

## The Role of People's Banking Private Vocational (BPR) Toward Development of MSME in Lebak Banten

Agus Kusmana<sup>1)</sup>; Sumilir<sup>2)</sup>

<sup>1)</sup> [aguskusmana48@yahoo.com](mailto:aguskusmana48@yahoo.com), Universitas Pembangunan Nasional Veteran Jakarta, Indonesia

<sup>2)</sup> [sumilir\\_ragil@yahoo.com](mailto:sumilir_ragil@yahoo.com), Universtias Pembangunan Nasional Veteran Jakarta, Indonesia

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### Abstract:

*This study aims to determine the role of BPR in the development of MSMEs. The research method uses descriptive-qualitative analysis method. The population in this study are rural banks and MSMEs in the Lebak regency of Banten. The type of data used is secondary data and primary data. The role of BPR in the development of MSMEs in the Lebak Regency of Banten with credit growth from 2016 - 2018 of 166.88% and MSME growth of 28.05%, the characteristics of MSME actors in the Lebak district of Banten is the age level of 40 -50 years and male sex with the majority of MSMEs married, and educated in high school, with experience managing businesses between 1 to 5 years, business characteristics, in general, financing customers of PT. BPR Lebak Sejahtera has a business in the field of handicraft, a self-owned business with a place of business that is also owned by itself, in running its business it already has an official business license. financing characteristics provided, the customer receives working capital financing with a repayment period of 1 to 3 years.*

### Introduction

Rural Credit Bank (BPR) is a bank that conducts business activities conventionally and/ or based on sharia principles which in their activities do not provide services in payment traffic (Bank Indonesia, 2006). BPR as a financial intermediary institution that collects funds from the community and channels them back to the community in the form of credit, BPR must maintain the trust given by the community in managing their funds (Hasibuan, 2008). BPR accepts deposits only in the form of time deposits, savings, and / or other forms equivalent (Subramanyam & Wild, 2010). BPR business activities are primarily intended to serve small businesses and communities in rural areas.

By the Law of the Republic of Indonesia No. 7 of 1992 concerning Banking, as amended by Law No. 10 of 1998, BPR is a bank that conducts business activities conventionally or based on Sharia Principles which in its activities do not provide services in payment traffic. BPR businesses include raising funds from the public in the form of deposits in the form of time deposits, savings, and or other forms equivalent; give credit; provide funding and placement based on Sharia Principles following the provisions stipulated by Bank Indonesia; place the funds in the form of Bank Indonesia Certificates, time deposits, certificates of deposits and savings at other banks. can be seen with the existence of credit institutions in the middle of Indonesian society such as the People's Credit Institutions in Java in 1900.

This is inseparable from the condition of rural banks, which generally still faces various obstacles and challenges in providing credit services to micro and small businesses (Muljono, 1990). These constraints and challenges are (1) the structure of BPR funding has not been supported by strong capital and limitations in gathering public funds, (2) the quality of resources has not been adequate both at managerial and operational technical levels, (3) there are no supporting facilities for the BPR industry such as institutions that can function as a buffer for liquidity funds for BPRs, and (4) weak control and inefficiency of operational activities (www.bi.go.id, 2015).

In terms of Micro and Small Enterprises (MSEs), there are still many who have poor financial performance, characterized by low business turnover, low business profits, low cash receipts from operating

activities, and the narrow area of product marketing. In Baswir's opinion as quoted by Ariawati, Ria Ratna (2004: 50) 4 main factors are causing the low performance of small and medium enterprises (SMEs) in Indonesia, namely: 1) Nearly 60% of small businesses still use traditional technology; 2) Market share tends to decrease due to lack of capital, weak technology and managerial; 3) Most small businesses are unable to meet administrative requirements to get assistance from the Bank; 4) The level of dependency on government facilities tends to be very large. It is in this problem that the role of BPRs for the community in rural areas is expected to be the spearhead in MSE sector financing, by channeling credit to MSEs in the long run and conducting business coaching so that loans can improve the financial performance of MSE credit recipients. Based on the description above, it is necessary to research "The Role of Rural Banks (BPR) Against the Development of Micro and Small and Medium Enterprises (MSMEs) in Lebak Banten" where research is conducted at BPRs and MSMEs in the Lebak region of Banten

Seeing the condition of MSMEs in Banten lebak areas which are still faced with many problems, which makes it difficult for MSMEs to develop their businesses, the community of MSME practitioners in Banten lebak areas want their business progress. With the provision of low interest loans, the right financing option is to use financing channeled by the Rural Bank (BPR) (Siamat, 2005).

