

The Effect of People's Business Credit (KUR) PT. Papua Regional Development Bank Sentani Branch Toward Micro Small and Medium Enterprises (MSMEs) In Jayapura District

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ABSTRACT

This study aims to determine the effect of People's Business Credit assistance and the increase in income on MSMEs. This research is quantitative research. The number of samples is 32 MSMEs that take KUR at Bank Papua Sentani Branch. The analytical tools used in this study are data quality tests and simple regression analysis. From the linear regression function above, it can be explained that the Constant Value (a) has a positive value of 15.039 and the regression coefficient value for the People's Business Credit variable has a positive value of 0.606. Obtained t table of 2.04227. And t count 3.054 > 2.04227 t table based on the independent variable People's Business Credit has a positive effect on the dependent variable MSMEs income. Judging from the significance of 0.005 it is < 0.05 for the People's Business Credit variable. Therefore, the independent variable of People's Business Credit has a positive effect on the dependent variable MSMEs income. Thus, it can be concluded that People's Business Credit obtained from the Sentani Branch of Bank Papua is influential on the income of MSMEs in Jayapura Regency. The income of MSMEs in Jayapura Regency has increased and able to develop their businesses after using the credit.

Keywords: Jayapura Regency; Income; MSMEs; People's Business Credit; Society

INTRODUCTION

The crisis that befell Indonesia in 1997 began with the exchange rate crisis of the Indonesian rupiah against the US dollar and a monetary crisis that impacted the country's economy, leading to an economic recession. This serves as a crucial lesson to carefully reconsider economic development with a strong and resilient structure. Micro, small, and medium enterprises (MSMEs) have become an interesting issue to examine and address. On its definition, MSMEs are individual-owned companies that assessed based on their income and number of employees (Nada et al., 2021).

The aspect currently undertaken by the community to enhance the economic sector and improve the quality of life for the better involves establishing personal businesses. These businesses fall into various categories, and one of these categories is Micro, Small, and Medium Enterprises (MSMEs). The Micro, Small, and Medium Enterprises (MSMEs) sector represents one of the community activities that have significant impacts and effects in helping the development of the economy for developing countries. Through the presence of Micro, Small, and Medium Enterprises (MSMEs), employment opportunities are created, contributing to the overall socioeconomic development. Foreign exchange for the country. For Micro, Small, and Medium Enterprises (MSMEs), a factor that can increase income is the amount of capital invested in these businesses (Antara & Aswitari, 2016). Business capital is a fundamental and crucial aspect for business actors to operate or establish a Micro, Small, and Medium Enterprises (MSMEs) (Anggraeni et al., 2013).

Small and medium businesses are able to survive and anticipate economic downturns caused by inflation and other various causal factors. Meanwhile, the informal sector is able to act as a buffer in the small-scale community economy, both individually and in the form of collaboration. The reality on the ground shows that the majority of small and medium business sectors have not received serious attention, for example they have not received capital assistance, even though their own capital is relatively small. With the hard work made by the owners, the production process can still run, but progress is relatively slow due to various limitations related to management, capital, and technology factors.

Companies that receive training program assistance can achieve a level of efficiency in the use of production factors and funding and can increase their success through business processes, because the business processes that have been provided with assistance will be able to save on costs and can increase accumulated profits. Management assistance influences the entrepreneur's ability to determine the size (quantity) or type of goods to be produced, variations in shape or model to be produced and achieving market scale. Through the assistance of training programs, business activities are expected to develop better, so that the financial performance of the business is expected to improve further.

Capital is the funds expended to obtain goods and services produced by an individual. The absence of business capital for Micro, Small, and Medium Enterprises (MSMEs) certainly prevents them from completing or producing a product in the form of goods or services. Therefore, without business capital,

Micro, Small, and Medium Enterprises (MSMEs) cannot generate income. This is because MSMEs cannot produce goods or services to be offered to consumers or buyers. Business capital for Micro, Small, and Medium Enterprises (MSMEs) doesn't only come from the owners but can also come from other parties (Anggraeni et al., 2013).

