

Analysis of the Application of the Principles of the Cooperative Law Environmentally Friendly in Coffee Agricultural Products (Case Study of Solok Radjo, Solok Regency)

A. Hadian Pratama Hamzah¹⁾, Nurhasanah²⁾

^{1,2)} *Program Studi Magister Studi Lingkungan Fakultas Sains dan Teknologi Universitas Terbuka, Jl. Cabe Raya, Pondok Cabe, Pamulang Tangerang Selatan 154183*

Corresponding Author: A. Hadian Pratama Hamzah, Email: hadian@ecampus.ut.ac.id

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Abstract. The purpose of this study was conducted as an effort to describe the description process related to the application of cooperative principles that are managed in an environmentally friendly manner through a cultural approach and local wisdom of the community in the Solok Radjo Cooperative, this study resulted in a study related to the level of application of cooperative principles carried out by the community in results in accordance with philosophy of law. At the analysis stage of this study using descriptive method techniques through observations on case objects (Case Study). In collecting and collecting data, questionnaires and interviews were used as a way of collecting data for this research, so that there are two forms of data, namely primary and secondary. The samples in this study were the people who were registered as members of the cooperative, then the results of data processing were strengthened based on observations from interviews with cooperative managers. Based on the results of the research and referring to the literature reviewing this research resulted in an illustration that the Solok Radjo Cooperative has properly implemented the cooperative principles according to the Cooperative Law Article 5 of Law Number 25 of 1992 in the process of implementing cooperative activities and involving the community in environmentally friendly management in the process. agricultural production with an approach to the value of local wisdom and knowledge of the indigenous Minang people.

Keywords: *Application of Cooperative Principles; Solok Radjo Cooperative; Cooperative Law; Agricultural Environment*

INTRODUCTION

In the development of the national economy, development in the agricultural sector has a top priority. According to the basic constitution (article 33 of the 45 Constitution), economic development based on economic democracy is defined as economic development of the people, by the people, and for the people. Thus, the power of the people and the potential of resources in each region will become the backbone of the national economy going forward. Within the framework of people's economic development, in accordance with the mandate of the state

constitution, the government must create a conducive climate for the growth and development of people's economic creativity through: 1) providing development infrastructure needed for the people's economy to develop, 2) managing macroeconomic policies that are conducive to economic growth and development. people, and 3) creating security and comfort in doing business. The strategic step for implementing the basic thinking above is the development and empowerment of cooperatives (Karyani, 2018). Cooperatives are business entities or institutions that play an important role in the

Indonesian economy. In the agribusiness system, cooperatives are one of the supporting institutions that play a role in supporting other subsystems in agricultural management starting from the upstream subsystem, the cultivation subsystem, to the downstream subsystem. According to article 1 of Law no. 25/1992, what is meant by Cooperatives in Indonesia are: ...business entities consisting of individuals or cooperative legal entities by carrying out their activities based on cooperative principles as well as a people's economic movement based on the principle of kinship.

Cooperatives in Indonesia are not merely seen as a form of company as is the case with Limited Liability Companies, Firms, or Limited Liability Companies (CV). Besides being seen as a form of company that has its own principles and principles, cooperatives in Indonesia are also seen as a tool to build an economic system. This is in line with the objectives of the Cooperative as stated in Article 3 of Law no. 25/1992 as follows: Cooperatives aim to promote the welfare of members in particular and society in general and participate in building the national economic order in order to create an advanced, just and prosperous society based on Pancasila and the 1945 Constitution (Prima et al., 2019) Agricultural cooperatives in this case, especially "Village Unit Cooperatives (KUD)" are the largest agricultural cooperatives in Indonesia, which reflects the figure of

cooperatives in Indonesia (Krisnamurthi, 1998). In particular, agricultural cooperatives in Indonesia, especially through the Village Unit Cooperatives (KUD), have received assignments and various facilities to support rural economic development. In general, KUD is considered to have provided significant support to the success of agricultural development that is oriented towards increasing production (Wardhani, 2020).

