

Improving the Economic Welfare of Members through Productive Loan Services at KSP Kopdit Guru Kelubagolit

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ABSTRACT

This study aims to determine the level of economic welfare of members through productive loan services of KSP Kopdit Kelubagolit. The qualitative data used in this study were obtained through interviews and observations, the qualitative research method is used to research the natural condition of the object. This research focuses on how the internal and external factors of savings and loan cooperatives are managed, namely the management of cooperative institutions and members closely related to MSMEs. This interview was conducted with 1 manager, 1 General Manager, and 3 members of productive borrowers. The results of the study show that activities in the fields of finance, credit, loan surveys, and administrative management support each other to ensure smooth transactions, data accuracy, and transparency in member loan management. Productive loan service mechanism at KSP. Kopdit Guru Kelubagolit is designed to ensure that loans are used effectively in productive activities by evaluating the business feasibility and ability of members, which is also prioritized for members with a history of current loans. Productive loans at KSP. Kopdit Guru Kelubagolit has a significant role in increasing members' income by expanding their business and improving product quality. In addition, it also significantly improves the economic welfare of members through increased income, better expenditure management, increased access to education, health, and better housing.

Keywords: Economic Welfare of Members, Credit Cooperatives, Productive Loans.

1. INTRODUCTION

Article 1 paragraph (1) of Law No. 25 of 1992 concerning Cooperatives explains that a cooperative is a business entity consisting of individuals or a cooperative legal entity based on the principle of cooperatives as well as a people's economic movement based on the principle of kinship. Cooperatives are based on Pancasila and the 1945 Constitution and

based on the principle of kinship (Article 2). Cooperatives as a forum for the people's economy have the most important instrumental value, namely the instrumental value of economic cooperation. This is seen in Article 33 of the 1945 Constitution which says that "the economy is arranged as a joint effort on the principle of kinship." This shows that the Indonesian economy must be structured as a joint venture based on the principle of kinship and/or cooperation (Fikri et al., 2018).

Cooperatives are a forum for economic and social democracy, which is protected by law, as a "Soko Guru of the Indonesian Economy" where the economy is expected to grow from the bottom with its strength (Hendrojogi, 2012). This means that cooperatives as economic and social organizations seek to improve the welfare of their members and the surrounding community. The welfare of cooperative members can also be seen from the existence and development of cooperatives because it determines whether cooperatives can prosper their members (Poling et al., 2023). One of the cooperatives under the auspices of the Maumere Swadaya Utama Puskopdit is KSP Kopdit Guru Kelubagolit.

KSP Kopdit Guru Kelubagolit is a Credit Cooperative organization established on November 25, 1995, on the initiative of PGRI Kelubagolit Branch which was inspired by the difficulties of teachers in overcoming financial problems, especially for welfare needs and productive businesses. Although at the beginning of its establishment, the membership of KSP Kopdit Guru Kelubagolit was limited to teachers and their families, since the 2005 RAT of the Fiscal Year KSP Kopdit Guru Kelubagolit began to open itself to the wider community on the mainland of Adonara island. Now KSP Kopdit Guru Kelubagolit has 20,770 members with total assets of IDR 247,779,212,054 as of August 2024. Legal Entity No. BH.02/BH/KDK.24-6/VII/2003 Jl. Trans Waiwerang – Sago, Nisakarang, Kelubagolit District – Adonara – East Flores – NTT. The vision is the realization of a strong, healthy, and independent member-based financial service institution, with the mission of increasing the independence of members by mobilizing Self-Help, conducting education, and building solidarity.

