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Cooperative's identity in Women's Cooperation Activities with Joint Responsibility (*Tanggung Renteng*) system in Indonesia

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Abstract

In Indonesia, a savings and loan cooperative with a joint responsibility (*tanggung renteng*) system is a cooperative that was built starting from *arisan* which was later developed into a savings and loan cooperative system. Cooperative members are divided into groups with a mechanism for admitting members based on deliberation. The joint responsibility system that has been implemented by most women's cooperatives can be a means of improving the economy as well as education. The implementation of joint responsibility in saving and loan activities should be in line with the application of cooperative identity which includes the definition, values and principles of

cooperatives. The purpose of this study is to determine the application of values and principles of cooperative identity in savings and loan units with a joint responsibility system, as well as to find out the application, problems and solutions in the joint responsibility system in savings and loan units in women's cooperatives. The results showed that the cooperative identity has been implemented in the activities of the women's cooperative savings and loan unit that use a joint responsibility system. With this system, savings and loan units are also able to reduce non-performing loan by up to 0%.

Keywords: Cooperative Identity, Women Cooperative, Joint Responsibility System, Saving and Lending Cooperation, *Tanggung Renteng*

1. Introduction

In Indonesia, there is one province, namely East Java Province, which has the most active with 21,757 active cooperatives and 3,620,213 members, which are capable of producing a business volume of 28,116,735.18 million with Remaining Business Income (SHU) of 1,056,007.43 million in 2019. Among these, 7,343 units are female cooperatives (Ministry of Cooperatives and SMEs, 2019) ^[1]. One of the benefits of the cooperative business sector is the empowerment of women. Cooperatives, which have been known as pillars of the nation's economy, are the right choice for women in improving the welfare of themselves, their families and their groups.

Arisan and "savings and loan activities" are examples of activities that women in groups can do as a means of increasing knowledge and skills. From these activities, a joint responsibility system emerged. In essence, the joint responsibility group system is a character development based on six basic values of joint responsibility which include togetherness, openness, deliberation, mutual trust, discipline, and responsibility which begin to animate all members (Criana, 2014) ^[2].

Setia Bhakti Wanita Cooperative, which was established on May 30, 1978, is one of the largest women's cooperatives in East Java which has a savings and loan unit. The Setia Bhakti Wanita Cooperative currently has around 13,000 members with no less than 365 groups. As a cooperative, the main task of the Setia Bhakti Wanita Cooperatives is to support the economic interests of its members in order to advance the welfare of its members. Providing excellent service to its members and being able to provide quality service to the needs of its members.

In the vision of the Setia Bhakti Wanita Cooperative, it is stated that the Setia Bhakti Wanita Cooperatives is a reliable and resilient organization with the support of professional human resources, as well as the implementation of an effective joint responsibility system through empowering members so that they can improve their economy. The mission of this cooperative is to improve cooperative services and the quality of human resources to foster a more responsible and sustainable life. In this vision, it is explicitly illustrated that the implementation of the joint responsibility system is one of the goals of the establishment of the Setia Bhakti Wanita Cooperative.

Cooperative business entities, including women's cooperatives, have at least a dual function, namely as business institutions and learning institutions for their members. As a business institution, cooperatives must be able to maintain and develop their

assets, which in turn will improve the quality of service to members and as learning institutions, cooperatives must be able to educate their members to be independent so that they can improve welfare (Rahayu, 2009) [6]. What is interesting is the joint responsibility system in cooperatives, where members are gathered in groups to mutually share the risk of cooperative receivables in savings and loan activities. Properly applied joint responsibility can be a means of education that will foster a rational mindset because in applying for loans members realize that the borrowed funds are very important so that togetherness of members is really built to help each other.

