
Proceeding Medan International Economic and Business

Volume 1 2023, pp 910-925

"Entrepreneurship in building the global economy in the era of society 5.0"

ULTRA MICRO FINANCING ANALYSIS FOR INCREASING THE ACCESSIBILITY OF COMMUNITY FINANCIAL INSTITUTIONS**M Galliv Al Havitz^{1*}, Roswita Afni²**¹²Universitas Muhammadiyah Sumatera Utara

Jl. Kapten Mukhtar Basri No. 3 Medan, Indonesia.

***Email:** muhammadghalieh03@gmail.com**ABSTRACT**

Ultra Micro Financing Program (UMi) disbursed by non-bank financial institutions. one of the government's efforts to encourage economic progress by focusing on the development of the MSME (Micro, Small and Medium Enterprises) sector, the government has distributed several program policies, one of which is the Ultra Micro Financing (UMi) program. The purpose of this study is to look at the development of ultra-micro financing in Indonesia, and to find out the public's perception of ultra-micro financing policies as an increase in the accessibility of community financial institutions. The research method used in this study is descriptive quantitative, by describing the results of the data generated from the relevant publication institutions. As for the results of this study, ultra-micro financing is here to answer the needs of micro-enterprises in overcoming capital problems, especially for micro-enterprises that have difficulty getting access to banking. Ultra Micro is a continuation sufficient which targets micro businesses that are at the lowest level and cannot yet be facilitated by banks through People's Business Credit (KUR) both in the form of conventional financing and financing based on sharia principles. program of the social assistance program to become business self-

Keywords: Ultra Micro Financing Program (UMi), , Small and Medium Enterprises, Community Financial Institutions.



Copyright © 2023 by the Author(s) | This is an open access article distributed under the Creative Commons Attribution License <http://creativecommons.org/licenses/by/4.0>

INTRODUCTION

When the 1998 economic crisis occurred, the SMEs and SMEs sectors were the only sectors that were able to survive the drastic economic downturn, while the larger business

Proceeding Medan International Economic and Business

Volume 1 2023, pp 910-925

“Entrepreneurship in building the global economy in the era of society 5.0”

sectors were actually collapsed by the crisis. This crisis has resulted in a change in the position of actors in the economic sector. Large businesses one by one went bankrupt because imported raw materials increased drastically, debt repayment costs increased as a result of the declining and fluctuating rupiah exchange rate against the dollar. The slumping banking sector also exacerbated the industrial sector in terms of capital. Many companies are no longer able to continue their business because of high interest rates. In contrast to SMEs and SMEs, most of which are still surviving, even tending to increase (Lamazi et al., 2020)

It was proven that during the global crisis that occurred some time ago, SMEs and SMEs were present as a solution for a healthy economic system. SMEs and SMEs are one of the industries that have little or no impact from the global crisis that has hit the world. With this evidence, it is clear that SMEs and SMEs can be taken into account in increasing market competitiveness and stabilizing the existing economic system (Aulia Runtika, 2016)

Since the economic crisis in 1998, Small and Medium Enterprises (SMEs) and Micro, Small and Medium Enterprises (UMKM) have played a very important role in driving the economy both at the national and regional levels. The increase in business activities and the role of SMEs after the 1998-2009 crisis is illustrated below. SMEs are experiencing increasing development and are even able to support national economic growth. This is shown by the SME population in 2009 of more than 52 million units or 99.99% of all business people in Indonesia. The development of SMEs from 2005 to 2009 reached 12.22%, while large-scale enterprises experienced a decrease of 6.87%. Besides that, SMEs make a major contribution to employment, namely 97.3% and contribute to the Gross Domestic Product (GDP) of IDR 1,214.7 trillion or 58.17%. (Badan Pusat Statistik, 2019)

Based on data from the Ministry of Cooperatives and SMEs for 2008-2009, MSME is still the largest business actor, reaching 52.176 million business units. The number of MSMEs grew by 2.64% from the previous year in 2008, which amounted to 51.41 million business units. In terms of employment, MSMEs are able to absorb 97.30% of the available productive workforce, of that 97.30%, micro businesses absorb the largest workforce, namely 91.03%, while small and medium enterprises are each able to absorb a workforce of 3.56%. and 2.71%, this is because the micro and small business industries use labor intensive so that they are able to absorb a large number of workers.

Micro, Small and Medium Enterprises have an important role for the Indonesian economy in terms of business units and employment. Micro, small and medium enterprises were able to survive during the crisis that hit Indonesia, the number of business units and workers absorbed was greater than that of large and medium scale industries. So it is appropriate for the government not to sideline the role of MSMEs as one of Indonesia's economic drivers. Instead, the government must take part in empowering MSMEs, including by creating policies that are in favor of MSMEs (Sarwono, 2015)

MSMEs are one of the biggest contributors to economic growth in our country. Micro, Small and Medium Enterprises (MSMEs) continue to contribute to gross domestic product (GDP) from year to year. The contribution of MSMEs to GDP at constant prices was IDR 7,034.1 trillion in 2019, up 22.9% from the previous year which amounted to IDR 5,721.1 trillion. Meanwhile, the contribution of MSMEs to GDP at current prices is IDR

Proceeding Medan International Economic and Business

Volume 1 2023, pp 910-925

“Entrepreneurship in building the global economy in the era of society 5.0”

9,580.8 trillion. This contribution rose 5.7% from the previous year which amounted to IDR 9,062.6 trillion. Not only that, Indonesian MSMEs contributed to absorbing 119.6 million or 96.92% of the total workforce in Indonesian business units. This workforce absorption increased by 2.21% from 2018. The large contribution of MSMEs was due to the fact that the majority of Indonesian business units were contributed by MSMEs. As many as 64.2 million or 99.99% of Indonesian business units are MSMEs. In detail, 63.4 million are Micro Enterprises (UMi), 783.1 thousand are Small Enterprises (UK), and 60.7 thousand are Medium Enterprises (UM) (Sarwono, 2015).