The Village Unit Cooperative (KUD) was formed on the basis of the common perception and need of farmers for the convenience of obtaining agricultural production facilities and infrastructure by basing their activities on the cooperative principle as well as a people's economic movement based on the principle of kinship. The Village Unit Cooperative (KUD) has succeeded in generating enthusiasm and enthusiasm for farmers to increase their agricultural yields, so that agricultural production has increased, and because the KUD has succeeded in launching its marketing at a fairly good price received by farmers, the effort to increase yields is even more real. The more products that are marketed, the greater the income received by its members, so that the welfare of the members' lives is well guaranteed (Eliyin, 2022).

One of the cooperatives engaged in agribusiness is the Solok Radjo Cooperative. The Solok Radjo Cooperative is located in Nagari Aie Cold, Lembah Gumanti District,

Solok Regency. Since its establishment until now the Solok Radjo Cooperative has had many awards. The Solok Radjo Cooperative award at the international level is the Australian International Coffee Awards, the Solok Radjo Cooperative received a Silver Medal in 2019.

The success of a cooperative cannot be separated from the participation of all members. In the Cooperative, members of the Cooperative can be guided by the Articles of Association and Bylaws (Wanuh et al., 2019). Cooperatives must be managed productively, effectively, and efficiently in order to continue to progress and develop so as to improve the welfare of members in particular and society in general. Furthermore, cooperatives must also apply the existing cooperative principles. This serves as a guideline for the implementation of cooperative efforts in achieving its goals and as a characteristic that distinguishes cooperatives from other forms of enterprise (Rustidja et al., 2021). The cooperative principle that applies in Indonesia is contained in Article 5 of Law no. 25 of 1992 concerning Cooperatives, namely membership is voluntary and open; Management is carried out democratically; The distribution of SHU is carried out fairly in proportion to the amount of business services of each member; Provision of remuneration limited to capital; Independence; cooperative education; and Cooperation between cooperatives (E. Sijabat, 2021). Therefore, this study was conducted

with the aim of analyzing the level of application of cooperative principles at the Solok Radjo Cooperative in Nagari Aie Cold, Lembah Gumanti District, Solok Regency.

RESEARCH METHODS

The type of descriptive research that the writer chooses in this research is case study research. This case study research is a research method that uses various data sources (as much data as possible) that can be used to research, describe, and explain comprehensively various aspects of an individual, group, program, organization or event systematically (Wicaksana, 2016). the population is the members of the cooperative contained in the Accountability Report of the Solok Radjo Cooperative Management, which is as many as 22 people. The determination of the number of samples used by researchers in this study was by the census method consisting of 22 respondents for this study. In this study, the key informants were the management of the Solok Radjo Cooperative which consisted of the chairman, secretary, and treasurer. Qualitative methods present directly the nature of the relationship between researchers and informants and research objects. While quantitative descriptive analysis is used to analyze the level of application of cooperative principles at the Solok Radjo Cooperative. In analyzing the level of application of cooperative principles in the Solok Radjo Cooperative, judging from the cooperative

principles stated in Law No. 25 of 1992, the measurement technique used in this study is to use a Likert scale. The Likert scale in this study was conducted to measure the perception of members of the Solok Radjo Cooperative in the application of cooperative principles. The Likert scale used in this study is divided into five categories.

DISCUSSION

Based on the results of research conducted at the Solok Radjo Cooperative regarding the level of application of the cooperative principles contained in Law no. 25 of 1992 seen in Table 1.

Tabel 1. The application of cooperative principles to the Solok Radjo

No.	Cooperative Principle	Score	Criteria
1	Membership is voluntary and open	4,40	Very Good
2	Management is carried out democratically	3,94	Good
3	The distribution of SHU is carried out fairly in proportion to the amount of business services of each member	3,30	Middle
4	Providing remuneration that is limited to capital	3,72	Good
5	Independence	3,76	Good
6	Cooperative education	3,64	Good
7	Cooperation between cooperatives	3,26	Middle
Total Score		3,75	Good

The cooperative principle or it can also be called the basic joint of the cooperative is the basic guideline that animates every step of the cooperative. This cooperative principle has a very important role, namely as a guideline for the implementation of cooperative business in achieving its goals and as a characteristic that

distinguishes cooperatives from other forms of companies. Based on the research conducted, the application of cooperative principles to the Solok Radjo Cooperative is in the good category. We can see this where the average score for the application of cooperative principles is 3.75. The best application of cooperative principles applied by the Solok Radjo Cooperative is the principle of voluntary and open membership with a score of 4.40.

