Analysis of Social Capital on Participation of Cooperative Members in West Sumatera

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ABSTRACT
This study aims to determine the effect of social capital on the level of the member’s participation in student cooperative in West Sumatra. In detail, the aim is to analyze 1) the effect of trust on student participation in cooperative members 2) the effect of social capital networks on student participation in cooperative members 3) the influence of social capital norms on student participation in cooperative members. This type of research is a quantitative descriptive study. The population in this study were members of student cooperatives in West Sumatra with a population of 1344, using proportional random sampling technique, the number of samples became 93 people. Data is the primary data collected using a questionnaire. The data were analyzed descriptively and continued with multiple regression testing. The results of this study indicate that trust, networks, and social norms influence student participation in cooperative members, whether tested partially or simultaneously. Based on the results of the research above, it can be concluded that to increase student participation in cooperative members in West Sumatra is expected to further increase social capital.

Keywords: social capital, trust, network, norms, participation

1. INTRODUCTION

Cooperatives have an important meaning in building the national economy (Gertler, 2004; Torgerson, Reynolds, & Gray, 1998). This is stated in article 33 paragraph 1 of the 1945 RI Constitution which reads “the economy is structured as a joint effort based on the principle of kinship”. The name of the cooperative is not mentioned in article 33, but the principle of kinship is a cooperative (Isa & Hartawan, 2017; Sartono, 2010; Suprayitno, 2007). A cooperative is a business entity with individual members or a cooperative legal entity based on its activities based on the cooperative principle as well as a people's economic movement based on the principle of kinship (Birchall, 2003; Defourny & Develtere, 2009; Morrow & Hull, 1996; Nembhard, 2014).

Cooperatives are one of the economic pillars in addition to State-Owned Enterprises (BUMN) and Private-Owned Enterprises (BUMS), which place cooperatives as the only business entity that is most compatible with economic democracy and in line with the spirit and spirit of cooperation of the Indonesian nation. The principle of cooperatives as the basic essence of cooperative workplaces the interests of members as its main goal in addition to the goal of making a profit. Members are both owners and customers of the cooperative. This dual identity is what distinguishes cooperatives from other business entities.

An organization is to be considered as cooperative if the (legal) owners of the organization (enterprise) are also the user of the output or service of the organization (Alchian & Demsetz, 1972; Hansmann & Kraakman, 2000; Helmberger & Hoos, 1962; Teece, 1992). So not all organizations can be called cooperatives, and only those that meet the criteria of the identity principle can be called cooperatives. At the macro level, cooperatives are expected to contribute significantly to Gross Domestic
Product (GDP), job creation, reduce unemployment, maintain stable inflation, and ultimately overcome poverty for the welfare of society as a whole. On the other hand, at a micro-level, cooperatives are expected to improve the skills and abilities as well as the independence of each member which correlates with the improvement of the welfare of its members.

Cooperatives as business entities develop in various levels of society, associations of state officials that form joint cooperatives locally known as KOPRI, and besides that, there is also such a thing as Student Cooperative or locally known as KOPMA. Student cooperatives are cooperatives, which generally include administrators, supervisory bodies and their members are students who voluntarily join the cooperative. The scope of business and activities of Kopma is following the needs and interests of students. In the West Sumatra area, there are 4 student cooperatives namely KOPMA Padang State University, Andalas University KOPMA, Imam Bonjol State Islamic University KOPMA, KOPMA AL-Istishad Batu Sangkar.

In general, student cooperatives in West Sumatra were established in the 1980 era (Henley, 2007; Prastyo, 2017), at which time the development of cooperatives was very intense by the new order government until now the student cooperatives still exist and develop in the community. However, amidst the development of higher education, the number of members in West Sumatra did not increase and experienced fluctuations in the number of members of the cooperative itself.

The cooperative members are the owner (owner) as well as the user / customer (user). As owners, members have the obligation to foster and develop cooperatives, while as users / customers, members have the right to receive cooperative services. To realize their rights and obligations, like it or not, members must participate in activities carried out by cooperatives. In other words, members need to participate in cooperative activities to realize their rights and obligations. If the cooperative succeeds in making a profit in its business using the member's savings, the members will also get a percentage of the profits or we often call it the remaining business results (SHU).

The management of the cooperative consists of the chairman, secretary and treasurer as well as members who are elected by the member meeting under the cooperative's articles of association, the management is the representative of the members who meet certain requirements and criteria and are elected by the member meeting. Managers have the right to represent the organization inside and outside the court if a problem occurs.