According to Wijayanto (2013), it is stated that small businesses generally lack strategies or are deficient in strategic expertise. This is what makes Micro, Small, and Medium Enterprises (MSMEs) find it challenging to thrive. The performance of these MSMEs depends heavily on two fundamental factors: external factors such as government policies, social and cultural aspects, economic funding, and the roles of relevant institutions around MSME actors, such as the government, universities, private companies, and social community institutions. Additionally, internal business environmental factors also impact the performance of these MSMEs. Therefore, there is a need for efforts or actions to develop, promote, and expand Micro, Small, and Medium Enterprises (MSMEs) for the national economy. This can be achieved through guidance based on the limitations of knowledge, information, and funds used as business capital for MSMEs (Siagian et al., 2019).

From several challenges faced by Micro, Small, and Medium Enterprises (MSMEs), the Indonesian government, through Presidential Instruction Number 6 dated June 8, 2007, containing policies on the development of the real sector and the empowerment of MSMEs, along with a joint agreement among technical departments, banks, and credit guarantee or financing companies for MSMEs. On November 5, 2007, the Indonesian president at that time inaugurated credit for Micro, Small, and Medium Enterprises (MSMEs) with the guarantee being the People's Business Credit (KUR). This inauguration was also supported by Presidential Instruction Number 5 of 2008, which focused on... The 2008-2009 economic program aimed to guarantee and expedite the implementation of the People's Business Credit (KUR). Some of the discussions included addressing problematic loans for Micro, Small, and Medium Enterprises (MSMEs) and notifying MSMEs with credits up to IDR 500,000,000. The Presidential Instruction was also supported by the Ministry of Finance Regulation No. 135/pmk.05/2008 on amendments to the Ministry of Finance Regulation No. 1259/pmk.05/2011 concerning the guarantee facilities for People's Business Credit (KUR). To determine whether the People's Business Credit (KUR) was progressing as expected and following the predetermined stages, the government, in collaboration with government-owned enterprises, worked to facilitate control over the achieved outcomes, ensuring that the targets set by the government to assist MSMEs and the public were met.

In Law Number 20 of 2008 concerning Micro, Small, and Medium Enterprises (MSMEs), it is stated that Micro Enterprises are productive businesses owned by individuals and/or individual business entities that meet the criteria for micro-enterprises as regulated in this law. Small enterprises are independent productive economic activities conducted by individuals or business entities that are not subsidiaries or branches of larger enterprises, whether directly or indirectly controlled or part of medium or large enterprises that meet the criteria for small enterprises as stipulated in this law. Medium enterprises are independent productive economic activities conducted by individuals or business entities that are not subsidiaries or branches of larger enterprises,

whether directly or indirectly controlled or part of small or large enterprises, with a certain level of wealth or annual sales revenue as regulated in this law.

The problem lies in the income aspect of Micro, Small, and Medium Enterprises (MSMEs), facing issues such as businesses not thriving due to insufficient capital owned by MSMEs. The lack of capital can result in low returns for MSME business owners. Additional external capital for MSMEs can enhance their income, enabling their businesses to progress. Insufficient capital cannot effectively build a business. Additionally, many MSME business owners have not fulfilled the procedural requirements for credit to develop their business income. In undeveloped MSMEs, the need for additional capital from external sources, such as the provision of people's business credit, is essential. Society can obtain additional support through the distribution of people's business credit, used to help boost income through credit provision for MSMEs.

The People's Business Credit (KUR) program is distributed to Micro, Small, and Medium Enterprises (MSMEs) that may require additional capital for their ongoing businesses. As the program progresses, the KUR distributor will ensure whether it is running productively and effectively, thereby meeting the predetermined targets of the People's Business Credit (KUR) program. The aspects used to measure the effectiveness of the People's Business Credit (KUR) distribution for improving the performance of MSMEs can be observed through the following four procedures: 1. Accuracy of target procedures, which assesses the extent to which customers of the People's Business Credit (KUR) program align with the predetermined targets. The target audience for the People's Business Credit (KUR) program is MSMEs lacking business capital to start or expand their businesses. 2. Timeliness procedures, involving predetermined time constraints in providing People's Business Credit (KUR) to applicants in determining the amount of credit requested by MSMEs. 3. Accuracy of the amount procedures, ensuring the correct amount received by MSMEs from the credit guarantee institution based on the previously submitted credit amount. In the process of granting credit to MSMEs, applicants first submit a request for the credit amount they intend to obtain and the repayment period for the People's Business Credit (KUR). 4. Credit accuracy procedures, involving agreements between debtors and creditors regarding all matters related to the People's Business Credit (KUR).