The development of micro, small and medium enterprises (MSMEs) in Indonesia is running rapidly. This development is described in the increasing growth of MSMEs, in terms of quantity, the number of MSME actors is more than large businesses (UB). Based on data from the Ministry of Cooperatives and SMEs of the Republic of Indonesia on the website www.depkop.go.id, during 2018, SMEs had a much larger number than Large Enterprises (UB) with an ever-increasing percentage of the number of businesses.

Table 1 Development of the Number of MSMEs in Indonesia (2016 - 2019)

Jenis Usaha	2016	2017	2018	2019
Micro business	58.521.987	60.863.578	62.106.900	63.350.222
Small business	681.522	731.047	757.090	783.132
Medium Business	59.263	56.551	58.627	60.702
Big business	4.987	5.370	5.460	5.550

Source : Depkop.go.id (2020)

From the table above it can be seen that the development of the number of MSMEs in Indonesia continues to increase every year. Where, in 2016 there were 58,521,987 recorded, there was an increase in 2018 there were 1,271,440 MSMEs. Then, the number of MSMEs continues to increase to 1,271,529 in 2019. Thus the growth of MSMEs can also help the economy in Indonesia. However, after the 1998 and 2008 economic crises hit this country and also the development of MSMEs which was quite massive, currently (Micro, Small and Medium Enterprises) MSMEs are tested as a bumper for the national economy. Qualified as an economic dynamic during previous crises, the Covid-19 pandemic became their toughest test. The whole world and even Indonesia were shocked by an outbreak of disease caused by the corona virus or known as Corona Virus Diseases-19 (Covid-19) in 2020. This virus was first discovered in Wuhan, China. This has caused small and medium enterprises (MSMEs) to be in an economic shock caused by the COVID-19 pandemic. The government's lockdown measures have halted economic activities. The MSME world experienced various kinds of declines in the demand sector. The impact of the COVID-19 pandemic on the MSME sector is of course very influential on the condition of the Indonesian economy (Thaha, 2020)

The Asian Development Bank (2020) in the results of a survey on the impact of Covid-19 in Indonesia, Thailand, the Philippines and Laos stated that as many as 48.6% of MSMEs in Indonesia were forced to close their businesses. Most of this was due to

Proceeding Medan International Economic and Business

Volume 1 2023, pp 910-925

“Entrepreneurship in building the global economy in the era of society 5.0”

reduced domestic demand (30.5%), delivery delays (13.1%), order contract cancellations (14.1%), production and distribution constraints (19.8%). This condition causes 52.4% of MSMEs to run out of cash and savings and therefore do not have the capital to continue their business, while the other 32.8% only have spare money in the next month. To provide the necessary working capital to get back up and running again, they borrow from family and relatives (39%), use their own funds (24.6%), borrow from non-bank financial institutions (10.5%) and only 1% are successful. borrow from banks (Julianda leli monika, 2021).

Indeed, the challenges faced are quite heavy to strengthen the structure of the national economy. MSME development should be more directed at increasing their ability to become medium entrepreneurs. However, it is also realized that MSME development faces several obstacles such as the level of ability, skills, expertise, human resource management, entrepreneurship, marketing, and finance.(Hafni & Rozali, 2017)

The Covid-19 pandemic caused many obstacles in developing a business and increasing its income. One of the inhibiting factors is related to limited business capital. In addition, the limited use of technology by MSME actors is also one of the main problems in MSME development (Adawiyah, 2014). This is caused by the existence of Large-Scale Social Restrictions in Indonesia so that MSMEs cannot market their products directly. Technology should be useful for facilitating human life because with the existence of technology something that is difficult can be solved easily and quickly. Lack of knowledge about technological advances by business actors is something that often hinders the use of technology in Micro, Small and Medium Enterprises (MSMEs) when the PSBB makes it difficult for MSME businesses to develop (Mirzam, 2021).

MSME empowerment in Indonesia is one of the Government's commitments in the process of improving the national economy. As the backbone of the national economy as well as one of the drivers of economic growth during the Covid-19 pandemic, MSMEs must be saved from adversity. This is because MSMEs play an important role with their contribution reaching 61% and being able to absorb as much as 97% of the total national employment. Currently what MSMEs need is credit distribution to meet capital needs. Based on data from the Ministry of Cooperatives and Small and Medium Enterprises (Kemenkop UKM), the number of MSMEs currently reaches 64.2 million with a contribution to the Gross Domestic Product (GDP) of 61.07% or IDR 8,573.89 trillion. This business sector is also able to absorb 97% of the total workforce, and is able to collect up to 60.42% of the total investment in Indonesia. Unfortunately, the contribution of MSMEs has not been followed by the amount of credit disbursement which is still stumbling at 20%. The contributing factors include the difficulty in applying for credit and businesses that do not meet eligibility requirements to obtain bank credit (Rohiman Sahrudi, 2022)

Based on a 2020 survey by the Central Bureau of Statistics, around 69.02% of MSMEs experienced capital difficulties during the Covid-19 pandemic. Meanwhile, according to the complaint report to the Ministry of Cooperatives and SMEs as of October 2020, as many as 39.22% of the MSME sector experienced capital difficulties during the Covid19 pandemic. In order to help MSMEs deal with the Covid-19 pandemic, the Government has issued policies including the National Economic Recovery Program (PEN) Supporting MSMEs. In 2021, the UMKM Support PEN program allocates a budget

