

Comparative Study of People's Business Credit (KUR) Program Services for Farmers at State-Owned Banks in Sinjai Regency

Nursaifullah

nursaifullah17@gmail.com

Muhammadiyah University of Sinjai

Muhammad Suyuti

muh.sayuti66@gmail.com

Muhammadiyah University of Sinjai

Makmur

Makmur.onti@gmail.com

Muhammadiyah University of Sinjai

Keywords:

comparison;
state-owned
banks; KUR

Abstract

Research Objectives To find out the differences and comparison of the mechanism for managing People's Business Credit (KUR) funds for farmers at state-owned banks, such as the Sinjai Branch of BRI, Sinjai Branch of Sulsebar Bank and Sinjai Branch of BNI, regarding disbursement requirements, payback time, loan length and credit ceiling that can be accessible to farmers. The research method used a qualitative descriptive analytical method with data collection techniques through observation, interviews and documentation, while the informants consisted of KUR leaders or managers at BRI Sinjai branch, Bank Sulsebar Sinjai branch and BNI Sinjai branch. Research results related to the Comparative Study of People's Business Credit Program (KUR) services for Farmers at BUMN Banks in Sinjai Regency, it can be concluded that the conditions for granting/disbursing KUR to farmers in general at all BUMN Banks are treated the same as the general public, which differs from each bank is general requirements set by each bank where Bank Sulsebar asks for NPWP and BNI asks for recommendations from the Agriculture Service if farmers want to borrow KUR funds, while regarding the time to repay KUR funds for farmers in each state-owned bank the rules are the same depending on the type of loan made by farmers, for daily business loans, the repayment is every month, while for farming businesses the repayment is per season / 6 months and for livestock businesses it is permissible to pay back 1 year to 2 years. The length of the loan varies depending on the initial agreement/agreement, the loan period is 1 year to 4 years, except that the Sulsebar Bank makes it easy for farmers who want to borrow for 2 years so that you can pay it back once and pay it off immediately. Meanwhile, the credit ceiling prepared for KUR borrowers at each state-owned bank is the same in the range of 1 to 500 million, with different conditions imposed on each state-owned bank. For BRI and Bank Sulsebar, a credit ceiling above 50 million to 500 million requires collateral and proof of business, while for BNI, the debtor's business must cooperate with the bank as a form of guidance and supervision for the borrower .

1. INTRODUCTION

The agricultural sector is a sector that really supports the people's economy, but business capital constraints are often an obstacle to activities. The agricultural sector plays a very important and strategic role in economic development. Even so, the agricultural sector is still faced with several problems, including a lack of farmer capital and a lack of information about banking.

Capital is one of the factors of production in agriculture in addition to land, labor and management. The discussion regarding capital in agriculture cannot be separated from the discussion of credit issues which are loans to help with capital. Responding to these problems, the Government on June 8, 2007 launched Presidential Instruction No. 6 of 2007 concerning the policy of accelerating the development of the real sector and

empowering Micro, Small and Medium Enterprises (MSMEs). One important step in the implementation of this Presidential Instruction was the launch of the People's Business Credit (KUR) program which was inaugurated by President Susilo Bambang Yudhoyono on November 5, 2007, with a loan guarantee facility from the government through PT. Askindo (Indonesian Credit Insurance) And Perum for Business Development Facility. The Executing Banks that distribute KUR are government banks that are members of State- Owned Enterprises (BUMN) such as Bank Rakyat Indonesia (BRI), Bank Mandiri, Bank Negara Indonesia (BNI), State Savings Bank (BTN), Bank Syariah Mandiri, Bank Bukopin and Banks South Sulawesi.

The current legal basis for implementing KUR is Minister of Finance Regulation No. 180 of 2017 concerning procedures for paying interest subsidies for KUR and Coordinating Ministerial Regulation number 8 of 2019 regarding guidelines for implementing KUR and Minister of Finance Regulation Number 65 of 2020 concerning procedures for providing interest subsidies for MSME financing loans . The total KUR ceiling has been increased from 140 trillion to 190 trillion in 2020, and will be increased gradually up to IDR 325 trillion in 2024 and an increase in the Micro KUR ceiling from IDR. 25 million to Rp. 50 million per debtor and interest rates were reduced from 7% to 6% per year or around 0.5% per month.