At present, the issue of working capital really needs serious attention, considering that most small and medium businesses in Jayapura Regency are faced with low efficiency or high production costs and relatively low product quality compared to products in other regions. The People's Business Credit Program (Program KUR) was established in response to Presidential Instruction No. 6 of 2007 regarding the Acceleration Policy of Real Sector Development and Empowerment of Micro, Small, and Medium Enterprises, particularly in the financial sector reform. Through the KUR program, the government aims to accelerate the development of economic activities, especially in the real sector, to address poverty and expand employment opportunities (Aribawo et al., 2019).

Suhardjono (2003) presents two definitions of small business known in Indonesia. Firstly, according to Law Number 9 of 1995 and Bank Indonesia Circular Letter No. 3/9/Bkr of 2001, a small business is an economic activity of the people with a maximum annual sale of IDR 1 billion and a net worth, excluding land, buildings, and business premises, of no more than IDR 200 million. Secondly, according to the Central Bureau of Statistics (BPS) categories, small businesses are synonymous with small industries and household industries. The BPS identifies small businesses with household industries, classified as follows: (1) Household industries with 1-4 workers, (2) Small industries with 5-19 workers, (3) Medium industries with 20-99 workers, and (4) Large industries with 100 workers or more. Based on the opinions and criteria above, it can be concluded that small businesses are small-scale people's enterprises, measurable based on net assets, sales turnover, and the number of employees.

From the perspective of financial science, small businesses are associated with information issues that have consequences for financial sources. In Berger and Udell (1998), the finance of small businesses is characterized by informational opacity, meaning that the financial operations of small businesses involve unpublished contracts, unaudited financial reports, and the absence of publicly traded securities. This lack of transparency in finances results in small businesses being unable to obtain funds in the public market through stock and bond issuances. As an alternative, small businesses seek to secure funds in the private market for business financing through private equity (owner's capital, angel investors, venture capital, etc.) and private debt (banks, financial companies, trade credit, etc.).

Small medium enterprises (SMEs) in Indonesia play an important role in contributing to the economic welfare to the community. In 2018 Indonesia has 64.1 million small and medium-sized micro, in addition despite of pandemic covid-19 since 2020 the SME still contributes to the absorption of labor by 97% and supports the Indonesian economy by 61.07%., Kawulur et al. (2021).

The benchmark for the success of SMEs to be able to win in the competition is through marketing performance, especially because SMEs are currently becoming something important in supporting Indonesia's economic growth and the quantity of SMEs (the number of SMEs) is a big potential in the economy (Siregar et al., 2021).

Micro, small and medium enterprises (MSMEs) are the answer to the problems of the people's economy. MSMEs play an important role in terms of employment that supports household income. As well as being an alternative job opportunity. MSMEs also play a role in driving the pace of economic growth when large companies experience difficulties in developing their businesses. At present, MSMEs have contributed greatly to regional income and to the income of the Indonesian State. The function and role of MSMEs are currently felt to be very important, apart from being a source of livelihood, MSMEs also provide direct employment for most of population. As a small business group, MSMEs are always trapped in problems of limited capital, production techniques, marketing. Therefore, Indonesia must be able to make MSMEs strong and advanced so that they can contribute optimally to the Indonesian economy. Therefore, to create

strong and advanced MSMEs, the government must seek efforts to solve the problems experienced by MSMEs.

To support MSME activities, the government with its fiscal policies seeks to provide capital stimulus for MSMEs. The form of People's Business Credit (KUR) is one of the government programs that can help overcome the problem of MSME capital. The government provides access to people's business credit or often known as KUR.