The joint responsibility system contains a spirit of togetherness that divides responsibilities equally, applies the concept of collectivity, from designing programs to overcoming problems at hand (Indriyo, 2006). The advantage of this system is that everyone thinks, works, and monitors. In a joint responsibility system, responsibilities are divided evenly so that all have the right to access information on cooperative development, business development and the results of the business in question (Rahayu, 2009) [6]. The management of the joint responsibility system has linearity to increase the residual income (*Sisa Hasil Usaha/SHU*), in fact it also has a positive impact on the residual income distributed (Arifin, 2008) [1]. An empirical fact that proves that the joint responsibility system is a social capital that cannot be ignored. The more so in managing an economic entity such as a cooperative.

What is no less important in women's cooperatives is education and an understanding of the identity of a cooperative which provides direction in carrying out cooperative practices in accordance with the mandate of the International Cooperative Alliance (ICA) both in terms of definition, values and principles of cooperatives with the identity of cooperatives. By definition, cooperatives are autonomous associations of people who come together voluntarily to fulfill common economic, social and cultural needs and aspirations through companies they control democratically. Based on its values, cooperatives are based on the values of self-help, self-responsibility, democracy, equality, justice and solidarity. Following the tradition of its founders, cooperative members also adhere to ethical values of honesty, openness, social responsibility, caring for others. Finally, according to the principle, there are seven cooperative principles which are explained in detail as follows: 1) voluntary and open membership; 2) management is carried out in a democratic manner; 3) economic participation of members; 4) limited remuneration for capital; 5) independence; 6) cooperative education; and 7) cooperation between cooperatives.

With the research object of women's cooperatives, the purpose of this study is to determine the application of the values and principles of cooperative identity in the savings and loan unit with the joint responsibility system, as well as to know the application, problems and solutions in the joint responsibility system in the savings and loan unit in women's cooperatives.

2. Research method

By considering the scope of the research area and the depth of the material, the research method uses a quantitative approach which is strengthened by a qualitative descriptive approach. The descriptive approach aims to systematically

and accurately describe the facts and characteristics of the study area. Qualitative research is intended to reveal phenomena in depth with naturalistic data collection methods. In other words, this research is more based on the realities of the field. This research approach is intended to obtain a description of the characteristics of the Cooperative Identity with the *Tanggung Renteng* System carried out by the Savings and Loan Cooperative.

This research was conducted in East Java Province. The selection of the study area was based on the location of the savings and loan cooperative which is still active and has become the benchmark for savings and loan cooperatives in East Java Province. The example cooperative studied was Setia Bhakti Wanita Cooperatives. The types of data used in this study include primary and secondary data. Primary data were obtained from several research respondents including leaders of savings and loan cooperatives, cooperative devices and cooperative members who used a joint responsibility system, while secondary data came from books, articles, and relevant previous research. The selection of respondents is carried out using purposive sampling methods in cooperatives that use a joint responsibility system. There are two primary data collection techniques used in this study, namely:

1. Desk-study, which can be used as a means of obtaining or proving information or information previously obtained through deliberately selected literatures, documents, and any secondary data.
2. In-depth interviews which are used to obtain in-depth information on cooperative management that uses a joint responsibility system to provide services to cooperative members. The information to be obtained using the in-depth interview method includes: (i) the identity of the cooperative; (ii) joint responsibility system.

3. Results and discussion

By definition joint responsibility comes from the word responsibility which means to bear, guarantee, to state the availability to pay someone else's debt if that person does not keep her promise, while the word jointly means, series, string. Joint responsibility is defined as joint responsibility among members of a group for all obligations to the cooperative on the basis of openness and mutual trust (Supriyanto, 2009) [7]. The values contained in the joint responsibility system include kinship and mutual assistance, openness and courage to express opinions, instill discipline, responsibility and self-esteem and self-confidence in members, and indirectly create leadership cadres among members (Soemantri, 2001) [8].

