

## **Implementation of The People's Business Credit Program on The Welfare of Micro, Small, and Medium Enterprises in Bengkulu City**

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*Received June 17, 2024; Received in revised form June 28, 2024; Accepted June 30, 2024*

**Abstract.** The challenges in implementing the policy on village fund utilization priorities are often complex and vary between villages, including resource limitations and external factors such as the COVID-19 pandemic. This research aims to analyze the implementation of the Decree of the Minister of Village, Development of Disadvantaged Regions, and Transmigration Number 11 of 2020 regarding the Priority of Village Fund Utilization in Urak Village, Makalti Tama Sub-District, Rahat District. The policy aims to maximize benefits for rural communities by improving quality of life and welfare, reducing poverty, and enhancing public services. This qualitative research focuses on aspects such as adequacy of implementation, day-to-day operations, efficiency, and effectiveness, with information gathered through interviews. The study indicates that the ministerial policy has not been fully implemented. Only three out of four focus areas have been executed: improving quality of life, increasing welfare, and poverty alleviation. The public service development program has not been implemented. The prioritization of the first three areas is due to the socio-economic conditions of the community. External factors such as the reduction of the state budget due to the COVID-19 pandemic have also affected the implementation of this policy. This study suggests a comprehensive evaluation of village budget priorities, considering the local context and the need for proactive measures to respond to severe situations like the pandemic.

**Keywords:** policy implementation; priority of village funds; village funds

**Abstrak.** Permasalahan dalam implementasi kebijakan prioritas penggunaan dana desa seringkali kompleks dan bervariasi antar desa, termasuk keterbatasan sumber daya dan pengaruh faktor eksternal seperti pandemi COVID-19. Penelitian ini bertujuan untuk menganalisis implementasi Keputusan Menteri Desa, Pembangunan Daerah Tertinggal, dan Transmigrasi Nomor 11 Tahun 2020 tentang Prioritas Penggunaan Dana Desa di Desa Urak, Kecamatan Makalti Tama, Kabupaten Rahat. Kebijakan ini bertujuan memaksimalkan manfaat bagi masyarakat desa melalui peningkatan kualitas hidup, kesejahteraan, pengurangan kemiskinan, dan peningkatan pelayanan publik. Penelitian kualitatif ini fokus pada aspek kecukupan pelaksanaan, operasional sehari-hari, efisiensi, dan efektivitas, dengan informasi dikumpulkan melalui wawancara. Hasil penelitian menunjukkan kebijakan belum sepenuhnya dilaksanakan. Dari empat fokus area, hanya tiga yang dijalankan: peningkatan kualitas hidup, kesejahteraan, dan pengentasan kemiskinan. Program pengembangan pelayanan publik belum diimplementasikan.

*Prioritas pada tiga area pertama disebabkan oleh kondisi sosial ekonomi masyarakat. Faktor eksternal seperti pengurangan anggaran akibat pandemi COVID-19 turut mempengaruhi implementasi kebijakan ini. Studi ini menyarankan evaluasi komprehensif terhadap prioritas anggaran desa dengan mempertimbangkan konteks lokal serta kebutuhan langkah-langkah proaktif dalam menghadapi situasi serius seperti pandemi.*

**Kata Kunci:** dana desa; implementasi kebijakan; prioritas dana desa



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## INTRODUCTION

Poverty and unemployment remain significant challenges in Indonesia, exacerbated by limitations in human resources and difficulties in meeting economic needs. The government has consistently sought to address these issues, with one notable effort being the People's Business Credit Program (KUR), designed to support Micro, Small, and Medium Enterprises (MSMEs) through investment and operational funding. This program, supported by various banks, aims to enhance MSME access to credit and contribute to national economic improvement (Kandpal, 2020; Madinga et al., 2022).

