



# Understanding Solidarity in Cooperative Lessons to Become Stronger and Independent

Lucy Sri Musmini<sup>(✉)</sup> and Gede Adi Yuniarta

Universitas Pendidikan Ganesha, Banjar, Indonesia  
lucy.musmini@gmail.com

**Abstract.** Cooperatives have economic and social functions. This duality of functions moves in line to achieve the cooperative's goals. The spirit of solidarity is one of the pillars of the strength of the cooperative. This study aims to understand the meaning of solidarity in cooperative lessons. Cooperatives by prioritizing the spirit of solidarity in cooperative policies can encourage cooperatives to become stronger and more independent. This study uses a qualitative method with an interpretive paradigm. More precisely, this research seeks answers to problems through a phenomenological approach. Solidarity is practiced in a collective movement that helps each other to achieve common goals or individual goals of cooperative members. The results show that the meaning of solidarity is that the spirit of solidarity can encourage the strength of cooperatives to become stronger. In addition, the spirit of solidarity also provides lessons on how to be independent.

**Keywords:** Solidarity · Cooperatives · Stronger and Independent

## 1 Introduction

Cooperatives as economic institutions have two characteristics, namely economic and social. Cooperatives aim to improve the welfare of their members by conducting business activities. Cooperatives as business units operate to generate profit is a characteristic of the economy. The social characteristics of cooperatives which refer to cooperative business activities are based on the principles of togetherness and kinship [1].

The social characteristics of cooperatives are closely related to aspects of humanism in building cooperatives, namely solidarity and individuality [2]. The concept of cooperative solidarity is reflected in the attitude of mutual help and the joint efforts of cooperative members to achieve the cooperative's common goals. The concept of cooperative solidarity is built through direct learning in the daily practice of cooperative members. Bung Hatta emphasized how to build an attitude of solidarity as a form of the value of the togetherness of cooperative members in the lesson [2].

Research on solidarity is always related to the human aspect [3]. Research on solidarity is always related to the human aspect. Parrhesia, in the context of solidarity politics, examines the benefits of the political solidarity approach to humanity. The solidarity aspect of this issue seems to push politics into the humanist group. His research found there is a paradox in the results of his research. How disturbing is this paradox? It depends

on how deeply committed one is to ditching humanism. If humanism is to be completely ignored, then we must ignore the politics of solidarity [4].

The human aspect in the form of solidarity is very much attached to cooperatives [5] [6]. Solidarity in cooperatives has been widely studied. Healy, et.al discusses the solidarity economy which reflects on Gibson Graham's political theory of equality to find out how the success of the solidarity economy is possible. The Gibson-Graham theory of post-capitalist politics is used to map the possibilities of movement, in particular how it works by creating and sharing monetary and non-monetary space and resources in pursuit of its goals. A Solidarity economy works by sharing spatial, financial, and political resources in a cooperative, participatory and inclusive way [6].

Solidarity as the lesson from cooperatives has also been widely studied [7][8][9]. Zimnoch conducted a survey on the role of student cooperatives in lessons and parenting, the formation of entrepreneurial attitudes and work values, and democracy in Poland. This research was conducted because of the phenomenon of student interest in following the values of self-help and solidarity which is the impact of youth education [10].

However, there is no research that discusses and digs deeper into the meaning of solidarity from cooperative lessons. This study aims to understand the meaning of solidarity in cooperative lessons.

Based on the previous background, this article tries to discuss deeper into the meaning of solidarity in cooperative lessons. This article is structured as follows: the second part of this article describes the research methods used to find answers to the research questions, the third part discusses the results of the research and discussions the meaning of solidarity from the cooperative lesson, and finally, in the fourth part a conclusion is drawn from the discussion about the meaning of solidarity on cooperative lessons.

## 2 Method

This study uses qualitative methods to find answers to research questions. The research paradigm uses an interpretive paradigm, especially phenomenology. The main emphasis of interpretive research is on the meanings attached to such phenomena and tends to require very specific context and time analysis of how people communicate and act in particular social settings. The emphasis on the phenomenon of social wealth also leads to a holistic, rather than atomistic, analysis, recognizing that meaning is formed in the interactions between people and various human and non-human aspects, including social. Rules that are (consciously or unconsciously) applied in the situation at hand [11].

The phenomenological method emphasizes a deep understanding of the meaning of solidarity in a cooperative lesson based on the understanding of the informants [12]. The phenomenology of this study adopts Husserl's thinking which sees the essence of phenomena as noesis and noema. Noesis is the awareness of the human mind that is used to think, feel, evaluate, and remember an object of research. Neoma is the opposite, an object of research that can be accepted by the five human senses with accurate evidence. The essence of the solidarity phenomenon in this study is seen from noesis and noema in an integrated and harmonious way [13].

