

# MAPPING: KEY FIGURES

## NATIONAL REPORT: INDONESIA

ICA-EU PARTNERSHIP

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## **Republic of Indonesia- Key Figures National Report**

### **I. Introduction and context**

This report is part of a global mapping exercise launched by the International Cooperative Alliance (ICA) and its regional offices within a partnership signed with the European Commission for the period 2016-2020, which aims to strengthen the cooperative movement and its capacity to promote international development. Other research projects include a worldwide legal frameworks analysis, and several thematic researches on themes of significance for cooperatives.

Responding to challenges and existing knowledge gaps facing the cooperative movement, this research provides exhaustive information on cooperatives worldwide. This has been achieved by collecting the input of ICA members through an online questionnaire, and completing it with relevant national statistics, in order to obtain an accurate picture of the national situation. Mapping out cooperatives in each country provides a more precise picture of the cooperative context at national and regional levels, enhances the movement's visibility, networking, partnerships opportunities, as well as advocacy, and empowers cooperators by providing them tools for positive change.

Within this framework, the present report showcases information about the cooperative landscape in the Republic of Indonesia, hereafter referred to as Indonesia.

#### **i. Historical background**

The cooperative movement in Indonesia has a long and rich history. The role and importance of cooperatives in the Indonesian economy and society continues to grow as it undergoes transformation through a process of rehabilitation, reorientation, and revitalization to meet current and future needs.

The seeds of the cooperative movement in Indonesia were first sown during the Dutch occupation. The first cooperative, the Bank of Civil Servants (now called BRI- Bank Rakyat Indonesia), was established in 1896 in Purwokerto to address indebtedness of citizens to money lenders. The idea of cooperatives was enshrined in Article 33 of the 1945 Constitution, Paragraph 1 which states that "the economy is organized as a joint business based on the principle of kinship." The first Cooperative Congress in 1947 led to the formation of DEKOPIN -the Indonesian Cooperative Council. The Village Unit Cooperatives or the Koperasi Unit Desa (KUD), supported by the Presidential Instruction No. 2/1978, assumed the functions of farm credit organization, distributor for production inputs and other services, processing and marketing farm commodities and other economic activities. In 1981, KOPINDO (Indonesian Youth Cooperative) was founded to popularise cooperatives among the younger generation. The growth of agriculture cooperatives from the 1970s-1990s was strongly linked to the government policy of enhancing agriculture production through KUD. The Asian Financial crisis of 1997 and the national reform movement in

1998 influenced the status of KUD. The number of KUDs declined from 9,635 in 1997 to 6,946 in 2000 and with it the agricultural cooperatives. In the late 1990s, the strategic focus of the government and DEKOPIN shifted to new types of cooperatives which were non-agricultural in nature.

Since 2000, non-agricultural cooperatives that were increasing in number (from 42,571 in 1997 to 109,632 in 2001) were more profit oriented, not fed by government programs, and laid emphasis on management strategies to improve operations and competitiveness to ensure sustainability. Cooperatives were considered as an important means to address youth unemployment in the country by the government, as evident from the ten-year action plan prepared with the ILO in 2000. In 2005, the Ministry of Cooperatives and SMEs launched the National Long-Term Development Plan (2005-2025) to improve the bargaining power and collective efficiency of cooperatives. Between 2010 and 2015, the average profit of cooperatives increased by 5-7% and so did their contribution to the economy. The government introduced provisions to de-register cooperatives that were found inactive. DEKOPIN's Cooperative Vision 2045 strategy (prepared in 2014-15) aims at developing cooperatives in phases by improving agro-forestry business and food production, developing alternative energy sector, and creating employment and entrepreneurship opportunities for youth.

## ii. Public national statistics

For a more comprehensive picture of the cooperative movement in Indonesia, the present section provides key data from the country's public registers as a useful background context to the ICA members' data showcased in Section II of the report.