Previous studies have underscored the importance of financial literacy and access in improving economic outcomes for MSMEs. Kandpal (2020) emphasized the role of inclusive financial policies in supporting underserved populations in developing countries. Similarly, Madinga et al. (2022) found that financial education is crucial for effective financial decision-making among small business owners. The Indonesian Financial Services Authority (OJK) has also highlighted financial inclusion and literacy as critical components of its strategy to foster economic growth (OJK, 2021; Klapper, Lusardi, & van Oudheusden, 2015).

Despite these insights, there remains a gap in understanding the specific challenges and effectiveness of the KUR program in different regions, such as Bengkulu. General studies have assessed the broad impact of financial programs on MSMEs, but focused research on the operational hurdles and regional disparities affecting the success of programs like KUR is limited (Mahmood-ur-Rahman, 2022; Panos & Wilson, 2020). This study aims to address this gap by providing a detailed analysis of the KUR program's implementation in Bengkulu, highlighting issues such as ineligible beneficiaries and the misuse of funds (Nawaz, 2015; Lo Prete, 2022).



**KUR MIKRO**

**Bunga 6% per tahun/ 0,2% per bulan**

PLAFOND	JANGKA WAKTU			
	12 BULAN	18 BULAN	24 BULAN	36 BULAN
Rp 1,000,000	86,066	58,232	44,321	30,422
Rp 2,000,000	172,133	116,463	88,641	60,844
Rp 3,000,000	258,199	174,695	132,962	91,266
Rp 4,000,000	344,266	232,927	177,282	121,688
Rp 5,000,000	430,332	291,159	221,603	152,110
Rp 6,000,000	516,399	349,390	265,924	182,532
Rp 7,000,000	602,465	407,622	310,244	212,954
Rp 8,000,000	688,531	465,854	354,565	243,375
Rp 9,000,000	774,598	524,086	398,885	273,797
Rp 10,000,000	860,664	582,317	443,206	304,219
Rp 15,000,000	1,290,996	873,476	664,809	456,329
Rp 20,000,000	1,721,329	1,164,635	886,412	608,439
Rp 25,000,000	2,151,661	1,455,793	1,108,015	760,548
Rp 30,000,000	2,581,993	1,746,952	1,329,618	912,658
Rp 35,000,000	3,012,325	2,038,111	1,551,221	1,064,768
Rp 40,000,000	3,442,657	2,329,269	1,772,824	1,216,877
Rp 45,000,000	3,872,989	2,620,428	1,994,427	1,368,987
Rp 50,000,000	4,303,321	2,911,587	2,216,031	1,521,097

Figure 1. KUR installments

Source: <https://bri.co.id/kur> (diakse 20/05/2023)

Figure 1. presents details of repayments for the People's Business Credit Program (Kredit Usaha Rakyat or KUR) with different loan ceilings and tenors. The table displays the installment amounts that must be paid each month based on the loan amount granted. The interest applied is 6% per year or 0.2% per month. For example, for a loan of Rp. 5,000,000, the daily interest to be paid is Rp. 13,000. From the table, it can be concluded that the KUR program provides relief to customers by offering low interest rates and long tenors. This is considered capable of helping improve the well-being of the Micro, Small, and Medium Enterprises (MSMEs) sector.

The primary issues identified include the improper allocation of KUR funds, with recipients sometimes using the money for non-productive activities, and the inclusion of ineligible beneficiaries due to inadequate oversight. MSMEs in rural or remote areas face challenges in understanding and accessing KUR due to a lack of financial literacy and procedural awareness (Luo & Cheng, 2022; Méndez Prado et al., 2022). Addressing these problems requires a comprehensive evaluation using frameworks like the Van Meter and Van Horn Implementation Model, which considers policy size, resources, characteristics of implementing agents, and environmental factors (Klapper et al., 2015; Lusardi & Mitchell, 2011).

By analyzing these elements, this research aims to identify bottlenecks and propose improvements for better targeting and utilization of KUR funds. The expected outcome is a comprehensive understanding of the KUR program's impact on MSMEs and the broader economy, offering actionable recommendations to enhance program effectiveness. These findings are anticipated to benefit policymakers, financial institutions, and MSMEs by identifying strategies to optimize the distribution and use of KUR funds, ultimately contributing to poverty alleviation and economic development in Indonesia (Ozili, 2020;

Paramasivan & Ganeshkumar, 2013).

