Jurnal BISMAR: Business and Strategic Management Review
Volume 1, No. 1, July 2026

IMPROVING THE WELFARE OF MEMBERS AND THE COMMUNITY OF TASIKMALAYA THROUGH THE DEVELOPMENT OF SAVINGS AND LOAN COOPERATIVES

***[1]Ramdani Al Falah, [2]Sudung Simatupang, [3]Debi Eka Putri, [4]Hendrick Sasimtan Putra**

[1]Management, Cipasung University, Tasikmalaya

[234]Management, Sekolah Tinggi Ilmu Ekonomi Sultan Agung

ABSTRACT

Background: The Tasikmalaya Provincial Government has issued Cooperative Regulation Number 10 of 2017 to strengthen and protect cooperatives.
Purpose: The purpose of this article is to describe and explain the role of cooperatives and small and medium enterprises in empowering businesses that are beneficial to the members and community of Tasikmalaya Regency.
Design/methodology/approach: This study uses a qualitative description method by collecting data and interviews.
Findings/Result: Research shows that community development is influenced by cooperatives and SMEs by holding development activities such as improving human resources through training, financial facility support and support for the empowerment of Cooperatives and SMEs.
Conclusion: the existence of savings and loan cooperatives, especially the Tunas Artha Mandiri cooperative, has an influence on the welfare of cooperative members and the community around Singaparna, Tasikmalaya Regency.
Originality/value (State of the art): The novelty of this study focuses on evaluating how the reward system and work motivation impact employee performance in the printing sector, especially Minprint Bekasi Printing. Research like this is still rare. Both variables play an important role in improving employee performance, according to the study's findings.

Keywords: cooperatives, welfare, savings and loans, community.

Corresponding authors:
Email: selitaefraim@gmail.com

INTRODUCTION

According to the law in Indonesia, namely the Law of the Republic of Indonesia No. 25 of 1992 concerning Cooperatives (Cooperative Law), cooperatives are defined as "business entities consisting of individual members or cooperative legal entities based on their activities based on the principle of cooperatives as well as as a people's economic movement based on the principle of kinship" (Presiden RI, 1992),

Cooperatives have existed in Indonesia since 1886 (Hanifah et al., 2024). The cooperative as we know it today was initially in the form of a bank founded in Purwokerto by Patti R. Aria Wiria Atmaja, a civil servant. This bank was established for the financial needs of civil servants. Over time, banks turned into cooperatives. This change was initiated by De Wolf Van Westerrode from the Netherlands. And over time, cooperatives and small and medium enterprises have connected with the Indonesian people and provided benefits to the country.

The Tasikmalaya Provincial Government has issued Cooperative Regulation Number 10 of 2017 to strengthen and protect cooperatives. Promoting the welfare and economic performance of its members in particular and society in general. The number of cooperatives in Tasikmalaya Regency is estimated to reach 238 in 2022. The details are 162 consumer cooperatives, 32 producer cooperatives, 32 savings and loan cooperatives, 10 service cooperatives, 1 secondary cooperative, and 1 marketing cooperative.

Empirical information on the success of this approach at the operational level is sparse. Existing research has primarily focused on cooperatives' institutional performance (Sitepu & Hasyim, 2018), governance (Saepudin, 2014), and financial sustainability (Abu & Hafid, 2020), with little attention paid to how these institutions turn regulatory support into tangible socioeconomic benefits for their members and surrounding communities (Hidayah et al., 2025). As a result, there is still a lack of understanding about how cooperatives contribute to MSME growth, income generation, and local economic resilience, notably in the Tasikmalaya Regency.

Furthermore, past research has rarely looked into the role of Islamic savings and loan cooperatives in promoting equitable economic empowerment through affordable finance (Hanggana et al., 2023), capacity training (Yunus et al., 2023), and community-based company growth (Kurniawati, 2022). Most studies assess cooperatives from a financial or organisational standpoint without thoroughly examining their larger social and economic implications (Hanggana et al., 2023). As a result, this study tackles this gap by looking into the role of the Tunas Artha Mandiri Syariah Cooperative in empowering MSMEs, boosting member welfare, extending employment possibilities, and building the local economy in Singaparna, Tasikmalaya Regency. The findings are likely to provide empirical support for both cooperative development programs and long-term community-based economic empowerment strategies.

