

COOPERATION OF COOPERATIVES AMONG COUNTRIES IN THE BORDER REGION INDONESIA, MALAYSIA AND THAILAND

Suary Amran

Pasundan University, Suarny_amran@yahoo.co.id

ABSTRACT. *Cooperatives Institute of Indonesia.* This study are to understand the cooperation among countries in an effort to increase the empowerment of cooperatives in the border region of Indonesia, Malaysia, Thailand in order to support the multilateral agreements of cooperation realized between countries in the border region. This cooperation aims to strengthen the role of cooperatives in improving the competitiveness of various fields such as agriculture, plantations, trade, and tourism, which is the potential of the three countries. Through cooperation among cooperatives to create and develop a cooperative that is ready to face a very competitive business conditions together as outlined in the agreement. The method used in this study is the method of literature and macroeconomic information. The results of this study concluded that through effective collaboration will strengthen the role of cooperatives in improving the welfare and economic growth in the border region of Indonesia, Malaysia, Thailand.

Keywords: *cooperation, cooperative, Indonesian border region.*

I. INTRODUCTION

As part of the global economic order, Indonesia embracing open economic system has decided to join the free market system. Commitment about it manifested in the form of Indonesia's participation in AFTA, APEC, and the WTO. This marks the Indonesia economy has entered a new phase, which is a stage in which the net inter-state involvement in ongoing international region with different effect or effects thereof. The logical consequence of openness, freedom, and international cooperation that will be felt also in Indonesia.

The development of border region development of Indonesia should be a concern of government, especially the local government because it has a strategic importance and related to regional autonomy and even related to the sovereignty of the state. Judging from the reality that can be seen in the development of the border region is very different from the development in the region does not border with neighboring countries. Competition in international trade is determined on the advantages or benefits of the product produced. Border region should become a leading region in economic development. In this context, local economic development by increasing the role of cooperatives could be an alternative.

Strengthening and empowerment of cooperatives can be an effective strategy in the area of economic development, through cooperation between countries, including the area/ region border. Common problems in the border region with regard to security and stability, one of which arise because of the economic aspect, where in the border region the economy transaction. A very prominent phenomenon is the rise of business activity, such as *illegal logging, illegal trading, illegal fishing*.

Border region should become a leading region in economic development. In this context, cooperation among countries needs to be realized through cooperation with an increased role could be one important alternative for the development of border region.

One solution is to optimize the economic field in particular cooperation in the border region, through the development of the economic potential of each country. In relation to the economic needs of the population in the border region. It is implemented through the development and empowerment of cooperatives in the three border region of the country. Some aspects which can be optimized by cooperatives, such as; agriculture, plantation, fishery, services, trade, and more. All of it needs to be stated in the agreement in the form of regulations, which are technically able to support the smooth operation of the cooperation. Inter-state cooperation agreement covering the border region; a). Cooperation/ regulation at the macro level are made between countries by the Indonesian government and the government of Malaysia and Thailand, b) The agreement/ regulations that are made between countries by the Indonesian government and the government of Malaysia and Thailand, represented by the Ministry related, or Board of Cooperative third state c). Cooperation agreements/ regulations microeconomic made between the three countries in developing cooperative partnership on the basis of mutually beneficial cooperation relations.

Potential development and cooperation is the core business of the cooperative effort of each country that can be a bridge for the economic interests of the three countries. Thus the economic potential is not dominated by an individual but developed through the cooperative. Through the agreement, both cooperation macro and micro transactions are expected to control the system in favor of the community through cooperative partnership.

II. OBJECTIVES AND BENEFITS

In order to increase the cooperation of cooperation in the border region of Indonesia, Malaysia, Thailand. This study aims to override the illegal economic transactions in border region IMT. Optimizing the role of cooperatives in the border region in facilitating economic transactions between countries of Indonesia, Malaysia and Thailand. The usefulness of cooperative partnership between countries would lead to economic benefit, particularly for communities in border region, as a reference in a cooperative cooperation between countries, is expected to bring stability and security in border region.

III. STUDY OF LITERATURE

3.1 ICA Cooperative Principles

Understanding the cooperative as an organization, including the definition/ definitions of the cooperative; based on the decision of the 23rd ICA congress in Vienna in September 1966, the last formulated by the *International Cooperative Alliance (ICA)* in 1995, provides a definition of cooperatives as follows:

"The cooperative is an autonomous association of persons united voluntarily to meet the needs and aspirations of the economic, social and culture together through companies they have in common and democratically controlled."

