

# ABDIMAS

Jurnal Pengabdian kepada Masyarakat  
<https://journal.unnes.ac.id/nju/index.php/abdimas/>

---

## The Role of Savings and Loans Cooperatives in the Development of Micro, Small and Medium Enterprises (MSMEs)

Lisa Kartika Rahmawati, Jihan Anisak Ulkhafid, Sri Sumaryati

Universitas Sebelas Maret, Indonesia

---

### Abstract

This research aims to determine the role, efforts and obstacles experienced by savings and loan cooperatives (KSP) in helping the development of Micro, Small and Medium Enterprises (MSMEs) in Karanganyar Regency. The type of research used is qualitative descriptive research. The data collection techniques used were observation, interviews and documentation. The number of research informants was 8 people consisting of 2 employees of the Savings and Loans Cooperative in Karanganyar Regency and 5 micro, small and medium business entrepreneurs. The results of this research are 1) savings and loan cooperatives have a role in the development of micro, small and medium enterprises, such as providing business capital, assisting in economic growth, and playing a role in improving the entrepreneurial spirit of cooperative members. 2) The efforts made by savings and loan cooperatives to help the development of micro, small and medium businesses is by providing business development. 3) Obstacles faced by savings and loan cooperatives in helping the development of micro, small and medium enterprises include the low amount of credit given and the occurrence of installment delays for members.

**Keyword:** Savings and Loans Cooperative; Role; Micro, Small and Medium Enterprises (MSMEs)

---

### INTRODUCTION

Cooperatives are called the pillars of economics in Indonesia. Cooperatives have an ideal foundation, namely Pancasila, so that the values in Pancasila can be internalized in Law No. 25 of 1992 concerning cooperatives, namely that cooperatives have the function of being the pulse of the economy in Indonesia, playing a role in socio-economic demonstration efforts in Indonesia, improving welfare. people and play a role in strengthening the national economy. Apart from these functions, cooperatives have a goal, namely to advance the welfare of members and participate in the development of the national economy in order to create an advanced, just and prosperous society based on Pancasila and the 1945 Constitution. The aim of cooperatives is to improve the welfare of members, so cooperatives do not focus on profit but focus on achieve the welfare of all members (Arifandy et al., 2020 : 119; Batubara, 2021: 1497).

Cooperatives consist of several types based on the type of business, one of the cooperatives in Indonesia is the savings and loan cooperative. Savings and loan cooperatives are one of the microfinance institutions that are based on the values of independence, democracy, equality, responsibility, justice and solidarity with the determination to help in developing activities in MSMEs to fulfilling the daily needs of their members (Poling et al, 2023: 106). Savings and loan cooperatives provide savings and loan services for their members (Romadhon & Desmulyati, 2019: 21). The operational activity of savings and loan cooperatives is to receive money from members in the form of savings. The money obtained from members is then lent back to other members who need funds, such as to MSMEs who need funds as business capital.

MSMEs are one solution in overcoming poverty in Indonesia, the existence of MSMEs is

an important part of the national economy because MSMEs have community participation in various sectors of economic activity. Through mechanisms for creating job opportunities and added value, MSMEs have proven to be reliable in times of crisis (Poling et al, 2023: 106). The increase in MSME businesses shows that the community's economy is also getting stronger, so increasing MSMEs will be able to speed up the national economic recovery process. One of the factors that influences the development of MSMEs is the management of MSME actors, but there are other factors that influence the development of MSMEs, namely support from external parties which can influence the existence and sustainability of an MSME.

There are various limitations that cause MSMEs to be hampered in developing and carrying out their activities, namely weak capital, unregulated financial records, simple production activities, and limitations in terms of management and marketing (Nafizah & Ikhwan, 2021: 48). Weak capital is one of the factors that can hinder MSMEs from carrying out their business activities. This problem of weak capital must be immediately reduced or even eliminated through various supports from several parties such as the government, financial institutions and MSMEs themselves.

