

Analysis of Mahada Cooperative System in Relation to Hatta Cooperative and Shariah Cooperative Concept

(Analisis Sistem Koperasi Mahada Dan Relevansinya Dengan Konsep Koperasi Hatta dan Koperasi Syariah)

Moh. Nurul Qomar

State Islamic Institute (IAIN) Kudus

Email: mnqomar@iainkudus.ac.id

Anissatus Salamah

State Islamic Institute (IAIN) Kudus

Email: anis_salamah@gmail.com

Abstract: The proliferation of cooperatives in the community has become a phenomenon. This phenomenon can be classified into positive and negative side. Positive feedback can be seen from public access to capital, as it has been demonstrated that cooperatives provide business loans or consumption to the community through a mechanism that is simpler than banks. A negative assessment can be seen in the practice of loan sharks operating under the guise of saving and loan cooperative. This is in contrast to previous research, which still focuses on comparing the concept of Hatta cooperatives with the Islamic economic system. This study will look into how the cooperative system works in an Islamic boarding school. Is the system used Sharia-based, or does it refer to Hatta cooperatives' thinking? This study employs a qualitative research method (case study). The case study meant here is the existence of cooperatives under the auspices of boarding schools, but the cooperatives do not declare themselves to be sharia cooperatives. The findings show that community-based cooperatives can work great when their focus is not solely on profit.

Keywords: *Cooperatives, Shariah Cooperative Concept, Hatta Cooperative Concept.*

Abstrak: Menjamurnya badan koperasi di masyarakat sudah menjadi sebuah fenomena. Fenomena ini dapat diklasifikasikan menjadi hal yang positif dan negatif. Umpan balik positif dapat dilihat dari akses masyarakat terhadap permodalan, seperti yang telah ditunjukkan bahwa koperasi memberikan pinjaman usaha atau hal yang bersifat konsumtif kepada masyarakat melalui mekanisme yang lebih sederhana dari pada bank. Penilaian negatif terlihat pada praktik rentenir yang berkedok koperasi simpan pinjam. Hal ini berbeda dengan penelitian sebelumnya yang masih fokus membandingkan konsep koperasi Hatta dengan sistem ekonomi syariah. Kajian ini akan melihat bagaimana sistem kerja sama di sebuah pondok pesantren. Apakah sistem yang digunakan berbasis syariah, atau mengacu pada pemikiran koperasi Hatta? Penelitian ini menggunakan metode penelitian kualitatif (studi kasus). Studi kasus yang dimaksud di sini adalah adanya koperasi yang bernaung di bawah pondok pesantren, namun koperasi tersebut tidak menyatakan diri sebagai koperasi

syariah. Temuan menunjukkan bahwa koperasi berbasis masyarakat dapat bekerja dengan baik jika fokus mereka tidak semata-mata pada keuntungan.

Kata kunci: Koperasi, Konsep Koperasi Syariah, Konsep Koperasi Hatta.

Introduction

Cooperatives as microfinance institutions are regarded as a necessary component of people's lives. A cooperative is an autonomous organization of parties that come together voluntarily to address economic, social, and cultural concerns through democratically owned and controlled business activity.¹ The development of cooperatives originated in the 19th century in resistance to the liberal economic system. At that time, the cooperative movement began to grow in opposition to the tide of individualism by supporting the principle of cooperation for the common good.²

In fact, cooperatives are not Indonesian commercial entities. Around the turn of the twentieth century, England pioneered cooperative business groups. At the time, the cooperative's aim was to assist workers and farmers facing economic difficulties by pooling their resources. In the twentieth century, new cooperatives were established in Indonesia. Cooperatives were indeed introduced by the government in Indonesia, even during the Dutch colonial period. Since July 12, 1947, the cooperative movement has been recognized as a movement by the Cooperative Congress in Tasikmalaya.³

Hatta is known not only as the founding father of Indonesia, but also as the father of the Indonesian economy. One of his economic ideas is Article 33 of the 1945 Constitution. The article is divided into three paragraphs with the following keywords: the principle of kinship, important branches of production, and people's prosperity.

According to the explanation of article 33, paragraph 1 of the 1945 Constitution, establishing a business in accordance with the article is a cooperative venture⁴. To encourage faster growth of cooperatives, the Cooperative Law was renewed in 1992, namely Law No.25 of 1992. This law is an improvement on Law No.12 of 1967 and it promotes cooperative organizations as organizations with economic and business flexibility.⁵

Hatta desired cooperatives to compete with capitalists because he was strongly opposed to both individualism and capitalism. Cooperatives allow Indonesians to work collectively, both in terms of capital and business models, while keeping the roots of Indonesian culture in mind.⁶ The existence of cooperatives becomes the foundation of the people's economy, reducing economic

¹Hendra, *Manajemen Perusahaan Koperasi* (Jakarta: Grlora Aksara Pratama, 2010).

