



**DESCRIPTIVE ANALYSIS OF KUR PROGRAM FOR UMKM DEVELOPMENT IN
POJOK VILLAGE, NGANTRU DISTRICT, TULUNGAGUNG REGENCY**

Intan Puspitasari

Sekolah Tinggi Ilmu Ekonomi Pemuda Surabaya
Jl. Bung Tomo No. 8 Surabaya 60246

intanpuspitasari.stiepemuda@gmail.com

ABSTRACT

Research on the effectiveness of loan capital management on the development of MSME businesses was conducted in Pojok Village, Ngantru District, Tulungagung Regency, precisely at CV Pupuk Cair Semoga Jaya. This study aims to analyze the effectiveness of the financing program channeled through BRI Bank to CV Pupuk Cair Semoga Jaya using a descriptive qualitative approach method. This approach describes the problem systematically and factually regarding the phenomenon of the BRI KUR financing scheme. Research data were obtained based on interviews with BRI officers, sub-district heads, and MSME business actors at CV Pupuk Cair Semoga Jaya. The results, based on the researcher's analysis, the target of the KUR program is right on target. Meanwhile, the amount of money lent is adjusted to the scale of the business and the customer's ability to pay installments. In terms of the timeliness of distribution, it is based on the business cycle because the principle of BRI KUR is to meet production and business needs. In terms of the accuracy of installment burdens, the KUR officers and BRI Bank always conduct careful credit analysis so that the amount of installments does not burden customers. While the last aspect is that the loan procedure can be fully understood by the borrower with the help of the local credit officer.

Keywords:

KUR, UMKM, Capital, Development

A. INTRODUCTION

Micro, small, and medium enterprises (MSMEs) are types of business entities as stipulated in Law No. 20 of 2008 (Bakrie, et al., 2024:83). Empowerment of MSMEs is one form of effort to increase economic and social capacity in Indonesia in rural communities as the mainstay of the national economy. Analysis of the effectiveness of loan capital management on the development of MSME businesses is one effort to improve the distribution of income in rural communities, especially in priority sectors that support the economy in a region. CV Pupuk Cair Semoga Jaya, located in Pojok Village, Ngantru District, Tulungagung Regency, is one of the MSMEs in empowerment in increasing economic capacity, which focuses on the sale and distribution of fertilizers and agricultural medicines. This sector is important considering that most of the livelihoods of villagers are in the agricultural sector. Supervision and control of fertilizer and medicine distribution businesses are important because they have a direct impact on employment for those with low education and skills. therefore, efforts to develop and expand MSMEs in the national economy require serious steps, especially for the fulfillment of capital.

Various obstacles and problems faced by MSMEs from the elements of financing and capital, the government of the Republic of Indonesia issued Presidential Instruction Number 6 dated June 8, 2007 concerning the Policy for the Development of the Real Sector and Empowerment of MSMEs. This regulation was followed by a memorandum of understanding between the Technical Department, Banking and Credit/Financing Guarantee Companies to MSMEs. On November 5, 2007. Indonesian President Susilo Bambang Yudhoyono inaugurated credit for MSMEs with a guarantor pattern under the name of People's Business Credit (KUR) and supported by Presidential Instruction Number 5 of 2008 concerning the Focus of the 2008-2009 Economic Program to guarantee the implementation or acceleration of the implementation of people's business credit with low interest. The implementation of this regulation is not only the provision of capital assistance but also the settlement of problematic MSME credit up to Rp. 500,000,000.00 (five hundred million rupiah). The Presidential Instruction is supported by the Regulation of the Minister of Finance No. 135/ PMK.05/2008 concerning amendments to the Regulation of the Minister of Finance No. 159/ PMK.05/2011 concerning the People's Business Credit Guarantee Facility. Which regulates the mechanism for submitting financing by individuals or business entities engaged in the people's economic sector. KUR is one of the government's efforts to encourage banks to channel capital credit to MSMEs which aims to accelerate the development of economic activities in the real sector in order to overcome and eradicate poverty. Its impact can be widely felt in expanding employment opportunities. In addition, the development of the real sector and the empowerment of Micro, Small, Medium Enterprises, and Cooperatives (MSMEs) can increase access to financing and develop MSMEs and Cooperatives to Financial Institutions.

