

The Implementation of Kredit Usaha Rakyat Granting on Market Traders Who Are the Customers of Bank Rakyat Indonesia in Tawangalun Banyuwangi

Sonny Leksono

Lecturer in Faculty of Economics and Business, Wisnuwardhana University, Malang, Indonesia
Danau Sentani No.99 Malang 65139, Indonesia

Abstract

The role of banks in economic development is facilitating funds for economic activities in form of credit for the public both individual or business entity. Bank Rakyat Indonesia (BRI) is committed to help in developing the Micro, Small and Medium Enterprises as well as improving the welfare of society. A phenomenon that occurs is dealing with capital difficulties experienced by the market traders who have attracted less attention and opportunity by the banks in providing their capital. Therefore, in facing this reality, more and more traders in the market have a chance to increase the turnover but difficult to grow rapidly. BRI Bank unit Tawangalun is one unit BRI branch in Tawangalun Banyuwangi in which has debtor that can be quite a lot in the distribution of *Kredit Usaha Rakyat* (KUR), particularly the market merchant. The results showed that the process of KUR granting to the market merchant based on the requirement of which is proposed by the study subjects. KUR granting by BRI unit Tawangalun Banyuwangi is seen in terms of capital ownership, some informants claimed to increase their capital both the stock and means to trade. KUR granting viewed from the sales turnover, the most of the informants state that it can help to increase sales turnover despite not a significant increase. Profits earned by market traders may increase after getting KUR granting.

Keywords: KUR Granting Procedure, Sales Turnover, Capital, Profit

1. Introduction

The growth of modern market in Indonesia currently is pretty fantastic. Various types of modern markets such as supermarkets, hypermarkets and shopping malls are booming. Number of hypermarkets showed an increase significantly from year to year. In 2003, there was 43 units, in 2004 rose to 68 units and 83 units hypermarket established in 2005. The supermarket also increased, from 896 units (2003), into 956 units (in 2004) and increased to be 961 units in 2005 (Hemprisuyatna, 2008). The modern retail market have occupied 31 percent of the retail market with a modern retail turnover reached Rp 2.5 trillion / year. It is contrast when we compare the retail and traditional markets which are only able to reap a turnover of USD 9.1 million / year (Rozaki, 2012).

Competition between the modern market and traditional market began to rise in Banyuwangi where many investors originating from the island of Bali became interested in investing their funds to build shopping malls. The positive impact can be in form of facility for the access of the people to get the goods they need because the it has a complete goods for daily needs. In addition, it is situated close to the settlement as well as access to the roads which makes minimarket can be reached easily. Another thing that there is positive impact of minimarket that is comfortable and have clean facilities, affordable prices and frequent discounts and discount on certain products. In terms of job creation, minimarket can increase employment opportunities for people who are ultimately able to increase revenue and reduce unemployment.

In addition to the positive effects mentioned above, the rise of modern markets also provide a variety of negative impacts on society. The main negative impact with the emergence of modern retail is the death of traditional retail market. Competition existence of traditional markets and stores for daily needs (grocery store) traditional arise because of the facilities, comfort and services of the minimarket is better so that consumers prefer the modern retail. This obviously can kill the existence of traditional markets and stalls which are larger and concerning lives of the wider community. A decrease in turnover obtained sellers traditional market stalls will be reduced much less than before the advent of minimarket around them.

Although minimarket often offer discounts for goods or certain products but some of the prices of other goods were more expensive than the normal price in the market as well as traditional stalls. For certain consumers who prefer low prices may be more expensive to buy in the traditional stalls. Most consumers of minimarket today is the upper middle class society.