²Puji Anoraga and Ninik Widiyawati, *Dinamika Koperasi* (Jakarta: PT Rineka Cipta, 2007).

³Camelia Fanny Sitepu and Hasyim Hasyim, "Perkembangan Ekonomi Koperasi Di Indonesia," *Niagawan* 7, no. 2 (2018): 59–68.

⁴Dian Cahyaningrum, *Bentuk Badan Hukum Koperasi untuk Menjalankan Kegiatan Usaha Perbankan* (Jakarta: Pusat Penelitian Badan Keahlian DPR RI, 2017).

⁵Hendra, *Manajemen Perusahaan Koperasi*.

⁶Anwar Abbas, *Bung Hatta dan Ekonomi Islam* (Jakarta: Multi Presindo, 2008).

inequality. However, the cooperative interest system becomes a negative stigma because Muslims associate identical interests with usury, and usury is illegal.⁷

Hatta was strongly aware of colonized people's suffering. No prosperous country is capable of establishing a decent standard of living. Recognizing this, he emphasized the struggle for independence, including economic independence, through opposition to colonial capitalism. At least three of Hatta's justifications for the factors that contributed to the development of the cooperative concept in Indonesia, namely;⁸ Indonesian Culture. Traditional people have had a kind of village organization or association and partnership to help each other facing hard times. Indonesian society is a society that has a type of cultural group and family. Just like in Javanese society, there is "*mangan ra mangan asal ngumpul*", meaning eating or no eating, the most important is gathering. Where it shows the existence of a high form of kinship in organizing life.

This proverb means that the people of this country are people who organize their lives by working together. The life and prosperity of this nation and country are based on cooperation rather than individualistic work. With this form of cooperation, the welfare of Indonesian people's lives was built. This is evidenced by the development of companies in Indonesian society. Especially in the village community, the form of cooperation is still strong and entrenched. The rural people of Indonesia build their economy not through debt but by saving and borrowing.

Colonial System and Threat: The forced cultivation system in Indonesia imposed by the colonials against the natives has also threatened the life of the nation. In Hatta's view, the presence of cooperatives is to protect Indonesian society from capitalist threats and inaccuracies due to long-controlled colonial rulers. The colonial threat, however, was too strong, and society was powerless in the face of colonial mastery.

The Goal of Advancing the Nation: Independence is the ideal of a nation that must be fought for and maintained. It was these ideals that became the goal of all the thoughts by Hatta, including those about the welfare of his nation. Hatta has chosen cooperatives as one model for the Indonesian nation's prosperity. Cooperative awareness as a model in building Indonesian society has been well considered by Hatta through sharp analysis, both through the reality of the Indonesian people and through academic studies.

Hatta's idea of a cooperative economy was set forth in the 1945 Constitution in article 33, paragraph 1, which states that the economy is structured as a joint venture based on the principle of kinship. The characteristics of Indonesia's economic system according to article 33 of the 1945 Constitution are:⁹

1. Cooperatives are the only form of company operating within the territory of production branches that control the lives of the wider community.

⁷Anggianti Asti, "Konsep Koperasi Moh. Hatta dan Relevansinya dengan Perkembangan Koperasi Syariah," *Inklusif: Jurnal Pengkajian Penelitian Ekonomi dan Hukum Islam* 1, no. 2 (2016): 53–64.

⁸Zamakhshari Abrar and et.all, *Pemikiran Bung Hatta Tentang Koperasi dan Relevansinya dengan Masa Kini* (Sumatra Bara: : UPT Perpustakaan proklamator Bung Hatta, 2018).

⁹Itang, *Pemikiran Ekonomi Koperasi Mohammad Hatta Relevansi Dengan Etika Ekonomi Islam* (Serang: Laksita Indonesia, 2016).

2. The important production tool that controls the lives of the wider community and the country's managed
3. More price determinants are left to market mechanisms.
4. The economy is based on the soul of working together and family.

The conclusion is that the economic system of Hatta cooperatives is clearly stated in article 33 of the 1945 Constitution. Therefore, the Hatta cooperative concept is undoubtedly valid for the condition of Indonesian society.

Hatta was a prominent figure who laid the foundations of the national economy. Hatta was also known as the "Father of Indonesian Cooperatives" because of his thoughts that greatly contribute to the economic stability of the Indonesian nation. Given his invaluable thoughts, we need to examine them for the sustainability of the Indonesian economy. More information can be gleaned from Hatta's four systems, each of which has its own distinguishing features, which are as follows:¹⁰

Cooperatives are the only form of company operating within the territory of production branches that control the lives of the wider community. As a very important production tool that controls the lives of the wider community, the role of the government in the economy is more important as a supervisor and regulator. More price determinants are left to market mechanisms. The economy is based on the soul of working together and family.

