

The Institutional Strengthening of Inovasi Ummat Sharia Cooperative and Firdaus Pesantren Cooperative Pangalengan

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Abstract—Margamulya village, Pangalengan, is a coffee-producing area that has great potentials to be developed. Its consumers not only come from local communities, but also from national and even international scale. This great potential needs to be supported by various efforts so that it continues to exist and grow. One of the efforts was the establishment of Mitra Inovasi Ummat sharia cooperative since 2018 aiming at managing the finances of the cooperative members. The results of Community Service in 2019 had succeeded in increasing the knowledge and skills of cooperative management about various products and contracts for collecting and distributing funds used in sharia cooperatives. Based on the results of the evaluation and consultation of the cooperative management, it was found that urgent problems needed to be followed up, namely: (1) institutional problems in which that the established cooperative had not had a legal entity yet and had not even been registered with a notary; (2) communication problems with BAZ as an institution that had encouraged financially for capital of the initial establishment; and (3) cooperative problems with sharia cooperative of Firdaus *Pesantren* which was close and had the potential to cooperate with other institutions. Community Service 2020 aimed at strengthening the institutional aspects of sharia cooperatives, namely 1) obtaining legal entity approval from the Ministry of Law and Human Rights; 2) acquiring mediation to coordinate with BAZ of West Java Province; and 3) establishing cooperation with Firdaus *Pesantren* cooperative and other institutions. The method used training, mentoring, and advocacy on the legal aspects of sharia cooperatives, and initiating collaboration with other related parties. The Community Service participants were the administrators and representatives of 26 members of Mitra Inovasi Ummat sharia cooperative and Firdaus *Pesantren* cooperative at Margamulya village, Pangalengan. Strengthening legal aspects and cooperation made these two sharia cooperatives be institutionally strong and financially improved.

Keywords—*strengthening, sharia cooperative institutions*

I. INTRODUCTION

One of the superior products produced by Indonesian plantations that have economic value is coffee. One of the

coffee products has a distinctive name, Java Preanger, which comes from coffee plantations in West Java, precisely in the Margamulya village, Pangalengan District, Bandung Regency. Pangalengan has three mountainous areas as centers of coffee development, namely Mount Tilu, Mount Patuha, and Mount Malabar. These three areas produce high-quality coffee products and even obtain the title of excellent taste coffee [1]. To increase its economic value, a forum or business entity is needed to house the coffee farmers at Margamulya village, so that a cooperative is formed. This cooperative aims at improving the ability of farmers in managing coffee production in the form of training and mentoring and increasing the economic value and income of the farmers because this cooperative is engaged in collecting coffee from farmers, providing coffee processing facilities, and marketing it. It becomes easy to distribute their agricultural products so that it affects their economic level of life.

In the previous Community Service, the team had succeeded in mediating Badan Amil Zakat (BAZ) of West Java Province to provide business capital assistance of 44 million rupiahs to 22 coffee farmers and entrepreneurs. Furthermore, the team provided training on the establishment of Baitul Maal wat Tamwil (BMT) as the forerunner of sharia cooperatives to coffee farmers and entrepreneurs in Margamulya village so that the money could be managed optimally and its management could be formed. However, the establishment and formation of BMT management, which was then directed to the form of sharia cooperatives was not sufficient to make statutes and bylaws and Cooperative Management and Operational Training only, as it had been conducted by Community Service team of Unisba LPPM in assisting coffee farmers and entrepreneurs. This is because the management problems of sharia cooperatives have been still being faced by the administrators who need support, knowledge, skills, and other assistance [2].