Based on the above phenomenon, Bank Rakyat Indonesia Unit Tawangalun Banyuwangi has disbursed loans of concern specifically to Market Traders at Tawangalun Banyuwangi. The role of banks in economic development is to distribute funds for economic activities which one of them in the form of credit for the public both individual or business entity. Bank Rakyat Indonesia (BRI) is committed to help developing the Micro, Small and Medium Enterprises as well as improving the welfare of society. One form of that commitment is the opening of credit for business capital. KUR is an alternative for Small Business to obtain venture capital. That's

why Bank BRI Banyuwangi Tawangalun through Kredit Usaha Rakyat is trying to provide funds in an effort to boost the efforts of traders in the Tawangalun Market Banyuwangi.

A phenomenon that occurs is capital difficulties that has been experienced by the market traders who have attracted less attention and opportunity by the banks in providing their capital. Therefore, facing this reality, more and more traders in the market have a chance to increase the turnover but difficult to grow rapidly. BRI Bank unit Tawangalun is one BRI branch in Tawangalun Banyuwangi that has quite many debtor in the distribution of Kredit Usaha Rakya (KUR), particularly the merchant market.

Based on the above research background, the purpose of the study is to analyze and describe the KUR loan of BRI Unit Tawangalun in developing the business market trader when seen from capital owned, sales turnover and profits.

2. Literature Review

Market Concept and Traditional Markets

Leksono (2009) stated that traditional market is a market that is built and managed by the Government, Local Government, Private, State Owned Enterprises and the Regional Enterprise including cooperation with the private and business entity in form of shop, kiosks, stalls and tents owned by small traders, medium, governmental or cooperative with a small scale, small capital and the process of buying and selling stuffs through bargaining.

According to the Presidential Regulation No. 112 of 2007, traditional market is a market that is built and managed by the government, local government, private, State-Owned Enterprises (SOEs), and the Board of Regional Enterprise including cooperation with the private sector with businesses such as shops, kiosks, stalls and tents dimiliki or managed by small traders, medium-sized, non-governmental or cooperative with small businesses, small capital and the process of buying and selling goods through through bargain-menawar. Geertz (1963) in traditional markets, the pressure is the most important competition between sellers persistence with buyer persistence.

Microcredit

According to the Law of the Republic of Indonesia Number 20 of 2008 on Micro, Small and Medium Enterprises Article 1 states that: SMEs financing / credit is provision of funds by the Government, Local Government, Business World, and the public through banks, cooperatives, and non bank financial institutions, to develop and strengthen the capital of Micro, Small and Medium Enterprises. Meanwhile, according to Rizal Calvary (2008) states that: Credit for Micro, Small and Medium Enterprises is the activity of lending and borrowing between individual or business entity or legal entity specified in the level of micro, small, and medium enterprises, which are legally competent with the principle of trust.

Credit is the distribution of funds by the banks to the public so that funds can be distributed to those in need. According to Law No. 7 of 1992, a loan is to provide cash or the equivalent, based on the borrowing and lending between banks and other parties who require the borrower to repay the debt after a certain period of time with interest, rewards, or the result of profit sharing. Grameen Banking (2003) defines microcredit as the development of small loans to entrepreneurs too low qualifications to be able to access credit from traditional banks. Calmeadow (1999) defines microcredit as a social gathering capital loans to support small businesses in their activities, generally with alternative collateral assurance and monitoring system of return. Loans for working capital is provided to serve everyday, as the initial capital for starting a business, or as capital investment to purchase the asset which does not move.

Increased the Business Capital

Definition of capital according to Munawir (2004) is: " the right or part owned by the owners of the company indicated in the heading of capital (capital stock), surplus and retained earnings. The excess value of assets owned by the company on all its debts". Many people who consider that capital money is not everything in a business. However, it should be understood that the money in a very needed in business. According to Bambang Riyanto (2008) definition of venture capital as an overview of the balance sheet of a company that uses concrete and abstract capital capital. Capital concrete intended as active capital and abstract capital that is intended as a passive capital. Based on the above definition, capital is the collectivity of goods or a source of wealth that still exist within the company and is used by companies to generate revenue or profit. Besides the capital is the excess of assets over debts that have the power to use goods capital.

