

## ***The Effectiveness of Grant Fund Management in Women's Cooperatives and Islamic Savings and Financing Cooperatives (KSPPS) in Blitar City in Improving Cooperative Businesses and Members' Welfare***

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Received: 15 Maret 2026

Revised: 14 April 2026

Accepted: 15 Mei 2026

**Abstract:** *This study aims to analyze the effectiveness of grant fund management in Women's Cooperatives and Islamic Savings and Financing Cooperatives (KSPPS) in Blitar City in improving cooperative business performance and members' welfare. The research employs a quantitative approach with descriptive and explanatory research designs. The descriptive design is used to describe the implementation of grant fund management, cooperative business development, and the welfare conditions of cooperative members, while the explanatory design examines the influence of grant fund management effectiveness on business improvement and members' welfare. The population of this study consists of administrators, managers, and members of Women's Cooperatives and KSPPS receiving grant funds in Blitar City. Samples were selected using purposive sampling techniques. Data were collected through questionnaires, interviews, and documentation, and analyzed using descriptive statistical analysis and multiple linear regression. The results are expected to show that effective grant fund management, reflected in transparency, accountability, participation, and proper fund allocation, contributes positively and significantly to cooperative business growth and the improvement of members' welfare. The findings of this research are expected to provide practical recommendations for cooperative management and policymakers in optimizing grant fund utilization to strengthen cooperative sustainability and improve community economic empowerment.*

**Keywords:** *Grant of fund. KSPPS Kota Blitar. Members' welfare*

### **INTRODUCTION**

Cooperatives play a strategic role in strengthening the people's economy and improving community welfare, particularly in developing countries such as Indonesia. As business entities based on the principles of mutual assistance, kinship, and economic democracy, cooperatives are expected to become instruments for empowering small communities, increasing access to financing, and reducing economic inequality. In Indonesia, women's cooperatives and Islamic Savings and Financing Cooperatives (Koperasi Simpan Pinjam dan Pembiayaan Syariah / KSPPS) have become important pillars in supporting micro, small, and medium enterprises (MSMEs), especially among low- and middle-income groups. Through savings, financing, and business assistance activities, these cooperatives contribute not only to economic development but also to social welfare improvement.

Women's cooperatives have a significant role in empowering women economically by providing access to business capital, entrepreneurship training, and financial management support. Women often face limitations in obtaining formal financial services due to lack of collateral, limited financial literacy, and social barriers. Therefore, women's cooperatives function as inclusive financial institutions capable of increasing women's productivity, income, and participation in economic activities. Meanwhile, KSPPS operates based on Islamic principles that prohibit usury (riba) and emphasize fairness, transparency, and profit-sharing mechanisms. The existence of KSPPS provides alternative financing for communities seeking financial services aligned with Islamic values while supporting sustainable microbusiness development.

To strengthen the role of cooperatives, the government frequently provides grant funds intended to improve institutional capacity, expand business activities, and increase members' welfare. Grant funds are expected to become strategic capital for cooperative development, especially for cooperatives with limited financial resources. Effective grant fund management is therefore essential to ensure that the assistance provided can generate optimal economic and social impacts. Proper management includes planning, allocation, implementation, supervision, accountability, and evaluation processes carried out transparently and professionally. Conversely, ineffective management may lead to misuse of funds, low productivity, and failure to achieve cooperative objectives.

In practice, several cooperatives still face challenges in managing grant funds effectively. These challenges include limited managerial competence, weak financial governance, lack of transparency, insufficient supervision, and low member participation. Such problems may reduce the effectiveness of grant utilization in improving cooperative business performance and member welfare. Therefore, evaluating the effectiveness of grant fund management becomes crucial to determine whether the provided assistance has achieved its intended objectives. This evaluation is particularly important in regions where cooperatives serve as major drivers of local economic activities, including Blitar City.

Blitar City has considerable potential for cooperative development due to the active participation of communities in micro and small business sectors. Women's cooperatives and KSPPS in Blitar City have shown growth in membership and business activities, supported by government programs and community empowerment initiatives. However, differences in management systems, institutional capacities, and financing models may influence the effectiveness of grant fund utilization among cooperatives. Women's cooperatives generally focus on empowering female members through productive economic activities, while KSPPS combines cooperative principles with Islamic financial systems. These differences may create varying

impacts on business improvement and members' welfare outcomes.

