

Balancing Family Unity Principle and Familial Ties Prohibitions in Banyumas Credit Union Management

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Abstract

The framework of Credit Unions (KSP) in Indonesia emphasizes family unity, grounded in Pancasila and the 1945 Constitution. The 2023 Ministry regulation restriction on familial ties in KSP management roles, prompting a study of balancing family unity with these prohibitions. This research sought to explore the balance between the family unity principle and the restrictions on familial ties in KSP management. This research adopted a sociological juridical approach, with data collection conducted through observation, in-depth interviews, and the acquisition of official documents from the Banyumas District Department of Labor, Cooperatives, and SMEs. The gathered data were subsequently analyzed using an analytical descriptive method. The findings revealed that out of the 54 KSPs operating from 2019 to 2023 in Banyumas, 10 were classified as Healthy, 43 as Moderately Healthy, and one Under Supervision. A balance between the two examined aspects was observed in the practices of various KSPs in Banyumas, though there remains room for strengthening the application of the family unity principle. In conclusion, within the context of "Balancing Family Unity Principle and Familial Ties Prohibitions in Banyumas Credit Union Management," it is evident that KSPs in Banyumas have implemented the family unity principle while considering the prohibition of familial ties to prevent conflicts of interest, thereby enhancing the welfare and sustainability of the KSPs. Given these findings, it is recommended that structured education and training on harmonizing these principles be introduced to further enhance the health and functioning of KSPs in Banyumas.

Keywords: Credit Union; Family Unity Principle; Prohibition of Familial Ties.

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Introduction

The principle of family unity principle, known as "*asas kekeluargaan*," stands as a cornerstone of the cooperative movement in Indonesia. This principle finds its foundation in national law, specifically in Law Number 17 of 2012 concerning Cooperatives, and was previously established in the Indonesian constitution (UUD 1945). Far from being a mere concept, these principles are deeply embedded in Indonesian culture and philosophy, particularly within the context of Pancasila.¹ These values have guided the formation of various regulations and policies, especially those pertaining to the economy. Such

¹ Yusdiyanto, 'Makna Filosofis Nilai-Nilai Sila Ke-Empat Pancasila Dalam Sistem Demokrasi Di Indonesia' (2016) 10 FIAT JUSTISIA: Jurnal Ilmu Hukum 259.

emphasis on familial unity underscores the nation's aspiration to cultivate a society rooted in Indonesian cultural and traditional virtues, which inherently emphasize familial ties. Moreover, the application of family unity in cooperatives is tailored according to the constitution and by-laws of each respective cooperative, ensuring operations align with these foundational standards. This alignment is particularly evident in Credit Union Cooperatives, which, despite their focus on savings and loan operations, continue to base their activities on the principle of familial values.

However, in the context of the recent regulation, Permenkop UKM Number 8 of 2023 concerning Savings and Loan Businesses by Cooperatives, there's a clear indication of the government's efforts to ensure integrity and professionalism in the management of cooperatives. While familial values remain foundational, the government sees the importance of separating familial relationships from management to avoid potential conflicts of interest. This regulation underscores the significance of good corporate governance in cooperatives to enhance public trust.

Despite the widespread implementation of the prohibition of familial ties in most Savings and Loan Cooperatives (KSP) in Banyumas in accordance with Permenkop UKM Number 8 of 2023, governance challenges still persist. Notably, one KSP in Banyumas is currently under supervision by the central cooperative office due to its failure to submit regular evaluation reports. This case illustrates that simply enforcing the prohibition of familial relationships does not automatically guarantee effective management or regulatory compliance. Abuse of authority within cooperatives that neglect the principle of accountability can also result in losses for cooperative members and diminish trust in the cooperative system itself.² This phenomenon highlights the need to examine whether the separation of familial ties in cooperative management is sufficient or if additional governance mechanisms are necessary to strengthen accountability and performance within cooperatives.

This article seeks to delve deeper into the application of familial values in the Savings and Loan Cooperatives (KSP) of Banyumas, especially in the context of the

² Sang Ayu Putu Rahayu, 'Prinsip Hukum Dalam Kontrak Kerjasama Kegiatan Usaha Hulu Minyak Dan Gas Bumi' (2017) 32 Yuridika 333.

prohibition of familial relationships as stipulated in the Permenkop UKM Number 8 of 2023. Furthermore, the article aims to understand the influence of the health level of KSP in Banyumas District on the implementation of familial values and the prohibition of familial relationships.

