

Implementation of the KUR (People's Business Credit) Guidance Program in the City of Banjarmasin Micro Business and Manpower Cooperative Service

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ABSTRACT

This research examines the implementation of the Kredit Usaha Rakyat (KUR) program, launched by the government to encourage banks to provide financing to MSMEs. The program involves the Cooperatives, Micro, and Manpower Office (Diskopumker) as facilitators, with government-backed guarantees in collaboration with eight distribution banks. The research aims to analyze the role of the office in facilitating KUR assistance and identify factors that support and hinder its implementation. Using a qualitative approach and field research methods, including interviews and documentation, the study focuses on its role and the challenges of implementing KUR in city of Banjarmasin. Findings reveal that the Cooperatives, Micro, and Manpower Office plays a pivotal role in collaborating and coordinating with both government and private banks to facilitate access to KUR. Key activities include socializing the program to business actors, providing business development training, and enhancing market access. The provision of capital from banks has significantly supported MSMEs in improving their businesses. However, challenges persist, such as public misconceptions that KUR is direct government assistance, creating misunderstandings among prospective business actors. Despite these obstacles, efforts have substantially contributed to MSME growth by leveraging credit mechanisms, empowering business actors, and fostering sustainable economic development in Banjarmasin City.

Keywords: Micro, MSMEs, Cooperative Agencies, Banjarmasin, KUR



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INTRODUCTION

Capital is one of the important production factors among the various production factors needed. Even capital is the most important production factor for the procurement of other production factors, such as buying land, raw materials, labor, and other technologies. The Cooperatives, Micro, and Manpower Service is one of the institutions that acts as a companion to the KUR program and supports the community's economy, especially in providing funding services for MSMEs.

A trader needs capital to run his business. But sometimes, most traders do not have enough capital, so they think about borrowing money anywhere, like loan sharks with higher interest than banks, without thinking about the consequences, which sometimes even make the business they pioneer experience losses. Capital is very necessary in establishing a business. The amount of capital needed depends on the size of the business to be established. Many people say that capital is not only money; capital can be in the form of expertise, will, and strong intentions.

The Cooperatives, Micro, and Manpower Service of Banjarmasin City as one of the services that manages and utilizes all the potential economic power in the community, both in the form of natural resources, human resources and other resources through the empowerment of cooperatives and Micro, Small and Medium Enterprises to create real economic power that can grow and develop, and is able to provide the best possible service to the community of economic actors. The Cooperative Service is a business entity that has members, and each person has their own duties and responsibilities that are based on the cooperative principles and are based on the people's economy in accordance with the principle of family as stated in Law Number 25 of 1992.

Progress in cooperatives can be seen from the number of cooperatives, the number of members, the wealth of cooperatives, and the number of businesses. However, there are still several obstacles to its development as a business entity. Currently, cooperative life has become a community need, because for the Indonesian people, running a cooperative means participating in building the economy. The function of cooperatives is useful for the welfare of the people, as a tool of national democracy, as a basic foundation for the nation's economy, and for strengthening the economy of the Indonesian nation. In order to support increased access to People's Business Credit (KUR), the Banjarmasin City Cooperatives, Micro Business, and Manpower Service act as the implementers of the KUR Assistance Program.

The role of the Banjarmasin City Cooperatives, Micro, and Manpower Service is not only in the form of assistance, but also in providing coaching, for example, in design, production processes, and marketing for MSMEs that receive financing from KUR implementing banks.

People's Business Credit (KUR) This program is intended to help finance the needs of MSMEs to develop their business activities. While the benefits of KUR for the government are the achievement of accelerated development of the real sector and empowerment of MSMEs in order to overcome poverty and expand employment opportunities, and achieve economic growth. The KUR program is intended for people who want to become entrepreneurs in small and medium enterprises.

People's Business Credit (KUR) is financing provided by banks to Micro, Small, and Medium Enterprises (MSMEs). While the companion program by the Banjarmasin City Cooperatives, Micro, and Manpower Office, the source of KUR funds is 100% from the implementing bank funds collected from community funds (savings, current accounts, and deposits). Cooperatives that are expected to be able to access KUR are those engaged in productive business sectors, including agriculture, fisheries, industry, forestry, and savings and loan financial services.

The implementation of the KUR Companion Program can be done directly, meaning that cooperatives can directly access KUR at branch offices or assistant branch offices of the Implementing Bank. To bring services closer to micro-enterprises, the implementation of KUR can also be done indirectly, meaning that micro-enterprises can access KUR through financial institutions such as cooperatives or through other programs in collaboration with the implementing Bank. This can be seen from the activity of these two financial institutions in the socialization activities of MSME empowerment carried out by the Banjarmasin City Cooperatives, Micro, and Manpower Service.