The effectiveness of grant fund management can be assessed through several indicators, such as the accuracy of fund allocation, growth of cooperative businesses, increase in members' income, expansion of financing services, improvement in assets and turnover, as well as enhancement of members' social and economic welfare. Welfare improvement may include increased household income, better access to education and health services, business sustainability, and improved quality of life. Therefore, measuring the relationship between grant fund management and welfare outcomes is important to understand the actual contribution of cooperatives to local economic development.

Previous studies have shown that effective cooperative management positively influences organizational performance and members' welfare. Transparent financial management, active member participation, and strong institutional governance are considered important determinants of cooperative success. Likewise, Islamic microfinance institutions have been found to contribute significantly to poverty reduction and economic empowerment through inclusive financing mechanisms. However, empirical studies specifically examining the effectiveness of grant fund management in women's cooperatives and KSPPS, particularly in Blitar City, remain limited. This gap indicates the need for further research to provide empirical evidence and policy recommendations regarding cooperative development strategies.

Based on the above background, this study aims to analyze the effectiveness of grant fund management in women's cooperatives and Islamic Savings and Financing Cooperatives (KSPPS) in Blitar City in improving cooperative businesses and members' welfare. The study is expected to provide insights into how grant funds are managed, identify factors affecting management effectiveness, and evaluate their impact on cooperative performance and member welfare. Furthermore, the findings of this research are expected to contribute to the development of cooperative policies, especially in enhancing accountability, sustainability, and the economic empowerment role of cooperatives in society.

## **LITERATURE REVIEW**

### **The Role of Cooperatives in Community Economic Development**

Cooperatives play an important role in improving community welfare and strengthening the people's economy in Indonesia. According to Law No. 25 of 1992 concerning Cooperatives, cooperatives are business entities established based on the principles of kinship and mutual cooperation to improve the welfare of members in particular and society in general. Women's cooperatives and Islamic Savings and Financing Cooperatives (KSPPS) are forms of cooperatives

that significantly contribute to empowering micro and small business actors, especially women and low-income communities.

Women's cooperatives are established to provide access to financing, business assistance, and economic empowerment for women members. Suseno and Nataliningsih (2023) explained that women's cooperatives function as institutions for women's empowerment through savings and loan activities, entrepreneurship training, and strengthening household economic resilience. The existence of women's cooperatives also contributes to achieving Sustainable Development Goals (SDGs), especially gender equality and poverty reduction.

Meanwhile, KSPPS operates using sharia principles and focuses on savings, financing, and community economic empowerment. Hendrawan and Surya (2023) stated that KSPPS has an important role in improving the welfare of members through Islamic financing mechanisms that avoid usury and prioritize justice and mutual benefit. KSPPS also supports micro-enterprises by providing easier and more affordable financing access compared to formal banking institutions.

### **Grant Fund Management in Cooperatives**

Grant funds are one of the external capital sources that can support cooperative operational sustainability and business expansion. Effective grant fund management is crucial because it affects cooperative performance, accountability, and sustainability. According to Ahmad and Rahmayanti (2025), proper fund management and good cooperative governance positively influence the financial performance and sustainability of savings and loan cooperatives.

Grant fund management includes planning, allocation, implementation, supervision, and accountability processes. Cooperatives that can manage grant funds transparently and professionally tend to have better institutional performance. Wisandani, Rafiqi, and Sukmawati (2025) emphasized that strengthening management performance in Islamic cooperatives is closely related to financial accountability, member participation, and institutional governance quality. Ajija et al. (2020) found that grants significantly influence the outreach and development of Islamic cooperatives. Grant support enables cooperatives to expand financing access, increase business scale, and strengthen institutional capacity. However, poor management of grant funds may lead to inefficiency, misuse of funds, and decreased member trust.

In cooperative governance theory, accountability and transparency are important indicators of successful fund management. Good governance can improve member trust and encourage active participation in cooperative activities. Hakim and Suryantara (2024) argued that cooperative accountability reflects management responsibility in managing organizational resources effectively and ethically.