This research was conducted at the Singaraja, Bali Swastiastu Credit Cooperative. The operational activities of the Swastiastu Credit Cooperative refer to the management

of the Credit Union (CU). Credit unions can be described as non-profit institutions engaged in finance similar to banks that provide financial services according to the needs of their members. The management and supervision of credit unions is also carried out voluntarily by its members. The Swastiastu Credit Cooperative to date has experienced rapid growth in membership from 34 members to 9,454 people by the end of 2021.

Data was collected through interviews with informants. Informants were selected according to the contextuality studied, namely the meaning of solidarity in the cooperative lesson. The meaning of solidarity in the cooperative lesson is explored in depth through interviews. The selection of the right informants is carried out with the consideration that the informants are active actors and have experience in solidarity activities in cooperatives. In this study, the informants interviewed were Mr. Sandi as an advisor to the Swastiastu Credit Cooperative and Mr. Artawan as the supervisor of the Swastiastu Credit Cooperative.

Data analysis carried out after the interview transcript has several stages, namely: 1) creating and organizing data, 2) reading the text and making notes and initial codes, 3) classifying data on statements that have a certain meaning, 4) data interpretation. by building a description of the textural, structural and overall essence of the event under study, 5) visualization and presentation of data [13]. The researcher then reflects his thoughts to find the overall meaning of the phenomenon under study.

### 3 Finding and Discussion

#### 3.1 The Spirit of Solidarity Makes Cooperatives Stronger

The true purpose of cooperatives is to increase the benefits obtained by members [14]–[16]. Benefits for cooperative members are sought through collective efforts on the basis of solidarity. Bung Hatta's thoughts were always oriented on how to uphold justice and prosperity (welfare) of the people by prioritizing solidarity. According to Bung Hatta's commitment to prioritizing people's welfare was aimed at achieving independence, and eliminating feelings of inferiority towards other nations through building a strong national character [17].

Cooperatives is a joint effort based on the principle of kinship that can be incorporated into the concepts of individuality and solidarity. The main purpose of cooperatives is to educate in the souls of cooperative members an attitude of individuality and a sense of solidarity. Cooperatives can strengthen the economy and morale of cooperative members based on the two pillars of cooperatives, as in the following quote:

Cooperatives are a good element of education to strengthen the economy and morale because cooperatives are based on two principles, namely solidarity, loyal friends and individuality, and awareness of self-esteem. Cooperatives are based on these two pillars, but on the other hand, the two joints are strengthened because they are fostered within the cooperative and with the cooperative. Only in solidarity and individuality cooperatives can harmonious relations develop. By reviving and cultivating solidarity and individuality, cooperatives educate in the human heart a sense of social responsibility [2].

This statement shows that cooperatives are good educational agents to improve the economy and morale of cooperative members. Therefore, it can be said that cooperatives have an economic and moral mission that can be achieved through education in cooperatives. Education in cooperatives is carried out to improve not only the economic aspect but also to increase the morale of cooperative members.

Based on the quote above, it can be understood that the pillars of cooperatives from the aspect of human nature, which must be developed as the identity of cooperatives, are solidarity and individuality. The emphasis on the two aspects of humanism in developing cooperatives was the basis as a linkage that supports each other to build the morale of each member of the cooperative. The moral in question is to be able to build in the conscience of people who are members of cooperatives leading to an increased sense of social responsibility.

The spirit of solidarity and individuality in cooperatives are the two main pillars of cooperatives that are very important in a mutually supportive position as the following statement:

Solidarity alone cannot promote progress. With solidarity alone, social cooperatives such as mutual assistance in building houses, working the fields and others can be maintained, but economic cooperatives cannot be turned on to increase the degree of livelihood and prosperity. Economic cooperatives need individuality next to solidarity [2].

Further confirmed in the statement:

In the relationship (individuality) with solidarity within the cooperative, the belief in one's own ability to improve the common destiny is getting stronger.

The statement previously confirms that solidarity can build stronger cooperatives through mutual cooperation activities in a joint effort to achieve common goals. The social aspect that is owned by the cooperative requires the economic aspect to improve the development of the cooperative. Accordingly, it can lead to an increase in the standard of living of the members of the cooperative. The role of the aspect of solidarity and individuality in cooperatives has a balanced position, thus cooperatives can progress by fostering a sense of solidarity and individuality together.

