



International
Labour
Office



STATISTICS ON COOPERATIVES

COUNTRY IN FOCUS: INDONESIA¹

This country in focus note is part of the **Statistics on Cooperatives series** produced by the *International Labour Organization (ILO)* and the *Committee for the Promotion and Advancement of Cooperatives (COPAC)* in support of a larger initiative to increase understanding of the ways in which countries around the world are producing and using statistics on cooperatives. Currently reliable and comparable statistics on cooperatives are missing in most countries of the world. These statistics are essential to measuring the impact of cooperatives on members, workers and the economy as a whole.

Cooperatives in Indonesia

The cooperative enterprise idea was first introduced in Indonesia during the Dutch occupation. The Bank for Civil Servants (now **Bank BRI**),² a savings and loan cooperative in Purwokerto on the Java island, was set up in 1896 to protect the citizens from indebtedness to money lenders.³

After the Japanese occupation and overcoming political difficulties, the cooperative movement gathered momentum. In 1945, Article 33 of the Indonesian constitution explicitly mentioned cooperatives as fundamental to the national economy. The first Cooperative Congress was held in 1947, which decided to establish the national cooperative apex organisation, today known as the Indonesian Cooperative Council (**DEKOPIN**).⁴

The current law in effect for cooperatives (No. 25/1992) was adopted in 1992. Although new legislation was passed in 2012 during the International Year of Cooperatives, the High Court decided to abolish it due to its lack of reflection on the cooperative identity.

Today, there are approximately 212,135 registered cooperatives in Indonesia, and an estimated 15 per cent of the country's total population is a member of a cooperative. It is estimated that 30 per cent of the existing cooperatives are inactive due to issues related to limited knowledge on cooperative governance and management and low member participation.⁵

How are statistics on cooperatives generated in Indonesia?

Data on cooperatives in Indonesia are collected by national government, local governments and cooperative councils. The data collected by the government and cooperative councils are not always aligned, as cooperatives registered with the government are not automatically registered with the cooperative council.

The main method for collecting data is a cooperative census conducted by the local and national governments. When new cooperatives register with the government, they do so either at the municipal level (members living in up to two municipalities), the provincial level (members living in at least three municipalities) or the national level (members living

1 This note has been written by Heira Hardiyanti, Researcher at the Institute for Indonesian Cooperatives Development Studies (LSP21).

2 <http://bri.co.id>

3 Syechalad, A, I. Hasan, and M. Majid. 2017. "The role of cooperative in the Indonesian economy", in International Journal of Humanities and Social Science Invention, Vol. 6 Issue 10, pp. 43-46.

Available at [http://ijhssi.org/papers/v6\(10\)/Version-3/F0610034346.pdf](http://ijhssi.org/papers/v6(10)/Version-3/F0610034346.pdf)

4 <https://dekopin.id/>

5 Syechalad, A, I. Hasan, and M. Majid. 2017. op.cit.



in at least three provinces). The cooperative is registered in the municipality or province where it has the most members. The census is conducted every year, with the **results published** at the end of the following year.⁶

The Ministry of Cooperatives and SMEs⁷ (hereinafter 'the Ministry') is the government body responsible for producing statistics on cooperatives. According to the new regulation on cooperative registration, NIK (**Nomor Induk Koperasi**),⁸ the Ministry assigns an ID number to a newly established cooperative and monitors whether the cooperative is active or inactive. Cooperatives must submit their annual report to both the Ministry and the cooperative agent at the level (municipal, provincial or national) where they are registered, and are considered inactive if a report is not submitted for two consecutive years. Through NIK, the Ministry aims to improve the quality of statistics on cooperatives by collecting information only on active cooperatives.

What statistics are available?

The Ministry shares annually data on its **website**⁹ that relate to the number of cooperatives in each province, number of members, board of directors, board of trustees, managers, employees, assets, capital, liabilities, turnover and surplus. Cooperatives should report to the government when they hold their annual meetings or general assembly, which helps identify inactive cooperatives. Cooperative councils are currently developing an online programme to collect cooperative data using an IT system.

There is no report dedicated to only statistics on cooperatives. Cooperative statistics are included in the general economic report to illustrate how much cooperatives contribute to GDP.

Reflections on Indonesia's approach to cooperative statistics

In Indonesia, statistics on cooperatives are not yet comprehensive and exclusive of inactive cooperatives, though the new regulation on cooperative ID numbers aims to improve accuracy. Data collection is further complicated by Indonesia's geography, as a country with more than 13,000 islands. Efforts to produce statistics on cooperatives are not yet effectively coordinated between actors, evidenced by the fact that some larger cooperatives conduct their own surveys and the results are different from those of the government.

Improved statistics on cooperatives will require strong support from all levels of government that interact with cooperatives, and the involvement of the cooperative movement, especially cooperative councils, to manage data collection through information technology. Harmonisation of data collection efforts could yield higher quality results. The national statistics office of Indonesia, **BPS**,¹⁰ does not currently actively participate in the collection of statistics on cooperatives and it could be more involved in data collection, analysis and dissemination.

The 19th Session of the **International Conference of Labour Statisticians (ICLS)**¹¹ in 2013 included cooperatives in the Conference agenda for the first time in its history. The discussion converged towards the need for accurate, reliable, relevant and comparable statistics on the economic and social impact of cooperatives on the economies. A Resolution was passed with a view to carry out further developmental work on the measurement of cooperatives and carry out pilot studies in a number of countries to test various measurement approaches on collecting data on cooperatives.

The initiative on statistics on cooperatives is a collaboration between the ILO, COPAC, the cooperative movement, UN agencies, national statistics offices, government agencies and academic institutions to improve the quality and accessibility of statistical data on cooperatives. The outcome of this work will be guidelines for discussion at the 20th ICLS in October 2018.

COPAC is a multi-stakeholder partnership of global public and private institutions that promotes and advocates for people-centred, self-sustaining cooperative enterprises, guided by the principles of economic, social and environmental sustainable development. The current members of COPAC are the ILO, the UN Department of Economic and Social Affairs, the Food and Agriculture Organization of the United Nations, the International Co-operative Alliance and the World Farmers' Organisation.

To find out more, please visit the **ILO COOP**,¹² **ILO Department of Statistics**¹³ or **COPAC**¹⁴ websites.

6 www.depkop.go.id/berita-informasi/data-informasi/data-koperasi/

7 www.depkop.go.id

8 nik.depkop.go.id/

9 <http://www.depkop.go.id/berita-informasi/data-informasi/data-koperasi/>

10 <https://www.bps.go.id/>

11 <http://www.ilo.org/global/statistics-and-databases/meetings-and-events/international-conference-of-labour-statisticians/19/lang-en/index.htm>

12 http://www.ilo.org/global/topics/cooperatives/areas-of-work/WCMS_550541/lang-en/index.htm

13 <http://www.ilo.org/stat/lang-en/index.htm>

14 www.copac.coop

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