This study examines the role of the Rural Credit Bank (BPR) in the development of Micro, Small, and Medium Enterprises (MSMEs) in the Lebak area of Banten. Furthermore, this research is expected to be able to provide benefits to related parties, namely local governments, MSME actors, BPRs and related topic researchers as an input in setting policies regarding the implementation of financing channeled to enhance the growth of Micro, Small and Medium Enterprises, and contribution of academic insight. to enhance similar research in the future. Based on the description above, the formulation of the problem of this research is: How is the development of SMEs in Lebak Banten /; and To what extent does the role of BPRs in MSME financing in Lebak Banten?

## Literature Reviews

Rural Credit Bank (BPR) is a form of bank business entity regulated in Act Number 10 of 1998, concerning Banking, in article 1 paragraph 4 which states that Rural Credit Banks are banks that carry out business activities conventionally or based on sharia principles which in its activities does not provide services in payment traffic. This means that BPR and Sharia BPR activities are much narrower when compared to commercial bank activities (Kasmir, 2012). The development of the BPR and Sharia BPR industry continues to increase rapidly, based on OJK data until June 2015, there are 161 units with a network of 433 offices spread and operating throughout Indonesia. West Java Province BPRs recorded as many as 29 BPR. This shows that the range of BPRS services is getting wider and its existence is increasingly needed by the community.

According to Yuliarmi and Yoga (2013), it is stated that the presence of BPRs through lending to the middle to lower classes who are generally oriented as Micro, Small, and Medium Enterprises (MSMEs) is very important because the majority of business operators in Indonesia are MSME actors. BPRs offer solutions to overcome the obstacles of capital problems to informal businesses to develop their businesses so that BPRs are very useful for the development of MSMEs in Indonesia (Nofianti, 2013). Bank Perkreditan Rakyat (abbreviated BPR) is a bank financial institution that carries out business activities conventionally or based on Sharia Principles that do not provide services in payment traffic (Angga, Utha, & Kambolong, 2016). BPRs only carry out activities in the form of deposits in the form of time deposits, savings, and/or other similar forms and channel funds as BPR businesses. With a location that is generally close to where people are in need. BPR status is given to Village Banks, Village Granaries, Market Banks, Employee Banks, Pith Nagari Granary (LPN), Village Credit Institutions (LPD), Village Credit Agencies (BKD), District Credit Agencies (BKK), Small People's Business Credit (KURK ), Subdistrict Credit Institutions (LPK), Village Production Work Bank (BKPD), and / or other institutions which are equaled based on Banking Law No. 7 of 1992 by meeting the procedural requirements stipulated by Government Regulation (*Undang-Undang Perbankan (UU No. 10 Th. 1998 Tentang Perubahan Undang-Undang Nomor 7 Tahun 1992 Tentang Perbankan)*, 1998). The provision was enforced because keeping in mind that these institutions had developed from the environment of Indonesian society.

The following are some of the results of previous studies related to research

- 1) Widyastuti & Yuliandari, (2016), This study is entitled "Analysis of the Role of People's Credit Banks (BPR) on Improving the performance of micro small businesses (MSEs) Based on the results of research and hypothesis testing results that the role of BPRs in financing Micro and Small Businesses still occupies a relatively small portion when compared to financing by commercial banks. Working capital loans extended by BPRs to MSEs have a positive effect on the average increase in MSE sales turnover

over three years after receiving working capital loans. Working capital loans extended by BPRs to MSEs have a positive effect on the average MSME net profit margin for three years after receiving working capital loans.

- 2) (Hamidi, 2017), Research entitled "Comparative Study of Performance of Rural Credit Banks (BPR) has an important role in supporting the Indonesian economy by providing financial access for weak economic communities and micro, small and medium enterprises. This research aims to examine the factors that determine the performance of rural credit banks (BPR) and make a comparison between BPRs and Sharia and conventional systems in Sumatra Barat Province. To test the performance of the PRB, various financial ratios are used based on the CAMEL framework which includes Capital Adequacy, Asset Quality, Management, Earnings, and Liquidity ratios. The research method used is a quantitative method using one-way ANOVA and Multiple Linear Regression against panel data from Sharia Rural Banks and conventional Rural Banks in West Sumatra Province between 2011 and 2015. The analysis shows that there are differences in the factors that determine the performance of Sharia Rural Banks and Conventional Rural Banks.