To provide a comprehensive understanding, this article draws insights from various sources, including the work of I Made Dedy Darmawan and Ni Putu Purwanti, which discusses the application of familial values in cooperatives in Denpasar City.³ Additionally, the article references the research conducted by Martinus Sony Erstiawan and Tony Soebijono in 2018, which delves into the concept of good corporate governance in cooperatives.⁴ The novelty of this article is its innovative approach of juxtaposing traditional family unity principle with modern good governance principles, offering a fresh perspective on how these seemingly contrasting concepts can coexist and enhance the cooperative movement in Indonesia. By integrating analysis on socio-cultural phenomenon with governance structures, this article not only examines the current state but also proposes a forward-looking model for cooperatives that is both culturally rooted and globally competitive. Through a detailed exploration and a thorough analysis of the current regulations, this article aims to answer the pressing questions regarding the application and implications of familial values in the cooperative movement of Indonesia.

Given the intricate relationship between familial unity principle and the cooperative movement in Indonesia, this article poses the following research questions: How is the principle of family unity applied in KSP Banyumas in line with the prohibition of familial relationships in Permenkop UKM Number 8 of 2023? And, what is the impact of the health level of KSP in Banyumas District on the implementation of familial values and the prohibition of familial relationships?.

³ I Made Dedy Darmawan and Ni Putu Purwanti, 'Kehati-Hatian Dalam Pemberian Kredit Tanpa Program Kekhususan Hukum Bisnis Fakultas Hukum , Universitas' (2014) 02 Kertha Semaya: Journal Ilmu Hukum 1.

⁴ Martinus Sony Erstiawan and Tony Soebijono, 'Analisis Good Corporate Governance Pada Koperasi (Pendekatan Sistem Informasi Studi Kasus Koperasi Setia Bhakti Wanita Di Surabaya)' (2018) 2 Develop.

Research Method

This research employed a juridical sociological approach to delve into the balance between the principle of familial values, as reflected in Pancasila and the 1945 Constitution, and the prohibition of familial relations in the management of Savings and Loan Cooperatives (KSP) as stipulated in Permenkop UKM Number 8 of 2023. Primary data collection was conducted through direct observation, in-depth interviews, and the acquisition of official documents⁵ from the Department of Labor, Cooperatives, and Small Micro Entrepreneurship (SMEs) of Banyumas Regency. This data collection was initiated to achieve the empirical situation of any changes in the dynamic development of Cooperatives in Banyumas.

An analytical descriptive method was utilized to process and interpret the data. This method allowed for a comprehensive understanding of the current state and practices of KSPs in Banyumas, especially in terms of how they balance the familial principle with the prohibition of familial relations, aiming to prevent conflicts of interest and enhance the welfare and sustainability of KSPs.

Family Unity Principle in Banyumas Credit Union: Aligning with Regulation Number 8 of 2023 on Familial Ties Prohibition

The principle of familial unity is foundational to the sustainability of cooperatives in Indonesia. This is enshrined in Law Number 17 of 2012 on Cooperatives, particularly in Article 3. Within this legislation, the familial unity principle is often associated with the value of economic democracy as the cornerstone of cooperative formation.

The essence of familial unity is also recognized in Article 33, Paragraph (1) of the 1945 Constitution of the Republic of Indonesia, which states, "The economy is organized as a joint endeavor based on familial principles." Mohammad Hatta, a key figure in shaping Indonesia's post-independence national economic concept, elucidated this principle. He posited that the constitutionally mandated economy can be actualized through cooperatives grounded in values of brotherhood, familial unity, collective

⁵ Irwan, *Dinamika Dan Perubahan Sosial Pada Komunitas Sosial* (Deepublish 2015).

spirit, and mutual cooperation. This underscores that the primary objective of the national economic system is to achieve collective societal prosperity, rather than merely individual interests.⁶

