
Cooperative Literacy on Financial and Institutional Aspects: Collaboration with Hebitren Soloraya

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ABSTRACT

The aim of this community service activities (PKM) was to provide education on the importance of cooperative literacy from financial and institutional perspectives and offer guidance to improve the literacy of the community, especially MSMEs around the Kartasura Palace. This programe was be held to encourage the formation of MSMEs cooperatives through cooperative education and literacy for MSMEs actors around the Petilasan Keraton Kartasura.

The results of the community service program (PKM) that carried out around the Petilasan Keraton Kartasura broadly include two main points the; the *first*, successful implementation of a sarasehan (discussion forum) as a platform to provide education and literacy to MSMEs actors around the Petilasan Keraton Kartasura regarding institutional and financial aspects of cooperatives, and the *second* the agreement to have follow-up mentoring programs for the MSMEs actors.

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INTRODUCTION

A cooperative is a type of economic institution that plays an important role in Indonesia's economy and aligns well with the character of the Indonesian people. This is reflected in the unique characteristics of cooperatives, which emphasize human values, family, mutual cooperation, and mutual assistance (Indah, 2023). Due to these characteristics, cooperatives become entities with the principle of economic democracy, serving a dual function as both an economic institution and a tool for community empowerment.

Numerous studies have illustrated the significant role and contribution of cooperatives to the community's economy. Research by Pasaribu & Kusmilawaty (2024) revealed that the cooperatives studied have made substantial contributions to the welfare of their members.

These contributions are manifested through the provision of business financing assistance, educational scholarships for members' families, and training/workshops to improve human resource skills. Another study also supports the strategic role of cooperatives, demonstrating that cooperatives have been instrumental in developing micro-enterprises and fostering community economic growth, thereby increasing community income (Roza, et al., 2024).

Given the strategic role of cooperatives, their development must continue as an effort to promote and strengthen the community's economy. Efforts to encourage cooperative development can be undertaken through education and literacy programs for the public about cooperatives, covering both financial and institutional aspects. Financial literacy includes the knowledge and skills needed to manage finances effectively. In the context of cooperatives, financial literacy encompasses understanding capital management, bookkeeping, financial statement analysis, and investment decision-making. Financial literacy is crucial because it enhances individuals' and organizations' ability to manage their finances, reduce financial risks, and improve economic well-being (Lusardi & Mitchell, 2014). Financial literacy has a positive correlation with organizational financial performance (Huston, 2010). In cooperatives, good financial literacy enables managers and members to understand and manage the institution's finances, including cash flow management, working capital, and investment decisions. Additionally, financial literacy for cooperative managers is essential to ensure transparency and accountability in financial management.

Aside from financial aspects, institutional aspects are also part of cooperative literacy that must be understood. Institutional literacy relates to understanding the structure, functions, and governance of an organization. In cooperatives, institutional literacy covers aspects such as cooperative principles, relevant regulations, and good governance practices. Good institutional literacy can enhance member participation in decision-making, strengthen democracy within cooperatives, and increase members' trust in cooperative managers (Birchall & Simmons, 2004). Institutional literacy is also crucial for building and maintaining effective governance systems, which in turn can improve the overall performance of cooperatives.

The community service activities (PKM) carried out by the PKM team was held to provide education on the importance of cooperative literacy from financial and institutional perspectives and offer guidance to improve the literacy of the community, especially MSMEs around the Kartasura Palace. The service program conducted by the PKM team takes place in the Kartasura area, particularly around the site of the Kartasura Palace, where many micro, small, and medium enterprises (MSMEs) are organized into communities, but no cooperative has been initiated by these MSMEs to enhance their business and welfare. Therefore, this PKM program aims to encourage the formation of MSME cooperatives through cooperative education and literacy for MSME actors around the Kartasura Palace site.