Through this study, the goal is to provide a deeper understanding of the effectiveness of the KUR program in improving access to the national economy and to offer recommendations for enhancing the success of this program in supporting MSMEs and overall economic growth. The insights gained can serve as valuable inputs for the government and relevant institutions in their ongoing efforts to improve and develop programs that support the growth and sustainability of the MSME sector in Indonesia (Mahmood-ur-Rahman, 2022; Nawaz, 2015).

## METHOD

The research method used is Descriptive research with a qualitative approach. Descriptive research is a method used to describe or analyze the results of research but is not used to draw broad conclusions because it aligns with the author's roadmap, which is to find resolutions based on the formulation of appropriate policies for the community in the province of Bengkulu. The focus of this research is the Analysis of the Implementation of the People's Business Credit Program (KUR) in the city of Bengkulu with a study in the East Circular Area, Bengkulu. Data collection is done through interviews, observations, and documentation. Secondary data used is document or literature studies. Secondary sources are interpreted as historical sources, biographies, encyclopedias, and other reference books, essays, books, and articles reported or interpreted in written works by others or second parties.



Figure 2. Research framework

The research instrument is a tool selected and used by the researcher in the process of collecting data to make the activity systematic and facilitated. The instruments used in this research are as follows: observation guidelines, interviews (interview guide), and field notes. The research subjects were chosen through purposive sampling, which is the

selection of samples made by the author based on considerations, but can also be done based on expert opinions. The research subjects, informants, are individuals who provide data in the form of information to the researcher. The determination of informants uses purposive techniques, which aim to select informants based on specific considerations. These considerations are based on individuals who have clear and precise information about the issues in this study

## **RESULT AND DISCUSSION**

### **Policy Measures and Objectives**

The People's Business Credit Program (KUR) is a credit program provided by the Indonesian government through designated banks. The KUR program aims to assist Micro, Small, and Medium Enterprises (MSMEs) in need of working capital with lower interest rates and easier requirements compared to regular loans. The size of KUR loans depends on the type of business and the capital needs of the loan applicant. The primary goal of KUR loans is to enhance the growth and competitiveness of MSMEs in Indonesia. With easier and more affordable access to financing, it is expected that MSMEs can increase production capacity, create employment opportunities, boost income, and contribute positively to national economic growth. Additionally, the government provides interest subsidies for the KUR program to help MSMEs access financing at more affordable interest rates.

Below are some types of KUR loans offered by BRI (Bank Rakyat Indonesia):

1. Micro KUR: The maximum amount for Micro KUR loans can reach Rp 25 million with a maximum loan term of 2 years.
2. Retail KUR: The maximum amount for Retail KUR loans can reach Rp 500 million with a maximum loan term of 5 years.
3. Productive KUR: The maximum amount for Productive KUR loans can reach Rp 2 billion with a maximum loan term of 5 years.
4. Commercial KUR: The maximum amount for Commercial KUR loans can reach Rp 10 billion with a maximum loan term of 7 years.

To apply for KUR (People's Business Credit), there are several application channels available, including:

1. Through Partner Banks: KUR can be applied through banks designated by the government as partner banks for KUR.
2. Through Distributing Institutions: Besides partner banks, KUR can also be applied through distributing institutions that collaborate with partner banks, such as Microfinance Institutions (MFIs), cooperatives, or Village-Owned Enterprises (BUMDes).
3. Online Application: With technological advancements, prospective borrowers can now apply for KUR online through the official website of partner banks or through mobile banking applications provided by partner banks.

4. Through Tax Service Offices (KPP): In addition to partner banks and distributing institutions, prospective borrowers can also apply for KUR through the nearest Tax Service Office (KPP).