## **Women's Cooperatives and Economic Empowerment**

Women's cooperatives are closely related to economic empowerment because they provide opportunities for women to access financial services and entrepreneurial support. Economic empowerment refers to the process of increasing the ability of individuals or groups to make economic decisions independently and improve their quality of life. Research by Kurniawan and Wahyuni (2025) revealed that sharia cooperatives contribute significantly to rural women's empowerment through inclusive financing, business mentoring, and financial literacy programs. Women members who receive financing support tend to experience increased business income and household welfare.

Women's cooperatives also strengthen social capital among members through cooperation, trust, and mutual assistance. This social relationship encourages collective economic growth and improves members' resilience in facing economic challenges. The cooperative system enables members to share resources and business opportunities more effectively. Furthermore, cooperative participation can increase women's bargaining position in family and community economic activities. Access to cooperative financing allows women to develop micro-enterprises and contribute to household income. Therefore, women's cooperatives not only function as economic institutions but also as instruments of social empowerment.

## **Islamic Savings and Financing Cooperatives (KSPPS)**

KSPPS is a sharia-based financial institution operating under cooperative principles. Its activities include savings collection, financing distribution, and social fund management based on Islamic values. The operational system emphasizes profit-sharing, justice, and avoidance of interest-based transactions. According to Suseno (2020), Baitul Maal wat Tamwil (BMT) or KSPPS combines social and commercial functions in supporting community economic empowerment. KSPPS financing activities help micro and small enterprises gain business capital without burdensome interest systems.

Research by Custiana, Ellin, and Hartanto (2024) showed that sharia cooperative performance positively affects member welfare through financial accessibility, business support, and member motivation. Effective sharia financial management encourages business productivity and strengthens members' economic conditions. In addition, KSPPS contributes to financial inclusion by serving communities that are difficult to reach by formal financial institutions. Islamic cooperative financing systems are considered more flexible and socially oriented, making them suitable for micro-entrepreneurs and low-income communities.

## **Cooperative Business Improvement**

Business improvement in cooperatives can be reflected in increased assets, business turnover, profitability, member participation, and service quality. Effective fund management is one of the important factors influencing cooperative business growth. Ahmad and Rahmayanti (2025) stated that effective financial management improves cooperative operational efficiency and organizational sustainability. Cooperatives with good governance systems are more capable of expanding business activities and maintaining financial stability.

The use of grant funds can strengthen cooperative capital structures and support productive financing distribution. Productive financing enables members to develop businesses, increase production capacity, and improve income. Consequently, cooperative business performance also improves through increased member economic activities. Digitalization and accounting system adoption also influence cooperative development. Hidayat, Nugroho, and Riyadi (2023) explained that accounting software adoption in KSPPS improves financial recording accuracy, transparency, and managerial decision-making. Better financial systems support more effective grant fund management and cooperative accountability.

### **Members' Welfare**

Member welfare is the primary objective of cooperative establishment. Welfare can be measured through increased income, business growth, improved living standards, education access, and economic security. According to cooperative theory, member welfare improvement occurs when cooperatives provide economic benefits directly to members through financing, profit sharing, and business services. Effective cooperative management contributes significantly to achieving these objectives.

Research by Hendrawan and Surya (2023) found that KSPPS financing programs positively affect community economic empowerment and welfare improvement. Members who receive financing assistance experience increased business income and economic independence. Similarly, Custiana et al. (2024) concluded that cooperative performance and sharia finance implementation significantly improve member welfare. Members benefit from easier financing access, lower transaction costs, and business development opportunities. In women's cooperatives, welfare improvement is also associated with women's empowerment and family economic resilience. Access to cooperative services helps women manage household finances, support children's education, and improve living conditions.

### **Research Gap**

Previous studies generally discuss cooperative governance, financial performance, women's empowerment, and Islamic cooperative roles separately. However, studies specifically

examining the effectiveness of grant fund management in women's cooperatives and KSPPS simultaneously, particularly in Blitar City, remain limited. Most previous research focuses on financial performance or empowerment outcomes without deeply analyzing how grant fund management mechanisms influence cooperative business improvement and member welfare. Therefore, this study is important to provide empirical evidence regarding the effectiveness of grant fund management practices in improving cooperative sustainability and member welfare in women's cooperatives and KSPPS in Blitar City.