Meanwhile, Islamic Banks are financial institutions that function to facilitate economic mechanisms in the real sector through business activities (investment, buying and selling or others) based on Sharia principles, namely agreement rules based on Islamic law between the Bank and other parties for storage and/or financing of business activities or other activities that are stated to be in accordance with Sharia values that are macro and micro in nature. The success of the implementation of People's Business Credit (KUR) cannot be separated from the role of the Cooperatives Office as a mediator for the implementation of the KUR mentoring program, either through socialization or others. As an MSME empowerment program, it begins with the process of increasing the capacity of human resources as implementers of the KUR mentoring program, starting in the field. Through mentoring activities, it is hoped that MSME problems from the aspects of capital, access to technology, and the still weak business management can be handled by the Banjarmasin City Cooperatives and Micro Business and Manpower Office as the implementer of the KUR Mentoring Program.

The government, as one of the stakeholders in developing MSMEs, should not only focus on the financing or capital sector as one component of MSME development, but should also focus on various sectors that support the development; these sectors include administration, production, management, marketing, and technology. In addition, the government must also synergize with the private sector in the mentoring and development process so that it is in accordance with the mandate of Law No. 20 of 2008 concerning Micro, Small and Medium Enterprises and Government Regulation No. 32 of 1998 concerning the development and development of Small Businesses.

In order to implement the above laws and government regulations, the KUR implementing bank collaborates with the Banjarmasin City Cooperatives, Micro, and Manpower Service in providing guidance and assistance to MSMEs in Banjarmasin City.

The Banjarmasin City Cooperatives, Micro, and Manpower Office has an important role in economic development because of its relatively high labor absorption rate and small investment capital requirements. The Banjarmasin City Cooperatives, Micro, and Manpower Office is able to quickly capture various opportunities to improve the fulfillment of MSME needs.

However, in reality, MSMEs have not been able to realize their abilities and roles optimally in implementing assistance to optimize MSME needs. There are several studies done on the challenges faced by the MSME sector. Apart from the typical financing constraints (Biswas, A., 2014), there are barriers in managing the resilience of MSMEs, such as those during COVID-19 (Gupta & Singh, 2023). Previous research from 115 countries has shown that the large MSMEs finance gap was partly due to the government's inappropriate development strategy (Lin *et al.*, 2022). The Banjarmasin City Cooperatives, Micro, and Manpower Office to this day faces various obstacles, both external and internal, partly in the fields of production and processing, marketing, capital, human resources, and technology. and a business climate that is not yet optimal for its development. Research done by ULM researchers has suggested that one of the acceleration tactics for such business development through Banjarmasin City's MSME-

friendly banking institutions is by prioritizing/alternative accelerations (Hidayati & Hidayat, 2024). Furthermore, previous findings found that MSMEs, which make up the majority of business units in Indonesia, are typically run informally by managers with little or a low level of formal education (Hafni & Gozali, 2017).

The results of this study are anticipated to provide several key benefits. From a theoretical perspective, the research is expected to serve as a valuable resource for future studies exploring similar issues from different angles, thereby encouraging deeper and more nuanced investigations. Additionally, the research aims to contribute to the body of scientific knowledge, particularly in the field of the banking industry, Islamic Financial Institutions, enriching the academic resources available.

Moreover, the practical benefits of this research are multifaceted. For the researcher, the research provides an opportunity to deepen their understanding and knowledge of the issues under investigation. As for the Department of Cooperatives, Micro Business, and Manpower of Banjarmasin City, the findings are expected to serve as a reference for future studies, offering insights into KUR products and enabling further research from diverse perspectives. This contribution aims to support the department's efforts in refining its programs and policies.

LITERATURE REVIEW

Micro, Small, and Medium Enterprises (MSMEs) and cooperatives play pivotal roles in the economic development of both developed and developing nations. They are often seen as the backbone of the economy, contributing significantly to employment, poverty reduction, and sustainable growth. MSMEs are defined by their size, with a focus on their limited scale of operation, while cooperatives are member-based organizations formed for mutual benefit, particularly in the areas of production, distribution, and service delivery. The relationship between MSMEs and cooperatives is complex, as both are involved in supporting local economies, but each operates with distinct governance models, funding mechanisms, and social objectives.

