



The Implementation of the People's Business Credit (KUR) Program on the Welfare of Micro, Small, and Medium Enterprises (UMKM): A Study at BRI Bank, Lingkar Timur Unit Office, Bengkulu City, Indonesia

Heru Purnawan¹

Public Administration, Faculty of Social and Political Sciences, Universitas Prof. Dr. Hazairin, SH, Bengkulu, Indonesia

Email: shane.purnawan@gmail.com

Evsa Wulan Suri², Noprian Saputra³, Henny Aprianty⁴

Public Administration, Faculty of Social and Political Sciences, Universitas Prof. Dr. Hazairin, SH, Bengkulu

Email: ²evsawulansuri@gmail.com, ³nopriansaputra12@gmail.com, ⁴hennyaprianty666@gmail.com

Abstract

One of the initiatives of the Indonesian government to encourage economic activities and business is the People's Business Credit (KUR) program. The purpose of this study is to analyze the implementation of the KUR program using Van Meter and Van Horn's policy implementation model, with variables including the scope and objectives of the policy, resource allocation, characteristics of implementing agents, disposition, and the surrounding environment. This study uses a qualitative method. Data collection is carried out through interviews, observation, and documentation (Sugiyono, 2010). Secondary data used in this study includes documentary studies or literature. The results of the study obtained: 1) The KUR procedure is guided by the Standard Operating Procedure (SOP) and Ministerial Regulation, which serve as guidelines for evaluating the eligibility of prospective borrowers. 2) The loan amount for Micro Enterprises in the KUR program is a maximum of IDR 25 million, while for Small and Medium Enterprises, it is a maximum of IDR 500 million. The majority of KUR providers are state-owned banks. 4) The KUR program is well received by the community, especially customers who need additional business capital. 5) KUR recipients are not on target because there are still many customers who have sufficient economic conditions, such as government officials, business actors, or civil servants. 6) The human resources implementing the KUR program are not permanent and often experience turnover due to work demands. 7) If a KUR customer dies, the program must be continued by his heirs. 8) The human resources implementing the KUR program in the field often do not provide a comprehensive understanding to customers regarding the provisions of the KUR contract, including risks, fines, requirements, and legal agreements.

Keywords: policy implementation, People's Business Credit (KUR), Micro, Small and Medium Enterprises (UMKM)

INTRODUCTION

Welfare is a goal that must be realized, especially in Indonesia. Through a competitive human resource base and efforts to meet the economic needs of the community so that they can become self-reliant and support their respective livelihoods, the government consistently strives to address this issue from one period to the next, with the

hope that the Indonesian people will no longer have to worry about their livelihoods (Purnawan, 2021).

One of the strategies being implemented is a social program involving the allocation of assistance funds to develop the community's economy each year. In an effort to achieve development goals, each region's empowerment of the community's life must be organized systematically.

Corresponding author(s): Heru Purnawan, Email: shane.purnawan@gmail.com

Article history: Received, 29 May 2023; Revised, 10 November 2023; Accepted, 22 November 2023.

To cite this article: Purnawan, H., Suri, E. W., Saputra, N., & Aprianty, H. (2023). The Implementation of the People's Business Credit (KUR) Program on the Welfare of Micro, Small, and Medium Enterprises (UMKM): A Study at BRI Bank, Lingkar Timur Unit Office, Bengkulu City, Indonesia. *JPSI (Journal of Public Sector Innovations)*, 8(1), 50–60. <https://doi.org/https://doi.org/10.26740/jpsi.v8n1.p50-60>

One crucial aspect to consider is the economic potential of the people, which should be optimized through the enhancement of business literacy, entrepreneurship, and technological literacy, enabling development programs to be executed efficiently so that this potential can be fully realized (Purnawan, Triyanto, et al., 2022).

Discussing the issue of alleviating the community's economic problems inevitably involves addressing the potential solutions to the issue of livelihoods, specifically unemployment. In Indonesia, this issue has been a subject of discussion every year, with various solutions aimed at creating job opportunities. However, relying solely on this solution may not be sufficient, given the significant population growth in Indonesia. In 2021, the population reached 272.6 million; in 2022, it was 275.7 million; and in 2023, it reached 278.6 million. Therefore, relying solely on job creation may actually lead to new social inequalities in the future.

The solution offered by the government to the community is to become entrepreneurs, providing opportunities for empowerment both in terms of individual actors and community networks. This solution is the most practical one as it has a positive impact on both social and economic aspects. However, despite running well in terms of implementation and awareness of starting businesses, the main challenge remains the availability of capital to develop and sustain their businesses. Therefore, additional capital is essential for business operators.

One of the solutions offered as an effort to alleviate the economic problems of the community, specifically, is the Micro, Small, and Medium Enterprises (MSME) program accompanied by the implementation of the People's Business Credit Program (KUR). This program is officially recognized as a solution to the issues of loan capital or assistance provided to Micro, Small, and Medium-sized Enterprises (UMKMs) in the form of investment and operational expenses required to run a productive business (Aristanto, 2019). The KUR initiative has been approved by the government as an effort to improve access for UMKMs and enhance the nation's overall economic conditions.