The emergence of sharia cooperatives in Indonesia was triggered by this. When many people responded to the rapid growth of Baitul Maal Wa Tamwil (BMT) in 1992, this sharia cooperative was discussed. From members, by members, and for members, BMT has a foundation of people's economic activities based on the same philosophy. BMT may use cooperative legal entities under Law No. 25 of 1992. According to the law, BMT and cooperatives are essentially the same; what distinguishes them is the pursuit of activities that use sharia principles and moral ethics in the examination of halal and haram in doing business.¹¹

Furthermore, the community's proliferation of cooperatives has become a phenomenon. This phenomenon can be classified as either positive or negative. Positive feedback can be seen from public access to capital, as it has been demonstrated that cooperatives provide business loans or consumption to the community through a simpler mechanism than banks. The practice of loan sharks operating under the guise of cooperative savings and loans provides a negative assessment.¹² Another phenomenon is that some conventional cooperatives, such as as-Sakinah Cooperative Sidoarjo, have switched to the Sharia system in order to avoid the practice of interest.¹³ Most scholars regard the pursuit of interests as *ribā* activity, but according to Apriyana and Hasbi's research, this is not the case.¹⁴

¹⁰Ibid.

¹¹Fasihuddin Arafat, "Eksistensi BMT Sebagai Baitul Maal Wat Tamwil Dan Problematika Hukumnya," *el-Qist: Journal of Islamic Economics and Business (JIEB)* 10, no. 1 (2020): 89–104.

¹²Asyari Hasan and Heru Widodo, "Dampak Fasilitas Pinjaman Kredit Koperasi Simpan Pinjam (KSP) yang Dikelola oleh Rentenir Terhadap Kinerja Nasabah," 2020.

¹³Renny Oktafia, Nihlatul Qudus Sn, and Muhammad Yani, "Peningkatan Kemampuan Pengelolaan Keuangan Syariah pada Koperasi As Sakinah Sidoarjo," *Janaka: Jurnal Pengabdian Masyarakat* 3, no. 1 (2020): 70–85.

¹⁴"Preferensi Koperasi dalam Melakukan Konversi Menjadi Koperasi Syariah: Studi Kasus pada Koperasi di Wilayah Bogor," *Journal of Islamic Economics and Finance Studies (JIEFeS)* 1, no. 2 (2020): 173–190.

Emphasizes that the factor of avoiding *ribā* (religion) practice is only a supporting factor for conventional cooperatives to convert to sharia cooperatives.

In contrast to previous research, which still focuses on comparing the concept of Hatta cooperatives with the Islamic economic system, this study focuses on the concept of Hatta cooperatives in relation to the Islamic economic system.¹⁵ Another research theme is attempting to determine the feasibility of implementing a sharia-based theory¹⁶ or financing practices that are examined from the standpoint of *maqashid al-sharia*.¹⁷ This study will investigate how the Mahada cooperative system works. Whether the system is sharia-based or refers to Hatta cooperative thinking?

Mahada Islamic Boarding School is one of those Islamic boarding schools (*pesantren*) that has established cooperatives as one of his business units. It has been operating as a Mahada cooperative since 2008. Mahada Kudus is located on Arif Rahman Hakim Sudimoro street in Karang Malang village, Gebog district, and can be reached at (0291) 434996 Kudus 59354.

Research Method

This research uses a qualitative method (case study). The case study meant here is the existence of cooperatives under the auspices of boarding schools, but the cooperatives do not declare themselves to be sharia cooperatives.¹⁸ Primary and secondary data sources were used in this study. The primary data came directly from research subjects through interview and observation techniques. The researchers selected an informant based on the study's title: "Cooperative Chairman," "Cooperative Treasurer," "Cooperative Employees," and "Cooperative Members."

The most strategic step in research is data collection techniques. Researchers will not be able to obtain data that meets the standards if they do not understand the data collection technique. Because this is a field study, the researchers' goal is to collect empirical data, and some of the data collection techniques used in this study include interviews, observations, and documentation.

The analysis of qualitative data is an ongoing and continuous effort. In qualitative research, data analysis is typically performed before entering the field, during the field, and after the field. Data collected from the research site, both primary and secondary, will be compiled, presented, and analyzed in three steps: data reduction, data display, and verification. The findings of qualitative research

¹⁵Asti, "Konsep Koperasi Moh. Hatta dan Relevansinya dengan Perkembangan Koperasi Syariah." Also read at Rustam Efendi, Boy Syamsul Bakhri, and Zul Ihsan Mu'arif, "Konsep Koperasi Bung Hatta dalam Perspektif Syari'ah," *Jurnal Al-Hikam* 15, no. 1 (2018).

¹⁶Eny Latifah, "Sharia'ah Enterprise Theory (Amanah) Pada Pendekatan Behavioral Accounting Dalam Menilai Shari'ah Microfinance (Studi Kasus Padda Koperasi Syariah Lamongan)," *jurnal Shidqia Nusantara* 1, no. 1 (2020): 61–75.