MSMEs are recognized globally for their crucial role in economic development. According to the World Bank (2020), MSMEs contribute to around 90% of businesses and more than 50% of employment worldwide (Dasaraju & Tambunan, 2023). They are often seen as a means to foster innovation and competition within the economy, particularly in regions where large enterprises are less prevalent. MSMEs not only contribute to job creation but also stimulate local economies by generating income and producing goods and services tailored to regional needs (Ayyagari *et al.*, 2007). Furthermore, MSMEs are a critical source of entrepreneurship and can serve as a pathway out of poverty for marginalized populations (Barauh, 2021)

In developing countries, MSMEs often face several challenges, including limited access to finance, lack of skilled labor, regulatory hurdles, and inadequate infrastructure. However, despite these barriers, MSMEs can contribute significantly to national GDPs and play a fundamental role in addressing socio-economic issues such as unemployment and income inequality (Ramphoma, 2021)

The Importance of Cooperatives

Cooperatives, by contrast, represent a collective form of enterprise that is rooted in principles of mutual aid, democracy, and shared ownership. Many cooperatives provide services in diverse sectors such as agriculture, finance, and housing, enabling members to achieve economies of scale, access resources, and achieve social and economic objectives collectively. Worker cooperatives are collectively owned by their members

(Bretos & Marcuello, 2017). Cooperatives are particularly important in rural areas and among marginalized communities, where they can provide access to credit, tools, and services that individual members might not be able to obtain independently (Birchall, 2004).

Cooperatives promote social and economic empowerment by fostering a sense of ownership and participation among their members. The democratic governance model within cooperatives allows for inclusive decision-making, which can contribute to community cohesion and shared responsibility (Celestin & Vanitha, 2016). Additionally, cooperatives are often seen as a model for inclusive growth, as they tend to prioritize the welfare of their members and local communities over maximizing profits (Dunlop, 2018)

The Synergy Between MSMEs and Cooperatives

While MSMEs and cooperatives have distinct characteristics, there is a significant overlap in their functions. Both MSMEs and cooperatives are essential for supporting local economic development and providing opportunities for entrepreneurial growth. They often complement each other, particularly in fostering inclusive economic systems and facilitating access to markets and resources for small-scale producers.

For instance, cooperatives can act as intermediaries between MSMEs and larger markets, providing MSMEs with access to collective bargaining power, shared resources, and greater market reach. This symbiotic relationship can be crucial in overcoming challenges related to financing, market access, and production capacity (Cook, 2011). Additionally, cooperatives may offer MSMEs valuable networking opportunities and avenues for skill development, thus enhancing their sustainability and competitiveness in the marketplace.

Previous research has suggested that cooperatives have a unique potential to support the growth of MSMEs by providing not only financial support but also business development services. For example, cooperatives can facilitate joint marketing, training programs, and capacity-building workshops that can help MSMEs increase productivity and expand their operations. This partnership is particularly important in sectors such as agriculture, where both MSMEs and cooperatives face similar challenges related to resource access and market competition.

Challenges and Opportunities for MSMEs and Cooperatives

Despite their potential, both MSMEs and cooperatives face significant challenges. One of the primary obstacles is access to finance, as both MSMEs and cooperatives often struggle to secure adequate funding due to their limited scale, lack of collateral, and perceived high-risk profile (Robert, 2018). In addition, MSMEs may lack the technical expertise or business knowledge necessary to navigate the complexities of modern markets. These and cooperatives are closely interconnected as both play critical roles in driving economic development. while cooperatives may encounter governance and management challenges that hinder their effectiveness (Webb & Cheney, 2014).

However, the growing recognition of the importance of MSMEs and cooperatives in economic development has led to the development of targeted policies and support mechanisms. Government initiatives, such as microcredit schemes, capacity-building programs, and tax incentives, have been implemented in various countries to support these enterprises. Additionally, the increasing availability of digital technologies presents opportunities for MSMEs and cooperatives to improve their operations, enhance efficiency using digital transformation, and expand their market reach (Masongsong *et al.*, 2024).

RESEARCH METHOD

This study employs a qualitative field research approach designed to systematically, factually, and accurately describe situations and events. The qualitative nature of the research involves analyzing non-numerical data and utilizing descriptive methods to present information and insights obtained in the field. The research was conducted at the Department of Cooperatives, Micro, and Manpower, located on Jl. Pramuka, Smanda Complex, Banjarmasin.

Fieldwork methods, including interviews and documentary analysis, were utilized to gather data. Structured interviews were conducted to collect in-depth information directly from informants, yielding comprehensive and relevant data. Additionally, documentary analysis was employed to extract data from critical records related to the research problem, ensuring that the data collected was complete, valid, and reliable.