Supervisors are bodies that are elected from and by members in Member Meetings under Article 38 of Law No. 25 of 1992. Supervisors are tasked with examining the life system of cooperatives including business organizations, and the implementation of management policies. In performing these tasks, the supervisor prepares a written report on the results of his examination which will be submitted to the Annual Members Meeting and locally known as RAT. Since he has the authority to examine records and verify the assets, rights and obligations of the cooperative, this position cannot be concurrently.

Social capital is all things related to cooperation within a community group to achieve a better quality of life, supported by its main elements, namely mutual trust and collective rules (Bhandari & Yasunobu, 2009; Bowles & Gintis, 2002; Grafton, 2005). Furthermore, social capital is the accumulation of various types of social, psychological, cultural, cognitive, institutional, and related assets and can increase the likelihood of mutual benefits from cooperative behavior (Kostova & Roth, 2003; Lorenzen, 2007; Stiglitz, 2000). Strong social capital will increase the effectiveness of an effort to increase welfare, on the other hand, weak social capital will dim the spirit of togetherness, exacerbate poverty, and hinder any efforts to improve welfare.

Efforts to improve the welfare of members by cooperatives or other parties will be more
effective if you pay attention to the social capital of the cooperative. The reason is that social capital has the main dimensions of trust, cooperation networks, and norms related to member interaction which will determine how members participate in efforts to improve mutual welfare. Participation is not a strange thing in development. Participation is the involvement of the problems faced and can solve these problems to improve welfare. Participation in the main key in creating independence and creating sustainability from an effort to improve the welfare of members. Through participation, efforts to improve welfare will be created by the members, because the members themselves know the most about their needs and problems.

The findings of previous research indicate that there is a relationship between social capital and participation (L. D. Brown & Ashman, 1996; Chang & Chuang, 2011; Rydin & Pennington, 2000; Wollebaek & Selle, 2002). Social capital with the main dimensions of trust, networks, and norms relates to cooperative interactions which will determine how individual participation in efforts to improve mutual welfare (Chiu, Hsu, & Wang, 2006; Stolle & Rochon, 1998). Based on this, it is important to conduct research on social capital and participation in student cooperatives in West Sumatra.

The following is the data on the number of members of student cooperatives in West Sumatra:

<table>
<thead>
<tr>
<th>No</th>
<th>Student Cooperative (KOPMA)</th>
<th>Period</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>2015</td>
<td>2016</td>
</tr>
<tr>
<td>1</td>
<td>Kopma UNP</td>
<td>80</td>
<td>50</td>
</tr>
<tr>
<td>2</td>
<td>Kopma UNAND</td>
<td>67</td>
<td>115</td>
</tr>
<tr>
<td>3</td>
<td>Kopma UIN Imam Bonjol</td>
<td>80</td>
<td>45</td>
</tr>
<tr>
<td>4</td>
<td>Kopma Al Istishad Batu Sangkar</td>
<td>24</td>
<td>53</td>
</tr>
</tbody>
</table>

From table 1 it is known that the number of cooperative members in West Sumatra each year is still not very good because every year the number of each cooperative is still up and down, this is due to a lack of social capital and participation in cooperative activities as explained previously. Student cooperatives that form their business in the context of student interests will not work if there is no social capital in them. Social capital in student cooperatives in all things related to participation in a cooperative to achieve the goals of a better cooperative, supported by its main elements, namely mutual trust, networks, and rules. Based on this, it is important to research the social capital of cooperative members. As a form of cooperative, it puts forward the principle of a people's economic movement carried out from, by, and for the people. This means that in student cooperatives, members are both owners who will receive benefits from the cooperative. The active involvement of members determines the sustainability of the student cooperative and the benefits that will be obtained by the members themselves. As has been seen from student cooperatives in West Sumatra that the form of participation is still lacking, this can be seen in the level of attendance at cooperative member meetings, the lack of giving opinions in meetings, and the lack of participation in cooperative activities. Through the participation of cooperative members, students will be able to recognize their problems together, make...
decisions, and be able to determine what steps will be taken to solve these problems.

