



Makassar City MSME Actors' Perspective on the Existence of Savings and Loans Cooperatives in the Era of Many Online Lending Sources/Organizations

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ABSTRACT: MSMEs are an economic sector that is growing throughout the world and plays an important role in the financial development of a country. The aim of this research is to determine the perspective of MSME actors regarding the existence of investment funds and advancing cooperatives. This research uses qualitative descriptive research. The results of the research state that based on the results of interviews conducted by MSME actors, they understand more about savings and loan cooperatives than online lending organizations.

KEYWORDS: MSME Players, Savings And Loan Cooperatives, Online Borrowers

Received 07 Nov., 2023; Revised 19 Nov., 2023; Accepted 21 Nov., 2023 © The author(s) 2023.

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I. INTRODUCTION

Micro, Small and Medium Enterprises (MSMEs) are one of the main pillars of the Indonesian economy which have an independent vision and have great potential to improve prosperity. The majority of Indonesia's population runs micro, small and medium enterprises (MSMEs), which is one type of business pursued. The growth of micro, small and medium enterprises, or MSMEs, is one method used to improve human welfare and prevent economic crises. (Halim, 2020).

The economic sector depends on developments in the era of globalization as a benchmark for government performance. Micro, Small and Medium Enterprises (MSMEs) play an important role in the growth of a country, especially in terms of its economy. In the national economy, MSMEs have a significant and strategic role. Because MSMEs are so prevalent in the Indonesian economy, this situation is very likely to occur. (Tambunan, 2019).

After the financial crisis, MSMEs grew steadily from year to year. This shows the resilience of SMEs in facing the financial crisis. This has also shown that SMEs absorb more labor in the national economy. The MSME sector can increase people's income because of the number of workers it absorbs. As a result, SMEs are considered to play an important strategic role in reducing poverty and responsiveness. The government must continue to help SMEs through strengthening so that they can effectively play a pillar function in the country's economic development. This is very important both for the contribution and role of SMEs. (Agpayong, 2018). MSMEs in carrying out business empowerment are based on the principles in accordance with the following laws; First, the principle of kinship is an effort to empower MSMEs which are part of the national economy based on economic principles with the principles of togetherness, progress, efficiency, justice and economic unity in the welfare of all people. Second, empowering MSMEs as units in national economic growth to realize the wealth of the people is a basic principle of economic democracy. Third, the role of MSMEs and the business world in realizing people's welfare is driven by the idea of togetherness (Bahri, 2019).

Cooperatives are financial institutions whose members are cooperatives or legal entities. The history of savings and loan cooperatives is inseparable from the development of cooperatives in the country. The basis of its activities is to provide community services that help increase working capital and invest money in the community. Savings and loan cooperatives are cooperatives that provide savings and loan services to their members. So members can save and increase capital and can lend funds to the cooperative for business capital. Savings and loan cooperatives are the goal of micro entrepreneurs as a source of financing with a fast process and low interest. The savings and loan business which is the foundation of cooperatives will survive and continue to develop (Sarosa, 2021). The role of cooperatives in Makassar City is one of the media in

empowering small and medium businesses. The initiative carried out by the Makassar City Department of Cooperatives and Small and Medium Enterprises has the potential to support the realization of cooperatives as a force for economic progress and can improve the welfare of each member of the cooperative (Syahrudin, 2020). Savings and loan cooperatives can also act as borrowers of money to owners of Micro, Small and Medium Enterprises (MSMEs).

Previous research suggests that. Because MSMEs provide income, create jobs, and improve the overall welfare of society, MSMEs play an important role in Indonesia's economic growth (Sugiyanto et al., 2019). What's more, the global Covid-19 pandemic last year had a major impact on all aspects of life, especially the MSME sector. The Ministry of Cooperatives and MSMEs said the MSME sector was shaken by the pandemic. Many MSMEs have experienced a decline in turnover, lack of capital and hampered distribution (Amri, 2020). As a result, MSMEs need the ability to recover and really need support from external parties. Quality human resources are needed to maintain business during the Covid-19 pandemic.

