

## **Analysis of The Role of Savings and Loans Cooperatives an Effort to MSMEs Case Study on Ksp. Credit Union Harapan Kita**

**Andre Ramora Sirait<sup>1</sup>, Cece<sup>2</sup>**

<sup>1,2</sup> Sekolah Tinggi Ilmu Manajemen Sukma

Jl. Sakti Lubis, Siti Rejo I, Kec. Medan, Medan City North Sumatra 20219

Email: [andresirait2017@gmail.com](mailto:andresirait2017@gmail.com), [harahapece@gmail.com](mailto:harahapece@gmail.com)

### **ABSTRACT**

*This thesis aims to Analyze the Role of Savings and Loans Cooperatives in Efforts to Improve Micro, Small and Medium Enterprises (MSMEs) Case Studies on KSP. Credit Harapan Kita. This research used a qualitative descriptive method with direct interviews with leaders of KSP: Credit Union Harapan Kita, Field Observations and Documentation. The research results show that saving and loan cooperatives are essential in increasing (MSMEs). Saving and loan cooperatives can provide easy and affordable access to finance for (MSMEs. With that, savings and loan cooperatives can also guide their members in managing their businesses. However, there are several obstacles faced by savings and loan cooperatives in increasing MSMEs. Some of these obstacles include the lack of awareness and understanding of cooperative members in managing loans, limited capital owned by savings and loan cooperatives, and the lack of support from the government and the community in developing savings and loan cooperatives for the public, as well as providing government incentives and support to saving and loan cooperatives can play a more effective role in increasing MSMEs and encouraging economic growth in the Regions.*

Keywords: *Role, KSP, MSMEs*

### **Introduction**

Micro, small and medium enterprises (MSMEs) are essential to economic growth in Indonesia. A savings and loan cooperative is a non-bank financial institution with business activities of receiving deposits and providing money loans to its members. Cooperatives are financing providers for Micro, Small and Medium Enterprises. [1] In this regard, the number of cooperatives in Indonesia is enormous based on the number of cooperatives institutionally. The number of cooperatives is 127 thousand [2]. Based on the Law of the Republic of Indonesia Article 1 No. 20 of 2008 concerning MSMEs, it is stated that micro-enterprises are productive businesses owned by individuals and individual businesses with micro-business criteria as stipulated in the Law.

The role of KSP in MSMEs in growing micro businesses significantly contributes to national development (CAPE, 2017). It is essential for the community that MSMEs can improve the community's economy with the ability to create and send existing resources, playing a vital role in developing small to medium enterprises in the community. Although savings and loan cooperatives have great potential to help MSMEs, little research has been done to evaluate their role in improving MSMEs in Indonesia [4]. Therefore, this study uses a qualitative data approach through direct interviews with members of savings and loan cooperatives who also own MSMEs in Medan City, especially the Belawan area [5]. Of the several types of cooperatives, one of the cooperatives that are very important for the development of Micro, Small and Medium Enterprises (MSMEs) is savings and loan cooperative. Government regulation Number 9 of 1995 Article 1 states that the Savings and Loans Cooperative is a collective whose activities are only savings and loan businesses.

This study aims to provide a better understanding of the role of savings and loan cooperatives in efforts to improve MSMEs in Indonesia, as well as the challenges faced by savings and loan cooperatives in providing support to MSMEs [2]. The results of this study are expected to provide information and recommendations for savings and loan cooperatives to improve MSMEs in Indonesia. In addition, the results of this research are also likely to contribute to the development of literature on the lending and borrowing system in KSP and MSMEs in Indonesia [6].

As in research [2], in his study entitled Analysis of the Role of Savings and Loans Cooperatives for Micro, Small and Medium Enterprises (MSMEs) in Gorontalo Regency (Study on KSP "Surya" UMG), the

increase in the type or number of product merchandise and the use of labour for micro and small enterprises has not progressed, namely with developments where there are government policies in MSMEs [7]–[12].

## Research Methods

This study uses a qualitative approach with data collection techniques through in-depth interviews with ten members of savings and loan cooperatives who also own MSMEs in Medan City, especially the Bealawan area and 5 KSP employees. Credit Union Our Hope [5]. The interview was conducted using a structural interview guide designed to evaluate the role of savings and loan cooperatives in improving MSMEs, as well as the challenges faced by savings and loan cooperatives in providing support to MSMEs. The interview was conducted face-to-face with the consent of the respondents.