The data processing techniques involved multiple stages to ensure accuracy and coherence. First, editing was performed to review and correct data from oral interviews, converting them into written formats and addressing inconsistencies. This was followed by a systematic description, where the data was organized and presented in a structured format. Finally, interpretation was carried out to derive meaningful insights and understand the findings.

The processed data was analyzed using descriptive qualitative analysis. This approach allowed for a systematic examination of the data, contextualizing the findings within theoretical frameworks to draw conclusions about the implementation of the KUR (People's Business Credit) Assistance Program at the Department of Cooperatives, Micro, and Manpower in Banjarmasin. The research was conducted in four stages as follows. This is to ensure transparency and replicability, facilitating the validation and extension of the research findings.

Preliminary Stage

During this stage, the researcher observed and reviewed the general problems under study and drafted a proposal. The proposal underwent consultation with supervisors and was submitted to the Thesis Bureau of the Faculty of Islamic Economics and Business. Following revisions and approval, the proposal was presented at a seminar held on May 23, 2018.

Data Collection Stage

After obtaining a research permit, fieldwork was conducted. Interviews were held with employees, particularly those involved in Licensing and Cooperation for MSMEs, to gather information on the implementation of the KUR Assistance Program. This stage lasted from November 14, 2018, to January 14, 2019, in accordance with the research permit issued by the faculty.

Data Processing and Analysis Stage

The collected data were systematically processed and analyzed using descriptive methods. The findings were refined through consultations with supervising lecturers to ensure coherence and accuracy.

Report Preparation Stage

The finalized research findings were compiled into a thesis, which was submitted to the Thesis Examining Team of the Faculty of Islamic Economics and Business, UIN Antasari Banjarmasin, for evaluation and approval.

DISCUSSIONS

In a broad sense, this research found that the People's Business Credit (KUR) program in Banjarmasin plays a crucial role in supporting the development of MSMEs, particularly through access to financing, training, and mentoring facilitated by the Department of Cooperatives, Micro Enterprises, and Manpower. The KUR program has contributed to the growth of MSMEs, with the bakery, local batik/textile, and processed food industries being the main contributors to local economic development in Banjarmasin. Key supporting factors for the program's success include banking support, partnerships with training institutions, and business meetings that connect entrepreneurs with financial institutions. However, challenges such as delays in budget allocation and a shortage of extension workers hinder the effectiveness of the mentoring program for MSMEs. To enhance KUR implementation, this research recommends the digitization of public services to improve access to information and licensing processes, an increase in the number of extension workers to expand mentorship coverage, and stronger synergy between the government and the private sector to ensure the program becomes more efficient, inclusive, and sustainable in supporting MSME growth in Banjarmasin.

The implementation of the People's Business Credit (KUR) program in Banjarmasin City plays a crucial role in supporting the development of Micro, Small, and Medium Enterprises (MSMEs). The Department of Cooperatives, Micro Enterprises, and Manpower of Banjarmasin City serves as the primary facilitator in helping MSMEs gain access to financing while also providing training and mentoring to enhance their competitiveness, as supported by the following key findings of the research.

1. Economic Contribution of KUR to MSMEs

The KUR program has contributed to the increase in the number of micro and small enterprises in Banjarmasin over the years, as seen in the distribution of MSMEs across different districts between 2017 and 2020.

The industrial sectors with the largest contribution to the MSME economy include the bakery, batik, and processed food industries. The batik industry, for instance, employs the highest number of workers (329 employees) and has the largest investment, reaching 439.9 billion IDR.

2. Support and Challenges in KUR Implementation

Supporting Factors include the availability of financial support from banks and the government, as well as active partnerships with institutions that provide business training. The Department of Cooperatives, Micro Enterprises, and Manpower (Diskopumker) also plays a key role in facilitating business meetings between MSMEs and banks while supporting business development through training and product promotion.

While challenges are in the form of delays in budget allocation for MSME empowerment, and a shortage of extension workers, remain major challenges. The lack of mentoring personnel affects the effectiveness of training programs and MSMEs' access to financing.

3. Recommendations for Improving the KUR Program

A recommendation for improving the KUR Program is to digitize public services to enhance efficiency in providing information and processing business permits.

Apart from that, increasing the number of extension workers to strengthen the MSME mentoring program. The extension workers help strengthen the synergy between the government and the private sector in MSME development, including technology adoption and market expansion.

Overall, this research confirms that the KUR program has had a significant positive impact on the growth of MSMEs in Banjarmasin. However, improvements in human resources, bureaucratic efficiency, and technology integration are needed to ensure the program operates more effectively and sustainably.