In its implementation, the KUR (Kredit Usaha Rakyat) program involves funding support from the banking sector. The government provides a guarantee of up to 70% against the risks of KUR, while the remaining 30% is borne by the implementing banks. This guarantee is aimed at increasing access to financing for micro, small, and medium-sized enterprises (UMKMs), thereby contributing to the overall improvement of the national economy (Riawan & Kusnawan, 2018). Several banks that have agreed to support the KUR program include Mandiri, BRI, BNI, Bukopin, BTN, and BSM.

In BRI bank, People's Business Credit (KUR) has instalments with different ceilings and interest rates. This table displays the amount of instalments to be paid each

month based on the loan amount granted. The applied interest rate is 6% per year, or 0.2% per month, for a loan of Rp. 5,000,000, the daily interest to be paid is Rp. 13,000.

Based on the table provided, it can be concluded that the KUR program offers relief to customers by providing low interest rates and long repayment periods. This is considered capable of helping improve the welfare of Micro, Small, and Medium Enterprises (UMKMs).

According to (Gustika, 2016) in the journal titled "Appreciating the Economic Influence of People's Business Credit Provision on Community Income," People's Business Credit (KUR) is a form of credit or financing provided to UMKMs in the form of working capital and investment, supported by guarantee facilities for productive activities. Law No. 20 of 2008 regarding UMKMs defines Micro Enterprises as productive economic activities that meet the criteria outlined in the law, while Small Enterprises are independent economic activities that are not part of any organization's subsidiaries or branches.

The KUR program is supported by various regulations and decisions, including Presidential Regulation No. 2 of 2008 regarding Guarantee Institutions, Law No. 20 of 2008 regarding UMKMs, Presidential Instruction No. 6 of 2007 regarding Real Sector Development and Empowerment of UMKMs, Government Regulation No. 7 of 2021 regarding the Facilitation, Protection, and Empowerment of Cooperatives and Micro, Small, and Medium Enterprises, as well as various other agreements and decisions.

The initial observation indicates that many MSME actors do not meet the eligibility criteria for KUR applications due to issues related to the completeness of administrative requirements, such as the absence of business collateral, incomplete business permits, and irregular tax matters. Additionally, potential KUR borrowers who are not the target beneficiaries include individuals who are economically capable, including those with spouses who hold government positions, civil servants, and upper-middle-class entrepreneurs. This situation is not in line with the vision of the KUR program, which aims to provide capital assistance to truly deserving micro, small, and medium-sized enterprises, given that many beneficiaries are still not the intended recipients.

This research aims to provide an in-depth understanding of the implementation of the People's Business Credit Program (KUR) in efforts to enhance economic access for Indonesian society. Through this research, it is expected to gather information and insights regarding the effectiveness and efficiency of the KUR program and the impact it has on UMKMs and the overall economy. The results of this research are anticipated to offer valuable input for the government, financial institutions, and business operators in their endeavours to

improve and balance programs that support the growth and sustainability of UMKMs in Indonesia, particularly in poverty alleviation and the enhancement of social welfare in the community of Bengkulu City.

This research also prioritizes the challenges faced by the community, especially in rural or remote areas, in understanding the use of KUR products, the application procedures, the requirements to be met, and the loan amounts that can be obtained through the KUR Program distributed through banks designated by the government. With the presence of the KUR Program, it is hoped that the balance of UMKMs in Bengkulu City can continue to improve from year to year, in line with the government's goal of enhancing the social welfare of the people in accordance with the principle of social justice for all Indonesian citizens as stated in Pancasila.

This research uses the Implementation Model of Van Meter and Van Horn (Abidin, 2016) as the analytical framework. This model involves four main elements: policy measures and goals, resources, characteristics of implementing agencies, and attitudes/dispositions that influence policy implementation. In addition, this research also considers economic, social, and political environmental factors that can influence the implementation of the KUR Program.

Through in-depth analysis, it is hoped that this research can provide a better understanding of the implementation of the KUR Program in poverty alleviation and the enhancement of social welfare in the community of Bengkulu City. The findings of this research can serve as a reference for the government and relevant institutions in improving the effectiveness and efficiency of the KUR Program, as well as addressing the challenges faced by UMKMs and the general public in utilizing this program.

The results of this research are expected to provide a deeper understanding of the effectiveness of the KUR program in enhancing national economic resilience and provide recommendations for improving the program's success in supporting UMKMs and overall economic growth.

METHODS

The type of research used is Descriptive Research with a qualitative approach. According to (Creswell, 2014) descriptive research is a method used to describe or analyze the results of research but is not used to draw broad conclusions (Creswell, 2018). This is in line with the writer's roadmap, which is to find solutions based on the formulation of appropriate policies for the community in the province of Bengkulu.

This research focuses on the analysis of the People's Business Credit (KUR) Program implementation in Kota Bengkulu with a study of the eastern periphery of Kota Bengkulu. Data collection is carried out through

interviews, observation, and documentation (Sugiyono, 2010). Secondary data used in this study includes documentary studies or literature (Emzir, 2015). Secondary sources are defined as historical sources, biographies, encyclopedias, and other reference books, essays, books, and articles that have been reported or interpreted in written works by others or a second party (Creswell, 2019).