Savings and loan cooperatives are one of the financial institutions that can help MSMEs in overcoming problems related to funding which can improve people's welfare in the long term and increase economic growth (Poling, et al, 2023: 106). Cooperatives act as providers of financing for MSMEs (Adi, 2022: 72). Assistance from KSP in terms of capital for Micro, Small and Medium Enterprises (MSMEs) is able to encourage productivity in MSMEs. Capital assistance is provided in the form of financing credit which it is hoped that MSME players can make the best use of it to increase their business productivity. Increased productivity is a reflection of the good use of financing credit in productive activities (Rewa, 2022: 32). Increasing income is one of the benchmarks used to assess increases in productivity. The higher the income, it can be said that productivity activities also increase (Dwipayanti & Kartika, 2020: 373). The increase in income can also be used as a benchmark for the role of financing credit provided by KSP in the development of MSMEs. The higher the income earned, the bigger the MSME will become.

In Karanganyar, cooperatives have an important role in helping the development of MSMEs, especially regarding capital through providing financing credit. However, in several cases it has been seen that MSMEs use money from financing credit from cooperatives to cover losses experienced or cover business capital that is not returned, so it is not uncommon for MSMEs who carry out financing credit to only be able to return the loan money and not make their business develop further. In fact, there are several cases where MSMEs are unable to return financing credit to the cooperative. So it can be concluded that the role of savings and loan cooperatives has not been optimal in helping the development of MSMEs. Therefore, there is a need for follow-up action in an effort to help the development of MSMEs, namely by providing assistance or business coaching to MSMEs (Wulansari & Hakim, 2021 : 91) with the hope that this assistance can help the development of MSMEs.

Based on the description above, the author wants to examine in more depth the "Role of Savings and Loans Cooperatives in the Development of Micro, Small and Medium Enterprises (MSMEs)" in Karanganyar Regency.

## **METHODS**

### **Types of research**

This type of research is qualitative descriptive research. This research aims to understand in more depth what is experienced by research subjects holistically which will then be descriptive in the form of words in a natural context and by utilizing scientific methods (Iranti et al, 2022: 27). The type of data used in this research is qualitative data regarding the role of savings and loan cooperatives in the development of MSMEs.

### **Research Subjects and Objects**

The subjects of this research are KSP Bhina Raharja Karanganyar Branch and MSMEs who are members of KSP Bhina Raharja Karanganyar Branch. The object of this research is the role of savings and loan cooperatives in helping the development of MSMEs.

### **Data source**

The data used in the research consists of:

1. Primary data

According to Sugiyono (2018: 67), primary data is data obtained directly from the field by researchers. Primary data was obtained from sources through interviews and observations.

2. Secondary Data

Secondary data is data obtained by researchers originating from existing sources (Sugiyono, 2018: 68). Secondary data functions to support the primary data obtained. Secondary data in this research can come from literature, results of previous research, and so on.

### **Data collection technique**

Data collection techniques are the main step in conducting research, without data collection techniques researchers will not obtain data in accordance with predetermined data standards (Rukajat, 2018: 21). Qualitative data sources are based on observations, interviews and documentation which can be in the form of photos, personal documents or informal conversations (Iranty et al, 2022: 27). The data collection techniques used in this research are based on observation, interviews and documentation.

### **Data analysis technique**

In qualitative research, data analysis can be carried out during data collection or after data collection for a certain period has been completed. When the researcher conducts an interview, the researcher will carry out an analysis of the answers given by the source, if the answers are not satisfactory then the researcher will ask the next question until the data obtained is deemed credible.

The stages of data analysis in this research using qualitative descriptive analysis are as follows:

1. Pre-Field Stage

The researcher determines the research location in accordance with the specified criteria, then the researcher will arrange permits for conducting research.

2. Preparation phase

Researchers prepare research components that can help researchers when conducting research in the field, such as preparing a list of questions and so on.

3. Implementation Stage

The implementation stage consists of:

- a) Data collection

At this stage, researchers will go to the field to obtain source data through interviews. Apart from that, researchers also collected secondary data originating from literature and previous research results as support for data processing

- b) Data identification

The researcher will then sort the data, both primary data and secondary data, to assess their validity.

4. Data Analysis Stages

Researchers carry out analysis of the data obtained, both primary data and secondary data, which will then be linked to the problems in the research.