With the existence of this KUR program, it is very helpful for the community, especially MSME actors to increase business capital. The benefits obtained with KUR are that business development and financial management are easier to rotate. This study aims to determine the effect of People's Business Credit assistance on MSMEs, and to determine the increase in income for MSMEs.

LITERATURE REVIEW

Several researchers have extensively studied and sought to provide input for the development of Micro, Small, and Medium Enterprises (MSMEs) in Indonesia. One such study was conducted by Supriyanto (2006), who concluded in his research that MSMEs can indeed be a solution to poverty alleviation in Indonesia. Poverty alleviation through the development of MSMEs has significant potential because the MSME sector has a substantial contribution to employment, absorbing more than 99.45% of the workforce and contributing approximately 30% to the Gross Domestic Product (GDP). Efforts to advance and develop the MSME sector can further increase the absorption of the existing workforce, ultimately improving the well-being of those involved and reducing unemployment rates. In the end, these endeavors can be utilized for poverty alleviation.

The Poverty Alleviation Action Program through the empowerment of Micro, Small, and Medium Enterprises (MSMEs), launched by President Yudhoyono on February 26, 2005, encompasses four main types of activities. These include (1) fostering a conducive business climate, (2) developing business support systems, (3) promoting entrepreneurship and competitive advantages, and (4) empowering micro-scale businesses.

To expand market share and enhance the competitiveness of SMEs, there is a need for an application that can integrate and automate SME business processes. Enterprise Resource Planning (ERP) applications can be a solution for SMEs due to the advantages they offer, such as providing information with rapid response times, improving interaction between different departments within an organization, and enhancing the management of the ordering cycle, among other benefits. Some critical issues faced by SMEs include limited funds and the lack of information technology capabilities.

In understanding the service needs of SMEs for ERP applications and providing guidance to SMEs, as well as addressing the scarcity of ERP research in Indonesia, this research aims to outline a long-term plan for the ERP research agenda for SMEs in Indonesia.

Then, researcher Darwanto (2013) observed the growth of Micro, Small, and Medium Enterprises (MSMEs) in the Indonesian economy. MSMEs, as part of the economy, must enhance competitiveness through innovation. Competitive advantages based on innovation and creativity should be prioritized due to their resilience and longer-term sustainability. This research aims to formulate institutional strategies to encourage innovation and creativity among MSMEs practitioners. The paper results from literature review thinking and utilizes the SWOT analysis method.

Subsequently, this paper compares strategies for creating strong institutions to foster creativity and art that can enhance the competitiveness of MSMEs in several countries. MSMEs-related issues regarding productivity include the lack of protection for copyright over innovations and creativity. This often leads to product imitation, causing losses to MSMEs creators. Copyright (property right) over a product or product design does not function as a production incentive. Ignoring property rights creates a production disincentive. Therefore, incentives are needed for creators to continue innovating and being creative continually. One step that can be taken is appreciation by granting patents to innovative MSMEs. This will encourage further creations and produce products with attractive features and designs for consumers.

Furthermore, researchers Putra et al. (2014) observed the program implemented by the government through the institution of Jamkrida. Jamkrida provides credit guarantees for Micro, Small, and Medium Enterprises (MSMEs) to support capital for the sustainability and development of businesses in the future. The research aims to determine the effectiveness of the Regional Credit Guarantee Program (Jamkrida) in Tabanan Regency and assess its impact on the income and employment of MSMEs in the region. The study sample consisted of 76 MSMEs, determined using the Slovin formula. Data analysis tools used in this research include effectiveness analysis and difference testing, including normality tests and Wilcoxon tests. The research concludes that the implementation of the Jamkrida program in Tabanan Regency is highly effective, and the program has a positive impact on the income and employment of MSMEs in the region.