Proceeding Medan International Economic and Business

Volume 1 2023, pp 910-925

“Entrepreneurship in building the global economy in the era of society 5.0”

of IDR 96.21 trillion which can be utilized by MSMEs, including Interest Subsidies (KUR and Non-KUR), Placement of Government Funds in Partner Commercial Banks to support the expansion of working capital loans and MSME loan restructuring, MSME Working Capital Credit Guarantee, Productive Assistance for Micro Enterprises (BPUM), Cash Assistance for Street Vendors and Stalls, and MSME Final PPh incentives Borne by the Government (DTP) and the UMi program. Ultra-micro business has the most composition of all MSME actors (located at the bottom of the description), as well as the most difficult to access financing. So, this initiative is important for fast financing support members, as well as avoiding them from tenants. The Public Service Agency for the Government Investment Center (BLU PIP) is present and helping micro entrepreneurs to recover from the pandemic. Not only starting for easy and fast financing, BLU PIP also provides a comprehensive and massive training and mentoring program for debtors, according to a report from the Ministry of Finance. In addition, there is also additional support in the form of reducing the minimum bill, load costs and electricity housing that can be utilized by MSMEs. As of 31 December 2021, it was recorded that the total realization of PEN for MSME Support for 2021 was IDR 83.19 trillion with a total of 34.59 million debtors/MSMEs. In 2022 the Government again increased the KUR ceiling to IDR 373.17 trillion to encourage the MSME sector and extend the additional 3% KUR interest subsidy that was given until June 2022 (Julianda, 2021)

Small Micro Enterprises (UMK) are people's businesses which number more than 26 million businesses or 98.68% of the total non-agricultural businesses in Indonesia. The government in moving the MSME sector has taken various policies. One of the government policies to encourage MSMEs to upgrade is to provide cheap credit to MSME business actors. Subsidized loan interest for the People's Business Credit (KUR) program which is distributed by banks, and the Ultra Micro Financing program (UMi) which is distributed by non-bank financial institutions. one of the government's efforts to encourage economic progress by focusing on the development of the MSME (Micro, Small and Medium Enterprises) sector, the government has distributed several program policies, one of which is the Ultra Micro Financing (UMi) program.

The KUR program has been rolled out for a long time, which started during the administration of President Susilo Bambang Yudhoyono, while the UMi Program started in 2017, which was marked by Minister of Finance Regulation (PMK) No. 22 of 2017 concerning the Ultra Micro Financing Program. The main difference between the KUR program and UMi financing is that the distribution of KUR to MSME actors is carried out by banks with a credit interest rate of 7%, the government's stance on this program only provides interest subsidies from the prevailing commercial interest. The funds used are purely from channeling agency funds. In contrast to the UMi financing program, the funds used are purely from the APBN which is managed by the Government Investment Center (PIP) with an interest rate of 9%, even more flexible because it can be with a sharia pattern. From the author's observations, the implementation of the UMi program in Mamuju Regency was carried out by two institutions, namely the Mekaar National Civil Capital (PNM) and the Mitra Duaafa Cooperative. The most developed of the two institutions is PNM Mekaar. According to the Head of the PNM Mekaar Mamuju Branch, "the number of customers receiving PNM Mekaar services reached 3,134 as of December 2019"(Pratama & Fernos, 2019)

Proceeding Medan International Economic and Business

Volume 1 2023, pp 910-925

"Entrepreneurship in building the global economy in the era of society 5.0"

The pandemic has not stopped the steps of the Government Investment Center (PIP) in financing Ultra Micro (UMi). As a stimulus for the revival of business actors, a relaxation program was provided throughout 2020. The training target was exceeded. Ultra Micro Financing (UMi) is an advanced stage program from a social assistance program to become business self-sufficient that targets micro-enterprises at the grassroots level, which cannot yet be facilitated by banks through the people's business credit program (KUR). Ultra Micro Enterprises (UMi) provide a maximum financing facility of IDR 10 million per customer and are channeled by Non-Bank Financial Institutions (LKBB). (Julianda, 2021) Since the 2017 disbursement of ultra-micro financing (UMI), it has still received a response from the community, especially micro and small business actors, namely reaching 33,465 debtors with a purchase agreement of IDR 68,389 billion. However, in 2020 it decreased drastically to 8,210 debtors with a withdrawal agreement of Rp. 4,351,500,000,-. However, ultra micro business financing loans (UMi) in 2018 amounted to only IDR 61.636 billion to 21,070 debtors in Siantar, Batubara, Deliserdang, Langkat, Medan City, Humbahas, Ornamental, North Nias, South Nias and West Pakpak. The realization of ultra micro business financing (UMi) in 2018 saw a decrease in absorption of around IDR 6 billion more. Meanwhile, ultra-micro financing (UMI) in 2019 or the September position was only IDR 4,352 billion for 8,210 debtors. This business is also able to absorb around 75.33% of the workforce (BPS, 2018). According to Tambunan (2011) many MSEs were founded by poor individuals or households because they did not get better job opportunities. So, the development of UMK is one of the solutions to reduce poverty as well as action. The purpose of this research is to look at the development of ultra-micro financing in Indonesia, and to find out the public's perception of ultra-micro financing policies as an increase in the accessibility of community financial institutions.

METHOD

This study uses a descriptive approach whose purpose is to describe and analyze Ultra Micro Financing for Increasing the Accessibility of Community Financial Institutions. The type of data used in this study is secondary data sourced from data that has been published by related institutions, data collection techniques by utilizing and data analysis techniques used with descriptive analysis.

DISCUSSION = RESULTS

Development of Ultra Micro Financing in Indonesia

In 2017, the Ministry of Finance has an ultra micro financing program (UMi) which can be used as a solution to provide easy and fast financing facilities for starting or developing a business for micro entrepreneurs who need very small amounts of capital. With this program, it is expected to be able to support the household economy which will affect the increase in personal economic value and business economic value.

Ultra Micro Financing is a continuation of the social assistance program to become business self-sufficient which targets micro businesses that are at the lowest level and cannot yet be facilitated by banks through People's Business Credit (KUR) both in the form of conventional financing and financing based on sharia principles. Ultra Micro Sharia Financing is Financing provided by Islamic Financial Institutions to customers who

Proceeding Medan International Economic and Business

Volume 1 2023, pp 910-925

“Entrepreneurship in building the global economy in the era of society 5.0”

need a collection of goods and/or services whose appearance is very small (ultra micro) and of various types.