Based on these formulations, the characteristics of cooperative organizations is as follows:
a. Society *autonomous*, independent and self-governed, from to and by members. b. Cooperatives are associations of people, who voluntarily enter into it, c. Members of cooperatives have and trying to achieve the interests and aspirations in the field of economic, social and cultural. d. for meet the interests and aspirations, cooperatives functioned as a company in controlled democratically.

Cooperatives exist that have the same line of business, and there are also different businesses and different levels. In each of these efforts was realized that the ability of cooperatives still vary, but recognized that cooperatives are essentially the same mission, which is to promote the welfare of members in particular and society in general. To achieve the same goal, each cooperative has its advantages and drawbacks. Cooperation among cooperatives is intended to benefit from each other's strengths and eliminating the weaknesses of each, so the end result can be achieved optimally. The cooperation is expected to be sating support the utilization of resources in order to obtain a more optimal result.

Cooperation among cooperatives can be done at the local, national, and international. This principle is actually more "strategy" in the business. In business there is a theory known as "*Synergy Strategy*" that one application is the cooperation between the two organizations or companies. According A. David a synergy occurs when a business has the benefit or advantage because it relates to other businesses within the same company. Of course, many advantages are obtained if the cooperation among cooperatives is running well, such as cooperation in the promotion of the results of the production of the cooperative members, cooperation in market penetration, cooperation in the exchange of business information, and so on. In entering the global trading system, the cooperative should be able to compete, as well as other companies. Global trading system should be completely understandable, because the cooperative as a marketer should also be able to study the economy of partner countries.

3.2 Cooperative Development Policy The Border Region Indonesia, Malaysia and Thailand

Indonesia-Malaysia-Thailand Growth Triangle (IMT-GT) was established at the Ministerial Meeting (PTM) 1st in Langkawi, Malaysia, on July 20, 1993. The IMT-GT is aimed at improving the welfare and economic growth in the border region country- IMT-GT countries. Through the cooperation of the IMT-GT, the private sector continues to be driven into the "*engine of growth*". For that purpose has established a forum for entrepreneurs in the area of the so-called IMT-GT Joint Business Council (JBC).JBC actively be involved in the series of SOM / MM IMT-GT annually. Indonesian territory that became part of the IMT-GT cooperation are the provinces: Aceh, Bangka-Belitung, Bengkulu, Jambi, Lampung, South Sumatera, Riau, Islands of Riau, North Sumatera and West Sumatera. Such cooperation has been ratified by the President of the Republic of Indonesia Regulation Number 104 of 2013 On Ratification of *Agreement on the Establishment of the Center for Indonesia-Malaysia-Thailand Growth Triangle Sub Regional Cooperation* (Agreement Establishing Cooperation Sub-regional Center for Growth Triangle Indonesia-Malaysia-Thailand)

Economic cooperation in the border region of Indonesia, Malaysia, Thailand developed and cooperation based on the core business of the cooperative from each country that can be a

bridge for the economic interests of the three countries. Cooperation agreements between countries both macro regulation, which was made between countries by the Indonesian government and the government of Malaysia and Thailand), represented by the Ministry concerned, or the third Cooperation Council countries, as well as inter-cooperative micro three countries (Figure 1). Are expected to control the transaction system in favor of the community through the cooperation of the cooperative each country.

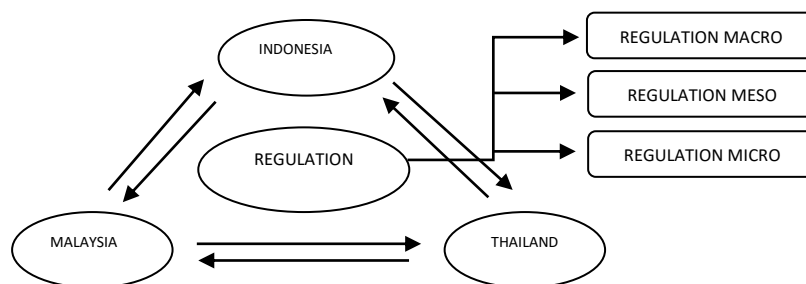


Figure 1: Solution to economic regional cooperation at IMT_GT border region

Empowerment of cooperatives in the role of government as a facilitator and regulator through policy initiatives and strengthen the position of the cooperative, so that cooperatives can play in full role as the organization of the economy. Government must play its role as facilitators through the initiative policy, be able to be proactive, cooperative necessarily required to have the formulation of a clear strategy, meaning that in addition must have a purpose and goal-oriented business in the future, the cooperative also required to formulate the right strategy in achieving its objectives and those goals. Each cooperative must explicitly define the vision and mission of the business, it should also refer to the *Good Corporate Governance*. In connection with that, then some of the main objectives of cooperative development are as follows: 1. business development, 2. human resource development. 3. The network of cooperative efforts. 4. oriented ICT. 5. the development of value chains and supply chains .6. Chain development. 7. Reinforce regulatory functions. 8. 9. Networking coaching and supervision of cooperatives, 10. The international cooperation.

