

# Juridical Analysis the Government's Dissolution of Cooperatives (Study in Mataram City)

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## Abstract

The decree of the dissolution of the government is done if there is an evidence that the cooperative concerned does not meet the provisions of law number 25, 1992 about the urban and Government Regulation number 17, 1994 about the dissolution of cooperatives by the Government, which is the activities are contrary to public order and/or morality and survival can no longer be expected. The number of cooperatives carried out by the Government of Mataram City in 2017-2018 indicates that there is a weakness in the management of cooperatives so that it certainly inflict harm to members of the cooperatives concerned. The problem discussed in this research is the reason for the dissolution of cooperatives by the government in Mataram City and the form of legal protection against members of cooperatives that were dissolved by the government. This research is a research on empirical law with consideration to obtain a direct picture of the dissolution of cooperatives by the government in Mataram City. The approach used is a statutory approach, a conceptual approach, a sociological approach. Data collection techniques by conducting studies in the field by interviews form, then carried out data processing and analyzed descriptively so that the answers for existing problems are obtained. Based on the results of the study can be concluded that *the reason* of the Government is dissolving against to some cooperatives in Mataram City because the cooperative does not convey annual report and does not hold the RAT (*Annual member meeting*) for more than 2 (*two*) years in a row. There are 2 (*two*) forms of legal protection for members of cooperatives that are disbanded by the Government, namely preventive legal protection and repressive legal protection.

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## 1. INTRODUCTION

Cooperatives in Indonesia is one of the business entities that are formed as one of the roads to realize the national objectives as stated in the Constitution opening 1945, namely to achieve a fair and prosperous society.<sup>1</sup> The existence of a cooperative as a business entity is a container for the establishment of the people's economy based on the family and nature of the peoples and is the characteristics of the life of Indonesian nation by not looking at the flow or beliefs.<sup>2</sup>

The Government has outlined firmly that in the framework of national development, today's cooperative must become Soko Guru (*Community economic buffer*) and the main container for the economy of the people. The policy completely complies with the contents and the souls of the Constitution 1945 Article 33 paragraph (1), which stated that: "... *Indonesia's economy is structured as a joint venture based on the family principle of...*" . Joint effort is a mutualism and a family principle is brotherhood. In the context of morality and the guidance of the religious mutualism is a congregation and Brotherhood or family principle is a *ukhkuwah*.<sup>3</sup>

The existence of cooperative for business and trade is very important and strategic to drive and direct development activities in the economic field, especially in order to face the current globalization and the world economic liberalization. Realization of cooperative enterprises is a call for all of us without exception. Cooperative is a conscious movement, raised and maintained by the people, and to advance the welfare of the people. Cooperative consciousness must be cultivated in every ward and start with a young age. Cooperative consciousness must be a cooperative fundamental force, because without the members own consciousness, the cooperative will not grow well.<sup>4</sup>

In relation to this, then to improve the community economy, the understanding of the importance of cooperatives should be disseminated to the whole community so that it can really provide benefits to improve the welfare of life.

As a business entity, cooperatives can experience profit and loss. If a cooperative experienced the advantages, the cooperative will continue to develop and become large, but the problem will arise if a cooperative suffered a loss that could not be weighed or do not implement the basic budget, cooperative contraries to public order and

<sup>1</sup> R.T. Sutantya Handikusuma, *Hukum Koperasi Indonesia*, Jakarta, PT. RajaGrafindo Persada, 2005, p. 31

<sup>2</sup> Arifinal Chaniago, *Perekonomian Indonesia*, Bandung, Angkasa, 1984, p. 17.

<sup>3</sup> Sri Edi Swasono, *Tentang Demokrasi Ekonomi Indonesia*, Jakarta, Bappenas, 2008, p. 3.

<sup>4</sup> Djohan Effendi, dkk, *Dengan Koperasi Menuju Ekonomi Demokrasi Ekonomi: Tekad Presiden Soeharto*, Jakarta, Badan Penelitian Dan Pengembangan Koperasi, Departemen Koperasi. 1992, Ed.2, p. 6.

morality based on the decision of a court that has the power of law, declared bankrupt, and do not engage in real-life activities for 2 consecutive years.

