MEMBERS-BASED COOPERATIVE EMPOWERMENT

(A Case Study of Kopari Bina Wisata Grojogan Sewu, Tawangmangu Sub-district, Karanganyar Regency)

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Abstract

The objectives of the research are: (1) to analyze the external and internal conditions of Kopari Bina Wisata Tawangmangu; (2) to elaborate member-based cooperative empowerment activity of Kopari Bina Wisata Tawangmangu; and (3) to design a model of member-based cooperative empowerment.

This study applied a case study approach. The research setting is Kopari Bina Wisata, Tawangmangu Sub-district, Karanganyar Regency. The sample was taken using purposive sampling. The data were got using observation, interview, and focus group discussion. The data were analyzed using interactive model of analysis.

Based on the research findings, it can be concluded that based on external and internal analysis, Kopari Bina Wisata Tawangmangu has potential and power to be developed/empowered. The empowerment activities include: members, business, environment, and organizational empowerment. The appropriate empowerment model is member-based cooperative empowerment because the success of cooperative empowerment depends on the members having central position as the owner, controllers, and customers.

The results of empowerment achieved by Kopari Bina Wisata Tawangmangu demonstrate the cooperative powerless because of the lack of members’ involvement. The members’ involvement includes the savings and loan transaction, RAT or the activities in cooperative organization, so that it is necessary to conduct members-based empowerment.

Keywords: Community empowerment, cooperative and members

A. Introduction

Universal cooperative empowerment begins with the assumption that there is a human weakness and demands for appreciating values and practicing ideal co-operative principles. In an effort to foster an enabling environment for cooperatives, several regulations and laws have been issued by the government by implementing the act of 33 of Undang-Undang 1945. The government has issued regulations No 25/1992 about the Principles of Cooperative, which is further enhanced by UU No. 17/2012 about cooperative. Therefore, empowerment and development of cooperative is the responsibility
of the government and all the people. Furthermore, by some government regulations and a presidential decree, the government provides supports and facilities for cooperatives empowerment.

Cooperative is naturally formed from individual awareness that cooperative among its members can produce potency, efficiency, and effectiveness in solving the problems they face (Hatta, 1987). Based on the nature of cooperative, it can be understood that in cooperative, its members become a major force, because they occupy the central position. The extent to which members have effective central positions in life can be largely determined by the extent of the application of three functions of its member as owners, controllers, and users, which can be realized as an integral and interrelated functional and operational functions.

In this regard, the Tourism Development of Kopari Tawangmangu has a similar condition as the other cooperatives in general, that empowering members is absolutely needed.

B. Problem Formulation

Based on the background mentioned above, the problems which will be studied in this research are:

1. How is the external and internal condition of Kopari Bina Wisata Tawangmangu?
2. How is member-based cooperative empowerment activity of Kopari Bina Wisata Tawangmangu?
3. How is the future model of member-based cooperative empowerment activity?

C. Research Objectives

Based on the problems formulation, the general objective of the study is to describe the objective conditions of Kopari Bina Wisata Tawangmangu. The specific objectives are as follows:

1. to analyze the external and internal conditions of Kopari Bina Wisata Tawangmangu.
2. to elaborate member-based cooperative empowerment activity of Kopari Bina Wisata Tawangmangu.
3. to design a model of member-based cooperative empowerment activity.

D. Benefits Results Research

The expected benefits of this research are:

1. Theoretical benefits
   a. The results of this study can contribute to the development of the science of community empowerment, especially member-based empowerment model.
   b. This study can be a reference for other researchers who want to conduct a research on member-based empowerment model.

2. Practical benefits
   The results can be used as the input for internal cooperative stakeholders such as cooperative members, administrators, and
supervisors in improving the members’ welfare.

E. Research Novelties
In contrast to the results of the previous studies, this study has novelties in terms of:

1. The uniqueness of the research object (empowerment target), where the target is a member-based cooperative empowerment of tourism industries
2. The research approach used is qualitative methods using case study on development of member-based cooperative empowerment through developing members, business, environmental, and organizational capacity building.
3. The research results/output: member-based cooperative empowerment model.

B. Review of Community Development Theory

1. Basic Concepts of Empowerment
Empowering (empowerment) is intended to empower those who are powerless. According to Mardikanto (2010), in the business world, the notion of power is associated with the ability or productivity. Therefore, empowerment is defined as the process of optimizing capability or productivity of individual, organization, or system. Power is also interpreted as a competitive advantage or bargaining (bargaining position). Therefore, empowerment can also be interpreted as reinforcing or increasing competitive advantage or bargaining position.