¹⁷Nur Hadi, "Maqashid Koperasi Syariah," *I-ECONOMICS: A Research Journal on Islamic Economics* 4, no. 2 (2019): 159–179. Also read at Ade Iskandar Nasution, "Pendekatan Maqashid Al-Syari'Ah Dalam Praktik Pembiayaan Di Koperasi Peternak Sapi Bandung Utara (Kpsbu) Lembang," *Asy-Syari'ah* 21, no. 1 (2019): 31–38.

¹⁸John W Cresswell, *Penelitian Kualitatif & Desain Riset: Memilih Di Antara Lima Pendekatan*, ed. saifuddin Zuhri Qudsy, 3rd ed. (Pustaka Pelajar, 2015).

are expected to be novel and previously undiscovered. Findings can be the form of descriptions of previously dim or dark objects that have been investigated to become clear, or they can take the form of causal or interactive relationships, hypotheses, or theories.¹⁹

Results

A Brief of the Mahada Cooperative

The Mahada Cooperative can be observed on Arif Rahman Hakim Sudimoro street in Karangmalang village, Gebog district, and can be reached at (0291) 434996 Kudus 59354. It is one of the community-based financial institutions run by the foundation Madrasah Hasyim Asy'ari 2 Kudus.²⁰

The desire of the foundation board and educators to carry out the sacrifice together by setting aside a portion of their salary was the impetus for the formation of this cooperative. However, the board is concerned that it may reduce revenue for educators at the foundation. Then there was a proposal from one educator to form a cooperative, similar to other educational institutions, with the goal of benefiting educators and employees. Furthermore, the cooperative was formally established on July 7, 2007. The first business is shops and savings, which provide alternatives for educators and students to make it easier for them to complete school activities. The cooperative was ratified in 2010 as a legal entity with the number 503/243/BH/10/2010 as an all-business cooperative with a savings and loan unit.²¹ This is the embodiment of Hatta cooperative thinking, which departs from the family principle.²²

The scope of the Mahada Cooperative business field includes: *First*, deposit funds; this effort has been ongoing since the cooperative's inception. Capital savings and loans are funded by member deposits as well as the foundation institution's capital. Because this cooperative is a cornerstone of Madrasah Hashim Asy'ari 2 Kudus. *Second*, the retail business; this effort was made several years after the establishment of this cooperative to improve the welfare of cooperatives. Photocopy services, binding, stationery and office equipment, school identity, and school uniform clothing services are all being developed as part of this cooperative business. *Third*, staple retail business; This business field was established in 2013 to improve the welfare of the surrounding community, with the hope that the sale of various types of food in this cooperative will assist them. Rice, sugar, cooking oil, toiletries, cooking ingredients, cleaners, and other items are all available.²³

Mahada Cooperative uses several systems to run its business, including the following; **Bookkeeping System**; a bookkeeping system is a method of recording a transaction or activity in a book for proof of reporting. Bookkeeping in Mahada Cooperative includes administrative bookkeeping as well as finance.

¹⁹Sugiyono, *Metode Penelitian Pendidikan (Pendekatan Kuantitatif, Kualitatif Dan R&D)* (Bandung: Alfabeta, 2013).

²⁰Annisa, *Dokumen Koperasi Pesantren Mahada* (2020).

²¹Ibid.

²²Abrar and et.all, *Pemikiran Bung Hatta Tentang Koperasi Dan Relevansinya Dengan Masa Kini*.

²³Annisa, *Dokumen Koperasi Pesantren Mahada*.

The majority of Islamic boarding school has a retail business as its business unit because of the market potential they have, namely; the students, parents of students and the surrounding community which cannot be ignored. Read at Bakhrul Huda, *Bisnis Ritel Pesantren* (Bojonegoro: Abda Publisher, 2021).

According to Siti Khalimah, the bookkeeping in the Mahada Cooperative is administrative and financial bookkeeping, where the bookkeeping is made so that members can see and research the administrative system and cooperative finance.

Mahada Cooperative's administrative bookkeeping includes member bookkeeping, mutations, meeting minutes, incoming and outgoing letter bookkeeping, inventory, important event records, and guest books. Financial bookkeeping is the daily, monthly, cash books, reserve books, education fund books, and social fund books bookkeeping. In the first year, the system used in the financial bookkeeping recording system in cooperatives is an accounting system that is in accordance with cooperatives. According to Dyah Noor Asih the financial recording system in Mahada Cooperative is an accounting system, which includes ledgers, journals, profits/losses, balance sheets, and the working paper column.²⁴