KSP Kopdit Guru Kelubagolit has an important role in the economy because this cooperative prioritizes its members to achieve the economic welfare of its members through productive loan services. This is in line with the noble goal of cooperatives as stated in Article 3 of Law No. 25 of 1992, which is to advance the welfare of members in particular and the community in general and participate in building the national economic order to create an advanced, fair and prosperous society based on Pancasila and the 1945 Constitution (Sanga, 2022). This shows that economic welfare is the most important foundation for creating a creative and innovative economy (Ulya, 2022). Cooperatives are legal entities formed to advance the welfare of members and the community. Cooperatives have a role in developing the economic potential and capabilities of members and the community, as well as strengthening the people's economy.

In meeting the needs of members, KSP Kopdit Guru Kelubagolit offers loans for members' business capital, investment, education, and consumption, using existing financing sources. These loan funds are provided by cooperatives which are distributed to members. The following is data on the distribution of productive loans of KSP Kopdit Guru Kelubagolit to improve the economic welfare of members.

Table 1. Data on the Number of Productive Borrower Members and the Number of Productive Loans at the Main Branch Office

Year of Publication	Number of Borrower Members	Loan Amount
2019	18	IDR 481.000.000
2020	15	IDR 1.151.000.000
2021	29	IDR 1.088.500.000
2022	28	IDR 1.546.500.000
2023	35	IDR 2.861.000.000

Data source: KSP. Kopdit Guru Kelubagolit, 2024

This productive loan data shows fluctuations in the number of borrower members and the total value of loans granted over the past five years. In 2019, 18 members borrowed funds with a total loan of IDR 481,000,000. This value increased significantly in 2020, although the number of borrower members dropped to 15 people, the total value of loans jumped to IDR 1,151,000,000. This condition can occur because in 2020 even though there are members who pay off loans, there are several members who disburse new loans with a fairly high loan ceiling compared to the disbursement of loans in the previous year. The year 2021 showed an increase in the number of borrower members to 29 people, with the total loan value decreasing slightly to IDR 1,088,500,000. This happened because the average new borrower in 2021 disbursed loans with a low loan ceiling. The positive trend continues in 2022 with 28 borrower members and total loans increasing to IDR 1,546,500,000. In 2023, the number of borrower members will reach 35 people, with total loans that have jumped significantly to IDR 2,861,000,000. The following is data on productive loans and business income from 10 business actors at KSP Kopdit Guru Kelubagolit.

Table 2. Data on productive loans per member and business income

No	Name	Type of Business	Productive Loans (IDR)	Operating Income (October) (IDR)
1	Asrina Palang	Chicken Farming	15.000.000	5.225.000
2	Lambertus Sanga	Furniture	8.000.000	4.500.000
3	Dominikus Kia	Fuel Distribution Services	75.000.000	12.180.000
4	Maria Muda	Pharmacy & Baby Supplies	150.000.000	21.850.000
5	Fatima Berek	Kiosk & Culinary	16.000.000	2.650.000
6	Kornelis J. Keropon	Flower Pot Crafts	5.000.000	2.050.000
7	Ibrahim S. Tokan	Fuel Base	190.000.000	7.050.000
8	Yustina Perada	Sarong Weaving	5.000.000	1.900.000
9	Dominikus Martin	Decoration, Make Up & Salon Services	60.000.000	4.200.000
10	Petrus K. Mangu	Grocery Kiosk	600.000.000	13.250.000