The meaning contained in joint responsibility includes joint responsibility for the risk of debt (obligation) incurred by one or more group members. The joint responsibility system affects joint responsibility for the acceptance of new members in the group, the actions or behavior of group members, and loan applications from group members to the cooperative. This system also affects the actions or behavior of the group leader or group administrator. The meaning contained in this system also includes the opportunity to obtain membership in a selective and educational manner (a joint responsibility system can create a selection mechanism for prospective group automatically and effectively). In addition, it can create a control mechanism that runs automatically, in addition to minimizing the risk of

cooperative receivables. To form a joint responsibility system in a savings and loan cooperative, at least three elements must be met (Masrizal, 2016)^[4], namely:

Group: Groups in the Setia Bhakti Wanita Cooperative can be formed in two ways: first, to form a group first and then all members of the group to join to become members of the cooperative, or second, an individual can become a member of the cooperative by joining a previously formed group. In Setia Bhakti Wanita Cooperative, there is a member selection process to ensure that the joint responsibility system can be implemented properly. When a prospective member wishes to apply to become a member, he is given an understanding of the joint responsibility system. Then he can be accepted if he has a commitment and agrees to accept the joint responsibility system with all the consequences.

Ideally it is formed on the basis of physical and emotional closeness, meaning that the members already know and trust each other. In the Setia Bhakti Wanita Cooperative, all members of the cooperative are united in groups. The number of group members varies, from 15-40 people depending on the capacity of the group leader in leading and coordinating the members. If you feel that there are too many group members, you can split the group or form a new group. The number of group members will affect the implementation of the joint responsibility system. If the number of members increases, the burden borne by all members will be lighter if there is one member who is unable to fulfill his obligations, and vice versa. However, the more group members there are, the greater the responsibility of the group leader. To increase trust and sense of belonging in the group, group meetings are held regularly and consistently at least once a month.

Obligations: In this case the members are obliged to pay principal savings, mandatory savings and pay installments of loans that have been given by the cooperative. The difference lies in the management of obligations where completeness of group payments is the responsibility of all members in the group. In terms of fulfilling craftsmanship, especially the payment of savings installments, at the Setia Bhakti Wanita Cooperative, each member of the group must pay his obligations during group meetings. Then the group leader will deposit all these obligations to the cooperative. If there is one or more members who do not complete the payment of their obligations, the person who is responsible for completing it is all members in the group. Because if this is not done, the cooperative will not realize the rights of the group members.

With the agreement of the members in the group, each group can also form a reserve fund called group savings. This savings is issued if there are members who cannot pay installments. So that members feel lighter than the way to pay spontaneously when there are members who need to be covered.

Regulations: Just like cooperatives in general, in this case each member must obey the rules listed in the articles of association and household budget (*AD-ART*) of Setia Bhakti Wanita Cooperative and special regulations. In implementing the joint responsibility system, regulations can also be determined by groups. This rule is intended to maintain harmonization of relationships between members in the group and to maintain the existence of the group

applying the joint responsibility system. Group rules are adapted to the conditions of group members. For example, the rule regarding the repayment of installments for members who have loans is once per month through the group leader. However, if special conditions are encountered, for example a group member is a trader or daily worker who wants to pay the installments per day or per week, then the rules in the group can be adjusted as long as they do not conflict with the regulations of the Setia Bhakti Wanita Cooperative.

In Setia Bhakti Wanita Cooperative, a member can be jointly and permanently borne jointly. Transient occurs when a group member does not show up for a routine meeting (usually to pay fees or principal or mandatory savings). So, by the group these members are borne jointly temporarily because their obligations have been borne by the group. Permanently, when members run away or because members are unable to fulfill their obligations. If the total obligation of the member is greater than the deposit. Then the group must carry out joint responsibilities and its obligations are resolved in the group. The sanction that must be accepted can be in the form of being removed from group membership. However, the policies and sanctions given depend on each group.