### **Business Conducted by BPR**

BPR businesses include efforts to raise and distribute funds to make a profit. BPR benefits derived from the spread effect and interest income (Harahap, 2008). The BPR businesses are:

- 1) Collecting funds from the public in the form of deposits in the form of time deposits, savings, and/or other forms equivalent.
- 2) Give credit.
- 3) Provide financing for customers based on profit sharing principles following the provisions stipulated in Government Regulations.
- 4) Placing funds in the form of Bank Indonesia Certificates (SBI), deposits
- 5) Futures, certificates of deposit, and / or savings at other banks. SBI is a certificate offered by Bank Indonesia to an RB if an RB experiences over liquidity or excess liquidity.

### **Businesses that may not be carried out by BPR**

There are several types of businesses such as those conducted by commercial banks, but BPRs cannot be done. Businesses that BPRs should not do are:

- 1) Receive deposits in the form of demand deposits.
- 2) Conducting business activities in foreign currencies.
- 3) Conducting capital investment based on prudent banking principles and concern for the service needs of the middle to lower classes.
- 4) Conduct insurance business.
- 5) Conducting other business activities outside the business activities referred to in the RB business.

### **BPR Credit Allocation**

In allocating credit, several things must be considered by BPR, namely:

- 1) In providing credit, BPR must have confidence in the ability and ability of debtors to repay their debts by the agreement.
- 2) In providing credit, BPRs must comply with Bank Indonesia regulations
- 3) Regarding the maximum lending limit, the provision of collateral, or other similar things that can be done by the BPR to the borrower or a group of related borrowers, including to companies in the same group as the BPR. The maximum limit is not to exceed 30% of the capital following the provisions stipulated by Bank Indonesia.
- 4) In providing credit, bprs must comply with Bank Indonesia regulations regarding the maximum lending limit, provision of collateral, or other similar matters, which can be done by bprs to shareholders (and families) who own 10% or more of the paid up capital, board members commissioners (and family), members of the board of directors (and family), other BPR officials, and the companies in it
- 5) There are interests of shareholders (and families) who own 10% or more of the paid-up capital, members of the board of commissioners (and family), members of the board of directors (and

family), other BPR officials. The maximum limit does not exceed 10% of the capital following the provisions stipulated by Indonesian Bank.

**BPR has activities or business activities as follows:**

- 1) Collecting funds from the public in the form of deposits in the form of time deposits, savings, and other similar products. Channeling funds in the form of a credit to the public.
- 2) Providing financing and placement of funds based on sharia principles, by the provisions stipulated by Indonesian Bank.
- 3) Placing funds in the form of Bank Indonesia Certificates (SBI), time deposits, certificates of deposit, and savings at other banks.

Rural Credit Bank is a bank that conducts conventional business activities in which its activities do not provide services in payment traffic (Sinungan, 1991). The Definition of Rural Credit Banks, as regulated in article 13 of Act Number 10 of 1998, the Business of Rural Credit Banks includes:

- 1) Collecting funds from the public in the form of deposits in the form of time deposits, savings, and / or other forms equivalent to that.
- 2) Give credit, provide financing and placement of funds based on principles following the provisions stipulated by Bank Indonesia.
- 3) Placing funds in the form of Bank Indonesia Certificates (SBI), time deposits, Certificates of Deposit, and / or other Bank savings.
- 4) Furthermore, Rural Credit Banks are prohibited from Receiving Deposits in the form of demand deposits and participating in payment traffic. Conducting business activities in foreign currencies. Conducting equity participation, conducting insurance business, conducting other business outside the business activities referred to in article 13.

**Duties of Rural Credit Banks**

- 1) Providing banking services for rural communities
- 2) Developing rural economic growth in the community of entrepreneurs in villages, farmers, and fishermen
- 3) The rapid development of rural banks should also be followed by human resources as the manager of the institution. This is very important in connection with the business continuity of this institution which has a very important role in helping to improve the national economy. The hope of the BPR government can contribute and play an active role in managing a better national economy by supporting rural modernization and providing the middle to lower economic groups engaged in Micro, Small and Medium Enterprises (MSMEs).