Data source: KSP. Kopdit Guru Kelubagolit, 2024

Small and medium-sized business data shows the diversity of business types, the number of productive loans received, and monthly income in October. Asrina Palang's chicken farming business received a loan of IDR 15,000,000 with an income of IDR 5,225,000, while Lambertus Sanga, which is engaged in furniture, received a loan of IDR 8,000,000 with an income of IDR 4,500,000. Dominikus Kia, with a fuel distribution service business, received a loan of IDR 75,000,000 and recorded an income of IDR 12,180,000. Maria Muda, who manages a pharmacy and baby equipment, has a loan of IDR 150,000,000 with the highest income of IDR 21,850,000. Fatima Berek develops stalls and culinary with a loan of IDR 16,000,000 and an income of IDR 2,650,000. Kornelis J. Keropon is engaged in flower pot crafts with a loan of IDR 5,000,000 and an income of IDR 2,050,000. Ibrahim S. Tokan, who manages a fuel base, received a loan of IDR 190,000,000 but only made IDR 7,050,000. Yustina Perada runs a sarong weaving business with a loan of IDR 5,000,000 and an income of IDR 1,900,000, while Dominikus Martin, with the business of decoration, makeup, and salon services, obtained a loan of IDR 60,000,000 and an income of IDR 4,200,000. Meanwhile, Petrus K. Mangu, who owns a basic food kiosk, recorded the largest loan of IDR 600,000,000 with an income of IDR 13,250,000. This data shows a significant difference between the amount of productive loans received and the income generated, illustrating the variation in the effectiveness of the use of loans in developing businesses. Nisak (2013) in his research showed the results of the study that capital loans have an influence on income of 82.1% (showing a strong relationship). This means that productive capital makes a significant contribution to increasing revenue by expanding the company's capabilities, quality, and scope. In other words, well-managed working capital financing will have a significant impact on increasing business income.

This data shows the growth in members' confidence in loan services, as well as the potential for increased economic activity of members supported by the fund. The increase in the amount of loans can also reflect the development of members' business capital needs and increase members' business income. However, the performance of this productive loan is not accompanied by loan quality. Productive loans distributed to members are not utilized optimally, causing bad loans. Bad loans describe a situation where credit repayment approvals are at risk of failure and even tend to suffer losses or capital not returning (Purbowati and Suluh, 2018). The following is the bad credit data of KSP Kopdit Guru Kelubagolit.

Table 3. Data on the number of bad loans of the Main Branch

No	Year of Publication	Members are stuck	Bad Credit Balance
1	2019	2	IDR 28.860.000
2	2020	5	IDR 59.852.000
3	2021	7	IDR 70.752.500
4	2022	10	IDR 127.586.250
5	2023	12	IDR 278.947.500

Data source: KSP. Kopdit Guru Kelubagolit, 2024

This data shows a significant increase in the number of non-performing loans in the main branches over the past five years. In 2019, there were only 2 members who experienced bad loans with a balance of IDR 28,860,000. However, this figure increased drastically in the following years, both in terms of the number of members and the balance of bad loans.

In 2020, the number of members who experienced bad loans increased to 5 people with a balance of IDR 59,852,000. The upward trend continued until 2023, with 12 members experiencing bad loans and a balance of IDR 278,947,500.

Bad loans are part of non-performing loans that the debtor is unable to pay at maturity or more than three months (Lelen et al, 2023). Bad loans that occur at KSP Kopdit Guru Kelubagolit are caused by several things, namely; 1) The nature of the members, especially the financial management of members related to business, is not well regulated, the business funds are used to meet the needs of life, and the mental state of the members is momentary, 2) The economic situation, namely the members experience financial problems such as reduced income or increased living costs, and the existence of unplanned living expenses such as a death in the social environment, and 3) social conflicts and disasters, especially inter-tribal conflicts (common in Adonara).

Previous research has shown that cooperatives play an important role in improving the economic well-being of their members by providing access to financing, training, and business support. Research conducted by Ropke (2000) shows that well-managed cooperatives can increase members' incomes, grow productive businesses, strengthen family economic resilience, and have a microfinance impact on welfare. A study conducted by Yunus (2006) on Grameen Bank shows that access to microcredit can help poor workers start small businesses, increase income, reduce dependence on usury, and improve their economic welfare.