In a broader context, the principle of familial unity serves as the foundation for the formulation of various regulations and policies in Indonesia, especially those related to the economy. During the sessions of the BPUPKI,⁷ when framing the nation's constitution at the dawn of independence, the emphasis was placed on the importance of a state grounded in familial values as an antithesis to individualism. This reflects the aspirations of the nation's founders to establish a state rooted in Indonesian culture and values, which inherently possess familial characteristics. The initial reluctance to explicitly incorporate human rights into the 1945 Constitution before its amendments was also based on the perspective that the Western individualistic approach to human rights might not align with the familial principle.⁸

In practice, the application of the family unity principle in cooperatives is tailored to the Constitution/Internal Bylaws (*Anggaran Dasar/Anggaran Rumah Tangga*) of each cooperative. This condition is also evident in Credit Unions, which, based on the Cooperative Law, are defined as cooperatives focusing on savings and loan activities while grounding their operations on the family unity principle. This principle is then integrated into various aspects of cooperative activities, including the resolution of unsecured problem loans, emphasizing mutual cooperation between the cooperative and its members.⁹

In the context of applying the family unity principle, the new policy from the Ministry of Cooperatives and SMEs through Regulation Number 8 of 2023 concerning Credit Union Operations by Cooperatives demonstrates the government's efforts to ensure integrity and professionalism in cooperative management. While the family

⁶ Elli Ruslina, 'Asas Kebersamaan Dan Kekeluargaan Sebagai Dasar Pembangunan Hukum Ekonomi Indonesia' (2019) 5 *Jurnal Hukum Sasana* 163.

⁷ Badan Penyelidik Usaha Persiapan Kemerdekaan Indonesia (BPUPKI) or Investigating Committee for Preparatory Work for Independence, an agency established by the Japanese occupation government during World War II period

⁸ Ruslina (n 6).

⁹ I Made Dedy Darmawan and Ni Putu Purwanti (n 3).

unity principle remains foundational, the government recognizes the importance of separating familial ties from management to avoid potential conflicts of interest as part of the implementation of Good Governance principles in cooperatives.¹⁰ Consequently, cooperatives are expected to operate with greater transparency and accountability while preserving family values in their service to members. This reflects a synergy between traditional values and modern governance in the evolution of cooperatives in Indonesia.

The objective of Regulation Number 8 of 2023 by the Ministry of Cooperatives and SMEs is to prevent conflicts of interest and enhance cooperative governance. This regulation came into effect on June 27, 2023. Ahmad Zabadi, the Deputy for Cooperative Affairs at the Ministry of Cooperatives and SMEs, emphasized the significance of good corporate governance (GCG) in cooperatives to bolster public trust. This prohibition is not unprecedented; similar rules were previously established in Regulations Number 15/Per/M.KUKM/IX/2015 and Number 02/PER/M.KUKM/II/2017. Additionally, prohibitions on familial ties in governance are also found in the Financial Services Authority regulations for Commercial Banks.¹¹

The necessity for regulations prohibiting familial and marital relations among cooperative administrators is grounded in understanding the status of cooperatives as a distinct business entity in Indonesia. Unlike State-Owned Enterprises (SOEs) or Private-Owned Enterprises (POEs), cooperatives are uniquely defined in the 2012 Law Number 17, specifically in Article 1 (1). Based on this definition, as a business entity comprising individual members or cooperative legal entities, there's a clear distinction between members' assets used as capital for business operations. Cooperatives are established to fulfill the collective aspirations and needs of their members in economic, social, and cultural domains, adhering to cooperative values and principles. They stand as independent entities, managed by their members for the collective benefit.¹²

Given a profound understanding of the essence and role of cooperatives in Indonesia's economy, it's imperative to ensure their management operates with

¹⁰ Erstiawan and Soebijono (n 4).

¹¹ Arief Rahman Hakim, 'Aturan Baru Menteri Teten: Pengurus Koperasi Tak Boleh Punya Hubungan Sedarah' (*liputan6.com*, 2023).

¹² Rusdi Hidayat, Nurhadi and Sonja Andarini, *Praktik Bisnis Indonesia* (Zifatama Jawa 2021).

integrity and transparency. This pertains not only to the administrative structure but also to the oversight mechanisms ensuring compliance with prevailing regulations. As a manifestation of accountability to its members and the broader community, oversight mechanisms are pivotal in safeguarding the sustainability and credibility of cooperatives.