This is because there is no compulsion to become a member of the Solok Radjo Cooperative. Members join the Solok Radjo Cooperative of their own accord and some are invited. While the cooperative principle is still not optimal, namely the seventh principle, namely cooperation between cooperatives with a score of 3.26. The Solok Radjo Cooperative has not been maximal in collaborating with other cooperatives, but has collaborated with the government and the private sector.

Application of the principle of membership is voluntary and open.

Based on the results of research on the aspect of membership, the Solok Radjo Cooperative is in the very good category. Where the score obtained is 4.40. The highest score is found in the cooperative membership aspect which is non-coercive with an average score of 4.67.

Tabel 2. Distribution of respondents' answers in the principle of membership is voluntary and open.

Membership Principle	SA	A	D	NA	VNA	R
Cooperative membership is not coercive	12	6	-	-	-	4,67
Membership is open to the public for those who have met the requirements to become a member	7	8	3	-	-	4,22
There is no discrimination in cooperative membership	8	7	3	-	-	4,28
The decision to become a member of a cooperative is based on one's own decision	10	7	1	-	-	4,50
Cooperative Members are willing to accept membership responsibilities	7	10	1	-	-	4,33
Average Score						4,40

The application of management principles is carried out democratically

On this principle the Solok Radjo Cooperative is in the good category. Where the score obtained is 3.94. The highest score was obtained in the aspect of members providing advice and input in cooperative management with a score of 4.11. The Solok Radjo Cooperative enforces a stipulation whereby one person has one vote in decision-making, because in the Cooperative the position of the members is the same and the highest decision rests with the members. In the highest decision-making forum, namely the Annual Members' Meeting, it is usually conducted by means of deliberation to make decisions, then by majority voting.

Tabel 3 The distribution of respondents' answers in the management principle is carried out democratically

Management Principle	SA	A	D	NA	VNA	R
Cooperatives regularly conduct Annual Member Meetings	4	8	5	1	-	3,83
Member participation in the Annual Member Meeting	5	9	3	1	-	4,00
Member participation in policy making and decision making	3	7	8	-	-	3,72
The ultimate power is in the hands of the members	4	11	3	-	-	4,06
Members provide suggestions and criticisms in the management of cooperatives	6	8	4	-	-	4,11
Average Score						3,94

The application of the principle of the distribution of the remaining operating results is carried out fairly in proportion to the amount of service of each member.

On this principle, the Solok Radjo Cooperative is in the fairly good or moderate category. Where the score obtained is 3.30. The highest score is in the aspect of an increase in SHU every year. Meanwhile, the lowest score was obtained in the aspect of the distribution of SHU in proportion to the percentage of payment of mandatory member savings with a score of 2.78. For the SHU of the Solok Radjo Cooperative, it increased from 2020 to 2021, which was Rp. 62,093,077 then Rp. 95.006,584. Based on the plan for the

distribution of Remaining Operating Results (SHU) for the 2021 financial year determined by the 2021 Membership Meeting, it is seen in table 4.

Table 4. Planned Allocation of SHU. Distribution

No	Description	%	SHU Value	SHU Section
1	Member Savings Service	25%	Rp.95.006.584	Rp.23.751.646
2	Member Business	20%	Rp.95.006.584	Rp.19.001.317
3	Reservedfund	25%	Rp.95.006.584	Rp.23.751.646
4	Management Fund	7%	Rp.95.006.584	Rp.6.650.461
5	Supervisory Fund	4%	Rp.95.006.584	Rp.3.800.263
6	Employee Fund	5%	Rp.95.006.584	Rp.4.750.329
7	Education Fund	5%	Rp.95.006.584	Rp.4.750.329
8	Development Fund	5%	Rp.95.006.584	Rp.4.750.329
9	Government Fund.	4%	Rp.95.006.584	Rp.3.800.263
			100%	Rp.95.006.584

Application of the principle of providing remuneration that is limited to capital