Assessment of the effectiveness of distributing people's business credit and its influence on increasing income needs to be measured as a consideration of the sustainability of the program and evaluation in the development of the real sector at the village level. The assessment can be measured using aspects of program target accuracy, timeliness, accuracy of the amount of money received by customers, accuracy of credit burden and aspects of procedure accuracy (Najoan, Rares, and Laloma, 2022:64). The effectiveness assessment measures the increase in micro-business performance based on these five aspects which can be influenced by production factors. In various economic conditions and turbulence, MSMEs contribute very positively to becoming the pillars of the village economy.

Bakrie, et al (2024:83) stated that MSMEs are the sector with the largest source of income. MSMEs have contributed to increasing per capita income or Indonesia's Gross Domestic Product (GDP). This means that MSMEs are the pillars of the economy in the economy to increase income equality, and employment opportunities that absorb almost 99% of the workforce in the region. MSMEs as well as the people's economic resilience contribute to improving people's welfare. However, the development of MSMEs seems to be in a stagnant position and it is even difficult to get a position that is on par with large industries. This is due to limited human resources, production, finance, bureaucracy/licensing, efficiency, added value and information on business opportunities.

Yolanda (2024:120) said that MSMEs still face classic complex problems both internally and externally. Classic problems, namely problems with capital, human resources, production, and product marketing that have a direct impact on business

development. Meanwhile, external problems are due to financing problems, bureaucracy/licensing, efficiency, added value and business opportunity information. In other words, the main problem is related to difficulties in terms of capital and marketing because human resources are still not qualified. Capital is an important factor in production, because it affects the growth and development of a business, and the sustainability of the business. Lack of capital results in not being able to meet market demand. Conversely, capital that is too large in addition to the products produced also has a large potential for production inefficiency.

Based on Press Release HM.4.6 / 529 / SET.M.EKON.3 / 12/2023 The KUR Program is a special program, where banks will only distribute credit as long as the government is committed to guaranteeing credit as one of the strategies in maintaining economic growth (Sujarweni, 2020: 169). Therefore, the government continues to encourage the acceleration of the distribution of People's Business Credit (KUR), but still maintains the Non-Performing Loan (NPL) level at 2.03%, below the national gross NPL average of 2.42%. So the government needs to consider various things because the allocation comes from the State Budget (APBN). This causes an increase in the amount of collateral in the guarantor company for KUR to be a priority in managing the budget, so that KUR is able to achieve its goals. As the main objective of KUR, the government's efforts to empower MSMEs by providing convenience in providing loans through government programs involving the State Budget. Based on the explanation of the positive impact of MSMEs, KUR needs to be proven whether it is truly able to effectively achieve its goals, namely to mobilize/develop/expand people's businesses to reduce poverty, and reduce unemployment in the region. Based on the problems above, it is necessary to analyze the effectiveness of the KUR Assistance Program for MSME business actors CV Pupuk Cair Semoga Jaya in Ngantru District, Tulungagung Regency based on aspects of program target accuracy, timeliness, accuracy of the amount of money received by customers, accuracy of credit burden and aspects of accuracy of procedures.

B. RESEARCH METHODOLOGY

This study uses a descriptive qualitative approach to analyze the effectiveness of loan capital management on the development of CV Pupuk Cair Semoga Jaya's MSME business in improving the economy of the people of Pojok Village, Ngantru District, Tulungagung Regency, where researchers describe the phenomenon in detail based on facts taken from interview results (Sugiyono, 2022:106). This approach was chosen because it is appropriate in describing the results of the analysis of the effectiveness of loan capital management and its impact on community welfare. The location of the research was carried out in Pojok Village, Ngantru District, Tulungagung Regency, with research subjects including BRI *local credit officer*, the District, and CV Semoga managers and village communities involved in CV Semoga Jaya's economic activities. The research data is primary data taken from in-depth interviews conducted with CV managers and 10 employees and 20 people from the surrounding community who were taken by random sampling.

This study begins with data reduction, namely selecting, classifying, and summarizing information from the interview results (Arifin *et al.*, 2023) The next step is the presentation of data in the form of descriptive narratives. Third, interpretation and conclusion are made

by referring to relevant theories and considering the data collected by researchers, namely the socio-economic conditions of the surrounding community. Researchers conduct data validity using source triangulation as a method that ensures the accuracy of the information obtained.