Cooperative oversight can be categorized into two forms: internal and external supervision. Internal supervision is articulated in Law Number 17 of 2012, specifically in Article 48, where the cooperative's supervisors are elected by members during the Members' Meeting. Prospective supervisors must not have committed errors leading to the bankruptcy of a cooperative or company and must not have been penalized for financial crimes in the past five years. Additional criteria for supervision can be stipulated in the Articles of Association. Studies indicate that while cooperatives promote inclusivity and democratic decision-making, their sustainability heavily depends on strong oversight mechanisms. Larger cooperatives, in particular, require more rigorous internal and external supervision to maintain financial discipline and member trust.¹³ This reinforces the necessity of effective regulatory oversight under Regulation 8 of 2023 to prevent governance failures in Savings and Loan Cooperatives.

External supervision of cooperatives is governed by the Regulation of the Ministry of Cooperatives and SMEs Number 9 of 2020. This regulation, succeeding the previous oversight provisions found in Regulation Number 17/Per/M.Kukm/Ix/2015,¹⁴ delineates cooperative oversight into two levels. Article 2 specifies that the Central Government, through the Ministry of Cooperatives and SMEs, supervises cooperatives operating across provinces, while Local Governments oversee cooperatives within their jurisdictions. Subsequently, Article 3 elucidates that the Functional Cooperative Supervisory Officials are responsible for this oversight. However, when necessary, other civil servants can be assigned supervisory roles with the approval of the Ministry of Cooperatives and SMEs.

¹³ Elena Meliá-Martí and others, 'Global Efficiency and Profitability: Cooperatives as Social Innovation Agents vs. Joint Stock Companies in the Agri-Food Sector' (2024) 9 *Journal of Innovation and Knowledge*.

¹⁴ Fitrianingsih Dwi Lestari & Munawar Kholil, 'Efektifitas Pembinaan Dan Pengawasan Koperasi Oleh Pemerintah Daerah (Studi Di Dinas Perdagangan, Tenaga Kerja, Koperasi Dan Usaha Kecil Menengah Kabupaten Karanganyar)' [2018] *Journal Privat Law* .

The existence of such oversight underscores the imperative for cooperatives to adhere to Regulation Number 8 of 2023 by the Ministry of Cooperatives and SMEs, which includes the prohibition of board members having consanguineous or marital relations. The concern over potential conflicts of interest serves as a preventive measure against nepotistic practices among cooperative members, which could disadvantage other members. The definition of nepotism can be traced to Law Number 28 of 1999 on Clean and Corruption-Free State Governance, specifically Article 1 (5). This article defines nepotism as any action by a State Official that contravenes the law by favoring the interests of family or close friends over the interests of the people, nation, and state. This definition remains in use, given the consistent essence of nepotism, even though there have been incremental changes to the regulation in response to the evolving landscape of anti-corruption enforcement in Indonesia.

Nepotism, the practice of favoring friends, relatives, and family members in a professional setting, is a multifaceted issue that, while often criticized, is frequently practiced. Within the context of Civil State Apparatus, nepotism can lead to conflicts of interest, prompting clear legal prohibitions against it. A contrasting scenario is observed in private businesses, especially in emerging small and medium enterprises. The impact of nepotism varies: reciprocal nepotism, rooted in mutual family support and understanding, can enhance an organization's competitive edge, while entitlement nepotism can be detrimental. Recruitment approaches involving family members inherently differ across companies, taking into account family dynamics and societal cultural norms where the company is established.¹⁵ While state institutions enforce stringent regulations against nepotism, the private sector tends to recognize the potential benefits of positive familial relationships, leading to more lenient nepotism policies.

