

Conference Paper

Developing Best Practice in the Education of Cooperative Members

Sutrisno, Adelia Shabrina Prameka, Shanti Ike Wardani, and Fitri Wahyuni

Fakultas Ekonomi Universitas Negeri Malang

Abstract

The statement that a co-ops' member is the most important asset [22] assumes that members of the cooperative have a central position in a cooperative. The central member position is due to the cooperative being an organization of, by, and for members. Furthermore, the presence of a central position is due to members having a function as owners and users of cooperative service.

Member education, as one of the cooperative principles, is necessary because the members' knowledge of the cooperative will support the role or central position of the members. Efforts to implement member education, among others, are implemented by means of best practice development.

Best practice (dictionary.com) is a procedure or set of procedures that is preferred or considered as a standard within an organization, industry, etc. Best practice development is based on organizational management experience. This research was conducted on Multipurpose Cooperative Makmur Sejati Malang. Analysis of information from key informants is done by triangulation analysis. The findings of the research indicate that the analysis of best practices is in line with the stages of development of cooperative organizations as part of member education. Best practice, in establishing Rukun Ibu for example, gives awareness to members to avoid lending activities. In addition, best practice at development stage is emphasized on member education. The fact that the fulfillment of obligations is executed by the 12th, as well as the loan service starting on the 13th of each month, instills an understanding of the need to balance the fulfillment of obligations and the utilization of rights as members of the cooperative.

Keywords: member education, best practice

1. INTRODUCTION

The formulation of co-operative identity, values & principles which have been formulated by International Co-operative Alliance (ICA), which next we know with *Jatidiri*

Corresponding Author:

Sutrisno

sutrisno.fe@um.ac.id

Received: 23 January 2018

Accepted: 5 April 2018

Published: 23 April 2018

Publishing services provided by
Knowledge E

© Sutrisno et al. This article is distributed under the terms of the [Creative Commons Attribution License](#), which permits unrestricted use and redistribution provided that the original author and source are credited.

Selection and Peer-review under the responsibility of the 1st IRCEB Conference Committee.

 OPEN ACCESS

Koperasi, contains 3 aspects namely aspect of understanding, value, and principle. The Law of the Republic of Indonesia No. 25 of 1992 basically has placed these three aspects as the framework of cooperatives in Indonesia. From the aspect of understanding, the aspects emphasized in the cooperative are to benefit members or provide benefits to them [21]. Benefits expected by members include providing employment, providing the necessary goods or services of members, and providing the best price for goods or services to meet the needs of members. In this regard, cooperatives are built to create similarities or at least reduce the gap between capable members and underprivileged members.

Development of cooperative values should be directed to maintain growth and improve the quality of its members (www.monitor.com). Maintaining the growth and quality of members can be done by developing a cooperative business model that can provide sustainable economic growth and employment. To realize value development of cooperatives that support the development of cooperatives, things that need to be done include 1) cooperatives are allowed to operate in all areas of economic activity and development of its business model; 2) a policy development that confirms the existence of special characteristics of the cooperative; 3) the development of a centered and value-based cooperative and the wealth it produces for the benefit of members and society.

The priority program of Human Resources Cooperative Deputy from the Ministry of Cooperatives and SMEs in 2015-2019 shows that the study of the application of Cooperative Identity is still needed. Background of the study was conducted because 1) Some Savings and Loans Cooperative mostly serve non-members or "prospective members" with a number far greater than its own members; 2) It is found some cooperatives that determine high deposits so that not everyone can become a member; 3) Some cooperatives are established to obtain facilities from the government.

Implementation of identity is expected to support the achievement of cooperative objectives, and improve the welfare of members in particular and society in general. In Indonesia, there are a number of conditions that have not met the expectations of cooperatives. Research conducted in Multipurpose Cooperative Makmur Sejati Malang emphasized the best practice assessment. Best practice is the most efficient and effective way to complete the activity.

Best practice analysis for cooperative development needs to be based on a program/activity which contains an aspect of creativity executed by management in cooperative management. The specific nature of the cooperative from the aspect of membership as well as the field of business is an additional consideration in the analysis and development of best practice.

2. Research Focus

Analysis of best practice in the stages of cooperative development is for the benefit of member education, so the focus of research is:

1. Analysis of best practices in the provision of understanding to address the needs of cash funds
2. Analysis of best practices with the establishment of pre-cooperative containers with savings and loan services.
3. Analysis of best practices in the formation of cooperatives with the teaching on the need to balance the fulfillment of obligations and the utilization of rights by members.
4. Best practices analysis in the acquisition of legal entities related to the development of cooperative services that require member participation.