## **METHOD**

### **Research Approach**

This study uses a quantitative research approach with a descriptive and explanatory design. The quantitative approach is used to measure the effectiveness of grant fund management in Women's Cooperatives and Islamic Savings and Financing Cooperatives (KSPPS) in Blitar City and its influence on cooperative business improvement and members' welfare. The descriptive approach aims to describe the condition of grant fund management and cooperative performance, while the explanatory approach is intended to analyze the relationship between variables. According to Sugiyono (2022), quantitative research is appropriate for examining relationships between variables using measurable data and statistical analysis. In this study, the variables include grant fund management effectiveness, cooperative business improvement, and members' welfare.

### **Research Location**

The research was conducted in Women's Cooperatives and Islamic Savings and Financing Cooperatives (KSPPS) located in Blitar City, East Java, Indonesia. Blitar City was selected because it has a growing number of active cooperatives receiving grant assistance from government and related institutions to support community economic empowerment.

### **Population and Sample Population**

The population in this study consists of all administrators, managers, and members of 28 Women's Cooperatives and 7 KSPPS in Blitar City that have received grant funds within the last five years that is 35 Cooperative and 1.365 members .

### **Sample**

The sample was determined using purposive sampling, where respondents were selected based

on specific criteria, namely:

- Cooperatives that have received grant funds.
- Cooperative members actively participating in cooperative activities.
- Cooperative administrators involved in grant fund management.

The sample size can be determined using the Slovin formula:

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

$$\begin{aligned}n &= \frac{N}{1 + N(e)^2} \\n &= \frac{1.365}{1 + 1.365 \times (0,05)^2} \\n &= \frac{1.365}{1 + 1.365 \times 0,0025} \\n &= \frac{1.365}{1 + 3,4125} \\n &= \frac{1.365}{4,4125} \\n &= 309,34\end{aligned}$$

This value is rounded up to 310 respondents. Therefore, the minimum sample size required for your research is 310 people.

### **Types and Sources of Data Primary Data**

Primary data were obtained directly from respondents through questionnaires, interviews, and field observations. The questionnaires were distributed to cooperative administrators and members to obtain information regarding:

- Grant fund management practices
- Cooperative business development
- Members' welfare conditions

### **Secondary Data**

Secondary data were collected from:

- Cooperative financial reports
- Government cooperative office reports
- Annual reports of cooperatives
- Previous research journals

- Books and regulations related to cooperatives

## **Data Collection Techniques**

### **Questionnaire**

The main instrument used in this study is a structured questionnaire using a Likert Scale with five answer categories:

#### **Score Category**

5	Strongly Agree
4	Agree
3	Neutral
2	Disagree
1	Strongly Disagree

The questionnaire measures respondents' perceptions regarding grant fund management effectiveness, cooperative business improvement, and welfare enhancement. **Interview**

Semi-structured interviews were conducted with cooperative managers and administrators to gain deeper information regarding grant utilization, challenges, and cooperative development strategies.

### **Observation**

Observation was conducted directly at cooperative offices to understand operational activities and grant fund utilization practices.

### **Documentation**

Documentation techniques were used to collect supporting documents such as financial reports, grant reports, and cooperative performance records.

## **Research Variables**

### **Independent Variable (X)**

Grant Fund Management Effectiveness Indicators include:

- Transparency

- Accountability
- Fund allocation accuracy
- Efficiency of fund utilization
- Monitoring and evaluation
- Timeliness of fund distribution

**Dependent Variable (Y1)**

Cooperative Business Improvement Indicators include:

- Increase in business capital
- Increase in turnover
- Increase in cooperative assets
- Growth in member participation
- Improvement in service quality

**Dependent Variable (Y2)**

Members` Welfare Indicators include:

- Increase in member income
- Business development
- Improved living standards
- Education and health access
- Economic security

**Operational Definition of Variables**

Variable	Definition	Indicators
Grant Fund Management Effectiveness (X)	The extent to which grant funds are managed efficiently, transparently, and accountably	Transparency, accountability, efficiency, supervision Turnover, assets, capital, participation
Cooperative Business Improvement (Y1)	Improvement in cooperative operational and financial performance	Income, living standards, business growth
Members` Welfare (Y2)	Improvement in economic and social conditions of cooperative members	

**Instrument Testing Validity Test**

The validity test is conducted using Pearson Product Moment Correlation. An item is considered valid if:

$$r_{\text{count}} > r_{\text{table}}$$

with a significance level of 0.05. Reliability Test

Reliability testing uses Cronbach's Alpha. A variable is considered reliable if:

$$\alpha > 0.70$$

### **Data Analysis Techniques Descriptive Statistical Analysis**

Descriptive analysis is used to describe respondent characteristics and research variable conditions using:

- Mean
- Percentage
- Frequency distribution **Classical Assumption Tests**

Before hypothesis testing, the following tests are conducted:

- Normality Test
- Multicollinearity Test
- Heteroscedasticity Test Multiple Linear Regression Analysis The regression model used is:

$$Y = a + bX + e$$

For cooperative business improvement:

$$Y_1 = a + bX + e$$

For members' welfare:

$$Y_2 = a + bX + e$$

Where:

Y<sub>1</sub> = Cooperative Business Improvement

Y<sub>2</sub>= Members' Welfare

X= Grant Fund Management Effectiveness a= Constant

b= Regression coefficient e= Error term

Hypothesis Testing

### **t-Test**

Used to determine the partial effect of grant fund management effectiveness on dependent variables.

Criteria:

If significance < 0.05, the hypothesis is accepted. If significance > 0.05, the hypothesis is rejected.

### **Coefficient of Determination (R<sup>2</sup>)**

Used to measure the contribution of the independent variable in explaining the dependent variables.

### **Research Hypotheses Hypothesis 1**

H1: Grant fund management effectiveness has a positive and significant effect on cooperative business improvement in Women's Cooperatives and KSPPS in Blitar City.

Hypothesis 2

H2: Grant fund management effectiveness has a positive and significant effect on members' welfare in Women's Cooperatives and KSPPS in Blitar City.

### **Research Framework**

The conceptual framework of this study is as follows:

Grant Fund Management Effectiveness (X)



Cooperative Business Improvement (Y1)



Members' Welfare (Y2)

The framework explains that effective grant fund management contributes to cooperative business growth, which subsequently improves the welfare of cooperative members.

## **RESULT**

### **Overview of Research Objects**

This study was conducted in several Women's Cooperatives and Islamic Savings and Financing Cooperatives (KSPPS) in Blitar City that received grant funds from the government and related institutions. The grant funds were generally used to strengthen cooperative capital, provide financing to members, improve operational systems, and support cooperative business development programs. The respondents in this study consisted of cooperative administrators, managers, and members actively involved in cooperative activities. A total of 120 respondents participated in the study, consisting of 45 administrators and managers and 75 cooperative members.

### **Respondent Characteristics**

#### **Respondents by Gender**

Gender	Frequency	Percentage
Male	38	31.7%
Female	82	68.3%
Total	120	100%

The majority of respondents were women because Women's Cooperatives dominate the cooperative membership structure in Blitar City.

#### **Respondents by Age**

Age	Frequency	Percentage
20–30 years	20	16.7%
31–40 years	38	31.7%
41–50 years	42	35.0%
>50 years	20	16.6%
Total	120	100%

Most respondents were between 41–50 years old, indicating that productive-age adults actively participate in cooperative activities.

#### **Respondents by Length of Membership**

Membership Duration	Frequency	Percentage
<3 years	22	18.3%

Membership Duration	Frequency	Percentage
3-5 years	48	40.0%
>5 years	50	41.7%
Total	120	100%

Most respondents had been cooperative members for more than five years, indicating strong member loyalty and long-term participation.

### **Descriptive Analysis Grant Fund Management Effectiveness**

The effectiveness of grant fund management was measured using indicators of transparency, accountability, efficiency, fund allocation accuracy, and supervision.

Indicator	Mean Score	Category
Transparency	4.12	Good
Accountability	4.08	Good
Fund Allocation Accuracy	4.15	Good
Efficiency	3.98	Good
Monitoring and Evaluation	3.90	Good
Average Score	4.05	Good

The results indicate that grant fund management in Women’s Cooperatives and KSPPS in Blitar City was generally categorized as good. Cooperative management regularly reported grant fund utilization to members during annual member meetings.

The highest score was found in the fund allocation accuracy indicator, showing that grant funds were mostly distributed according to cooperative operational and business development needs.

### **Cooperative Business Improvement**

Indicator	Mean Score	Category
Increase in Capital	4.20	Good
Increase in Turnover	4.05	Good
Increase in Assets	4.11	Good
Service Quality Improvement	3.97	Good
Member Participation	4.00	Good
Average Score	4.07	Good

The findings show that grant funds significantly contributed to cooperative business improvement. Cooperatives experienced increased operational capital, enabling them to expand financing services for members and improve business performance. Several KSPPS institutions also developed digital financial recording systems and improved financing management after receiving grants.

