

INTERNATIONAL JOURNAL OF MULTIDISCIPLINARY: APPLIED BUSINESS AND EDUCATION RESEARCH

2022, Vol. 3, No. 7, 1407 – 1412

<http://dx.doi.org/10.11594/ijmaber.03.07.19>

Research Article

Effectiveness of the Distribution of KUR (People's Business Credit) for the Development of Micro, Small and Medium Enterprises in Pangkalpinang City

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Article history:

Submission July 2022

Revised July 2022

Accepted July 2022

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ABSTRACT

People's Business Credit (KUR) is a credit guarantee program, where this program is channeled to MSMEs who need additional loan funds for their businesses so that they can increase business productivity. After the program runs, the guarantee institution ensures that the program has been running productively or effectively so that the target for the distribution of the KUR program is achieved. The purpose of this study was to analyze the effectiveness of the distribution of People's Business Credit (KUR) and its effect on improving the performance of micro and small enterprises. The type of research used in this research is descriptive research. Descriptive research pays attention to the actual problem as it was at the time the research took place. Through descriptive research, researchers try to describe events and events that are the center of attention without special treatment for these events. The last stage in data analysis is drawing conclusions and verification. The results of this study indicate that KUR in the city of Pangkalpinang can be said to be effective, because it has met the requirements set by the government.

Keywords: *distribution, effectiveness, Pangkalpinang*

Introduction

The current aspect that is carried out by the community in order to improve the economic sector and improve the quality of life for the better is by building their own personal business, where the business is included in several groups. One of these groups is Micro, Small and Medium Enterprises (MSMEs). The Micro, Small and Medium Enterprises (MSME) sector is one of the community activities that has a large enough impact to help the growth and development of the economy for developing

countries. With the existence of Small, Micro and Medium Enterprises (MSMEs) can absorb labor and contribute foreign exchange for the country. For Micro, Small and Medium Enterprises (MSMEs) the factor that can increase income is the amount of business capital from the Micro, Small and Medium Enterprises (MSMEs) (Antara & Luh Putu Aswitari, 2016). Business capital is a basic and important aspect for business actors to run or build a Micro, Small and Medium Enterprise (MSME) (Anggraeni et al., 2013).

How to cite:

Julia & Khairiyansyah (2022). Effectiveness of the Distribution of KUR (People's Business Credit) for the Development of Micro, Small and Medium Enterprises in Pangkalpinang City. *International Journal of Multidisciplinary: Applied Business and Education Research*. 3 (7), 1407 – 1412. doi: 10.11594/ijmaber.03.07.19

The role of Micro, Small and Medium Enterprises (MSMEs) is currently important, because Micro, Small and Medium Enterprises (MSMEs) are not only a place of livelihood for business actors or many people but also as a place or provider of employment opportunities for people with low education. but have the ability and skills (SUGIANTI, 2019). According to (Wijayanto, 2013) suggests that most small businesses do not have a strategy or lack of strategists. This is what causes business Micro, Small and Medium Enterprises (MSMEs) are very difficult to develop. The performance of the Micro, Small and Medium Enterprises (MSMEs) is highly dependent on two main fundamental factors, namely external factors in the form of government policies, social and cultural aspects, economic funds and also the role of the related environment around Micro, Small and Medium Enterprises (MSMEs). SMEs such as government, universities, private companies as well as community social institutions.

In addition, internal business environment factors also have a performance impact for these Micro, Small and Medium Enterprises (MSMEs). So that a business or action is needed to develop, promote and expand Micro, Small and Medium Enterprises (MSMEs) for the national mass economy. By conducting coaching

based on limited knowledge, limited information and limited funds used as business capital for Micro, Small and Medium Enterprises (MSMEs) (Siagian et al., 2019).