**Table 2** Number of Members Attending Cooperative Member Meeting 2015-2018

<table>
<thead>
<tr>
<th>Cooperative</th>
<th>2015</th>
<th>2016</th>
<th>2017</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>KOPMA UNP</td>
<td>62</td>
<td>33</td>
<td>41</td>
<td>41</td>
</tr>
<tr>
<td>KOPMA UNAND</td>
<td>55</td>
<td>87</td>
<td>98</td>
<td>44</td>
</tr>
<tr>
<td>KOPMA UIN</td>
<td>67</td>
<td>40</td>
<td>37</td>
<td>25</td>
</tr>
<tr>
<td>KOPMA BATU SANG</td>
<td>24</td>
<td>52</td>
<td>97</td>
<td>48</td>
</tr>
</tbody>
</table>

*Source: RAT Attendance List (2019)*

Table 2 explains that the level of participation of cooperative members in West Sumatra in the Members' Meeting is not optimal with members still absent. This of course must be a concern for the management because members play a central role in the progress of the cooperative. The presence of members in the Members Meeting is expected to participate or provide ideas for cooperative development.

Members as the life of the cooperative have a central role. With the dual identity of the members as owners and users of cooperative services, the cooperative is superior in principle and value compared to other business entities. The formation of a cooperative is inseparable from the cooperation of cooperative members who have the same need to get economic and social benefits. Cooperation and strong commitment of members to the cooperative which is reflected in the active participation of members in the sustainability of the cooperative are strong assets for the cooperative to achieve its goals, namely the welfare of members. This can be said as social capital.

Social capital is about cooperation and includes trust, social networks, and norms (S. Brown, Flick, & Williamson, 2005; Dinda, 2008; Lyon, 2000). This means that a group of people cannot build cooperation if there is no supporting organization, and the prerequisites for the formation of an organization are trust and norms as rules of behavior in the organization. Student cooperatives are organizations that accommodate members to jointly improve their lives with mutually agreed norms and student cooperatives can be active because of the mutual trust of their members. Social capital in student cooperatives has an important role in relation to the implementation of joint activities (Ellison, Steinfield, & Lampe, 2007; Erridge & Greer, 2002; Fox, 1996; Smylie & Evans, 2006). The strength and weakness of social capital can also be illustrated by the participation of each member in the implementation of joint activities. If each member has a high sense of trust, closeness of the relationship between members and with other cooperatives, and tries to carry out the applicable rules, there will be a sense of belonging and willingness to work together which is reflected through the participation of each member in student cooperative activities. Based on this, it is important to conduct research on the relationship between social capital and the level of participation of members in cooperative activities. Because of the observations that have been made that social capital in cooperatives is still lacking, it is seen in the trust where the sense of trust in fellow members, administrators, supervisors, and trust in employees is still lacking. The network of student cooperatives is lacking in every component of the organization in providing information and reminding and a lack of mutual help. In terms of norms, there is still a lack of awareness of the rules that have been set in the cooperative regulations that have been conveyed in the AD / ART of the cooperative itself and there is still a lack of exercising rights and obligations.

Based on the description of the problem above, it can be seen that Social Capital is still so poor that it greatly influences the participation of cooperative members. Therefore, this research will discuss more the Analysis of Social Capital on Participation of Cooperative Members in West Sumatra.

2. METHODS

Based on the type of data, this research is descriptive quantitative research which is intended to collect information about the status of an existing symptom, according to what they were at the time the research was conducted. Furthermore, this research aims to determine the
effect of social capital on the level of the member’s participation in student cooperative in West Sumatra. The population in this study were all members of student cooperatives in West Sumatra with a population of 1344 and a sample of 93 people. The sampling technique used was proportional random sampling, in which the determination of the members of the sample of researchers by the number of members of each cooperative population divided by the total population of members multiplied by the total sample required. The data analysis techniques used in this study include 1) Descriptive Analysis which consists of data verification and calculating the value of respondents’ answers, 2) Inductive analysis which consists of classical assumption tests (Normality Test, Multicollinearity Test, Heteroscedasticity Test), multiple regression analysis, and hypothesis test (F test and t-test).

3. RESULTS AND DISCUSSION

Based on the questionnaire that the researcher has distributed to 93 respondents, the respondent's data is obtained based on gender as follows:

![Characteristics of the respondent based on gender](image)

**Figure 1. Characteristics of the respondent based on gender**

Based on the results of the study, the number of respondents selected was generally female as many as 68 people, while male respondents were only 25 people. Meanwhile, based on the name of the cooperative, a complete description of the respondent can be seen in the following table:

