
Joint Responsibility in Facing Financial Risks in Cooperative Groups (Case in Study Indonesian it is called Tanggung Renteng)

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Abstrak

Cooperatives will exist if they can develop flexible business activities oriented to service to members, in line with the development of members' businesses, and transaction costs between members and cooperatives are smaller than non-cooperative members and are able to develop the capital base of the members themselves. There are important things that must be considered in this regard, many experiences show that one of the factors causing the weakness of cooperatives is that the excess value of capital turnover in the cooperative system is more accepted by institutions outside the cooperative and its members. Cooperation activities must be by the characteristics of the community and its members. This study aims to analyze the joint responsibility of cooperative groups in Surabaya to face financial risks. The research method used is a case study on the Setia Bhakti Savings and Loan Cooperative Surabaya. Data was collected through interviews, observations, and documentation. The study results show that the Setia Bhakti Surabaya Savings and Loan Cooperative, whose members are majority women, interprets joint responsibility as diversity that is responsible for each member with risks that must be overcome together. In the current socio-cultural order of society, it can be concluded that cooperatives must be able to grow, develop, and at the same time also play a role and benefit the life of the community that develops from the traditional society with strong sociological ties through primary emotional relationships towards a heterogeneous society and is increasingly involved in the market and capital system. This is what is found in the Setia Bhakti Surabaya Savings and Loan Cooperative, whose members are dominated by women and shared responsibility is interpreted as diversity that is responsible for each member with risks that must be overcome.

Keywords: cooperatives, joint responsibility, savings and loans, capital

INTRODUCTION

Trust has a huge impact on your personal life. Trustworthy people tend to be more respected and appreciated by others. They easily establish healthy and harmonious relationships with other people (Ubaidillah, 2017). In society, trustworthiness is key to building trust and cooperation between individuals (Tunjungsari & Ginting, 2020) (Bengu et al., 2023). In the digital era, where information can be easily disseminated, the importance of this is increasing. Therefore, building good trust is very important for success in various areas of life, including cooperatives. Provides his views on several fundamental factors that are the basis (determinant) of the existence and role of cooperatives in society (Noglo & Androuais, 2015) (Rohman, 2017).

Cooperatives will exist if there is a collective need to improve the economy independently. Self-awareness of the need to improve welfare independently will be the main motivation for establishing cooperatives from below (bottom-up), while external

factors are only complementary conditions for the existence of cooperatives (Spencer & Komro, 2017). that cooperatives will develop if there is freedom (independence) and autonomy to organize their members. This independence and autonomy will encourage cooperatives to grow and develop by their potential and basic characteristics (Krauss et al., 2020). Cooperatives will have high adaptability to various environmental changes. Historical records have proven that the uniform KUD development format has resulted in high dependence on various external factors.

The existence of cooperatives will be determined by the process of developing an understanding of cooperative values that are unique and specific and not shared by organizations other than cooperatives. The values of openness, democracy, participation, independence, cooperation, education, and concern for society must be the main pillars of cooperative development. These values are not only internalized in the chest of each member but must also become the spirit of various cooperative activities and activities. The role and benefits of cooperatives will be increasingly felt by members and society in general if there is awareness and clarity regarding cooperative membership. Clarity of the benefits that members receive compared to non-members of the cooperative will be an incentive for individuals to become members of the cooperative. Such membership rationalization will be able to foster collective awareness and member loyalty towards the cooperative, which will ultimately become the basis of the cooperative's strength

Policy development and cooperative development are directed at making cooperatives more advanced, independent, and more rooted in society, equivalent to becoming healthy business entities and able to play a role in the economic life of the people in realizing economic democracy based on Pancasila and the 45 Constitution (Kusumastuti et al., 2022) (Suryokumoro & Ula, 2020). Law Number 25 of 1992, Article 5, independence is one of the principles of Indonesian cooperatives. In the explanation of this principle, it is stated that independence means being able to stand alone, without depending on other parties, based on trust in one's own considerations, decisions, abilities, and efforts (Afifudin, 2020) (Maulana et al., 2020). Independence also depends on the meaning of responsible freedom, autonomy, self-reliance, the courage to take responsibility for one's own actions, and the will to manage oneself. The vision of independence mentioned above clearly shows that the empowerment and development of cooperatives must start from the strength of understanding and internalizing the identity values of cooperatives both in members and as a basis for cooperative activities in meeting the needs of members and the community.