The inauguration was also supported by Presidential Instruction Number 5 of 2008 concerning the focus on the 2008-2009 economic program to guarantee or accelerate the implementation of the People's Business Credit (KUR). Some of the discussions include the settlement of non-performing loans for Micro, Small and Medium Enterprises (MSMEs) as well as notification of Micro, Small and Medium Enterprises (UMKM) loans with a nominal value of up to Rp. 500,000,000.-. The Inpres is also supported by the Minister of Finance Regulation No. 135/pmk.05/2008 concerning amendments to the Minister of Finance Regulation No. 1259/pmk.05/2011 regarding the guarantee facility for People's Business Credit (KUR). To find out the People's Business Credit (KUR) is running according to expectations or not in accordance with the predetermined stages, seen from the target manager determined by the government to help Micro, Small and Medium Enterprises (MSMEs) or the government community in collaboration with milli company.

PENYALURAN KUR BERDASARKAN PROVINSI

No	Provinsi	Total Penyaluran KUR	
		Plafon	Jml. Debitur
1	Nangroe Aceh Darussalam	727.754.768.504	17.377
2	Sumatera Utara	4.062.473.358.771	102.257
3	Sumatera Barat	2.600.787.532.000	56.101
4	Riau	2.554.275.979.440	46.462
5	Jambi	1.767.953.532.393	29.349
6	Sumatera Selatan	2.658.666.124.160	51.754
7	Bengkulu	1.161.810.424.763	25.406
8	Lampung	2.517.796.672.500	75.298
9	Kepulauan Riau	407.317.600.200	8.976
10	Kepulauan Bangka Belitung	528.352.330.407	10.485
11	DKI Jakarta	2.416.066.919.959	49.315
12	Jawa Barat	12.297.163.979.684	384.487
13	Jawa Tengah	16.314.864.165.003	489.255
14	DI Yogyakarta	1.812.829.141.088	50.483
15	Jawa Timur	15.765.104.357.880	486.244
16	Banten	1.526.117.391.166	36.384
17	Bali	2.230.870.082.649	46.982

Figure 1. KUR Distribution by Province 2021

Based on the 2016-2017 Census, MSEs dominate the number of businesses in the Bangka Belitung Islands Province, amounting to 98.74 percent. However, less than 10 percent have admitted to using KUR funds. (SIKP. Kemenkeu.go.id). Regarding the absorption of KUR funds in the Province of the Bangka Belitung Islands, which is still low, this is due to various factors such as business actors not getting information about the requirements to get KUR. In addition, business actors do not have collateral to borrow KUR funds. For this reason, local governments must have a role in increasing the absorption of KUR funds. The role of local governments is to upload data on potential KUR recipients to be financed by KUR into SIKP. In addition, the role of local governments must also identify data on prospective KUR recipients uploaded by KUR distributors and guarantee companies into SIKP.

Literature Review

According to (Jusuf, 2014) the notion of credit is the ability to carry out a purchase or make a loan with a promise, the payment will be carried out at the agreed time period. The other definition of credit is the provision of money or bills that can be equated with it based on an agreement or loan agreement between the bank and other parties which requires the borrower to carry out the amount of the price in return. In daily practice, credit loans are stated in the form of a written agreement both under the hand and materially. And as a security guarantee, the borrower will fulfill obligations and submit collateral both material and non-material.

In the above understanding it can be explained that credit can be in the form of money or bills whose value is measured in money, for example, a bank finances credit for the purchase of a house or car. Then there is an agreement between the bank (creditor) and the credit recipient customer (debtor), with the credit agreement covering the rights and obligations of each party including the period, interest set together and the issue of sanctions if the debtor breaks his promise to the agreement that has been made.

Credit comes from the word *credere* which means trust, meaning that if someone gets

credit, it means they have gained trust. As for the lender, it means giving confidence to someone that the money lent will definitely come back. The definition of "credit" is Banking Law Number 10 of 1998 is "the provision of money or claims that can be equated with it, based on an agreement or loan agreement between a bank and another party which requires the borrower to repay his debt after a certain period of time with interest" (Fransiska, 2016).