The purpose of this article is to describe and explain the role of cooperatives and small and medium enterprises in empowering businesses that are beneficial to the members and community of Tasikmalaya Regency.

METHODS

Research Design

The large number of SMEs in Tasikmalaya Regency shows a great opportunity for the region and the national to strengthen the community's economy. And one of the things that SMEs need is capital, so the Tunas Artha Mandiri Syari'ah Tasikmalaya cooperative provides savings and loan services to help SMEs and the community so that they can develop their businesses and *plan business* them.

Research Methods and Analysis Techniques

The research method used is a qualitative descriptive method. The qualitative descriptive method according to Sugiyono (2016) is a research method based on the philosophy of postpositivism used to research on the condition of natural objects (as opposed to experiments) where the researcher is the key instrument Data collection techniques are carried out in a triangulation (combined), data analysis is inductive/qualitative, and qualitative research results emphasize meaning rather than generalization (Muhtarom et al., 2018). Qualitative descriptive research aims to describe, describe, explain, explain and answer in more detail the problems to be researched by studying as much as possible an individual, a group or an event. By using survey techniques (data collection and interviews) to get data from direct sources that are more accurate.

Data Source

1) Data Primer
The primary data in this writing was obtained through interviews with respondents who were considered to know how the process starting from the distribution of revolving funds for savings and loan cooperatives to its influence on the development of the capital structure, assets, and SHU of the Cooperative. In addition to interviews, the author also obtained primary data through direct observation in the field. This is done to strengthen the data obtained through interviews.
2) Data Seconds
The secondary data in this study is intended to support the primary data, because it is necessary to be related to relevant theories. The author in this case uses books, journals, the internet or other data sources that will support what will be researched.

Data Collection Techniques

1) Interview
This writing uses interviews as the main technique in digging up information about improving the welfare of members and the community of savings and loan cooperatives in Tasikmalaya, especially the Tunas Artha Mandiri Syari'ah Cooperative Singaparna Branch.
2) Obsevation
The author in this observation observes how the process of providing financial loans to members and the community to develop their businesses. And observing the ongoing business development of cooperative members.
3) Literature Study
The author through this literature study dug up information with the help of references, in the form of books, journals, the internet and documents belonging to the object being studied.

Informant Determination Techniques

The author uses *the probability sampling* technique by means of_*simple random sampling*, which provides equal opportunities for each member of the population to be selected as a member of the sample by sampling from a member of the population using randomness without paying attention to the strata (level) in the member of the population. The author randomly selected members of the TAM Syari'ah cooperative in Singaparna.

Data Analysis Techniques

This scientific paper uses interactive analysis model data analysis techniques. So in addition to trying to describe the state of the two cooperatives that are the subject of the study, the purpose of this analysis is to simplify the data so that it is easy to read. According to (Sugiyono, 2016), there are three main components in compiling qualitative research, namely data reduction, data presentation, and conclusion drawn.

THE RESULTS

Cooperatives are the teachers of the national economy, so in the economic life of the Indonesian nation cooperatives are very important. The role of cooperatives as contained in Law No. 25 of 1992 concerning Cooperatives is as follows: Cooperatives as a movement to build and develop the economic capabilities of cooperative members and the community in general, then cooperatives actively participate in efforts to improve the quality of life of the community, cooperatives strengthen the people's economy as the basis for the strength and resilience of the national economy, and cooperatives realize and develop the system The national economy is based on the principles of kinship and economic democracy (www.ojk.go.id/IKNB).

Cooperatives are economic institutions that are initiated, owned and run by their members, not by the government or other parties. Cooperatives must be able to develop their organizational and business wheels based on the spirit of independence to meet the needs of members. The role of cooperatives should be in line with the aspirations of members and have a spirit of togetherness, the characteristics of cooperatives that must be nurtured and preserved through the actualization of member participation and cooperative businesses on a continuous basis.

Currently, the number of savings and loan cooperatives in Tasikmalaya district is 32 units, one of which is the Tunas Artha Mandiri Syariah cooperative which was studied by the author located in Singaparna. The Tunas Artha Mandiri Syari'ah Cooperative is very helpful for its members in borrowing MSME capital. The return of capital is also fairly easy and light and does not burden the cooperative members and the community. The members can also coordinate well as a form of professionalism between cooperative members and cooperative employees.