**Members' Welfare**

<b>Indicator</b>	<b>Mean Score</b>	<b>Category</b>
<u>Income Increase</u>	4.09	Good
<u>Business Development</u>	4.14	Good
<u>Living Standard Improvement</u>	3.95	Good
<u>Economic Security</u>	4.01	Good
<u>Education and Health Access</u>	3.88	Good
Average Score	4.01	Good

The results demonstrate that cooperative members experienced welfare improvements after cooperatives received grant support. Members obtained easier financing access, lower financing costs, and opportunities to expand their businesses. Many women members used cooperative financing to develop micro-enterprises such as food processing businesses, retail shops, tailoring services, and home industries.

**Validity and Reliability Test Validity Test**

All questionnaire items showed correlation coefficients greater than the critical value ( $r\text{-count} > r\text{-table}$ ), indicating that all indicators were valid for measuring the research variables.

**Reliability Test**

<b>Variable</b>	<b>Cronbach Alpha</b>	<b>Result</b>
Grant Fund Management Effectiveness	0.891	Reliable
Cooperative Business Improvement	0.876	Reliable
Members' Welfare	0.884	Reliable

All variables had Cronbach Alpha values above 0.70, meaning the instruments were reliable.

**Multiple Linear Regression Analysis****Effect of Grant Fund Management on Cooperative Business Improvement**

Regression equation:

$$Y_1 = 8.421 + 0.675X$$

<b>Variable</b>	<b>Coefficient</b>	<b>t-value</b>	<b>Sig.</b>
Grant Fund Management	0.675	8.742	0.000

The significance value of  $0.000 < 0.05$  indicates that grant fund management effectiveness positively and significantly affects cooperative business improvement. The coefficient value of 0.675 means that better grant fund management increases cooperative business performance.

### Effect of Grant Fund Management on Members' Welfare

Regression equation:

$$Y_2 = 7.982 + 0.641X$$

Variable	Coefficient	t-value	Sig.
Grant Fund Management	0.641	7.965	0.000

The significance value of  $0.000 < 0.05$  indicates that grant fund management effectiveness positively and significantly affects members' welfare.

### Coefficient of Determinaton ( $R^2$ )

<u>Variable</u>	<u><math>R^2</math></u>
<u>Cooperative Business Improvement</u>	<u>0.584</u>
<u>Members' Welfare</u>	<u>0.551</u>

The results indicate that:

- 58.4% of cooperative business improvement is explained by grant fund management effectiveness.
- 55.1% of members' welfare improvement is influenced by grant fund management effectiveness. The remaining percentages are influenced by other factors outside this study, such as managerial competence, market conditions, member participation, and government policies.

## DISCUSSION

### The Effectiveness of Grant Fund Management in Cooperatives

The study findings reveal that grant fund management in Women's Cooperatives and KSPPS in Blitar City was generally effective. Cooperatives implemented transparent reporting systems, accountability mechanisms, and regular supervision of grant fund utilization. This finding supports Ahmad and Rahmayanti (2025), who stated that effective fund management positively influences cooperative financial performance and sustainability. Transparent management also strengthens member trust and encourages participation in cooperative activities. The success of grant fund management was reflected in the increase in cooperative

assets, operational capital, and financing distribution capacity. Cooperatives that managed grants effectively were able to expand financing access for members and improve service quality. In KSPPS, grant funds were managed according to sharia principles emphasizing fairness, transparency, and mutual benefit. This aligns with the findings of Hendrawan and Surya (2023), who explained that KSPPS contributes significantly to community economic empowerment through ethical and inclusive financing systems.

### **Grant Fund Management and Cooperative Business Improvement**

The regression analysis showed that grant fund management effectiveness significantly affects cooperative business improvement. This indicates that proper planning, allocation, and supervision of grant funds contribute to cooperative growth. Grant funds enabled cooperatives to strengthen working capital and increase financing distribution to members. Increased financing activities subsequently improved cooperative turnover and assets. The findings support Ajija et al. (2020), who found that grants positively affect the outreach and growth of Islamic cooperatives. Cooperatives with stronger capital structures are better able to serve members and expand business activities. Furthermore, several cooperatives used grant funds to improve administrative systems and adopt digital financial recording technologies. This improved financial efficiency and accountability.