Sales Turnover

According to Sutamto (1997) on the definition of sales, it is human effort to deliver goods and services needs that have been produced to those in need in exchange for money according to a pre-determined price. Chaniago (2002) give an opinion on the sales turnover is the overall amount of revenue generated from the results of

selling goods or services within a certain time. Swastha (2005) provides an understanding of the sales turnover is the accumulation of a product sales activities of goods and services that is calculated as a whole over a period of time, continuously or in the accounting process. The definition can be concluded that the sales turnover is the overall amount of sales of goods or services within a certain time, which is calculated based on the amount of money earned and by volume. A business manager is required to always increase the sales turnover from day to day, from week to week, from month to month and from year to year. This requires the ability to manage working capital, especially capital that the company's operations can be assured for its continuance.

Profit

Profits or earnings is defined with different views. Understanding of profit operationally is the difference between the realized income arising from transactions during the period with the costs associated with these revenues (Boediono, 2002). According to Sulistyastuti (2004), a profit is "the difference between actual income derived from the company's transactions in a given period that is reduced by expenses incurred to earn it." Another definition for understanding the advantages presented by Sunaryo (2001) where the gain is defined as "increases in capital (net assets) derived from all transactions or other events that affect the enterprise in a period except those resulting from the income (revenue) or investment by the owners." According to Pindyck (1999) gain is the difference between total revenue and total cost or as the difference between total costs and total revenues. While the definition of operating profit according to Amir Abdi Yusuf (2000) is "Operating profit is the excess of revenue is a direct result of the business activities reduced by operating expenses directly from the operations of a business." The definition of the others expressed by Soemarso (2002) which states "Operating profit is revenue minus cost of goods sold and operating expenses associated with the business activities of the normal unity."

3. Research Methods

Types of research

The format of qualitative research design consists of three models which is descriptive format, verification format, and grounded research format. Leksono (2013) stated that "A behavioral approach to things, phenomena, events, problems or circumstances which become object investigation whose findings form meaningful sentences descriptions that describe a certain understanding".

Research Subject

The subject of the research is the subject intended to be studied by the researcher. The research object is an object that is used as a study or be the focus of the study. In this study, the research subject is the traders in Tawangalun market who get KUR from BRI Tawangalun Banyuwangi.

Informants of the Research

In qualitative research, it is a matter of primary consideration in the selection of data collection that is the informant selection. In a qualitative study, it does not use the term population. Key informants which are taken is four market traders who received the *Kredit Usaha Rakyat* (KUR) from BRI.

Data Analysis

Qualitative data analysis according to Moleong (2007) is the effort made by working with the data, organizing data, sorted them into a unit that can be managed, synthesize, seek and find patterns, find what is important and what is learned, and decide what which can be narrated to others. The data analysis starts by conducting in-depth interviews with key informants who is someone who truly understands and know the situation of the object of research. After conducting interviews, data analysis begins by making a transcript of the interview result by turning back the recording of interviews, listen carefully, then writing the words that are heard in accordance with what has been recorded.

4. Research Result

The Implementation of *Kredit Usaha Rakyat* Granting in Developing the Business of the Market Traders

Kredit Usaha Rakyat (KUR) is a credit program initiated by the government and issued through Presidential Instruction No. 5 of 2008 on Economic Program Focus in 2008-2009. *Kredit Usaha Rakyat* (KUR) is intended to help the economy of small business people by giving loans to businesses through a program established credit facilities provided by banks who are directly appointed by the government.

Based on interviews, it can be explained that *Kredit Usaha Rakyat* which are given to customers of BRI Tawangalun Banyuwangi particularly for market traders greatly help them in their business development. Most of informants response that KUR loan process is fast and easy to be obtained. Informants or research subjects also answered that the expected loan is in accordance with what they need from a range of loan from Rp.

10,000,000.00 to Rp. 20,000,000.00.