Another research conducted by Hartono et al. (2019) highlighted the importance of guiding cooperative members and microfinance institutions in personal financial management to ensure that the economic benefits achieved by members are sustainable and support economic well-being in the long term. Fajar and Juraidah (2021) the results of their research show that the Kasabua Ade Civil Servant Cooperative (KPN) plays a very big role in the welfare of its members. The form of welfare is to provide ease of service, help finance children's education, and health insurance, and the existence of trainings/workshops so that the ability of Human Resources (HR) to increase. However, research conducted by Suardi and Jafar (2021) shows that the process of managing ZISWAF funds as part of financing at the Benteng Mikro Indonesia Sharia Cooperative has been carried out well. However, its distribution has not had a significant impact on improving the welfare of members.

Much research has been done on Savings and Loan Cooperatives (KSP) and their impact on economic welfare. However, this study offers a specific and in-depth perspective, focusing on productive loan services at KSP Kopdit Guru Kelubagolit and how these services directly contribute to improving the economic welfare of members. This research specifically highlights productive loan services, loans used for business activities that generate income. This research not only sees lending as an instant solution but also as an instrument to encourage sustainable economic activity. This study will examine how productive loans are used by members, and their impact on increasing production, income, and business development.

This research can provide valuable input for KSP Kopdit Guru Kelubagolit and other KSPs in improving the quality of productive loan services and maximizing its impact on the welfare of members. This research is relevant to efforts to develop the local economy and empower the community through KSP. The research results can provide important information for policymakers, KSP practitioners, and the general public. Research on the impact of productive loan services specifically on KSP Kopdit Guru Kelubagolit is still limited. This research will fill those gaps and provide the empirical data needed for better decision-making.

2. LITERATUR REVIEW

a. Utility Theory

Utility theory is an economic theory that explains how individuals maximize their satisfaction (utility) through the consumption of goods and services. The Utility Theory was developed by Peter C. Fishburn (1968) in Putri dan Wira (2023). This theory states that the focus of consumers in choosing a product based on unlimited needs with limited resources (Santos & Gonçalves, 2021). This theory assumes that each individual has a rational measurement and way of determining future actions so this theory is closely related to the perception of value (Yuan et al., 2022).

Utility indicators include income, consumption, consumption balance, and quality of life all of which affect a person's well-being. In the context of members' economic well-being, utility theory is relevant to analyze how productive credit services help members improve their income, consumption, and quality of life. Through loans, members can obtain capital to increase their business productivity, thereby increasing income and meeting their financial needs. The higher the income, the greater the utility through more optimal consumption and investment. Furthermore, improving economic well-being contributes to social changes such as improved education, health, and social status. Thus, utility theory provides a robust framework for understanding the impact of productive credit management on the welfare of cooperative members.

b. Cooperation

The word cooperative comes from *coopere* (Latin), or *cooperation* (English), which in Indonesian cooperative is interpreted as working together, cooperating, or cooperating. This shows that cooperatives are a form of cooperation in the economic field. This collaboration is held by people who have the same type of needs for their lives.

Article 1 paragraph (1) of Law No. 25 of 1992 concerning Cooperatives explains that a cooperative is a business entity consisting of individuals or a cooperative legal entity based on the principle of cooperatives as well as a people's economic movement based on the principle of kinship. Cooperatives are based on Pancasila and the 1945 Constitution and based on the principle of kinship (Article 2). Cooperatives as a forum for the people's economy have the most important instrumental value, namely the instrumental value of economic cooperation. This is seen in Article 33 of the 1945 Constitution which says that "the economy is arranged as a joint effort on the principle of kinship." This shows that the Indonesian economy must be structured as a joint venture based on the principle of kinship and or cooperation (Fikri et al, 2018).

c. Loans (Credits)

Credit is the provision of money or bills based on an agreement or loan contract between a financial institution and another party, which must be repaid along with interest after a certain period (Kasmir, 2014). Purbowati and Suluh (2018) stated that credit is defined as a provider of money or bills that can be equated based on an agreement or lending agreement between cooperatives, banks, and other financial institutions that require the borrower or creditor to pay off its debt after a certain period and according to its maturity with the payment of interest. With the intention that each member can be responsible for his or her obligations. Loans can be used for a variety of purposes, including financing productive businesses.

