

THE ROLE OF KREDIT USAHA RAKYAT (KUR) IN IMPROVING THE FINANCIAL PERFORMANCE AND SUSTAINABILITY OF UMKM IN SEKADAU REGENCY



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Abstract

This study aims to analyze the role of Kredit Usaha Rakyat (KUR) in improving the financial performance and sustainability of Micro, Small, and Medium Enterprises (UMKM) in Sekadau Regency. Using a qualitative method with a descriptive approach, data were collected through in-depth interviews, non-participatory observation, and documentation. The informants consisted of five UMKM actors who are KUR recipients as key informants, and two banking representatives as supporting informants. The results show that KUR plays a significant role in enhancing UMKM financial performance, reflected in increased working capital, turnover, profits, and improved cash flow management. The funds are utilized productively for purchasing raw materials, adding stock, and procuring equipment. Furthermore, KUR contributes to business sustainability by providing capital stability, enabling business expansion, and enhancing competitiveness. However, several obstacles were identified, including limited financial literacy, simple financial recording, fluctuating business income, and administrative challenges in the credit application process. The study concludes that while KUR effectively supports UMKM, its optimal impact requires improved financial management capacity and continuous assistance for business actors. These findings are expected to serve as evaluation material for policymakers and banking institutions, as well as a reflection for UMKM actors in optimizing the utilization of KUR.

Keywords: KUR, UMKM, Financial Performance, Business Sustainability, Sekadau Regency

INTRODUCTION

Micro, Small, and Medium Enterprises (UMKM) play a crucial role in driving the community's economy in Sekadau Regency (Mahdi & Ahmadia, 2024). UMKM are not only the primary source of income for most households but also serve as providers of employment and drivers of economic activity at the local level (Amelianda and Paramitalaksmi, 2026). Amidst the limited availability of formal employment opportunities, the existence of UMKM becomes a mainstay for the community in meeting daily economic needs and maintaining regional economic stability.

UMKM in Sekadau Regency are generally dominated by small-scale, family-owned businesses characterized by limited capital, simple management, and reliance on family labor. The types of businesses operated are diverse, including trade, culinary, services, and agricultural product processing. This condition leads most UMKM to run their businesses with minimal planning, relying on practical experience without adequate management support, including in financial management.

Based on observations of financial management practices, most UMKM actors have not implemented orderly and systematic record-keeping. Business finances are often mixed with personal finances, making it difficult for UMKM actors to accurately determine their business's financial condition. Consequently, financial decisions are often made based on estimates rather than actual conditions, ultimately leading to weak decision-making and hindering business sustainability.

The financial problems faced by UMKM in Sekadau Regency include poorly managed cash flow, limited sustainable working capital, and the mixing of personal and business finances. This condition makes UMKM vulnerable to operational fund shortages, difficulties in increasing production capacity, and a tendency towards stagnation. Cash flow instability and capital limitations place business actors in a position vulnerable to various business risks.

In facing these financial problems, the need for easily accessible financing sources becomes increasingly important. Kredit Usaha Rakyat (KUR) is a government-provided financing facility for UMKM actors who have productive businesses but face limited access to formal financing. For UMKM in Sekadau Regency, KUR is a relevant financing alternative with relatively easier requirements compared to commercial credit in general.

The utilization of KUR by UMKM actors in Sekadau Regency enables them to support business continuity, particularly in financing production and operational activities such as purchasing raw materials and business equipment. The additional capital obtained allows business actors to operate more stably and in a planned manner, impacting increased income and business profits. However, this improvement in financial performance heavily depends on the ability of UMKM actors to manage loan funds effectively.

Business sustainability for UMKM is determined not only by capital availability but also by the ability of business actors to manage loans responsibly (Srihandoko, Setiawan, & Khim, 2025). KUR plays a role in encouraging gradual business development through facility improvements, adding production equipment, and increasing business capacity. However, the inability to manage finances and meet installment obligations can create financial pressure that has the potential to disrupt business continuity.

Various previous studies have examined KUR as an UMKM financing instrument using quantitative approaches focused on the effect of KUR on business performance. These studies generally emphasize quantitative outcomes and have not extensively explored the process of KUR utilization from the perspective of UMKM actors themselves. Furthermore, research on KUR in regencies like Sekadau is still limited, even though the characteristics of UMKM in these areas differ from those in urban areas.

Based on these problems and research gaps, a study on the role of KUR in improving the financial performance and sustainability of UMKM becomes important to conduct using a qualitative approach. This approach is expected to explore the experiences, perceptions, and actual practices of UMKM actors in utilizing KUR, thereby gaining a comprehensive understanding of KUR's role in supporting financial performance and business sustainability in Sekadau Regency.

This research is urgent because UMKM in Sekadau Regency still face limitations in financial management and access to capital, while KUR has become a widely utilized source of financing. The research results are expected to provide practical contributions for UMKM actors as material for reflection, for local government and banking institutions as material for policy evaluation, and for the development of scientific studies in the fields of entrepreneurship and UMKM financial management based on the local context.

