

The Role of Credit Provision in Increasing the Income of Cooperative Members of Artha Sendang Mukti Cooperative in Klepu: Analysis of Consumptive Behavior

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Abstract

This study aims to analyze the effect of credit provision and consumer behavior on increasing the income of cooperative members. The urgency of this study lies in the importance of optimizing the use of cooperative credit in improving the welfare of its members, especially amidst economic challenges that require wiser financial management. This study uses a quantitative approach with a survey method of 124 cooperative members selected using a purposive sampling technique. Respondents were asked to provide information related to their credit receipts and consumption habits. The data collected were analyzed using multiple linear regression to measure the effect of the two independent variables on the dependent variable, namely the increase in income of cooperative members. The results of the study indicate that credit provision has a significant effect on increasing income, with each one-unit increase in the credit provision variable contributing to an increase in income of 0.511. In contrast, consumer behavior does not have a significant effect on increasing income, indicating that the use of credit for consumption does not have a major impact on the economic welfare of cooperative members. The implications of this study emphasize that cooperatives need to focus more on providing credit for productive purposes, such as business investment and economic development of members. In addition, cooperatives are advised to provide more intensive financial education to their members so that they can manage credit more wisely and maximize its benefits in increasing income.

Keywords: Savings and Loan Credit Provision; Member Consumptive Behavior; Income Increase.

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INTRODUCTION

Savings and loan cooperatives (KSP) have a strategic role in improving the welfare and income of their members by providing access to financing. As a community-based financial institution, cooperatives help their members meet productive needs such as business capital, as well as other consumptive needs. In this context, cooperatives are an important instrument in the development of micro, small, and medium enterprises (MSMEs). However, the effectiveness of cooperative credit in increasing member income is highly dependent on how the funds are managed by the credit recipient.

Artha Sendang Mukti Cooperative in Klepu, Pringapus District, Semarang Regency, is an example of a cooperative that provides credit facilities to help its members improve their standard of living. Although it has provided credit facilities, not all members have succeeded in using the credit productively. Some members tend to use credit for consumption that does not support sustainable income growth. However, the provision of this credit is often influenced by the consumptive behavior of members, which has the potential to affect the effectiveness of credit in increasing income. Ansari (2022), therefore, a deep understanding is needed regarding the interaction between credit provision, consumer behavior, and increasing the income of cooperative members.

Artha Sendang Mukti Cooperative, as one of the savings and loan cooperatives, faces similar challenges. Although credit facilities have been provided, there are members who have not been able to manage credit productively, so the goal of increasing income has not been fully achieved. This is relevant to the study The Last Supper (2018), which shows that the success of providing credit in increasing member income is highly dependent on consumption behavior and proper allocation of funds. In addition, research-Kuborevealed that the calculation of credit interest and credit management by members are important factors that determine the impact of credit on economic welfare.

Previous research also shows various important findings related to savings and loan cooperatives. For example, research by IBRAHIM (2019) discusses the accounting treatment of credit provision in savings and loan cooperatives, which is an important foundation in cooperative financial management. Research and Ace Suryadi (2015) highlight the role of cooperatives in changing the economic behavior of members as a form of community empowerment. Nissa (2018) highlights the influence of savings and loans on the income and welfare of cooperative members, while Naeshela (2016) reviews the role of credit union savings and loan cooperatives in improving the welfare of members in certain areas. In addition, the study et al. (2024) show that increasing MSME income can be achieved through good credit management. ResearchPaul (2023)also highlights the role of loan officers in addressing problem loans, which is relevant to this study. (2021) discusses legal settlement in handling cases of loan default by cooperative members, providing important insights into the legal aspects of managing savings and loan cooperatives. Research Last Supper (2018) adds an Islamic economic perspective to the application of financing to improve member welfare.

Sari (2022)Analyze factors that influence credit success in cooperatives, such as risk management, member compliance, and credit policies. First Class (2023), highlighting the role of technology in improving the efficiency of cooperative credit management, including the use of digital systems and fintech. Rahman (2021) examines the impact of interest rates on the sustainability of savings and loan cooperatives, with a focus on the balance between loan interest rates and cooperative profits. Susanto (2023) links risk management with cooperative sustainability, as well as risk mitigation strategies in credit management. Sustainable (2024) analyzes the consumer behavior of cooperative members and its impact on personal financial conditions, which affects the level of loan repayment. Fitri (2023) evaluates the effectiveness of cooperative credit programs in improving member welfare based on economic and social indicators.