People's Business Credit (KUR) is one type of credit that is formed as a result of cooperation with the government. This credit is given through banks as creditors or providers of funds for people who want to build their own businesses. People's Business Credit (KUR) is a loan that is intended for borrowers who want to start their own business but still on a micro, small and medium scale. The government itself has a commitment to help build Micro, Small and Medium Enterprises (MSMEs) and improve people's welfare. One form of this commitment is the opening of credit for business capital for Micro and Small Enterprises (UMK) and cooperatives called People's Business Credit (KUR) which is an alternative for Micro, Small and Cooperatives to obtain business capital. The obstacle that is often faced by Micro, Small and Cooperative entrepreneurs is the problem of capital faced by Micro, Small and Medium entrepreneurs is the problem of capital in developing their business. KUR itself was first launched by President Susilo Bambang Yudhoyono on November 5, 2007

The purpose of launching KUR is to accelerate the development of the real sector and empower MSMEs, to increase access to financing for MSMEs and Cooperatives and to reduce poverty and expand employment opportunities. Basically, KUR is working capital and investment credit provided specifically for productive business units through the program credit guarantee. Individuals, groups or cooperatives can access this program with a maximum credit of IDR 500,000,000. The source of funds is a designated bank with a maximum interest rate of 16 percent per year. The percentage of guaranteed loans is 70 percent of the total credit allocation provided by the bank. The loan period for working capital is a maximum of 3 years and 5 years for investment.

Nationally, the distribution of KUR is mostly directed to the trade, restaurant and hotel sectors which account for 55% of the total KUR distribution, followed by distribution to the agricultural sector by 27% and other sectors by 9%.

Effectiveness is the main element to achieve the goals or targets that have been determined in each organization, activity or program. Called effective if the goal or target is achieved as determined. According to (Wahyuni, 2016), effectiveness is the achievement of mutually agreed targets. The general and most prominent measures of effectiveness are: a. Program success b. Target success c. Satisfaction with the program d. Input and output levels. Thus, effectiveness is defined as a measurement of the achievement of the previously planned goals. Effectiveness, which is defined abstractly as the level of goal attainment, is measured by the formula of the results divided by the goals. Goals that start with an abstract vision can be deduced to become concrete, namely goals or strategies. So a person is said to be effective if it creates or has a purpose as desired. From all these explanations it can be concluded that something can be said to be effective if it is in accordance with what is desired, meaning that the achievement of the intended thing is the achievement of the goal of taking actions to achieve this. Effectiveness can be interpreted as a process of achieving a predetermined goal. A business or activity can be said to be effective if the business or activity has achieved its objectives. If the intended goal is the goal of an agency, the process of achieving that goal is a success in carrying out programs or activities according to the authority, duties and functions of the agency.

Methods

This research is a research that uses a qualitative approach. A qualitative approach is a research and understanding process based on a methodology that investigates a social phenomenon in human problems. In this approach, the researcher emphasizes the socially constructed nature of reality, the close relationship between the researcher and the subject being studied. The type of research used in this research is descriptive research. The method used in this study is a qualitative descriptive

method. Descriptive research is research that seeks to describe a symptom, event, event that occurs. Descriptive research focuses on the actual problem as it was at the time the research took place. Through descriptive research, the researcher tries to describe the events and events that become the center of attention without giving special treatment to these events. The selected reviewer and collects data and information related to the research field.

This study uses a qualitative approach with a phenomenological type. For the needs of data collection, the researchers collected primary data, namely empirical data obtained from informants based on the results of interviews. The informants in this study were the Pangkalpinang City MSME Service, the people receiving People's Business Credit (KUR).

The secondary data contained in this study are data that collected by researchers from various reports or even documents that are written information used in research on the Effectiveness of Business Credit Distribution People (KUR) in Pangkalpinang City. In data collection, observation, interview, and documentation techniques were used and in analyzing the data used data reduction, data presentation and conclusion drawing. Meanwhile, for data validation, three triangulations were used, namely source triangulation, time triangulation and technical triangulation.