The author used data sources from interviews and observations to conduct the research. Additionally, for supplementary data, the author incorporated information obtained from data displays, documents sourced from Bank BRI and its clients, and several pieces of literature from previous research articles.

Research Instrument" refers to the tools chosen and used by researchers in their activities to collect data systematically and facilitate the research process (Sugiyono, 2010). The instruments used in this research include observation guidelines, interview guides, and field notes.

The research subjects are selected through purposive sampling (Creswell, 2014). Purposive sampling means selecting samples based on the researcher's judgment, but it can also be based on the judgment of experts. The informants of the research are individuals who provide data in the form of information to the researchers. According to Creswell (Purnawan, Noviyanto, et al., 2022), informant selection is made using purposive techniques, which means selecting informants based on specific criteria. These criteria are based on individuals who have clear and precise information about the research problem.

RESULTS AND DISCUSSION

From a theoretical standpoint, the definition of implementation, according to Joineis in (Mulyadi, 2015), is 'Those activities directed toward putting a program into effect' (processes realizing a program to demonstrate its outcomes). Meanwhile, according to Horn and Meter: 'Those actions by public and private individuals (or groups) that are aimed at achieving objectives set forth in prior policy' (actions taken by the government). So, implementation is the action taken after a policy is established. Implementation is the means by which a policy can achieve its objectives.

Implementation is the act of carrying out something that has an effective impact or consequence. Actions taken for its impact or consequences can take the form of laws, government regulations, court decisions, and policies created by Government Institutions for the wellbeing of the state.

Meanwhile, Horn (Nugroho, 2011) "defines implementation as actions carried out by individuals, officials, or government and private sector leaders directed towards achieving goals outlined in policies. According to

(Winarno, 2014), the study of implementation is a study to understand the implementation process itself, with the main goal of the implementation process being to provide feedback on policy implementation and to determine whether the implementation process adheres to the established plans or standards.

According to Silalahi in (Khoirin et al., 2020), he explains the essential elements of policy implementation that must exist, namely:

1. Interpretation is the activity that translates the meaning of the program into regulations that are understood and implemented.
2. The organization is the unit that delivers the program's impact.
3. Applications related to routine equipment.

Model of Public Policy Implementation The top-down model formulated by Donald Van Meter and Carl Van Horn is referred to as The Policy Implementation Model (Purnawan, 2020). This implementation process is an abstraction of a policy implementation intentionally carried out to achieve high-performance public policy implementation within various variables' frameworks. This model assumes that policy implementation proceeds linearly from the existing political decision, implementation, and performance of public policy.

There are nine variables, according to Van Meter and Van Horn, as cited (Winarno, 2014), that influence the performance of the aforementioned public policy, namely:

1. **Policy Measurement and Objectives:** The performance of policy implementation can be measured if the policy's measurements and objectives are realistic at the level of policy implementers.
2. **Resources:** The success of policy implementation greatly depends on the ability to utilize available resources. The resources referred to include quality human resources (HR), as well as other resources like finances and time.
3. **Characteristics of Implementers:** Attention to the characteristics of policy implementers encompasses both formal and informal organizations because the performance of the implementation is significantly influenced by the specific characteristics and alignment with the implementing agency.
4. **Attitudes/Dispositions of Implementers:** The policy is top-down, allowing decision-makers not to understand the issues that need to be resolved and emphasizing coordination and communication mechanisms among the involved parties in an implementation process.
5. **Economic, Social, and Political Environment:** This relates to the extent to which the external environment affects the success of public policies that have been established

The shortcomings of the implementation model of Van Meter and Van Horn's policy, as mentioned in (Wahab, 2012), include placing high emphasis on

simplicity and uniformity while maximizing behaviour based on cause and effect thinking and single or complete responsibility. The weaknesses lie in the lack of substantial evidence or realism and implementation capacity, as this model does not take into account context and other factors, thereby neglecting humans as the target group. This top-down model also views policy implementation as proceeding mechanistically or linearly, focusing its application on compliance and effective control.

People's Business Credit

The term 'credit' originates from the Italian word 'credeire,' which refers to the creditor's belief that the debtor will repay the loan with interest according to the agreement between both parties. The principle of credit provision is based on the principles of trust and caution. Indicators of trust include moral, commercial, financial, and collateral trust. Trust is divided into pure trust and trust reserves.

1. Pure trust is when the creditor provides credit to the debtor solely based on trust, without any other collateral.
2. Trust reserves are defined as the creditor providing credit/loans to the debtor based on trust but with some level of uncertainty, so banks often request tangible collateral (such as vehicle registration certificates and others).

According to the Republic of Indonesia Law No. 7 of 1992 on banking, Chapter I, Article 1, paragraph (12), credit is the provision of money or claims that can be equated with it, based on the purpose or agreement of borrowing between a bank and another party, obliging the borrower to repay the debt within a specified period with interest or profit-sharing.