## **Resources**

Resources in obtaining People's Business Credit (KUR) from Bank Rakyat Indonesia (BRI) encompass human resources, natural resources, and capital resources. Here is a more detailed explanation:

1. Human Resources (SDM - Sumber Daya Manusia): Human resources play a crucial role in securing KUR loans as skilled and high-quality human resources can enhance the chances of business success. Competent and reliable personnel contribute significantly to the overall success of the business.
2. Natural Resources (Sumber Daya Alam): Natural resources also play a vital role in obtaining KUR, especially for entrepreneurs operating in sectors such as agriculture, fisheries, and livestock. The utilization of natural resources, such as fertile land, is essential for the success and sustainability of businesses in these sectors.
3. Capital Resources (Sumber Daya Modal): Capital resources are the most critical factor in KUR loans. Sufficient capital is indispensable for the development of the business. In the context of KUR BRI, ensuring an adequate amount of capital is crucial, as insufficient funds can hinder the growth of businesses.

In the process of obtaining KUR from BRI, the provided resources aim to enhance the quality and competitiveness of the businesses of the borrowers. Therefore, entrepreneurs seeking KUR from BRI are encouraged to optimize these resources to ensure the growth and success of their businesses.

## **Characteristics of Implementing Agents**

Implementing Agents for KUR at Bank Rakyat Indonesia (BRI) are BRI's working partners appointed by the government as companies or institutions responsible for distributing People's Business Credit (KUR) to micro, small, and medium-sized enterprises (MSMEs). Here are some characteristics of BRI's KUR Implementing Agents:

1. Complete Legality: BRI's KUR Implementing Agents must be officially registered and comply with the requirements set by BRI and the government.
2. Extensive Network: BRI's KUR Implementing Agents possess a wide network and are connected with various relevant parties.
3. Competent Expertise: BRI's KUR Implementing Agents have skilled and experienced experts.
4. Service and Customer Satisfaction Orientation: BRI's KUR Implementing Agents consistently strive to provide the best service and prioritize customer satisfaction.

With these characteristics, BRI's KUR Implementing Agents are expected to facilitate access for micro, small, and medium-sized enterprises (MSMEs) to obtain KUR. This, in turn, can help enhance the quality and quantity of MSMEs in Indonesia.

### **Top-Down Policy Disposition**

The top-down policy in the BRI KUR program refers to the policies formulated by BRI management and implemented centrally across all BRI units throughout Indonesia. This policy aims to ensure uniformity in the implementation of the BRI KUR program across all regions of Indonesia, as well as to ensure its effective and efficient execution in line with the goals of the BRI KUR program. The BRI KUR team has responsibilities in addressing various issues related to the People's Business Credit (KUR) program at BRI, including:

1. Establishing communication with potential KUR recipients: The BRI KUR team communicates with potential KUR recipients to understand the challenges they face.
2. Conducting field visits: The BRI KUR team conducts field visits to verify the accuracy of information provided by potential KUR recipients.
3. Resolving issues promptly and accurately: After identifying the challenges faced by potential KUR recipients, the BRI KUR team strives to resolve these issues quickly and accurately.
4. Providing education and training: The BRI KUR team also provides education and training to potential KUR recipients related to business management and financial management.
5. Following up on complaints and feedback: The BRI KUR team follows up on complaints and feedback from potential KUR recipients regarding the BRI KUR program.

By employing these methods, the BRI KUR team can help ensure the smooth operation of the BRI KUR program and provide benefits to potential KUR recipients and the wider community. If BRI KUR recipients encounter difficulties in repaying installments, they can contact the BRI KUR team for the best solution. In the unfortunate event of the death of a BRI KUR customer, their family or heirs can submit a request to settle the credit payment obligations.

### **Attitude/Tendency (Disposition) of Communication Mechanisms**

The attitude or tendency (disposition) of communication mechanisms is related to how the community responds to or deals with the mechanisms used by BRI KUR in conveying information to customers or potential customers. Several attitudes or tendencies in the communication mechanisms of BRI KUR that may occur include:

1. Openness: The community responds positively when BRI KUR uses mechanisms that are open and transparent in conveying information.
2. Distrust: The community may respond with distrust or skepticism when BRI KUR uses mechanisms that are less transparent or unclear.
3. Lack of Trust: The community may respond with distrust or skepticism when BRI KUR uses mechanisms that are less transparent or unclear.