In a business, the most important resource is humans, because with the knowledge and skills possessed by humans, problems experienced by a business can be resolved. Human capital is considered important according to Anwar's (019) research results because it is based on the consideration that women are not only responsible for family reproduction, but also produce commodities and process food, and it is estimated that women are involved in half of total production. Human capital is the main input in the production process (Ahmed et al., 2020). Human capital is responsible for more than half of the total value of production (Bobba et al., 2020). Economics defines human capital as a collection of useful knowledge and skills possessed by members of society (Todaro, 2020). The failure of a business and the absence of growth in it is caused by MSMEs not increasing their resource capabilities and skills (Surin et al., 2017). Apart from the human capital aspect, the problem faced by MSME players is declining business sales, so that capital for production turnover is hampered. Capital is a very vital thing in a business or company. Without capital, a business cannot run as it should. Starting from large businesses and small businesses, they still need capital to run their business (Sudaryono, 2017).

Makassar City is one of the cities in South Central Sulawesi where the majority of its population lives from trading. According to data from the Central Statistics Agency (BPS) for 2023, it is stated that the data for MSMEs in Indonesia is 8.71 million. According to the Surakarta City Cooperatives and MSMEs Service, the total number of Micro, Small and Medium Enterprises (MSMEs) in Makassar City is 1,900 MSMEs. Most of it is dominated by the culinary sector, reaching 5000. This research aims to determine the perspective of MSME actors regarding the existence of savings and loan cooperatives in Makassar City, as well as to determine the role of Makassar City MSME actors towards savings and loan cooperatives in Makassar City.

II. RESEARCH METHODS

The research method used in this research is descriptive qualitative (Suryawardani, 2017). According to Kim et al. (2017), qualitative descriptive research produces data that explains the who, what, and where of events or experiences from a subjective point of view. This research methodology is most consistent philosophically with constructivism and critical theory, which utilize interpretive and naturalistic methodologies (Lincoln et al., 2017). According to this philosophical viewpoint, reality is multifaceted and subjective because it occurs in many dynamic settings and is experienced differently depending on the subject (Lincoln et al., 2017). This translates into the researcher's desire to understand each individual human experience in its own setting in descriptive qualitative research. This kind of examination requires an adaptable, inductive, and dynamic research methodology that does not distort facts that cannot be directly linked to the phenomenon under investigation (Ormston et al., 2014). This study used intensive interviews and documentation to collect facts (Amir & Runtu, 2014). In-depth interviews have been conducted with all key informants from one region to another. Documentation is achieved by taking applicable information from key informants, and a number of literature from print media, libraries and the internet. The authenticity of the records in this examination uses triangulation.

Descriptive qualitative research is also in line with pragmatism (Neergaard et al., 2009) where decisions are made about how research should be conducted based on the aims or objectives and research context (Ormston et al., 2014). Pragmatic researchers are not aligned with one particular view of knowledge generation or one particular methodology. Instead they look to the concept or phenomenon being studied to guide decision making in the research process, facilitating the selection of the most appropriate method to answer the research question (Bishop, 2015). As for the data collection techniques used in this study, namely using 2 methods of observation and interviews. For the observation technique itself, researchers carried out direct observations in the Makassa State University campus environment.

The criteria are suitable for this research and are considered to be the most knowledgeable regarding the researcher's expectations. The informant sampling criteria are: (1). Makassar City MSMEs; (2). Makassar city MSMEs who join as cooperative members; (3). MSME actors' decisions regarding savings and loan

cooperatives. Based on the criteria that have been determined, the informants in this study can be seen in the following table:

Table. 1 Research Informants

No	Nama	Umur	Usaha
1.	Nani	45	Toko & Bengkel Dds Jaya
2.	Ahmad	38	Toko Sejahtera
3.	Rabasia	50	Nasi Kuning dg Kanang
4.	Astriana	25	Macaroni

Sumber : Peneliti

Basically, the 4 informants above include 4 informants from the category of MSME business actors and 4 of these MSME business actors have been able to represent and answer regarding the perspective of Makassar city MSME actors regarding the existence of savings and loan cooperatives in an era of many online lending sources or organizations, however, It should be noted that this study cannot be generalized to all MSME business actors. This is because the research target is only MSME business actors in Makassar City, South Sulawesi. Data analysis in this study uses qualitative data with coding techniques. In carrying out the coding process, there are 2 stages that are followed in this study, which include initial coding and focused coding (Charmaz, 2006).

Then, to test the validity of the data in this study, we used a process of time triangulation and reflexivity. The triangulation process can be interpreted as an activity of checking data through various sources, techniques and time. The triangulation technique is also defined as a technique for checking the validity of data by utilizing the parameters of other data units (Ruslan et al., 2016). In this study, time triangulation is used which attempts to carry out checks again using the same technique but at different times. Then reflexivity is carried out to recognize the influence of a self's position and identity through the role as a researcher. The coding stages in this study can be seen in the following picture.