Based on the results of the evaluation and consultation of the cooperative management to the Community Service team about the problems faced, the team found urgent problems to be followed up, namely (1) institutional problems in which that

the established cooperative had not had a legal entity yet and had not even been registered with a notary; (2) communication problems with BAZ as an institution that had encouraged financially for capital of the initial establishment; and (3) cooperative problems with sharia cooperative of Firdaus Pesantren which was close and had the potential to cooperate with other institutions. Therefore, the purpose of Community Service 2020 aimed at strengthening the institutional aspects of Mitra Inovasi Ummat sharia cooperative, namely 1) obtaining legal entity approval from the Ministry of Law and Human Rights; 2) acquiring mediation to coordinate with BAZ of West Java Province; and 3) establishing cooperation with Firdaus Pesantren cooperative and other institutions.

The method used training, mentoring, and advocacy on the legal aspects of sharia cooperatives, and initiating collaboration with other related parties. By strengthening the legal aspects and cooperation, it is hoped that these two sharia cooperatives would be institutionally strong and financially improved. Community Service participants were the administrators and representatives of 26 members of Mitra Inovasi Ummat sharia cooperative and Firdaus Pesantren cooperative at Margamulya village, Pangalengan. With this continued Community Service, it is hoped that there would be the development of professional cooperative financial management, which would have an impact on increasing the coffee business in Margamulya village. This is in accordance with the main theme of Community Service Unisba activities, namely “Pemanfaatan Hasil Penelitian dan Pengabdian kepada Masyarakat bagi Percepatan Pembangunan Berkelanjutan di Indonesia” (Utilizing the Results of Research and Community Service for the Acceleration of Sustainable Development in Indonesia). The main themes in the implementation of research and service at Unisba are directed at six leading themes, including: “Creating and strengthening institutions to increase entrepreneurship and Islamic ethics-based global competitiveness”. The proposed Community Service theme is relevant to one of these leading themes. To provide institutional strengthening of this sharia cooperative, Unisba as a higher education institution can contribute through Community Service activities so that this sharia cooperative institution can develop and contribute greatly to the community’s economy.

The Margamulya coffee farmer cooperative has great opportunities in its line of business supported by special coffee products and the availability of marketing. Therefore, a Grow and Build strategy is needed to get a suitable strategy, namely an intensive strategy and an integration strategy [3]. The next BMT in a sharia cooperative is the right institution to manage this potential with its function and role as an appropriate Islamic Micro Institution [4]. To continue to improve the business results of Margamulya coffee farmers, the Unisba Community Service team needs to carry out continuous strengthening and assistance in responding to the problems they face

II. METHODS

In the early stages, the priority of this Community Service was to provide literacy strengthening and training for the administrators of Mitra Inovasi Ummat cooperative and Firdaus Pesantren cooperative, totaling 26 people to understand the institutions of sharia cooperatives. Furthermore, assistance and advocacy activities were conducted for the management of sharia cooperatives to ratify the legality of sharia cooperatives. Knowledge and understanding of communication was a form of a collaboration program for sharia cooperatives with other cooperatives. The sharia cooperative is a forum needed by the community of micro coffee business actors to obtain financing funds from BAZ, because financing is not channeled to individuals, but must be through institutions. Therefore, materials related to the legality of cooperative institutions were needed to gain the trust from members and other communities.

Materials on communication and institutions were also provided to establish cooperation with other institutions in the development of sharia cooperative institutions through collaborative programs. The method used lecture, discussion, question and answer, and simulation. The participants were given the material first, then question and answer, and discussion, followed by a simulation for needed certain things.

The next activity was in the form of advocacy assistance for sharia cooperative legal entities, so that they get legal entity approval from the Ministry of Law and Human Rights, assistance in developing collaborative programs with Pesantren Sharia Cooperatives. In this activity, the goal is prioritized to increase the knowledge and skills of participants in developing cooperative programs for the common good through cooperation programs.

Those three Community Service priority activities were training for the management of the two cooperatives, followed by assistance in developing the sharia cooperative cooperation program referring to the development of collaborative programs with Pesantren and advocacy of legal entities.