Long (1996) states that empowerment is the creation of a climate in which all personnel at all levels of the organization will grow to be fully engaged and fully committed in order to lead to the achievement of organizational goals through the improvement of both organizational and personal performance.

Another definition is stated by Sumodiningrat (1997) that the essence of empowerment is human- and humanity-centered. In other words, human beings and humanity are as a normative, structural, and substantial benchmark. The community empowerment can be seen from three sides, namely: Enabling, Empowering, and Protection.

Based on some definitions, it can be said that empowerment can be interpreted as an attempt to provide the opportunity and ability to others, both individuals and groups to be more empowered and have the courage to choose to achieve sustainable success.

2. Cooperative Empowerment
Cooperative empowerment can be done by understanding the nature of its identity, which consists of: definitions, values, and principles of cooperatives by members and administrators (Nirbito, 2001) and by understanding and
implementing these three things in cooperative daily life.

a. Cooperative identity

Basically cooperative advantages are derived from its identity. Cooperative identity is the personality or the special characteristics that distinguishes between cooperative identity and the identity of other economic actors. Cooperatives identity provides power to the cooperative to grow and develop in the future, especially facing changes in the globalization era where the world climate is increasingly competitive (Munkner, 1997).

Many cooperatives are out of the corridor by adopting a capitalist firm management. Global challenges also have an impact on government policy in the development of cooperatives. Government policy which was originally aimed at strengthening the position of cooperatives in the face of global competition tends to reduce the independence of the cooperative because it is not based on cooperative principles. Deviations in implementing cooperative principles in both the cooperative management and government policy can be detrimental to the members and cooperative existence.

As noted by Nirbito (2001), the cooperatives empowerment needs to strengthen the basic concepts, values, and principles of the cooperative members and officials.

1) Basic Concepts of Cooperatives

The cooperative basic concept is the first element of the cooperative identity as one concept that was first explicitly formulated by the ICA in 1995. Formulation of cooperatives concept by the world cooperative movement in the world is needed in order to have the same view of cooperative concept and to face the challenges in the globalization era. The standard concept of cooperative in ICA Congress 1995 is: "Cooperatives are autonomous association of persons united voluntarily to meet the economic, social, and cultural needs and aspirations together through a company which is jointly owned and democratically controlled" (Soedjono, 2001).

2) Cooperative Values

The second element of the cooperative identity established by the ICA 1995 is a co-operative value. Hatta (1987) defines cooperative values as fundamentals and moral bases. ICA (1995) calls the cooperative work based on the values of self-help, self-responsibility, democracy, unity, justice and solidarity (Soedjono, 2001). In addition to the values mentioned above, the ethical values are also formulated.
ICA (1995) theorizes that following the tradition of its founders, cooperative members believe in the ethical values of honesty, openness, social responsibility, and caring for others (Soedjono, 2001).

3) Cooperative Principles

The third element of cooperatives identity established by the ICA 1995 is co-operative principles. Three elements which were established by ICA in 1995 are interrelated that reflects the identity of cooperatives including the definition, values, and principles. There are seven cooperative principles formulated and set by the ICA in 1995. These principles are at the heart of cooperative and not independent of each other. Each of these is interrelated, if one is ignored, the overall principles will be incomplete. Therefore, cooperatives can be judged by how far cooperative correctly obeys these principles as a whole (Soedjono, 2001).

b. Empowerment through Cooperative Identity Actualization-

Cooperatives empowerment can be reached through alignment, which makes the cooperative members understand and have commitment to further grow the cooperative identity. Once there is understanding and commitment to the cooperative identity by the personnel of the cooperative, each individual has the ability to actualize the cooperative identity by using materials, methods, and equipment of the institution. Once there is understanding and commitment to the cooperative identity (alignment), the members of the cooperative are expected to have the capability. Finally, a new empowerment will take place; in the sense that cooperative identity actualization occurs, if there is mutual trust between members of the cooperative including mutual trust among members with each other, among the functionaries and implementers, and between the members and executive functionaries.

3. Functional and Important Role in Empowering Cooperative Members

Cooperative identity can be established if the member has a dominant position as the source of strength to function as the initiator, controller, and user of the cooperative (Nirbito, 2001).