KUR is a loan fund in the form of Working Capital Credit (KMK) and/or Investment Credit (KI) with a credit ceiling ranging from Rp. 5,000,000 to Rp. 500,000,000. The collateral for KUR is the business being financed, but the government provides assistance through a guarantee program of up to a maximum of 70% of the credit ceiling. This form of microloan facility aims to improve access to banking financing, which was previously limited to larger-scale businesses and less accessible to micro, small, and medium-sized enterprises (UMKMs), including household businesses and informal micro-businesses, to promote real sector balance and empower UMKMs.

BRI People's Business Credit, based on Presidential Instruction No. 6 of 2007 on policies to promote real sector balance and empower micro, small, and medium-sized enterprises, was launched with the following objectives:

1. Promoting the balance of micro-enterprise sectors.
2. Reducing the poverty rate and creating job opportunities for the unemployed.
3. Financial institutions can provide credit with profit income benefits.

The People's Business Credit Program (KUR) is a priority program aimed at supporting the policy of providing credit/financing to the Micro, Small, and Medium-sized Enterprises (UMKMs) sector.

The benefits of the KUR Program are enhancing and expanding entrepreneurial access across productive sectors to banking financing, stimulating economic growth, and increasing the competitiveness of UMKMs. The total disbursement of KUR from 2007 to 2014 amounted to Rp. 178,850,000,000,000.00 with a Non-Performing Loan (NPL) rate of 3.3%. The number of jobs created through the KUR program is 20,344,639. Based on the evaluation workshop of the KUR and the Policy Committee Meeting on KUR on December 15, 2014, the KUR program continues with strengthened regulations and scheme improvements.

In order to accelerate economic growth, the government has implemented policy relaxation measures related to KUR, especially in the distribution sector, eligibility criteria for KUR recipients, and types of KUR distribution. Some regulations related to KUR relaxation include:

1. Presidential Regulation No. 8 of 2015 regarding the Implementation of People's Business Credit, which includes several policy relaxations: the addition of funded sectors, the expansion of KUR beneficiaries, investment financing for crop planting, extension of loan terms, flexibility, and restructuring of Micro KUR and Retail KUR.
2. The decision of the Coordinating Minister for Economic Affairs as the Chairman of the SME Financing Policy Committee No. 188 of 2015 regarding the Establishment of KUR Distributors and KUR Guarantee Companies.
3. Strengthening the SIKP database with technical support from the Ministry, Regional Governments, and TNP2K.

The primary goal of the KUR program is to enable the general public to receive business planning guidance from relevant institutions and subsequently access loans from government-designated organizations. Eligible businesses are those involved in productive sectors. Micro, small, and medium-sized businesses require loans for business expansion. However, the government's aim in offering this KUR program is to contribute to economic growth with the expectation of increased accessibility and reduced poverty rates.

Wellbeing

Wellbeing Conditions In the current situation, human life is safe and peaceful due to the availability of basic necessities such as food, shelter, education, workspace, and money, as well as the absence of major risks that threaten human existence. According to W.J.S. Poerwadarminto (Triyanto et al., 2021), wellbeing is

characterized by security, harmony, and prosperity (free from disturbances and the like). Thus, the concept of wellbeing encompasses safety, security (peace of mind and the like) and prosperity.

According to (Fahrudin, 2018), with various opinions about social wellbeing from various perspectives, the core concept of social wellbeing can be summarized as follows:

1. Capable of fulfilling all the needs required by an individual.
2. An activity carried out by social welfare institutions that promote social wellbeing efforts.
3. A form of activity or effort undertaken to achieve a prosperous life.

The function of social wellbeing aims to reduce problems caused by socio-economic changes and create conditions that can enhance the wellbeing of society.

The following are the functions of social wellbeing as outlined by (Adi, 2018) namely:

1. Prevention Function. In this case, social wellbeing aims to prevent social issues that arise in society by creating new norms in social relationships.
2. Rehabilitation Function. Social wellbeing serves to eliminate and improve physical and emotional disabilities when facing a problem so individuals can function normally in society.
3. Balancing Function. Social wellbeing contributes to the processes of development and social resources in society.
4. Support Function. Social wellbeing participates in activities aimed at helping achieve the goals or areas of social wellbeing services.

According to Soetomo (Ashar & Agustang, 2020), to achieve wellbeing, several wellbeing indicators must be considered, including:

1. Income distribution
2. Education
3. Improved health quality

Micro, Small, and Medium Enterprises (UMKM)

The definition of UMKMs (Micro, Small, and Medium Enterprises) is economic activities that operate in the economic sector and aim to improve the standard of living of the community with a total income (excluding land and buildings) of small businesses of at least around Rp. Fifty million within a period of one year, and medium-sized businesses with annual income exceeding Rp. 50,000,000.

UMKMs consist of three types of businesses: micro-enterprises, small businesses, and medium-sized businesses. The definition of micro-enterprises according to the decision of the Ministry of Finance No. 40/KMK.06/2003, dated January 29, 2003, is a productive business owned by families or individuals who are

Indonesian citizens and have sales revenue of up to Rp. 100,000,000 per year.

Micro-enterprises need to be supported by the government, as they play a significant role in the country's economy. This support is easily justified due to the abundance of natural resources that can be harnessed and utilized by these businesses and the community. Small and medium-sized enterprises that already exist require attention and support from provincial and regional governments.