The following questions is about whether *Kredit Usaha Rakyat* (KUR) which has been received can help developing their businesses, informants # 1 answered:

"Yes, Kredit Usaha Rakyat is very helpfull for my business to increase the goods (buy vegetables) to be sold at Pesucen Market Kalipuro Banyuwangi and to repair vehicles for transporting the vegetable. Alhamdulillah, through KUR, my business is better because the loans can add my business capital".

While informants # 2 replied:

"I feel happy because the proposed KUR has been liquidated, in accordance with the requirement. I can develop my business because there are additional capital"

Informants # 3 answered about whether received KUR can help developing their business:

"it is very helpful to the business because of my lack of capital, but the presence of KUR, I would have a new spirit to develop the business and adding the goods".

Informants # 4 stated that KUR can help develop their business:

" KUR helps me in developing the business, increasing goods, more varied stuffs in my shop because I can meet the needs of buyers".

Based on the results of interviews with informants (study subjects) above, then *Kredit Usaha Rakyat* (KUR) conducted by BRI Unit Tawangalun Banyuwangi can meet the expectations of its customers, so that customers are very sympathetic on the *Kredit Usaha Rakyat* (KUR) program that is offered to them. *Kredit Usaha Rakyat* (KUR) is a credit program initiated by the government. The basic concept of KUR is a bank loan guaranteed by the government. To implement KUR guarantee, the government appointed SOEs guarantor that is Asuransi Kredit Indonesia (Askrindo) and Penjamin Kredit Indonesia (Jamkrindo). However, the amount of guarantees given by the government is not fully 100 percent of the value of KUR but only 70 percent while the remaining 30 percent is the risk of executing bank.

KUR program is one of the government's policy of national banks which are appointed. With a maximum KUR program implementation (both from the bank and the borrower), it has some benefits: (a) to foster self-reliance, unity, and entrepreneurial businesses to work with their own initiative; (b) develop businesses based on local potential and market-oriented; (c) increase the competitiveness of Micro, Small and Medium Enterprises; and (d) organize the planning, implementation, and management in an integrated manner.

Implementation of Kredit Usaha Rakyat in Developing Businesses in Terms of Capital for Market Traders.

Capital is no less important factor of production. In a sense the capital factor, scarcity has even more prominent role. Bthe result of field research where researcher conducted interviews with informants explained some opinions regarding the role of KUR in their capital. Questions received by KUR loan will increase the capital for operational activities, the informant # 1 stated that:

"KUR loans granted can be fresh funds in my business venture. Capital can be increased, so there are plenty of opportunities to add goods".

While informants # 2 explained:

"It increase my business capital and helped me as a market trader who sometimes gets uncertain income from trading".

Informants # 3 stated: getting KUR loan will increase the capital for operational activities:

"KUR loan can increase business capital, which previously I have difficulty to obtain due to limited capital, with this loan, my capital will be added and installment grow very easy"

While the subject # 4 stated:

"My capital increases although not significant due to KUR loans that is very limited in range Rp.10.000.000 to Rp. 20,000,000 ".

Based on the interview above, KUR program given to informants in terms of capital helped the progress of their business. By getting KUR loan from Bank Rakyat Indonesia (BRI) Unit Tawangalun Banyuwangi, KUR customers can raise capital despite the capital increase has not been able to significantly increase their capital, but can add to the development of their businesses.

The Implementation Kredit Usaha Rakyat Granting in Developing Businesses for the Market Traders in Terms of Sales Turnover.

Sales turnover is the overall amount of sales of goods / services within a certain time, which is calculated based on the amount of money earned. Sales turnover increased significantly after receiving KUR loans can add variety of goods, informants # 1 explained:

"My sales turnover increased by 70%, more varied goods because I have been assisted by KUR. Yet, it takes patience and hard work".

While informants # 2 explained:

"KUR loan does not directly make sales turnover increased, depending on market conditions. However KUR loan helped me to be able to increase sales turnover, due to increased goods".