According Nirbito (2001), in founding, managing, operating, and evaluating cooperative, the members occupy a central position. They have dominant and decisive role for the cooperative growth. Cooperative empowerment includes the process how to make the members have central position, dominant function, and role as the main actors in the cooperative daily life.
Groves (1985) describes a similar matrix, which shows the central position of members but using different point of view. Groves’ matrix includes goals, decision making process, and the appointment of administrators, structures, procedures of policy making, and contributions to the owners of capital and the distribution of net income. According to Groves (1985), an important thing concerning with the cooperative life includes six items, overall none that does not involve a member. This means that the key of the first and main cooperative empowerment lies on the hands of its members.

The strategy to carry out the mission is to make members as the spearhead in the cooperative empowerment (Nirbito, 2001). From a review of strategic management facing the 21st century, the cooperative future is determined by how far the cooperative empowerment is able to make members have the central role and not marginalized.

C. Rationale
Rationale is reasoning based on research problems described by a holistic and systematic scheme. In a qualitative research, the variables are not developed or formulated based on researcher’s intuition, but determined based on preliminary research.

D. Research Methods
1. Research Design
This study applied a qualitative approach. Qualitative approach is the most appropriate for this study because the formulation of the problem in this research is the question of how and why (Mardikanto, 2010).

2. Reasons of Choosing the Research Setting
Determination of the research setting is based on the following considerations:
- Grojogan Sewu is one of the natural parks which is visited by many tourists both from domestic and foreign countries.
- Kopari Bina Wisata Tawangmangu has members and administrators who are still active.
c. The majority of the cooperative members consist of a lot of business units.

d. Kopari Bina Wisata Tawangmangu as cooperatives is in tourism area attracting many parties, making it easier to study by analyzing and describing what has been done, the results, and formulating the future model.

3. Data Analysis Techniques

The data were analyzed using the interactive model of analysis. This analysis, according Sugiyono (2008), was performed at the time when data collection took place, and after completion of data collection in a given period. At the time of the interview, the researcher has conducted an analysis of the interviewees’ answers. Interactive analysis consists of four activities, namely: data collection, data reduction, data presentation, and conclusions drawing or verification (Miles & Huberman, 1992).

E-Member-Based Cooperative Empowerment

1. Analysis of External and Internal Conditions (Existing Condition) of Kopari Bina Wisata Tawangmangu

a. External conditions

Kopari Bina Wisata Tawangmangu has been up and down, it brings awareness of all members (including a member board or supervisor) in business activities and as a member of the cooperative. If realized, cooperative is a place for the society to rely on their economic life. According to Ritzer (2010), a cooperative becomes an important instrument of economic actors whose role as an agent in improving the community
welfare and equitable distribution of national economic development. Therefore, empowerment and alignment of the cooperatives as a vehicle for the people's economy, is actually a realistic demands.

Based on external conditions, Kopari Bina Wisata Tawangmangu includes: Grojogan Sewu potential, opportunities, demographic, and socioeconomic conditions. Potential is presented in the appeal, which has a score of 37.4 in A4 concept based on criteria of French (1996), the Ministry of Forestry (1993), that is very interesting (24.33 to 32.5), interesting (16.15 to 24.32), and less interesting (7.97 to 16.14). The object affordability (accessibility) has a score 6, Grojogan Sewu has high category ranging from 4.5 to 6, medium (2.99 to 4.49), low (1.48 to 2.98). Thus, Grojogan Sewu has very high accessibility. Seen from the supporting infrastructure, Grojogan Sewu has score 6.4; very supportive criteria ranging from 4.7 to 6.4, support (2.99 to 4.69), lack of support (1.28 to 2.98). These conditions provide an overview of the opportunities that can have mutual symbiosis with cooperative effort. It means that a cooperative and the external conditions mutually support each other. If the condition of Sewu Grojogan tourism is crowded (lots of visitors), the cooperative effort goes well too. There is a direct relationship between the tourism and business conditions.

b. Internal conditions

Internal conditions to describe the strengths and weaknesses are seen from the condition of the cooperative members, organizations, and businesses (Nirbito, 2001). Members have the power, willingness to work, ability and willingness to be empowered to change. Another internal condition is reflected by the condition of the organization. This condition can be described by the condition of administrative, supervisors, and employees. Good quality of management, supervisors, and employees has the potential for cooperatives empowerment. The more stable the conditions of cooperative organization is, the easier the empowerment efforts can be done.