KUR is a soft loan to the public with terms and conditions for requesting and returning KUR funds according to the rules imposed by each channeling bank. In 2020, the Regent of Sinjai Regency A. Seto Gadhista Asapa, invited and instructed state-owned banks that distributed KUR funds in Sinjai Regency to prioritize giving KUR to farmers, so that poverty alleviation could be overcome and the KUR funds could produce something more useful for farmers' businesses and their families as well as the people of Sinjai Regency as a whole general.

2. LITERATURE REVIEW

2.1 Understanding comparison

Comparative research is research that is intended to find out and or test the differences between two or more groups. Comparative research is also research conducted to compare a variable (research object), between different subjects or different times and find causal relationships. The comparative method is a method used to compare data drawn into new conclusions. Comparison itself comes from English, namely *compare*, which means to compare to find similarities of two or more concepts. By using this comparison method the researcher intends to draw a conclusion by comparing ideas, opinions and understandings in order to obtain similarities from ideas and differences from KUR Program service standards for farmers in several channeling banks located in the District Sinjai.

Comparison according to the Big Indonesian Dictionary is defined as a comparison. According to Winarno Surakhmad in his book Introduction to Scientific Knowledge (1986: 84), comparison is a descriptive investigation that seeks to find a solution through an analysis of causal relationships, namely choosing certain factors related to the situation or phenomenon being investigated and comparing one factor with another. . According to Nazir (2005: 58) comparative research is a kind of descriptive research that wants to find answers fundamentally about cause and effect, by analyzing the factors that cause the occurrence or emergence of a particular phenomenon. Comparative study is a form of research that compares between variables-interrelated variables by suggesting differences or similarities in a policy and etc.

2.2 Service

Service (*Customer Service*) in general is any activity intended or intended to provide satisfaction to customers. Through this service the wants and needs and desires of customers can be fulfilled. In essence, service is a series of activities which is a process. As a service

process that takes place routinely and continuously covering the entire life of people in society, the process of fulfilling needs through the activities of other people. According to Moenir (2006) service is an activity carried out by a person (a group of people) on the basis of material factors through systems, procedures and methods in order to efforts to fulfill the interests of others in accordance with their rights. The implementation of public services is measured, therefore standards can be set both in the time required and in the results. With management standards, it is possible to plan, implement, supervise and evaluate service activities so that the end result is satisfactory to those who receive the service.

Oral services are carried out by officers in the field of public relations (PR), information services, and other fields whose job is to provide explanations or information to anyone who needs it.

Service with writing, is the most prominent form of service in carrying out tasks. Not only in terms of quantity but in terms of role. Basically services through writing are quite efficient, especially long-distance services because of the cost factor. In order for services in written form to satisfy the parties served, one thing that can be considered is the speed factor, both in problem processing and in the process of solving it (typing it, signing it, and sending it to the recipient). concerned).

Services with deeds, performed by most of the middle and lower classes. Because of that, the factor of expertise and skill of the officer greatly determines the results of the request or work.

2.3 Understanding KUR

KUR is loan funds in the form of Working Capital Credit (KMK) and or Investment Credit (KI) with a credit limit of IDR 5 million to IDR 500 million. The principal collateral for KUR is the business being financed, but the government helps cover it through a guarantee program of up to a

maximum of 70 percent of the credit limit. This assistance in the form of a capital loan facility is to increase access to banking financing which was previously limited to large-scale businesses and did not reach micro, small and medium enterprises such as households and other types of micro-enterprises which are informal in nature, accelerating the development of the real sector and empowering MSMEs.

The guarantee agencies involved are 2 national guarantee agencies, viz PT. Jamkrindo (Indonesian Credit Guarantee) and PT. Askrindo, in order to accelerate the development of MSMEs in line with the publication of the Job Creation Bill, the Financing Policy Committee for MSMEs chaired by the Coordinating Minister for the Economy decided to change the KUR policy to be more pro-people starting January 1, 2020 as following:

1. Interest Rate lowered from 7% to 6%;
2. The total KUR ceiling is increased from 140 trillion to 190 trillion in 2020, and will be increased gradually up to Rp. 325 trillion in 2024;
3. Micro KUR ceiling increase from Rp. 25 million to Rp. 50 million each debtor.