3. THEORETICAL REVIEW

3.1. Member Education

Four things that need to be done by cooperatives in order to help increasing member participation is through listening, educating, being in the community and taking a fresh look [10]. These four things need to be done by the cooperative because the increased participation of members will directly affect the development of cooperatives. The development of cooperatives will enhance the cooperative in providing services to its members. Improved services will make the cooperative lead to the achievement of its goals.

The first thing to note is that cooperatives need to pay attention to what their members want and need. Many things can be done by the cooperative, for example, conduct a discussion or make visits to members. The second is to provide information

on cooperative conditions, policies adopted, and procedures developed by cooperatives where they are part of member education. The third thing is to create communication with members to foster participation. Member education is one form of communication that can be done. The fourth thing is communication to explore the benefits of becoming a cooperative member. For example, member meetings (annual) that can be used to dig information about member satisfaction of cooperative services.

Membership of a cooperative is an open and voluntary membership. When a person considers entering a member, he or she needs to consider whether the cooperative is suitable for him. Naegely, Stella (2001) states that there are 5 elements that need to be considered when one enters a member of the cooperative, namely risk sharing, market-minded leadership, membership conditions, added responsibilities and committees, and loss of independence.

Taking risk together is one element of the cooperative, where the cooperative is indeed the property of all members. Each member can establish himself as the owner and user of cooperative services. Each member has the same rights in relation to the owner, such as the right to vote in a meeting of members which determines the decision to be taken. The obligation to utilize cooperative services will affect the development of cooperatives. Accordingly, a person entering a cooperative member should consider that there is a variation in member quality. Variations in quality of members ultimately also affect the utilization of rights and fulfillment of obligations.

In an open element in a cooperative membership, the cooperative notices whether the person meets the requirements set forth in the cooperative's articles of association. The person also needs to consider whether the services performed by the cooperative are in line with their economic interests. That is, by entering into a member, some of its economic interests will be fulfilled. The similarity of economic interests in the scope of the cooperative effort relates to the commitment to cooperative services. Utilization of services by members is part of the commitment in developing cooperatives. On the other hand, members have the right to control the operation of the cooperative. This right can be done by members either in meetings or outside meetings.

3.2. Best Practice

The statement that a co-ops' member is the most important asset [22] assumes that members of the cooperative have a central position in the cooperative. The central member position is due to the cooperative being an organization of, by, and for members. Furthermore, the presence of a central position is due to members having a

function as owners and users of cooperative service. Member education, as one of the cooperative principles, is necessary because the members' knowledge of the cooperative will support the role or central position of the members. Efforts to implement member education, among others, are implemented by means of best practice development.

Best practices (dictionary.com) a procedure or set of procedures that is preferred or considered standard within an organization, industry, etc. Best practice is a procedure which is considered standard by the organization. The placement of a procedure as a best practice should be based on organizational management experience. Best practice formulation will support organizational development.

Best practice analysis in the development of member education needs to be done because of the central member position. Understanding members about the meaning of saving and loan services should begin with borrowing activities undertaken by members, where they then have the opportunity or right to borrow. The obligation to save is followed by the right to borrow, which is the best practice applied by the cooperative.

Membership Is Ownership as best word and best practice [13]. The best word indicates that the cooperative is a specific organization. The specific organization means the member has 2 roles, ie the role as owner and user of the cooperative service. Furthermore, cooperatives need to translate the best word into a number of best practices. For example, when placing members as cooperative owners, an understanding of some things is necessary, among others, about the meaning of ownership, the advantages of being a member of a cooperative, the selection of members' savings that are different from stock ownership, the acquisition of Operating Income earned as members participate with cooperative services, the dual benefits of transacting with the cooperative, the obligations of members in the fulfillment of deposits that change due to the interests / needs of the cooperative, as well as the obligation to follow the decision of member meetings.

Koncourek, Paul F et al (2002) confirmed that in a world where the competition is ever increasing, an effective best practice program can prove to be a powerful tool for driving world-class performance. Related to that, there are 6 things that need to be done by the organization, namely prioritize, locate and analyze, appoint influential field leaders, seed and manage the debate, create and communicate incentives for a change back to the program, and look for quick wins.

To establish best practices in the framework of cooperative development, participation and assumptions about the variation of members' interests need to be explored to

know the potential of the organization. Communication forums need to be established because members are the owners involved in policy formulation undertaken by the board. Through the evaluation conducted, it is expected to obtain a number of best practices that support the development of cooperatives.

Data show that the world's 300 largest cooperatives have a combined turnover of USD 2.2 trillion. According to a recent study, 250 million people work or earn income thanks to cooperatives (www.monitor.com). In this regard, cooperative enterprises are important organizations to achieve sustainable growth goals and job creation. Cooperatives provide value and wealth generated equally to the members so that the next cooperative can be utilized by the public.