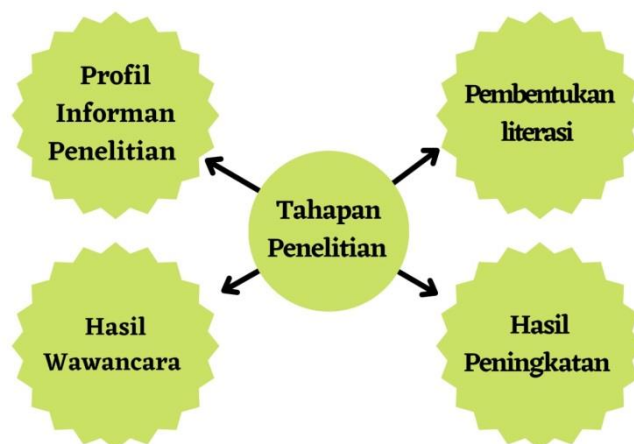


Figure 1. Research stages

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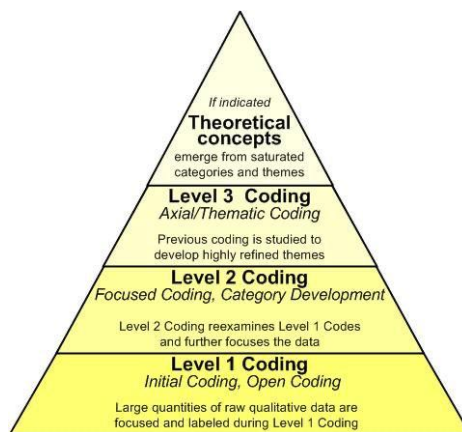


Figure 2. Data Coding Stages

Previously it was necessary to understand that the technique of understanding facts as a unit of qualitative data analysis and a method for collecting and drawing conclusions from psychological analysis of data collected by researchers would first code the data. Coding is intended to be a method of determining the presence of salient psychological facts, summarizing the essence of facts, or describing psychological characteristics that emerge strongly from various verbal or visual data sets. Such information can be found in journals, books, notes, artifacts, photos, films, websites, email communications, and so on. This can also be found in participant observation field notes and interview transcripts.

III. RESULTS AND DISCUSSION

Karakteristik Informan dan Gambaran Wilayah

This research focuses specifically on MSMEs in Makassar City, South Sulawesi Province. This study seeks to examine the perspective of MSME actors in Makassar City regarding the existence of savings and loan cooperatives in the era of many online lending sources or organizations, namely MSMEs in Makassar City. In this study, we attempt to collect various information. of the informants who had been determined previously based on existing criteria, namely 4 informants who were MSME actors.

The information that is attempted to be collected consists of several interview indicators for the category of MSME business actors: (1). Makassar City MSMEs; (2). Makassar city MSMEs who join as cooperative members; (3). MSME actors' decisions regarding savings and loan cooperatives.

The following are the results of interviews from 4 sources who are trusted to provide efficient responses and questions regarding the perspective of Makassar city MSME players regarding the existence of savings and loan cooperatives in the era of many online lending sources or organizations.

Table 2. Summary of Interview Results Informants of MSME actors in Makassar city.

Question	Informant Answer
Does the existence of a savings and loan cooperative have an impact on your MSME business? <i>Coding A</i>	It has an impact, because it can help us (Nanni, Interview dated April 2 18, 2023). Coding A1 Yes, it is very impactful because the savings and loan cooperative provides loans or capital to us (Ahmad, interview dated April 18, 2023). Coding A2 Yes, because we as MSME actors are greatly helped by the existence of savings and loan cooperatives (Rabasia, interview on April 18, 2023). Coding A3 Very impactful, we were helped by the initial capital provided by the savings and loan cooperative (Astriaana, interview April 18, 2023). Coding A4
What do you know about online savings and loan cooperatives? <i>Coding B</i>	Savings and loan cooperatives that come to homes while online lending I don't know how the procedure is (Nanni, Interview dated April 18, 2023). Coding B1 <i>The savings and loan cooperative provides capital only to its members, while online lending provides loans without having to become a member (Ahmad, interview dated April 18, 2023).</i> Coding B2 <i>The savings and loan cooperative that I know is that they are looking for us, while online lending we register ourselves (Rabasia, interview dated April 18, 2023).</i> Coding B3 <i>The savings and loan cooperative has a small interest rate that can be repaid according to the agreement, while online lending has a fairly large interest rate and has its own conditions (Astriaana, interview April 18, 2023).</i> Coding B4
So far, do you think savings and loan cooperatives are more effective than the many online loans circulating? <i>Coding B4</i>	

Coding C

Yes, it is more effective (Nanni, interview dated April 18, 2023)

Coding C1

More effective, because savings and loan cooperatives help us as MSME actors who need capital to develop our business (Ahmad, interview dated April 18, 2023)

Coding C2

In our opinion, it is effective, because it helps us who are parents who do not understand online loans (Rabasia, interview dated April 18, 2023).

