

The Effectiveness of Bank BRI's People's Business Credit (KUR) in Supporting the Creative Economy in the Semarang Area

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ABSTRACT

This study aims to determine the effectiveness of the role of KUR Bank BRI in encouraging creative economy growth in Semarang and provide useful recommendations for future policy development. This study uses a qualitative descriptive method by collecting data using questionnaires and direct interviews with respondents. The result of this study is that the BRI KUR program has a significant role in encouraging local economic growth. People's Business Credit provides easy access to capital for creative economy actors, such as businesses in the fields of culinary, fashion, art, and design, which are sectors with great potential to create added value and new jobs.

Keywords: Effectiveness, Business Growth Impact and KUR Challenges.

INTRODUCTION

The creative economy has the potential to absorb local labor, especially in sectors that rely on local traditions and culture. For example, the handicraft subsector can empower rural communities by producing high-value goods in the global market. This directly contributes to increasing people's income and reducing unemployment rates in areas with limited natural resources.

However, the creative economy sector faces significant challenges despite having great potential. The development of this sector is hampered by a lack of adequate regulation and infrastructure, limited access to financing, and a lack of intellectual property rights protection. My (2023) said that to overcome these challenges and maximize the potential of the creative economy in Indonesia, collaboration between the government, industry players, and the community is very important. In this context, the government plays a key role in creating an ecosystem that supports creativity and innovation. Strategies to strengthen the sector should include policies that encourage upskilling of people, better access to technology, and financing for creative entrepreneurs. In addition, the protection of copyright and intellectual property needs to be strengthened so that creators can enjoy the results of their innovations fairly.

Overall, the creative economy has great potential to encourage local economic growth in Indonesia, especially in the Semarang area. Semarang has various fields in the creative economy sector, and it needs to be developed because the creative economy in the Semarang area is still low compared to other areas. With that, the government, through state-owned banks such as Bank Rakyat Indonesia (BRI), provides People's Business Credit (KUR) to support the development of the



creative economy. KUR BRI is a program intended for small and medium enterprises, including those that creative and innovative. This program aims to strengthen the small and medium business sector in Indonesia so that it can grow and increase competitiveness, with special specifications to support the development of creative and innovative businesses in the country (Cigombong, n.d.)

KUR Bank BRI is expected to be a solution for business actors in Semarang to obtain affordable and easily accessible financing. However, the effectiveness of this program needs to be evaluated to understand how much it contributes to the development of the creative economy in the area. This includes an analysis of accessibility, impact on revenue, and challenges faced by business actors in utilizing KUR. By understanding the effectiveness of KUR in supporting the creative economy, it is hoped that strategic steps can be identified that can be taken by the government and financial institutions to increase the success of this program. The definition of the creative economy according to INPRES No. 6 of 2009 is a new economic era that emphasizes the use of information and creativity, with a focus on the ideas and knowledge of human resources as the main production factors to produce products or creative works.

Previously, the economy relied more on natural resources, where high-quality goods or materials had a higher selling value. Today, there is a shift, where the main value in the industry depends on human creativity to create added value from natural resources that may otherwise be mundane. For example, previously, efforts to find and process high-quality iron raw materials aimed to increase their selling value. Now, the focus is on creating innovative products or services using iron to increase its value. Therefore, creativity is important in order to be able to offer something unique and not yet on the market.

Howkins (2007) states that the creative economy involves economic activities that prioritize the development of ideas, not just doing routines. This shows that innovation is an important aspect of the creative economy. According to the First Dictum of Presidential Instruction Number 6 of 2009, the creative economy is an activity based on individual creativity, skills, and talents to produce works that have economic value, which contribute to the welfare of the Indonesian people.

UNDP (2008) also defines the creative economy as an integral part of innovative knowledge, creative use of technology, and culture. Thus, it can be concluded that the creative economy includes economic activities that involve creativity and innovative skills to create goods or services of high economic value, which in turn can improve people's welfare. The word effective comes from the English word effective, which means to succeed, something that is successfully done. The concept of effectiveness is a broad concept that encompasses several internal and external factors of the organization. Effectiveness is the relationship between the effort expended and achieving the goal.