According Muslimin Nasution (2008: 179), some benchmark development and strengthening of cooperatives through various empowerment strategies: 1. Improving the competitiveness of the cooperative which requires mastery of the various advantages and productive assets by its members, 2. increase the market share of cooperatives, in order to afford the cooperative sector entry and the free market and to minimize the impact of the economic crisis. 3. Strengthened and widespread base and entrepreneurship cooperative effort, 4. Further pharmaceuticals business world national structure with maximum cooperative efforts in the position of economic actors who possess identity.

IV. DISCUSSION

4.1. Reaching Global Business Opportunities through a Cooperative Research Agreement between Nations di Frontier Indonesia, Malaysia, Thailand.

In the business opportunities the region borders Indonesia, Malaysia, Thailand, to do with the business potential, particularly in border region, such as including the border region of North Sumatera, West Sumatera, Aceh, Riau, Jambi, and the Pacific Islands, have business

potential for tourism because beautiful nature, fishing, agriculture, plantation, and mining. It is a natural resources owned by the State of Indonesia. All this wealth should be sought as much as possible for the prosperity of the people.

Among the Indonesian border region, there is also a border region of Malaysia and Thailand, they have a natural potential similar to the potential that exists in Indonesia. They have the same natural resources sectors such as tourism, agriculture, plantation, and mining. Based on empirical data exist, it is known that their countries (Malaysia and Thailand). The overarching goal to enhance, promote, and develop multilateral cooperation between countries, based on mutual benefit in the field of economic sector development to two state-run cooperative between the two countries both sectors of horticulture, animal husbandry, agriculture, and other fields agreed by both parties. And improve cooperation within the framework growth triangle Indonesia-Malaysia-Thailand (IMS and IMT-GT). In the future, cooperation in trade, investment and energy is expected to grow even more and improve the economies of both countries as well as to create jobs that are needed to reduce unemployment., In the context of Indonesia's investment will continue to develop the investment climate is better regarding the rule of law, policy economy more conducive to investment, including labor policy, so that investment can be run properly. Forms of cooperation among cooperatives in the border region for fisheries cooperative management of shared fish factory set up a cooperative joint tourist village.

4.2. Analysis of Cooperatives Cooperation in Border Region

Thailand prepares cooperatives to be competitive in order to maintain its domestic market and optimally able to penetrate the international market.

The Government of Indonesia and Thailand agreed to boost cooperation in agriculture, especially in information technology and technology transfer, trade, training, engineering and research in the field of agriculture.

In Indonesia, the cooperatives in the border region still need serious support from the government, especially local government, in the form of support for physical infrastructure and non-physical, such as including the means of road infrastructure and vehicles transporting material (*input*) and results (*output*) business, capital, education and training, business licensing, and a conducive business climate, so that cooperatives can perform the task and its business effectively and efficiently to large cooperatives so they can deal with competitors (conglomerate) are great, both inside and outside the country. In this case the role of central government and local authorities is crucial for the development of cooperatives.

Potential active cooperation on the border of Indonesia, Malaysia, Thailand which is part of the cooperation IMT-GT is the provinces: Aceh, Bangka-Belitung, Bengkulu, Jambi, Lampung, South Sumatera, Riau, Islands of Riau, North Sumatera and West Sumatera, based on sources from the Ministry of Cooperatives and SMEs in 2015 in table 2.

Table: 2

NO	URAIAN	KOPERASI AKTIF(UNIT)
1	Aceh	4490
2	Bangka-Belitung	812

3	Bengkulu	709
4	Jambi	2263
5	Lampung	2760
6	South Sumatera	4450
7	Riau & Riau islands	4176
8	North Sumatera	6285
9	West Sumatera	2723

Source: Ministry of Cooperatives and SMEs in 2015

Various types of cooperatives developed need to be given a place to enhance the cooperative effort that eventually can grow and thrive. The success of the cooperative business is up back on quality and service aspects related to the members' businesses. To expedite business processes and ensure better output, the input in all its aspects can be a good planning.

V. CONCLUSION

The role of cooperatives in the border region of Indonesia - Malaysia - Thailand needs to be strengthened through cooperation among countries in a regulation or a cooperation agreement between Indonesia-Malaysia-Thailand in the regulation of macro, *meso* and micro governing trade sector includes system and commodities are used as core business across countries, strengthening cooperation was becoming the full responsibility of each, individual countries.

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