Cooperatives, emphasized in Article 33, paragraph (1) of the 1945 Constitution as an integral part of the national economy based on the family principle, occupy a distinct position in Indonesia's economic structure, distinct from state-owned enterprises (SOEs) and private enterprises. While rooted in the family principle, cooperatives paradoxically

¹⁵ Peter Jaskiewicz and others, 'Is Nepotism Good or Bad? Types of Nepotism and Implications for Knowledge Management' (2013) 26 Family Business Review 121.

set boundaries against nepotism, akin to the approach adopted by state agencies. This stance arises because cooperatives are established on the premise of collective community funding with clear capital segregation, necessitating the avoidance of conflicts of interest. Especially in Credit Unions, the responsibility for fund management is paramount. Although socially oriented, cooperatives still pursue profits through the distribution of Business Results Savings (SHU) to their members.¹⁶ The primary objective of Credit Unions is to enhance the welfare of members and the community, with capital sourced from various avenues, including members and bond issuance.

In a study conducted in Banyumas in 2023, it was observed that the family unity principle has been implemented across various cooperatives. Notably, KSP Minomartani has integrated this principle into its management, as evidenced by the approach adopted in its administration and the interactions between the board and its members. Established in 2005, KSP Minomartani, a pure cooperative (formed by, for, and of its members), emphasizes the significance of relationships between members and the board, ensuring democratic board elections through its Annual Members' Meeting (AMM). The cooperative prioritizes member welfare, adopting a transparent and equitable Business Results Savings (SHU) distribution system. Furthermore, the family-centric approach is evident in its flexible installment system and the strategic location of service units near members' residences. Collectively, these practices underscore KSP Minomartani's commitment to embedding the family unity principle in its operations.

Research conducted at KOPDIT SAE Purwokerto revealed that the family unity principle is not merely a conceptual framework but is actively integrated into every facet of the cooperative's operations. A tangible manifestation of this principle is evident in the approach adopted to address members' loan defaults. Instead of resorting to legal measures or stringent sanctions, the cooperative opts to provide financial education and consultation to members facing challenges. The objective is to empower members to manage their finances more effectively while reinforcing bonds of kinship and unity

¹⁶ Wetty Sulistiowati and Dwi Sunu Kanto, 'Studi Atas Pengaruh Modal Dan Pinjaman Terhadap Sisa Hasil Usaha (SHU) Di Koperasi Karyawan Sucofindo' (2022) 8 *Ekonomika Sharia: Jurnal Pemikiran dan Pengembangan Ekonomi Syariah* 83.

among cooperative members. This underscores the significance of familial values in fostering harmony and collective prosperity.

In the context of implementing Regulation Number 8 of 2023 by the Ministry of Cooperatives and SMEs, several cooperatives in Banyumas have demonstrated a strong commitment to compliance. For instance, KSP Minomartani and KOPDIT SAE Purwokerto have ensured that their elected management does not have blood or marital ties. This decision was made through the Annual Members' Meeting (RAT) of both cooperatives. This reflects the cooperatives' dedication to implementing transparent and sound governance while preserving the foundational familial values. Although there are limitations in applying the family unity principle, Banyumas cooperatives have successfully balanced regulatory compliance with retaining their familial essence. Such constraints are essential to maintain the credibility of the Credit Union, a crucial element in building debtor trust, preventing problematic loans, and showcasing the cooperative's trustworthiness, unity, and responsibility to its members.¹⁷ In conclusion, Banyumas cooperatives have adeptly adapted to regulatory changes while upholding their foundational values.

Influence of Credit Union Health Levels in Banyumas District on the Implementation of the Family Unity Principle and Familial Ties Prohibition

Assessing the health of cooperatives is pivotal in gauging their performance and sustainability. This assessment encompasses the examination of financial health, management effectiveness, and adherence to Sharia principles. The outcome of this evaluation categorizes cooperatives with designations such as 'Healthy,' 'Moderately Healthy,' 'Under Supervision,' or 'Under Special Supervision'.¹⁸ Understanding these health designations is crucial as a foundation for devising strategies and policies to advance cooperatives.

¹⁷ Gusti Ayu and others, 'Mengungkap Implementasi Asas Kekeluargaan Terhadap Benda Jaminan Dalam Kontrak Kredit Di Koperasi Simpan Pinjam Ratna Dana' (2022) 10 *Ekuitas: Jurnal Pendidikan Ekonomi* 202.

¹⁸ Fitri Rahayu, 'Penilaian Tingkat Kesehatan Koperasi Simpan Pinjam Syariah Karya Insan Mandiri (KSPS KIM) Desa Pengkol Kecamatan Jatijoro Kabupaten Wonogiri Tahun 2014-2015' (2016) 6 *Pendidikan dan Ekonomi* 364.