The characteristics of business activities, according to (Wiratna & Lila, 2017), are as follows:

1. Limited market reach.
2. The difficulty for small sectors in sustaining in the long term.
3. Financial constraints.
4. Inadequate business administration and management.
5. Limited economic scale resulting in relatively small profits.
6. Reliance on word-of-mouth for product marketing.
7. Limited market competition due to the scarcity of available capital.

Small businesses possess several potential and competitive advantages, namely:

1. Small businesses operate across various sectors.
2. Small businesses operate with low fixed asset investments.
3. Many small businesses can be considered labor-intensive due to the use of simple technologies.

On the other hand, the weaknesses of small businesses are that initial investments alone can experience losses. Some risks beyond the control of entrepreneurs, such as changes in the market, government regulations, competition, and labour issues, can hinder business operations. Some businesses also tend to generate irregular income, and owners may not achieve consistent profits.

1. The criteria for small businesses are as follows:
 - a. Having a net worth of more than Rp. 50,000,000 up to a maximum of Rp. 500,000,000 excluding land and business premises.
 - b. Having annual sales revenue of more than Rp. 300,000,000 up to a maximum of Rp. 2,500,000,000
2. The criteria for micro-enterprises are as follows:
 - a. Having a net worth of more than Rp. 500,000,000 up to a maximum of Rp. 10,000,000,000
 - b. Having annual sales revenue of more than Rp. 2,500,000,000 up to a maximum of Rp. 50,000,000,000

Overall, Law No. 20 of 2008 represents the acknowledgement of the significant role and existence of small businesses in the Indonesian economic landscape in the present and, especially, in the future.

Findings

1. The Size and Objectives of Policies

KUR, or People's Business Credit, is a credit program provided by the Indonesian government through designated banks. The KUR program aims to assist micro, small, and medium enterprises (UMKMs) in need of business capital with lower interest rates and more lenient requirements than regular credit. The loan size under the KUR program varies depending on the type of business and the financial needs of the credit applicants.

The goal of KUR lending itself is to enhance the growth and competitiveness of SMEs in Indonesia. With easier and more accessible access to sources of financing, it is expected that SMEs can increase their production capacity, create job opportunities, raise income levels, and make a positive contribution to national economic growth. Additionally, the government provides interest subsidies within the KUR program to assist SMEs in accessing financing with more affordable interest rates.

The following are some types of loan sizes for BRI's KUR (People's Business Credit):

- a. KUR Micro: The loan amount for KUR Micro can reach a maximum of IDR 25 million with a maximum loan term of 2 years.
- b. KUR Retail: The loan amount for KUR Retail can reach a maximum of IDR 500 million with a maximum loan term of 5 years.
- c. KUR Productive: The loan amount for KUR Productive can reach a maximum of IDR 2 billion with a maximum loan term of 5 years.
- d. KUR Commercial: The loan amount for KUR Commercial can reach a maximum of IDR 10 billion with a maximum loan term of 7 years.

To apply for KUR (People's Business Credit), there are several financing channels that can be utilized, including:

- a. Through Banking Partners: KUR can be applied for through banks that have been designated by the government as KUR banking partners.
- b. Through Intermediary Institutions: Besides banking partners, KUR can also be applied through intermediary institutions that collaborate with banking partners, such as Microfinance Institutions (MFIs), Cooperatives, or State-Owned Enterprises (SOEs).
- c. Online Application: With the advancement of technology, borrowers can now apply for KUR online through the official website of banking partners or through mobile banking applications provided by banking partners.
- d. Through Tax Service Offices (KPP): In addition to applying through banking partners and intermediary institutions, borrowers can also apply for KUR through designated Tax Service Offices (KPP).

2. Resources

In the context of lending under the KUR (Kredit Usaha Rakyat) program of BRI (Bank Rakyat Indonesia), the sources of funds encompass human resources, natural resources, and financial resources. Below is a more detailed explanation:

- a. Human Resources: Human resources (HR) are crucial in KUR lending because competent and high-quality human resources can enhance the chances of business success.
- b. Natural Resources: Natural resources also play a vital role in KUR lending, especially for entrepreneurs operating in sectors such as agriculture, fisheries, and livestock.
- c. Capital Resources: Capital resources are the most critical factor in KUR lending, as without sufficient capital, businesses can struggle to maintain balance.

In KUR BRI lending, the provided resources are intended to enhance the quality and competitiveness of borrowers' businesses. Therefore, entrepreneurs who wish to apply for KUR BRI can utilize these resources to the best of their ability to ensure the success and balance of their businesses.

3. Characteristics of Implementing Team

The KUR BRI Implementing Team (Bank Rakyat Indonesia) is a partner of BRI appointed by the government as a company or institution tasked with channelling People's Business Credit (KUR) to micro, small, and medium-sized enterprises (UMKMs). The following are some characteristics of the KUR BRI Implementing Team:

- a. Having complete legality: The KUR BRI Implementing Team must be officially registered and comply with the requirements set by BRI and the government.
- b. Having an extensive network: The KUR BRI Implementing Team has a wide network and is connected to various relevant parties.
- c. Having competent experts: The KUR BRI Implementing Team has skilled and experienced experts.
- d. Prioritizing service and customer satisfaction: The KUR BRI Implementing Team always strives to provide the best service and prioritize customer satisfaction.