Ideally a healthy cooperative is a cooperative that is run in accordance with the principles and values of cooperatives. Cooperative health is a condition or state of cooperative that is expressed healthy, healthy enough, less healthy, unhealthy and very unhealthy.<sup>1</sup>

But in its development, today shows that cooperative does not have the ability to effectively play roles yet.<sup>2</sup> So that not a few cooperatives in Indonesia should dissolve itself or even disbanded by the government. Juridical arrangement of the dissolution of cooperatives is generally governed in the provisions of Article 46 of Law number 25 of 1992 on the capital. Article 46 stated that The Dissolution of Cooperatives can be conducted based on Member Meeting decisions or Government decisions. Specific to the dissolution of cooperatives by the government is described in the provisions of Article 46 up to Article 48 which essentially contains the legal norm that the decision of the dissolution by the Government if there is an evidence that the cooperative does not meet the provisions of this law, its activities are contrary to public order and/or morality and survival can no longer be expected.

When talking to the extent of the effectiveness of law then we must be able to measure the extent to which the rule of law is obeyed or not obeyed. If a rule of law is obeyed by most of the targets that are targeted for obedience then the rule of law is said to be effective.<sup>3</sup>

According to Soerjono Soekanto, effective or not a law is determined by 5 (*five*) factors, namely: its own legal factor (*regulations*), the law enforcement factor, the party that forms and implements the law, factors that support law enforcement, community factors, namely the environment where the law applies or applied, cultural factors, namely the work, copyright and flavor based on the human Carsa in the association.<sup>4</sup>

Any act of governmental administration must be attached in advance first with a authority under the laws of the regulations. According to Indroharto, authority is the ability which is given by the laws of the to cause legal consequences and in a broad and generalized, known as the authority to not do something.<sup>5</sup>

In the concept of the public law of Philipus M. Hadjon, stated that the Authority (*Bevoegdheid*) is described as the rule of law (*rechtsmacht*) so that authority relates to power.<sup>6</sup>

Based on the concrete case that occurred in the city of Mataram City, NTB (*West Nusa Tenggara*) in 2019, Yance Hendra Dirra as head of office of Industry, Cooperative and UKM of Mataram City, stated that “*based on data in 2017, the number of cooperatives that are not active in Mataram City city as much as 206 cooperatives,*” but at 2017 have been officially dissolved as many as 48 cooperatives have dissolved the government based on the decree of the Minister of Cooperatives and Small and Medium Enterprises number 1444/KEP/M. KUKM. 2/IX/2016 and as many as 54 of inactive cooperatives in 2018, so the remaining 104 cooperatives were the target dissolution in 2019-2020. Interestingly in the year 2019, according to the head of industry, cooperatives and SMES Mataram City City, as many as 50 cooperative proposed for dissolution.<sup>7</sup>

The author would like to further examine the reason for the dissolution of cooperative by the government in Mataram City and the form of legal protection against members of cooperatives dissolved by the Government. This research is conducted to determine the conformity between existing regulations and its application in the community. The number of cooperatives dissolved by the government in Mataram City indicates a weakness in the management of the cooperatives, whereas with the provision of the necessity of mentoring and guidance on prospective managers and cooperatives at the time of each establishment of new cooperatives (*assistance and mentoring that is given about cooperative governance*) set forth in Article 4 paragraph (2) Regulation of the Minister of Cooperatives and Small and Medium Enterprises of the Republic of Indonesia Number 10/Per/M. KUKM/IX/2015 on cooperative institutional that stated that “*in preparation meeting of the establishment of cooperatives conducted cooperative counseling first by the urban extension both from government agencies and non-government*” so that the cooperative is ideally managed properly so as to be able to streng then the members and beneficial for the cooperative environment and certainly expected to avoid the action of dissolution by the government. Based on this, the author is interested to do some research on the problem by formulating the title of “*Juridical analysis on the dissolution of cooperatives by the Government (study in Kota Mataram City)*”.

1. What factors cause the dissolution of cooperatives by the government in Mataram City?
2. How is the legal protection of cooperative members dissolved by the government?

<sup>1</sup> Regulation of the Minister of Cooperatives and Small and medium enterprises of the Republic of Indonesia No. 20/Per/M. MSME/XI/2008 concerning Health Assessment guidelines for cooperative loan and save cooperative Unit, article 1 Figure 8

<sup>2</sup> Panji Anoraga dan Ninik Widiyanti, *Dinamika Koperasi*, Asdi Mahasatya, Jakarta, 2003, p. 127

<sup>3</sup> Salim, H.S dan Erlis Septiana Nurbani, *Penerapan Teori Hukum Pada Tesis dan Disertasi*, Edisi Pertama, cetakan pertama, Rajawali Press, Jakarta, 2013, p. 375.