The findings show that the Tunas Artha Mandiri Syariah Cooperative contributes significantly to local economic development by providing accessible funding for micro, small, and medium-sized firms (MSMEs). The cooperative provides financing through relatively straightforward procedures and reasonable payback plans, allowing members to receive business capital without incurring significant financial difficulties. This study confirms Hanggana et al. (2023). notion that Islamic savings and loan cooperatives contribute to equitable economic empowerment by offering cheap financial services to populations who frequently lack access to official banking institutions. As a result, the cooperative not only acts as a financial intermediary, but also as a tool for increasing financial inclusion and enhancing the resilience of local MSMEs.

The analysis also demonstrates that the cooperative operates on the principles of independence, mutual cooperation, and member engagement, which are congruent with the goals of Indonesian cooperatives outlined in Law No. 25 of 1992. Members actively participate in cooperative activities and communicate effectively with cooperative personnel, which promotes trust and organizational sustainability. These findings are consistent with Yunus et al. (2023), who claimed that member engagement and institutional capability are critical components of successful cooperative empowerment. A cooperative that fosters active member participation is more likely to improve members' business performance while also increasing social capital in the community.

Another significant conclusion is that the cooperative helps to improve members' well-being by facilitating company continuity and offering prospects for expansion. Easier access to financing allows members to sustain and grow their businesses, resulting in more job possibilities in the local economy. This finding is consistent with Kurniawati (2022), who proposed that community-based cooperative development improves long-term local economic growth by assisting small companies and raising household income. Unlike prior research, which focused mostly on financial performance or organizational management, this study emphasizes Islamic cooperatives' broader socioeconomic contributions, particularly in improving community welfare and supporting regional economic growth.

Overall, this study fills a research vacuum noted in prior literature by giving empirical evidence of the multifaceted role of the Tunas Artha Mandiri Syariah Cooperative in Singaparna, Tasikmalaya Regency. Beyond banking services, the cooperative promotes economic empowerment through accessible financing, member engagement, and support for MSME development. These findings imply that strengthening Islamic cooperatives can be a successful method for supporting long-term community-based economic growth. As a result, governments and cooperative management should continue to improve cooperative governance, increase financial services, and provide entrepreneurial support programs to optimize long-term socioeconomic advantages for members and the community.

CONCLUSION AND RECOMMENDATION

Conclusion

This study concludes that the Tunas Artha Mandiri Syariah Cooperative plays an important role in empowering micro, small, and medium-sized companies (MSMEs) and enhancing the well-being of its members and the surrounding community in Singaparna, Tasikmalaya Regency. The cooperative helps members grow their enterprises, increase their household income, and enhance their overall economic well-being by providing accessible and inexpensive finance. Beyond financial assistance, the cooperative helps to local economic development by establishing job opportunities, encouraging entrepreneurship, and building human resource capacity through community-based economic activities. These findings show that Islamic savings and loan cooperatives serve not only as financial institutions, but also as strategic drivers of long-term local economic empowerment.

This study adds to the existing literature by giving actual evidence that the role of Islamic cooperatives goes beyond financial success and organizational management. The findings show that cooperative finance, member participation, and community-oriented services all improve economic resilience and social welfare. As a result, developing Islamic cooperatives can be a successful method for promoting inclusive and sustainable regional economic growth, especially in locations where MSMEs are the backbone of the local economy.

Recommendation

Several recommendations are made to increase the efficiency and long-term viability of cooperative enterprises. To ensure financial sustainability and reduce default risk, the cooperative should first strengthen its credit monitoring system by encouraging members to be more disciplined in repaying loans. Second, regular monitoring and evaluation of members' company development should take place to verify that funding is used wisely and contributes to business growth. Third, the cooperative should establish a more rigorous and professional borrower selection procedure based on transparent eligibility criteria and creditworthiness assessments in order to decrease procedural inconsistencies and improve financing quality.

In addition, the cooperative is encouraged to grow non-financial services like as entrepreneurial training, financial literacy programs, digital marketing assistance, and business mentoring to help members improve their competitiveness and company performance. Future research should look at the long-term socioeconomic impacts of Islamic cooperatives using quantitative or mixed-method approaches, as well as compare the success of various Islamic cooperatives across areas. Such research would provide more empirical information to support policies targeted at building cooperative institutions and supporting long-term community-based economic development.

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