RESEARCH RESULTS

Brief History of the Banjarmasin City Cooperatives, Micro Business, and Manpower Service

The establishment of the Banjarmasin City Cooperatives and UMKM Service is rooted in the Banjarmasin City Regional Regulation Number 15 of 2008, which outlined the organizational structure and work procedures for the regional apparatus and the Civil Service Police Unit. Initially, the Cooperative Service was referred to as the Department of Cooperatives and LPK. With the implementation of regional autonomy in 2003, the department transitioned into the Cooperative and Manpower Service.

Over time, the Cooperative Service underwent continuous improvements. In 2008, it was renamed the Cooperative and UMKM Service, a title it held until late 2016, when it was restructured to become the Cooperative, Micro Business, and Manpower Service of Banjarmasin City. This restructuring was guided by PP No. 18 of 2016, which addressed the arrangement of the regional apparatus.

Vision and Mission

The vision of the Banjarmasin City Cooperatives, Micro Business, and Manpower Service is to foster high-quality micro-business cooperatives and cultivate a productive and competitive workforce to enhance the local economy. To achieve this vision, the service has outlined several missions, including improving human resources and micro-enterprises to foster independence and competitiveness, empowering the potential of the local government to support the development of cooperatives and micro-enterprises, facilitating access to capital sources for cooperatives and micro-enterprises, enhancing partnerships and cooperation between cooperatives, micro-enterprises, and other economic actors to expand markets, improving the quality and productivity of the workforce, encouraging labor absorption to reduce unemployment, establishing harmonious and equitable industrial relations, and ensuring workforce protection.

Services and Programs

MSMEs and cooperatives are integral components of modern economies, particularly in promoting inclusive growth, fostering innovation, and providing employment opportunities. While each has its own set of strengths and challenges, the synergy between MSMEs and cooperatives can contribute to more sustainable and equitable economic development. Continued research into the dynamics of MSMEs and cooperatives is crucial to understanding how these enterprises can be better supported through policy frameworks, financial services, and capacity-building programs. Both types of organizations, when properly supported, hold the potential to significantly impact local economies, improve livelihoods, and contribute to broader societal development goals.

Specific statistical reports detailing the impact of KUR on MSMEs in Banjarmasin are limited, while comprehensive statistical data specifically linking KUR funding to MSME economic support in Banjarmasin is not readily available in public sources. Below, however, is an in-depth understanding and access to specific statistical data on the impact of these programs, following direct engagement with the informant. The following available data shows insight into the distribution of micro and small enterprises across different districts from 2017 to 2020 :

Table 1. Distribution of Micro, Small Enterprises across Districts 2017-2020

District	2017	2018	2019	2020
Banjarmasin Utara	53	54	54	57
Banjarmasin Barat	47	48	49	51
Banjarmasin Tengah	92	93	94	93
Banjarmasin Timur	75	75	75	75
Banjarmasin Selatan	29	29	29	30

Source: satudata Banjarmasin Kota

The service oversees a range of programs designed to support employment and economic development, which are the following. The Quality and Productivity Improvement Program focuses on providing education and skills training to job seekers, helping them improve their employability and enhance their skills. The Job Opportunity Improvement Program organizes job fairs and disseminates employment information, aimed at broadening job opportunities for individuals seeking work.

Another important initiative is the Conducive Climate Creation Program, which involves the establishment of Expo Centers to support the growth and development of Micro, Small, and Medium Enterprises (MSMEs). The Entrepreneurship Development Program is designed to assist new businesses by offering training in various fields, among many, including but not limited to crafting pineapple jam, sewing, and producing souvenirs, thus fostering entrepreneurial skills and creating new business opportunities.

Finally, the Human Resource Development Program is dedicated to promoting MSME and cooperative products by facilitating exhibitions, providing capacity-building training, and encouraging partnerships, ultimately aiming to enhance the overall capabilities of MSMEs and strengthen their market presence.

Table 2 shows the Cumulative Number of Industrial Sector Business Unit Development and Manpower in Banjarmasin City in 2023. The following table provides detailed data on industries supporting MSMEs in Banjarmasin, categorized by type of commodity, number of business units, workforce, investments, and production value. This data reflects a robust MSME ecosystem with opportunities for growth in both high-performing and underdeveloped sectors in Banjarmasin.