The results of the previous Community Service succeeded in mediating BAZ of West Java Province to provide business capital assistance of 44 million rupiahs to 22 coffee farmers and entrepreneurs through a sharia cooperative which was established with the team, then assisted the management and operations of sharia cooperative to its management. In this Community Service 2020, the team collaborates with Firdaus Pesantren cooperative as a collaboration partner in the development of the next sharia cooperative. Research roadmap show in figure 1 below.

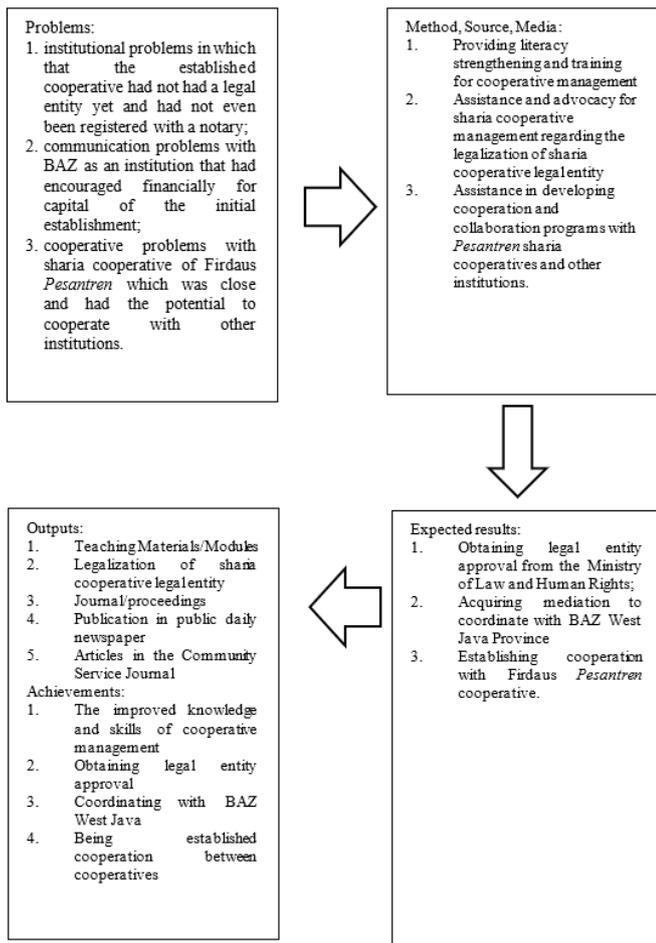


Fig. 1. Research roadmap.

III. DISCUSSION

A. Cooperative Training, Advocacy, and Assistance

There were three activities conducted as priority solutions in overcoming the problems found in sharia cooperatives in Margamulya village, namely training, mentoring, and advocacy. The first activity was training related to institutions, namely the importance of legal entities for sharia cooperative institutions, with materials on legal aspects and legal entities of sharia cooperatives, forms of institutional development of sharia cooperatives, and the development of collaborative programs among sharia cooperatives. In this activity, the objective is prioritized to increase the knowledge and skills of participants in developing programs in sharia cooperatives for the common good. The second activity was mentoring in communicating, coordinating, and collaborating with other parties to develop cooperatives in a professional manner, which would have an impact on increasing the coffee business in Margamulya village. This was conducted so that this activity continues to be sustainable, continuing with the Community Service in accordance with the problems faced by Coffee SMEs.

Training activity was conducted for one full day, while assistance for the establishment of legality and operational strengthening of sharia cooperatives was conducted after the training activity took place. Mentoring activity was conducted routinely and directly through the involvement of the existing management and coffee business actors in accordance with the needs found in the field. Assistance was conducted in stages starting from the problem of managing legal requirements and recording at a notary to the issuance of legalization of legal entities from the Ministry of Law and Human Rights. Therefore, consultations with the Community Service team continue to conduct. Social assistance is very important in determining the success of poverty reduction programs.

According to Ife [5], the role of facilitators generally includes three main roles, namely: facilitator, educator, community representative, and technical roles for the poor people they assist. According to Parsons, Jorgensen, and Hernandez [6], there are several roles of social workers in social guidance, namely as: facilitator, broker, mediator, advocate, and protector for the community being assisted [7] these are the roles performed by the Community Service team.