4. Openness to Innovation: The community may respond positively if BRI KUR uses innovative or new mechanisms in conveying information or in the loan application process.

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

### **Social, Political, and Economic Conditions**

BRI KUR or People's Business Credit from Bank Rakyat Indonesia is a credit program aimed at small communities or micro, small, and medium-sized enterprises (MSMEs) with the goal of improving the standard of living and the economy of the people. The social conditions of the community play a crucial role in the success of the BRI KUR program. Some positive impacts of BRI KUR on the Social, Political, and Economic Conditions of the community include improving the welfare of the community, increasing employment opportunities, enhancing business productivity, and improving access to financial services.

There are also several factors that can affect the success of the BRI KUR program, such as the level of limited knowledge and financial ability of the community, high-risk levels, and intense competition in running businesses. In this regard, the BRI KUR team can provide assistance and guidance to micro, small, and medium-sized business actors in managing business finances and repaying BRI KUR installments on time. BRI KUR, or People's Business Credit from Bank Rakyat Indonesia, is a credit program aimed at small communities or micro, small, and medium-sized enterprises (MSMEs). There are several conveniences in applying for BRI KUR, including:

1. Easy Requirements: The requirements for applying for BRI KUR are relatively straightforward and not too complicated.
2. Fast Process: The BRI KUR application process can be done online or directly at BRI branch offices. The disbursement process is also relatively fast and does not take much time.
3. High Credit Limit: The credit limit provided by BRI KUR is quite high.
4. Low Interest Rates: BRI KUR offers relatively low interest rates, around 7-9% per year.
5. Flexible Tenor: The loan tenor or repayment period can be chosen according to the needs of the business.

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

### **Research Discussion**

#### **Policy Size and Objectives**

This study will discuss the size and objectives of the KUR (People's Business Credit) policy implemented by BRI (Bank Rakyat Indonesia) in Indonesia. KUR is a credit program aimed at promoting the growth of micro, small, and medium-sized enterprises by providing



affordable financing access. The following is a discussion of the size and objectives of the KUR BRI policy:

1. Size of KUR BRI:
  - Credit Ceiling: BRI sets different credit ceilings according to business categories.
  - Interest Rates: An essential aspect of the size of KUR BRI is the offered interest rates. BRI provides competitive interest rates for KUR.
2. Objectives of KUR BRI:
  - Promoting the Growth of Micro, Small, and Medium-sized Enterprises: One of the primary objectives of KUR BRI is to promote the growth of the micro, small, and medium-sized business sector in Indonesia.
  - Reducing Economic Disparities: KUR BRI also aims to reduce economic disparities between large and small business sectors.
  - Improving Financing Access: One constraint faced by small businesses is limited access to financing.

With size determined through credit ceilings and competitive interest rates, and objectives including promoting the growth of micro, small, and medium-sized enterprises, reducing economic disparities, and improving financing access, KUR BRI plays a crucial role in supporting the development of the small business sector in Indonesia. KUR BRI also aims to reduce economic disparities between large and small business sectors. By providing opportunities for small businesses to obtain financing, it is expected to improve prosperity and reduce poverty levels in Indonesia. Finally, KUR BRI strives to enhance financing access for small business operators who often face challenges in accessing financing. With easier requirements and a simpler process, this program enables more small entrepreneurs to access the necessary capital.