## **RESULTS AND DISCUSSION**

Based on the research that has been carried out, it can be seen that the role of savings and loan cooperatives in the development of MSMEs is as follows:

1. Provider of U.S. capital

The first role of savings and loan cooperatives is as a provider of business capital (Adi, 2022: 73). It is often found that one of the problems experienced by MSMEs is related to the availability of capital. Cooperatives have a role in providing capital to MSMEs with easy conditions and a fast process.

Based on the results of interviews conducted with KSP, KSP makes it easier to provide loans, especially to MSMEs, to help with capital with easy collateral and a fast loan disbursement process. The cooperative prioritizes members who have businesses in providing loans. Proof that cooperatives have an important role in helping MSMEs with capital is the increase in lending which continues to increase every year.

2. Helps in Economic Growth

One of the problems faced by MSMEs is capital problems. Cooperatives have an important role in assisting capital for MSMEs. In this way, MSMEs can develop their businesses because they get capital from cooperatives so that MSMEs are able to produce more diverse and quality products because they have sufficient capital. This will have an effect on increasing turnover for MSMEs. By increasing turnover in MSMEs, this will also help in economic growth (Un dari & Lubis, 2021: 33). Based on interviews conducted, there are several reasons why MSMEs choose cooperatives to make loans, namely as follows:

- a) The interest given is lower, because the principle of cooperatives is to improve the welfare of members so that the interest given to borrowers is quite low.
- b) The lending procedure is quite easy and fast, the process of providing loans to cooperatives is quite easy and fast when compared to banking.
- c) There is satisfactory service from the cooperative, namely the cooperative comes to members so customers do not need to come directly to the cooperative

3. Improving the Entrepreneurial Spirit

Based on the results of interviews conducted with the cooperative, the cooperative provides direction to members to build a business and the cooperative will also provide loans as business capital. Apart from that, the cooperative also always monitors the development of members' businesses. This will certainly increase the entrepreneurial spirit of members. Based on this description, it can be concluded that cooperatives have a role in improving the entrepreneurial spirit of members, especially for MSMEs.

### **KSP's efforts to assist the development of MSMEs**

One of the efforts that KSP can make to help the development of MSMEs is by providing assistance or business coaching to MSMEs (Adi, 2022: 74). This coaching takes the form of holding digital marketing training, entrepreneurship training, and financial management training. This coaching is carried out to improve the quality of human resources for MSME players so that they can better manage their businesses. This business assistance or coaching is carried out in 3 stages, namely:

1. Providing Financing

The first stage is to provide financing to MSMEs so that MSMEs have capital to run their businesses

2. Business Assistance

The next stage is providing business assistance. This assistance aims to help MSME actors in managing their business and finances so that MSME actors know how to manage business and finances well which can ultimately develop their business.

3. Evaluation

The third stage is evaluating the implementation of business development for MSMEs. If MSME actors can manage their business and finances well and correctly, it can be said that the implementation of this business development has been successful.

### **Obstacles Faced by KSP in Helping the Development of MSMEs**

The existence of cooperatives can help in the development of MSMEs, but there are several obstacles experienced by KSP, including the following:

1. The amount of credit given is quite low

Cooperative capital comes from principal savings, mandatory savings, reserve funds and grants (Iqbal & Widya, 2018: 66). This causes the capital available in cooperatives to not be as much as the capital available in banks so that the loans that can be given by cooperatives to their members are relatively low, so what the cooperative can do to overcome this is by increasing the number of members. owned by cooperatives will also increase.

2. There is a bottleneck in installments for members who take out loans

It often happens that members do not pay their loan installments on time or even do not want to pay their loan installments. This bottleneck in loan installments will certainly hinder operational activities in cooperatives (Marisa & Muniarty, 2020: 70), funds that should be distributed to other members cannot be distributed because they are stopped by these members. Efforts that can be made to overcome this are by increasing members' awareness of repaying their loans so that members are not overwhelmed in paying off their loans.