The potential for cooperative development should be supported by the participation of members. Member participation is an important part of developing cooperatives. Participation of members is an integral part of the success of the cooperative. Participation is a democratic form of cooperative. Member participation is the basic value of cooperation [6]. Participation is an important part in the development of cooperatives because one indicator of the success of the cooperative is the provision of benefits to its members.

Participation is a basic value of cooperation that focuses on the services enjoyed by cooperative members. When a member obtains a service, fulfillment of a liability for the service will provide an opportunity for other members to obtain services. In this connection, the balance between the utilization of rights needs to be followed by the fulfillment of obligations. The value of togetherness is in the balance of the utilization of rights and fulfillment of obligations.

Savings and loan models of cooperatives that are judged in accordance with business conditions and the life of MSMEs are those that follow the principles of: (1) Not using collateral, or collateral can be replaced with social security (social capital); (2) Loan procedure is made as simple as possible; (3) The use of credit is not limited to one or several types of business activities only; (4) The time of credit application process until the loan disbursement must be shortened; (5) The amount given is small enough but according to the need; (6) The interest rate is calculated based on the type of business and place; (7) For credit schemes aimed at supporting a program activity needs to be paid attention to the need for funds for consumption before harvest (cost of living) (Teuku Syarif: 2013: 108).

4. RESEARCH FRAMEWORK

The declaration that cooperatives give people a voice is interpreted as a means of cooperatives that are democratic organizations controlled by their members, who actively participate in their setting policies and making decisions. Men and women serving as elected representatives are accountable to the membership. In primary cooperatives, members have equal voting rights (one member, one vote). Cooperatives at other levels are also organized in a democratic manner (www.monitor.com). Developing cooperative develops essentially builds members' understanding of the role they have in cooperatives.

Development of cooperatives cannot be separated from the role of the originator of ideas. The originator of ideas is the originator of the idea of something as the subject or foundation for further thinking. The idea of establishing a cooperative is a form of responsibility for developing a cooperative. The originator of the idea to approach the dialogue to community members to offer alternative economic activities that can be done by the community.

Selection of alternative cooperative organizations consider the values of togetherness in the cooperative. Embedding the values of togetherness is a challenge for the originator of ideas. The main challenge of the community that is invited to establish a cooperative is the knowledge of cooperatives that are still limited (Rentra Kemenkop & UMKM 2015-2019).

The pre-cooperative formation is an early stage in understanding the value of togetherness. Savings and loans mean that the pioneering activities must begin with the storing activities. Savings activities carried out regularly within a certain time to make the organization formed has some capital. Of the capital owned, the organization is able to provide loans. The member holding the next has the right to borrow, so the balance in paying the installment is necessary. Funds from installment payments can be lent to other members, and this is part of shared values in the cooperative.

The originator of the idea is assisted by the pioneer group, so the formation of pre-cooperative with a value of togetherness requires further thought. Best practice for cooperatives is a brilliant idea. This study explores the best practices that support cooperative development. The development of cooperatives with best practice support cannot be separated from the stages of cooperative development.

Management who have the task of managing the organization and cooperative business play a role in digging the best practice in cooperative development. An understanding of the identity of the cooperative (an aspect of understanding, values, and principles) will gradually be expressed in the cooperative with the support of members.

Savings and loan businesses are expected to benefit members (Frank, Nwankwo, et al., 2013). Cooperatives encourage members to voluntarily save as part of the obligation. Cooperatives grow the savings habits of their members. The administrative practice is relatively unsophisticated so the cost is very small. Most interest income from loans can be distributed to members or reinvested to cooperatives through the capitalization program. These aspects enable cooperatives to flourish in low-income communities.

The idea of establishing a Multipurpose Cooperative Makmur Sejati Malang comes from a savings and loan business. Savings and loan business was developed in an effort to avoid members of loan sharks. Teaching the meaning of saving and borrowing is part of best practices undertaken by cooperatives. Stages of cooperative development cannot be separated from the efforts undertaken by the Board in digging the best practice. The chart below can provide an overview of best practice analysis in the cooperation development stage. The research framework can be illustrated in Figure 1:

5. METODE

Acquisition of information about Multipurpose Cooperative Makmur Sejati Malang started from the establishment of Rukun Ibu to the acquisition of legal entity of Multipurpose Cooperative Makmur Sejati Malang. The research was conducted in qualitative paradigm. The qualitative paradigm examines subjective problems in which the researcher is closely related to what is being studied. The study is loaded with values and uses developing language and inductive reasoning logic (Manzilati, 2017: 26).

Communication with key informants allows the analysis of subjective information. Experiential experience in conducting research on cooperatives closer researchers with the object to be studied. Research on best practices is the exploration of practical values in cooperative development. The use of informal language in extracting information takes into account the educational, economic, and social background of key informants.