For Credit Unions designated as ‘Healthy,’ this suggests the likelihood of a robust management system that balances the family unity principle with familial ties prohibitions. Their operational success indicates that these Credit Unions have struck a balance, ensuring that while upholding the family unity principle, potential conflicts of interest arising from close familial relationships in management are mitigated. This equilibrium is vital to prevent internal disputes, ensure transparency, and foster trust among members. The foundation for this approach is reinforced by the Regulation of the Deputy for Supervision of the Ministry of Cooperatives and Small and Medium Enterprises of the Republic of Indonesia, Number: 06/Per/Dep.6/IV/2016.

In the management of Credit Unions (KSP), integrity and objectivity are paramount. This emphasis is highlighted in the annex of the Regulation of the Deputy for Supervision of the Ministry of Cooperatives and Small and Medium Enterprises of the Republic of Indonesia, Number: 06/Per/Dep.6/IV/2016, underscoring the importance of excluding family members from cooperative management. This policy reflects the government’s awareness of potential conflicts of interest that might arise if the family unity principle isn’t counterbalanced with clear boundaries.

Permenkop UKM Number 8 of 2023 prohibits familial relationships in cooperative management to prevent conflicts of interest and ensure accountability within cooperative governance. This regulation embodies the core principles of good corporate governance, including transparency, integrity, and professionalism, which are essential for maintaining public trust and organizational integrity. Philosophically, it aligns with the ethical values emphasized in corporate governance, where strong oversight, ethical conduct, and accountability are critical for operational success and stakeholder confidence. This approach ensures that cooperative management operates objectively, free from personal bias or favoritism, and supports sustainable growth.¹⁹

These values closely align with the core principles of Pancasila, particularly the ideals of social justice and collective welfare, ensuring that cooperatives operate fairly

¹⁹ Christianah Pelumi Efunniyi and others, ‘Strengthening Corporate Governance and Financial Compliance: Enhancing Accountability and Transparency’ (2024) 6 *Finance & Accounting Research Journal* 1597.

and equitably. The cooperative model, as a pillar of Indonesia's Pancasila economy, emphasizes economic democracy and the principle of kinship, fostering equitable growth and mutual prosperity.²⁰ However, findings from interviews and observations in Banyumas reveal that despite the widespread implementation of the prohibition of familial ties, governance challenges persist. This suggests that eliminating familial relationships alone does not guarantee effective management.

Credit Unions categorized as 'Moderately Healthy' indicate challenges in implementing sound management principles. Factors such as managerial capability, access to resources, and adaptability to regulatory changes may pose obstacles in KSP management. It's crucial for KSPs to continually strengthen their governance, ensuring all operational facets are managed efficiently and equitably for long-term sustainability. The criteria for assessing the health status of cooperatives can be observed in the following table;²¹

Table 1. KSP Health Assessment Criteria

No	Score	Predicate
1	$80,00 < x < 100$	Healthy
2	$66,00 < x < 80,00$	Moderately Healthy
3	$51,00 < x < 66,00$	Under Supervision
4	$0 < x < 51,00$	Under Special Supervision

Source: Regulation of the Deputy for Supervision of the Ministry of Cooperatives and SMEs of the Republic of Indonesia, No: 06/Per/Dep.6/IV/2016

In determining the health status of Credit Unions (KSP) and Savings and Loan Units (USP) of cooperatives, several evaluation criteria must be considered. In accordance with the Regulation of the Deputy for Supervision of the Ministry of Cooperatives and Small and Medium Enterprises of the Republic of Indonesia No: 06/Per/Dep.6/IV/2016, there are seven primary assessment aspects;²²

1. Capital Aspect: This includes the ratio of own capital to total assets, the ratio of own

²⁰ Riza Yonisa Kurniawan and Agung Haryono, 'Cooperatives as The Pillars of The Pancasila Economic Driving Force' (2023) 11 Jurnal Akuntansi, Ekonomi, dan Manajemen Bisnis 21.