UMi financing is carried out by the Government Investment Center Public Service Agency (BLU PIP) which acts as a fund coordinator function. UMi's funding sources come from pure rupiah, grants, buyers from financing and other sources. In Chapter V, article 11 concerning the Ultra Micro Financing Scheme, it is stated that BLU PIP distributes financing to distributors through conventional financing and/or sharia financing. Ultra Micro Financing (UMi) is distributed to three Non-Bank Financial Institutions, namely PT. Pawnshop, PT. Madani National Capital, and PT. Bahana Artha Ventura. Ultra Micro Financing was originally regulated in Minister of Finance Regulation (PERMENKEU) No. 22/PMK.05/2017 concerning Ultra Micro Financing (State Gazette of the Republic of Indonesia of 2017 No. 331). After that it was rearranged in PERMENKEU 95/PMK.05/2018 (State Gazette of the Republic of Indonesia of 2018 No. 1088) which was later revoked and declared invalid along with the issuance of the new Minister of Finance Regulation concerning Ultra Micro Financing.

The new policy considerations are intended as the implementation of government investment in the field of empowering ultra-micro businesses based on the people's economy based on Law no. 18 of 2006 concerning the 2017 State Budget (APBN) and Government Regulation no. 1 of 2008 concerning Government Investment as amended by Government Regulation no. 49 of 2011. The legal basis for implementing PERMENKEU No. 193/PMK.05/2020 concerning Ultra Micro Financing are: Article 17 paragraph 3 of the 1945 Republic of Indonesia Constitution; Law Number 39 of 2008 concerning State Ministries; Government Regulation no. 63 of 2019 concerning Government Investment; Presidential Regulation No. 57 of 2020 concerning the Ministry of Finance; Regulation of the Minister of Finance no. 229/PMK.01/2019 concerning the Second Amendment to Minister of Finance Regulation No. 217/PMK.01/2018 concerning Organization and Work Procedure of the Ministry of Finance; Regulation of the Minister of Finance no. 53/PMK.05/2020 concerning Procedures for Government Investment.

Micro enterprises according to Law no. 20 of 2008, namely productive businesses owned by individuals who have assets of no more than IDR 50 million with a turnover of no more than IDR 300 million. The following are the characteristics of micro businesses:

Table 2 Characteristics of Micro Enterprises

No	Aspek	Micro Enterprises
1	Formalitas	Operates in the informal sector, is not registered, does not pay taxes
2	Organization and Management	Run by the Owner, does not apply the division of Internal labor, formal organizational structure and formal bookkeeping
3	Nature and Job Opportunities	Mostly use family.
4	The pattern/nature of the production process	Very low degree of mechanization/mostly manual; Very low level of technology
5	Market orientation	Generally selling to the local market for low income groups
6	Economic and social	Low education and from poor households;

Proceeding Medan International Economic and Business

Volume 1 2023, pp 910-925

“Entrepreneurship in building the global economy in the era of society 5.0”

	profile of the business owner	The main motivation is survival
7	Sources of raw materials and capital	Most use local raw materials and own money
8	External relations	Most have no access to government programs and no business relationships with Big Business
9	Business woman	The ratio of women to men as entrepreneurs is very high

Source :Tambunan, 2009

UMi financing is carried out by the Government Investment Center Public Service Agency (BLU PIP), which acts as a fund coordinator function. UMi financing funds can be sourced from pure rupiah, grants, income from financing and other sources. Here are some differences between Ultra Micro Financing and People's Business Credit:

Table 3 Differences between Ultra Micro Financing and People's Business Credit

No	Kriteria	KUR	UMI
1	Distribution Agency	Banking and Financial Institutions Financial Institutions	Non-Bank (LKBB)
2	Plafon	For micro up to IDR 25 million and for retail up to IDR 50 million	Maximum IDR 10 million
3	Recipient	Micro and Small Enterprises	Ultra Micro Business
4	Loan Tenor	Long term (more than 1 year)	Short term (less than 52 weeks)
5	collateral	Small businesses need collateral in accordance with banking regulations	There is no guarantee for group financing
6	Assistance and Training	Not mandatory	must
7	P Loan procedure	banking mechanism	LKBB mechanism

Source : Kemenkeu, 2018

The government is in an effort to help micro or small business actors. Meanwhile, UMi's funding sources come from the APBN, contributions from regional institutions, and contributions from financial institutions both domestically and globally. The government through the Ministry of Finance appointed the Public Service Agency (BLU) of the Government Investment Center (PIP) as the coordinated fund or UMi financing manager. PIP as an extension of the government will distribute Ultra Micro Financing to debtors through Non-Bank Financial Institutions (LKBB). In this case, the LKBB that have collaborated with PIP include PT Pegadaian (Persero), PT Bahana Artha Ventura, and PT Permodalan Nasional Madani (Persero). In its development, public interest in UMi financing is quite large. However, not a few people still ask about the differences between UMi and KUR. UMi and KUR are government programs in terms of capital financing for

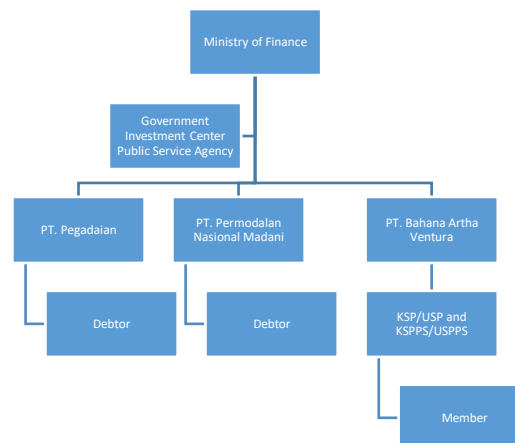
Proceeding Medan International Economic and Business

Volume 1 2023, pp 910-925

“Entrepreneurship in building the global economy in the era of society 5.0”

MSMEs. However, UMi from PIP is targeting Ultra-micro businesses which so far are still considered not 'bankable' to get the KUR (People's Business Credit) program (Kemenkue, 2022).