**Micro, Small and Medium Enterprises (MSMEs)**

In Indonesia, MSMEs are the most numerous business groups and are resistant to various economic crises. MSMEs have distinguishing characteristics of business actors based on the scale of their business, which is inherent in business activities or the behavior of their entrepreneurs in running their business. The World Bank classifies MSMEs into 3 groups, as follows: 1) Micro, namely business with labor. 10 people; 2) Small, namely businesses with a workforce of 30 people; 3) Medium, ie businesses with a workforce of up to 300 people. Besides, MSMEs according to their business perspective are grouped into 4, namely: 1) Informal Sector, for example, small traders on the roadside; 2) The Micro Sector is a craftsman, with a limited entrepreneurial spirit in developing its business; 3) Dynamic Small Sector is an entrepreneur who has more capability in cooperating both in imports and exports; 4) Fast Moving Enterprise Sector is a business that can transform into greater. The characteristics of MSMEs according to the commodity aspects produced are: 1) quality standards do not yet exist; 2) limitations on product design; 3) limitations of product types; 4) capacity limitations and product price lists; 5) there is no standard for the use of raw materials; 6) imperfections and no guarantee for product continuity. One form of mutualism symbiosis in the economy is the existence of synergy between MSMEs and commercial banks (Suhartono, 2013). The benefits are not only felt by both but also felt by the community and government. This is because people have wider employment opportunities, and the

government can achieve better economic performance through increased GDP. To support the achievement of benefits for the community and government, the synergy must remain by the precautionary principle, the SMEs explain in detail:

**a. Microbusiness**

According to Article 6 of Law No.20 of 2008 concerning MSME criteria, the Micro Business Criteria are as follows:

- 1) has a maximum net worth of Rp.50,000,000.00 (fifty million rupiah) excluding land and buildings for business premises; or
- 2) has annual sales results of at most Rp.300,000,000.00 (three hundred million rupiah).

**b. Small Business**

- 1) has a net asset of more than Rp 50,000,000 (fifty million rupiah) up to a maximum of Rp 500,000,000.00 (five hundred million rupiah) excluding land and buildings
- 2) has annual sales results of more than Rp.300,000,000.00 (three hundred million rupiah) up to a maximum of Rp.2,500,000,000.00 (two billion five hundred million rupiah).

**c. Medium Business**

- 1) has a net worth of more than Rp. 500,000,000.00
- 2) (five hundred million rupiah) up to a maximum of Rp 10,000,000,000 (ten billion rupiah) excluding land and buildings for business premises
- 3) has annual sales results of more than Rp. 2,500,000,000.00 (two billion five hundred million rupiah) up to a maximum of Rp 50,000,000,000.00 (fifty billion rupiah).

## Research Methods

This research uses descriptive-qualitative analysis method based on library research. Qualitative descriptive analysis is an analysis based on mapping the problems contained in the variables. The study was conducted in July, August, and September 2019 using primary and secondary data. Primary data were obtained from respondents consisting of BPR, MSME, BPR customers, and non-customers. Secondary data obtained from the literature study and other sources related to BPR and MSMEs in the Lebak Banten regency were obtained from Bank Indonesia statistics, the Central Statistics Agency, and the Lebak Banten Cooperative and UMKM Office and other relevant sources in figures for three years.

This research is descriptive, where this approach is used to explain the characteristics of the observed variables using frequency, average, maximum, and minimum values, and provide an interpretation of these results.

## Population and Sample

The population is a generalization area consisting of objects or subjects that have certain quantities and characteristics that researchers determine to study and infer. The population not only includes the number of objects studied but includes all the characteristics and characteristics of the object (Sugiyono, 2001). The population used in this study is MSMEs in Lebak Banten

The sample is part of the number and characteristics that exist in a population or the sample can also be referred to as a small part of the population members taken according to certain procedures that can represent the population (Sugiyono, 2001).

In this study the sampling technique was carried out non-probability sampling technique that is a sampling technique that does not provide the same opportunity or opportunity from each element or member of the population to be determined into a sample.

## Method of collecting data

### A. Primary data

Qualitative data, collected by conducting interviews and observations with selected key informants namely the leadership of PT. BPR Lebak Sejahtera. There are two types of questionnaires used, first, a questionnaire for Micro, Small and Medium Enterprises (UMKM), and second, a questionnaire for customers

of PT.BPR Lebak Sejahtera filled out by customers in Lebak Banten. The first questionnaire for MSMEs that contained information about the characteristics of MSMEs, including age, gender, education, status, and experience of managing a business and the second questionnaire for customers of PT.BPR Lebak Sejahtera, filled out by customers in Lebak Banten containing information about the characteristics of PT customers. BPR Lebak Sejahtera includes types of businesses, places of business, businesses that are run, licenses, number of employees, use of funds, and credit repayments.

