

THE ROLE OF COOPERATIVE INSTITUTION AND BANKING INSTITUTION FOR BUSINESS CONTINUITY (GOING CONCERN) OF TRADITIONAL MARKET TRADER IN PUCANG – SURABAYA

Nuraina

Nurul Hasanah Uswati Dewi

STIE Perbanas Surabaya

E-mail: nurul@perbanas.ac.id

Nginden Semolo Street 34-36, Surabaya, 60118, East Java, Indonesia

ABSTRACT

The existence of many large modern markets around Pucang Market becomes a challenge for market traders to be sustainable or going concern. This study aimed to determine the role of cooperative and banking institutions for business continuity of traditional market in Surabaya Pucang Market. It uses descriptive qualitative in which focuses on issues or phenomena that exist at the time of the research conducted or actual problems, then describe the facts about the issues under investigation accompanied by rational and accurate interpretation. The data was collected through direct interviews and observations to the merchant market and ask the data to the Head of Pucang Market. From interviews and observations can be known that the loan is on offer as well as the cooperative bank does not affect business continuity, because of fearing the risk of not being able to pay for borrowing at banks or cooperatives so that the development of the business only from the results of operations. The implication of this study is that cooperatives and banks should create a program to improve going concern traditional market traders.

Key words:

Banking Institutions, Cooperatives, Merchants, Business Continuity (Going Concern).

PERAN KOPERASI DAN LEMBAGA PERBANKAN BAGI KELANGSUNGAN USAHA (GOING CONCERN) PEDAGANG PASAR TRADISIONAL PUCANG SURABAYA

ABSTRAK

Keberadaan banyak pasar modern yang besar di sekitar Pasar Pucang menjadi tantangan bagi pedagang pasar untuk bisa mempertahankan usahanya atau going concern. Penelitian ini bertujuan untuk mengetahui peran lembaga koperasi dan perbankan untuk kelangsungan bisnis pedagang pasar tradisional di Pasar Pucang Surabaya. Metode penelitian yang digunakan adalah deskriptif kualitatif dengan fokus pada isu-isu atau fenomena yang ada pada saat penelitian dilakukan atau masalah aktual, kemudian menggambarkan fakta-fakta tentang masalah yang sedang diselidiki disertai dengan interpretasi yang rasional dan akurat. Pengumpulan data dilakukan melalui wawancara langsung dan observasi ke pedagang pasar dan meminta data kepada Kepala Pasar Pucang. Dari hasil wawancara dan observasi dapat disimpulkan bahwa pinjaman yang ditawarkan bank serta koperasi tidak mempengaruhi kelangsungan bisnis, para pedagang takut risiko tidak mampu membayar pinjaman di bank atau koperasi sehingga pengembangan bisnis hanya dari hasil usaha. Implikasi dari penelitian ini adalah koperasi dan bank harus membuat program untuk membantu kelangsungan usaha pedagang pasar tradisional.

Kata Kunci: *Lembaga Perbankan, Koperasi, Kelangsungan Usaha (Going Concern).*

INTRODUCTION

Pucang Market located on Jalan Pucang Anom in Surabaya is one of a traditional market that still survives although they are surrounded by the modern markets. Around this market, there are some modern markets like Surabaya Plaza, Carrefour Ngagel, Plaza Tunjungan, Darmo Trade Center, BG Junction, and Royal Plaza. Most traders in Pucang Market educated elementary school and generally have one simple shop. The market sells vegetables and a variety of daily needs. Usually, the market activity starts at 05.00 am until 12.00 am but many shops still open until 09.00 pm (Burhanudin et al. 2010).

For the market traders it is a challenge to maintain their business continuity (going concern) because of many modern markets around the Pucang Market. For the business continuity the traders need the extra fund as cooperative or banking loan for their activities.