The joint responsibility system requires discipline for each member that can be applied in many ways, such as being on time in attending group meetings, being on time in paying loan installments and so on, because if there are members left behind in group meetings so that the installment obligation is also left behind, it will become dependents of all members in the group. With this pattern, group members will feel ashamed if they are negligent in fulfilling their obligations. Mutual control and reminding each other will create a sense of responsibility from each member to the existence of himself and his group. In addition, if a member rarely attends group meetings, he will have difficulty getting approval from other members when applying for a loan because he does not give approval when other members apply for a loan. This will generate a sense of empathy for others. As a result, the Setia Bhakti Wanita Cooperative was able to reduce credit congestion by 0% and its members became more empowered.

Basically, the implementation of a good joint responsibility system will be able to implement the values in the cooperative identity which include honesty, openness, social responsibility, caring for others. The value of honesty is the most basic moral attitude needed in one's daily activities, not only in the cooperative joint responsibility system. Openness will automatically form when trust is first formed in the group. With trust and emotional closeness between group members, social responsibility is formed and caring for others.

In addition, cooperatives are also based on the values of self-help, being responsible to oneself, democracy, togetherness, justice and solidarity or solidarity. Each value in the values of a cooperative has a special meaning which is the strength of the cooperative movement that makes cooperatives different from other business entities.

1. The value of self-help or member-based institution is based on the belief that everyone can and should strive to control their own destiny. However, as an individual, a person will be faced with limitations. If someone works individually, the result will be less effective and efficient than if the individuals collaborate in a

community with certain agreements and ways. Through combined activities and shared responsibility one can achieve more, especially by increasing collective influence.

2. The value of being responsible to yourself means that members accept responsibility for the progress of their cooperative. For example, in fulfilling the obligation as a member to pay mandatory savings, or pay loan contributions, it is not only the responsibility of the member to the cooperative, but also to himself, that he has been responsible for his own commitments when he decided to join the cooperative.
3. In terms of democracy, members have the right to participate, the right to obtain information, the right to be heard, and the right to be involved in decision making. Each member of the group also has the same right to express opinions in regular group meetings. In a joint responsibility system, all decisions must go through a deliberation process during group meetings. This means that all members can be involved in the group decision-making process. deliberation is not only related to making decisions about the amount of the loan value. But also related to the acceptance of new members, removing members and solving group problems. This process then fosters the courage to express opinions from members. Because all the members in the group will bear the consequences of the wrong decision.
4. The value of togetherness in women's cooperatives is manifested in many ways, one of which is the joint responsibility system itself. By joining forces and adopting a joint responsibility system, efforts to improve welfare are collective efforts, so that no group member is left behind.
5. The value of fairness is based on how members are treated in the cooperative. They should be treated fairly how they are rewarded for their participation in the cooperative, usually through sharing the remaining proceeds based on their transactions.
6. In the value of solidarity, a cooperative is more than an association of members, the members of the cooperative are a collectivity. Each member has the responsibility to ensure that all members can improve their welfare together, not only based on the self-interest of each member.

The seven cooperative principles are explained as follows: 1) voluntary and open membership; 2) management is carried out in a democratic manner; 3) economic participation of members; 4) limited remuneration for capital; 5) independence; 6) cooperative education; and 7) cooperation between cooperatives. The implementation of the seven principles is described as follows:

1. Membership is voluntary and open. The main principle of cooperatives is that their membership is voluntary and open. Membership is open so that anyone can join a cooperative, regardless of the person's social or socio-economic status. Each member also voluntarily provides his own capital without coercion. Later the capital from members will be combined as a joint venture based on the principle of kinship.
2. Management is carried out democratically. Cooperatives form an organizational structure based on

kinship principles. Each member of the cooperative is free to argue according to clear rules and regulations based on the principles of cooperatives as a people's economic movement. This applies to every cooperative activity such as organizing member meetings, forming supervisors, determining management and appointing managers as employees who work in cooperatives.