Figure 1 Difference between Ultra Micro Financing and People's Business Credit



Source: Kemenkeu, 2018

Figure 1 explains that the UMi financing agency is divided into three LKBB. PT Pegadaian and PT Permodalan Nasional Madani distribute directly to members. Meanwhile, PT Bahana Artha Ventura is the distributor indirectly and cooperates with linkage institutions, namely Microfinance Institutions or Cooperatives. Channeling agencies and liaison agencies are responsible for the actions committed to members. PT. Permodalan Nasional Madani and Perum Pegadaian which directly distribute it to micro businesses, while PT. Bahana Artha Ventura is working with Savings and Loans Cooperatives (KSP)/Savings and Loans Units (USP) and Sharia Savings and Loans Cooperatives (KSPPS)/Shariah Savings and Loans and Financing Units (USPPS) to finance the financing.

Public Perceptions Regarding Ultra Micro Financing Policies as Increasing Accessibility for Community Financial Institutions

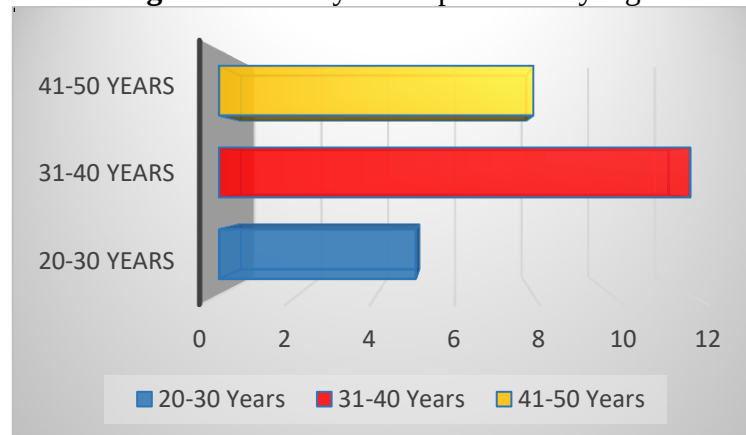
This study took the research object in Medan Belawan District. The reason for selecting the sample in Medan Belawan District is because Belawan is one of the coastal areas of the city of Medan and many people receive ultra-micro financing policies. In this case the data was strengthened by obtaining from field observations, so the research was carried out using a number of questionnaires distributed to the community who received ultra-micro financing. The total number of questionnaires distributed was 25 respondents who received ultra-micro financing in the Medan Belawan sub-district. This is done to see public perceptions of ultra-micro financing as an increase in the accessibility of financial institutions. The following is an explanation of the analysis regarding the results of the questionnaire answers as well as a description of the respondents who answered the questionnaire.

Proceeding Medan International Economic and Business

Volume 1 2023, pp 910-925

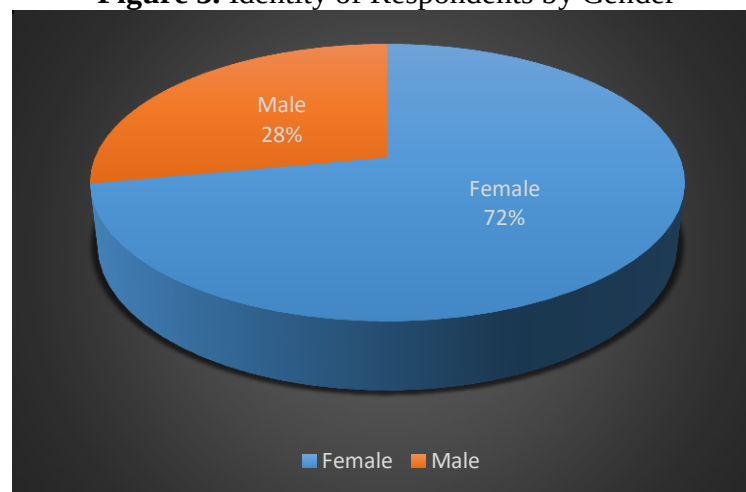
“Entrepreneurship in building the global economy in the era of society 5.0”

Figure 2. Identity of Respondents by Age



Based on the picture above, the results of the general condition of respondents based on age are mostly in the age range of 31-40 years, namely 12 respondents. The age range of 41-50 years was 8 respondents. Meanwhile, for the youngest age range, namely 20-30 years, there were 5 respondents.

Figure 3. Identity of Respondents by Gender



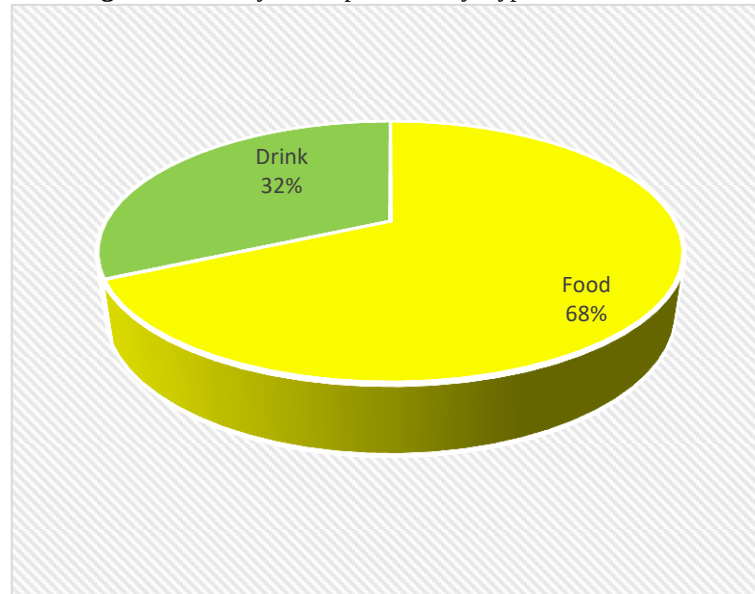
Based on the figure above, the results of assisting the general condition by gender show that 18 business actors are women with a proportion of 72%. Meanwhile, there are 7 business actors with a proportion of 28% as respondents in this study. In conclusion, the majority of respondents were women or mothers.