Revenue Sharing System; Each cooperative's revenue sharing system must be unique. The surplus of cooperative is obtained during one fiscal year after deducting the value of goods and all costs incurred during the fiscal year. According to Dyah Noor Asih, the revenue sharing system in Mahada Cooperative is determined by member agreement and poured in Mahada Cooperative bylaws. The surplus of Mahada Cooperative is divided as follows: 20 percent for reserve funds, 25 percent for members based on service comparisons in cooperative businesses, 25 percent for members based on deposit comparisons, 10 percent for managers and supervisors, 5 percent for employee or employee funds, 5 percent for education funds, 5 percent for social funds, 2.5 percent for cooperative development funds, and 2.5 percent for audit funds.²⁵

Marketing System; The marketing system used in Mahada Cooperative still uses the traditional way of word of mouth. Because Mahada Cooperative is only intended for educators and employees who are in The Madrasah Hashim Asy'ari Foundation 2 Kudus. As revealed by Rahmawati (a marketing and shopping division) said that in case of marketing, Mahada Cooperative still uses word of mouth methods. But along with the development of the technology of marketing methods in the Mahada Cooperatives developed by using mobile *phones* as a medium. Both through *WhatsApp* groups in each educational institution under the auspices of The Madrasah Hashim Asy'ari 2 Kudus Foundation.²⁶

Surveillance System; The Mahada Cooperative's surveillance system is system-attached and operational. The point is that the cooperative supervisory system is presented to the advisory board and the foundation's board. According to Fahrudin, supervision in Mahada Cooperative is functional, ranging from cooperative supervisors to the advisory board and foundation board. Because Mahada Cooperative operates under the auspices of a madrasah foundation, all reports must be directed to the foundation administrator. The annual report, on the other hand, is submitted to the holy district cooperative service.²⁷ In member meetings, supervisors are chosen from and by the cooperative's members. In member meetings, the requirements for being elected and appointed as supervisory members are outlined. However, in the Mahada Cooperative, all

²⁴Dyah Noor Asih, *Interview Manuscript* (Kudus, 2020).

²⁵Ibid.

²⁶Rahmawati Rachmawati, *Interview Manuscript* (Kudus, 2020).

²⁷Fahrudin, *Interview Manuscript* (Kudus, 2020).

regulations governing supervisory and supervisory duties are outlined in the Mahada Cooperative bylaws. According to Basirun Arief, the provisions for selecting Mahada Cooperative supervisors are regulated in Mahada Cooperative bylaws in Chapter 7 article 26-35. Where in the corporative bylaws can be changed based on the members' agreement during the member meeting.²⁸

The establishment of a cooperative must be motivated by a desire for the well-being of its members. The more advanced and developed the cooperative is, the better off its members are. From year to year, the level of welfare in Mahada Cooperative rises. According to Basirun Arief, the welfare of Mahada Cooperative members is improving. Where this can be seen by the growth of cooperative services from year to year. Services that initially only save and borrow, along with time, the cooperative has expanded to include a wide range of services for both members and the surrounding.²⁹

According to one of the members of Mahada Cooperative, Fitrotul Muna, the members' sense of well-being is improving, ranging from the economy to the fulfillment of basic needs. Mahada Cooperative offers services ranging from savings to shop business units and basic necessities sales. Members become more enthusiastic and active in their operations as a result of the addition of this business unit. The Mahada Cooperative's services are available to the entire community, not just its members.³⁰

Mahada Cooperative has several members who serve in its management practice. The chairman, secretary, treasurer, creditor, storekeeper, supervisor, and advisor are all members of the stewardship. Each manager is responsible for a specific task in carrying out their mandate. These responsibilities are governed by the Mahada Cooperative bylaws. According to Basirun Arief, the administrators at Mahada Cooperative are elected by and for members under mutually agreed-upon conditions at the member meeting.³¹

Management in Mahada Cooperative has been reorganized twice, namely in 2012 and 2017. In the first reorganization in 2012 elected a new chairman, Basirun Arief and Chairman of Supervisors, Rumadi. The selection of stewardship in Mahada Cooperative was conducted jointly with voting. Further reorganization, Basirun was re-elected to be the chairman of the cooperative in Mahada Cooperative. Members trusted him with his performances during the previous period. But in the supervisory structure in 2017 changed and elected Fahrudin to be the supervisory chairman at Mahada Cooperative. As expressed by Noor Kholifah that the reorganization in Mahada Cooperative runs smoothly without any obstacles. The members also play an active role during the reorganization.³²

Discussion

Cooperation, according to Hatta, is the key for small communities to meet their needs; Hatta recommends economic cooperation in the form of

²⁸Basirun Arief, *Interview Manuscript*, 2020.

²⁹Ibid.

³⁰Fitrotul Muna, *Interview Manuscript* (Kudus, 2020).

³¹Arief, *Interview Manuscript*.