<sup>4</sup> Soerjono Soekanto, *Faktor-Faktor yang Mempengaruhi Penegakan Hukum*, PT. RajaGrafindo Persada, Jakarta, 2016, p. 8.

<sup>5</sup> Indroharto, *Usaha Memahami Undang Undang tentang Peradilan Tata usaha Negara*, Cet. 1, Pustaka Sinar Harapan, Jakarta, 1993, p. 68

<sup>6</sup> Philipus M. Hadjon et al., *Pengantar Hukum Administrasi Indonesia*, Cet. XI., Gadjah Mada University Press, Yogyakarta, 2011, hal. 130.

<sup>7</sup> <https://www.suara.com/bisnis/2017/06/14/094555/memprihatinkan-puluhan-koperasi-di-mataram-dibubarkan>, accessed pn 5 April 2019.

## 2. RESEARCH METHOD

The type of study used in this paper is empirical research, i.e. research conducted through observation of reality in the context of practice connected with the ideal provision contained in legislation, then conducted analysis of the gaps that occur between the two, in this case about the guidance of cooperative governance by the Government and the implementation of cooperative management by the maintainers and related to the operationalization of the operational cooperative. The approach used in answering the problems that have been formulated is to use a of approach, through this approach the researcher will study the legislation related to the issues studied. Sociological approach, the researcher will analyze about how the reaction and interaction that occurs when a system of norms work in the community.

The type of data used in this research consist of primary data obtained through direct research on the related parties in the cooperative development process, in this case the data obtained by conducting interviews with representatives of the industry, cooperatives and SMEs (*Small and Medium Enterprises*) Kota Mataram City. Secondary data, is a data obtained indirectly, either in the form of literature or statutory regulations.

## 3. DISCUSSION

### Reason for dissolution cooperative in Kota Mataram City

According to regulation of the Minister of Cooperatives Number 14/Per/M. KUKM/XI/2009, Cooperative Health is the condition or situation of the cooperative that is expressed healthy, healthy enough, less healthy, unhealthy, and very unhealthy. Cooperative health assessment is necessary to know the condition of the cooperative health so that cooperatives can take the decision to be taken for further cooperative progress.

The cooperative health assessment is conducted by the officials of the Cooperative health Appraisers which are appointed by the Minister and served in the institutions that are responsible for the central, provincial, district and municipal cooperatives.

To conduct a cooperative health assessment can refer to the analysis of financial ratios as contained in the regulation of the Minister of Cooperatives and small businesses of the Republic of Indonesia number 14/Per/M. MSME/XII/2009 concerning changes in the regulation of the Ministry of Cooperatives and Small business of the Republic of Indonesia number 20/Per/M about the health assessment guidelines for the cooperative Save Loan cooperative Unit.

Based on data obtained from the Department of Industrial Cooperatives and SMES Mataram City city is known that in the year 2018 there are 54 cooperatives are dissolved. The basis of assessment that is made basis in determining the cooperative is healthy, healthy enough, less healthy, unhealthy, and very unhealthy are: Capital, equity, quality of assets, management, efficiency, liquidity, independence and growth, self-reliance Cooperative.

Based on the results of the assessment of the above 7 components, the overall score will be obtained. The score is used to establish a cooperative health level that is divided into 5 classes, namely healthy, moderately healthy, unhealthy, and very unhealthy.

According to Edy Suryaningrat, as head of the Division of Accountability Assessment in the Department of cooperative Industry and UKM City of Mataram City, in general, cooperatives in Mataram City City were dissolved due to several factors, including:<sup>1</sup>

1. The Satus cooperative operations are inactive for 2 years;
2. Cooperatives do not perform the annual member meeting (RAT) for 2 consecutive years, but not infrequently from the cooperative service is the calculation of calculations that if a cooperative does not implement the RAT for 3 consecutive years.
3. The cooperative never conveys the financial report to Mataram City Cooperative department.

The Government is obliged to create and develop climate and conditions that encourage the growth and correctional cooperatives, as well as provide guidance, ease and protection to cooperatives, so that cooperatives are able to carry out their functions and roles in achieving the objectives. On the basis of the thought the government has sought by continuing to make adjustments by renewing related legislation.