Similarly, Sholahuddin (2013) examined the role of the government, particularly in the banking sector, specifically in Sharia banking, in developing its services to aid the development of MSMEs. Sharia banking plays a strategic role in improving MSMEs, especially in financing and providing technical and non-technical support. Qualitatively, Sharia banking has implemented various strategies such as financing innovation, linkage programs, pilot projects, utilizing social funds, and technical assistance cooperation. However, quantitatively, the role of Sharia banking in supporting MSMEs is still unsatisfactory, possibly due to unrealistic expectations. The national Sharia financial system faces fundamental issues, including an interest-based framework, currency stability issues, and a permissive mindset resulting from a capitalistic living environment. The research aims to address the weaknesses faced by MSMEs based on the studies conducted by various researchers.

According to Muljono (1990), credit is the ability to make a purchase or borrow money with a promise of payment within an agreed-upon period. The elements involved in granting credit, according to Muhammad and Murniati (2000), include trust, collateral, repayment period, credit risk, and bank interest. Principles of credit granting, according to Muhammad and Murniati (2000), involve analyzing the background of the customer or customer company, prospects of the business to be funded, collateral provided, and other factors determined by the bank. The 5C concept, introduced by Siamat (1995) includes character, capacity, capital, collateral, and condition. Additionally, credit assessment involves evaluating aspects related to the debtor's business activities, such as marketing, technical, management, legal, and socio-economic aspects.

Anggoro (2014) states that the impact of the People's Business Credit program (KUR) on the income and employment of Micro, Small, and Medium Enterprises (MSMEs) is highly effective in strengthening business capital to increase business productivity. This is aimed at improving the welfare of business practitioners and leading to an increase in production results, which in turn has a positive impact on the income of business practitioners. Based on the research findings, it is evident that People's Business Credit (KUR) has a positive impact on the income of people engaged in Micro, Small, and Medium Enterprises (MSMEs) (Gustika, 2016).

Jaya (2018). Based on the research findings on KUR, business location, and business duration significantly influence the production value of Processing Industry MSMEs. The magnitude of the influence of the KUR variable, business location, and business duration, based on the calculation results, yields an R² value of 0.979. This indicates that the KUR variable, business location, and business duration explain 97.9% of the performance variation, with the remaining 2.1% influenced by other variables.

RESEARCH METHOD

Location and Time of Research

In this study the research location was focused on one of the areas in Papua. More precisely at PT Papua Regional Development Bank Sentani Branch and field research was also carried out on MSME actors in the Sentani District Area, Jayapura Regency, carried out from September-November 2022.

Population and Sample

The population in this study is the number of customers who obtain People's Business Credit (KUR). The sample is part of the number and characteristics possessed by the population. Researchers took a sample of 32 samples.

Data Types and Sources

This type of research is quantitative research. The data source for this study uses primary data sources, namely data obtained from PT. Papua Regional Development Bank Sentani Branch as well as direct interviews and giving questionnaires to MSMEs in Jayapura Regency who use KUR.

Data analysis technique

Descriptive Analysis

The analytical method used to interpret the data and information obtained by collecting, compiling, and classifying the data obtained can then be used to provide a true picture of the effect of KUR distribution on MSME income levels.

Validity and Reliability Test

Validity and reliability were carried out to test whether the questionnaire is suitable for use as a research instrument. Valid means that the data obtained through a questionnaire can answer the research objectives. Reliable means that the data obtained through questionnaires results are consistent when used by other researchers. The author uses the help of the SPSS software program to obtain targeted results.

Simple Linear Regression Analysis

To analyze the data, a quantitative analysis method was used which is an overview of the effect of KUR granting at the Sentani Branch of the Papua Regional Development Bank on MSMEs in Jayapura Regency.

RESULTS

Table 1. Results of the test Validity of People's Business Credit Variables (X)

UR Items	r-value	-table	Noted	Sig < 0,05	Noted
KUR01	0,499	,3494	Valid	004	Valid
KUR02	0,664,	,3494	Valid	000	Valid
KUR03	0,617	,3494	Valid	000	Valid
KUR04	0,431	,3494	Valid	014	Valid
KUR05	- 0,001	,3494	Invalid	997	Invalid
KUR06	0,326	,3494	Invalid	068	Invalid
KUR07	0,526	,3494	Valid	002	Valid
KUR08	0,536	,3494	Valid	002	Valid
KUR09	0,547	,3494	Valid	001	Valid
KUR10	0,272	,3494	Invalid	132	Invalid

