No will Can sufficient other needs , besides that , i own fruit heart as well as I must fulfil parental needs . With so, i.e try For borrow from cooperatives save borrow Al-Azhar and after borrow from cooperatives the give thanks my needs need fulfilled . Not only that , i capitalize for selling cosmetic . For Cooperative save borrow this Al-Azhar help inhabitant around especially in the field the economy ."

Furthermore, the writer also found that cooperative save borrow Lestation Independently provides a level support effectiveness credit Subdistrict Lawang, Malang Regency who got observed in the results circulation questionnaire filled out by 40 informants detailed can seen in table 1.

Table 1, Level of Effectiveness Giving Credit in Cooperatives Save Borrow Lestation Independent

Effectiveness Level	Amount Respondents	Percentage
Very effective	3	7.5%
Effective	36	90%
Not effective	1	2.5%
Absolutely not effective	0	0
Amount	40	100%

In accordance with table 1, there is a number of 3 informants or 7.5% reported very effectively , a number of 36 informants or 90% notify effective as well as a number of 1 informant or 2.5% notify No effective . This as proof that cooperative save borrow have role big in help economy society .

2. Causing Factors Decline Use Cooperative Save Borrow in the Modern Era

Adopting data from BPS period in 3 years later , quantity cooperative more and more active in the country increase to 127,846 in 2021. At first , quantity cooperative active in the country has greatly decreased until to total 126,343 units in 2018 from 152,174 cooperative units active year 2017.

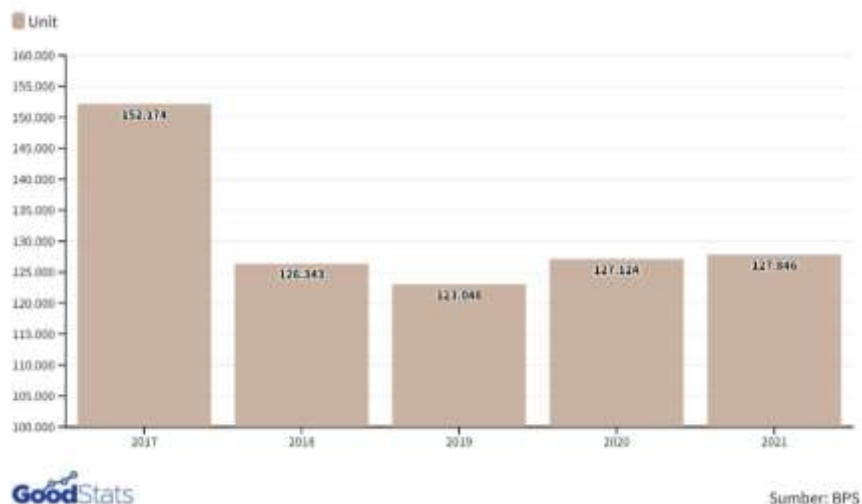


Fig. 2, Total Cooperative Active in Indonesia 2017-2021

Quantity cooperative decreased in 2019 to 123,048 cooperatives. at the time Covid-19 pandemic around 4 thousand units cooperative active return soared And function back . As a result in 2020 , Indonesia has a total of 127,124 functioning cooperatives . There are numbers decline cooperative active in Indonesia included in it there is a number of type cooperative save borrow who have a number of causative factor decline number cooperative save borrow in the modern era when this :

1. Competition with financial bodies other

Cooperative save borrow compete with financial bodies others, such as banks and fintech. Along with development technology , many financial institutions provide more service easy and fast , like application banking and peer-to-peer lending services , so public tend more choose service the .

2. Lack of digital innovation and transformation .

Cooperative save borrow Still depend on internal manual system manage finances , so often not enough flexible or not can compete with institution modern finance already apply deep digital technology the operation . cooperative save borrow No can provide competitive and not service capable give satisfying experience for members .