With the enactment of regulation of the Minister of Cooperatives and Small and Medium Enterprises of the Republic of Indonesia Number 9, 2018 about implementation and development, the supervision of cooperatives is increasingly so that it is expected to minimize the deviation that has been happening in the implementation of the activities to return to the purpose of the establishment of cooperatives. This has the consequences that cooperatives are required to be able to run their asset management appropriately and efficiently. The efficient management of assets will result in profit gained from the results of the business over a period after the calculation of a reduction in business expenses.

Cooperative Service evaluates the operations of cooperatives. In the implementation of the construction and supervision of urban activities, the cooperative is not infrequently found not to deliver reports to the Department

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<sup>1</sup> Interview with Edy Suryaningrat, head of section of cooperative Accountability assessment of the Cooperative Industrial office and UKM City of Mataram, Monday, 18 November 2019.

of Cooperatives and does not implement the RAT.<sup>1</sup>

Evaluation and construction of cooperatives are conducted based on the annual report compiled by the Board of Cooperatives for the operation of cooperatives delivered during the implementation of the RAT.

Against the cooperative that does not implement the RAT, the Department of the city of Mataram City Cooperative deliver a letter containing confirmation about why the cooperative is not the road or do not do activities and why the cooperative never held a RAT, the letter as well as a warning to the cooperative in question immediately held a RAT.<sup>2</sup>

Cooperatives Service tend to do coaching to cooperatives whose activities are actually running. One of the signs that a cooperative is true to conduct the operation of the cooperation that the cooperative is implementing the RAT. If the result of the evaluation of the annual report of the cooperative is found the result that the cooperative is included in the category of cooperative that is less healthy or unhealthy, the cooperative service will provide education and training (*DIKLAT*) and technical guidance (*BIMTEK*) to the cooperative managers.<sup>3</sup>

Assessment of the cooperative health quality can produce an overview of the actual condition of cooperatives. It is beneficial for members and prospective members and managers because it will affect the level of trust of members and prospective members to always use cooperative services. In addition, with the well aware health quality of a cooperative will help the parties interested in the decision making.

From the results of the research is found that cooperatives conducted dissolution by the government in Mataram City in 2018 is a cooperative that does not convey the annual report and did not have a RAT for more than 2 (*two*) consecutive years which is of course both of them are an indication that the operative activities of the cooperative concerned is not active so it deserves to be taken steps-steps by the government provisions as stipulated in government Regulation Number 17, 1994 concerning the dissolution of cooperatives by the Government and regulation of the Minister of Cooperatives and Small and Medium Enterprises of the Republic of Indonesia Number 10/Per/M. KUKM/IX/2015 concerning cooperative institutional (*the current regulation of the Minister of Cooperatives and Small and Medium Enterprises of the Republic of Indonesia Number 10/Per KUKM/IX/2015 has been revoked and declared not valid since the enactment of regulation of the Minister of Cooperatives and Small and Medium Enterprises of the Republic of Indonesia number 09 year 2018 about the implementation and development of the urban*).

Regarding the fact findings as mentioned above, if the validity of the law in this related provisions case can be carried out with an ideal, there must be a synchronization of the legal system, both of its legal substance must be comprehensive (*in this case the government has and continues to seek renewal that is tailored to the circumstances and needs*), then from the structure of both the government and structure of the management of the cooperative itself that must have a sense of responsibility for the duties and authority of the authorities, all parties should not be apathy to the sustainability of the cooperative operations (*both cooperatives and managers of cooperatives alike have initiative on sustainability efforts and cooperative operational progress*) for example by conducting socialization related to the operationalization of cooperatives, so that can be expected to bring positive impact on the habit or culture as well as the understanding of general society and the Cooperative user community

In terms of legal substance should ideally be regulated provisions regarding the necessity of mentoring and guidance on prospective managers and members of cooperatives at the establishment of a new cooperative, mentoring and guidance is given that is about cooperative governance so that the cooperative is expected to be managed properly so as to be able to maintain members and beneficial for the cooperative environment concerned, it has previously been regulated in Article 4 paragraph (2) Regulation of the Minister of Cooperatives and Small and Medium Enterprises of the Republic of Indonesia Number 10/Per/M. KUKM/IX/2015 on cooperative institutional that stated that "*in preparation meeting of the formation of cooperative cooperatives conducted in advance by the urban extension of both the Government and non-governmental agencies*", but in the current provisions of the present in the regulation of the Minister of Cooperatives and Small and Medium Enterprises Republic of Indonesia number 09 of 2018 about implementation and development, in paragraph 3 of the procedure of establishment of cooperative Article 12 paragraph (1) mentioned that the establishment of cooperatives is conducted by holding a meeting of establishment that was attended by the founders and at the same time can be held counseling about cooperating by the Ministry of Cooperatives and SMEs and/or provincial Office, Department of Regency/city according to the membership area.