3. Economic participation of members. The main objective of cooperatives in particular is for the welfare of their members. To be able to fulfill these objectives, it is necessary to distribute the remaining income (SHU) fairly and equitably to all members of the cooperative. The distribution of the remaining business income is also determined by the amount of business services of each member so that it becomes fairer and more equal.
4. Providing limited remuneration for capital. The next principle of cooperatives is the provision of limited remuneration for capital. Cooperatives provide reciprocity to members who have invested or entrusted the cooperative in managing the capital in the cooperative. The provision of remuneration is adjusted to the amount of available capital with the principles of fairness, balance and limitations in a transparent manner.
5. Independence. One of the cooperative principles is independence. This means that the cooperative is independent and is not under the auspices of other organizations and does not rely on other institutions. The cooperative is independent and independent in forming its organizational structure. Each member has their respective roles, duties and responsibilities for each business themselves by taking an active role in each assigned task.
6. Cooperative education. The direction and objectives of the cooperative are to be able to work together to manage positive activities. To make it happen, expertise in cooperative education is needed in its application. Cooperative education provides provisions for the ability to work after joining the community. Through cooperative education efforts and member participation, it will be highly valued and encouraged in cooperative life.
7. Cooperation between cooperatives. Cooperation activities between cooperatives with one another are needed in order to realize and develop the national economy. With the existence of cooperation between cooperatives, it can create the welfare of the cooperatives involved and expand the business field.

With the cooperative values and principles above fulfilled, the joint responsibility system can be implemented by each group in the savings and loan unit of the Setia Bhakti Wanita Cooperative. From the research results it is known that all this time, by implementing a joint responsibility system, problems in cooperatives can be suppressed. With the application of cooperative identity, the obligations of each member in the cooperative will be carried out properly, and have a good impact on the progress of the cooperative. Because if the obligations are not carried out, the cooperative's obligations to members will also not be realized. This balance must be maintained by all members of the group. In maintaining this balance, a disciplinary process takes place. From discipline it will also strengthen mutual

trust among members. In the end, there will also be a process towards building a responsible character. This will also strengthen the sense of togetherness in the group.

Other than that, the problem of implementation in joint responsibility is the diversity of member's basic knowledge about cooperative identity. So, it become a certain problem. Next, it becomes a heavy responsibility for cooperative's management and head of group to explain about that and make equal understanding about the obligations in saving and loan activity.

Because all savings and loan obligations activity, in this case the loan installments have been completed in groups, there is no bad credit at the cooperative level. It is not surprising that this system is then referred to as an asset protection system. Of course, this asset safety system will be even stronger if joint responsibility values also grow along with the implementation process. With safe assets, the cooperative will also have more ability to improve its services to members both in quantity and quality. This also increases the loyalty and sense of belonging of the members to the cooperative. So that members will be motivated to take part in maintaining and developing their cooperative. Thus, the cooperative of, by and for members is not just a slogan. But it becomes a reality, where the cooperative grows and develops with its identity and its dynamics.

4. Conclusions and recommendations

In conclusion, the women cooperative and its dynamics will be able to play a good role in society when the cooperative runs according to its identity as an organization that adheres to the values and principles of cooperatives. As in women's cooperatives, the joint responsibility system is not only a cooperative receivable security system that has succeeded in reducing bad credit by 0%, but also becomes a means of education for cooperative and group members. The joint responsibility system creates trust and a sense of belonging in the group, instilling a sense of togetherness and "self-help and member-based" value on the group and the cooperative.

From the results of the research above, the suggestion put forward is to improve the function of cooperatives in Indonesia, especially women's cooperatives, cooperatives need not only increase in quantity but also the quality of cooperative performance. The quality of cooperative performance includes both the business aspect and the institutional aspect of the cooperative through education. From a business perspective, cooperatives must be able to increase competitiveness and effectiveness in each of their activities, including savings and loans activities. The joint responsibility system that has been successful must continue to be implemented so that the benefits of the cooperative can be significantly felt and create welfare for all members of the cooperative, especially women. From an institutional point of view, the operational activities of a cooperative cannot be separated from its definition, values and principles, because this is the identity of a cooperative that distinguishes it from other business entities. Therefore, each women cooperative is required to be able to improve its economic performance while remaining within the corridors of its identity.

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