

Community Economic Growth:

Identity and Competitiveness Cooperative

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Abstract—Cooperatives have an important role in realizing people's welfare and strengthening the economic position, however how cooperatives can maintain their identity and weak competitiveness are fundamental issues. This is because there is a legal protection that is out of date and unable to go international, so cooperatives need to carry out total reform. The purpose of this study was to analyze the influence of identity and competitiveness of cooperatives on economic growth in the Village Unit Cooperative (Koperasi Unit Desa or KUD) Malang District. This study used a survey research method with a quantitative approach, while to obtain research data used interviews and questionnaires. The population used in 5 Village Unit Cooperatives (KUD) in Malang District, namely KUD Gondanglegi, KUD Pagelaran, KUD Pakis, KUD Sari Bumi Bululawang, and KUD Satya Dharma Bantur, each KUD as many as 20 so that the total sample is 100 respondents. The results showed that the identity of the cooperative and the competitiveness of the cooperative had a significant effect on the economic growth of the community in Malang District with a sig. 0,000. This means that if the identity and competitiveness of the cooperative are in good condition, it can increase the competitiveness of the products produced, be able to provide technology and supporting facilities to improve the quality and capacity of collective production, so that economic recovery and community economic growth will be better.

Keywords—*cooperative identity, cooperative competitiveness, economic growth*

I. INTRODUCTION

A cooperative is a business entity as well as an association of individuals who must be able to maintain a balance between commercial business practices and the relationships between individuals within it. The main objective of cooperatives is to meet members' needs and ensure member satisfaction and not just generate profit, the principles of cooperatives must emphasize the importance of caring for the community so that the Village Unit Cooperative (KUD) must formulate and implement policies and strategies to achieve sustainable development [1]. Cooperatives have a very perfect concept, but if they cannot be carried out in the right contextual level it will not work well, it requires the support of the strength of MSMEs so that they are not overwhelmed by the flow of globalization

and free trade [2]. It is necessary to be supported by the availability and conditions of the business environment, business capabilities, policies and infrastructure, research and technology, financial support and partnerships, as well as performance variables so that they can shape competitiveness and encourage economic growth [3]. In addition, cooperatives with more active management and members tend to perform better overall [4,5].

The development of cooperatives in Indonesia is still very far behind, even with neighbouring countries such as Malaysia and Singapore. Indonesian cooperatives have never been included in the list of the 300 best cooperatives in the world, even in Southeast Asia. Apart from the low quality of human resources, difficulties in developing capital, low quality of technology, and weak access to markets are also obstacles to encouraging the business climate in cooperatives. Another problem faced by the KUD is how to maintain its identity, because several cooperatives were found to have deviated from their identity. Cooperatives also face broad challenges, namely how to distribute and maintain profits [6,7]. Other research results have also shown that cooperatives have an economic contribution to economic welfare which is vital for the life of KUD farmers [8].

Refining the identity of the cooperative by preventing a crisis of cooperative identity and the ideology of the cooperative is an interesting study to do, by providing a moral justification for the attitudes and behaviour of cooperative members that need to be saved, so that the cooperative identity is not something that is arbitrarily burdened. On the shoulders of the cooperative, but arise together with the growth of the cooperative. Likewise, the competitiveness of cooperatives is a fundamental problem that makes Indonesian cooperatives weak in competitiveness, meanwhile the quality of our economic growth not only does not indicate economic injustice, but is increasingly faced with natural resource scarcity and ecological crises [9].

The problems faced by cooperatives range from cases of deviations in the identity of cooperatives to weak competitiveness of cooperatives which causes cooperatives to worsen. The increase in the number of cooperatives does not indicate an increase in the quality of cooperatives, this is very

unfortunate considering that economic performance and the identity of a cooperative are important factors that a cooperative must have in order to progress and develop. By using the Development Ladder Assessment analysis method introduced by the Canadian Co-operative Association as an effective and fast analytical tool to measure the institution of a cooperative, it shows that the application of identity is good but lacks in efforts to develop its competitiveness [10]. It is interesting to examine the influence of identity and competitiveness of cooperatives on economic growth in KUD in Malang Regency to increase the competitiveness of the products produced by providing technology and supporting facilities to improve the quality and production capacity collectively.

II. METHODS

This type of research uses a survey research method with a quantitative research approach causal and hypothesis testing. The dependent variable (Y) is economic growth and the independent variable (X1) is the cooperative's identity, while the variable (X2) is the cooperative's competitiveness. The data in this study came from primary data in the form of questionnaires submitted to the management, members and managers of cooperatives and those who assisted the operational section of the Village Unit Cooperative (KUD) as the object of research.