Most people in Indonesia establish cooperative institution as a forum of socio-economic association. The traders in Pucang Market also establish the cooperative institution naming "Praja Tuladha". After getting the grant from Directorate General of Higher Education (DGHE or DIKTI) some lecturers of STIE Perbanas Surabaya help and cooperate with the Pucang Market traders to develop their business by providing an additional capital loan (Burhanudin et al. 2010).

According to Ira Asih (2012) up to July 2011 the branch of cooperative institution "Praja Tuladha" in Pucang Market only has twenty members consists of the traders. There is a trader that doesn't want to be a cooperative member to support the continuity of its business. They prefer to choose to borrow the fund from the bank to solve its capital problem. The lack of public trust against the cooperative institution is one causes of the slowness of the development of the cooperative institution in Indonesia.

In developed countries like the coun-

tries in Europe, USA, or Japan, a bank is not extraneous. A bank has already become a partner in meeting the financial needs. A bank is a place to make any transactions that financial related as saving, investing, remittance, and payment or billing. It is quite different from the developing countries like Indonesia that some people only understand the bank as the institution to borrow and to save the money (Kasmir 2011).

To solve the limitation of the capital for the small business like trader, farmer, and others, it needs to optimize the role of the cooperative institution and the banking institution to provide the loan for its business. It can increase the Indonesia economy and decrease the unemployment in the society that is a big problem in the developing country. But in many cases the society prefers to choose loan shark or usurer than bank or the cooperative institution.

Based on the explanation the research problem is how the role of the cooperative institution and the bank institution to support the continuity of the business of the Surabaya Pucang Market traders. The objective of the study is to know the role of the loan from the cooperative institution and the banking institution to support the business continuity or going concern of the traditional traders in Surabaya Pucang Market.

THEORETICAL FRAMEWORK

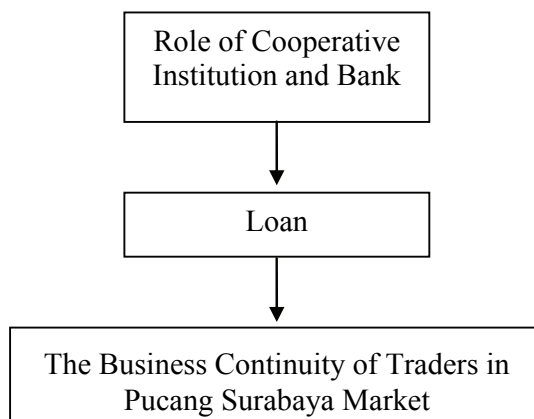
The Market

Generally, the market can be defined as a place that a seller meets a person needing goods or services. That person is called as a buyer. The market is also a potential physically arena that the seller and the buyer can gather and meet. Beside it maybe the market is not a physically place to implement the exchange. It is an interest, an image, and purchasing power (Assauri 1996: 93).

Market Trader

A trader is a person or an institution that directly or indirectly trades the products or goods to the customer (Damsar 2002:23).

Figure 1
Framework of the Research



The Cooperative Institution

The word of the cooperative comes from co and operation. Co means together and operation means to work. So the cooperative means an association of cooperation that its members are persons or institutions that freely enter or exit as members (Pandji, Djoko 2002: 1).

According to Kasmir (2011: 286) cooperative institution is an association of persons having a same objective or interest. Therefore, the cooperative institution is an organization of some persons possessing a same objective. They will be members of the cooperative institution that they will establish. The establishment of cooperative institution is based on the principle of kinship and mutual cooperation especially when the institution will help its members needing a support goods or money.

Bank

Bank is known as financial institutions whose main activity receives demand deposits, savings and time deposits. In addition, the bank is also known as a place to exchange money, transferring money or accept all forms of payment and deposit such other payments (Kasmir, 2011: 25). The main function is as a collector of funds banks channeling public funds in the form of savings and channel them to the public in the form of credit and or other forms of life in order to increase the rate many people.

Credit

According to Kashmir (2011:97), the credit is defined as belief. The purpose of the trust for the lender is that he believes the recipient of the distributed credit that credit would be restored according to the agreement. As for receiving credit constitutes acceptance of the trust so as to have the obligation to pay for the contract period.