In order to improve and expand KUR access, the government is committed to continuing to increase the total KUR ceiling. In 2020, the total KUR ceiling is increased to IDR 190 trillion or in accordance with the availability of the budget in the APBN. The KUR annual ceiling will continue to be gradually increased up to Rp. 325 Trillion in year 2024.

2.4 Farmer

Farmers are everyone who make efforts to fulfill some or all the necessities of life in agriculture in a broad sense which includes agricultural farming, animal husbandry, fisheries and marine product collection. The role of farmers as managers of farming functions to make decisions in organizing known production factors (Hernanto, 1993). According to

Samsudin (1982), what is meant by farmers are those who temporarily or permanently control a plot of agricultural land, control a branch of farming or several branches of farming and work on their own, either with their own power or with paid labor. the plural (*multiple roles*), namely as a farmer and also as the head of the family. As the head of a farmer's family, he is required to be able to provide a decent and sufficient life for all members of his household. As a manager and farmer related to the ability to manage their farming will be greatly influenced by factors inside and outside the farmers themselves which are often referred to as the socio-economic characteristics of farmers. If farming skills as a farmer in general are skills as a manager including activities of the mind driven by will (Mosher, 1981).

The term "farmer" from many social academic circles will provide various meanings and definitions. The figure of the farmer has many dimensions so that various groups give views according to the dominant characteristics. Moore noted three characteristics of farmers, namely: legal subordination, cultural specificity and *de facto ownership* of land. Wolf gives the term *peasants* for farmers which are characterized by residents who are existentially involved in farming and making autonomous decisions about the farming process (Lansberger and Alexandrov in Anantanyu, 2004).

Farmers are people, both those who own and do not have their own land, whose main livelihood is cultivating agricultural land (Jaya, 1989). Especially for farmers in Indonesia, in general, they are not farmers with hectares of agricultural land, but most of them are *peasants* with a small plot of rice fields or fields, sometimes even just agricultural laborers (Moertopo, 1975). According to Hadisapoetra in Mardikanto (1994), briefly said that small farmers are a group of " weak economy" not only weak in terms of capital (as a result of the limited land cultivated, low productivity of asparagus, and low income) but also weak in spirit to proceed.

3. RESEARCH METHODS

3.1 Analysis Method Data

The process of data analysis begins by examining all available data from various sources, namely from interviews, observations that have been written in field notes, documents and so on until conclusions are drawn. In conducting data analysis the researcher refers to several stages described by Miles and Huberman (1992).) which consists of several stages, among others:

- a. Gathering information through interviews with informants who are compatible with the research and then observing directly in the field to support the research being carried out in order to get the data sources that are used expect
- b. Data reduction (data reduction), namely the process of selecting, focusing on simplification, raw data transformation that emerges from field notes while researching the purpose of holding data transcripts (data transformation) to select which information is considered appropriate and not in accordance with the problem at hand research center in the field.
- c. Presentation of data (data display), namely the activity of a collection of information in the form of narratives, graphs, networks, tables and charts aims to sharpen research understanding of the selected information then presented in tables or descriptions explanation.
- d. In the final stage, pay attention to the conclusions carried out carefully by verifying in the form of a review of field records so that the data can be tested for validity.

3.2 Informant Study

- a. Creditor/Leadership of Bank BRI Branch Sinjai Regency Sinjai
- b. Creditor/Management of Bank BNI Sinjai District Branch Sinjai
- c. Creditor / Head of Bank Sulsel Sinjai Regency Branch Sinjai
- d. KUR management officers at Bank BRI, BNI

and Bank South Sulawesi

e. KUR Debtors / Farmer

4. RESULTS AND DISCUSSION

4.1 Research Results

Results Study This is about a comparison (comparison) of the management of People's Business Credit (KUR) funds for farmers managed by banks that are members of state-owned enterprises (BUMN) in Sinjai, in this case Bank Rakyat Indonesia (BRI), Bank Sulselbar and Bank Negara. Indonesia (BNI) using measuring tools/indicators, namely KUR disbursement/disbursement requirements, repayment method, length of loan and amount of credit ceiling granted.