## B. Secondary Data

Secondary data, collected by a variety of methods and sources including through library research, a study of archives, and documents obtained from relevant agencies. Secondary data used in this study include:

1. PT. BPR Lebak Sejahtera in Lebak Banten
2. Development of SMEs in Lebak Banten

## Analysis Method

In this study after the data has been collected and then analyzed using only the Descriptive Statistical Analysis method. This approach is used to explain the characteristics of the observed variables using frequency, average, and maximum and minimum values. For example, it explains the growth of loans extended, funds collected, characteristics of MSME actors in Banten's Lebak district.

## Results and Discussion

### General description of the region and the economic potential of Lebak Regency, Banten

The geographical location of Lebak Regency according to latitude and longitude is 105o25 '- 106o30' East Longitude and 6o18 '- 7o00' South Latitude. Administratively, the north is bounded by Serang Regency, the south is bounded by the Indonesian Ocean, the west is bordered by Pandeglang Regency and the east is bounded by Tangerang Regency and

Bogor Regency and Sukabumi Regency. The area of Lebak Regency is 304,472 hectares or 3,044.72 km<sup>2</sup> with the height of the sea level divided into three levels, namely: 0 - 200 meters for areas along the South Coast which include the sub-districts of Wanasalam, Malingping, Cihara, Panggarangan, Bayah and surrounding areas 201 - 500 meters for the Lebak Tengah area which includes the Banjarsari, Cijaku, Ciren, Cileles and surrounding areas 501 - 1000 meters and more for the East Leek area which includes the Lebakgedong, Cibeber, Sobang, Cipanas, and surrounding areas.

Lebak Regency is one of the districts in Banten Province which consists of many sub-districts besides Pandeglang Regency, Tangerang Regency, and Serang Regency. The total number of sub-districts in the Lebak Regency is 28 sub-districts, with the sub-district having the smallest area of Kalanganyar with an area of 25.91 km<sup>2</sup> and the largest Cibeber with an area of 383.15 km<sup>2</sup>. During the last four years, the condition of the administrative area in the Lebak Regency has not experienced significant changes, this is marked by the continued number of districts, villages, and villages. Only, there are changes in the number of RW and RT in each district. This year the population of Lebak Regency was 1,295,810 people, consisting of 663,511 men and 632,299 women with a population growth rate of 0.60 percent, down from the previous year of 0.68 percent, or a decrease of 0.08 points compared to the previous year. This is because Lebak Regency is not the main destination for outsiders both to settle and to find work, considering that Lebak Regency is still classified as an area that still has limited employment opportunities. On the other hand, the working-age population in Lebak Regency is still interested in finding work and settling outside the city and even abroad. Besides that, the UMKM policy in Lebak Regency is still not an attraction for indigenous people to work in their area.

Looking at the distribution of Gross Regional Domestic Product, the economy of the Lebak Regency of Banten can be seen in Table 1. From table 1 it can be seen that the biggest contributors in the economy of the Lebak Regency of Banten from 2014 - 2018 were the Agriculture and Forestry and Fisheries sectors with an average of, 27.66%, followed by Wholesale and Retail Trade, Car and Motorcycle Repair by 12.72% followed by Processing Industry 9.35% and followed by Mining & Quarrying 7.17% followed by Construction 7.03%.

**Table 1: Distribution of Gross Regional Domestic Product of Lebak Regency The year 2014 to 2018 at the Current Price Based on Business Field (%)**