The population in this study was 5 (five) Village Unit Cooperatives (KUD) in Malang Regency. The samples in this study were cooperative supervisors, cooperative supervisors, and cooperative managers in 5 (five) KUDs, namely KUD Gondanglegi, KUD Pagelaran, KUD Pakis, KUD Sari Bumi Bululawang, KUD Satya Dharma Bantur each as many as 20 respondents per KUD so that all 100 Respondents. Data was collected using a questionnaire, where after testing the validity and reliability and distributing the questionnaire, the incoming data will be analysed using multiple linear regression analysis and processed with the help of SPSS version 22. The analysis includes the F test to simultaneously test the influence between variables independent of identity and competitiveness of the dependent variable economic growth.

III. RESULTS AND DISCUSSION

A. *The Effect of Identity and Competitiveness of Cooperatives on Economic Growth of KUD*

Based on the results of data analysis using SPSS version 22, it is known that the coefficient of determination (R Square) is 0.756, which means that the cooperative identity and competitiveness contribute 75.6% to economic growth, so that the remaining 24.4% is the contribution of other variables that do not included in the regression model. While in the F test, it is known that there is an influence of the identity variable (X₁) and competitiveness (X₂) on the economic growth variable (Y) KUD Malang Regency shows a positive and significant influence, this finding is in line with the results of previous studies which support a positive and significant relationship

between identity and competitiveness on economic growth [11]. The Anova test results can be seen in table 1:

TABLE I. ANOVA TEST RESULT

Model	Sum of Squares	df	Mean Square	F	Sig.
1 Regression	,032	2	,016	166,134	,000b
Residual	7,601	97	,078		
Total	7,634	99			

^a. Dependent Variable: Economic growth.

^b. Predictors: (Constant), Competitiveness, Identity.

From Anova table (Table 1) it can be seen that the F count is 166.134 with a significance of 0.000, which means the significance value is less than 0.05, this shows that the variables of identity and competitiveness jointly affect the economic growth of KUD in Malang Regency. The existence of village unit cooperatives (KUD) in the current era of free competition has proven to be still strong and competitive in facing business actors among the private sector and other institutions. This is because the KUD still has a strong network in rural areas, through services to farmers and the general public which are supported by sound and professional management. This supports the research result that economic growth and the total workforce together have a significant effect on the number of unemployed [12]. Economic growth must be supported by the availability of basic infrastructure including electricity, roads, sea transportation, openness, and technology which are necessary conditions for obtaining high and sustainable growth. The resilience of Indonesia's economic growth has also succeeded in increasing the average real national per capita income, but there has been no equal distribution of real per capita income between provinces in Indonesia [13].

The economic growth of KUD in Malang Regency is supported by several factors, namely 1) personal factors related to expertise, motivation, commitment, and others; 2) leadership factors, which are related to the quality of support and direction given by leaders, managers, or work group leaders; 3) team factors related to the quality of support provided by colleagues; 4) system factors related to existing work systems / methods and facilities provided by the organization; and 5) contextual / situational factors related to environmental pressures and changes, both internal and external.

Partial testing to prove the effect of identity and competitiveness on economic growth of KUD in Malang Regency, can be seen in table 2 of the following coefficients:

TABLE II. REGRESSION TEST

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Standard Error			
1 (Constant)	10,907	1,071		10,184	,000
Identity	,564	,051	,612	11,027	,000
Competitiveness	,385	,054	,380	6,852	,000

^a. Dependent Variable: Economic growth.

From table 2 about regression test, the variable identity (X_1) is 0.564, this indicates that identity contributes 56.4% to the economic growth of KUD in Malang Regency. The regression coefficient of the competitiveness variable (X_2) is 0.385. This indicates that competitiveness contributes 38.5% to the economic growth of KUD in Malang Regency.

B. The Influence of Identity on Economic Growth of KUD

Testing the influence of the variable identity (X_1) on the economic growth variable (Y) shows a positive and significant influence, this is supported by the results of the average (mean) value of the identity variable (X_1) of 4,5080, and economic growth of 4,4500 can at conclude that each variable has a value above the average. While the highest value is 4,5497 and the lowest amounted to 4,4643 This means that each of them shows a significant relationship between the identity variables (X_i) on economic growth (Y) in KUD in Malang Regency. From the answers to the questionnaire filled in by the respondents, namely administrators, members and managers of KUD Malang Regency, it is evident that KUD) Malang Regency does not only focus on identity, but there are still other variables that also contribute.