³²Noor Kholifah, *Interview Manuscript* (Kudus, 2020).

cooperatives.³³ As previously stated, the establishment of the Mahada Cooperative aims to assist teachers and employees meeting their daily needs, including qurban activity. Cooperatives, according to Hatta, should gradually expand in a larger direction. Aside from addressing the problems of small cooperatives, they must also take the risk of entering the industrial sector, as evidenced by the growth of cooperative organizations in Sweden, Denmark, and Germany.³⁴ Based on this, researchers concluded that Mahada Cooperatives adhere to the Hatta cooperative concept, have moved away from minor details, and now have several business units.

In its development, Indonesia has taken a brief step towards industrial cooperatives such as the milk production cooperatives in KPS Bogor. Where this cooperative produces various types of processed cow's milk and cow's milk in cooperation with various large companies such as PT. AMS, CV. MAJU, Indolakto, and others.³⁵

In Mahada Cooperative, it has sought to develop its cooperatives towards more productive cooperatives by providing training and cooperating with several home businesses around the cooperative. Mahada Cooperative in its development also strives to be a cooperative that can play an active role in building the community economy as expected by Hatta. This is evident in improving services in its shopping units by completing daily basic needs.

There are several principles that Mahada Cooperative used for activities guideline listed in Chapter II, Article 3 Mahada Cooperative's Articles of Association in carrying out its activities.³⁶ The principle of cooperation was first introduced in 1944 by Rochdale, England, as a guide for Rochdale at the time to be a guide in achieving its goals.³⁷

Adoption and adaptation to Indonesian conditions and culture resulted in the cooperative principle used in Indonesia. This means that the principle of the Mahada Cooperative has undergone a process of adaptation to its needs and circumstances. These principles are as follows: Membership is open and voluntary; the point is that membership is not forceful but comes of its own accord. Management is carried out democratically; in cooperative management, the system must be a democracy, or from, by, and for the people. Mahada Cooperatives are also a form of principled democracy that is run by, for, and by their members. The remaining business results are distributed fairly in proportion to the amount of each business service; Mahada Cooperatives in the practice of surplus sharing are carried out fairly according to the amount of their respective services and are not equalized. Independence means that each member has their own roles, duties, and responsibilities, and members must be required to participate actively in efforts to improve cooperative management. Conducting operational training for members: In practice, Mahada Cooperative has not

³³Abbas, *Bung Hatta Dan Ekonomi Islam*.

³⁴Ibid.

³⁵Annisa Indah Kartika and Sara Ratna Qanti, "Keragaan Kemitraan Di Koperasi Produksi Susu (Studi Kasus Di KPS Bogor, Kedung Badak, Kota Bogor)," *Jurnal Agribisnis dan Sosial Ekonomi Pertanian* 1, no. 2 (2016): 99.

³⁶Annisa, *Dokumen Koperasi Pesantren Mahada*.

³⁷Abi Pratiwa Siregar, "Kinerja Koperasi Di Indonesia," *Vigor: Jurnal Ilmu Pertanian Tropika dan Subtropika* 5, no. 1 (2020): 31–38.

implemented this principle due to a lack of time for the members. Cooperation between cooperatives: Cooperation in this principle can be interpreted in a variety of ways, including working by combining several cooperatives, cooperating by putting capital into other cooperatives, and so on. At the level of this principle, Mahada Cooperative operates it by collaborating with other cooperatives to conduct comparative studies in order to share knowledge and experience.

In comparison, the International Cooperatives Alliance published the following cooperative principles in 1966: *first*, open cooperative membership with no artificial restrictions; *second*, democratic leadership based on one person, one vote; and *third*, even if there is interest, capital receives little of it. *fourth*, the remaining proceeds of the business are divided into three categories: some for reserves, some for the community, and some to be redistributed to members according to their respective services; and this principle is coupled with two other principles: first, all cooperatives must provide continuous education; and second, the cooperative movement must work closely together at the regional, national, and international levels.³⁸

Sharia cooperatives are willing to accept cooperative principle as long as it is not contrary to sharia principles. The Saving-Loan Cooperative and Sharia Financing Tunas Artha Mandiri has successfully converted conventional cooperatives to Sharia cooperatives through the following efforts: institutional conversion, system conversion, management conversion, and member conversion. The Saving-Loan Cooperative and Sharia Financing Tunas Artha Mandiri made the following efforts to ensure the continuation of the conversion program: training and stabilization, management of managers in other cooperatives, religious movement strengthening, and formation of a da'i team.³⁹

The principles of kinship, mutual help, and cooperation are the most important in cooperation. In practice, Mahada Cooperative follows kinship principles, which means that all members of the cooperative are families with no distinctions. Help each other if needed. Collaboration in the development of Mahada Cooperative with enthusiasm and creativity.