No.	Category	2014	2015	2016	2017	2018	Average
1	Agriculture, Forestry and Fisheries	27.20	27.81	28.05	27.67	27.55	27.66
2	Mining & Quarrying	8.12	7.37	7.20	6.78	6.36	7.17
3	Processing industry	10.43	9.45	9.13	9.10	8.64	9.35
4	Electricity and Gas Procurement	0.08	0.09	0.10	0.11	0.10	0.09
5	Water Supply, Waste Management Waste and Recycling	0.05	0.05	0.05	0.05	0.05	0.05
6	Construction	5.84	6.73	7.06	7.44	8.09	7.03
7	Wholesale and retail trade, car and motorcycle repair	13.12	12.87	12.55	12.48	12.58	12.72
8	Transportation and Warehousing	6.32	6.28	6.13	6.08	6.01	6.16
9	Provision of Accommodation Food and Drink	4.79	4.90	4.90	4.92	4.90	4.88
10	Information and Communication	0.61	0.56	0.54	0.55	0.54	0.56
11	Financial Services and Insurance	1.67	1.68	1.74	1.75	1.76	1.72
12	Real Estate	6.18	6.24	6.20	6.47	6.65	6.35
13	Company Services	0.31	0.31	0.31	0.32	0.32	0.31
14	Government Administration, Defense and Mandatory Social Security	5.37	5.65	5.87	5.83	5.76	5.79
15	Educational Services	6.25	6.26	6.38	6.56	6.79	6.45
16	Health Services and Social Activities	1.04	1.07	1.11	1.15	1.20	1.11
17	Other Services	2.61	2.66	2.67	2.73	2.70	2.67
PDRB		100	100	100	100	100	100

Source: BPS Lebak and data processed (2019)

### **The role of PT. Lebak Sejahtera People's Bank (BPR) in the Development of SMEs in the Lebak Regency, Banten**

#### **General description of PT Lebak Sejahtera**

PT. Lebak Sejahtera People's Credit Bank (BPR), which is the result of a merger of three BPRs in Lebak Regency, in addition to giving credit to the community BPR Lebak Prosperous provides (corporate social responsibility-CSR) to help education in the lebak Banten area. Appreciate the bank's commitment and support for education. "The presence of BPR Lebak Sejahtera is also quite large to contribute to the economic growth of the community, especially people in Lebak Regency. BPR Lebak Sejahtera will also receive an award as the best BPR with the best BPR category owned by the regional government with an asset category below Rp. .50 billion, version of The Asian Post (Infobank Group) on July 26, 2019, in Jakarta, finally Bank Indonesia issued a Business License No. SK 32/57 / KE / Dir on May 14, 1999 the name of PT BPR Lebak Sejahtera as stated in Notarial Deed H. Sofyan, SH No. 1 dated 2 February 1998. PT BPR Lebak Sejahtera officially began operating on 12 July 1999.

#### **The role of PT. BPR Lebak Sejahtera**

The role of rural banks in the development of MSMEs is based on loans provided as in Table 2, credit financing to related non-bank parties and non-related banks in 2016-2018 increased by 166.88% with the growth of MSME debtors by 28.05%, thus the role of rural banks Lebak Sejahtera in the development of MSMEs in the district of Lebak Banten has contributed quite a lot to the progress of MSMEs.

**Table 2: Total Loans granted and Total BPR Lebak Sejahtera Debtors from 2016-2018 in Thousands of Rp**

No.	Description	2016		2017		2018		Growth %	
		Rp	UMKM	Rp	UMKM	Rp	UMKM	Rp	UMKM
1	Non Bank Related parties	82.871		159.695		147.437		77.91	
2	Non-Bank Parties are not related	2.858.608		8.881.254		20.321.249		169.75	
	Amount	2.941.479	249	9.040.949	327	20.468.686	408	166.88	28.05

Sources: OJK and BPR at issue (2019)

The role of rural banks in developing MSMEs based on loans extended as shown in Table 2, credit financing to related non-bank parties and non-related banks in 2014-2018 increased by 166.88% with the growth of MSME debtors at 28.05%, thus the role of rural banks Lebak Sejahtera in the development of MSMEs in the district of Lebak Banten has contributed quite a lot to the progress of MSMEs.

**Table 3: Total Credit granted by BPR Lebak Sejahtera from 2014-2018 in Thousands of Rp**

No.	Information	2014	2015	2016	2017	2018	Growth %
1	Non Bank Related parties	106.536	136.299	82.871	159.695	147.437	18.45
2	Non-Bank Parties are not related	2.300.774	2.641.781	2.858.608	8.881.254	20.321.249	90.63
	Amount	2.407.310	2.778.080	2.941.479	9.040.949	20.468.686	

Source: Data processed (2019)

### **The role of PT. Lebak Sejahtera People's Financing Bank in the Development of SMEs in the Lebak Regency, Banten**

PT. The Lebak Sejahtera People's Credit Bank (BPR), which was the result of a merger of three BPRs in Lebak Regency, was called PD. BPR LPK Warung Gunung, channeling corporate social responsibility (CSR) funds to help education in the area. Appreciate the bank's commitment and support for education. The presence of PT. BPR Lebak Sejahtera is also quite large to contribute to the economic growth of the community, especially the people in Lebak Banten Regency, PT. BPR Lebak Sejahtera will also receive an award as the best BPR in the category of the best BPR owned by the regional government with assets under Rp 50 billion, according to The Asian Post (Infobank Group) on July 26, 2019, in Jakarta.