Cooperative business can be seen from the type of business carried out by the cooperative (Fauziyyah et al., 2024) (Audina, 2021). There are five types of cooperatives as stated in Law Number 25 of 1992 concerning Cooperatives, namely 1. Producer Cooperatives 2. Consumer Cooperatives 3. Savings and Loans Cooperatives 4. Marketing Cooperatives 5. Service Cooperatives. What is conveyed in this research is about savings and loans based on joint responsibility in cooperatives (Akbar, 2022).

There is risk in savings and loan cooperatives Credit is a risk of loss caused by the debtor's inability (failure to pay) to pay his debt obligations, whether principal or interest or both. The reason could be due to external or internal factors (Mila, 2022). In cooperatives in Indonesia, especially in Surabaya, there is a program called joint responsibility, which according to experts, joint responsibility groups or joint responsibility groups are groups that are formed voluntarily based on one common characteristic such as type of risk, entrepreneurial spirit, solidarity, and trust between group members (Gan et al., 2018). The joint responsibility group was formed on the initiative and agreement of all group members, where they had previously known each other so there were strong family ties between group members (Hardi, 2020). The joint liability savings

and loan system is a system that emphasizes collective responsibility, where all members are responsible for paying other members' loans. Although this system increases members' sense of discipline and responsibility, it also has various risks. Key risks include collective default, moral hazard, internal conflict, loss of trust, inaccurate credit ratings, and liquidity problems. Managing these risks requires implementing strategies such as rigorous member selection, education and training, regular monitoring and evaluation, and risk distribution. With proper damage control, this system can work more efficiently and provide optimal benefits to all group members.

For a cooperative that applies joint responsibility in managing its business, its membership must be in a group because it is within the group that joint responsibility can be applied, that is, if there is a payment bottleneck from one of the group members, it will be the responsibility of all members of the group to cover the payment by making a joint responsibility. jointly.

RESEARCH METHODS

The research method uses descriptive qualitative data, taking important data from in-depth interviews with informants who work at the Setia Bhakti Surabaya cooperative as the savings and loan finance department so that it becomes a research report that contains data that is converted into important information to be presented in this study. Data analysis techniques use data reduction, by categorizing, synthesizing, and finally drawing conclusions. The research was conducted at the Setia Bhakti Savings and Loan Cooperative in Surabaya, which implements a joint responsibility system in its savings and loan activities.

Source of data for this study, namely primary data obtained through in-depth interviews with the management and members of the Setia Bhakti Surabaya Savings and Loan Cooperative. Secondary data is obtained from documents related to the Setia Bhakti Surabaya Savings and Loan Cooperative, such as financial statements, articles of association/bylaws, and other relevant literature. The Data Collection Technique is an in-depth interview with the management and members of the Setia Bhakti Surabaya Savings and Loan Cooperative and documentation of documents related to the Setia Bhakti Surabaya Savings and Loan Cooperative.

RESULTS AND DISCUSSION

The implications of implementing Joint Liability in women's savings and loan groups provide guarantees for the growth and development of women's savings and loan groups for the future and economic resilience of the family (Sumarni et al., 2023).

The existence of a joint responsibility group makes communication between the management and all its members more intensive, and well coordinated even though the number of cooperative members is quite large. Apart from that, the existence of group PJ and members of the group who already know each other, and trust each other and one person's mistakes will be borne by all group members who will be able to minimize the risks involved in managing asset cooperatives. Activities in groups also provide benefits to the quality of members and cooperatives because group assistance is always carried out by PPL, apart from that there are control policies implemented as well as group analysis and measuring tools to make the joint responsibility system run by the stated objectives. Among them, there are five activities carried out by the group, namely group absences, payment of obligations coordinated by the person in charge of the group, opening of members if there are new savings and loans, meetings, and member participation in capital. This can be seen

from the activeness of members in paying principal savings, mandatory savings, voluntary savings, and other savings that can increase the capital owned by the cooperative (Carli & Uras, 2017).