Proceeding Medan International Economic and Business

Volume 1 2023, pp 910-925

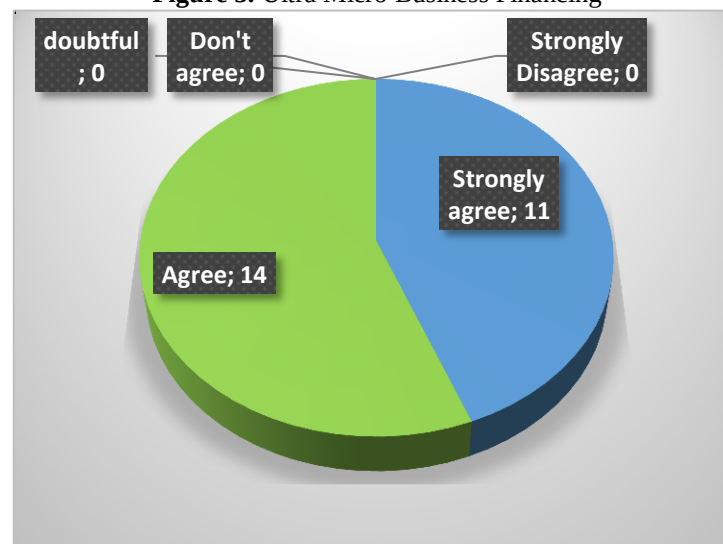
"Entrepreneurship in building the global economy in the era of society 5.0"

Figure 4. Identity of Respondents by Type of Merchandise



Based on the picture above, the type of business assistance provided by the respondents indicated that there were 17 food sellers. There are 8 types of beverage businesses.

Figure 5. Ultra Micro Business Financing



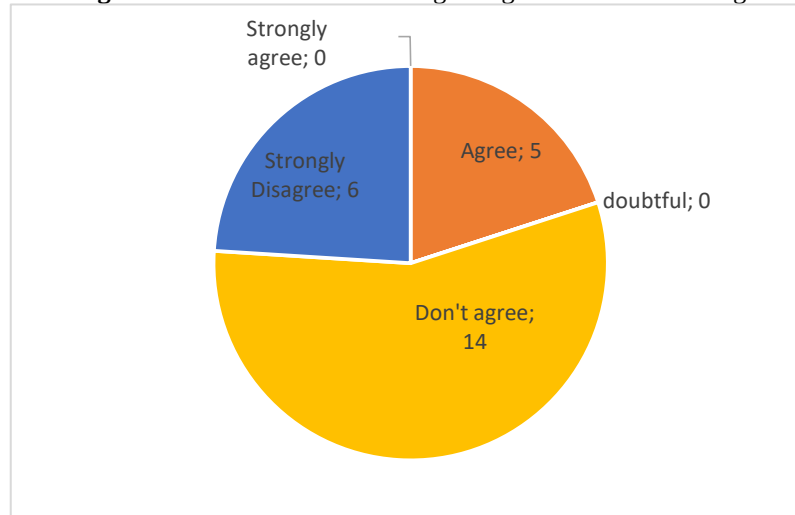
The figure above shows that most ultra-micro business actors are aware of the existence of ultra-micro business financing, namely as many as 11 respondents stated that they strongly agreed, 14 respondents stated that they agreed. However, ultra-micro business actors are not aware of the existence of a financing assistance policy for ultra-micro businesses in the form of mekaar and pawnshops. They only know that mekaar and pawnshops are just ordinary approval conduits.

Proceeding Medan International Economic and Business

Volume 1 2023, pp 910-925

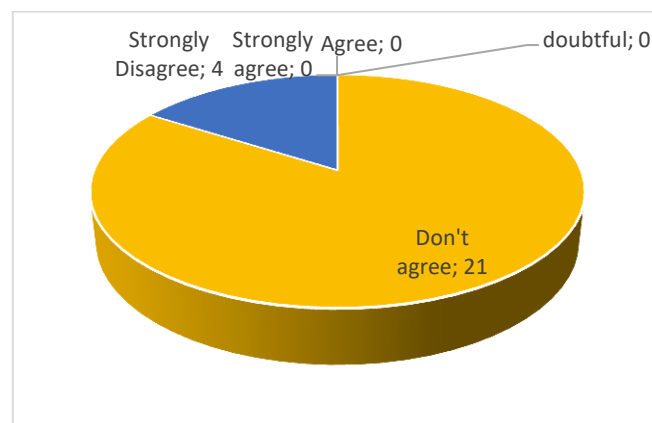
"Entrepreneurship in building the global economy in the era of society 5.0"

Figure 6. Lack of socialization regarding ultra micro financing



Based on the picture above it is known that as many as 14 respondents stated that they did not agree to the lack of socialization regarding ultra-micro business financing, 6 respondents stated that they strongly disagreed and 5 other respondents stated that they agreed. Respondents who stated that they agreed with the reason they got information about ultra-micro financing not from the local government but from family, friends and information from the internet, therefore they believed that there was a lack of socialization from the local government.

Figure 7. It's easier to get a loan at a bank



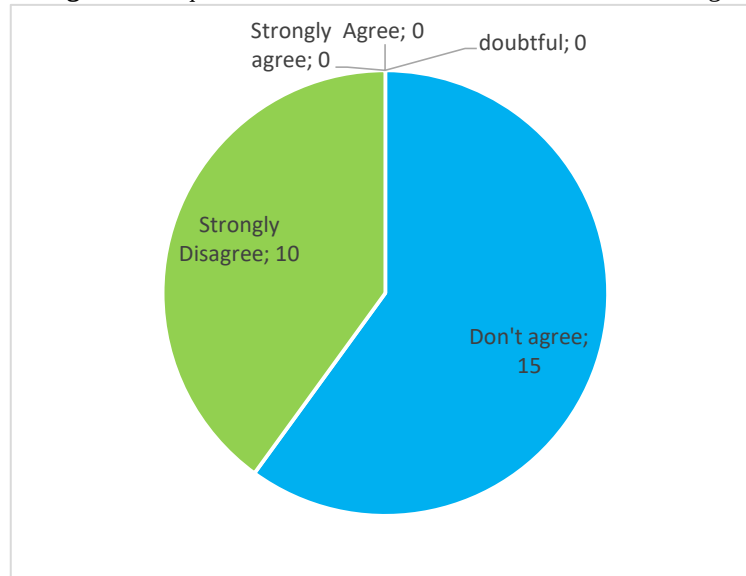
Based on the picture above, there is not a single respondent who agrees with the statement "making loans is easier than ultra-micro financing". as many as 21 respondents stated that they did not agree and 4 other respondents stated that they strongly disagreed. This statement is because ultra-micro financing is very easy to register and financing does not require collateral when making a loan.