PT. Lebak Sejahtera People's Credit Bank (BPR) used to be called PD. BPR LPK Warung Gunung (the result of the merger of PD BPR LPK Cipanas and PD BPR LPK Malimping), has a vision of becoming a healthy financial institution and has an active role in facilitating micro, independent and competitive businesses, then its mission: To carry out excellent service in the field of financial services to the community, facilitate services in the field of micro business credit and carry out operational activities based on good corporate governance (good corporate governance).

### **Characteristics of SMEs in Lebak, Banten**

The characteristics of MSME perpetrators in Lebak Banten regency are seen from the level of age, sex, the status of marriage, education level, and length of experience in managing the business. From the results of the analysis of MSME perpetrators in Banten Banten, it was found that:

- MSMEs are at most 40-50 years old, which is 63.33%, and then 33.33% of MSMEs are aged between 30-40 years, and the least number of respondents are MSMEs aged > 60 years that is equal to 3, 33%.
- MSME perpetrators are male with 66.66% and 33.33% female.
- Based on the level of education, the results of the respondents' data found that most of the education levels of MSME actors were educated in junior high school (SMP), which amounted to 16.66%, while



- those with high school education were 80%, then, 3.33% perpetrators UMKM educated Diploma / Bachelor degree,
- d. Based on marital status, it was found that as much as 93.33% of MSME perpetrators were married, 6.66% of MSME perpetrators were single.
  - e. From the length of experience in managing a business it was found that most of the SMEs had the experience of managing a business between 1 to 5 years, which amounted to 46.66%. Whereas those with experience in managing a business for 5-10 years are 20%. and 33.33% have only managed the business for less than 1 year.

Next to see the business characteristics of MSME financing customers from PT. BPR Lebak Sejahtera, seen from the factors of type of business, business place status, business ownership status, and business legal status. With the results of the analysis as follows:

- a. Most types of MSME financing customers from PT. BPR Lebak Sejahtera is a trading business, which is 3.33%, with 3.33% having a business in services. Furthermore, 86.66% had a business in the field of crafts, and those who had a business in agriculture and fisheries were 6.66%.
- b. Based on the status of the place of business it was found that most of the bank's financing customers had their place of business, amounting to 83.33% and another 16.66% having a place of business that was still leasing/contracted.
- c. The status of business owners shows that the majority is self-owned which is 96.66% and only 3.33% of customers manage their business by partnering with other parties or groups.
- d. Based on the legal status of the study business found that most MSME financing customers from PT. BPR Lebak Sejahtera has a business license of 66.66% and 33.34. % of respondents do not have a business license to run their business.
- e. From the total workforce employed, it was found that most MSME financing customers from PT. BPR Lebak Sejahtera has a workforce of 1 - 5 people in running their businesses, which is 60%, while 36.66% employs 6-10 workers in running their businesses, and who have a workforce of more than 10 people that is equal to 3.33 %.

The characteristics of the financing provided by PT. BPR Lebak Sejahtera to MSME customers is based on the type, amount, and period of productive financing provided, with the results of the analysis as follows:

- a. 90% of customers receive working capital financing, while 10% of customers receive investment financing.
- b. 60%, the period of financing provided is 1 - 3 years, and the remaining 40% has a term of more than 3 years.

## Conclusion

Based on the results of research and studies in the previous chapter, it can be concluded that: The role of rural banks in the development of MSMEs in the Lebak Regency of Banten with credit growth from 2016 - 2018 amounting to 166.88% and MSME growth of 28.05%, the characteristics of MSMEs in the Lebak district of Banten are the age level of 40 -50 years and gender men with the majority of SMEs are married, and have a high school education, with experience managing businesses between 1 and 5 years, business characteristics, in general, financing customers of PT. BPR Lebak Sejahtera has a business in the field of handicraft, a self-owned business with a place of business that is also owned by itself, in running its business it already has an official business license. Financing characteristics provided, the customer receives working capital financing with a repayment period of 1 to 3 years.

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