Coding C3

Effective, because ordinary savings and loan cooperative transactions are more guaranteed and trusted compared to online loans whose origins are unknown to ordinary people. (Asriana, interview on April 18, 2023).

Source: Data Processing Results (2023)

From Table 2. can be seen a summary of the results of interviews with 4 informants. Where based on the results of the interviews that have been conducted, that they understand more about savings and loan cooperatives than online lending. However, in theory itself related to the perspective of MSME actors on the existence of savings and loan cooperatives in the era of many online loans, it has not been fully understood by MSME actors. One of the causes of the lack of understanding regarding the large number of online loans is the lack of socialization, knowledge about online lending and the lack of public trust in online lending.

Makassar City MSME Players

Small and medium enterprises (MSMEs) in Makassar city are one of the mainstays of the people's economy with autonomous vision and can further develop government assistance. According to Ramli (2010), the advantages of MSMEs in Indonesia are growing rapidly and making a significant commitment to improvement. This can be seen from several things, especially the increase in the number of MSMEs, employment, commitment to GDP (Gross Domestic Product). This increase is of course due to the high creativity of MSME players, the company's ability to choose strategies in promoting its products is also an important part (Lutfi and Firmansyah, 2021).

Makassar City MSME Actors Who Joined as Cooperative Members

A cooperative is a legally recognized organization operated by its members with the aim of improving the welfare of its members (Wetinaetal., 2021). Non-bank monetary organizations that provide advance assistance at low financing costs are called credit cooperatives, investment funds and advance cooperatives, or investment funds and credit affiliates (Yothe, 2017). To further strengthen the financial framework of the community with a group economy, cooperatives are one of the individual financial developments with family rules that empower regional contributions (Daryati, 2018). The goal of expanding cooperative work in the field of individual economics will be achieved through solidly capable cooperatives (Maulidha, 2019). The decision of umkm actors towards savings and loan cooperatives Savings and loan and credit cooperatives were formed to fill the closest economic field, especially in lending. Assisting the accumulation of capital to advance the business development of prosperous people is the fundamental purpose of reserve funds and credit affiliations. Consequently, cooperatives can fulfill their purpose, especially to work on government assistance for individuals in particular and society as a whole (Hidayati and Suranta, 2016). Capital prerequisites are filled with respect to the number of locally established organizations and few businesses (Kholid et al., 2014). Considering that towards the beginning cooperatives were usually in the lowest echelons of society, the reality was solely to assist the state in reorganizing the economy. The upper class of society cannot do without cooperatives which play an important role in the public finance framework given the standard of connections and the majority of government finances (N. K. Febriyanti and Sudiyani, 2018). Savings and loans and advances are the types of businesses tracked in savings and loan cooperatives (Wahyuni, 2017). Thus, the rise of bad credit is one of the issues that credit cooperatives are concerned about (Budiono, 2017). The decline in salaries and employment benefits for banks is undeniable given the expansion of advances, which are called uncollectible loans or non-performing loans (Manek and Tae, 2020).

IV. CONCLUSION

Micro, Small and Medium Enterprises (MSMEs) are one of the main pillars of the Indonesian economy that has an independent vision and has great potential to improve welfare. The majority of the Indonesian population runs micro, small, and medium enterprises, which is one of the types of businesses they are engaged in. The growth of micro, small and medium enterprises is one of the ways used to improve human welfare and prevent economic crises. In this study, the criteria are suitable and considered the most knowledgeable in relation to the expectations of the researcher.

The informant sampling criteria are: (1). Makassar city MSME actors; (2). Makassar city MSME actors who join as members of cooperatives; (3). Based on the results of interviews that have been conducted, that they are more aware of savings and loan cooperatives than online lending. However, in theory itself related to the perspective of MSME actors on the existence of savings and loan cooperatives in the era of many online loans, it has not been fully understood by MSME actors. One of the causes of the lack of understanding regarding the large number of online loans is the lack of socialization, knowledge about online lending and the lack of public trust in online lending.

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