Granting credit is a form of business carried out by cooperatives. Cooperatives as an institution that collects funds from the community and distributes them to the community in the form of financing programs, cooperatives are expected to help the community in meeting

capital needs. However, a cooperative or other financial institution must take into account and assess in granting its credit.

d. Economic Welfare of Members

Sejahtera according to the Indonesian dictionary comes from the word sejahtera which means safe, Sentosa, prosperous, and safe, regardless of all kinds of disturbances, difficulties, and so on. The word prosperous contains the Sanskrit meaning and "catera" which means paying. In the context of prosperity, a "catera" is a prosperous person, that is, whose life is free from poverty, ignorance, fear, or worry so that he lives a peaceful and peaceful life, both physically and mentally.

According to Law Number 25 of 1992. The purpose of cooperatives is to advance the welfare of members, this is as stated in Article 3 of Law Number 25 of 1992 concerning Cooperatives: "Cooperatives aim to advance the welfare of members in particular and society in general, as well as participate in building a national economic order in order to realize a just and prosperous society based on Pancasila and the 1945 Law".

3. RESEARCH METHOD

In this study, the researcher used qualitative data, namely data in the form of words or not numbers (Sulyianto, 2011). This data usually describes a characteristic or trait. The qualitative data used in this study were obtained through interviews and observations, the qualitative research method is a research method used to research the natural condition of the object.

The primary data used in this study are sourced from the results of observations and interviews conducted on the research object, namely the administrators, management, and members of productive borrowers. According to Sekaran Uma, (2011:76) , secondary data is data that refers to information from existing sources. The data in this study are: data on the number of Productive Borrowers, Productive Loan Value, and Members' Productive Business Income. This research focuses on how the internal and external factors of savings and loan cooperatives are managed, namely the management of cooperative institutions and members closely related to MSMEs. This interview was conducted with 1 manager, 1 General Manager, and 3 members of productive borrowers.

In this study, the data analysis technique used by the researcher used the Miles and Huberman model. To analyze the data obtained from the results of the study, the researcher used qualitative descriptive analysis, namely analysis in which the results are in the form of a descriptive description rather than in the form of numbers (Mitan, W., & P.L Lamawitak. 2023). Data analysis in qualitative research is carried out at the time of data collection and after the completion of data collection in a certain period. At the time of the interview, the researcher had analyzed the answers interviewed. Miles and Huberman (1984), stated that activities in qualitative data analysis are carried out interactively and take place continuously until they are complete so that the data is saturated. Activities in data analysis, namely, data reduction, data display, and conclusion drawing/verification (Sugiyono, 2007:246).

4. RESULTS AND ANALYSIS

a. Productive Loan Service Mechanism at KSP Kopdit Guru Kelubagolit

Productive loan services at KSP. Kopdit Guru Kelubagolit is a form of KSP's support for members to improve the economic welfare of members. This process includes a structured mechanism that starts from application, and verification, to loan disbursement to ensure that the funds distributed are on target and can provide benefits for members'

productive activities. Productive loan service mechanism at KSP. The Kopdit Guru Kelubagolit is based on the following important points, namely:

- 1) Application Process: Members fill out loan application forms, submit documents, and consult with the credit department.
- 2) Verification and Survey: Applications are examined and supported by field surveys to ensure business feasibility.
- 3) Member Requirements: Have a productive business, with a loan ceiling adjusted to the needs and abilities of members.
- 4) Field Survey: Verify business conditions, households, and other supporting data.
- 5) Priority Loan: Members with a good loan history are prioritized, and new members are given gradual loans.
- 6) Activeness and consultation: The activeness of members and the results of field tests are considerations for providing loans.