## CONCLUSIONS

Based on the results of research, data processing and analysis, conclusions can be drawn:

1. The role of savings and loan cooperatives (KSP) for MSMEs is as a provider of business capital, helping economic growth, and increasing the entrepreneurial spirit. In MSMEs, capital is one of the most important elements in carrying out activities. With sufficient or large capital, MSME players can develop their businesses. Capital provided by KSP to MSMEs in the form of loans with a certain period of time.
2. The efforts of savings and loan cooperatives (KSP) to help the development of MSMEs is by providing business guidance so that MSME players can manage their business and finances properly. Business coaching is carried out by providing loans, conducting business coaching and evaluating the implementation of business coaching for MSMEs.
3. In assisting in the development of SMEs, savings and loan cooperatives (KSP) experience several obstacles such as not being able to provide large amounts of credit because the cooperative does not have much capital and there is a bottleneck in installments for members who make loans. thus hampering operational activities in cooperatives, funds that should be distributed to other members cannot be distributed.

## REFERENCES

- Adi, R. (2022). The Role of Savings and Loans Cooperatives in Efforts to Develop Micro, Small and Medium Enterprises (MSMEs) in West Aceh Regency (Case Study of the Mandiri Jaya Meulaboh Savings and Loans Cooperative (KSP). *Journal of the Scientific Basis of Economics and Business*, 1 (1), 72-90.
- Arifandy, FP, Norsain, N., & Firmansyah, ID (2020). The Role of Cooperatives in Improving the Economy of Fishing Communities: Working Capital Perspective. *Journal of the Academy of Accountancy*, 3(1), 118. <https://doi.org/10.22219/jaa.v3i1.11665>
- Batubara, MW (2021). The Role of Sharia Cooperatives in Improving the Economy and Community Welfare in Indonesia. *Scientific Journal of Islamic Economics*, 7(03), 1494–1498. <https://doi.org/10.29040/jiei.v7i3.2878>
- Dwipayanti, NK, & Kartika, IN (2020). The influence of capital, work experience and length of business on the productivity and income of village enterprises in Badung Regency [The effect of capital, work experience and length of business on the productivity and income of village enterprises in Badung Regency]. *Udayana University Development Economics E-Journal*, 9 (2), 354382.
- Iqbal, M., & Widiya, L. (2018). The Influence of Principal Savings and Member Loans on Remaining Business Results in the Buanan Endah Credit Cooperative for the 2010-2016 Period. *ACCURATE| UNIBBA FE Accounting Scientific Journal*, 9 (3), 65-86.
- Iranti, AD, Asih, SR, Putra, ZH, & Alim, JA (2023). Increasing knowledge about number lines through jumping the line games. *Indonesian Journal of Science, Technology, Engineering, Art, and Mathematics Education*, 2 (1).
- Marisa, C., & Muniarty, P. (2020). Analysis of Bad Credit in Vocational High School Cooperatives. *Ecoplan*, 3 (2), 66-70.
- Maulida, M. (2020). Data Collection Techniques in Research Methodology. *Darussalam*, 21 (2).
- Nazifah, MN, & Ikhwan, K. (2021). Analysis of constraining factors for small and medium industries (study of food SMEs in North Tidar Village, Magelang City). *Journal of Equilibrium Management and Business*, 7 (1), 47-58.
- Poling, MY, Herdi, H., & Lamawitak, PL (2023). Analysis of the Role of Savings and Loans Cooperatives in Efforts to Develop MSMEs at KSP Kopdit Ikamala. *Journal of Pearls of*

- Accounting Science (JUMIA)* , 1 (2), 105-115.
- Rewa, KA (2022). The Impact of the Covid 19 Pandemic on Cooperative Loan Repayment Rates in East Sumba Regency. *Journal of Economics* , 13 (01), 31-46.
- Romadhon, SS, & Desmulyati, D. (2019). Designing a Savings and Loans Information System Website Using the Codeiginter Framework at the Bumi Sejahtera Cooperative, Jakarta. *JISICOM (Journal of Information Systems, Informatics and Computing)* , 3 (1), 21-28.
- Rukajat, A. (2018). *Qualitative research approach (Qualitative research approach)* . Deepublish.
- Sugiyono. (2018). *Administrative Research Methods*. Bandung: Alfabeta.
- Undari, W., & Lubis, AS (2021). Micro, Small and Medium Enterprises (Mumkm) in Improving Community Welfare. *Journal of Social Humanities Education Research* , 6 (1), 32-38.
- Wulansari, A., Hakim, L., & Ramdani, R. (2021). Strategy of the Karawang Regency Cooperative and MSME Department in empowering MSMEs. *JPAP: Journal of Public Administration Research* , 7 (1).