Another internal condition is the condition of the business carried out by Kopari and the activities done by the members. Kopari’s business success depends on the quality of the board while members’ business depends on the quality of the cooperative members and assisted by the Department of Cooperatives and SMEs. In reality either members or cooperatives business has run, meaning that existing businesses facilitates the empowerment activities.
c. Kopari Bina Wisata Tawangmangu potential based on the external and internal conditions

Internal and external conditions show that Kopari Bina Wisata Tawangmangu has the potential to be developed, plus the long experience of the cooperative board to get used to the dynamics of the organization. The availability of many potential human resources, type of business, and the environment support the cooperatives empowerment. Empowerment efforts undertaken by the Department of Cooperatives and UMKM and some supporters of the existing efforts such as the Sebelas Maret University can be a means of Kopari empowerment.

2. The Results of Studying Kopari Bina Wisata Tawangmangu

Based on the second objective of this study, which studies the empowerment activities of Kopari Bina Wisata Tawangmangu, the scope of cooperatives empowerment provided by the agents of empowerment includes 4 interrelated empowerments, namely: developing members’ capacity (human resource), business capacity building (business coaching), environmental capacity building, and institutional capacity building (organization development). This is consistent with Mardikanto’ theory (2010) that the scope of empowerment consists of four developments, such as: people, businesses, environment, and institutional development.

Organizational capacity development has been carried out on Kopari, especially the caretaker as the manager of the cooperative has conducted coaching organization. Institutional development is focused on improving financial processing skills using a computer, performing RAT on time, and each administrator knows his job description.

Capacity building efforts have been done by the procurement of merchandise for the members’ needs. In addition, the board of Kopari Bina Wisata Tawangmangu has to get some training and assistance from the Department of Cooperatives and UMKM. Capacity building in Kopari is not only done by outsiders (external), but also by the internal board to its members. The accepted business empowerment leads to quality improvement efforts such as increasing the members’ production, sales, and revenues in 2008-2011 as follows: Rp. 13,628,450 - Rp.14.586.100 - Rp.16.192.974 and Rp 24,488,637.

3. Formulation of Model of Members-Based Cooperative Empowerment (Tentative)

Under the third objective of this study, which is formulating model of member-based cooperative empowerment in the future, it indicates that empowering has ever been done partially. This reflects that empowerment is not systemic, so the result is not optimal. It can be
seen from the quality of members, organization, and business which has not changed significantly.

In order to improve the quality, we need identity socialization, cooperatives training and mentoring, facilities and infrastructure required, the interaction among members to achieve the common goal of improving the members’ welfare.

The approach used is not only a top-down, from top to bottom, but also bottom-up (from bottom to top). It means a top-down approach is delivering the government’s public policy to citizens (including cooperatives members). Meanwhile, bottom-up approach is manifested as granting freedom to cooperatives and UMKM to design programs and activities to be implemented and guided by the general policy limits that have been established in order to achieve synergies between policies and activities. Therefore, the cooperatives empowerment using a combination of approaches (mixed approach) is performed with individuals and groups approach (Ritzer, 2010).

Based on Endy’s opinions (1987), which states that empowerment cannot be done with a formal approach because this approach creates a distance between the coachees and the coacher. However, the activity of 7 agents who have done empowerment in Kopari Bina Wisata is a formal activity. It requires combinations of empowerment which are carried out formally and informally. The informal approach is intended to eliminate the distance between the coachees and the coacher.

In Kopari Bina Wisata Tawangmangu, there are many empowerment agents (7 empowerment agents), however, each empowerment agent acts on their own; there is no coordination of the efforts of each empowerment agent so there are many overlapping activities. Less efforts have ever been integrated between the planning, implementation, and evaluation, so that they have not produced powerful cooperative and members. Ideal empowerment should be continuous activities from planning, implementation, and evaluation. Evaluation of previous activity is then used for subsequent empowerment planning. If it is conducted, then the sustainability of empowerment in Kopari Bina Wisata Tawangmangu will be maintained.

Based on the current study, the root of the problem is lack of members’ involvement in the cooperative empowerment, reflecting the need of members- based empowerment. This development model is obtained based on evidence from the field, data analysis, and discussion of the results. Existing cooperative condition is an internal condition that is the condition of members, organizations, and businesses, and the external conditions including the potential of Grojogan Sewu
TWA, opportunities in Grojogan Sewu, and demographic and socioeconomic condition of Tawangmangu are the existing conditions faced by Kopari. Those factors need to be empowered. The empowerment of Kopari Bina Wisata Tawangmangu is in accordance with the theory developed Sumadyo and Mardikanto (2010), which includes the scope of activities as follows: developing member, business, environmental, and organizational capacity building.