While informants # 3 explained that the sales turnover increased significantly after receiving KUR loan:

"goods is indeed increased, but the turnover does not directly increased. It depends on the market condition, and depending on market demand".

Informants # 4 answered:

"I got a KUR loan only Rp.10.000.000 so that it can increase sales turnover, yet it has not been significant".

Based on the results of field interviews that turnover increased sales traders after getting a KUR loan (*Kredit Usaha Rakyat*) provided by the BRI Tawangalun Banyuwangi. By obtaining KUR, market traders can increase the amount of their sales turnover but not increased significantly. Sales turnover is not only influenced by loans from BRI but also another factor that is changing consumer tastes, the emergence of new competitors and the new strategies of competitors.

The Implementation *Kredit Usaha Rakyat* Granting in Developing the Business for Market Traders in Term of Advantage

Gains which can be achieved by the market traders after obtaining *Kredit Usaha Rakyat* (KUR) is one of the goals of Bank Rakyat Indonesia in the program. It is expected that *Kredit Usaha Rakyat* (KUR) can increase sales turnover, thereby increasing the profits. The following statements are the result of interviews with some informants. After obtaining gets, the business has a significant advantage, informants # 1 stated:

"my profits increased, although not drastically. This is because the goods that I sell are multiplied".

While informants # 2 replied:

"The granting of KUR loan, at least I can increase the profit. This is because the goods that I sell are more varied".

Informants # 3 answered:

"I can add my profit. In fact, i can increase the number of poultry boiler. And I have also been able to open new branches in other markets".

While informants # 4 responded:

"KUR loan can indeed help small traders like me to thrive, with the provision of easy loan installment, we could turn the capital and profit will increase as well".

Based upon the results of field research, it explained that after getting KUR loan, informants get increased profits though not too big and within 3 months, the benefit from the results of KUR loans can be seen.

5. Discussion

The management of credit is a very important in part in the overall bank management. It is due to most of the income of banks still rely on the credit sector. However, the implementation of the provision of credit by banks should use the precautionary principle. Usually the credit risk is considered high (high risk). Cautious attitude is a principle that should always be applied in any lending. The goal is to prevent risks that might occur. KUR given by BRI Unit Tawangalun is the working capital loans which need supervision for significant business growth. Working capital loans are loans granted by the bank to increase the working capital of the debtor. The working capital loan in principle includes working capital for the purpose of commercial, industrial, building contractors and sebagainya. Working capital to trade for example export credit, credit shops and so on. Meanwhile, the working capital loans is working capital loans for example industrial textile mills and so on. Therefore, the principle characteristic of this working capital is capital utilization that will be used in the business cycle which starts from the acquisition of cash from bank loans then used to buy goods or raw materials further obtain average cash. Most of the research subjects can develop their business after three to five months after getting KUR.

Here is a summary of the results of this study if described using the diagram:

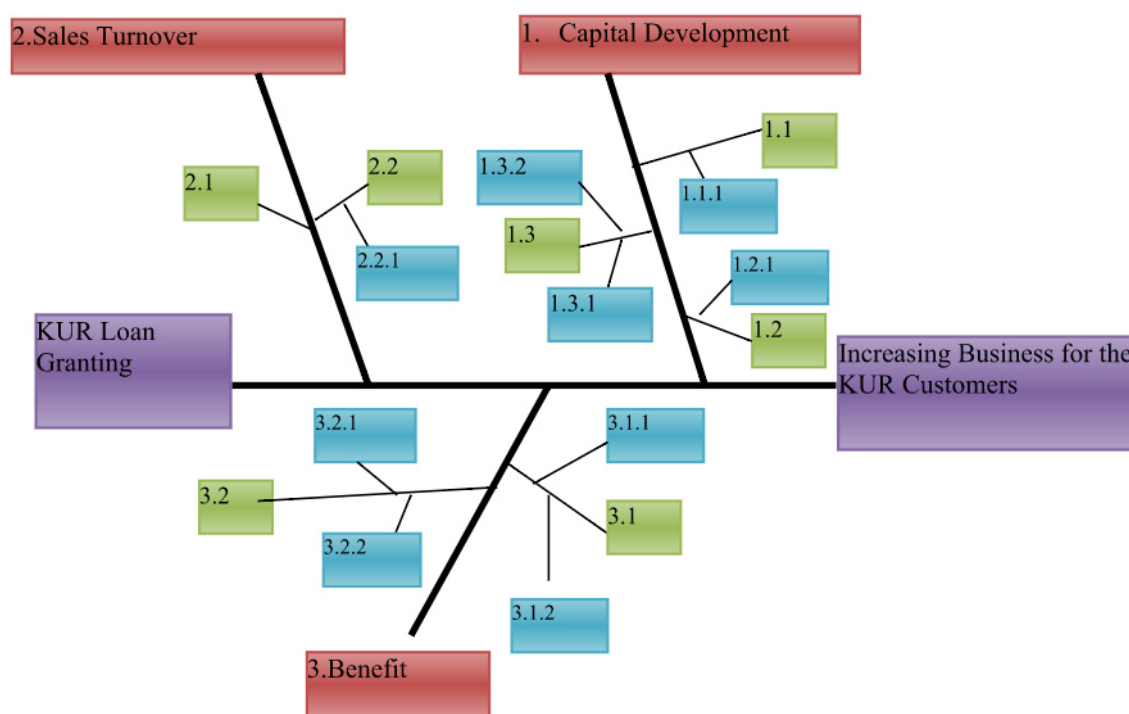


Figure 1. Research Finding

Description:

- 1.1. Loan can increase the capital
- 1.1.1. Help increase the capital
- 1.2. KUR can increase the capital significantly (drastically)
- 1.2.1. To raise the capital although not significant
- 1.3. KUR can be used to buy tools, machinery or transportation mode
- 1.3.1. Used as an additional purchase of transport equipment
- 1.3.2. Used to store additional renovation
- 2.1. KUR granting can increase sales turnover
- 2.2. KUR granting can increase the goods varieties
- 2.2.1. Able to meet customer needs
- 3.1. KUR granting can increase profit
- 3.1.1. Increasing the profit, Opening new branches
- 3.1.2. Increasing profit, increasing goods
- 3.2. The duration to add benefit after obtaining KUR
- 3.2.1. Three up to five months
- 3.2.2. Depending on the business situation

Based on the results of the study, it explained that the process of KUR granting from BRI Unit Tawangalun Banyuwangi will impact on the business continuity for market traders. Market traders (in particular research subject) who get KUR loan can increase sales turnover, profits and ultimately their trading capital. Although the increase is not significant, the nature of KUR loan is an easy loan whose funds are restricted by the bank. The research findings in the field shows that KUR customers (research subjects) gave a positive response to KUR loans disbursed to them by BRI Unit Tawangalun Banyuwangi. KUR program targets are groups of people who have been trained and enhanced empowerment and independence in the cluster previous program. KUR is also a strategic policy tool to reach microenterprises (market traders). KUR is a business activity conducted by BRI in providing capital loans to microenterprises as additional capital that can be used to finance productive business or strengthen existing business and to establish a new business or to acquire production facilities continuously in order to increase revenue obtained as a result of additional capital in productive enterprises.