Proceeding Medan International Economic and Business

Volume 1 2023, pp 910-925

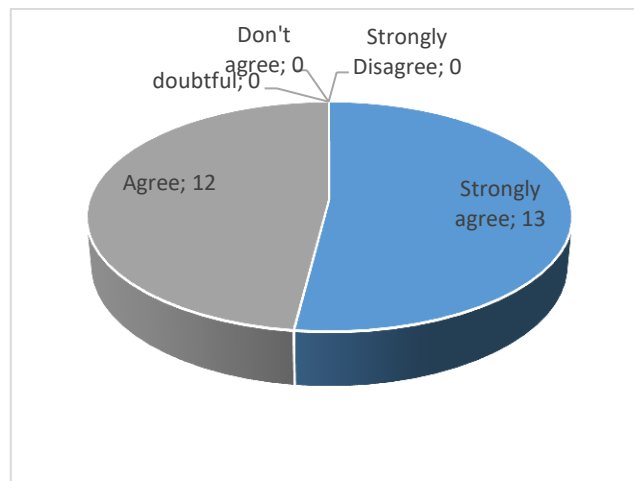
"Entrepreneurship in building the global economy in the era of society 5.0"

Figure 8. Requirements used for ultra micro business financing.



Based on the picture above, not a single respondent agreed to the statement "Terms used for ultra-micro business financing" 15 respondents answered disagree and 10 respondents answered strongly disagree. From this statement it can be seen that the community feels that the requirements for filing are still in the non-burdensome category.

Figure 9. Ultra Micro Financing used as additional capital.



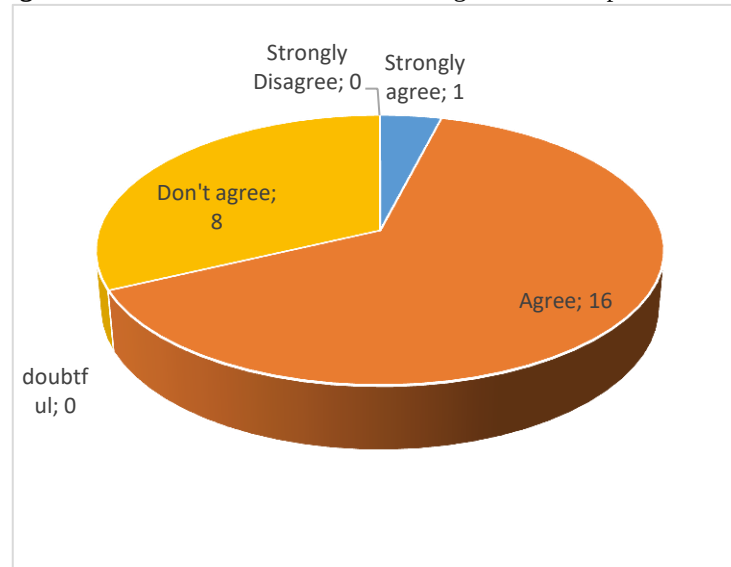
All respondents use financing as additional capital. This is supported by the answers of respondents who stated that they strongly agreed as many as 13 respondents and 12 respondents stated that they agreed.

Proceeding Medan International Economic and Business

Volume 1 2023, pp 910-925

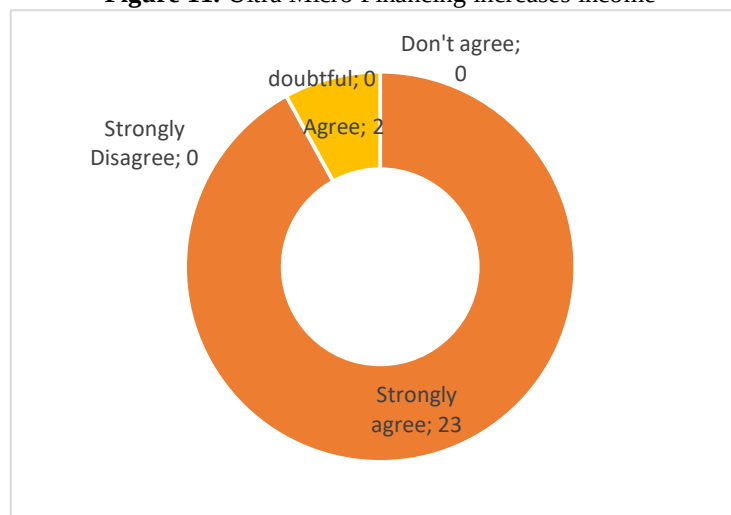
"Entrepreneurship in building the global economy in the era of society 5.0"

Figure 10. Part of the funds from Financing are used for personal needs



Based on the picture above, as many as 8 respondents who stated that they strongly agreed with the statement "some of the funds received were used for personal needs" 16 respondents answered that they agreed and 1 other respondent answered that they strongly agreed. this statement is due to the lack of supervision from the parties regarding financial management for the recipient of the financing.