The identity of a cooperative is something that is fundamental and important, because the identity of a cooperative is a personality that gives identity to the cooperative, and with its identity that distinguishes cooperatives from other business entities, has the power to grow and develop in the future, especially when facing changes in globalization era where the competitive climate in the business world is getting more competitive. Development Ladder Assessment (DLA) can be used as a measuring tool for the identity of a cooperative [10,11]. The results of this study support a positive and significant relationship between identity and economic growth. There is a fairly good application of cooperative identity and competitiveness due to the diversity and supply of goods in the shop business unit, the use of internet technology as a means of promotion and to attract new members. Meanwhile, the unemployment rate and government spending simultaneously have a positive and significant impact on economic growth, partially the unemployment rate has a negative and significant effect on economic growth, while government spending also has a negative and significant effect on economic growth [14].

The results of the study found that the identity of the KUD in Malang Regency has a vision of 98% which is very good and strong, the capacity of cooperatives regarding the resistance level of administrators and members in the management of the last 5 (five) years is stated to be 91% very good, and cooperative resources regarding growth and protection 90% of equity and asset management are stated to be good, and the cooperative network regarding organizational relations with developing cooperatives and partners is 83% stated as good.

C. Effect of Cooperative Competitiveness on Economic Growth of KUD

The influence of the competitiveness variable (X_2) on the economic growth variable (Y) shows a positive and significant influence on KUD in Malang Regency, which is supported by the results of the average (mean) value of the competitiveness variable (X_2) of 4,5084, and economic growth of 4.4500 so it can be on conclude that each variable has a value above average. While the highest value is 4,5497 and the lowest amounted to 4,4643. This means that each shows a significant relationship. From the answers to the questionnaire filled in by administrators, members and managers at the Village Unit Cooperative (KUD) Malang Regency, it is evident that competitiveness is still the main focus for increasing economic growth in the Village Unit Cooperative (KUD) Malang Regency, which means administrators, members and managers The cooperative really needs the competitiveness of the Village Unit Cooperative (KUD) Malang Regency so that it can be said that the members and managers have high competitiveness, always making plans in carrying out their work so that targets can be achieved. So the results of the research conducted show that administrators, members and managers of KUD in Malang Regency have high work experience which increases economic growth in KUD [15].

The level of competitiveness of KUD in Malang Regency is supported by the level of education / expertise of administrators, managers and members of 94% which is very good; organization and management systems that meet business requirements are perceived to be 100% very good; availability of technology for production of 100 respondents 47% said it was good and 53% very good .; availability of information for marketing 82% have good criteria; and the availability of inputs such as energy and raw materials that support production activities is 97% very good.

The quality of human resources and competitiveness are important factors in cooperative development because with the quality of human resources and competitiveness, the performance of cooperatives will increase [16]. The competitive power of KUD is the ultimate goal of cooperatives in obtaining maximum profitability. To increase competitive advantage, it is suggested that SMEs must continuously provide supervision, analyse, and evaluate the business strategy that is being carried out, it is necessary to support and adequate resources, so that SMEs continue to move their resources effectively and efficiently [17].

IV. CONCLUSION

The identity of cooperatives and the competitiveness of cooperatives have a significant effect on the economic growth of the community in Malang Regency. This means that good identity and competitiveness of cooperatives will also provide good economic growth for the community. Likewise, a good identity will provide good economic growth for the community. Cooperatives need to carry out total reforms to maintain their identity, by changing the paradigm of

cooperative empowerment to quality and not quantity, as well as driving the development of quality cooperatives from institutional, business, and financial aspects. Cooperatives need to review regulations that impede and do not take sides with cooperatives, as well as provide convenience, relief and protection to encourage cooperative development. Where the economy is said to grow or develop when there is growth in the real sector output. Increasing competitiveness with the use of information and communication technology is needed to face increasingly fierce business competition, cooperatives can make the widest use of technology to develop their businesses so that they can advance quickly and be globally ready. Cooperatives face factors that are still constraints in increasing the competitiveness and performance of cooperatives, namely limited access to capital, access to markets, and limited access to information on resources and technology. Cooperatives can make the widest use of technology to develop their businesses so that they can progress quickly and be globally ready. Cooperatives face factors that are still constraints in increasing the competitiveness and performance of cooperatives, namely limited access to capital, access to markets, and limited access to information on resources and technology. Cooperatives can make the widest use of technology to develop their businesses so that they can progress quickly and be globally ready. Cooperatives face factors that are still constraints in increasing the competitiveness and performance of cooperatives, namely limited access to capital, access to markets, and limited access to information on resources and technology.

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