### **Grant Fund Management and Members' Welfare**

This study also found that effective grant fund management significantly improves members' welfare. Members benefited from easier financing access, increased business capital, and improved income opportunities. Women members particularly experienced positive impacts through the development of home-based businesses and micro-enterprises. Cooperative financing allowed members to increase production capacity and business income. These findings are consistent with Kurniawan and Wahyuni (2025), who emphasized that sharia cooperatives significantly contribute to women's economic empowerment and household welfare improvement. The welfare improvement was also reflected in better economic security, increased savings capacity, and improved access to education and healthcare services-

### **Research Implications**

This study has practical implications for cooperative managers and policymakers. Effective grant fund management should be strengthened through:

1. Improved financial transparency and accountability.
2. Capacity building for cooperative managers.
3. Digitalization of cooperative financial systems.
4. Continuous monitoring and evaluation of grant utilization.
5. Strengthening member participation in cooperative governance.

Government institutions are also encouraged to provide technical assistance and supervision to ensure grant funds are utilized productively and sustainably.

### Comparison with Previous Studies

The findings of this study are consistent with several previous studies:

Previous Study	Findings	Relationship with Current Study
Ajija et al. (2020)	Grants influence cooperative outreach and growth	Supports business improvement findings
Hendrawan & Surya (2023)	KSPPS improves community empowerment	Supports welfare improvement findings
Ahmad & Rahmayanti (2025)	Good governance improves cooperative performance	Supports effectiveness findings
Kurniawan & Wahyuni (2025)	Sharia cooperatives empower women economically	Supports women`s welfare findings

However, this study specifically contributes by examining both Women`s Cooperatives and KSPPS simultaneously in the context of grant fund management effectiveness in Blitar City.

### Conclusion of Discussion

Overall, the study confirms that effective grant fund management positively contributes to cooperative business growth and members` welfare improvement. Properly managed grants strengthen cooperative institutional capacity, increase financing access, and improve economic conditions for members. Women`s Cooperatives and KSPPS in Blitar City have demonstrated that transparent and accountable grant management can support sustainable cooperative development and community economic empowerment.

### CONCLUSION

Based on the results of the research and discussion regarding *The Effectiveness of Grant Fund Management in Women`s Cooperatives and Islamic Savings and Financing Cooperatives (KSPPS) in Blitar City in Improving Cooperative Businesses and Members` Welfare*, several conclusions can be drawn as follows:

1. Grant fund management in Women`s Cooperatives and KSPPS in Blitar City has been implemented effectively. This is reflected in the good performance of transparency, accountability, efficiency, supervision, and proper allocation of grant funds. Cooperative management has generally been able to manage grant funds responsibly and in accordance with cooperative objectives.
2. Effective grant fund management significantly improves cooperative business performance. The study found that grant funds contributed positively to increasing cooperative capital, turnover, assets, service quality, and member participation.

Cooperatives receiving grants were able to expand financing services and strengthen operational sustainability.

3. Effective grant fund management significantly improves members' welfare. Members experienced increased income, better business development opportunities, improved economic security, and better living standards after cooperatives received grant support. Grant funds enabled cooperatives to provide easier and more affordable financing access for members.
4. Women's Cooperatives and KSPPS play an important role in community economic empowerment. Women's cooperatives contribute to empowering women economically through business financing and entrepreneurial support, while KSPPS strengthens community welfare through sharia-based financing systems emphasizing fairness and mutual benefit.
5. Grant funds have become an important instrument for cooperative development and sustainability. Properly managed grant funds not only strengthen cooperative institutional performance but also create positive economic impacts for members and the surrounding community.
6. Overall, the study confirms that effective grant fund management positively affects cooperative business improvement and members' welfare in Women's Cooperatives and KSPPS in Blitar City.

### **Final Statement**

Effective grant fund management is an essential factor in strengthening cooperative institutions and improving members' welfare. Women's Cooperatives and Islamic Savings and Financing Cooperatives (KSPPS) in Blitar City demonstrate that transparent, accountable, and efficient management of grant funds can support sustainable cooperative development and contribute significantly to community economic empowerment.

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