The greater the production that contributes to the achievement of the goal, the more effective the organization, program or activity will be. Effectiveness is the ability to choose the right goals and achieve them. Thus, effectiveness refers to the relationship between the outputs or outcomes achieved or actually achieved between the goals or outcomes set or expected in the plan. An organization is said to be effective if the output produced meets the expected objectives. Effectiveness is generally seen as the level of achievement of functional and operational objectives. Basically, effectiveness is the level of achievement of predetermined organizational goals. Performance is how well a job is done, how well a person produces the expected results. It can be interpreted as work that is done as planned, it can be said to be effective without time, energy and change. On the other hand, the effectiveness of the implementation of regional autonomy policies is the extent to which local government activities can implement, implement and improve services

to the community and make decisions about community participation. The implementation of development and the solution of various problems in the implementation of regional autonomy.

Siagian (2001) who argues that effectiveness is the use of resources, facilities and infrastructure to a certain extent that has been consciously predetermined in advance to produce some goods for the services it provides. Performance show success based on whether or not the goal is achieved. If the results of the activity are close to the goal, this means greater efficiency. When one talks about effectiveness as a work management, it means that the focus is on the achievement of various objectives, which are determined by the timely use of certain available resources, must be determined in advance, and the results achieved by using those resources. Then the results must be achieved within the specified time.

METHODOLOGY

Research Design

This study uses a qualitative descriptive method. According to Satori (2011), qualitative research is carried out to explore phenomena that cannot be quantitatively measured and descriptive, such as work processes, recipe formulas, understanding of various concepts, characteristics of goods and services, as well as cultural aspects and artifacts. This research method uses direct interviews and questionnaires that will be distributed to several people who have businesses involved in KUR BRI. In addition, this research is also inductive because the problems in this study are complex, dynamic, and the results are more pressing so that the researcher intends to understand the social situation in depth. This research uses descriptive qualitative because this research wants to determine the effectiveness of KUR BRI in the development of the creative economy in Semarang.

Sampling and Data Collection

The type of data used in this study consists of primary data and secondary data. Primary data is data taken directly from the object of research, namely KUR customers of Bank BRI Unit Semarang, while secondary data is obtained indirectly from the object of research, namely related institutions such as Bank BRI (Bank Rakyat Indonesia), books, journals, and the internet. Pens; This was carried out through a video call on one of the social media.

RESULTS AND DISCUSSION

Based on the results of the research, KUR BRI has made a real contribution to increasing the income and welfare of the local community in Semarang. First, in terms of increasing income, the majority of respondents who received KUR BRI reported an increase in business turnover after receiving financing. This is due to increased production capacity, more optimal purchase of raw materials, and wider product marketing. KUR recipients also feel helped by the low interest rates offered, so that the installment burden is not too burdensome and allows them to focus more on business development.

Second, in the welfare aspect, the increase in income generated from businesses financed by KUR has a positive impact on various aspects of people's lives. KUR recipients reported improvements in meeting basic needs such as education, health, and housing. In addition, this program also contributes to creating new jobs, both for the families of KUR recipients and the surrounding community.

However, this study also found several challenges faced in the implementation of KUR in Semarang. Some recipients experience obstacles in business financial management, such as the use of KUR funds that are not fully allocated for productive needs. In addition, there are some MSMEs that do not fully understand the mechanism for submitting and managing KUR, so further education is needed from Bank BRI and local governments. Based on data and interviews with KUR recipients, it was found that this program has a positive influence on both aspects.

Impact on Business Growth

Most KUR recipients in Semarang reported a significant increase in their business after obtaining credit. KUR provides easy access to capital that allows business actors to increase production capacity, expand marketing networks, and improve product quality. This can be seen from the increase in average business turnover by 20-30% in one year after receiving the loan. In addition, low-interest support from KUR allows business actors to allocate more funds for investment in business development, such as the purchase of new equipment or renovation of business premises.