Table 2. Cumulative Number of Industrial Sector Business Unit Development and Manpower in Banjarmasin City in 2023

No	Komoditi	Jumlah Unit Usaha	Jumlah Tenaga Kerja	Investasi (rupiah)	Produk
1	Industri Berbasis Daging Lumatan Dan Surimi	9	41	1,016,012	36,452,400
2	Industri Pengolahan Dan Pengawetan Produk Daging Dan Daging Unggas	1	4	1,000	23,100
3	Industri Berbasis Daging Lumatan Dan Surimi	1	1	1,000	30,000
4	Industri Pengolahan Sari Buah Dan Sayuran	2	3	3,000	36,000
5	Industri Tempe Kedelai	10	17	1,088,330	2,043,360
6	Industri Pengolahan Dan Pengawetan Lainnya Buah-Buahan Dan Sayuran Bukan Kacang-Kacangan	2	2	30,380	102,000
7	Industri Pengolahan Es Krim	1	1	20,000	360,000
8	Industri Pengolahan Produk Dari Susu Lainnya	1	1	377,270	43,200
9	Industri Produk Roti Dan Kue	98	193	8,815,725	13,193,746
10	Industri Gula Merah	2	6	89,545	4,473,000
11	Industri Sirop	4	8	646,500	59,100
12	Industri Makaroni. Mie Dan Produk Sejenisnya	2	18	90,125	973,440
13	Industri Makanan Dan Masakan Olahan	38	105	3,052,205	8,480,760
14	Industri Pengolahan Kopi	2	3	50,000	43,800
15	Industri Pengolahan Herbal (Herb Infusion)	2	4	5,000	169,800
16	Industri Kecap	1	6	38,050	240,000
17	Industri Bumbu Masak Dan Penyedap Masakan	15	33	1,227,055	2,398,512
18	Industri Pengolahan Garam	1	-	20,700	36,000
19	Industri Produk Masak Lainnya	2	3	2,500	45,000
20	Industri Kue Basah	105	235	19,974,781	21,840,610
21	Industri Makanan Dari Kedele Dan Kacang-Kacangan Lainnya Bukan Kecap. Tempe Dan Tahu	18	29	1,450,885	1,399,080
22	Industri Kerupuk. Keripik. Peyek Dan Sejenisnya	92	235	5,560,058	115,290,710
23	Industri Produk Makanan Lainnya	22	41	602,130	2,656,920
24	Industri Minuman Ringan	4	4	316,260	306,240
25	Industri Air Mimum dan Air Mineral	1	1	30,000	27,000
26	Industri Air Kemasan	1	1	5,000	24,000

27	Industri Air Minum Isi Ulang	8	14	281,210	377,160
28	Industri Minuman Lainnya	3	8	336,760	139,900
29	Industri Penyempurnaan Kain	11	28	102,165	3,325,200
30	Industri Pencetakan Kain	2	9	647,560	15,480,060
31	Industri Batik	60	329	439,997,950	27,683,900
32	Industri Barang Jadi Tekstil Untuk Keperluan Rumah Tangga	8	14	17,405,300	1,424,140
33	Industri Barang Jadi Rajutan Dan Sulaman	4	5	603,815	607,500
34	Industri Non Woven (Bukan Tenunan)	1	1	2,023,950	48,000
35	Industri Pakaian Jadi (Konveksi) Dari Tekstil	7	9	562,016	427,800
36	Penjahitan Dan Pembuatan Pakaian Sesuai Pesanan	18	20	670,525	703,140
37	Industri Perlengkapan Pakaian Dari Tekstil	3	12	1,466,470	879,240
38	Industri Barang Anyaman Dari Rotan Bambu	2	5	158,375	429,600
39	Industri Barang Anyaman Dari Tanaman Bukan Rotan Dan Bambu	35	51	248,575,429	14,315,760
40	Industri Kerajinan Ukiran Dari Kayu Bukan Mebeller	2	3	42,720	135,600
41	Industri Pencetakan Umum	9	18	218,950	1,203,240
42	Industri Sabun Dan Bahan Pembersih Keperluan Rumah Tangga	1	31	284,000	867,000
43	Industri Kosmetik Untuk Manusia. Termasuk Pasta Gigi	3	6	56,486	531,588
44	Industri Produk Obat Tradisional Untuk Manusia	4	4	99,575	260,400
45	Industri Perlengkapan Dan Peralatan Rumah Tangga (Tidak Termasuk Furnitur)	1	2	500	6,300
46	Industri Barang Dari Logam Bukan Alumunium Siap Pasang Untuk Bangunan	8	21	4,569,055	5,829,300
47	Industri Barang Dari Logam Alumunium Siap Pasang Untuk Bangunan	6	19	444,045	1,355,400
48	Industri Keperluan Rumah Tangga Dari Logam Bukan Peralatan Dapur Dan Peralatan Meja	1	4	203,300	774,000
49	Industri Furnitur Dari Kayu	57	108	1,989,058	15,402,480
50	Industri Perhiasan Imitasi Dan Barang Sejenis	5	9	1,275,969	2,434,500
51	Industri Mainan Anak-Anak	1	2	25,000	18,360
52	Industri Kerajinan Ytdl	13	22	1,067,126	1,345,360
53	Industri Pengolahan Lainnya Ytdl Reparasi Dan Perawatan Sepeda	3	3	69,075	456,240
54	Motor	38	72	5,780,845	2,788,340