Source: Primary Data After Processing, 2022

It can be seen from table 1 regarding People's Business Credit (KUR) starting from KUR01, KUR02, KUR03, KUR04, KUR07, KUR08, KUR09 shows that the r-value > r-table so that 7 question items are said to be valid, while KUR05, KUR06, and KUR10 shows that r-value < r-table so that 2 question items are said to be invalid. Likewise, the significance in the table above shows that KUR01, KUR02, KUR03, KUR04, KUR07, KUR08, KUR09 < 0.005 are said to be valid, while KUR05, KUR06, and KUR10 > 0.005 are considered to be invalid.

Table 2. Validity Test Results for MSME Income Variables (Y)

tem PU	Count R	ble R	Notes	Sig < 0,05	Notes
PU01	0,593	0,3494	Valid	000	Valid
PU02	0,643	0,3494	Valid	000	Valid
PU03	0,258	0,3494	Invalid	153	Invalid
PU04	0,418	0,3494	Valid	017	Valid
PU05	0,581	0,3494	Valid	000	Valid
PU06	0,592	0,3494	Valid	000	Valid

PU07	0,318	0,3494	Invalid	076	Invalid
PU08	0,681	0,3494	Valid	000	Valid
PU09	0,393	0,3494	Valid	026	Valid
PU10	0,440	0,3494	Valid	012	Valid

Source: Primary Data After Processing, 2022

It can be seen from table 2 regarding MSME Income (PU) starting from PU01, PU02, PU04, PU05, PU06, PU08, PU09, PU10 shows that the $r\text{-value} > r\text{-table}$ so that 8 question items are said to be valid, while PU03 and PU07 show that $r\text{-value} < r\text{-table}$ so that 2 question items are said to be invalid. Likewise, the significance in the table above shows that PU01, PU02, PU04, PU05, PU06, PU08, PU09, PU10 < 0.005 are said to be valid, while PU03 and PU07 > 0.005 are said to be invalid.

Table 3. Results of the Reliability Test for People's Business Credit Variables (X)

Reliability Statistics	
Cronbach's Alpha	of Items
.676	7

The reliability results for the People's Business Credit Variable question show Cronbach's alpha of 0.676, which is greater than the reliability requirement, which is 0.6. So, it can be concluded that the reliability test for the KUR variable is stated to be reliable.

Table 4. Results of the Reliability Test of MSME Income Variables (Y)

Reliability Statistics	
Cronbach's Alpha	of Items
.699	8

The reliability results for the MSME Income Variable question show Cronbach's alpha of 0.699, which is greater than the reliability requirement, which is 0.6. So, it can be concluded that the reliability test for PU variables is stated to be reliable.

Table 5. Simple Linear Regression Test Results

Coefficients ^a					
	Standardized Coefficients		Unstandardized Coefficients		t
	B	Std. Error	Beta	t	
(Constant)	15.039	1.182		12.738	.000
People's Business Credit Variable	.606	.199	.487	3.054	.005

Dependent Variable: Pendapatan MSMEs

Results of simple linear regression analysis:

$$Y = a + bX_1$$

$$Y = 15.039 + 0.606X$$

From the linear regression function above, it can be explained that the Constant Value (a) has a positive value of 15.039 and the regression coefficient value for the People's Business Credit variable has a positive value of 0.606. When viewed from

the results of the t-table test = value of $df = n - k - 1 = 32 - 1 - 1 = 30$ with a significance of 0.005, then a t-table of 2.04227 is obtained and a t-value of $3.054 > 2.04227$ t-table. So that the independent variable People's Business Credit has a positive effect on the dependent variable MSME income. It can also be said that the independent variable People's Business Credit has a positive effect on the dependent variable MSME income.