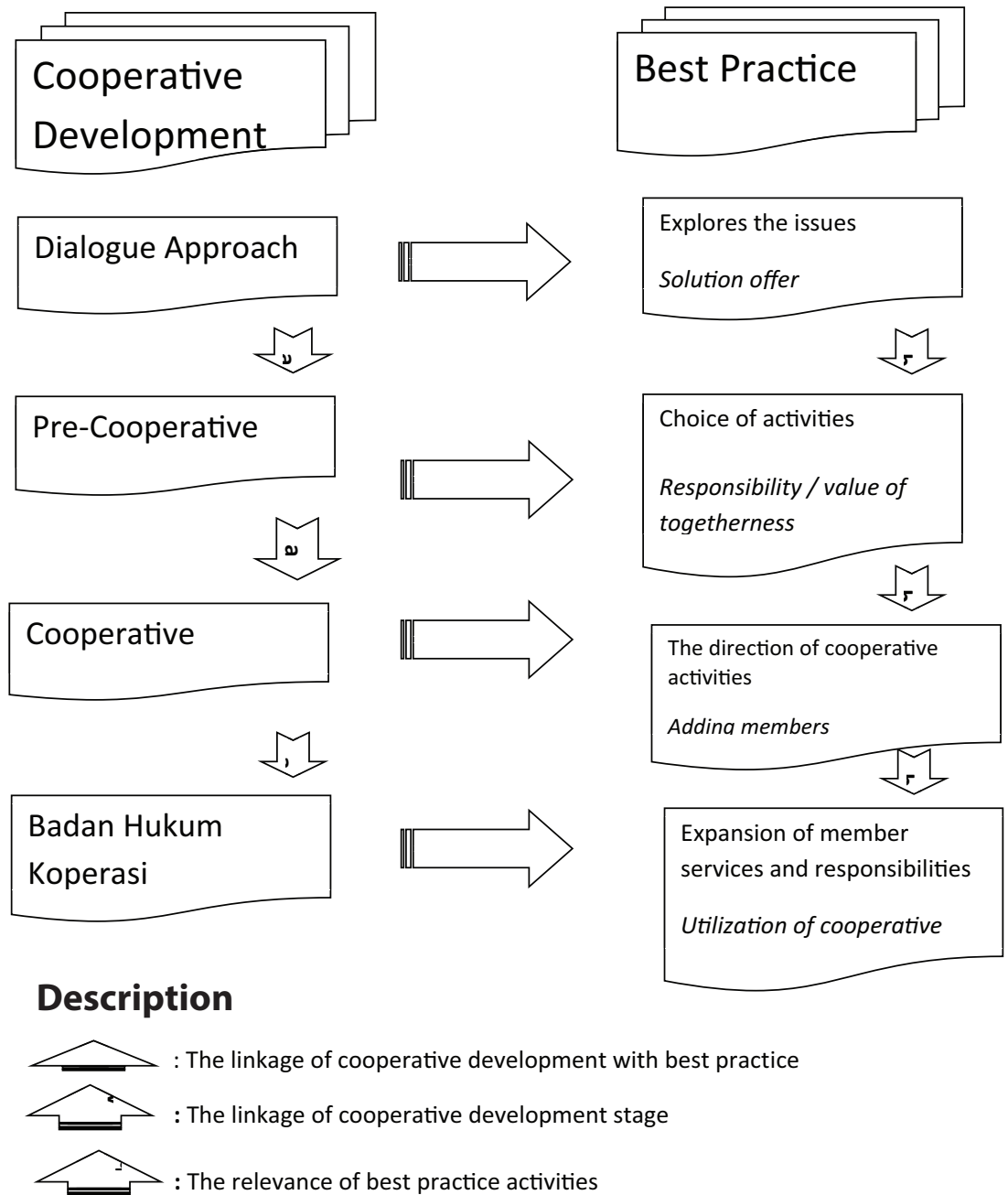


Figure 1: Linkage of cooperative development with best practice analysis.

The study was conducted by case study approach. Yin (2003) in Baxter, Pamela and Jack, Susan (2008), confirmed that case study research designs should take into account (a) the focus of the study is to answer "how" and "why" questions; (b) you can not manipulate the behavior of those involved in the study; (c) you want to cover contextual conditions because you believe they are relevant to the phenomenon under study; or (d) the boundaries are not clear between the phenomenon and context.

Researchers will explore information related to the question of how and why. For example, the growth of the idea of the establishment of the Rukun Ibu is due to the lending activities that cause social problems in the community. In addition, the emergence of the idea of developing mandatory saving and compulsory services when obtaining loan services. This program exists to improve services provided by cooperatives so that cooperatives can provide continued benefits for both cooperatives and members. Cooperatives can develop store services, and members can have savings that can be exploited for urgent interests.

Explanatory type case studies were used in this study. Yin (2003) in Baxter, Pamela, and Jack, Susan (2008) confirmed the type of explanatory: are too complex for the survey or experimental strategies. In evaluation language, the explanations would link program implementation with program effects.