<table>
<thead>
<tr>
<th>No</th>
<th>Kopma Origin</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>KOPMA UNP</td>
<td>227</td>
</tr>
<tr>
<td>2</td>
<td>KOPMA UNAND</td>
<td>519</td>
</tr>
<tr>
<td>3</td>
<td>KOPMA UIN Imam Bonjol</td>
<td>193</td>
</tr>
<tr>
<td>4</td>
<td>KOPMA AL Istishad Batu Sangkar</td>
<td>405</td>
</tr>
<tr>
<td></td>
<td>Total number</td>
<td>1344</td>
</tr>
</tbody>
</table>

*Source: Proceed Data (2020)*

Based on the table above, it can be seen that the number of KOPMA UNP respondents is 227 people, 519 KOPMA UNAND, 193 KOPMA UIN Iman Bonjol, and 405 KOPMA AL Istishad Batu Sangkar people.
This study analyzes the influence of 3 variables, namely trust (X1) and network (X2), norms (X3) that affect member participation (Y).

From the data analysis carried out with SPSS version 20, the analysis can be presented as follows:

**Table 4. Results of Multiple Regression Analysis**

<table>
<thead>
<tr>
<th>Coefficientsa</th>
</tr>
</thead>
<tbody>
<tr>
<td>Model</td>
</tr>
<tr>
<td>----------------</td>
</tr>
<tr>
<td>(Constant)</td>
</tr>
<tr>
<td>Trust</td>
</tr>
<tr>
<td>Network</td>
</tr>
<tr>
<td>Norms</td>
</tr>
</tbody>
</table>

a. Dependent Variable: Participation

From the table above it is known that the regression coefficient of each variable, namely trust (X1) is 0.012, network (X2) is 0.000, and norm (X3) is 0.043, with a constant value of -3.526. So the coefficient value of each of the above variables can be substituted into the multiple regression equation as follows:

\[ Y = a + b_1x_1 + b_2x_2 + e \]

\[ Y = -3,526x_1 + 0.197x_2 - 0.598x_3 - 0.297 - e \]

Interpretation of the equation as follows:

a. The trust variable \(-197\) (X1) has a regression coefficient of \(-0.197\), thus an increase in the trust will reduce the level of participation of student cooperative members in West Sumatra.

b. The network variable (X2) has a regression coefficient of 0.598, thus every network increase turns out to increase the participation of student cooperative members in West Sumatra.

c. The norm variable (X3) has a regression coefficient of 0.297, thus every increase in norms turns out to increase participation in student cooperative members in West Sumatra.

**Table 5. Coefficient of determination**

<table>
<thead>
<tr>
<th>Coefficient of determination</th>
</tr>
</thead>
<tbody>
<tr>
<td>Model</td>
</tr>
<tr>
<td>-------</td>
</tr>
<tr>
<td>1</td>
</tr>
</tbody>
</table>

a. Predictors: (Constant), X3, X1, X2

b. Dependent Variable: Y

*Source: Proceed Data (2020)*
In the table above, it can be seen that the Adjusted R Square value is 0.759. This means that the contribution between trust, network, and norms to the participation of cooperative members in West Sumatra is 0.759 or 7.5%. Meanwhile, the remaining 0.25 or 2.5% was contributed by other factors not examined in this study.

To see whether simultaneously the independent variable can explain the dependent variable well or to test the multiple regression model suitable for use in this study, the F test (F-test) is carried out. To be able to prove it, it can be seen in the F Test results by looking at the Anova table below:

**Table 6. Anova statistical F test**

<table>
<thead>
<tr>
<th>Model</th>
<th>Sum of Squares</th>
<th>Df</th>
<th>Mean Square</th>
<th>F</th>
<th>Sig.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Regression</td>
<td>1717,724</td>
<td>3</td>
<td>572,575</td>
<td>97,777</td>
<td>.000</td>
</tr>
<tr>
<td>Residual</td>
<td>521,179</td>
<td>89</td>
<td>5,856</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td>2238,903</td>
<td>92</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

a. Dependent Variable: participation

b. Predictors: (Constant), Norm, Trust, networking

Based on the table above, it can be seen that significant is 0.000 or all independent variables have a significant effect on the dependent variable.

**Table 7. T Test Results**

<table>
<thead>
<tr>
<th>Model</th>
<th>Unstandardized Coefficients</th>
<th>Standardized Coefficients</th>
<th>T</th>
<th>Sig.</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>B</td>
<td>Std. Error</td>
<td>Beta</td>
<td></td>
</tr>
<tr>
<td>(Constant)</td>
<td>-3,526</td>
<td>1,749</td>
<td>-2.016</td>
<td>.047</td>
</tr>
<tr>
<td>Trust</td>
<td>-.197</td>
<td>.076</td>
<td>-.250</td>
<td>-2.581</td>
</tr>
<tr>
<td>Networking</td>
<td>.598</td>
<td>.073</td>
<td>.887</td>
<td>8.153</td>
</tr>
<tr>
<td>Norms</td>
<td>.297</td>
<td>.145</td>
<td>.214</td>
<td>2.052</td>
</tr>
</tbody>
</table>

a. Dependent Variable: participation

From the results of processed table data, it can be concluded that the following:

1. The first hypothesis is social capital, trust affects the participation of members of student cooperatives in West Sumatra.