6. Conclusion

Based on the analysis and discussion of this study, it can be concluded as follows: (1) the process of KUR granting for the market traders based on the requirement of which is proposed by the study subjects, in addition to the provision of KUR can develop the business for market traders at Tawangalun Banyuwangi; (2) the KUR

granting by BRI Unit Tawangalun Banyuwangi seen in terms of capital ownership, some informants claimed to increase their capital both goods and a means to trade; (3) KUR granting if in view of the sales turnover, the average informants state that it can help increase sales turnover although it is not significantly increased; (4) benefits after getting KUR granting by market traders may increase. Although the increase can be seen in the third month after the loan granted. Lastly, the suggestions of this study are: (1) BRI Tawangalun Banyuwangi should not only giving provision and supervision of capital, profits and raise the sales turnover should also be supervised for the sake of the effectiveness of the provision of credit to KUR customers and mentoring programs conducted by the BRI Tawangalun Banyuwangi and (2) future researchers, when conducting field research should involve an staff from the Department of Market to obtain in-depth information. Therefore, the information is not only viewed from the market traders at Tawangalun themselves.

7. References

- Amir Abadi Jusuf. 2000. Akuntansi Keuangan Lanjutan di Indonesia. Jakarta: Salemba Empat
- Anonim. 2003. Grameen Banking for the Poor: Microcredit. Dalam <http://www.grameeninfo.org/mcredit/index.htm>
- Bambang Riyanto. (2008). Dasar-dasar Pembelian Perusahaan. Yogyakarta: Penerbit GPFE
- Budiono. 2002. *Ekonomi Moneter*. Yogyakarta: BPFE
- Calmeadow. 1999. Community Micro-loan Funds in Canada. Dalam Source of Finance. <http://strategis.ic.gc.ca/epic/internet/insofsdf.nsf/vwGeneratedInterE/so03061e.html>.
- Chaniago. 2002. Strategi Memajukan Usaha Kecil dan Menengah. Jakarta: Pustaka
- Crosse, Howard D. George H. Hempel, 1980. Management policies for commercial banks, Prentice Hall.
- Greetz, Clifford. 1963. The Intergrative Revolution. In C. Greetz, (ed) old. Societies and New States, New York. The Free Press.
- Leksono, S. 2009. Runtuhnya Modal Sosial, Pasar Tradisional, Perspektif Emic Kualitatif. Cetakan Pertama. CV. Citra Malang.
- Leksono, S., 2013. *Penelitian Kualitatif Ilmu Ekonomi. Dari Metodologi ke Metode*. Cetakan Pertama. Edisi Pertama. PT. RajaGrafindo Persada. Jakarta.
- Munawir. 2004. Analisis Laporan Keuangan, Edisi Ke-4, Liberty, Yogyakarta. Ikatan Akuntansi Indonesia (IAI). 2004. Pernyataan Standar Akuntansi Keuangan (PSAK). Jakarta: Salemba Empat.
- Moleong, Lexy J. 2007. Metodologi Penelitian Kualitatif, Penerbit PT Remaja Rosdakarya Offset, Bandung.
- Rizal Calvary. 2009. Ayo ke Bank Dapatkan Kredit UMKM. Jakarta: PT Elex Media Komputindo.
- Sutamto, Teknik Menjual Barang, Jakarta: Balai Aksara. 1997
- Soemarso S.R. 2002. Akuntansi Suatu Pengantar, Buku 1 Edisi Keempat. Jakarta: Salemba Empat.
- Swastha, Basu dan Irawan. 2005. Manajemen Pemasaran Modern. Yogyakarta: Liberty
- Pindyck, R. S. and D. L. Rubinfeld. 1991. Econometric Models and Economic Forecasts. Third Edition. McGraw-Hill Inc, New York
- Peraturan Presiden Nomor 112 Tahun 2007 tentang Penataan dan Pembinaan Pasar Tradisional, Pusat Perbelanjaan dan Toko Modern
- Undang-Undang tentang Perubahan atas Undang-Undang No. 7 Tahun 1992 tentang Perbankan. UU No. 10 Tahun 1998, LN No. 182 Tahun 1998, TLN No. 3790.
- Undang-Undang Republik Indonesia Nomor 20 Tahun 2008 Tentang Usaha Mikro, Kecil, Dan Menengah Bank Indonesia .