Multipurpose Cooperative Makmur Sejati Malang started with the formation of Rukun Ibu, then founded the Savings and Loan Cooperative Makmur Sejati, and then get the legal entity as Multipurpose Cooperative Makmur Sejati. Stages of the establishment of the Rukun Ibu are expected to overcome the negative effects of moneylenders. The establishment of Savings and Loan Cooperative Makmur with pedicab and food chart credit services can solve the problem of some members in obtaining work equipment. Obtaining loan services accompanied by mandatory savings and compulsory spending programs will support the development of cooperatives and improve the welfare of members.

Determination of key informants in Multipurpose Cooperative Makmur Sejati Malang is based on the application of best practices at every stage. Key informants, as a result of their personal skills, or position within a society, are able to provide more information and a deeper insight into what is going on around them (Marshall, 1996: 92). Furthermore, Tremblay describes the characteristics of an "ideal" key informant, which has a role in community, knowledge, willingness, communication, impartiality (in Marshall, 1996: 921). Determination of key informants also considers efforts to establish relationships between researchers with several people, so that information can be captured efficiently (Manzilati, 2017: 68). Key informants in this study were the originators of the idea, the administrators of the Rukun Ibu, the management of SAVINGS AND LOAN COOPERATIVE Makmur, the board of Multipurpose Cooperative Makmur Sejati, the members who obtained the pedicab and food chart credit services, the members who obtained the loan service with obligatory obligatory and compulsory liabilities, and employees of Multipurpose Cooperative Makmur Sejati.

The initiator of Rukun Ibu's ideas and board members who are still active members are expected to be able to provide information on the stages of cooperative development. Best practices in the stages of cooperative development are also expected from members who utilize cooperative services. Multipurpose Cooperative Makmur Sejati employees are expected to provide information related to the participation of members in utilizing cooperative services.

Triangulation techniques are used in the analysis of data information sourced from interviews with key informants, observation of cooperative service activities and documentation of service activities. Triangulation is a technique for data verification used to check whether the data already owned is correct and can describe the reality (Manzilati, 2017: 97, Yeasmin, Sabina: Rahman, Khan Ferdousour: 2012: 154).

Triangulation techniques are used in the analysis of data information sourced from interviews with key informants, observation of cooperative service activities and documentation of service activities. Triangulasi is a technique for data verification used to check whether the data already owned is correct and can describe the reality (Manzilati, 2017: 97, Yeasmin, Sabina: Rahman, Khan Ferdousour: 2012: 154). This triangulation technique among others (Yeasmin, Sabina: Rahman, Khan Ferdousour: 2012: 159) is the first, it allows researchers to be more confident in their results. Two sources complement and verify one another, which reduces the impact of bias, and a third party. Using several methods together also helps to rule out rival explanations.

Through triangulation, it is hoped that information on best practices will be done in the stages of cooperative development, best practice implementation related to member education activities/programs, as well as best practice for member education at the establishment stage of Rukun Ibu, establishment of SAVINGS AND LOAN COOPERATIVE Makmur and acquisition of the legal entity of Multipurpose Cooperative Makmur Sejati.

6. RESULTS AND DISCUSSION

6.1. Establishment of Pre-Cooperatives

The need for cash for certain activities (child marriage, and child circumcision) is one of the factors of the development of high-interest loaners with guaranteed non-moving goods. Due to poor planning, many of the collateral items are released to the loan sharks. The role of formal or informal leaders can offer an alternative to the establishment of Rukun Ibu. The activities of Rukun Ibu with savings and loan business are

expected to reduce dependence on loan sharks. The idea of establishing Rukun Ibu with savings and loan business is a best practice because:

- a. It is an effort to reduce dependence on moneylenders and provide a more affordable alternative loan model through the fulfillment of obligations.
- b. It is educating people to be more rational in their consumption.

Best practice development by presenting cooperative activities in the form of pre-cooperative is in line with the Strategic Plan of the Ministry of Cooperatives and SMEs 2015-2019. This plan confirms that the development of cooperatives still faces challenges, both in the areas of the organization, business, and human resources. The pre-establishment of cooperatives is as early as the development harmonizes with the results of research on success in the first five years [4]. The elements supporting the success of business actors include the influence of the owner of the company, the source of initial funding of the company, customers, and the development of the company.

Selection of savings and loan services gives ease to members in obtaining services, such as easy and easy bureaucratic bureaucracy, immediate insecurity due to small loan amounts, and utilization of productive activities. The lending service is also expected to reduce dependence on moneylenders or money lenders [17].