On this principle the Solok Radjo Cooperative is in the good category. Where the score obtained is 3.72. The highest score was obtained in the aspect of the existence of rewards for members who excel with a score of 3.78 and the lowest score was obtained in the aspect of punishment for members who violate the provisions with a score of 3.67. At the Solok Radjo Cooperative itself, there is a reward or award for members who excel and punishment or punishment for members who violate the provisions. The forms of rewards given are incentives and bonuses. Incentives are given every month for members who become employees and bonuses are obtained if income exceeds the target. The incentive that

employees get is Rp. 1,500,000/month. Usually the incentives will be transferred directly by the treasurer at the end of the month, which is between the 28th and the 31st. This also applies to the giving of bonuses to employees, where the difference in the bonuses received by each employee depends on the division and also the level of difficulty of work. For punishment or punishments given, namely sanctions in the form of verbal warnings, written warnings, being fired from membership or position, dismissed not on their own accord, and submitted to court. In the development of coffee farming in the Solok Radjo Cooperative, more use of unwritten rules which if a farmer violates only social sanctions. This is because farmers have lived through interactions in managing the network so that the norm grows by itself in managing tertiary irrigation networks (Putri et al., 2021).

The existence of written rules in the articles of association and by-laws owned by cooperatives also only contains sanctions in processing arrangements, and these sanctions have not been applied properly because they rarely violate the written rules. The activity of receiving raw materials from farmers. Cooperatives have rules that must be obeyed by farmers in terms of the quality of the coffee provided. If the quality of the coffee is not in accordance with the provisions of the cooperative, the price will be reduced from the previous price, but if the quality of the coffee sold is good, the price will be increased. If the

quality of the coffee obtained is not good, the cooperative will reprimand the farmers and make field visits, so that the farmers know how good coffee is. In addition, harvesting should not be piled up overnight, it must be given directly to the cooperative even though it is late. Coffee cannot be stacked, because it will result in reduced and different flavors (Sudaryanto & Wijayanti, 2016).

In coffee processing activities, there are rules that regulate members in processing, namely holding an internal meeting every month as a work evaluation so far. Errors made by members who are responsible for each field are very few, because in Basically, each member who is responsible for each field carries out their respective duties. In carrying out the processing there is no interference from other members other than those in charge there.

Tabel 5. Distribution of respondents' answers in the principle of providing remuneration that is limited to capital

Service Principle	SA	A	D	NA	VNA	R
here are rewards for members who excel	4	7	6	1	-	3,78
There is punishment for members who violate the provisions	3	7	7	1	-	3,67
Average Score						3,72

Application of the principle of independence

On this principle the Solok Radjo Cooperative is in the good category. Where the score obtained is 3.76. The highest score was

obtained in the cooperative aspect of making decisions at the Annual Member Meeting by deliberation and also on the aspect of cooperative competitiveness with a score of 4.00. While the lowest score was obtained in the cooperative aspect of managing business units independently without the help of other parties with a score of 3.28. Independent in this case, cooperatives with their resources can solve and find solutions to the problems they are facing without any intervention and assistance from other parties.

Tabel 6. Distribution of respondents' answers in the principle of independence

Principle of Independence	SA	A	D	NA	VNA	R
Cooperatives make decisions in the RAT by deliberation	4	12	2	-	-	4,00
Cooperative members convey ideas in decision making	2	12	4	-	-	3,89
Cooperatives manage business units independently without assistance from other parties	-	5	13	-	-	3,28
All elements of the cooperative are involved in managing the cooperative	2	8	7	1	-	3,61
The existence of cooperative competitiveness	3	12	3	-	-	4,00
Rate Score						3,76

Application of cooperative education principles

On this principle the Solok Radjo Cooperative is in the good category. Where the

score obtained is 3.64. The highest score was obtained in the aspect of coffee cultivation counseling with a score of 4.22. The lowest score was obtained in the aspect of cooperative members understanding the values and principles of cooperatives with a score of 3.11. Cooperative members are given education about cooperatives by many parties, both the government and the private sector. However, not all members get this education, only a few people. This is because the target of those who will be given education is indeed not all members, most of whom receive education are from members who double as employees of the cooperative (Munara, 2019).