Going Concern

The going concern principle is a principle kept by the firm founder or the owner when they establish the corporation. They have an objective that the corporation will get a profit, develop and never stop to produce. This assumption is also called the principle of the business continuity or the principle of going concern/continuity. The assumption of the business continuity is applied in many business situations and only if the situation of the liquidity is bad the assumption cannot be applied (Tampang 2008: 228).

Most of the accounting principles are affected by this principle. Although facing the business challenges and failures but the company can own a long survival. Because of that in accounting there is assumption that a company will never be liquidated to meet the goal and the commitment of the owner. Similarly, in a home industry, the continuity or going concern principle cannot be ignored although the business is

considered an activity managed by individual and relatively easy to be established (Tampang 2008).

The framework of the research is shown in Figure 1. The study aims to investigate the role of the loan of the cooperative institution and the bank in supporting the business continuity of the traders in Surabaya Pucang Market. The study also want to know if the loan will influence to the trader or otherwise. The research will interview the traders to understand the facts about it. The study also tries to reveal the reason and the valuation of the traders about the activity to getting the loan.

RESEARCH METHOD

Research Design

The study uses the qualitative descriptive research method. According to Nawawi (1990: 64) the descriptive method is a research method focusing in the actual problems, or phenomena of the research and picturing the facts about research problems with a rational and accurate interpretation. So the study will picture the facts and explain the situation of the real research object and try to analyze the truth based on the data. The research subject is the Surabaya Pucang Market traders that choose to borrow the loan to the cooperative institution or to the bank.

The Research Instrument

The instrument used in the study is the booking record, voice or video recording in the field work of the research. There are several questions to purpose for market traders. The main topic of the question is the going concern of trader especially for funding.

Data Collection

The first data collection method is direct observation. According to Burhan Bungin (2003: 115) the observation is the human daily activity using eyes as a primary tool beside ears, mouth, nose and skin. The second is an interview. An interview is very important in the data collection. The objec-

tive of the interview is to find what is in mind of the interviewed person, what does he or she think and perceive. The interview is conducted to find something that cannot be monitored as feelings, thoughts, desires, reasons, hungry etc. The researcher also cannot monitor what has happened or the previous situation (Soehardi 1999: 159).

Data Analysis Technique

The data analysis technique used in this study is the qualitative descriptive data analysis technique. The technique tries to conclude the data relating to the research object and to explain and to describe the research variables deeply and detail. Then the technique provides the interpretation according with the formulated research objective. The data from the interview will be descriptively explained and qualitatively analyzed.

DATA ANALYSIS AND DISCUSSION

The Description about the Informant

The required informants in the study are the traders of Surabaya Pucang Market. The total of the informants are eight persons which consist of five traders having stand or shop and three traders as informal traders. The research data collection is performed by an interview and direct observation to the traders as informants and by requesting the data about the trader of Surabaya Pucang Market to the market management.

All informants have the different backgrounds about the education, the age, the type of the business, and their way to maintain and develop their business. The researcher hopes the eight informants can represent the all traders in this market so this study can perform well and useful to the traders as informants, and to the researchers and other parties.

The Experience of Surabaya Pucang Market Trader Borrows the Fund from the Cooperative Institution and the Bank

In Surabaya Pucang Market there are the cooperative institutions and banks that can

Table 1
The Experience of Pucang Surabaya Market Trader Borrows the Fund from the Cooperative Institution and Bank

No.	Name	The Experience to Borrowthe Fund
1.	Sumiatun	Never
2.	Indah	Never
3.	Hendra	Never
4.	Malia	Never
5.	Ida	Ever
6.	Riduan	Ever
7.	Nuraini	Never
8.	Qailan	Never

help the traders for their business continuity. The tight competition between the institutions motivates the traders choose not to borrow to the bank or the cooperative institution for increasing their capital. Their general reason is that they don't dare take risks and fear could not pay. Because of that they use the own subsistence fund for their business continuity. Yet, there are some traders that borrow the fund from the bank or the cooperative institution because they have not the capital to develop their business.