## **Resources**

In discussing the resources of KUR BRI, several aspects need attention, including:

1. Funding Sources:
  - Internal Funding: BRI utilizes internal resources, such as customer deposits and bank capital, as a source of funds to support the KUR program.
  - External Funding: Besides internal resources, BRI can also obtain external funding through various instruments, such as bond issuances or loans from other financial institutions.
2. Labor Force and Infrastructure:
  - Labor Force: BRI allocates competent human resources to manage the KUR program.
  - Infrastructure: BRI also requires adequate infrastructure to support the implementation of the KUR program.
3. Policies and Procedures:
  - KUR Policies: BRI has established policies to regulate the KUR program.
  - Operational Procedures: BRI also develops efficient operational procedures to process loan applications, evaluate business feasibility, and determine credit ceilings suitable for borrower categories.

4. Collaboration with External Parties:

- Business Partners: BRI can collaborate with external parties.
- Government and Regulations: BRI also collaborates with the government in implementing the KUR program.

By optimizing existing resources, including funding sources, labor force, infrastructure, policies, and collaboration with external parties, BRI can effectively manage the KUR program. This enables the bank to provide affordable financing to micro, small, and medium-sized enterprises and supports the growth of the small business sector in Indonesia. In-depth research results can reveal information about the efficiency of resource utilization, the impact of existing policies and procedures, and an evaluation of collaboration with external parties. Additionally, the research can identify challenges or obstacles faced in optimizing KUR BRI resources and provide recommendations for improvement or further development. Thus, the research findings on KUR BRI resources can serve as a basis for better decision-making in managing the KUR program, enhancing its effectiveness, and promoting the growth of micro, small, and medium-sized enterprises in Indonesia.

### **Characteristics of Implementing Agents**

In discussing the characteristics of KUR BRI implementing agents, several aspects need attention:

1. Expertise and Knowledge: Implementing agents of KUR BRI are expected to have adequate expertise and knowledge in the fields of finance and banking.
2. Compliance with Policies: Implementing agents of KUR BRI are expected to comply with the policies and procedures established by BRI.
3. Ethics and Professionalism:  
Implementing agents of KUR BRI are expected to behave ethically and maintain a high level of professionalism.
4. Monitoring and Evaluation: Implementing agents of KUR BRI are also responsible for monitoring and evaluating borrowers who have received financing.

With characteristics encompassing expertise and knowledge, communication skills, understanding of policies, ethics and professionalism, as well as proficiency in monitoring and evaluation, KUR BRI implementing agents can play a crucial role in effectively implementing this program and benefiting micro, small, and medium-sized enterprises in Indonesia. Valid and relevant research results can provide a better understanding of the factors influencing the performance of KUR BRI implementing agents, their strengths and weaknesses, and recommendations for improving the effectiveness of program implementation. This can aid in developing policies and best practices that enhance the quality of service provided by implementing agents, supporting the success of the KUR BRI program in promoting the growth of the small business sector in Indonesia.

### **Top-Down Policy Attitude/Disposition**

The attitude or disposition of top-down policy in the context of BRI's KUR refers to the approach taken by BRI in designing and implementing the KUR program policy from those

at the highest management or authority level to those at lower levels. The top-down policy approach usually involves:

1. **Policy Determination:** The KUR program policy of BRI, including credit ceilings, interest rates, eligibility requirements, and qualifying types of businesses, is determined.
2. **Procedure Regulation:** Credit application procedures, business feasibility assessments, and credit ceiling determinations are also set by BRI's top management or higher authorities.
3. **Monitoring and Supervision:** BRI's top management or higher authorities are responsible for monitoring and supervising the overall implementation of the KUR BRI program.

Some discussions related to the top-down policy attitude of KUR BRI may include:

1. **Efficiency and Consistency:** The top-down approach can provide efficiency and consistency in the implementation of BRI's KUR program.
2. **Coordination and Oversight:** The top-down approach allows for better coordination among BRI's units, branches, and implementing agents.
3. **Local Limitations:** The top-down approach may also have limitations in considering local conditions in various regions.
4. **Participation and Responsiveness:** In the top-down approach, the participation and involvement of branches or implementing agents in formulating policies and procedures may be limited.