The novelty of this study lies in the combination of two main factors, namely credit provision and consumer behavior, to evaluate their impact simultaneously on increasing the income of



cooperative members. By using a quantitative approach, this study is expected to provide practical contributions to the management of savings and loan cooperatives. This study also aims to provide strategic recommendations for cooperative managers in designing more effective credit provision programs and encouraging productive consumption behavior among their members. The results of this study are expected to be a reference for other cooperatives facing similar challenges in maximizing the benefits of credit for member welfare.

RESEARCH METHODS

This study uses a quantitative approach, which aims to test the effect of providing credit to savings and loan cooperatives and consumer behavior on increasing the income of cooperative members. The quantitative approach was chosen because it is appropriate for measuring the causal relationship between independent variables (credit provision and consumer behavior) and dependent variables (increasing member income) through numerical data and statistical analysis (Sugiyono, 2019).

This research is a causal descriptive study, which aims to describe and analyze the causal relationship between credit provision, consumer behavior, and increasing income of cooperative members.

The population in this study were all members of the Artha Sendang Mukti Cooperative who had received savings and loan credit facilities.

This study uses a purposive sampling technique, namely selecting respondents based on certain criteria, such as

- 1) Respondents are cooperative members who have received credit for a minimum period of one year.
- 2) Respondents use credit for productive or consumptive needs.

Slovin's formula is used to determine the sample size of a population with a certain level of error. The formula is as follows:

$$n = \frac{N}{1 + N \cdot e^2}$$

Where:

- n: sample size
- N: population size (in this case, 179)
- e: desired level of error or margin of error (usually 0.05 to 5%).

$$\begin{aligned} n &= \frac{179}{1 + 179 \cdot (0.05)^2} \\ n &= \frac{179}{1 + 179 \cdot 0.0025} \\ n &= \frac{179}{1 + 0.4475} \\ n &= \frac{179}{1.4475} \\ n &\approx 123.67 \end{aligned}$$

So, the sample size needed is about 124 people (rounded up).

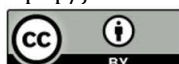
Independent Variables, Credit Provision (X1) Covers credit provision procedures, credit amount, tenor, interest rate, and credit management by cooperative members. Consumptive Behavior (X2): Covers spending patterns, consumptive lifestyle, and credit fund usage priorities.

Dependent Variable, Income Increase (Y) Measured from changes in member income before and after receiving credit, as well as its impact on productive businesses.

Primary data were collected through a questionnaire arranged in the form of closed questions using a Likert scale of 1–5 (1 = strongly disagree, 5 = strongly agree). Secondary data supporting data were obtained from cooperative financial reports, internal cooperative documents, and previous research references.

The questionnaire contains questions related to

- 1) Credit Granting procedures, credit amount, tenor, interest rate, and management.



- 2) Consumer Behaviorspending patterns, consumer lifestyle, and priorities for using funds.
- 3) Increase in revenue, changes in income before and after credit, and their impact on productive efforts.

Table 1. Informant Questions

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No	Category	Subcategory	Question
1	Credit Granting	Credit Granting Procedure	How do you find out about the credit offered?
			Do you feel the credit application procedure is easy enough?
			How long does it take for the application process to be disbursed?
		Credit Amount	How much credit are you applying for?
		Credit Tenor	How long is the credit tenure you choose?
		Interest rate	Do you feel the interest rates offered are competitive enough?
2	Consumer Behavior	Credit Management	How do you manage your monthly credit installment payments?
		Expenditure Pattern	Do you record your expenses every month?
		Consumptive Lifestyle	What percentage of your income is spent on consumption?
			Does the credit you get affect your lifestyle?
			Most of the credit you use is allocated to:
3	Increase in Revenue	Priority Use of Funds	What are your priorities when using credit funds?
		Change in Income	How is your income after receiving credit?
		Impact on Productive Business	What percentage increase did your income have after receiving credit?
			Is the credit you receive used for productive business?
			If yes, to what extent does credit help increase your business productivity?
			The credit you use helps.