However, challenges remain, especially in terms of financial management. Some KUR recipients do not have adequate ability to separate personal and business finances, so that capital management is less than optimal. In this case, the role of assistance from Bank BRI or local governments is important to ensure the effectiveness of the use of KUR funds.

Impact on Job Creation

In addition to encouraging business growth, KUR also contributes to creating new jobs in the local community of Semarang. Based on research data, about 40% of KUR recipients report that they recruit additional workers after their business grows. On average, each KUR recipient creates 1-3 new jobs in various sectors, such as trade, culinary, and services. This not only reduces the local unemployment rate but also increases the income of the surrounding community. However, research also shows that the impact of job creation varies depending on the scale of the business and the business sector. Small businesses with large expansion potential tend to create more jobs than micro-businesses that are still family-oriented. For this reason, there needs to be a more targeted policy in distributing KUR to sectors with a greater potential multiplier effect.

Challenges and Recommendations

Although the impact of KUR on business growth and job creation is significant, some challenges still need to be overcome. One of the main challenges is the low financial literacy of KUR recipients, which hinders the optimization of capital use. In addition, there are administrative obstacles in the KUR submission process which sometimes burdens micro business actors.

To increase the impact of KUR, it is recommended that Bank BRI and local governments strengthen assistance programs for KUR recipients. This assistance can be in the form of financial management training, marketing strategies, and sustainable business management. In addition, expanding access to KUR to sectors with higher job creation potential, such as small manufacturing and agribusiness, should also be considered. Based on the results of interviews with 6 respondents, it can be seen that KUR BRI is very influential in increasing the effectiveness of increasing income and welfare of local communities in Semarang (Table 1).

Table 1. Income After and Before Receiving Credit from Bank BRI

No.	Total Revenue	Quantity Before (respondents)	Number After (respondents)	Percentage
1	<2Million	1	-	-
2	2Million-5 Million	2	1	16%
3	5 Million- 9 Million	3	1	16%
4	>10 Million	-	6	68%

Source: Processed Data

From the research, it can be seen that the provision of BRI KUR to the creative economy of the Semarang region has a positive impact on developing the economic income of MSMEs in the Semarang area. It is hoped that the existence of KUR BRI can be the key to the success of traders so that they can progress and develop among other economic actors. Creative economy businesses need to be developed, because this business can absorb labor from local resources without having to have special skills, so it is expected to reduce unemployment and reduce poverty rates.

CONCLUSION

Based on the results of research on the effectiveness of Bank BRI's People's Business Credit (KUR) in supporting the creative economy sector in the Semarang area, it can be concluded that this program has a significant role in encouraging local economic growth. People's Business Credit provides easy access to capital for creative economy actors, such as businesses in the fields of culinary, fashion, art, and design, which are sectors with great potential to create added value and new jobs. The effectiveness of KUR can be seen from the increase in the business capacity of creditors. The majority of respondents reported an increase in business turnover after obtaining KUR financing. This is due to the ability of business actors to increase production, expand the market, and develop product innovations. In addition, the KUR program also supports business sustainability through low interest rates that help ease the operational burden of creative economy business actors. In the social aspect, KUR has been proven to have a positive impact on improving the welfare of local communities in Semarang. Business actors who benefit from KUR are able to create job opportunities for the surrounding community, thereby helping to reduce the unemployment rate. In addition, the success of the development of the creative economy sector through KUR also encourages the attractiveness of Semarang as a center of creativity, both at the local and national levels. However, the effectiveness of KUR still faces several challenges, such as low financial literacy among creditors and limited access to information about this program for some creative economy actors. Therefore, further assistance is needed from Bank BRI and local governments to provide training related to financial management, business innovation, and marketing strategies. Overall, Bank BRI's KUR program has made a significant contribution in supporting the development of the creative economy sector in Semarang. With better management, synergy between banks and the government, and expanded access to the creative economy sector, the effectiveness of this program in the future can be more optimal in encouraging inclusive and sustainable local economic growth.

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