Member participation in using the services of the savings and loan unit is very large and almost 99% of the total number of members have used the savings and loan services at the Cooperative. In order to get a loan, members must have savings in the cooperative, because the loan amount is determined based on a ceiling system which is based on the amount of mandatory savings that members have paid to the cooperative. With the existence of a joint responsibility group, all members' obligations in saving and borrowing must be agreed upon by the group members, and if there are deviations it will also be borne by all group members. Therefore, with the implementation of the joint responsibility system, members' active participation in saving and borrowing in the savings and loan unit will be more coordinated and controlled.

The savings and loan system with joint responsibility in the Setia Bhakti Wanita Cooperative is a method of microfinance management that is often used by cooperatives and small business groups. In this system, all group members are jointly responsible for paying other members' loans. Even though it has several advantages, such as increasing discipline and responsibility among members, this system also has various risks that need to be considered (Mardliyyah & Ryandono, 2020). Some The risks of a savings and loan system with joint liability can be explained as follows:

1. **Collective Default Risk:** In a joint liability system, if one member fails to repay the loan, other members in the group must bear the burden. This can trigger a domino effect where other members also have difficulty paying because they have to cover the shortfall from members who fail to pay.
2. **Moral Hazard Risk:** Members who feel protected by the group may feel less motivated to pay on time or even deliberately avoid payment. They feel that these risks will be shared, thereby reducing the urge to take individual responsibility.
3. **Risk of Internal Conflict:** When there are members who are unable or unwilling to pay, this can cause conflict between group members. Tensions and disputes can occur because other members have to bear additional burdens that may burden their financial condition.
4. **Trust Risk:** Trust between members is very crucial in a joint liability system. If there are members who behave dishonestly or irresponsibly, this can damage group trust and cooperation, which in the end can disrupt the sustainability of the savings and loan system itself.
5. **Risk of Inaccurate Credit Assessment:** Creditworthiness assessments are often made based on knowledge and observations among group members. However, if these assessments are inaccurate or overly optimistic, the risk of default increases. Reliance on this subjective assessment can pose major risks to the entire group.
6. **Liquidity Risk:** If many members default simultaneously, the group may experience liquidity problems, where insufficient funds are available to meet their financial obligations. This could result in huge losses for the group and potentially halt their operations.

As for joint responsibility, several things can be explained that can be reduced in risk mitigation, namely to reduce the risks above, several mitigation steps that can be taken include:

1. **SeStrict Member Lektion**, with stricter selection and ensuring members who join have a good track record in terms of finances and behavior.
2. **Education and training** are provided as an effort to educate members regarding the importance of responsibility and discipline in managing loans.

3. Periodic Monitoring and Evaluation is used to check and control member performance and behavior, as well as provide strict sanctions for those who violate the rules.
4. Creating diversification in the loan portfolio to reduce the risk of concentration in one or a few specific members.

By understanding and managing these risks, the savings and loan system with joint liability can run more effectively and provide maximum benefits for all group members. The implementation of the joint responsibility system as an effort to realize active member participation and business development at the Setia Bhakti Wanita Surabaya Cooperative can be concluded that the joint responsibility system at the Setia Bhakti Wanita Surabaya Cooperative contains three main elements that must be fulfilled in its implementation, namely joint responsibility groups, management of obligations and applicable regulation