According to the author's opinion that the phrase "*can be held*" in the above conditions tend to be soft and only limited to the recommendation so that the implementation of the extension is rarely implemented, either because of the ignorance or reluctance of the candidate's party and the prospective members of the cooperative to be established so as not to apply for counseling guidance to local cooperatives and lack of socialization initiatives from the cooperative authorities related to the national regulations, especially the Ordinance of the Establishment of cooperatives, so that the Prospective managers and prospective members can take care the ordinances of the

<sup>1</sup> *Ibid*

<sup>2</sup> *Ibid*

<sup>3</sup> *Ibid*

establishment of cooperatives and their rights with the implementation of such counseling is expected to minimize the existence of a cooperative that is not active and will certainly impact the decrease in the number of cooperatives dissolved by the government.

## LEGAL PROTECTION

According to Philipus M. Hadjon, legal protection is a protection given against legal subjects in the form of both preventive and repressive legal devices, whether written or unwritten.<sup>1</sup> In other words, legal protection as an overview of the function of the law, which is a concept where the law can provide a justice, order, certainty, benefit, peace, tranquility for all human interests that exist in society.

Sudikno Mertokusumo gave a picture of the legal protection notion that every effort is made to ensure the legal certainty based on the whole rules or conventions that exist in a shared life. The entire regulation can be seen both from the legislation and ratification of international conventions.<sup>2</sup>

Basically legal protection can be differentiated into two namely preventive legal protection and repressive legal protection. Preventive legal protection aims to prevent disputes, while repressive legal protection aims to resolve disputes.<sup>3</sup>

Preventive legal protection has enormous meaning because it encourages policy makers or regulators to always be cautious in making decisions. Preventive of legal protection is more geared towards efforts to prevent or at least reduce the occurrence of disputes. In this case, preventive mechanisms include the obligation of the administrative organs to provide information and the right to be heard for the community. The application of both of these aspects in practice will illustrate the creation of a two-way communication line that aligns with the principle of harmony and principle of harmony.<sup>4</sup>

The protection of the repressive law emphasizes more on the effort or condemnation. In a repressive effort is more appropriate if done by law enforcement officers by effective sanctions both civil and criminal that have been regulated in the legislation. According to Ru'bai and Astuti, sanctions are generally a means of wearers in order for someone to obey the prevailing norms. Through the implementation of sanctions mechanisms it is hoped that the whole community becomes more legal conscious in action.<sup>5</sup>

Basically the discourse on legal protection has become a necessity when it is associated with the legal relationship of the parties in an economic activity. Economic activity will generally confront the limited state of economic resources that have met with the nature of demand for the need for unlimited economic resources. Legal and legal protection of economic activity in the situation as described if it is not clearly regulated will be a potential conflict in the community.

In this regard, Sri Redjeki Hartono had a state-conscious obligation to regulate the interests of the face to be dealt with in the ideal harmony and harmonization. Therefore, the country has the authority to regulate and predict the possibility of violations that occur by providing regulatory devices that are set up while providing threats in the form of sanctions in case of breach by economic actors.<sup>6</sup>

### 1. Preventative Law Protection

Policies and strategies for the development of cooperatives are organized in part 146 until section 165 of the Ministry of Cooperatives and Small and Medium Enterprises of the Republic of Indonesia number 09, 2018 concerning the implementation and development of the cooperative.