This study uses multiple linear regression analysis to test the effect of independent variables on dependent variables. Data analysis steps include:

1. Validity and Reliability Test

To ensure that the research instrument (questionnaire) is valid and reliable.

2. Classical Assumption Test

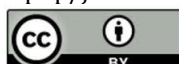
Normality Test to ensure that the data is normally distributed. A multicollinearity test is used to ensure that there is no strong relationship between independent variables. Heteroscedasticity test: To ensure that there is no unequal residual variance.

A partial test (t-test) is used to determine the effect of each independent variable on the dependent variable. Simultaneous Test (F-test) to determine the effect of independent variables simultaneously on the dependent variable. Determination Coefficient (R^2) to measure how much the independent variable contributes to the dependent variable.

This study uses SPSS software as a tool for quantitative data analysis.

Research Procedures

1. Identification and determination of population and samples.
2. Preparation and testing of research instruments (questionnaires).
3. Primary data collection through questionnaires and short interviews.
4. Data processing and analysis using statistical techniques.
5. Drawing conclusions and preparing recommendations based on the results of the analysis.



Through this research method, it is expected to find a significant relationship between cooperative credit provision, consumer behavior, and increasing member income, thus providing a practical contribution to the development of savings and loan cooperative strategies in the future.

RESULTS AND DISCUSSION

Multiple linear regression models are used to analyze the influence of independent variables, namely credit provision (X1) and consumer behavior (X2), on the dependent variable, namely increased income (Y).

Table 2. Model Summary

R Square	Adjusted R Square	Std. Error of the Estimate
.532	.525	1.46187

a. Predictors: (Constant), x2, x1

Following are the details of the model used.

R 0.730 This value indicates that the relationship between the independent variables (X1 and X2) and the dependent variable (Y) is quite strong, with a number higher than 0.7 indicating a fairly significant relationship.

R Square 0.532 The R Square value of 0.532 indicates that 53.2% of the variation in income increase (Y) can be explained by the credit provision variable (X1) and consumer behavior (X2). This means that this model is able to explain more than half of the variation that occurs in the income of cooperative members, which shows that credit provision and consumer behavior have a significant influence on their income.

Adjusted R Square 0.525 This value is slightly lower than R Square but provides a more realistic picture considering the number of variables in the model. Adjusted R Square of 52.5% indicates that this model is still quite good at explaining the relationship between the variables tested, considering the two independent variables used.

Std. Error of the Estimate 1.46187 This shows how much the predicted value generated by the model can differ from the actual value that occurs. This relatively small value indicates that the model is quite accurate in predicting the increase in revenue (Y) with little deviation.

Analysis of variance (ANOVA) provides information about the significance of the overall regression model:

Table 3. ANOVAa

	Model	Sum of Squares	df	Mean Square	F	Sig.
1	Regression	294,511	2	147,256	68,905	.000b
	Residual	258,586	121	2.137		
	Total	553,097	123			

a. Dependent Variable: y

b. Predictors: (Constant), x2, x1

The very high F 68.905 indicates that the overall regression model is significant. In other words, this model can explain the relationship between the independent variables (X1 and X2) with the dependent variable (Y) accurately.

Sig. 0.000, which is very small (0.000), indicates that the regression model used has good predictive power, and the relationship between the independent and dependent variables does not occur by chance. Therefore, the regression model can be relied on to explain the influence of X1 and X2 on Y.

The regression coefficient shows the influence of each independent variable on the dependent variable.

Table 4. Coefficientsa

Unstandardized Coefficients	Standardized Coefficients		
 http://mahesainstitute.web.id/ojs2/index.php/jehss	 mahesainstitut@gmail.com		1140



	Model	B	Std. Error	Beta	t	Sig.
1	(Constant)	4.286	1.469		2.919	.004
	x1	.511	.056	.698	9.202	.000
	x2	.061	.087	.053	.695	.489

a. Dependent Variable: y

Constant (Intercept) = 4.286 This value shows that when credit provision (X1) and consumer behavior (X2) are zero, the increase in income (Y) is predicted to be 4,286. This is the base value produced by the model when there is no influence from the two independent variables.