Results and Discussion

The KUR program is one of the government programs in collaboration with banks to help the community in improving the business they manage. As presented by Sedarmayanti (2009) suggests that the concept of effectiveness as a measure that provides an overview of how far the target can be achieved. In the process. For the disbursement of People's Business Credit (KUR) funds, there are several conditions that must be provided, including: photocopy of ID card, photocopy of family card, 3x4 photo pass and business certificate from the village. This condition as a form of written evidence so that in the process of receiving funds, each party benefits each other. As well as one of the valid evidence when there is misuse of the data provided. (b) Integration, which is a measurement of the level of an organization's ability to carry

out socialization, communication and consensus development. Integration concerns the socialization process.

Based on the results of interviews with the UMKM Office of Pangkalpinang City, the people receiving People's Business Credit (KUR) very grateful to be able to participate in the socialization of People's Business Credit (KUR) conducted by the Government. There are also several things that can be understood from these activities, including how to receive KUR funds, the conditions for receiving KUR funds and the amount of KUR funds received. In addition, it can also find out the funds received are allocated for what needs as recipients of Micro KUR funds. In addition, because the interest rate issued by the Bank is quite light for the lower class of society, only 7% per year.

The community is also greatly helped by this program. In addition to being able to know the flow and process as well as the conditions for receiving People's Business Credit (KUR) funds, you can also find out the allocation of funds it receives. Even KUR funds issued by Bank BRI have a very light interest rate of only 7% per year, so that it does not burden the debtor. In accordance with the Coordinating Ministerial Regulation Number 9 of 2016 article 13 paragraph 2, it reads "Micro KUR interest rate/margin of 9% (nine percent) effective per year or adjusted to an equivalent interest rate/flat margin/annuity.". This is the maximum flatfon in the application of KUR Micro and BRI Bank interest rates apply 7% as the flat form of interest rates per year. (c) Adaptation, Adaptation is the organization's ability to adapt to its environment. Associated with the suitability of the program implementation with the conditions in the field.

In the process of implementing the People's Business Credit (KUR) program greatly helped by the direct outreach in collaboration with the government. In addition, another supporting factor is indirect socialization through the media mass media or social media to make it easier to provide understanding to the general public and prospective debtors. And the supporting factor is funding. Funds are the main support for this activity, because no matter how many times there are socializations, there

will be no funds for these activities. That's why it is always strived so that no one experiences credit congestion so that credit funds can be turned over.

It appears that many prospective debtors still think that credit funds are a gift from the government so that they do not need to be fully paid off. This thinking error causes credit congestion due to the absence of repayment from the recipient of credit funds. Seeing the problems above, the researcher suggests that the Bank is more aggressive in conducting outreach to prospective debtors or business owners so that there are not many who misinterpret the People's Business Credit (KUR).

Conclusion

Based on the results of the research and discussion presented, it can be concluded that: (1) Effectiveness distribution of People's Business Credit funds (KUR) Pangkalpinang City Achievement of program objectives People's Business Credit (KUR) is required to be related to one another. In this case, the relationship has been established and implemented properly. This program is present as a solution for people who want to develop their business but lack funds. Looking at the condition of this country, it is an adaptation process towards a developed country, so support is needed to support this achievement. The KUR program is one of the government programs in collaboration with banks to assist the community in improving the businesses they manage. The integration or socialization process carried out by the Bank can be said to have been achieved. It can be seen from the socialization that the Bank cooperates with related government parties by presenting small and medium business owners as participants in the activity.

(2) The supporting factors in the implementation of this KUR are socialization and funds. Socialization is an activity or process of interaction between one another to achieve a goal. In the life of socialization is needed between each individual as well as in the life of the state. Even in activities, socialization is needed as a form of introduction to targets so that they can synergize with each other each other.

Acknowledgement

This research is a funding grant from the University of Bangka Belitung so we thank the Institute for Research and Community Service (LPPM) of the University of Bangka Belitung and we also thank the Central Bureau of Statistics of Bangka Regency and the Government of Bangka Regency, Bangka Belitung Islands Province.

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