In order to create and develop climate and conditions that promote the growth and community of cooperatives, as well as provide guidance and convenience to the cooperative as stipulated in the urban law, the Government organizes the following coaching programs:

- a. Cooperative business guidance that complies with the economic interests of its members;
- b. Facilitate the implementation of education and training in the capital;
- c. Urban education;
- d. Cogrowth research;
- e. Provision of facilities to strengthen the capital of cooperatives and develop cooperative financial institutions;
- f. Facilitate the development of cooperative business network and mutually beneficial cooperation between cooperatives; and
- g. Implementation of consultation assistance to solve the problems faced by cooperatives while

<sup>1</sup> Philipus M. Hadjon dalam Ribka Djula, *Perjanjian Waralaba Sebagai Sarana Alih Teknologi*, Tesis Magister Ilmu Hukum, Universitas Mataram, 2010, p. 11.

<sup>2</sup> Sudikno Mertokusumo, *Pokok-Pokok Hukum Perikatan*, Liberty, Yogyakarta, 1977, p. 46.

<sup>3</sup> Philipus M. Hadjon, *Perlindungan Hukum Bagi Rakyat Indonesia, Sebuah Studi Tentang Prinsip-Prinsipnya, Penanganannya Oleh Pengadilan Dalam Lingkungan Peradilan Umum dan Pembentukan Pengadilan Administrasi*, Edisi Khusus, Peradaban, 2007, p. 2.

<sup>4</sup> *Ibid*, p. 216.

<sup>5</sup> Ru'bai & Astuti dalam Sahnun, *Kerusakan Sumber Daya Alam (Hutan) dan Penegakannya, Studi di Kabupaten Lombok Barat*, Jurnal Hukum Jatiswara, Volume 23, Nomor 2, (Juli 2008): p. 45.

<sup>6</sup> Sri Redjeki Hartono, *Hukum Ekonomi Indonesia*, Bayu Media, Malang, 2007, p. 132.

maintaining the articles of association and the principles of cooperatives.

Related to the coordination of cooperative coaching, the minister who is dealing with cooperative affairs carries out coordination and control of the urban development. Coordination and control of the construction is implemented nationally and regions that include the preparation and integration of policies and programs, implementation, monitoring, and evaluation, as well as general control of the implementation of urban development, including the implementation of business cooperation and the development of cooperative financial institutions

Noting the explanation above, basically the protection of law for members has been arranged comprehensively even the first time a cooperative will be established has been a regulation-shaped effort with the aim of one to protect the members of the cooperative so that the cooperative can operate properly so as to avoid the dissolution, one of them is the arrangement of the provisions concerning the initial formation meeting that can be accompanied by the service to be given counseling (*at the request of Inisiator*) as stated in Article 4 paragraph (2) Regulation of the Minister of Cooperatives and Small and Medium Enterprises of Republic of Indonesia Number 10/Per/M. KUKM/IX/2015 on cooperative institutional which stated that “*in the preparatory meeting of the establishment of cooperatives conducted cooperative counseling in advance by the urban extension of both government and non-governmental agencies*”, but currently the regulation has been revoked and replaced by the regulation of the Minister of Cooperatives and Small and Medium Enterprises of the Republic of Indonesia number 09, 2018 concerning implementation and development of a slightly different editorial as can be seen in Article 12 paragraph (1) where mentioned that “*the establishment of the cooperative is conducted by holding a meeting of the establishment that was attended by the founders and at the same time can be held counseling about cooperating by the Ministry of Cooperatives and SMES and/or provincial office, district/city Office according to its membership area*”.

According to the author's view, ideally there should be socialization of the government in this case the Department of Cooperatives, because not all who will establish cooperatives understand that there is a right to ask for guidance and coaching for the board, in addition there is also regulation governing the guidance that is held regularly for the management of cooperatives every year has been determined the opportunity given by the Government to the manager or the member of the cooperative concerned to make an objection (*as stipulated in article 45 the regulation of the Minister of Cooperatives and Small and Medium Enterprises of the Republic of Indonesia Number 09 year 2018 about the implementation and development of the group*).

Furthermore, when is viewed from the viewpoint of the substance or its normative level, according to the author for preventive or preventative law protection to minimize the occurrence of the government's dissolution, there should be an additional regulation on the recruitment process of more selective members, as well as the arrangement of management in which there are arrangements that include stricter criteria for administrators such as the provision of selection of managers with educational qualifications or specific training and experience.

## 2. *Repressive legal protection*

For legal protection for member of cooperative that is disbanded by the government that is reperesif is regulated in Article 49 up to Article 55 regulation of the Minister of Cooperatives and Small and Medium Enterprises of the Republic of Indonesia number 09, 2018 concerning the implementation and development of the cooperatives, in which the article governs the existence of the establishment, duties and authorities and stages of the resolver team task dissolution of cooperatives.