²¹ Nanang Sobarna, 'Analisis Penilaian Tingkat Kesehatan Koperasi Simpan Pinjam Dan Pembiayaan Syariah Al Uswah Indonesia Kota Banjar' (2020) 11 Coopetition: Jurnal Ilmiah Manajemen 179.

²² Djuli Sjafei Purba and others, 'Pendampingan Penilaian Kesehatan Koperasi Dalam Rangka Meningkatkan Kinerja Manajemen' (2022) 1 Jupadai: Jurnal Pengabdian Kepada Masyarakat 170.

- capital to risky loans, and the adequacy ratio of own capital.
2. Asset Quality Aspect: Concentrates on the volume of member loans, the risk of non-performing loans, risk reserves, and risky loans.
 3. Management Aspect: Evaluates general management, institutional aspects, capital management, asset management, and liquidity management.
 4. Efficiency Aspect: Measures operational expenses, business expenses, and service efficiency.
 5. Liquidity Aspect: Comprises the cash ratio and the ratio of loans granted to funds received.
 6. Autonomy and Growth Aspect: Assesses asset profitability, own capital profitability, and operational independence.
 7. Identity Aspect: Gauges gross participation and member economic promotion.

In the general management assessment aspect of Credit Unions (KSP)/Cooperative USP, several crucial criteria must be considered. Firstly, the vision, mission, and objectives of the cooperative should be clear and documented. Long-term and annual work plans must be in place and serve as operational references. The alignment between short-term and long-term plans is essential. However, most critically, in accordance with Regulation Number 8 of 2023 from the Ministry of Cooperatives and SMEs, the administrators and managers of KSP/Cooperative USP must not have familial relationships that could create conflicts of interest and benefit themselves, their families, or specific groups. Such conflicts can adversely impact job satisfaction. Role pressures from family and work, if unbalanced, can lead to dissatisfaction.²³

Based on data obtained from the Department of Labor, Cooperatives, and SMEs of Banyumas Regency, there is significant information regarding the operational conditions of KSP in the region during the 2019-2023 period. Out of 54 operating KSPs, 10 achieved the 'Healthy' status, indicating effectiveness in implementing sound management principles, including balancing familial principles and the prohibition of familial relations. Meanwhile, 43 other KSPs fall under the 'Moderately Healthy' category, and one KSP is under supervision, suggesting areas for governance improvement.

Generally, KSPs in Banyumas have demonstrated commendable capabilities in implementing cooperative principles. However, there remains an opportunity to

²³ Maiza Fikri, 'Analisis Pengaruh Konflik Keluarga Dan Pekerjaan Terhadap Kepuasan Kerja Pada Dosen Di Perguruan Tinggi Swasta Di Kota Prabumulih, Sumatera Selatan' (2019) 17 Mbia 49.

enhance the application of familial principles, especially concerning the prohibition of familial relations. This is crucial to prevent potential conflicts of interest that could impede KSP operations. Consequently, consistent efforts to strengthen governance and ensure a balance between familial principles and the prohibition of familial relations will be pivotal for the sustainability and prosperity of KSPs in Banyumas in the future.

The principle of familial unity and the prohibition of familial relations are fundamental determinants in assessing the health level of KSPs. These elements reflect the local culture and community values foundational to the establishment of KSPs. Without clear boundaries, the principle of familial solidarity can have dual implications. While it strengthens solidarity and trust among members, it also has the potential to instigate conflicts of interest if not counterbalanced with the prohibition of familial relations. Therefore, to enhance the health of KSPs in Banyumas, education and training on balancing these two principles are imperative. Regional governments and cooperative associations must proactively provide guidance and support to KSPs in addressing this challenge.

Conclusion

Cooperatives in Banyumas have profoundly implemented the principle of familial solidarity in their operations, as evidenced by the approaches of KSP Minomartani and KOPDIT SAE Purwokerto. Grounded in this principle, both cooperatives adhere to Regulation Number 8 of 2023 from the Ministry of Cooperatives and SMEs, which prohibits kinship relations in their management. Through their Annual Members' Meeting, both cooperatives ensure the selection of management without familial ties. This demonstrates a balance between regulatory compliance and the preservation of familial values. Despite these constraints, cooperatives in Banyumas maintain their credibility and members' trust, showcasing successful adaptation to regulatory changes while upholding the essence of familial solidarity.

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