According to Nirbito’s theory (2001), that in founding, managing, operating, and evaluating, the members occupy central position. Their function is dominant and they have decisive role for cooperative growth. Cooperative empowerment includes the process how to make the members have central position, dominant function and role as the main actors which can be really realized in the cooperative daily life.

Based on empowerment previously done on Kopari Bina Wisata Tawangmangu, it shows the cooperative powerless because of the lack of involvement of its members. Involvement in the transaction is referred to savings and loans, training, human resource development, as well as activities in the cooperatives organization, so that it is necessary to apply member-based empowerment.

Member-based empowerment model (tentative) for Kopari Tawangmangu can be seen in figure 2 as follows:
Figure 2: Members-Based Cooperative Empowerment Model (Tentative)
F. Conclusion

Based on the results of the data analysis and discussion, it can be concluded as follows:

1. External conditions of Kopari Bina Wisata Tawangmangu can be a potential condition that supports the development of Kopari such as: attractiveness, affordability, and infrastructure aspects which are very potential. Internal conditions include: members, organizational, and business conditions. The strengths of the members are: willingness to work as well as ability and willingness to be empowered and changed. The external and internal conditions are the existing condition that is used as the starting point for cooperative empowerment in Tawangmangu. It indicates that the Kopari Bina Wisata Tawangmangu has opportunities to be developed. The external and internal conditions of TWA Grojogan Sewu support the empowerment. These conditions are potential for development and empowerment.

2. Development activities are carried out by: developing human capacity which includes strengthening/development of knowledge, skills, and attitudes. Environmental capacity building is needed in order to strengthen relationships among members and between Kopari Bina Wisata Tawangmangu and its environment. Organizational capacity development is carried out by arranging/strengthening the cooperative organizational structure in accordance with the duties and functions and administrative management. The results of empowerment achieved by Kopari Bina Wisata Tawangmangu demonstrate the cooperative powerless because of the lack of members’ involvement. The members’ involvement includes the savings and loan transaction, RAT or the activities in cooperative organization, so that it is necessary to conduct members-based empowerment.

3. The weakness of the existing empowerment model is the lack of members’ involvement in the four capacities development. Thus, the future empowerment requires a higher members’ involvement. This model is called member-based empowerment because the success of cooperative empowerment depends on the members’ role as the central position, namely: as the initiator, the owner, capital suppliers, and customers. This model is called members-based cooperative empowerment because the success of empowering cooperative is based on members’ power.

A. Research implications

1. Theoretical implications

A suitable empowerment model is the member-based empowerment model. Members-based cooperative empowerment is based on the empowerment of members, as
long as the members are not powerless. Member-based empowerment is based on the central role of the members in the cooperative. Post-implementation of the member-based empowerment model needs to be followed up with various studies that test/examine the effectiveness and efficiency, so a more precise future model can be designed.

2. Practical implications

This model is still tentative (temporary). The application of this member-based empowerment model requires try out of implementation in the field. The goal is to make each activity and result of empowerment can be immediately used in decision-making, for evaluation process, and revision or replication of the model. However, the member-based cooperative empowerment model is quite reliable in empowering cooperatives.

B. Suggestion

1. For Local Government of Karanganyar

Cooperative existence is still needed by the community. It is suggested to Karanganyar government to create a more conducive climate, for example giving Rp.6.000.000 stimulant funding for 1000 the cooperative. The policies that support cooperative are providing marketing facilities and facilitating cooperative members in registering its product (P-IRT) for free. Those policies should be legal, consistent, and consequent rules which are easy to run.

2. For Kopari Bina Wisata Tawangmangu

Intervention is necessary to determine the success of the cooperative by increasing members’ active participation in cooperative organization with financial and non-financial gift to the active members. An increasing number of the members directly increase the cooperative capital since one of the cooperative capital is members’ deposit, so the greater the number of members, the stronger the cooperative capital is. To achieve maximum results of cooperative empowerment, the cooperative empowerment model in the future needs to focus on the members’ empowerment.

3. For the other researchers

This development model is still categorized as tentative model. It means that to reach the implementation stage, it still needs more improvement. Based on the facts, other researchers should conduct more comprehensive research by taking cooperative empowerment models that have been tried out so from those models, one model which is implementable can be obtained.
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