The process of applying for a productive loan at KSP Kopdit Guru Kelubagolit involves structured steps. Prospective borrower members are required to fill out a loan application form that includes the loan ceiling and purpose which is equipped with various supporting documents. At the time of applying for this loan, prospective borrower members consult with the credit department to discuss loan needs. The application submitted is then examined and discussed by the credit section which is supported by the results of the field survey. The loan is realized after getting approval from the manager and management.

To obtain productive loans at KSP. Kopdit Guru Kelubagolit, members must meet various requirements that have been set. Members must have the type of productive business that will be or is being run that is relevant to the current economic conditions. In addition, the loan ceiling is adjusted to the needs, and ability of members in installments, and the age of the member. This loan service is supported by a survey to ensure business feasibility and compliance with cooperative policies.

KSP. Kopdit Guru Kelubagolit ensures that loans are used for productive activities through a field survey mechanism. The management and management makes visits to members' businesses to verify information from other members around them. This survey includes business conditions, households, and other supporting data to ensure that loans are by the expected productive goals. KSP. Kopdit Guru Kelubagolit gives priority to members with a good loan history, including the ability to pay installments in an orderly and smooth manner. The activeness of members and the results of consultations and field tests are also important considerations. New members will be given loans gradually, while members with good credit records are prioritized to get access to productive loans faster.

In the context of productive loans in KSP. Kopdit Guru Kelubagolit, utility theory can be applied to explain how cooperative members maximize the economic benefits of loans through a good loan service process by the credit service policy pattern at KSP Kopdit Guru Kelubagolit. A good loan service mechanism always prioritizes a structured loan service process starting from the submission of loan application forms along with other supporting documents, consultations, and field surveys to determine loan eligibility, loan disbursement, surveys of business and household conditions to loan repayment. Loans obtained by members are used for productive businesses that are expected to increase members' income and welfare because they have gone through good credit service standards. Based on this utility theory, every additional loan received by a member provides additional utility in the form of increased production capacity or business development.

The results of this study are supported by previous research, by Susanti and Masripah (2022) which shows that a reliable credit system is in accordance with the established procedures, starting from the credit application procedure to the credit repayment. The procedure includes the stages of applying for credit, receiving loan documents, issuing loan approval memos, disbursing loans, and repaying loans.

b. The Relationship between Productive Loans and Increased Member Income at KSP Kopdit Guru Kelubagolit

Productive loans provided by KSP. Kopdit Guru Kelubagolit has an important role in encouraging an increase in members' income. These loans allow members to expand their business scale, increase working capital, and improve product quality. Members with a good loan history experience stable business development and provide economic benefits for members to improve economic welfare. The relationship between productive loans and increased member income relates to the following important points:

- 1) The Role of Productive Loans
- 2) Good Loan Management
- 3) Loan Effectiveness Monitoring
- 4) Financial Management
- 5) Key Challenges
- 6) Financial Assistance and Education
- 7) Continuous control

Productive loans that are well managed by members can encourage the development of members' businesses. This contributes to an increase in members' income, which is reflected in members' ability to repay loans in an orderly manner. Thus, the success of loan management not only benefits members but also strengthens the sustainability of the cooperative.

KSP. Kopdit Guru Kelubagolit measures the effectiveness of productive loans in increasing members' income by monitoring the development of financed businesses. If members' businesses show an increase over time, it reflects the success of loans in driving revenue growth. In addition, this effectiveness is also influenced by members' ability to manage funds and financial management. With good management, members' income increases while showing the success of the productive loan program.

The main challenges faced by KSP. Kopdit Guru Kelubagolit in ensuring that productive loans have a positive impact on members' income lies in the mental readiness and financial management ability of members. The success of the loan is highly dependent on the disposition and commitment of members in arranging funds for business development. Members who can manage their finances well will feel an increase in income. Therefore, financial assistance and education are important steps for cooperatives to help members face this challenge.