After being explored in depth, the spirit of solidarity is rooted in the values of the Indonesian people. The spirit of solidarity in cooperatives is rooted in the characteristics of the Indonesian agrarian society which adheres to a collectivism social system. The collectivism social system creates an attitude of mutual cooperation and a sense of togetherness to carry out joint efforts based on the principle of kinship. The spirit of solidarity is clearly described in the following quote:

Solidarity already exists in genuine Indonesian society, within the village, and appears to come out as mutual help or mutual cooperation. In our original society the individual, one person, only means as part of society. In carrying out the interests of his life and in using his economic power he is bound by the consent of his people. Outside the clan, he means nothing,

Based on these quotes, it can be understood that the attitude of solidarity possessed by the Indonesian people is the character of Indonesians that has existed since ancient times. The attitude of *gotong royong* that appears as an impact of solidarity is a manifestation of the social nature of a human being. As social beings, one of human actions is to work and strive together which is often referred to as collective economic action. This collective economic action is bound in one group or what is referred to as a people to fight for the common goals of the group.

Emphasis on the spirit of solidarity in the collective movement. Someone who lives in society has no meaning, but when someone joins the community, they can have the power to move forward and develop. In people's lives with the spirit of solidarity, when they carry out their interests in life and use their economic resources, they are bound by the consent of their people. Therefore, it can be said that the spirit of solidarity is closely tied to the nature of collectivism in carrying out all aspects of life in society.

In cooperatives, a sense of solidarity can build an atmosphere of maintaining social characteristics that arise in cooperatives. *Gotong royong* is manifested in a joint effort to build economic strength with the aim of improving the basic necessities of life together in an organization called a cooperative. The social nature in the form of the spirit of *gotong royong* is shown in the distribution of profits to members according to their services. In addition, cooperative profits are not only used to strengthen cooperative capital, but are also used for social funds such as death funds, school scholarships, even on a larger scale can be used for the construction of polyclinics and places of worship.

One of the solidarity practices can be seen in the policy of determining the amount of mandatory savings that must be paid by cooperative members every month. At the Swastiastu Credit Cooperative, the mandatory deposit of Rp. 25,000 was never reviewed for increase. The policy of increasing the amount of mandatory savings is not carried out for the following reasons as stated by Mr. Artawan below:

This means that the mandatory savings, 25 thousand per month, have been implemented for a long time. When mandatory savings increase, it feels like this will have a different effect. Because one or more borrowers are not resolved then the mandatory deposit is increased. Meanwhile, what happens is that with 25 thousand, not 100%, maybe not up to 75%, who remember their monthly obligations even though it is only 25 thousand. If it is raised later the effect is different, the members' meeting will definitely be crowded.

Based on the statement above, it can be said that the mandatory savings for cooperative members of Rp 25,000 per month is still considered heavy by cooperative members. This fact is shown from the percentage of members who pay their mandatory savings of less than 75% of all members of the cooperative. It is so difficult for cooperatives if they have to take a policy to increase the amount of mandatory savings for cooperative members in this case.

This fact shows that the ability of members of the Swastiastu Credit Cooperative to pay for mandatory savings is still quite weak. The reason is probably because the economic capacity of cooperative members is still low. What if the number of mandatory savings is increased, of course more and more members of the cooperative have difficulty meeting the cooperative's mandatory savings.

In the spirit of solidarity to help strengthen the economy of cooperative members, the policy of increasing the amount of mandatory savings has not been increased until now. The goal is to encourage cooperative members to become more cooperative members. As a member of a cooperative, a person can be helped to improve his or her economy through the provision of credit to run his or her business. The motivation of cooperatives is to attract as many cooperative members as possible so that more and more people can help the community strengthen their family's economy.

The practice of private credit cooperatives which mostly embrace members from the lower middle class with the aim of increasing the economic capacity of community members. Increasing the economy of cooperative members indirectly strengthens the community's economy. The spirit of solidarity is shown by the more members of the cooperative who join, the wider the solidarity that the cooperative has. The more cooperative members, the more will participate in mutual cooperation to strengthen cooperatives and cooperative members.

### 3.2 Independence is the Goal of Solidarity

The spirit of solidarity can be interpreted as the difficulty of one member of the cooperative is also felt by other cooperative members. The sense of help among cooperative members is manifested in the form of mutual assistance to alleviate the difficulties of cooperative members who are experiencing problems [18][19].

According to Leap and Thompson, the articulation of cooperative solidarity on the economic and social dimensions is seen in a balanced way. The form that balances the economic and social dimensions of the solidarity concept can be identified as follows: 1) constructing cooperative policies together on the relationship between management and cooperative members, 2) the main expenditure of money owned by cooperatives is to improve the economic welfare of its members, 3) the main goal of mutual interest in building cooperatives is in the form of participation on a voluntary basis. Therefore, cooperative policies need to be directed at implementation that supports the concept of solidarity [20].