Fitrotu Muna stated that the kinship is very strong in Mahada Cooperative because its members are educators and employees in Hasyim Asy'ari foundation, where friendship and brotherhood have existed for a long time, with the cooperative adding to the sense of family and social soul of members. For example, if one of our members is hit by misfortune, we will help relieve the burden, and the cooperative will also provide assistance through existing social funds.⁴⁰

When the Hatta Cooperative Concept was compared to the Sharia Cooperative Concept, similarities were discovered in the contract, basic values, principles of help, principle of benefits, principle of mashlahah, function,

³⁸Aji Basuki Rohmat, "ANALISIS PENERAPAN PRINSIP-PRINSIP KOPERASI DALAM UNDANG-UNDANG KOPERASI (Studi Undang-Undang No. 25 Tahun 1992 Dan Undang-Undang No.17 Tahun 2012)," *Jurnal Pembaharuan Hukum* 2, no. 1 (2016): 138.

³⁹S Fuadi, "Model Konversi Dan Internalisasi Prinsip-Prinsip Syariah Pada Koperasi Syariah Tunas Artha Mandiri," *Journal of Islamic Business Law* 4, no. 1 (2020): 1–9, <http://urj.uin-malang.ac.id/index.php/jibl/article/view/431>.

⁴⁰Muna, *Interview Manuscript*.

characteristics, production, and distribution.⁴¹ However, the existence of a view on interest and a supervision system distinguishes Sharia cooperatives from the concept of Hatta cooperatives. This implies that if the Mahada Cooperative wishes to convert to Sharia cooperatives, Sharia Supervisory Boards must be prepared.⁴²

Although the Mahada Cooperative operates in an Islamic boarding school environment, the system used to run it is a democratic system based on Hatta principles. In order to carry out its daily operations, Mahada Cooperative must have transaction agreements. The Mahada Cooperative's contract is a cooperation agreement based on the principle of kinship, strong kinship between Mahada Cooperative membership. Members are drawn from the administrators, educators, and employees of Madrasah Hasyim Asy'ari 2 Kudus, which includes kindergarten, elementary, secondary, high, and vocational school.

As stated by Hatta, the basis of family is the basis of special relationships in cooperatives. There are no employers and laborers here, but a joint effort between those with equal interests and objectives.⁴³ It can be seen that the Mahada Cooperative can be filled under the concept of Hatta Thought that carries out the principle of kinship. Where members are not workers or employers, but all members are owners and service users in cooperatives. The activities of disbursing funds or loans within the Mahada Cooperative in the profit-taking system are referred to as services. As stated by Dyah Noor Asih, the service system carried out by the Mahada Cooperative has been mutually agreed upon by members and administrators. So this service is not burdensome for members, but members who borrow and use services in cooperatives will get surplus for their activeness and participation.⁴⁴

This is supported by the opinion of one member of the Mahada Cooperative. Fitrotul Muna says that the services in the practice of profit-taking Mahada Cooperative harm neither party, but provide mutual benefits. In terms of cooperatives, they benefit from the services paid by members who borrow, while members themselves benefit from the surplus generated every year to close the book on member assets.⁴⁵

According to the opinion, "Mahada Cooperative" refers to Hatta's opinion that interests or services are not *ribā*.⁴⁶ However, there is an article that argues that there is interest in the concept of Hatta cooperatives, and that interest is *ribā*.⁴⁷ Furthermore, in Shariah rules, the concept of revenue sharing is known as the *mudharabah* system, which contains many elements of *ribā*. The process of adoption and modification took place during the time of Rosulullah, when *mudhārabah* practices that still smelled of *ribā* and injustice had to be

⁴¹Rustam Efendi and Boy Syansul Bakhri, "Konsep Koperasi Bung Hatta Dalam Perspektif Ekonomi Syariah," *Al-Hikmah: Jurnal Agama dan Ilmu Pengetahuan* 15, no. 1 (2018): 111–135.

⁴²Saptaningrum Inayati, "Evaluasi Kinerja Manajemen Koperasi Syariah Berdasarkan Peraturan Menteri Negara Koperasi Usaha Kecil Dan Menengah Republik Indonesia Nomor 35.3/PER/M.KUKM/X/2007 (Studi Kasus BMT Ben Makmur Desa Kenduren Kecamatan Wedung Kabupaten Demak Tahun Buku 2013)," *el-Qist: Journal of Islamic Economics and Business (JIEB)* 06, no. 02 (2016): 1284.

⁴³Toman Sony Tambunan and Hardi Tambunan, *Manajemen Koperasi* (Bandung: Yrama Widya, 2019).

⁴⁴Asih, *Interview Manuscript*.

⁴⁵Muna, *Interview Manuscript*.

⁴⁶Abbas, *Bung Hatta Dan Ekonomi Islam*.

⁴⁷Asti, "Konsep Koperasi Moh. Hatta Dan Relevansinya Dengan Perkembangan Koperasi Syariah."

harmonized with sharia rules, making it impossible for friends not to be involved in mudharabah practice.⁴⁸ This means that the Mahada Cooperative system necessitates a transition to a Sharia cooperative system.