One of the most obvious provisions for the protection of the Law for cooperatives who are dissolved by the government can be seen in Article 38 until with Article 44 of the Ministry of Cooperatives and Small and Medium Enterprises of the Republic of Indonesia Number 10/Per/M. KUKM/IX/2015 concerning cooperative institutionalization (article 49 up to article 55 of the Ministry of Cooperatives and Small and Medium Enterprises of the Republic of Indonesia number 09 year 2018 concerning implementation and development). In article 39 paragraph (2) letter (g) Regulation of the Minister of Cooperatives and Small and Medium Enterprises of the Republic of Indonesia Number 10/Per/M. KUKM/IX/2015 and article Article 50 paragraph (2) letter (g) Regulation of the Minister of Cooperatives and Small and Medium Enterprises of the Republic of Indonesia number 09 of 2018 is mentioned with the same editorial that “*the resolver team has the authority to use the remaining cooperative wealth to be distributed to members*”.

## 4. CONCLUSION

The Mataram City government has carried out the dissolution of 54 cooperatives in 2018, the dissolution of the cooperative cooperatives is due to not submitting the annual report and not holding a member meeting for more than 2 (*two*) years in a row. It is an indication that the operational activities of the cooperative concerned is not active so it is appropriate to take steps to dissolution by the government according to the provisions as stipulated in government Regulation number 17, 1994 about the dissolution of cooperatives by the Government and regulation of the Minister of Cooperatives and Small and Medium Enterprises Republic of Indonesia number

10/Per KUKM/IX/2015 concerning institutional cooperatives (*currently the regulation of the Minister of Cooperatives and Small and medium enterprises of the Republic of Indonesia Number 10/Per/M. KUKM/IX/2015 was revoked and declared not valid since the enactment of regulation of the Minister of Cooperatives and Small and medium enterprises of the Republic of Indonesia number 09 year 2018 about organizing and coaching cooperatives*).

There are 2 (two) forms of legal protection for members of cooperatives that are disbanded by the Government, namely preventive legal protection and repressive legal protection:

a. Preventive law protection (prevention)

There is a provision of the counseling at the beginning of the establishment meeting as intended in Article 4 paragraph (2) of regulation of the Minister of Cooperatives and Small and Medium Enterprises of the Republic of Indonesia number 10/Per/M. KUKM/IX/2015 on cooperative institutional that stated that “*in preparation meeting of the establishment of cooperative cooperatives conducted in advance by the urban extension both from government agencies and non-governmenta*”<sup>1</sup>, but currently the regulation has been repealed and replaced by the regulation of the Minister of Cooperatives and Small and Medium Enterprises of the Republic of Indonesia number 09, 2018 about the implementation and development of the company with a slightly different editorial as can be seen in Article 12 paragraph (1) where mentioned that “*the establishment of cooperatives is conducted by holding a meeting of the establishment that was attended by the founders and at the same time can be held counseling about cooperating by the Ministry of Cooperatives and SMES and/or provincial service , Department of Regency/city according to its membership area*”. In addition, there are regulations governing regular guidance for the management of cooperatives every year (*each member meeting is held*) and even when it came to the point of a cooperative is planned to be done by the Government, have determined the opportunity given by the Government to the manager or the member of the cooperative to make an objection.

b. Repressive legal protection

There is a regulation governing the establishment of the Liquidation team as stated in Article 38 to Article 44 of the Ministry of Cooperatives and Small and Medium Enterprises of the Republic of Indonesia number 10/Per/M. KUKM/IX/2015 concerning cooperative institutional (*Article 49 up to Article 55 of the Ministry of Cooperatives and Small and Medium Enterprises Republic of Indonesia number 09 year 2018 about the Organizing and coaching cooperatives*). Implementation In Article 39 paragraph (2) letter (g) Regulation of the Minister of Cooperatives and Small and Medium Enterprises of the Republic of Indonesia number 10/Per/M. KUKM/IX/2015 and Article 50 paragraph (2) letter (g) Regulation of the Minister of Cooperatives and Small and Medium Enterprises of the Republic of Indonesia number 09, 2018 mentioned with the same editorial that “*the resolver team has the authority to use the remaining cooperative wealth to be distributed to members*”.

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