C. RESEARCH RESULTS AND DISCUSSION

Research Results

Based on the research results, the interview results were collected as a reference for researchers to analyze the data. The following is the research data:

No.	Aspect	Interview Results
1	Target Accuracy	<p>Question: What is the actual target of this KUR program and who are they?</p> <p>MB: "The target is micro, small, and medium business actors who do not yet have access to bank financing, while also encouraging capital strengthening with low-interest loans"</p> <p>Question: Who is suitable for the KUR program?</p> <p>MB: "Our target is home business groups, street vendors, SMEs, even farmers and fishermen who need low-interest capital assistance for business development"</p> <p>Question: Are there any efforts to ensure that the KUR program is right on target to advance the economy?</p> <p>CM: "Of course, many efforts have been made, including coaching efforts carried out directly by the village government, or sending competent banks and leaders to motivate and encourage increased insight and business management skills, especially capital."</p>
2	Target Accuracy Timeliness of Distribution	<p>Question: Has KUR been distributed at the right time so far?</p> <p>DS: "From the BRI <i>local credit officer</i>, it usually provides information on when the credit application and disbursement will be, so so far it has adjusted the administrative procedures when receiving offers from BRI Bank"</p> <p>Question "How do you ensure when the right time for credit distribution is in MSMEs?</p> <p>MB: "We look at the business cycle or for farmers, for example, we look at the production cycle, so it can start at the beginning of planting, so we first ensure when they need funds for production, both seasonal and certain momentum."</p>
3	Accuracy of Amount Received	<p>Question: Are the funds provided by BRI Bank in accordance with the needs?</p> <p>SA: "Yes, we ourselves submit the amount, and the bank will disburse the amount. Sometimes it's not as much as the application, but it's appropriate for the business, at least it's already helped. If possible, it should be according to what was submitted actually"</p> <p>Question: How do you determine the right amount of funds for disbursement?</p> <p>MB: "There are guidelines that need to be observed, such as the type of business, the amount of turnover, etc. So that we can interpret the amount of the loan. In addition, it needs to</p>

4	Credit Load Accuracy	<p>be adjusted to other risk factors as a credit analysis to minimize bad debts"</p> <p>Question: Does the large installment burden the family's finances?</p> <p>AD: "No, because the amount of debt and the length of the installment determine the amount of the installment, so it is adjusted to the ability."</p>
5	Procedural Accuracy	<p>Question: is the loan procedure easy to understand?</p> <p>DS: "the procedure is easy, and assisted by BRI <i>local credit officer</i>. So that borrowers who do not understand are also easy"</p> <p>Question: is the procedure official according to office instructions?</p> <p>SA: "the procedure is in accordance with office regulations, because borrowers also come directly to the office. The Credit Officer also explains the procedure clearly so we trust it."</p>

Data Source: Primary Data, 2025

The target of the KUR program has been determined by the government and implemented based on the law so that its use is clear. The targets of the KUR program include people's business owners who are home businesses or home industries, street vendors, local farmers and fishermen. The program is said to be right on target, most business owners such as stalls, shops, and farmers have started using BRI as a source of business capital and production.

The timeliness of KUR distribution is measured based on the rhythm of the business and the characteristics of the borrower. BRI adjusts it to the borrower's business cycle where funds can be used for production purposes, business development or starting the planting season. For farmers, for example, it must be adjusted when to start planting which requires costs.

The accuracy of the amount of money received is based on the application proposed by the borrower. However, BRI also assesses production capacity, turnover, and other adjusted regulations. This is used to minimize bad debts. However, this has received many complaints from borrowers because the amount can sometimes be below the amount submitted. For borrowers, the amount of funds submitted is fundamental according to the needs of productive businesses.

The accuracy of the credit burden is determined by negotiation based on the calculation of the amount of customer expenses and income so as not to burden the creditor. This includes CV Pupuk Cair Semoga Jaya which is able to have a large turnover so that it dares to borrow with a large installment amount. The amount of installments is certainly a consideration for creditors and credit officers as a credit analysis so that there is no bad credit.

The accuracy of the KUR credit procedure is a major concern for every applicant or creditor because it is related to the legal consequences and security of the loan and its installments. The bank always provides socialization to borrowers to comply with legal administration according to the provisions as a protector for borrowers and banks to obtain fair rights and obligations. Credit officers usually help, but customers still need to take care

of it independently at the office to avoid fraud and things that are detrimental to one of the parties.