4.2 Research Discussion

The discussion in this study is regarding the comparison (Comparison) of the management of People's Business Credit (KUR) funds for farmers managed by Banks that are members of State-Owned Enterprises (BUMN) in Sinjai.

4.2.1 Conditions for Giving / Disbursing KUR funds for Farmer

Disbursement requirements are conditions imposed by banks on borrowers/debtors who will use KUR funds.

4.2.1 BRI Bank (People's Bank Indonesia)

BRI provides three types of KUR services, namely KUR Micro, KUR Small, and KUR TKI. Of these three KUR services, BRI applies an interest rate of 6 percent with a period of 3 to 5 years.

4.2.2 BRI BANK Micro KUR

KUR Micro with a maximum loan of IDR 50 million. The maximum loan period for Working Capital Loans (KMK) is a maximum of 3 years, and Investment Credit (KI) is a maximum of 5 years. Interest rate of 6 percent with free administration and fees. The Terms and Conditions;

1) Individuals (individuals) who carry out productive and feasible businesses with a

minimum period of 6 months of business active.

- 2) Not currently receiving credit from banks except consumer loans such as mortgages, KKB, and cards Credit.
- 3) Administrative requirements: identity in the form of KTP, Family Card (KK), and business license

b. BANK Small KUR BRI

Loans for Small KUR are IDR 50 million to IDR 500 million. The maximum loan period for KMK is 4 years and KI is 5 years. Interest rate of 6 percent with free administrative fees and provisions and collateral according to bank regulations. As for the Terms and Conditions ;

- a. Have a productive and viable and active business of at least 6 month.
- b. Not currently receiving credit from banks except consumer loans such as mortgages, KKB, and cards Credit
- c. Micro and Small Business Permit (IUMK) or other business permits that can be obtained equated.

According to Mrs. Amriani, as the head of the Sinjai Branch BRI Marketing Manager, BRI does not provide special conditions for farmers if they want to borrow KUR funds, the rules are the same as the community's requirements. general.

4.2.3 Bank Sulselbar

KUR Document Requirements are:

Application letter

- 1) Photocopy of Passbook
- 2) Copy of Husband's KTP wife
- 3) Copy of Card family
- 4) Copy of Marriage Certificate/Divorce Certificate/Letter Death
- 5) Not married certificate (for those who have not marry)
- 6) Photocopy NPWP
- 7) Pas Photo Size 3x4 husband and wife (2 sheet)
- 8) Business Photo and Business Certificate from Village/Kelurahan

The Bank of Sulselbar does not provide special conditions for farmers if they want to borrow KUR funds, the rules are the same as the general public's requirements, although there are some differences in the terms of disbursement with other banks, such as the application of NPWP for applicant

4.2.4 BNI Bank Branch Sinjai

BNI's KUR facility reaches IDR 500 million with a loan term of up to 5 years and an interest rate of 6 percent. With uncomplicated conditions. KUR is intended individual, body business micro small And medium, as well as TKI.

The Terms and Conditions;

- 1) Indonesian citizens (WNI)
- 2) The business has been running for at least 6 month
- 3) Photocopy of electronic KTP and KK, Letter marry
- 4) License business
- 5) Photocopy of guarantee documents for loans above Rp.50 million
- 6) Taxpayer Identification Number (NPWP) for credit above IDR 50million

The conditions for borrowing KUR at BNI Sinjai for Farmers are somewhat different from the general public, because they must own an agricultural business and have a recommendation from the Agriculture Service regarding their membership in a farmer group.

d. Time Return

Refund Time is the time or method of returning KUR funds for farmers agreed by the bank with the Debtor/KUR Customer. The time for repaying KUR funds for farmers at each state-owned bank has the same rules depending on the type of loan made by the farmer, for daily business loans the return is every month, while for farming businesses the returns are per season / 6 months and for livestock businesses it is permissible to repay 1 year to 2 year.