6.2. Approach to Members by Conducting Dialogue

The approach with dialogue in two stages is best practice. Formal leaders who put themselves as the originator of ideas to develop best practice in two stages. The first stage is to conduct an informal visit by introducing themselves as fellow citizens, to the dialogue about the existence of loan sharks. Through dialogue, it is hoped that early insights on how to avoid loan sharks can be obtained. The second stage is expected to provide a related understanding:

- a. Community members (prospective members) to think rationally about the difference between savings and loans and loan sharks.
- b. Involvement in the Rukun Ibu which has consequences in the fulfillment of obligations and the utilization of rights.

The dialogue approach enables SMEs to grow [14]. First, it can foster creativity that generates innovation to create added value, secondly, it can grow the ability to see business opportunities by understanding the ins and outs of the business to

be implemented. Through activities that instill an understanding of the balance of fulfillment of obligations and the utilization of rights, best practices formulated include:

- a. "The principle of savings and loan business, save first borrow new". Deposits made by members are the initial capital which is then lent to the members. It takes a certain grace period for members to borrow, ie after members keep order in six months.
- b. "The acquisition of the right to borrow is due to the opportunity given by the other member" The fulfillment of obligations (installment) takes place after obtaining the loan right because the installment is utilized by other members (borrowed by other members).

6.3. Establishment of Cooperatives

The establishment of a Savings and Loan Cooperative Makmur is basically due to best practice on the benefits of Rukun Ibu's business services. Best practice in utilizing services is visible from:

- a. A productive business that can be done by members (pedicab credit, food chart credit),
- b. Order in installing the means of production (pedicab and food chart) which further belongs to the members.

The establishment of cooperative containers in harmony with research results Aisyah Aminyn (2016) that one of the factors supporting the development of SMEs is the institutional container selected, namely cooperatives. The cooperative grants the same rights and obligations to each of its members and creates an atmosphere that develops the potential of its members.

6.4. Increase Member's Responsibility

Two forms of services that provide direct benefits to members are pedicab and food chart credit. The credit provided by the cooperative is in the form of a pedicab, and members perform daily installments. This installment is lower than pedicab rental. It is expected that within 10 months to 12 months the installment has been paid off, and pedicab can be owned by members. Food chart loans, with the same model as pedicab credits, are directed to adolescents and to reduce unemployment. Other earning credits

(eg for open shops/stalls) are done in monthly installments. Best practice to increase members' responsibility in fulfilling the visible obligations of:

- a. Resolve of the 12th as the deadline for installment payment and the 13th as the beginning of the loan. This Best Practice relates the obligation of members to make installments with the rights of other members who utilize the rights of the loan.
- b. Assignment for one of the managers to collect if the member has not fulfilled the obligation until the 12th. Billing is the learning stage to the member, that is through the billing stage, the approach stage, and the habituation stage. Members who have not fulfilled their obligations are welcome to come to the cooperative office. The arrival of members to the cooperative office is expected to improve understanding of their position as members of the cooperative. This Best Practices will shape the views of members that the services He receives from cooperatives are also required by other members.

Best practice in providing learning to members aligned with research by Jonni Sitorus (2016) which sums up the need for non-formal education in developing small businesses. The non-formal education design is expected to change the views of Ulos Batak maker. They put their efforts into the main business because of the potential that can be explored and developed.

6.5. Strengthening Institutions and Services

The growing public interest to become a member encourages the filing of a Cooperative legal entity. In the end, a legal entity under the name of the Multipurpose Cooperative Makmur Sejati Malang can be obtained. Opening a service unit in a potential cooperative working area is best practice. Best practice is described as follows:

- a. Opening a service area that can directly add new members. Keeping economic interests in mind, such potential members can efficiently obtain services performed by the cooperative.
- b. The existence of new members whose number is limited, that is maximum 100 members/year. Registration is held on a certain month, February. This is basically also the best practice. The admissions process is through interviews to find out their background before entering into a cooperative member.

Tambunan (2013: 14) said that the stabilization of cooperative institutions fosters the trust of members towards cooperatives. The trust of these members will increase to the Board, which obtains the member's mandate to manage the organization and business of the cooperative. Another aspect that will be built is the enhancement of cooperative service capability caused by increased understanding of members in fulfillment of their obligations and the utilization of their rights.

In addition, the development of services to members with mandatory save and compulsory shopping is the best practice in the form of:

- a. Compulsory saving program. This program will increase the member's chance to borrow. This opportunity is obtained by predicting the value of the mandatory save made by the member.
- b. Compulsory shopping program. This program will open new services for cooperatives, one of which is a store that provides basic needs of members.

The roles that cooperatives can build with services provided to members are essentially rediscovered. Sutrisno (2014: 75) asserted that the role of cooperatives as a provider of funds for financing their economies directly or indirectly will encourage economic growth. This occurs when the capacity of the economy increases as production increases. Meanwhile, the increase in economic capacity occurs because there is a small new investment spread in the economy so that the optimization of resource utilization will be better.