The initiative to promote the establishment of MSME cooperatives is based on the strategic role and position of cooperatives and the significant role of MSMEs themselves,

which theoretically can serve as an exit strategy for poverty in Indonesia and have a strong probability of being a representative way out for poverty alleviation (Rachmawati, 2020). Furthermore, the initiative to form cooperatives for Kartasura MSMEs actors is also based on the article by Nurlaela (2021), which highlights the need for a direct syirkah approach by establishing a syirkah exchange to connect investors and managers, in this case, the MSMEs.

Based on the above explanation, the objectives of the PKM team's community service program are: first, to educate about Kartasura's strategic potential as a tourist destination, and second, to provide cooperative education and literacy, especially regarding institutional and financial aspects, with the hope of forming MSMEs cooperatives that ultimately promote Kartasura as a tourist destination.

1. METHOD

The community service program carried out by the PKM FEBI team was organized using the following methods and stages:

1. Preparation and Identification of Target Needs (PKM Objectives); In this stage, the PKM team conducts internal coordination to discuss and formulate the planned program. After internal coordination, the PKM team conducts an initial survey to identify the conditions and needs of the program's target, which are the MSME actors around the Kartasura Palace site.
2. Implementation of the PKM Program through sarasehan activities; In this stage, the PKM team provides education and literacy to the MSMEs actors around the Petilasan Keraton Kartasur. The focus of the education and literacy is based on the conditions and needs of the MSMEs actors as identified by the PKM team from the initial survey results
3. Evaluation; In this stage, the PKM FEBI team conducts an evaluation process through testimonials and responses from the MSMEs actors who participated in the program. The results of the evaluation will then be used as material for follow-up PKM programs and to provide study results in an effort to continuously promote the potential of Kartasura.

2. RESULTS

The results of the community service program (PKM) was carried out around the Petilasan Keraton Kartasura broadly include two main points: (1) the successful implementation of a sarasehan (discussion forum) as a platform to provide education and literacy to MSMEs actors around the Petilasan Keraton Kartasura regarding institutional and financial aspects of cooperatives, and (2) the agreement to have follow-up mentoring programs for the MSMEs actors. The details of the sarasehan activities are as follows:

a. Time and Place of the Activities

The cooperative education and literacy activities for MSME actors around the Petilasan Keraton Kartasura were held on Wednesday, May 31, 2023, at the Bangsal Petilasan Keraton Kartasura. The event was attended by the Dean of FEBI UIN Surakarta, the Chair of Hebitren, representatives from Hebitren Soloraya, and MSMEs actors. The event began

with an opening ceremony and speeches delivered by the Dean of FEBI UIN Surakarta, the Chair of Hebitren Soloraya, and a representative from the Custodian of the Petilasan Keraton Kartasura. After the opening, the main session of the sarasehan commenced, featuring speakers from academia and practice, namely Mr. Ahmad Pambudi, and a regulatory speaker from the Sukoharjo Regency Cooperative Office.

b. Core Content of Cooperative Education and Literacy

During the main session of the sarasehan, the speakers provided an overview and delivered material about cooperatives. The presentation began with a general overview of the basic concepts of cooperatives and various aspects specifically related to institutional aspects, including the definition of cooperatives, the foundation of cooperatives, the principles of cooperatives, types of cooperatives, and cooperative membership, including the mechanisms or procedures for establishing a cooperative. The speakers then continued with more specific material related to the management of financial aspects within cooperatives, including the financial reports prepared by cooperatives.

c. Community Response (MSMEs Actors)

The activities carried out by the PKM FEBI team received a very positive response from the community, especially from MSME actors. This is evident from the enthusiasm of the MSMEs actors and the MSMEs community members, who are part of HEBITREN, in participating in the sarasehan activities.



(Sarasehan at Bangsal Petilasan Keraton Kartasura)

3. CONCLUSION

- a. The sarasehan activities organized by the PKM FEBI team was successfully carried out and received a positive response from the MSMEs actors. This response provides great hope for the PKM team in their efforts to initiate and strengthen Kartasura's potential as a cultural tourism destination.

This PKM program could not have been smoothly and successfully implemented without the support of various parties. Therefore, the PKM team extends their deepest gratitude to all those who supported and participated in the PKM program conducted by the FEBI UIN Surakarta team.

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