B. Evaluation of Cooperative Training, Advocacy, and Mentoring

Evaluation was conducted continuously and reported at the end of the Community Service. Meanwhile, the mentoring activities do not stop, but continue as long as the operational activities of sharia cooperative can run well. For the short term, evaluation was conducted by giving pre-tests and post-tests.

In relation to the assistance in strengthening the institutions of sharia cooperatives, the team has conducted several previous research and Community Services related to sharia cooperatives. The road map of the previous research team that supported this Community Service was the research related to sharia microfinance institutions (BMT and Sharia Cooperatives) with the title of the existence and regulation of sharia cooperatives in Bandung City in 2009, followed by the juridical and operational aspects of sharia cooperatives and their transaction models. As a result, Community Service activities were then conducted to advocate for legal and literacy aspects about the urgency and techniques of building sharia cooperative cooperation with other institutions to strengthen their business. Many cooperative managers still do not understand the importance of legalizing cooperative legal entities because they think that it is sufficient to only be registered with a notary [8].

The evaluation of the training and assistance program for strengthening sharia cooperative institutions used the following as indicators:

- Test to increase knowledge and understanding (Pre-test and Post-test).
- This test was conducted before and after conducting training activities whose material includes the institution of sharia cooperatives, forms of institutional

development of sharia cooperatives in the form of developing collaborative programs among sharia cooperatives. Through this test, it is known that there is a change in participants' understanding of the legal aspects and legal entities of Sharia Cooperatives and the urgency and techniques of cooperation with other institutions.

- Published articles in Unisba International Proceedings (Sores)
- Publication in print/electronic mass media, daily newspaper *Pikiran Rakyat*
- Published teaching materials as part of the non-bank financial institution course.
- Articles in reputable National Journals

C. Steps in Community Service Activity

In this Community Service program activity, the conducted steps were:

- Preparation of Team Consolidation with Participants: data collection of Community Service partners, participants' requirements and selection, submission of partner readiness, determination of training schedule and mentoring mechanism;
- Training: providing required materials regarding sharia cooperative institutions, namely the legal aspects and legal entities of sharia cooperatives and the development of collaborative programs with other institutions, and advocacy from managing requirements to submitting to the Ministry of Law and Human Rights;
- Assistance: sharia cooperative institutions and the development of collaborative programs between Mitra Inovasi Ummat sharia cooperative and Firdaus *Pesantren* cooperative;
- Advocacy and Supervision: monitoring the process of legalization of legal entities and cooperation with BAZ and Firdaus *Pesantren* cooperative.

Participants were so active in participating in this activity. There were 26 people who took part in this Community Service activity, including 26 members of Mitra Inovasi Ummat sharia cooperative and Firdaus *Pesantren* cooperative. In institutional training activities, mentoring, and advocacy of sharia cooperatives, participants played an active role and continued to consult with the Community Service team through team

members who are domiciled in Margamulya village and Sharia Economics Masters students

IV. CONCLUSION

Based on the results of the Community Service activity entitled "The Institutional Strengthening of Mitra Inovasi Ummat Sharia Cooperative and Firdaus Pesantren Cooperative Pangalengan", it can be concluded that this activity is useful in an effort to increase the knowledge and skills of cooperative members regarding sharia cooperative institutions both in managing requirements and submitting legalization of cooperative legal entities to the Ministry of Law and Human Rights. In addition, for the development of collaboration programs between Mitra Inovasi Ummat Sharia Cooperative and Firdaus Pesantren Cooperative Pangalengan, several cooperation plans such as membership and possible mergers have been conducted. With these activities, the cooperative's business performance has increased through the cooperative business cooperation program. submission of legal entities, while strengthening cooperation was conducted through the cooperation program of these two sharia cooperatives, so that financial improvements are expected to happen.

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