Table 1 summarizes that the informants more choose to keep their business running from the profit of their business and not to borrow the fund from the bank or the cooperative institution around the market. Because of that the bank and the cooperative institution don't many play the role against the business continuity of the traders in Surabaya Pucang Market. From the eight informants, there were only two informants (Ida and Riduan) ever borrowed the fund from the bank not from the cooperative institution to develop their business.

The Way of the Traders to Get Their Initial Business Capital

The interview from the informants concluded that the traders obtain the initial business capital from their parent, their family or their own money as seen in Table 2.

Time Period of the Business, Daily Sales, and the Amount of Fund that Ever Borrowed

In the interview, the researchers get information about the time period of business, daily sales, and the amount of the fund that ever borrowed by the informants. 1) The informants' ages are 23 – 72 years old. 2) The marketable goods are vegetables, staples, clothes, stationery, ornamentation, and traditional medicine. 3) The time period of the business is from two and half month until thirty two years. 4) The daily sales are IDR 50.000 – 1.500.000. 5) Only two informants ever borrow the fund from the banks. There are Ms. Ida that borrows IDR sixty billion from BRI and Mr. Riduan that borrows IDR five billion from BNI.

The Way of the Traders in Surabaya Pucang Market Compete and Maintain Their Business

The traders aware of a competition in Surabaya Pucang Market because besides this market locates around of the Surabaya modern markets the traders in this market also the same goods on the location of the shop that next to one another. The high competition in this market encourages the traders to seek the way to maintain their business continuity. This efforts are among others being patient, setting up the arrangement of the goods, selling technique that different with other trader, friendly

Table 2
The Way of the Traders to Get Their Initial Business Capital

No.	Name	The Way to Get Their Initial Business Capital
1.	Sumiatun	From the relative
2.	Indah	From father in law
3.	Hendra	Own saving
4.	Malia	Own money
5.	Ida	The store comes from the parents and the goods from the own money
6.	Riduan	Sold the father in-law house
7.	Nuraini	Own money
8.	Qailan	The own money from the contractor work

with the customers, maintaining the goods quality, or selling the popular or trend goods and different goods.

Discussion

The objective of the study attempts to investigate how the role of the loan of the cooperative institution and the bank to support the business continuity of the traders of Surabaya Pucang Market. The researchers conduct an interview and an observation to the informants directly in their shops so that the researchers can see facts directly in the field. In this study, the researchers analyze the significant correlation between the role of the loan and the business continuity of the traders in Surabaya Pucang Market.

The results of the interview and the observation shows that the offered fund from the bank and the cooperative institution don't influence their business continuity. The traders fear the risk that they cannot pay off the loan. So, the business continuity only depends on their daily business income. It can be proved that of the eight informants only two informants that ever borrow the loan from the bank.

The informants have their own way to maintain their business continuity that different from each other. It is known when the researchers ask their way to maintain their business. Most of them give priority to the good quality, friendliness and hospitality, and best services to the customers. These ways are only to maintain their business.

These ways cannot be used to develop or improve their better business if the traders want to increase the merchandizes or to add the shops. But they are not brave enough to take that risk. Because of that their business doesn't develop and grow.

CONCLUSION, IMPLICATION, SUGGESTION, AND LIMITATIONS

The objective of the research is to explore the role of the cooperative institution and the bank toward the business continuity or going concern of the traders in Surabaya Pucang Market. The research informants are eight traders. The method used in the study is qualitative descriptive method. Data used in this research is primary data derived from the interview and notes of direct observation, documentation like pictures and videos and direct observation to the informants.