The data presented here stems mostly from the Ministry of Cooperatives and SMEs.

### NUMBER OF COOPERATIVES:

In 2016, there were 212,135 cooperatives in Indonesia, of which 148,220 were active and 63,915 were inactive cooperatives.

### EMPLOYMENT:

In 2016, there were 574,451 employees in 212,135 cooperatives in Indonesia.

### COOPERATIVE MEMBERSHIP:

In 2016, there were 37,783,160 members in 212,135 cooperatives in Indonesia.

### PRODUCTION VALUE:

In 2017, the contribution of cooperatives to Indonesia's GDP was 4.48%.

## iii. Research methodology

The aim of the mapping research is to collect and make publicly available reliable and up-to-date data to understand what the cooperative movement represents in the targeted country. With this view, the data detailed in the present report has been collected using the methodology detailed below.

The methodological tools include a questionnaire used to collect the data, which was distributed online to the members, as well as a methodological note provided for further guidance. They were built jointly with all ICA regional offices with the support of external experts from the European Research Institute on Cooperative and Social Enterprises (Euricse) and are applied in a harmonised way in all the target countries.

The classifications used in the research are consistent with the internal system used within the ICA movement (e.g. on membership status and types of cooperative organisations) and with standards increasingly adopted in recent studies and by international organisations like the ILO – e.g. using international classifications of economic activities such as the International Standard Industrial Classification (ISIC) rev. 4, which ensures the comparability of statistics both nationally and internationally, as well as with statistics on other forms of enterprises.

Regarding the target organisations, considering that a worldwide survey has very challenging goals, and while the value of directly collecting data from non-member cooperatives must be recognised, the present Mapping exercise targets cooperative organisations members of the ICA.

Furthermore, in order to complete the ICA members' data, the decision was taken to also look at external sources, to provide additional and more exhaustive cooperative statistics for the country. As a result, the data is collected following two strategies contemporaneously: 1) collecting statistics already available in the country; 2) carrying out a survey targeting ICA cooperative members.

In Indonesia, the Mapping questionnaire, was distributed to, and completed by one ICA member organisation in the country. After some additional follow-up and clarifications from the member, the figures provided were compiled to be presented in the next section.

## II. Key figures

This section presents the results of the data collection directed by the ICA members.

Indonesia has two ICA member organisations:

1. DEKOPIN (The Indonesian Cooperative Council)
2. National Federation of People-based Cooperative Enterprises (INKUR)

DEKOPIN: Established in 1947, it is the national cooperative apex organisation in Indonesia. As an autonomous organization, DEKOPIN promotes the values and principles of cooperatives; represents the Indonesian cooperative movement at domestic and international forums; and undertakes the role of a counterpart of the government in the development of cooperatives in Indonesia. It became an ICA member in 1959.

INKUR: Established in 2013, INKUR (earlier known as the Indonesian Consumers Cooperative Union (IKKI)) is the umbrella consumer cooperative union in Indonesia that provides services to cooperatives in retail, service and production sectors throughout Indonesia. It became an ICA member in 2020.

## i. ICA member data

The data collected was provided by DEKOPIN for the year 2016. While a significant portion of the questionnaire was completed, data could not be provided for the following variables:

- Sector-wise data on number of memberships in cooperatives
- Sector-wise data on number of employees in cooperatives
- Gender-disaggregated data for employment in cooperatives
- Proportion of youth membership and employment in cooperatives
- Production value of cooperatives from different sectors

## ii. General overview

The present section provides an overview of the ICA membership data for DEKOPIN. It is displayed in several categories and with the support of graphs, for clarity purposes.

Category	Total (as of 2016)
Number of cooperatives	212,135
Number of memberships in all cooperatives	37,783,160
Number of employees in all cooperatives	574,451

Table 1: Statistics received from DEKOPIN (2016)

ICA member, DEKOPIN represents 212,135 cooperative societies in Indonesia with a total number of 37,783,160 memberships and total number of 574,451 employees.