Figure 11. Ultra Micro Financing increases income



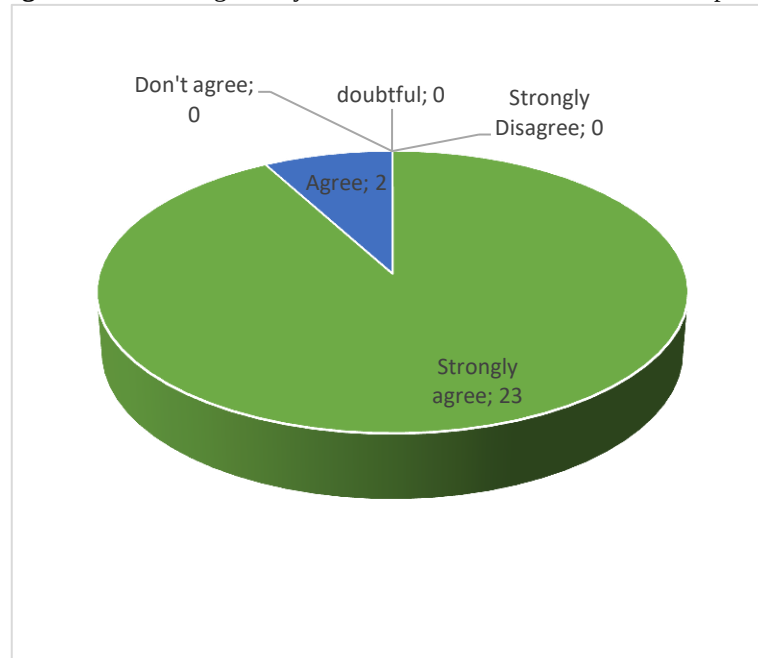
The picture above shows that the income of respondents has increased with the existence of ultra-micro financing, namely as many as 23 respondents stated that they strongly agreed, 12 respondents stated that they agreed.

Proceeding Medan International Economic and Business

Volume 1 2023, pp 910-925

“Entrepreneurship in building the global economy in the era of society 5.0”

Figure 12. Financing is very useful for ultra micro business development.



The picture above shows that the receiver's business has developed after receiving financing. This is supported by the answers of respondents who answered strongly agreed as many as 23 respondents and 2 respondents answered agree. and there was not even 1 respondent who disagreed.

CONCLUSION

Ultra-micro financing exists to answer the needs of micro-enterprises in overcoming capital problems, especially for micro-enterprises that have difficulty getting access to banking. Easy requirements and procedures, fast disbursement of funds and the nominal amount of financing received is in accordance with the nominal amount of financing submitted by members Ultra Micro Financing is a continuation of the social assistance program to become independent businesses whose targets are micro businesses that are at the bottom layer and cannot facilitated by banking through People's Business Credit (KUR) both in the form of conventional financing and financing based on sharia principles. The community knows that ultra-micro financing exists, but they do not know that blooms and pawnshops are containers for ultra-micro financing policies. Apart from that, there are still many people who use the results of financing for personal needs, this is very unfortunate because of the lack of supervision from related parties regarding financial management. In addition, the community also believes that the ultra-micro financing policy is very helpful for the economy of traders.

REFERENCES

Aulia Runtika, R. (2016). *Persepsi Pelaku Usaha Mikro Kecil Dan Menengah (UMKM) Terhadap Pengenaan Pajak Penghasilan Satu Persen (Studi Kasus Unit UMKM di Kota Malang)*. 1–18.

Proceeding Medan International Economic and Business

Volume 1 2023, pp 910-925

“Entrepreneurship in building the global economy in the era of society 5.0”

- Badan Pusat Statistik. (2019). *Kontribusi UMKM terhadap Produk Domestik Bruto (PDB)*.
- Hafni, R., & Rozali, A. (2017). Analisis Usaha Mikro, Kecil, dan Menengah (umkm) terhadap Penyerapan Tenaga Kerja di Indonesia. *Ilmu Ekonomi Dan Studin Pembangunan*, 15(2), 77–96.
http://jurnal.umsu.ac.id/index.php/ekawan/article/view/1034/pdf_58
- Julianda leli monika. (2021). *Analisa Persepsi “Pedagang Makanan Keliling” Tentang Kebijakan Pembiayaan Usaha Ultra Mikro (Umi) Pada Era Pandemi Covid-19 Di Kota Medan*. UNIVERSITAS MUHAMMADIYAH SUMATERA UTARA MEDAN.
- Lamazi, L., Simangunsong, R., Aulia, R., Paramita Hapsari, P., Hakim, A., Soeaidy, S., & Halim, A. (2020). Pengaruh Pertumbuhan Usaha Kecil Menengah (UKM) terhadap Pertumbuhan Ekonomi Daerah (Studi di Pemerintah Kota Batu). *Jurnal Ilmiah Ekonomi Pembangunan*, 1(2), 157–172. <https://doi.org/10.33395/juripol.v3i1.10491>
- Mirzam, M. R. (2021). Strategi Survival Umkm Batik Tulis Pekalongan Di Tengah Pandemi Covid-19 (Studi Kasus Pada “Batik Pesisir” Pekalongan). *BALANCA : Jurnal Ekonomi Dan Bisnis Islam*, 2(02), 1–26.
<https://doi.org/10.35905/balanca.v2i02.1532>
- Pratama, D., & Fernos, J. (2019). Prosedur Pelaksanaan Kredit Usaha Rakyat (Kur) Pada Pt. Bank Nagari Cabang Padang. *Akademi Keuangan Perbankan*, 1–9.
- Rohiman Sahrudi. (2022). *Pengaruh Dana Pihak Ketiga Dan Capital Adequacy Ratio Terhadap Alokasi Pembiayaan Umkm (Studi Pada Bank Syariah Yang Terdaftar Di Bursa Efek Indonesia Tahun 2018- 2021)*. UNIVERSITAS ISLAM NEGRI MATARAM.
- Sarwono, H. A. (2015). Profil Bisnis Usaha Mikro, Kecil Dan Menengah (Umkm). *Bank Indonesia Dan LPPI*, 1–135.
- Thaha, A. F. (2020). Dampak Covid-19 Terhadap UMKM Di Indonesia [The Impact of Covid-19 on MSMEs in Indonesia]. *Jurnal Brand*, 2(1), 148–153.