c. Long Loan

The length of the loan is the maximum time given by the Bank to the Farmer for repayment of the KUR loan. The length of loan for KUR funds for farmers varies depending on the initial agreement/agreement, at least 1 year to 4 years of borrowing, unless Bank Sulselbar makes it easy for farmers who want to borrow for 2 years, the return can be done once and immediately paid off.

d. Credit Platforms

The credit ceiling is the amount of fees / credit that can be given to farmers who will access KUR . For BRI and Bank Sulselbar, a credit ceiling above 50 million to 500 million requires collateral and proof of business, while for BNI, the debtor's business must be cooperated with the bank as a form of guidance and supervision for the borrower.

Table 1
Research Result Matrix

Formulation of the problem	Indicator	Research result
What are the differences in the services of the People's Business Credit Program (KUR) for farmers at state-owned banks (BRI, Bank Sulselbar and Bank BNI) Sinjai branch	Terms of Granting/Disbursement of KUR for farmers	The conditions for granting KUR funds to farmers in general at all state-owned banks are treated the same as the general public, which differs from each bank are the general conditions set by each bank where the Sulselbar Bank asks for NPWP and BNI asks for recommendations from the Agriculture Service if farmers want to borrow KUR funds. .
	Long Loan return time	The time for repaying KUR funds for farmers at each state-owned bank has the same rules depending on the type of loan made by the farmer, for daily business loans the return is every month, while for farming businesses the returns are per season / 6 months and for livestock businesses it is permissible to repay 1 year to 2 year. The duration of borrowing KUR funds for farmers varies depending agreement / initial agreement, the period of 1 year until 4 years of borrowing, unless Bank Sulselbar makes it easy for farmers who want to borrow for 2 years, the return can be done once and immediately paid off.
	Credit Limit	The credit ceiling prepared for KUR borrowers at each state-owned bank is the same in the range of 1 to 500 million, with different conditions imposed on each state-owned bank. For BRI and Bank Sulselbar, a credit ceiling above 50 million to 500 million requires collateral and proof of business, while for BNI, the debtor's business must be cooperated with the bank as form of guidance and supervision for borrowers.

5 CLOSING

5.1 Conclusion

Based on the results of the study entitled Comparative Study of Services for the People's Business Credit Program (KUR) for Farmers at BUMN Banks in Sinjai Regency, it can be concluded as follows:

1. Conditions for Giving / Disbursing KUR for farmers, Terms for granting KUR funds to farmers in general at all state- owned banks are treated the same as the general public,

which differs from each bank are the general conditions set by each bank where Bank Sulselbar asks for NPWP and BNI asks for recommendations Department of Agriculture if farmers want to borrow KUR funds.

2. Payback time The time for repaying KUR funds for farmers at each state-owned bank has the same rules depending on the type of loan made by the farmer, for daily business loans the repayment is every

month, while for farming businesses the returns are per season / 6 months and for livestock businesses it is permissible to repay 1 year up to 2 year.

3. Borrowing duration The length of borrowing KUR funds for farmers varies depending on the initial agreement/agreement, the loan period is 1 year to 4 years, unless Bank Sulselbar makes it easy for farmers who want to borrow for 2 years so the return can be once and immediately paid off.
4. The credit ceiling prepared for KUR borrowers at each state-owned bank is the same in the range of 1 to 500 million, with different conditions imposed on each state-owned bank. For BRI and Bank Sulselbar, a credit ceiling above 50 million to 500 million requires collateral and proof of business, while for BNI, the debtor's business must be cooperated with the bank as a form of guidance and supervision for borrower.

5.2 Suggestion

1. It is recommended to all state-owned banks (BRI, Bank Sulselbar and BNI) Sinjai branches to make special regulations regarding the provision of credit loans for farmers, because the majority of people who really need financing in business are farmer/breeder.
2. It is suggested to the regional government of Sinjai Regency, to be actively involved in providing legal assistance related to financing to farmer/breeder businesses, because their business results support the economy area.
3. It is suggested to farmers/breeders who are going to borrow KUR to improve their intentions before borrowing and make the loans obtained properly utilized for the sustainability of farming businesses, for the welfare of farmers in the future. come.