With the characteristics it possesses, the Implementation Team of KUR BRI is expected to facilitate access for micro, small, and medium-sized enterprises (UMKMs) in obtaining KUR, thereby helping to improve the quality and quantity of UMKMs in Indonesia.

4. The disposition or attitude of the top-down policy

The top-down policy in the KUR BRI program refers to the policies formulated by the BRI management and implemented centrally across all BRI branches throughout Indonesia. This policy aims to ensure uniformity in the implementation of the KUR BRI program across all regions of Indonesia, as well as to ensure that the program is executed efficiently and effectively in line with the objectives of the KUR BRI program.

The KUR BRI team has the responsibility to address various issues related to the People's Business Credit (KUR) program of BRI, including:

- a. Establishing communication with KUR recipients: The KUR BRI team will communicate with KUR recipients to understand the issues they are facing.
- b. Conducting field visits: The KUR BRI team will conduct field visits to ensure the accuracy of the information provided by KUR recipients.
- c. Resolving issues promptly and accurately: Once the issues faced by KUR recipients are identified, the KUR BRI team will make efforts to resolve these issues promptly and accurately.
- d. Providing education and training: The KUR BRI team will also provide education and training to KUR recipients related to business development and financial management.
- e. Following up on complaints and feedback: The KUR BRI team will also follow up on complaints and feedback from KUR recipients regarding the KUR BRI program.

By employing these approaches, the KUR BRI team can help ensure the smooth operation of the KUR BRI program and provide benefits to KUR recipients and the wider community. If KUR recipients encounter difficulties in repaying their loans, they can contact the KUR BRI team to find the best solution. In the unfortunate event of a KUR BRI customer passing away, their family or heirs can submit a request for loan settlement.

5. Attitude/Disposition of Communication Mechanisms

The attitude or disposition of communication mechanisms relates to how the community responds or reacts to the mechanisms used by KUR BRI in delivering information to customers or potential customers. Some attitudes or dispositions related to communication mechanisms by KUR BRI that may occur are:

- a. Openness - The community responds positively when KUR BRI uses mechanisms that are open and transparent when delivering information.
- b. Lack of trust - The community may respond with less trust or scepticism when KUR BRI uses mechanisms that are less transparent or unclear.
- c. Lack of trust - The community may respond with less trust or scepticism when KUR BRI uses mechanisms that are less transparent or unclear.

- d. Open to innovation - The community may respond positively if KUR BRI uses innovative or new mechanisms to deliver information or in the loan application process.

In building trust and community participation in the KUR BRI program, the bank needs to consider the attitudes or dispositions of communication mechanisms that may occur and ensure that the mechanisms used are easily accessible, transparent, and clear.

6. Social, Political, and Economic Conditions

KUR BRI, or People's Business Credit of Bank Rakyat Indonesia, is a credit program aimed at small-scale or micro, small, and medium-sized enterprises (UMKMs) with the goal of improving the standard of living and economic wellbeing of the people. The social conditions of the community play a significant role in the success of the KUR BRI program. Some of the positive impacts of KUR BRI on the social, political, and economic conditions of the community include improving the welfare of the people, increasing job opportunities, enhancing business productivity, and improving access to financial services.

There are also several factors that can influence the success of the KUR BRI program, such as the level of financial literacy and the financial capability of the community, high levels of risk, and intense competition in running businesses. In this regard, the KUR BRI team can provide assistance and guidance to micro, small, and medium-sized business owners in managing their business finances and ensuring timely repayment of KUR BRI instalments.

KUR BRI, or Kredit Usaha Rakyat Bank Rakyat Indonesia, is a credit program aimed at small-scale businesses or micro, small, and medium-sized enterprises (UMKMs). There are several conveniences in borrowing from KUR BRI, including:

- a. Easy Requirements - The requirements needed to apply for KUR BRI are relatively straightforward and not overly complicated.
- b. Quick Procedures - The application process for KUR BRI can be done online or directly at BRI branch offices. The disbursement process is also relatively quick and does not take a long time.
- c. High Credit Limits - The credit limits provided by KUR BRI are quite high.
- d. Low Interest Rates - KUR BRI offers relatively low interest rates, around 7-9% per year.
- e. Flexible Tenure - The loan tenure or repayment period can be chosen according to the business's needs.

With these conveniences, it is expected that KUR BRI can help improve the welfare of the community by balancing micro, small, and medium-sized businesses.

Discussion

1. Measures and Policy Objectives

This study will discuss the measures and objectives of the KUR (Kredit Usaha Rakyat) policy implemented by BRI (Bank Rakyat Indonesia) in Indonesia. KUR is a credit program aimed at fostering the growth of micro, small, and medium-sized enterprises by providing accessible financing. The following is a discussion regarding the measures and objectives of BRI's KUR policy:

a. Measures of KUR BRI:

- 1) Credit Limits: BRI establishes various credit limits according to business categories.
- 2) Interest Rates: One crucial aspect of KUR BRI is the offered interest rate. BRI provides competitive interest rates for KUR.

b. Objectives of KUR BRI:

- 1) Fostering the Growth of Micro, Small, and Medium-sized Enterprises: One of the primary objectives of KUR BRI is to foster the growth of the micro, small, and medium-sized business sectors in Indonesia.
- 2) Reducing Economic Disparities: KUR BRI also aims to reduce economic disparities between large and small business sectors.
- 3) Enhancing Access to Financing: One of the barriers faced by small businesses is limited access to financing.