Based on the results of Angelika's research (2018), when viewed from the aspect of plant cultivation carried out by farmers, it is still simple and still not in accordance with the cultivation techniques recommended by the literature, especially the Plantation Research and Development Center, so that the production of Arabica coffee plantations is not optimal. So in this case, it is necessary to maximize the role of extension workers or assistants. To answer this problem, the Solok Radjo Cooperative in collaboration with the plantation office has also carried out the Field School (SL) program. Field School (SL) is a method used by the Plantation Office to transfer information to farmers through the provision of materials ranging from cultivation techniques to post-harvest handling.

Distribution of respondents' answers in cooperative education principle

Tabel 7. Distribution of respondents' answers in cooperative education principles.

Principles of Education	SA	A	D	NA	VNA	R
Cooperative members are given education about cooperatives	-	8	7	3	-	3,28
Cooperative members understand the values and principles of cooperatives	1	5	8	4	-	3,11
Cooperative members understand their rights and obligations as cooperative members	3	11	4	-	-	3,94
There is coffee cultivation counseling	6	10	2	-	-	4,22
Average Score						3,64
Rate Score						3,64

Application of the principle of cooperation between cooperatives

In the application of this principle the Solok Radjo Cooperative is in the fairly good category. Where the average score obtained is 3.26. The highest score was obtained on the aspect of cooperative cooperation with the government with a score of 3.67 and the lowest on the aspect of cooperative cooperation with other cooperatives with a score of 2.56.

The lack of cooperation between the Solok Radjo Cooperative and other cooperatives is due to the fact that until now the Solok Radjo Cooperative has only

collaborated with the Koerintji Barokah Bersama Cooperativeregarding the production of kerinci arabicagreen beans. Based on data on the number of facilities and infrastructure in the Lembah Gumanti Sub-district in 2018 on the agricultural aspect, the number of cooperativesin this sub-district only amounted to two cooperatives. This is also one of the factors why the cooperation between Solok Radjo Koperasai and other cooperatives is still very low (Kansrini et al., 2020).

We can appreciate the cooperation between theSolok Radjo Cooperative and the government, where there are many collaborations carried out by the Solok Radjo Cooperative, including with Bank Indonesia (BI), the Plantation Service of Solok Regency, KPP Pratama Solok, the Cooperative Service, the Trade Office, Andalas University, and others. other. Meanwhile, the cooperation between the SolokRadjo Cooperative and the private sector can be seen from the cooperation with investors related to the coffee planting project, the Dompot Dhuafa program, and the Indonesian Biodiversity Non-Governmental Organization(NGO KEHATI). With this many collaborations, the Solok Radjo Cooperative can grow and develop even better. Details of the application of the principle of cooperation between cooperatives are presented in Table 8. Tabel 8. Distribution of respondents' answers in the principle of cooperation between cooperatives.

Cooperation Principle	SA	A	D	NA	VNA	R
he existence of cooperative cooperation with other cooperatives	-	1	8	9	-	2,56
The existence of cooperative cooperation with the government	1	10	7	-	-	3,67
The existence of cooperative cooperation with the private sector	-	11	6	1	-	3,56
Rate Score						3,26

CONCLUSION

Based on the results of research on the analysis of the application of cooperative principles to the Solok Radjo Cooperative in Nagari Aie Cold, Lembah Gumanti District, Solok Regency, it was concluded that the application of cooperative principles to the Solok Radjo Cooperative was in the good category. We can see this where the average score for the application of cooperative principles is 3.75. The best application of cooperative principles applied by the Solok Radjo Cooperative is the principle of voluntary and open membership with a score of 4.40. This is because there is no compulsion to become a member of the Solok Radjo Cooperative. Members join the Solok Radjo Cooperative of their own accord and some are invited. While the cooperative principle is still not optimal, namely the seventh principle, namely cooperation between cooperatives with a score of 3.26. The Solok Radjo Cooperative has not been maximal in collaborating with other cooperatives, but has

collaborated with the government and the private sector.

Based on the conclusions above, the authors suggest that the distribution of SHU should be carried out according to the provisions contained in the AD/ART so that it becomes a motivation for members for the achievement of the cooperative and cooperative education should be further improved so that there is an understanding of cooperative values, increasing member awareness in terms of paying deposits and better management of cooperatives, as well as improved cooperation between cooperatives.

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