The research uses three techniques to collect the data. There are the observation, the interview, and the documentation. The analysis technique used to compare the theory and the interview result to the informants. There are eight informants consisting of five traders having shops and three informal traders. The interview and the observation provide information that 1) only two informants ever borrow the fund from the banks; 2) The fund borrowed are IDR five billion from BNI (Mr. Riduan) and IDR sixty billion from BRI (Ms. Ida). 3) Every trader has the different way to maintain its business continu-

ity. 4) Most informants don't want to borrow the fund because they trade only to fulfill daily living expenses and don't yet have the desire to borrow the fund for developing their business. 5) The cooperative institution and the bank cannot be function maximally to the business continuity of traders. 6) The daily sales are IDR 50.000 – 1.500.000. 7) The time period of the business is from two and half month until thirty two years. 8) Being patient, setting up the arrangement of the goods, selling technique that different with other trader, friendly with the customers, maintaining the goods quality, or selling the popular or trend goods and different goods are ways to maintain their business continuity.

The study renders some limitations such as a) Some research informants are new traders running their business in 2.5 month – one year so they don't yet need the loan from the bank or the cooperative institution. They don't have any long and enough experience of the competition to maintain their business; b) Many traders in this market are not willing to be informants by reason of busy and don't understand the role of the bank and the cooperative institution. Thus, this research only gets eight traders who are willing to be informants.

From the research limitation the researchers give the suggestion to next study as follows. 1) The next research is suggested to get the informants experiencing in running and maintaining their business; 2) The interview is better conducted at their leisure. Before the interview the researchers should ask the permission to interview with the proper time that is determined by the informants. So, the informants feel comfortable and undisturbed in the interview and the informants can answer the questions well; 3) Before looking for the informants the researchers should observe if the traders are busy or not, and 4) Seek the friendly and patient traders toward the surrounding people.

The implication of the study is that the

cooperative institution and the banks should be proactive to approach the traders in the traditional markets. The proximity of the institutions is expected to improve and increase the business continuity of the traditional traders.

REFERENCES

- Assauri, Sofyan, 1996, *Manajemen Pemasaran*, Jakarta: Rajawali Pers.
- Bungin Burhan, 2003, *Analisis data penelitian kualitatif*, Jakarta, PT. Raja Grafindo Persada.
- Burhanudin, Wilopo, Nurul, Triana, 2010, 'Pemberdayaan koperasi pasar tradisional dan aliansi pedagang bagi peningkatan daya saing dengan pasar modern, IbM – Ipteks bagi Masyarakat - Pedagang Pucang Surabaya, *Research Report*, STIE Perbanas, Surabaya.
- Damsar, 2002, *Sosiologi Ekonomi*, Jakarta: Raja Grafindo Persada.
- Ira, Asih, Wulandari, 2012, 'Analisis going concern pada Koperasi Praja Tulada Surabaya', *Undergraduate Thesis*, Surabaya: STIE Perbanas.
- Kasmir, 2011, *Bank dan Lembaga Keuangan Lainnya*, 11th Revision Edition, Jakarta : Rajawali Pers.
- Nawawi, Hadari, 1990, *Metode Penelitian Sosial*, Yogyakarta: Gadjah Mada University Press.
- Pandji, Anoraga, 1985, *Dinamika Koperasi*, The 1st Printed, PT. Rineka Cipta, Jakarta.
- Pandji, Anoraga, and Djoko, Sudantoko, 2002, *Koperasi, Kewirausahaan, dan Usaha Kecil*, 1st Printed, PT. Rineka Cipta, Jakarta.
- Soehardi Sigit, 1999, *Pengantar Metodologi Penelitian Sosial-Bisnis-Manajemen*, Yogyakarta : Faculty of Economy Universitas Sarjana Wiyata Taman siswa.
- Singgih, Santoso, 2007, 'Faktor-faktor yang mempengaruhi konsumen untuk berbelanja di supermarket Carrefour Yogyakarta', *Jurnal Riset Manajemen dan Bisnis*, Vol. 2, No. 1.

Tampang, 2008, 'Pengaruh patronage buying motives terhadap prinsip going concern industri rumah tangga ba-

wang goreng di Kota Palu', *Teknologi & Manajemen Informatika*, Vol. 6, Special Edition, September.