The cooperative policy that shows the spirit of solidarity is the policy on the proportion of residual business result distribution. Residual business result is the remainder of the results of business operations or businesses carried out by cooperatives. Residual business result will be partially returned to the member based on the member's activities related to the cooperative.

In private credit cooperatives, there is an unusual practice by giving a larger percentage to members who carry out saving activities than to borrowing members. Cooperatives that provide a much larger percentage to savers than borrowers as stated by Mr. Sandiarta as advisor of a cooperative below:

The proportion of the distribution of SHU between borrowers and depositors is very different. Depositors are 50% while for borrowers the proportion is only 2%.

Mr. Sandiarta's statement is also supported by data obtained from the following 2020 cooperative management accountability report (Fig. 1).

h) Sisa Hasil Usaha

Sisa hasil usaha yang diperoleh telah dialokasikan mengacu pada AD/ART dan program kerja tahun buku 2020, SHU yang diperoleh dialokasikan dengan perincian sebagai berikut :

1. Dana cadangan	30,0%
2. Jasa Penyimpan	52,0%
3. Jasa Peminjan	2,0%
4. Dana Kepengurusan	7,0%
5. Dana Karyawan	5,0%
6. Dana Sosial	3,5%
7. Dana DPDK	0,2%
8. Dana Pendidikan	0,3%

**Fig. 1.** Residual Business Result A location

This can be explained that the residual business result of the cooperative are allocated as follows: 1) 30% reserve funds, 2) 52% depositor services, 3) 2% borrowing services, 4) 7% management funds, 5) 5% employee funds, 6) funds 3.5% social fund, 7) DPDK 0.2% fund, 8) education fund 0.3%.

Based on the allocation of residual business result distribution of cooperatives, it can be said that cooperatives really value the activities of cooperative members who are depositors, seen from the 52% allocation, which is very much different from the allocation of residual business result to appreciate the services of 2% borrowers. This fact is an anomaly of economics that is generally practiced by financial institutions such as banks. From an economic point of view, the borrower will provide income to the cooperative in the form of interest income. The higher the allocation to borrowers, the more credit is circulated so as to generate more income for the cooperative. However, the reality of private credit cooperatives is the opposite.

Interviews with informants revealed the reasons for the residual business result allocation policy as quoted below:

The reason is because of the thousands of members, not all active members borrow from the borrowing program. If you save, yes, because there are mandatory savings and other savings programs, so almost all members have savings there, contributing to savings. Well, these borrowers are only a few.

The reason for the high allocation of SHU to depositors is that cooperatives want to give rewards to all cooperative members, because all cooperative members must have savings, while not all cooperative members have loans.

Another argument that can be reflected is that the allocation of SHU is more for the depositors according to the direction of cooperative education about independence, one of which is independent in capital.

Saving activity by cooperative members shows the spirit of solidarity to foster cooperative capital so that cooperatives can operate using their own capital. Cooperatives are stepping up little by little towards self-reliance by cultivating their own capital through savings made by cooperative members. The independence of cooperatives implies that when making cooperative policies it is not influenced by outside parties. Each cooperative policy can focus on the welfare of cooperative members.

The sizable allocation of residual business result to saving members motivates cooperative members to increase their savings. Based on the perspective of cooperative members, this residual business result allocation policy indirectly educates cooperative members to cultivate their savings. This activity provides learning for cooperative members to be independent with the savings they have in managing their personal finances.

The motivation to save cooperative members has an impact on the behaviour of cooperative members who prefer activities that are productive rather than consumptive [21]. Saving behaviour that is carried out continuously shows the learning process of the spirit of cooperative solidarity has shown results. Cultivating savings and reducing dependence on debt for operations can strengthen the independence of cooperatives and cooperative members [22].

## 4 Conclusion

The uniqueness of cooperatives that have economic and social functions is based on the spirit of solidarity. Operational activities of cooperatives that are guided by policies made based on the identity of cooperatives lead to practices that are based on that solidarity. Based on the results of the previous research and discussion, the following are the conclusions obtained. The spirit of solidarity in cooperatives is the basis for implementing cooperative operations. Cooperative activities that prioritize the spirit of solidarity in their operations encourage the strengthening of cooperatives by realizing the mutual help attitude that underlies them. The strengthening of cooperatives is seen from its valleys and the strengthening of cooperative members.

In addition, solidarity in cooperatives is a lesson on how to form independence for both institutions and cooperative members. The motivation for independence is supported by the implementation of the spirit of solidarity that mutually reinforces each other in cooperative collectivism. Every element in the cooperative moves together to achieve the goal of independence.

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