7. CONCLUSION

7.1. Establishment of Pre-Cooperatives

Offering savings and loan activities that distinguish the loan services made by moneylenders has provided a better alternative for the community. The presence of the Rukun Ibu group that offers savings and loan activities in productive activities has provided great benefits. Pairing savings and loan offerings with existing lending activities in the community are part of best practice that provides a rational comparison to its members.

Understanding of balance in the fulfillment and utilization of rights needs to be undertaken to increase understanding to members about cooperatives. Savings and loan businesses need to prioritize the aspect of liability, ie paying savings, where further members will have the right to obtain a loan.

7.2. Establishment of Cooperatives and Acquisition of Cooperatives

Providing productive credit (pedicab credit and food chart credit) is a best practice because the cooperative can directly answer the economic interests of its members. Credit services in the form of goods (pedicab and food chart) credit provided by the cooperative has fulfilled the target. This activity is part of member education.

The acquisition of cooperative legal entities as well as the expansion of services serves to provide answers to the interests of members of the presence of cooperatives. The responsibility of members in developing cooperatives is seen from the best practices of mandatory save and compulsory spending programs when members obtain loan services. The development of service units by excavating relatively homogeneous potential members, which continues on areas with relatively heterogeneous members (urban areas) is also part of best practice.

7.3. Improve Service and Build Members' Pride on Cooperatives

Best practices of compulsory lending and compulsory spending programs will improve loan services and business unit development, in addition to saving and loan business. Best practice savings with lucky draws provide additional cheap capital for cooperatives. The savings program also enhances lending services.

Program of cooperative activity which indirectly is best practices is improving member's pride in cooperatives. Health services, family recreation activities, and role modeling are programs that lead to increased member participation. Increased participation will positively affect the development of cooperatives.

8. RECOMMENDATION

8.1. Answering the Economic Interests of The Community

Approach to dialogue (*ameng-ameng, omong-omong, dan iming-iming*) which is an invitation from the originator of the idea to make the material can be more easily understood by community members who invited dialogue. Dialogue can explore problems faced by community members who have limitations in overcoming problems. Through the offer of activities/programs by the initiator of ideas and positive response from the results of the dialogue, the originator of the idea will get a partner of the Pioneer

group. Dialogue approach by Idea initiator with Pioneer group support will form a program offered to other community members. The formation of "pre-cooperatives" can solidify members' knowledge of the benefits derived by assembling pre-cooperatives. Benefits can be done through an evaluation of the benefits of programs performed by pre-operation.

8.2. Keeping the Benefits of Operating

Two best practices are the ability to position themselves as members of the cooperative, as well as the meaning of savings and loan business. In positioning themselves as members, they need to promote a balance between the fulfillment of obligations and the utilization of rights. Fulfillment of obligations, among others by paying deposits in an orderly manner, which will support cooperative services. Through the ability of cooperative services, members have the opportunity to obtain the right from the cooperative.

The meaning of savings and loans is basically in harmony with the balance of fulfillment of obligations and the utilization of rights. In a savings and loan business, members need to understand that fulfillment of the obligation to store becomes the first thing to do. The provisions of the cooperative that members can borrow after fulfilling obligations in an orderly manner over a period of time have 2 goals. First, to know about member loyalty by evaluating order fulfillment obligations. Second, to provide an opportunity for the cooperative to foster capital, which will then be lent to the member. Maintaining and implementing these 2 best practices will directly safeguard the cooperative's benefits for members. Acquiring benefits for members will support increasing members' participation.

8.3. Building Member Participation

To improve the economic benefits for members, best practices that need to be done by cooperatives is to realize a program that strengthens the position of members as owners and users of cooperative services. This program can be directed to improve the kinship among members. This is because in putting the cooperative as a member-owned organization, member togetherness also needs to be improved. Annual recreation program, cooperative anniversary with involving members, and awards for exemplary members are some examples of member placement as the owner of the cooperative.

Members' pride towards cooperatives is a necessary thing to build, as this will lead to increased participation.