From the results of the analysis in the table above, the sig value is obtained. 0.012 <0.05, so H0 is rejected.

2. The network has a significant effect on the participation of student cooperative members in West Sumatra. From the
results of the analysis in the table above, the value is 0.000 < 0.05, so H0 is rejected.
3. Norms have a significant effect on the participation of student cooperative members in West Sumatra. From the analysis results in the table above, the value is 0.043 < 0.05, so H0 is rejected. Thus it can be concluded that norms have a significant effect on the participation of members of student cooperatives in West Sumatra.

Based on data analysis and hypothesis testing that has been done, it is known that there is a significant effect of trust on cooperative member participation in West Sumatra. Judging from the success of the student cooperative members after conducting research, trust is an important component when someone runs a business/production activity (Cranor & Garfinkel, 2005; Scott, 2017). One of the people who define trust as a major component of social capital and state that high social capital will have an impact on high participation (Leana III & Van Buren, 1999; Onyx & Bullen, 2000; Sobel, 2002). Trust is fundamental to forming and running a relationship (cooperation) (Rousseau, Sitkin, Burt, & Camerer, 1998; Tomkins, 2001).

Trust enlarges the ability of humans to cooperate, cooperation is impossible if it is not based on mutual trust between the parties involved. Mutual trust between members in a group greatly determines cooperation between members which will ultimately determine the results of a group's output (Fukugawa, 2006; Peterson & Behfar, 2003; Walther & Bunz, 2005). The most important element in social capital is trust, which reinforces the lasting of cooperation in community groups. With trust, people will be able to work together more effectively.

On the relationship of social capital with the level of participation of cooperative members, the results of the study show that trust and social networks as dimensions of social capital have a significant relationship with the level of participation of cooperative members.

Further findings show that the network has an effect on cooperative member participation (Liang, Huang, Lu, & Wang, 2015; Mojo, Fischer, & Degefa, 2017). The network is a dynamic infrastructure in the form of a network of cooperation between members. The network facilitates communication and interaction, enables trust to grow and strengthens collaboration. Social networks are formed because of mutual knowledge, mutual information, and mutual assistance in implementing or overcoming something. Networks can occur between individuals and institutions and networks are always personal. This means that even though the network is carried out with an institution, it is still the person who represents it and that person is more prominent than the institution.

The next finding is there is a significant influence between social norms on the participation of cooperative members. Norms is a supra-individual entity, a set of rights recognized by several individuals to limit or otherwise determine individual actions that are the target of norms (Tomassello, 2009). Norms as a set of rules that are expected to be obeyed and followed by the community in certain social entities have a very important role in controlling the forms of behavior that grow in society (Bicchieri & Muldoon, 2011; Bridger & Alter, 2006). A social organization has norms as its characteristics. The existence of norms in a social organization must be adhered to with clear and effective sanctions. Without a set of norms that are agreed upon and obeyed by all members, it will create an anomic situation where everyone will tend to act according to their own will. This condition will cause inefficiency in achieving organizational goals. Cooperatives as a collection of people have norms to regulate the running of the organization.

4. CONCLUSIONS
Based on the results of research and discussion on the analysis of social capital on the participation of members of student cooperatives in West Sumatra, the conclusions that can be drawn are:
1. Social capital in the form of trust has a significant influence on the participation of members of student cooperatives in West Sumatra. Thus, if social capital (trust) is increased, member participation will increase.

2. Social capital in the form of networks has a significant effect on the participation of members of student cooperatives in West Sumatra. This indicates that the social capital (network) variable is an input component for increasing cooperative participation. Thus, if social capital (network) is increased, it will increase the participation of student cooperative members in West Sumatra.

3. Social capital in the form of norms has a significant effect on the participation of student cooperative members in West Sumatra. This indicates that the social capital variable (norm) is an input component for increasing cooperative participation. Thus, if social capital (norm) is increased, it will increase the participation of members of student cooperatives in West Sumatra.

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