The term "service" in Mahada Cooperatives is very identical to conventional bank interest, but the percentage of services specified in Mahada Cooperatives is very minimal, at 1%. The board argues that such a service will not incriminate members and does not reach the usury referred to in the Qur'an. Hatta explained that usury is a consumptive tax that is collected from the poor for the collector's life. Hatta called the rent "productive" to change the name of the interest. Rent is part of the profits earned with the help of other people's money. For the person who lends, the calculation is based on the possibility of profiting from the money.⁴⁹

Meanwhile, the interest made by the Mahada Cooperative is called a "service," which means taking the profits obtained with the help of other people's money. This service term is taken to avoid usury. The number of services provided by the Mahada Cooperative was mutually agreed upon at the member meeting. So, they argue that these services are not classified as usury. From this aspect, it can be seen that the use of other terms of interest to keep activities away from usury was also carried out by Hatta, where he used the term rent to replace.

In terms of profit, the Mahada Cooperative does not share all profit with members. Instead, there are certain percentages to divide the profits as stated in the Article 42 of Mahada Cooperative bylaws. The percentage is 20% for the reserve fund. 25% for members according to the comparison of its services in cooperative business. 25% for members by comparison of deposits. 10% for administrators and supervisors. 5% for employee funds or employees. 5% for education funds. 5% for social funds. 2.5% for cooperative development funds. 2.5% for audit funds. Hatta argued that cooperative managers should be careful in managing profits because errors in management can lead to accumulative losses. Therefore, the profit-sharing system should be well thought out in its allocation.⁵⁰ He considered that professional management and financial transparency had become the main pillars in the cooperative's progress.

According to Hatta's reasoning, the distribution of the Mahada Cooperative remaining business results is adequate in its allocation. As stated by Hatta, profits should not be totally distributed, but some should be reserved in order to strengthening capital, whether members wish to save or withdraw funds. With the reserve fund, it will not have a significant impact on the operation of the cooperative economy.⁵¹

According to Hatta, the function of cooperatives is to be concerned not only with the interests of members but also with those of the community. Hatta expects cooperatives to serve as an institutional model for the welfare of the Indonesian people. In practice, the Mahada Cooperative not only prioritize the economic well-being of its members but also the social well-being of the surrounding. The Mahada Cooperative operates a business that serves both its members and the

⁴⁸Moh. Nurul Qomar, "Mudharabah Sebagai Produk Pembiayaan Perbankan Syariah Perspektif Abdullah Saeed," *MALIA: Journal of Islamic Banking and Finance* 2, no. 2 (2018): 201.

⁴⁹Efendi, Bakhri, and Mu'arif, "Konsep Koperasi Bung Hatta Dalam Perspektif Syari'ah."

⁵⁰Abbas, *Bung Hatta dan Ekonomi Islam*.

⁵¹Ibid.

surrounding. So the Mahada Cooperative function is in line with the Hatta's concept, that is economic and social body. According to the explanation above, the Mahada Cooperative is in line with Hatta's concept, though it cannot be said to be perfectly appropriate. Because the Mahada Cooperative is still in the transition stage with the cooperative concepts that have emerged in recent years.

The Mahada Cooperative system and the concept of Sharia cooperatives share a similarity in supervision, but different in the implementation. The supervisory implementation in the Mahada Cooperative is focused on the advisory board and the board of the foundation, whereas the supervisory implementation in sharia cooperatives is focused on the sharia supervisory board, which tasked with ensuring the absence of deviations in sharia principles in the operational activities of sharia cooperatives.⁵²

Conclusion

Based on the discussion above, it can be concluded as follows: Based on operational systems, Mahada Cooperative tends to the concept of Hatta cooperatives, proven by the business activity which is not only focused on saving and borrowing businesses but also other productive businesses. Furthermore, in the concept of Sharia cooperatives, the interest system, interest in the practice of saving and borrowing in Mahada Cooperatives is referred to as "service," the same practice as with productive rents conceptualized by Hatta, which the two terms are not known. Mahada Cooperative serves not only as a generator of the community's economy, but also as a social community. Both Mahada Cooperatives and Sharia Cooperative concepts recognize the position of supervisors in the organizational structure, but there are differences in implementation and supervisory functions, where the supervisory is an executor.

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⁵²Fitri Afifah, Muhammad Iqbal Fasa, and A.Khumaidi Ja'far, "Tinjauan Perspektif Hukum Islam Terhadap Implementasi Pelaksanaan Tugas Dewan Pengawas Syariah di Koperasi Syariah pada KSPPS BTM Bimu Way Dadi Sukarame Bandar Lampung," *Eksya: Jurnal Ekonomi Syariah* 2, no. 2 (2021): 137–151.

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