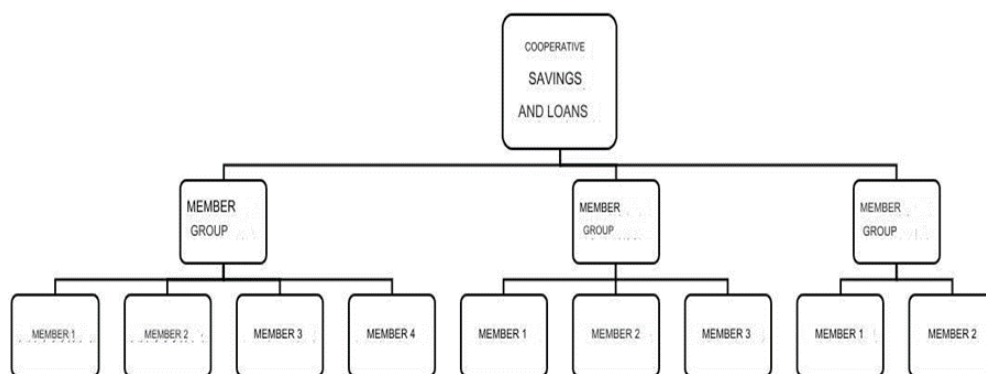


Figure 1. Chain Responsiveness (Tanggung Renteng)
Source: Results processed by the writing team, 2024

In joint responsibility, groups must pay attention to several things such as:

1. Grouping members into a certain number can be done based on proximity of residence, emotional relationships, or interest groups.
2. Obligations here include (1) attending group meetings, for example once a month; (2) paying mandatory savings and other savings that have been determined in each cooperative; (3) paying loan installments; (4) developing group members (looking for additional new members); (5) holding deliberations; (6) comply with all regulations which include: AD/ART and other regulations; and (7) maintaining the survival and good name of the group by carrying out orderly administration and holding group coordination.
3. Regulations are written agreements that must be agreed to and implemented by all parties (Sartono & Respati, 2021).

In an interview with the joint responsibility finance sector, he said:

"Yes, looking for members you have to really know their credibility, and the most important thing is that there must also be control from the cooperative. At every meeting, there must be someone from the cooperative who comes to monitor the condition of the group."

From this answer it follows that there is some of the things that exist are agreements that are tabled as follows;

Table 1. Phases in group creation

Planning	<ol style="list-style-type: none">1. In the region or environment, the social, cultural, and economic conditions of members can be seen2. Group formation and systematic group management3. Preparedness of assistant staff from the cooperative that has been determined by the management4. Socialization of Joint Responsibility values and management of the Joint Responsibility system5. Socialization of information systems and cooperative administration tools measuring
Organizing	<ol style="list-style-type: none">1. Socialization of the values and systematics of Joint Responsibility to members2. The application of the joint responsibility system and the rules of the game in the group are guided by the management3. Service and coaching from a team that has been appointed by the management with materials that have been prepared4. Mobilization and availability of administrative information systems in cooperatives
Supervision	<ol style="list-style-type: none">1. Assessing the obstacles and opportunities that hinder and support the success of the process from all sides using the measurement tools provided, as well as finding solutions to problems2. In this phase, human resources for officers are also increased according to efficiency, including the existence of information and administration systems in place3. Likewise with the material content, it is necessary to study the material provided which will then be followed by a concept of expanding the material which is aimed at opening up insight into the entire cooperative life system.
Evaluation	In this phase, carefulness maps out problems regarding the sustainability of jointly and severally liable groups and how to overcome them, as well as producing reliable information and zero-risk

Source : <https://www.gedhe.or.id/tanggung-renteng-sebagai-tata-nilai-dan-sistem-di-dunia-cooperative/> and processed by the research team

What needs to be paid attention to is that in the concept of Joint Responsibility, discipline will be formed from each member of the cooperative. Both from time discipline and discipline in carrying out management rules and regulations while the results of group agreements. Violations of discipline will be subject to sanctions, not only the offender himself but also all members of the group.

CONCLUSION

The savings and loan system with joint liability offers the advantage of increasing discipline and responsibility among members but also has several significant risks that need to be managed properly. Key risks include collective default, moral hazard, internal conflict, reduced trust, inaccurate credit assessments, and liquidity problems. To reduce these risks, it is necessary to carry out strict member selection, provide education and training, carry out regular monitoring and evaluation, and diversify risks. With the right approach, this system can run more effectively and provide maximum benefits for all group members and profitable

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