With measures set through credit limits and competitive interest rates, as well as objectives that include fostering the growth of micro, small, and medium-sized enterprises, reducing economic disparities, and enhancing access to financing, KUR BRI plays a crucial role in supporting the balance of the small business sector in Indonesia.

KUR BRI also aims to reduce economic inequality between large and small business sectors. By providing opportunities for small businesses to access financing, it is expected to improve prosperity and reduce poverty rates in Indonesia. Finally, KUR BRI seeks to enhance financing access for small business owners who often face barriers to financing access. With simplified requirements and streamlined processes, this program enables more small entrepreneurs to access the necessary financial resources.

2. Resources

In the discussion of BRI's KUR resources, there are several aspects that need to be considered, including:

a. Funding Sources:

- 1) Internal Funding: BRI utilizes internal resources, such as customer deposits and bank capital, as a source of funds to support the KUR program.
- 2) External Funding: In addition to using internal resources, BRI may also secure external funding through various instruments, such as issuing bonds or obtaining loans from other financial institutions.

b. Workforce and Infrastructure

- 1) Workforce: BRI allocates a competitive workforce resource to implement the KUR program.
- 2) Infrastructure: BRI also requires adequate infrastructure to support the implementation of the KUR program.
- c. Policies and Procedures
 - 1) KUR Policy: BRI has policies in place to regulate the KUR program.
 - 2) Operational Procedures: BRI also maintains efficient operational procedures for processing credit applications, assessing business eligibility, and determining appropriate credit limits based on borrower categories.
- d. Collaboration with External Parties
 - 1) Business Partnerships: BRI can establish collaborations with external parties.
 - 2) Government and Regulations: BRI also collaborates with the government to implement the KUR program.

By optimizing available resources, including funds, manpower, infrastructure, policies, and collaboration with external parties, BRI can implement the KUR program effectively. This enables the bank to provide affordable financing to micro, small, and medium-sized enterprises, thus supporting the growth of the small business sector in Indonesia.

In-depth research findings can reveal information about the efficiency of resource utilization, the impact of existing policies and procedures, and evaluations of collaboration with external parties. Additionally, research can identify challenges or obstacles faced in optimizing BRI's KUR resources and provide recommendations for improvement or further optimization. Therefore, the research results on BRI's KUR resources can serve as a basis for better decision-making in implementing the KUR program, enhancing its effectiveness, and fostering the growth of micro, small, and medium-sized enterprises.

3. Characteristics of Program Implementers

In the discussion of the characteristics of BRI's KUR implementers, there are several aspects that need to be considered:

- a. Expertise and Knowledge: BRI's KUR implementers are expected to possess adequate expertise and knowledge in the field of finance and banking.
- b. Expertise and Knowledge: BRI's KUR implementers are expected to possess adequate expertise and knowledge in the field of finance and banking.
- c. Compliance with Policies: BRI's KUR implementers are expected to adhere to the policies and procedures established by BRI.
- d. Ethics and Professionalism: BRI's KUR implementers are expected to behave ethically and maintain a high level of professionalism.

- e. Monitoring and Evaluation: BRI's KUR implementers are also responsible for monitoring and evaluating borrowers who have received financing.

With characteristics that encompass expertise and knowledge, communication skills, policy understanding, ethics and professionalism, as well as monitoring and evaluation abilities, BRI's KUR implementers can excel in executing this program effectively and delivering benefits to micro, small, and medium-sized enterprises.

Valid and relevant research findings can provide a better understanding of the factors influencing the performance of KUR implementers, their strengths and weaknesses, and recommendations for enhancing program implementation effectiveness. This can aid in policy balancing and best practices that improve the quality of service delivery and support the success of the BRI's KUR program in fostering the growth of the small business sector in Indonesia.

4. Attitudes/Dispositions of Top-Down Policy

The attitude or disposition of top-down policy in the context of BRI's KUR refers to the approach adopted by BRI in designing and implementing policies for the KUR program, from those at the highest management or authority levels to those at lower levels. The top-down policy approach typically involves:

- a. Policy Determination: Policies of the BRI's KUR program, including credit limits, interest rates, eligibility criteria, and eligible business types, are established.
- b. Procedure Regulations: Procedures for credit application, business eligibility assessment, and credit limit determination are also set by BRI's top management or higher authorities.
- c. Monitoring and Oversight: BRI's top management or higher authorities are responsible for monitoring and overseeing the overall implementation of the BRI's KUR program.

Some discussions related to the attitudes or dispositions of BRI's top-down policy can include:

- a. Efficiency and Consistency: The top-down approach can provide efficiency and consistency in the implementation of the BRI's KUR program.
- b. Coordination and Oversight: The top-down approach enables better coordination among BRI work units, branches, and implementers.
- c. Local Limitations: The top-down approach may also have limitations when considering local conditions in various regions.
- d. Participation and Responsiveness: In the top-down approach, the participation and involvement of branches or implementers in formulating policies and procedures may be limited.