BIBLIOGRAPHY

Abdullah and Tantri F, 2012, *Banks and Financial Institutions, Ed. 11* , Jakarta, Publisher: Rajawali Press.

Amanda Praiselia, 2015, *Study of the distribution of People's Business Credit (KUR) Agriculture at Bank BRI Tondano Branch Office* , Thesis of the Faculty of Agriculture majoring in social economics, University of Sam Ratulangi Manado .

Baharuddin, et al. 2021. *Guidelines for Internal Research Grants for Lecturers at Muhammadiyah Sinjai University*, Sinjai . LPPM UMSI

Damayanti, Meby, Latief Adam . *The People's Business Credit Program (KUR) as a Tool to Support MSME Development in Indonesia* . TNP2K Working Paper 27-2015.National Team for the Acceleration of Poverty Reduction (TNP2K). Jakarta, Indonesia ia.

Dwi Nur Atin Tika, 2018, *The Effect of Effectiveness of People's Business Credit (KUR) on Increasing Micro Business Profits*, Thesis of the Faculty of Economics, Economics Education Study Program, Yogyakarta State University

Ekawati Dian, 2016 , *the implementation of the BRI UnitangAsseri People's Business Credit (KUR) program in increase business welfare small And medium in the village sangiasseri subdistrict sinjai south Sinjai Regency* , Thesis Faculty of Da'wah and Communication, State Islamic University Alauddin Makassar.

Moenir. 2006. *Public service management*. Earth characters: Jakarta

Nuraishah. 2018, *Analysis of the Influence of Customer Relationship Management to increase customer loyalty at PT. Bank Rakyat Indonesia (Persero) Tbk Sinjai branch* , Thesis Management Department, Faculty of Economics and Business, University Hasanuddin.

Nurul Fadhilah. 2019, *Effect of ATM and Mobile Banking services on customer loyalty of Bank Sulselbar Sinjai branch (Islamic economic analysis)*, Thesis of the Islamic banking study program, Faculty of Islamic Economics and Business, State

Islamic Institute (IAIN) pare-pare.

Orlando Agung, Romi Susanto, 2020 ,
*Mechanism for Disbursing People's
Business Credit at Pt. Bank Rakyat
Indonesia Lubuk Buaya Unit*, Padang
Academy of Finance and Banking,
romisusanto@akbpstie.ac.id

SeptaPutraSimaremare Daniel, 2018, *Analysis
of the Effectiveness of Distribution of
People's Business Credit (Kur) to MSMEs
in DeliSerdang Regency*, Thesis of the
Faculty of Economics and Business
Development Economics Study Program,
University of North Sumatra, Medan

RI Law No. 10 of 1998 concerning *Banking*
RI Law No. 25 of 2009 concerning *public
services*

Permenko Number 8 of 2019, concerning
Guidelines for implementing KUR

Minister of Finance Number 65 of 2020
concerning Procedures for providing
interest subsidies/margin subsidies for
MSME credit/financing

Regulation of the Minister of Finance no. 180
of 2017, regarding *procedures for paying
interest subsidies for KUR*

e-journal.uajy.ac.id/8883/3/2MTS02204,
(accessed February 22, 2021)
[http://arripple.blogspot.com/2016/04/
pengertian-dan-kapal-petani-dan.html](http://arripple.blogspot.com/2016/04/pengertian-dan-kapal-petani-dan.html)
(accessed date 22 February 2021)

[http: kbbi.kemdikbud.go.id](http://kbbi.kemdikbud.go.id) *Big Indonesian
Dictionary* , (accessed February 22,
2021)

[https://kur.ekon.go.id/change-kebijakan-
credit-usaha-rakyat-kur-tahun-2020](https://kur.ekon.go.id/change-kebijakan-credit-usaha-rakyat-kur-tahun-2020)
(accessed March 8 2021)

[https://tirto.id/condition-pinjaman-kur-2020-
di-bri-bni-btn-dan-bank-mandiri- fYvG](https://tirto.id/condition-pinjaman-kur-2020-di-bri-bni-btn-dan-bank-mandiri-fYvG)
(accessed March 8, 2021)