To increase the effectiveness of productive loan services in improving the economic welfare of members, KSP. Kopdit Kelubagolit Teachers are important in improving education on financial literacy and financial management. This will help members manage loan funds more on target so that the business they run can grow. In addition, the role of continuous control by cooperatives is indispensable to ensure that the use of loan funds is in accordance with productive purposes, and can have a positive impact on improving the welfare of members.

Utility theory can be applied in the context of productive lending in KSP. Kopdit Guru Kelubagolit to explain how loans can provide benefits for members. The productive loans provided allow members to expand their ventures and increase members' incomes,

which in turn increases members' utility. The study in this article is in line with previous research. Yunus (2006) shows that microcredit can help low-income individuals start businesses and improve their economic well-being.

c. The Level of Economic Welfare of Members at KSP Kopdit Guru Kelubagolit

The level of economic welfare of members in cooperatives reflects the ability of cooperatives to meet the basic needs of members. This can be seen from the indicators of Income, Household Expenditure, Education, Health, and Housing.

1) Family Income Level

KSP. Kopdit Guru Kelubagolit ensures that productive loans have a positive impact on members through a direct mentoring strategy. This is done by monitoring the development of members' businesses. KSP. Kopdit Guru Kelubagolit ensures that loans are used according to their purpose, provides guidance when experiencing obstacles, and strengthens the relationship and moral responsibility between members and cooperatives. This has an impact on the stability of members' businesses, increased family income, and more regular household life.

Based on the data owned, KSP. Kopdit Guru Kelubagolit noted an increase in the average income of members after receiving productive loans, although the results were highly dependent on individual financial management. Members with good financial management generally experience significant increases in business and income, which also has a positive impact on various aspects of life, such as the economy, education, and housing. From a member's point of view, although the impact has not yet been fully felt, the additional business capital from productive loans is slowly helping to increase income, thereby providing better financial stability for families. Based on this data, it is known that members who receive productive loans experience variations in business income. In general, the increase in revenue occurs over time, although there are fluctuations. Productive loans provided by KSP. Kopdit Guru Kelubagolit has proven to have a positive impact on increasing members' income.

2) Composition of Household Expenditure

The composition of household expenditure is an important indicator in assessing the economic welfare of cooperative members. Expenditures allocated to basic needs, such as food, education, and health reflect members' level of priority and economic capability. For cooperatives, this spending pattern can be influenced by access to cooperative services such as low-interest loans or economic empowerment programs.

KSP. Kopdit Guru Kelubagolit supports members in managing loans through communication to ensure that funds are used according to the plan and financial education so that members are wise in managing the budget. This aims to maintain a balance of productive and non-food needs achieved. According to KSP members. Kopdit Guru Kelubagolit, loans obtained from cooperatives are very helpful in household expenses between food and non-food needs.

The pattern of members' withdrawals after accessing productive loans shows positive changes and is becoming more regular. With loans, members can better manage their finances, divide their expenses wisely, and start setting aside some funds for savings. This reflects an increase in members' awareness of managing finances in a more disciplined and planned manner.

After getting a loan from KSP. Kopdit Guru Kelubagolit, members began to learn to set aside part of their income for savings as a mandatory step and an effort to build a reserve fund. In addition, expenditures for non-urgent needs have begun to be reduced, showing an increase in awareness of financial management.

3) Family Education Level

Family education levels play an important role in improving the economic well-being of members through job opportunities, skills, and better financial management. In cooperatives, Education helps members make optimal use of the program, supporting family economic stability.

KSP. Kopdit Guru Kelubagolit strongly supports members who use loans for family education needs. With various savings products such as SIMPEL, SIDANDIK, and SIMPATI, KSP. Kopdit Guru Kelubagolit shows its commitment to the education of members' children. KSP members. Kopdit Guru Kelubagolit assessed that this cooperative has an active role in supporting the education of members' families. Thanks to the assistance and facilities from the cooperative, the needs of children's education costs can be met properly. This makes a great contribution to improving the quality of education for members and families.