Penyediaan Jasa Boga Periode					
55	Tertentu	1	1	95,565	10,500
Reparasi Peralatan Rumah Tangga					
56	Dan Peralatan Rumah Dan Kebun	1	3	1,000	216,000
<hr/>					
57	Industri Lainnya	2,626	30,993	108,574,284,950	281,066,113,140
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Total		3,379	32,821	109,347,852,255	281,376,336,926

Source: *Dinas Perdagangan dan Perindustria*

In terms of SME's industry sector diversity, a wide range of industries are represented, including food processing, textile production, handicrafts, furniture, and metalworking. This highlights the diverse economic activities supporting MSMEs.

Its top contributors include "Industries Producing Roti and Cakes" or Industries Producing Roti and Cakes which stand out with 98 and 105 business units, respectively. The textile-based "Batik Industry" employs the most workers (329), reflecting its significant economic and employment impact in the community, as it successfully produces the most workforce engagement. Furthermore, it shows the largest investment (439.9 billion IDR) with notable production value, indicating its importance for the Small-Scale Industries in the local economy. Several industries operate with minimal business units and workforce, such as "Ice Cream Processing" and "Herbal Processing," emphasizing the need for support to scale up these businesses.

As for general Total Economic Contribution, collectively, the MSME-related industries represent 3,379 business units employing 32,821 workers, with an investment of over 109.3 billion IDR and a production value exceeding 281.3 billion IDR.

Implementation of the KUR Mentoring Program

Interviews with key informants provided insights into the implementation of the KUR Mentoring Program by the Banjarmasin City Cooperatives, Micro, and Manpower Service. Two prominent informants for the research were Dra. Marta Darmayanti, a licensing and cooperation officer, was interviewed at 10:00 WITA, and Ishnawati, an executor, was interviewed at 11:00 WITA. The KUR Mentoring Program aims to empower cooperatives and MSMEs by enhancing their productivity and competitiveness, ultimately enabling them to scale up sustainably. Mentoring, recognized as a collaborative strategy based on trust and respect, strengthens organizations and businesses. This involves guiding MSMEs in accessing government-backed People's Business Credit (KUR) for their investment and working capital needs.

The program's objectives include creating a conducive business climate through local government regulations and fostering economic activities. The Banjarmasin City Cooperatives, Micro, and Manpower Service plays a pivotal role by facilitating business meetings between MSMEs and financial institutions, promoting entrepreneurship training, and offering guidance on KUR access.

Role of the Banjarmasin City Cooperatives, Micro, and Manpower Service

The department is instrumental in empowering MSMEs by creating a favorable business environment through regulations addressing funding, infrastructure, and trade promotion. Licensing and access to KUR significantly support MSMEs, contributing to economic growth and improved community welfare.

Supporting Factors: Availability of government and bank support for MSME financing. Active partnerships with institutions that assist in business development and training programs.

Inhibiting Factors: Delayed budgets for MSME empowerment activities. Limited human resources, both in quality and quantity, are hindering the delivery of effective training and extension services.

The research highlights the critical influence of the KUR program in improving the economic landscape of Banjarmasin City. While the program demonstrates significant strengths, such as rapid implementation and substantial impact on MSMEs, challenges like uneven distribution and complex procedures must be addressed to ensure its sustainability and inclusiveness.

CONCLUSIONS

MSMEs and cooperatives are integral components of modern economies, particularly in promoting inclusive growth, fostering innovation, and providing employment opportunities. While each has its own set of strengths and challenges, the synergy between MSMEs and cooperatives can contribute to more sustainable and equitable economic development. Continued research into the dynamics of MSMEs and cooperatives is crucial to understanding how these enterprises can be better supported through policy frameworks, financial services, and capacity-building programs. Both types of organizations, when properly supported, hold the potential to significantly impact local economies, improve livelihoods, and contribute to broader societal development goals.

Dinas Koperasi, Usaha Mikro, dan Tenaga Kerja (Diskopumker) of Banjarmasin plays a pivotal role in supporting Micro, Small, and Medium Enterprises (MSMEs) through various programs, including the facilitation of Kredit Usaha Rakyat (KUR) assistance. KUR is a government-backed credit scheme aimed at providing accessible financing to MSMEs to enhance their productivity and economic contribution.