3. Problem management and finance

A number of cooperative save borrow experience problem management and finances that can influence trust public to institution the . Problem like corruption , embezzlement of funds, and management no finance transparent can create members lost trust in cooperatives .

4. Lack of understanding and education about cooperative save borrow

Still lacking understand about advantages and benefits join with cooperative save borrow, so lack of interest in and trust in cooperatives save borrow be one causative factor decline its use. this Can caused by a lack education and promotion from party cooperative Alone nor parties related other .

Thus a number of causative factor decline use cooperative save borrow in the modern era. Cooperative save borrow own role important in support development economy m citizens , in particular For tough place accessible to financial institutions . because it is necessary exists digital innovation and transformation as well enhancement management and management cooperative save borrow to stay can compete in this modern era .

3. Revitalizing Efforts Cooperative Save Borrow Through Digitization

Development cooperative save borrow have challenge separately , so can done method strengthening position cooperative save borrow. Regarding about arrangement system institutional, improve content *humanresources* cooperative, use Effective technology and data in system shape cooperative or the ongoing process his business, right run accompaniment as well as coaching along with *partnership*. The most probable solution done only through modernization cooperative save borrow .

Modernization cooperative save borrow can done through digitization cooperatives , digitization cooperative is transformation management cooperative online or *online* , though beginning done offline as effort revitalize cooperative to be able compete and always exist in competition increasing effort tight . Digitization cooperative This expected No only just application , however How There is change transformation business cooperative going to digital direction as well speed up motion business cooperative .

Revitalize cooperative save borrow through digitization able to do a number of ways including :

1. Building digital platforms

Building digital platforms such as websites or mobile application can help cooperative save borrow For give more service efficient and affordable . these platforms can used For facilitate transaction deposits and loans member online , as well make it easy member For access information about products and services cooperative .

2. Strengthen IT infrastructure
Strengthen IT infrastructure can help cooperative For increase efficiency and effectiveness operational . this including renew device hard , device software and systems network For ensure that cooperative own reliable and secure IT system .
3. Increase member digital literacy
Increase member digital literacy can help they For take advantage of the digital platform provided by the cooperative . Cooperative can give training and guidance to member about method using a digital platform, so they can access service cooperative online with more easy .
4. Offer service digital banking
Offer service digital banking such as money transfers and payments bill can help cooperative For add member new as well as long -retained members . Service This can done through existing digital platforms built by cooperatives or through integration with an existing digital banking platform there .
5. Optimizing social media
Optimizing social media such as Facebook, Instagram, and Twitter can help cooperative in promote products and services they to member potential . Cooperative can take advantage of social media For share information about products and services , deliver offer special to members , and build more relationship near with member them .

With adopt the above strategies , cooperatives save borrow can revitalize self through digitization that delivers service more Good to member them . The situation coincides with Kemenkop UKM where to target sector cooperative so get contribution of 5.5% to GDP in 2024 , matched with the participation of the present whose participation only 5% of GDP. ministry cooperatives and SMEs also put forward the formation of 100 cooperatives new and sought after can penetrate 400 units by the end of 2024 which are modern and digital based annually . transformation from the cooperative must be digital based always have permission earned effort from government .

CONCLUSION

Through the author 's research spread it, get concluded that one method For revitalize cooperative is with he did digitization to cooperative, which is very very needed in the modern era when this, with exists digitization cooperative save borrow will make it easy member For access finance without must come in a manner *offline*, easy bookkeeping , as well increase growth economy with help SMEs.

One of the suggestions and recommendations submitted is government can intensify socialization and education about digitization cooperatives, as well create a profitable promotional program public If build digital cooperatives such as , develop digital platforms for free or with low cost to public if mean it want to build cooperative digitally .

As for recommendations for the legislature / maker Constitution related digital cooperative , must exists umbrella law that can accommodate the way the digital cooperative . With exists Constitution about digital cooperative expected can reduce number *cybercrime* and society will feel safe when transact .

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