Based on the results of simple linear regression analysis, it is known that the use of People's Business Credit (KUR) has a positive and significant effect on the income level of MSMEs. So that when there was an increase in the distribution of KUR, there was also an increase in MSMEs in Jayapura Regency who received KUR, especially customers from the Sentani Branch of Bank Papua. It can also be seen based on the results of the partial test that KUR distribution has a significant influence on MSME income. Based on the results of data processing from 32 research respondents, there were 32 respondents (100%) who had income before using KUR between Rp. 5,000,000 to Rp. 25,000,000, and no respondents who had income between Rp. 25,000,000 d IDR 45,000,000 and revenue of IDR $\geq 45,000,000$. So, it can be concluded that the dominant respondent has the most income between IDR 5,000,000 to IDR 25,000,000. Meanwhile, based on data from 32 research respondents, 10 respondents (31.25%) had income between Rp. 1,000,000 and Rp. 5,000,000, respectively. 5,000,000 to Rp. 10,000,000 for 12 respondents (37.5%), and those with an income of Rp. $\geq 10,000,000$ for 10 respondents (31.25%).

So, it can be concluded that the results of this study show that the income of MSMEs in Jayapura Regency has increased and can develop their businesses after using People's Business Credit at PT. Papua Regional Development Bank Sentani Branch. And it can also be said that the higher the KUR loan, the higher the change in income increase that will be obtained by MSME actors

DISCUSSION

The results of this research, based on simple linear regression analysis, indicate that the use of People's Business Credit (KUR) has a positive and significant impact on the income levels of Micro, Small, and Medium Enterprises (MSMEs). Therefore, when there is an increase in the distribution of KUR, there is also an increase for MSMEs practitioners in Jayapura Regency who receive KUR, especially customers of Bank Papua Branch Sentani. It is also evident from the partial test results that the distribution of KUR has a significant impact on the income of MSMEs.

Based on the data in Table 4.6 above, it is shown that out of 32 research respondents, those with income before using KUR between Rp 5,000,000 to Rp 25,000,000 are 32 respondents (100%). There are no respondents with income between Rp 25,000,000 to Rp 45,000,000 and income of Rp $\geq 45,000,000$. It can be concluded that the dominant respondents have the most income between Rp 5,000,000 to Rp 25,000,000. Meanwhile, based on the data in 4.7 above, it is shown that out of 32 research respondents, those with income after receiving People's Business Credit (KUR) between Rp 1,000,000 to Rp 5,000,000 are 10 respondents (31.25%), those with income between Rp 5,000,000 to Rp 10,000,000 are 12 respondents (37.5%), and those with income of Rp $\geq 10,000,000$ are 10 respondents (31.25%).

The research results indicate that the income of MSMEs in Jayapura Regency has increased, and they can develop their businesses after using People's Business Credit at PT. Bank Pembangunan Daerah Papua Branch Sentani. It can be said that the higher the KUR loan, the higher the change in income increase that MSMEs practitioners will obtain.

Based on the research results, the provision and use of People's Business Credit (X) by PT. Bank Pembangunan Daerah Papua Branch Sentani have a very positive impact on the income levels of Micro, Small, and Medium Enterprises (Y) in Jayapura Regency. This can be observed and proven by the $t\text{-value} > t\text{-table}$, where the impact of People's Business Credit is declared valid. Additionally, the significance value < 0.05 with a $t\text{-value}$ of 3.054 and a $t\text{-table}$ of 2.04523 indicates its statistical significance.

The research results show that the income of MSMEs in Jayapura Regency has increased and they can develop their businesses after using People's Business Credit at PT. Bank Pembangunan Daerah Papua Branch Sentani. It can be said that the higher the KUR loan, the higher the change in income increase that MSMEs practitioners will obtain.

CONCLUSION

Based on the results of research data processing, it can be concluded that the provision and use of People's Business Credit (X) PT. The Papua Regional Development Bank Sentani Branch has a very positive influence on the income level of Micro, Small and Medium Enterprises (Y) in Jayapura Regency. And the results of this study also show that the income of MSMEs in Jayapura Regency has increased and can develop their businesses after using People's Business Credit at PT. Papua Regional Development Bank Sentani Branch. And it can be said that the higher the KUR loan, the higher the change in income increase that will be obtained by MSME actors.

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