4) Family Health Levels

Family health levels play an important role in the economic well-being of members and the productivity of members. Healthy families are better able to take advantage of cooperative programs to improve their standard of living. After getting a loan, cooperative members experienced increased access to health services. KSP. Kopdit Guru Kelubagolit plays a big role in helping members overcome health costs through general loans, as well as ensuring that members' health conditions are maintained with the support of savings and loans for health needs.

After getting loan support from KSP. Kopdit Guru Kelubagolit, the quality of health of members' families has improved. The loan funds obtained support business development, which in turn increases family income. This increase in family income is set aside to finance family health needs.

5) Housing Conditions and Facilities Owned

The condition of housing and facilities owned by the family greatly affects the quality of life and welfare of members. Decent housing and adequate facilities such as clean water, sanitation, and electricity provide a healthy environment and support productivity. Cooperatives play a role in helping members access better housing through loans.

KSP. Kopdit Guru Kelubagolit provides special support for members who use loans for repairs or home construction. Members who use loans for home renovation or home construction are directed to do so in stages according to the member's financial ability to avoid too large a burden. KSP Management. Kopdit Guru Kelubagolit evaluates the impact of productive loans on members' housing conditions by monitoring the development of members' housing.

Members take advantage of cooperative loans to improve home conditions and improve household facilities. With the improvement of business, part of the business income is set aside to be saved and used for home repairs and other household equipment.

Utility theory can be used to explain how productive loans are provided by KSP. Kopdit Guru Kelubagolit can improve the economic welfare of its members. These loans provide the ability for members to improve or increase their productive ventures, which can increase income and improve the quality of life. According to utility theory, any additional funds received and managed wisely by members will provide greater utility in the form of satisfaction and quality of life improvements such as increased income, health, and housing.

The study of this internship report is in line with previous research. Ropke (2000) showed that well-managed cooperatives can increase members' incomes, strengthen family economic resilience, and encourage productive business growth. Yunus (2006) regarding Grameen Bank shows that access to microcredit can help poor workers start small businesses, increase income, reduce dependence on usury, and improve their economic welfare.

Another research conducted by Hartono et al. (2019) highlighted the importance of guiding cooperative members and microfinance institutions in personal financial management to ensure that the economic benefits achieved by members are sustainable and support economic well-being in the long term. Fajar and Juraidah (2021) the results of their research show that the Kasabua Ade Civil Servant Cooperative (KPN) plays a very big role in the welfare of its members. The form of welfare is to provide ease of service, help finance children's education, and health insurance, and the existence of trainings/workshops so that the ability of Human Resources (HR) to increase. However, research conducted by Suardi and Jafar (2021) shows that the process of managing ZISWAF funds as part of financing at the Benteng Mikro Indonesia Sharia Cooperative has been carried out well. However, its distribution has not had a significant impact on improving the welfare of members.

5. CONCLUSION

Based on the results of the analysis and discussion, the conclusion of this study is as follows: Activities in the fields of finance, credit, loan surveys, and administrative management support each other to ensure smooth transactions, data accuracy, and transparency in member loan management. This provides benefits in meeting the needs of

members, minimizing risks, strengthening work coordination, and increasing the effectiveness and efficiency of the Institution's financial management.

Productive loan service mechanism at KSP. Kopdit Guru Kelubagolit is designed to ensure that loans are used effectively in productive activities by evaluating the business feasibility and ability of members, which is also prioritized for members with a history of current loans.

Productive loans at KSP. Kopdit Guru Kelubagolit has a significant role in increasing members' income by expanding their business and improving product quality. This success is supported by good financial management, mentoring, and monitoring loan effectiveness. Productive loans at KSP. Kopdit Guru Kelubagolit significantly improves the economic welfare of members through increased income, better expenditure management, and increased access to education, health, and better housing. The findings of this study can be replicated or further developed in other KSPs with similar characteristics, thus contributing more widely to the development of the cooperative movement.

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