Research findings may encompass:

- a. Implementation Effectiveness: Research can examine the effectiveness of the top-down policy in achieving the objectives of the BRI's KUR program.
- b. Impact on Business Diversity: Research can investigate the influence of the top-down policy on the diversity of businesses receiving financing through the BRI's KUR program.
- c. Stakeholder Participation: Research can analyze the level of participation and involvement of BRI branches or program implementers in formulating policies and procedures for the BRI's KUR program.
- d. Barriers and Challenges: Research can identify barriers and challenges that arise during the implementation of the top-down policy.

Valid and relevant research findings can provide a better understanding of the effectiveness, strengths, and weaknesses of the top-down policy approach in implementing the BRI's KUR program. These results can be used to inform policy adjustments and best practices that can enhance the success of the BRI's KUR program and provide optimal benefits to micro, small, and medium-sized enterprises in Indonesia.

5. Attitudes/Dispositions of Communication Mechanisms

In the discussion of attitudes or dispositions of BRI's KUR communication mechanisms, we refer to the communication approach employed by BRI to inform, educate, and interact with potential borrowers, program implementers, and other relevant parties regarding BRI's KUR program.

The following are some aspects that can be discussed regarding the attitudes or dispositions of BRI's KUR communication mechanisms:

- a. Transparency: BRI's KUR communication attitudes can reflect transparency in delivering information related to the program, requirements, interest rates, and benefits available to potential borrowers.
- b. Education and Understanding: BRI's KUR communication mechanisms can focus on educating and ensuring understanding of the program.
- c. Responsiveness: BRI's KUR communication attitudes can also demonstrate responsiveness to the needs and questions of potential borrowers and program participants.
- d. Communication Diversity: BRI's KUR communication attitudes can reflect a willingness to use various forms of communication.
- e. Sustainable Communication: BRI's KUR communication mechanisms can emphasize the importance of maintaining sustainable communication relationships with borrowers and program participants.

The discussion regarding attitudes or communication tendencies within BRI's KUR

mechanisms aims to emphasize the importance of transparency, education, responsiveness, communication diversity, and sustainable communication relationships in delivering information about BRI's KUR program. Through effective communication attitudes, BRI can build trust, facilitate better access to financing, and enhance participation in the BRI's KUR program.

6. Social, Political, and Economic Conditions

In explaining the social, political, and economic conditions of BRI's KUR, we can observe how these factors can influence the implementation and success of the BRI's KUR program. The following are some points that can be discussed in this context:

- a. Social Conditions:
 - 1) The Level of Awareness and Needs of the Community Regarding Microfinance Access
 - 2) Public Awareness and Understanding of BRI's KUR Program
- b. Political Conditions:
 - 1) Government Policies Related to the Micro and Small Sector
 - 2) Political Stability and Consistent Policies
- c. Economic Conditions:
 - 1) Economic Growth and Stability
 - 2) Availability of Resources and Infrastructure

The discussion of the social, political, and economic conditions of BRI's KUR aims to comprehend the context within which this program operates. With a profound understanding of these factors, relevant stakeholders can identify challenges and opportunities that may arise in the implementation of BRI's KUR program and take appropriate steps to enhance its effectiveness and positive impact. The research results can provide a deeper understanding of the influence of social, political, and economic conditions on the implementation and success of BRI's KUR program.

CONCLUSION

Based on the results and discussions of this research, it can be concluded that the implementation of the People's Business Credit Program (KUR) by the BRI Kota Bengkulu branch contributes to improving the prosperity of Small and Medium Enterprises in Kota Bengkulu.

1. The Credit for People's Business (KUR) application procedure by BRI East Circle is guided by the Standard Operational Procedure (SOP) for the convenience of customers and the Regulation of the Coordinating Minister for Economic Affairs of the Republic of Indonesia Number 1 of 2023 in assessing the eligibility of loan applicants.
2. The maximum loan amount for Micro Enterprises under KUR is IDR 25 million, while for Small and Medium Enterprises, it is IDR 500 million.
3. The majority of KUR providers are state-owned banks.

4. KUR is well-received by the community, especially by customers in need of additional capital for their businesses.
5. The targeting of KUR assistance recipients is still not precise due to the presence of some customers with sufficient economic conditions (such as the spouses of government officials, bosses, and civil servants).
6. The non-permanent and constantly changing human resources implementing KUR face significant pressure and the necessity to deal with diverse customers.
7. In the event that a KUR program recipient passes away, their heirs should continue it.
8. Human resources implementing the KUR program in the field often fail to provide customers with a detailed understanding of the KUR contract terms (such as risks, penalties, provisions, and legal agreements).

Suggestion

To the bank's authorities, it is important to enhance the socialization efforts towards the public regarding KUR by providing information to the community that KUR is not a loan but rather direct assistance from the government. For customers/citizens to utilize the People's Business Credit (KUR) loan to the best of their ability, it should only be used for business capital purposes and not for any other needs.

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