The coefficient for X1 (Credit Granting) = 0.511. This coefficient shows that every one-unit increase in credit provision (X1) will cause an increase in income of 0.511. This result shows that credit provision has a significant positive impact on increasing the income of cooperative members. The value of $t = 9.202$ and $Sig. = 0.000$ shows that the effect of credit provision on increasing income is very statistically significant, meaning that credit provision is a factor that greatly influences income increases.

The coefficient for X2 (Consumer Behavior) = 0.061 This coefficient shows that consumer behavior has a very small impact on increasing income, which is only 0.061. Although there is a positive impact, the value of $t = 0.695$ and $Sig. = 0.489$, which shows that the influence of consumer behavior on increasing income is not statistically significant. In other words, consumer behavior does not have a significant effect on increasing the income of cooperative members in this model.

Reliability testing was conducted to ensure that the instruments used in this study were reliable. The results of reliability testing for each variable using Cronbach's Alpha are as follows:

Table 5. Reliability

Cronbach's Alpha	Cronbach's Alpha Based on Standardized Items
.752	.805
.759	.831
.765	.813

X1 (Credit Granting) Cronbach's Alpha = 0.752, indicating that the instrument used to measure the credit granting variable has good reliability because the Cronbach's Alpha value is greater than 0.7, indicating high internal consistency. X2 (Consumptive Behavior) Cronbach's Alpha = 0.759, indicating that the instrument for measuring consumptive behavior also has good reliability and can be relied upon. Y (Income Increase) Cronbach's Alpha = 0.765, indicating good reliability for the instrument measuring income increase so that the data collected can be relied upon for further analysis.

Based on the results of the regression analysis, it can be concluded that credit provision (X1) has a significant effect on increasing income (Y). Every one-unit increase in credit provision will cause an increase in income of 0.511. This result is consistent with the theory that access to the right credit can open up economic opportunities, allowing cooperative members to invest in businesses that can increase their income. In this context, credit provision can be used to fund productive activities, such as business development or investments that increase the productivity of cooperative members.

However, consumer behavior (X2) does not have a significant effect on increasing income. Although the effect is slightly positive, the impact is not large enough to be accepted as a significant factor in increasing income. This indicates that the use of credit for consumption purposes (such as buying consumer goods) does not have a significant impact on income. Therefore, cooperatives need to encourage members to use credit productively, such as to open a business or investment that can increase income, rather than for unproductive consumption purposes.

Overall, the results of this study provide valuable insights into the importance of cooperatives' well-targeted credit strategy. Credit provided for productive purposes can contribute significantly to increasing the income of cooperative members, while credit used for

consumption should be controlled so as not to reduce the positive impacts that can be generated from the use of credit for more profitable activities. Therefore, cooperatives must continue to educate their members about the importance of using credit wisely and productively.

CONCLUSION

Based on the results of multiple linear regression analysis, it can be concluded that credit provision has a significant effect on increasing the income of cooperative members. Each increase in one unit of credit provision will increase income by 0.511, which shows that targeted credit provision can help cooperative members increase their income, especially if used for productive purposes.

On the other hand, consumer behavior does not have a significant effect on increasing income. Although there is a slight positive effect, the impact is not statistically significant enough, indicating that the use of credit for consumption does not have a significant impact on increasing income. Therefore, cooperatives need to encourage their members to use credit for productive purposes in order to maximize its benefits for increasing income.

This study has several limitations. The scope of the study was limited to members of a particular cooperative, so the results may not be generalizable to the entire population of cooperatives in other regions. In addition, this study did not consider other factors that may affect the income of cooperative members, such as education level, business experience, or access to financial training.

In addition to internal factors, the results of this study can also be influenced by external factors, such as macroeconomic conditions and cooperative policies in managing credit. A stable economic situation and policies that support the provision of productive credit can strengthen the positive impact of credit on member income.

This finding is in line with previous research showing that productive credit contributes more to increasing income than consumer credit. This result also confirms research stating that the use of credit for business activities is more effective in improving the welfare of cooperative members.

Based on the results of this study, cooperatives need to focus more on providing credit for productive activities and investments, as well as improving financial education for their members so that the credit provided can be used optimally to improve their economic welfare.

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