Discussion

1. Target Accuracy

According to the Coordinating Ministry for Economic Affairs (2023), the measurement of the accuracy of KUR distribution is seen from the recipients and their contribution to business improvement. KUR recipients are programmed as micro, small, and medium business actors from various business sectors. Recipients can be home industry owners, street vendors, or farmers in the Ngantru area. This includes CV Pupuk Cair Semoga Jaya, which is a medium-sized business actor by providing easy sales of fertilizers and agricultural medicines to the community. The credit obtained is business capital that includes the purchase of merchandise and tools needed to support the continuity and development of the buying and selling business. (Widawati & Arifin, 2021)

2. Timeliness of KUR Distribution

According to the Coordinating Ministry for Economic Affairs (2023), it is explained that determining the time for KUR distribution is something very crucial that is always awaited by customers and can vary depending on the business cycle and needs. CV Pupuk Cair Semoga Jaya usually needs it when buying fertilizer and medicine goods in large quantities. Of course this is different for farmers whose production cycles are seasonal. KUR helps business owners to get fresh funds to support the sustainability and development of people's businesses. (Arifin et al., 2022)

3. Accuracy of the Amount of Money Received

According to the Coordinating Ministry for Economic Affairs (2023), the accuracy of the amount of credit that will be received by the borrower is adjusted to various aspects to minimize bad debts. Aspects that are assessed to disburse loan funds include the scale of the borrower's business and the amount of turnover or income of the borrower. In the credit granting process, the applicant determines the amount of credit he wants. After that, the bank will analyze it based on the elements or basic principles in credit analysis so that sometimes the amount of funds disbursed is lower than the application. (Nuryadi et al., 2023)

4. Accuracy of Credit Burden

Credit burden is the result that has been agreed by the debtor to the creditor. Usually the amount of credit burden is adjusted to the amount of customer income. Credit burden calculates the amount of principal installments including interest installments that must be paid by the borrower every month or season. High credit burden triggers bad debts which are not good for the bank's credibility. So that the careful attitude of credit analysis is a challenge to reduce the NPL level in stable conditions. Ismail (2018:32) states that NPL (Non-Performance Loan) shows the risk or indicator of bank health. The higher the NPL, the bank is at risk where there are credit problems and can have an impact on the bank's liquidity ratio. Therefore, the principle of prudence is highly applied as risk management in avoiding bad debts.

5. Accuracy of procedures

Credit granting procedures are the stages that customers must go through to receive credit from the bank. Procedures are part of a risk control system that is formed to protect borrowers and banks as credit distribution implementers. The stages or procedures for granting credit will be explained by BRI *local credit officer* to prospective creditors so that the implementation of credit and its stages are easy to go through. According to Kasmir (2018:91), the stages of granting credit are passed through the following 4 steps:

- a. Credit Preparation, namely the introduction of the character and needs of the borrowing customer. This stage includes filling out the loan form by the prospective borrowing customer.
- b. Credit Analysis or Assessment, namely analyzing the feasibility of the business before the credit decision is given to the borrowing customer. This stage also includes verifying the identity of the prospective borrowing customer which is usually done by submitting an identity card.
- c. Credit Decision, namely the step of deciding the feasibility of the amount of credit received. This stage includes verifying data as loan requirements such as collateral, etc.
- d. Credit Implementation and Administration (Credit Realization & Credit Administration) At this stage, both parties sign the final stage by signing the credit agreement along with its attachments. This stage is the final process based on credit analysis so that prospective credit customers are declared eligible to receive a loan in a certain amount.

D. CONCLUSION AND SUGGESTION

Based on the explanation above, the conclusion is drawn by discussing 5 aspects that are the focus of the research, namely aspects of target accuracy, timeliness of distribution, accuracy of amount, accuracy of credit burden, and accuracy of procedure. BRI as a KUR distributing bank has complied with all procedures and regulations, and all aspects are fulfilled administratively and in agreement with borrowing customers, but the aspect of the accuracy of the loan amount is not always fulfilled by the bank considering the consideration of the amount of turnover and the scale of the borrower's business to avoid the risk of bad credit and the benefits of financing in other more important sectors.

Based on the research conclusions outlined above, several recommendations can be made to Bank BRI to enforce the KUR implementation regulations to ensure they reach their intended target. Furthermore, streamlining credit administration while maintaining risk management is crucial to ensure the sustainability of banking operations. Furthermore, outreach and training on working capital management should be provided to enable business owners to wisely manage capital and focus on developing productive businesses.

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