In 2015, the total profit and business volume obtained by cooperatives was Indonesian Rupiah (Rp) 17.3 trillion or EUR 1,220,656,614 and Rp 266.1 trillion or EUR 18,775,533,243 respectively.<sup>1</sup>

### iii. Sector overview

The sectors used below correspond to the categories used in the ISIC rev. 4. to classify the economic activities carried out by the organisations concerned.

DEKOPIN represents cooperatives in agriculture and food industry, industry (manufacturing), wholesale and retail trade, transport, information and communication, and banking.

Figures for recent years are currently not available. As of 2014, the percentage of cooperatives present in different sectors are as follows:

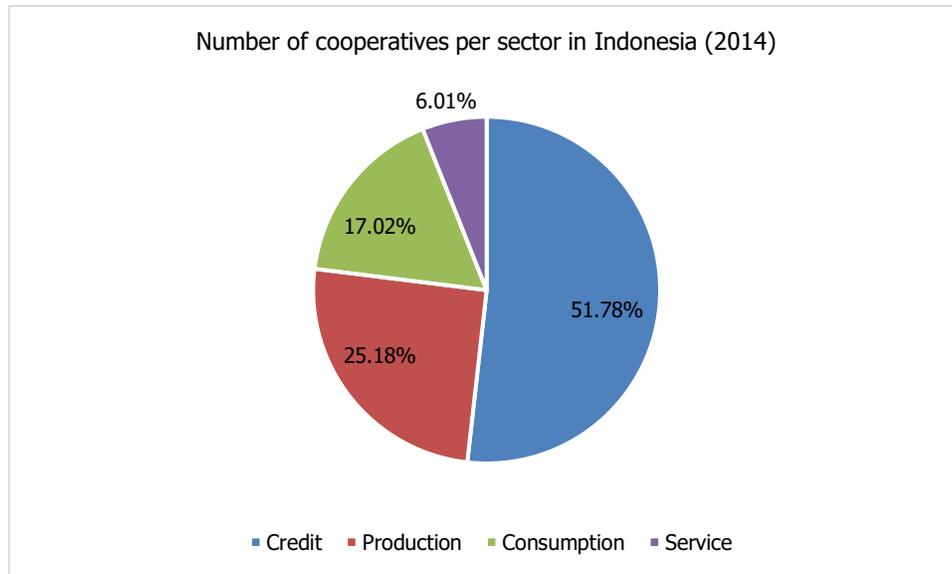
Sector	Number of cooperatives (in %)
Credit	51.78
Production	25.18
Consumption	17.02
Service	6.01

Table 2: Statistics for cooperatives per sector in Indonesia (2014)

<sup>1</sup> This amount was calculated based on the annual average rate (for the year 2015) between the two currencies, using the currency converter InforEuro: [http://ec.europa.eu/budget/contracts\\_grants/info\\_contracts/inforeuro](http://ec.europa.eu/budget/contracts_grants/info_contracts/inforeuro)

### III. Graphs

#### i. Number of cooperatives per sector



Graph 1: Number of cooperatives per sector in Indonesia (2014)

## IV. Annexes

Sources and contacts are listed below.

### Sources

1. [Indonesia SME Strategy: ILO/OECD Workshop for Policy Makers on Productivity and Working Conditions in SMEs](#)
2. [ILO Statistics on Cooperatives Country in Focus: Indonesia](#)
3. [MEMBANGUN KOPERASI DAN UMKM MANDIRI, KREATIF DAN BERDAYA SAING TINGGI](#)
4. ICA-AP (2019). [Indonesia country snapshot](#)

### Contacts

Further details on the Mapping research and other country reports are available on [www.coops4dev.coop](http://www.coops4dev.coop)

The production of this report was overseen by staff from ICA-AP Office. For any further information or clarification, please contact [mappingresearch@ica.coop](mailto:mappingresearch@ica.coop)

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