References

- [1] Aminy, Aisyah (2016), *Evaluasi Model Pemberdayaan Koperasi Intako pada UMKM di Sentra Industri Tas dan Koper Tanggulangin Sidoarjo Sebagai Upaya Pencegahan Kemskinan*, Jurnal Pengkajian UMKM Vol 10 No1(2016), 1-16 <http://csmes.smecca.com/index.php/jurnalkukm/article/view/51/44>
- [2] Baxter, Pamela : Jack Susan (2008), *Qualitative Case Study Methodology: Study Design and Implementation for Novice Researchers*, The Qualitative Report Volume 13 Number 4 Article 2 12-1-2008,, 544-559. Retrieved from <http://nsuworks.nova.edu/tqr/vol13/iss4/2>
- [3] Cooperatives create sustainable growth and quality employment, Word Co-operative monitor /WWW.MONITOR.COOP,
- [4] Halim, Rizal Edy, Azia Asrul, Firmansyah (2014), *Faktor Kunci Sukses Perusahaan Kecil dan Menengah dalam Menghindari Kegagalan pada periode Lima Tahun Pertama*, Jurnal Pengkajian KUKM VOLUME 9, No 1 (2014) 71-84 <http://www.jurnal.smecca.com/index.php/pengkajiankukm/article/view/76/70>,
- [5] Kocourek, Paul; Mancini Walter J; Calderone, Matthew (2002), The Art of Best Practice Transfer, CHICAGO BOOTH, Executive Education October 10, 2002 / Fourth Quarter 2002 / Issue 29 (originally published by Booz & Company)
- [6] *Kornginnaya, Sudha(2014), Inclusive Participation of Members in Primary Cooperatives*, 9th ICA Asia Pacific Regional Research Conference on ICA Blueprint for a Co-operative Decade, BICC, Bali, Indonesia, 16th September 2014
- [7] Manzilati, Asfi (2017), *Metodologi Penelitian Kualitatif : Paradigma, Metode, dan Aplikasi*, Universitas Brawijaya Press (UB Press)
- [8] Markus Mandle,(2013), *The Economics of Housing Cooperatives Externalities* International Journal of Co-operative Management Volume 6 Number 2 September 2013
- [9] Marshall, MN (1996), *The key informant technique*, Family Practice© Oxford University Press 1996 Vol. 13, No. 1 Printed in Great Britain (page 92-97) <https://www.ncbi.nlm.nih.gov/pubmed/8671109>,
- [10] Merlo, Catherine (2005) *Flying the Coop (Why members leave a co-op and ways to help prevent it)* Rural Cooperatives: Jan/Feb 2005: 72,1: ABI/INFORM Trade & Industry

- [11] Naegely, Stella,(2001) *To Members' Needs* WesternFruit-Grower.Mar2001:121.3,ABI/INFORM Trade & industry
- [12] Peraturan Menteri Koperasi dan Usaha Kecil dan Menengah Republik Indonesia Nomor 07/Per/M.KUKM/VII/2015 Tentang Rencana Strategis Kementerian Koperasi dan Usaha Kecil dan Menengah tahun 2015-2019
- [13] Scholl, Marilyn (2008) *Membership Is Ownership: The Cooperative Advantage*, Cooperative Groser Network136 may - june - 2008
- [14] Sitompul Anwar (2013), *Mengentaskan Kemiskinan Melalui Wirausaha UMKM*, Jurnal UMKM, Volume 8 Oktober 2013, 144-163
- [15] Sitorus,Jonni (2016), *Peningkatan SDM Pengrajin Ulos Batak Melalui Model Pendidikan Non-Formal Berbasis Kewirausahaan*, Jurnal Pengkajian KUKM, Vol 10 No 1 (2016), 47-58 <http://csmes.smecca.com/index.php/jurnalkukm/article/view/55/47>,
- [16] Sutrisno, Joko (2014) *Menemukan Kembali Dinamika Pengembangan Koperasi Sektor Keuangan (Finding back Dynamic Development of Financial Sector (Cooperative))*INFOKOP VOLUME 24 NO. 1 - Oktober 2014 : 65-77, <http://www.smecca.com/jurnal/index.php/infokop/issue/download/17/28>
- [17] Syarif, Teuku (2012),*Pengembangan Peran Koperasi Sektor Keuangan*, INFOKOP VOLUME 20 - Juni 2012 : 107-136, <http://jurnal.smecca.com/index.php/infokop/article/view/151/150>
- [18] Tambunan, Tulus (2013), *Identifikasi Rintangan Utama bagi Koperasi Indonesia Menuju Koperasi Global* INFOKOP VOLUME 23 NO. 1 - Oktober 2013 : 9-23 <http://www.jurnal.smecca.com/index.php/infokop/article/view/128/128>
- [19] Undang undang Republik Indoneia No. 25 Tahun 1992 Tentang Perkoperasian
- [20] Yeasmin,Sabina; Rahman,Khan Ferdousour (2012). *Triangulation' Research Method as the Tool of Social Science Research*, BUP JOURNAL, Volume 1, Issue 1, September 2012, ISSN: 2219-4851 <http://www.bup.edu.bd/journal/154-163.pdf>
- [21] Youssef, Hanan & Herbert, Yuill,(2014) *Closing the inequality gap*,The Magazine for clean capitalism Corporate knight, 8 Oktober 2014,
- [22] Zeull, A Kimberly & Cropp Robert (2004), *Cooperatives : Principles an Practice in the 21 ST century*, Wincosin Country Extension Office,