Research outcomes may include:

1. **Implementation Effectiveness:** Research can test the effectiveness of the top-down policy in achieving the goals of the KUR BRI program.
2. **Influence on Business Diversity:** Research can examine the influence of the top-down policy on the diversity of businesses obtaining financing through the KUR BRI program.
3. **Stakeholder Participation:** Research can analyze the level of participation and involvement of BRI branches or implementing agents in formulating policies and procedures of the KUR BRI program.
4. **Constraints and Challenges:** Research can identify constraints and challenges that arise in the implementation of the top-down policy.

Valid and relevant research outcomes can provide a better understanding of the effectiveness, strengths, and weaknesses of the top-down policy approach in the implementation of the KUR BRI program. These results can be used to inform the development of policies and best practices that can enhance the success of the KUR BRI program and provide optimal benefits to micro, small, and medium-sized businesses in Indonesia.

### **Attitude/Disposition of Communication Mechanism**

In discussing the attitude or disposition of the communication mechanism in BRI's KUR, we refer to the communication approach used by BRI to inform, educate, and interact with

prospective borrowers, implementing agents, and other relevant parties regarding the KUR BRI program.

Here are some aspects that can be discussed regarding the attitude or disposition of the communication mechanism in KUR BRI:

1. **Transparency:** The communication attitude of KUR BRI can reflect transparency in conveying information related to the program, requirements, interest rates, and benefits that prospective borrowers can obtain.
2. **Education and Understanding:** The communication mechanism of KUR BRI can focus on education and understanding of the program.
3. **Responsiveness:** The communication attitude of KUR BRI can also reflect responsiveness to the needs and questions of prospective borrowers and implementing agents.
4. **Communication Diversity:** The communication attitude of KUR BRI can reflect a tendency to use various forms of communication.
5. **Continuous Communication:** The communication mechanism of KUR BRI can reflect a tendency to maintain continuous communication relationships with prospective borrowers and implementing agents.

The discussion of the attitude or disposition of the communication mechanism in KUR BRI aims to emphasize the importance of transparency, education, responsiveness, communication diversity, and sustained communication relationships in conveying information about the KUR BRI program. Through effective communication attitude, BRI can build trust, facilitate access to better financing, and enhance participation in the KUR BRI program.

### **Social, Political, and Economic Conditions**

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

1. **Social Conditions:**
  - Awareness and societal needs for micro-financing access.
  - Public knowledge and understanding of the KUR BRI program.
2. **Political Conditions:**
  - Government policies related to the micro and small sectors.
  - Political stability and consistent policies.
3. **Economic Conditions:**
  - Economic growth and stability.
  - Availability of resources and infrastructure.

The discussion of the social, political, and economic conditions of the KUR BRI aims to understand the context in which this program operates. With a profound understanding of these factors, stakeholders can identify challenges and opportunities that may arise in the implementation of the KUR BRI program and take appropriate steps to enhance its

effectiveness and positive impact. Research outcomes can provide a deeper understanding of how social, political, and economic conditions impact the implementation and success of the KUR BRI program.

## CONCLUSION

Based on the results and discussions from this research, it can be concluded that the implementation of the People's Business Credit (KUR) Program at Bank Rakyat Indonesia (BRI) unit in Kota Bengkulu contributes to the improvement of the welfare of Small and Medium Enterprises (SMEs) in the city, focusing on the case study of BRI Unit Panorama. The procedures for providing People's Business Credit (KUR) at PT Bank Rakyat Indonesia (BRI) Lingkar Timur are in accordance with the Standard Operating Procedures (SOP). Bank Rakyat Indonesia (BRI) Unit Lingkar Timur, in analyzing or assessing prospective debtors, applies Implementation Theory, including Policy Size and Objectives, Resources, Characteristics of Implementing Agents, Top-Down Policy Attitude/Disposition, Communication Mechanism Attitude/Disposition, and Economic, Social, and Political Environment. Reasons for prospective debtors failing to become recipients of People's Business Credit (KUR) include not meeting the document requirements set by the bank, not meeting assessment principles, and, in cases where the debtor had previously disbursed funds, experiencing payment arrears or defaulted credits.

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