The data obtained through interviews were analyzed using a thematic analysis approach. Thematic analysis is an integrated combination of theory by identifying themes and subthemes from the data obtained [4]. The results of the analysis are then compared and checked to ensure reliability. The credibility of the analysis results was also strengthened by triangulating the data through interviews with different informants and by reviewing related literature[13]–[21].

## Results and Discussion

### The role of savings cooperatives in developing MSMEs in Medan Belawan

The role of savings and loan cooperatives in developing MSMEs is vital for MSMEs in KSP. CREDIT HARAPAN KITA, the role of credit savings and loan cooperatives in the development of MSMEs in Medan Belawan is as a provider of business capital to improve economic growth, the role of savings and loan cooperatives in developing MSMEs is as follows:

#### 1. Providing Business Capital

The role of savings cooperatives according to theory [22] about the provision of business capital which KSP. Credit Union Harapan Kita can provide suitable means and help the community develop MSMEs through the assistance of savings and loan cooperative capital loans. Based on the results of interviews obtained by researchers, KSP. Credit Union Harapan Kita is engaged in Savings and Loans Cooperatives as a capital provider for MSME actors. In providing capital, KSP. CREDIT UNION HARAPAN KITA prioritizes cooperative members who run businesses, namely MSMEs, so they do not experience difficulties crediting loan funds. In addition, this capital provision assists in launching and developing business activities, not for personal interests.

#### 2. Providing Financial Education

Savings and loan cooperatives can also provide financial education to their members. This helps members understand how to manage their finances well so that members who have families who are continuing their education can be supported by funds from the Savings and Loans Cooperative to avoid problems that may arise in the future.

#### 3. Provident Fund Collection

Savings and loan cooperatives can raise funds through their members through regular deposits that will be used to provide MSME loans. With savings and loan cooperatives, MSMEs can save and invest their funds safely and benefit from the deposit interest supplied by the cooperative.

Data collection with the first step is descriptive analysis, which is collecting data relevant to the topic you want to analyze with surveys, observations, interviews, or other data sources.

Table 1. Characteristics of respondents by age

Age	Frequency	Percentage
18 – 30 Year	22	68,8%
30 – 40 Year	4	12,5%
40 – 50 Year	3	9,4%
> 50 Year	3	9,4%
Total	32	100,0%

From the table above, the characteristics of respondents can be explained based on the most age, namely 22 respondents or 68.8%, aged between 18-30 years. The smallest is three respondents, or 9.4%, aged 40-50 and over 50.

Table 2. Characteristics of respondents by gender

Gender	Frequency	Percentage
Woman	21	65,6%
Man	11	34,4%
Total	32	100,0%

From the table above, the characteristics of respondents can be explained based on the most female gender, namely 21 respondents or 65.6% and the minor male sex respondents, namely 11 respondents or 34.4%.

### Conclusion

Based on the results of the study in the discussion of several conclusions drawn in this study as follows:

1. KSP. CREDIT UNION HARAPAN KITA has a significant role in supporting the development of MSMEs. Through the provision of loans and other financial services, KSP. Credit Harapan Kita can help MSMEs overcome financial constraints and expand their business.
2. KSP. CREDIT UNION HARAPAN KITA can be a more accessible alternative for MSMEs to obtain capital than formal financial institutions. KSP. We usually have more flexible terms, more flexible processes, and faster processes than commercial banks.
3. In addition to providing financial access, KSP. Credit Union Harapan Kita can also offer training and assistance to MSMEs. This helps MSMEs develop skills in business and increases awareness of good business practices.
4. KSP. CREDIT UNION HARAPAN KITA has the potential to build networks and collaborations between MSMEs. With savings and loan cooperatives, MSMEs can support each other and share experiences and resources.
5. Although the Savings and Loans Cooperative has excellent potential, several problems identified in the development of the Savings and Loans Cooperative are low human resources, weak governance, and not optimal guidance from the government. Among them are lack of access to sufficient capital, soft power, and understanding of financial management among MSMEs.

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