Based on the analysis related to the formulation of the problem in this research, the authors in this study draw the following conclusions. The growth of the business climate in Banjarmasin City has been relatively positive, primarily due to the critical role played by the Cooperatives, Micro, and Manpower Office. The office facilitates business actors in accessing People's Business Credit (KUR) to finance small and medium enterprises (SMEs) and ensures legal certainty for their business operations, thereby creating a conducive business environment.

Additionally, the growth of new business units has been notable, supported by strategic initiatives from the office. These initiatives include fostering partnerships between business actors and banking institutions through organized business meeting activities. Furthermore, the implementation of business development programs has progressed effectively. The office provides mentorship, training, and guidance, along with information dissemination and assistance in accessing bank credit via the KUR program, all aimed at enhancing the capacity of business actors. The research concluded several factors that support and hinder the role of the Cooperatives, Micro, and Manpower Office in implementing the KUR program, as follows:

The support provided by banks to business actors in Banjarmasin City has been highly beneficial, offering essential capital that helps businesses grow. The availability of financial support for SMEs in the surrounding community comes in the form of capital provision, which significantly aids SMEs in growing their enterprises. Support services that are offered by the Cooperatives, Micro, and Manpower Office, and partnering banks fall under the category of the People's Business Credit mechanism.

Diskopumker facilitates collaborations between MSMEs (Micro, Small, and Medium Enterprises) and implementing banks by organizing business meetings, providing business development training, and assisting MSMEs in meeting the

requirements for accessing credit programs like KUR (Kredit Usaha Rakyat). With this support, the market share of SME products will become more open, also their capacity to expand their market further. It encourages business actors to increase the efficiency of production activities and improve production capacity in terms of both quantity and quality. The Cooperatives, Micro, and Manpower Office support ensures that MSMEs have the necessary documentation, financial literacy, and feasibility to qualify for loans. As a result, the implementing banks are more willing to provide additional capital for production activities in the form of credit.

Additionally, the active role of associations in empowering business actors has significantly contributed to improving the overall business environment in the city. The Banjarmasin City Cooperatives, Micro, and Manpower Office rely on institutions as strategic partners to help them develop and coach business players to be more effective and efficient. Since business actors are typically involved as members of an institution, the Banjarmasin City Cooperatives, Micro, and Manpower Office carries out coaching activities with little significance of difficulty in contacting business actors.

Diskopunker actively supports MSMEs by organizing business meetings between MSME actors and banking partners, facilitating access to financial resources necessary for business development. This initiative is part of their broader strategy to empower MSMEs, encompassing funding, infrastructure, business information, trade promotion, and institutional support.

On the other hand, delays in budget allocation for small business empowerment programs have hindered the implementation of certain activities and limited support for business actors. Furthermore, the quality and quantity of extension workers remain insufficient, which impacts the effectiveness of training and mentorship programs. One major barrier to the growth of People's Business Credit (KUR) for SMEs in Banjarmasin City is a lack of human resources (HR). There is only a small number of extension works that pose an obstacle to carrying out the implementation of small business empowerment through education, training, and continuation of program KUR from the Cooperatives, Micro, and Manpower Service of Banjarmasin City. Support from stakeholders will greatly influence the development of human resources for business actors in Banjarmasin City. An active role in supporting SME empowerment activities has a high contribution to efforts to empower these business actors.

To address the challenges and further enhance the implementation of the KUR Assistance Program, this research provides recommendations that the Cooperatives, Micro, and Manpower Office, along with business actors in Banjarmasin City, should improve public services by integrating online technology. This would allow business actors and the general public to access necessary information and process permits more efficiently. Conducting regular partnership meetings between MSMEs and banks should be organized. These events would facilitate greater participation by business actors in accessing the KUR program, thus increasing their capacity and expanding their operations.

Enabling the office to enhance its mentoring and training activities to improve the skills and capabilities of MSME actors. Which would in turn enable these actors to compete effectively and fully benefit from the KUR program, fostering growth and development and the overall economic prosperity.

Lastly, the government should allocate sufficient budget support to ensure the sustainable growth and development of businesses in Banjarmasin City. Additionally, expanding the number of staff and allowing for an increase in recruitments for the Cooperatives, Micro, and Manpower Office should help operations, strengthen the quality and quantity of services, provide continuous educational counseling and entrepreneurship

training, ensuring that business actors receive the necessary support to succeed and sustain in the long run.

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