Based on the background described, the objectives of this research are to identify and analyze the role of Kredit Usaha Rakyat (KUR) in improving the financial performance of UMKM in Sekadau Regency, examine the utilization of KUR funds by UMKM actors in business financial management, understand KUR's role in supporting UMKM sustainability, and identify the obstacles faced by UMKM actors in utilizing KUR.

REVIEW OF LITERATURE

Micro, Small, and Medium Enterprises (UMKM)

Micro, Small, and Medium Enterprises (UMKM) are productive business units owned and managed by individuals or business entities with limited operational scale and economic capacity (Remmang, Baharuddin, Hasanuddin, & Hasanuddin, 2023). According to Government Regulation of the Republic of Indonesia Number 7 of 2021, UMKM are defined as productive economic businesses that stand alone and meet specific criteria based on business capital or annual sales turnover. UMKM have a strategic role in supporting the national and regional economy because they are flexible, adaptive, and able to survive in various economic conditions.

The main characteristics of UMKM include limited business capital, low access to formal financial institutions, use of relatively simple technology, and business management that is highly dependent on the owner (Desiyanti, 2025). Most UMKM in rural areas still rely on their own capital and do not have orderly financial reports, making it difficult for them to access formal financing such as bank credit. In the regional economy, UMKM contribute significantly to employment absorption and the formation of community income, especially in rural areas and regencies.

UMKM also serve as the primary means of fostering an entrepreneurial spirit in the community. The success of UMKM in improving financial performance and maintaining business sustainability heavily depends on the ability of business actors to manage financing

and utilize credit access productively, including through the Kredit Usaha Rakyat (KUR) program.

Kredit Usaha Rakyat (KUR)

Kredit Usaha Rakyat (KUR) is a financing program provided by the government through banking institutions to increase access to capital for productive and feasible UMKM actors who lack sufficient additional collateral (Purnawan, Suri, Saputra, & Aprianty, 2023). Based on Coordinating Minister for Economic Affairs Regulation Number 1 of 2023, KUR aims to accelerate the development of the real sector, enhance UMKM competitiveness, and expand employment opportunities in the regions. This program is designed to expand financial inclusion through relatively low interest rates and a government guarantee scheme.

The main principle of KUR is business feasibility, not merely collateral feasibility. Characteristics of KUR include government-subsidized interest rates, relatively simple administrative requirements, credit guarantees, and a primary target of productive sector UMKM. From a financial management perspective, KUR is viewed as a source of external funding that plays a role in supporting the operational continuity and business development of UMKM. However, the effectiveness of KUR in improving UMKM financial performance heavily depends on the ability of business actors to perform financial recording, plan fund usage, and control cash flow.

KUR has a strategic role in efforts to empower UMKM in the regions. The distribution of KUR in the regions aims to encourage local economic growth by utilizing local resources and increasing community income. Inclusive financing access like KUR can strengthen regional economic resilience by creating jobs and reducing economic inequality.

UMKM Financial Management

UMKM financial management includes managing business capital, regulating cash flow, and making simple financial decisions directly by the business owner. Financial management functions include financial planning, fund utilization, and financial control aimed at maintaining a balance between fund needs and the business's ability to generate income. The implementation of good financial management in UMKM can help business actors make more appropriate financial decisions, including in utilizing external financing sources such as KUR (Ardian, Sari, Rizky, & Nurhaliza, 2024).

Good cash flow management is crucial for UMKM because most small businesses face financial problems not due to lack of profit, but due to inability to manage cash flow. Many UMKM still mix personal finances and business finances, making it difficult for business actors to objectively assess their business's financial condition. Simple financial records such as daily cash books are sufficient to help control business finances, and UMKM with more orderly financial records tend to find it easier to access bank financing.

Good financial management plays an important role in maintaining UMKM sustainability. UMKM capable of implementing simple but consistent financial management have a greater chance of surviving and growing in the long term.

UMKM Financial Performance

UMKM financial performance reflects the ability of business actors to manage business capital, including own capital and loan capital, to support business sustainability. Commonly used indicators of UMKM financial performance include increased business income, cash flow stability, ability to meet business obligations, and ability to increase

business capital. Changes in financial conditions before and after obtaining financing can also be used as indicators of UMKM financial performance.

UMKM financial performance is influenced by various internal and external factors. Internal factors include managerial ability, financial management, and utilization of business capital, while external factors include access to financing, market conditions, and the economic environment. Limited financial records and low financial literacy are among the main factors affecting the low financial performance of UMKM.

UMKM Business Sustainability

Business sustainability is the ability of a business to survive, grow, and adapt in the long term. UMKM sustainability is measured not only by the length of time the business has been operating but also by the business's ability to maintain financial stability, retain markets, and face changes in the business environment. Internal factors affecting business sustainability include entrepreneurial ability, financial management, and business innovation, while external factors include access to financing, government support, and market conditions.

KUR serves as one of the supporting instruments for UMKM business sustainability. This program is designed to help UMKM meet their business capital needs in order to maintain operational continuity and develop their businesses. However, KUR's success in supporting UMKM sustainability heavily depends on the productive utilization of loan funds and the ability of business actors to manage financial obligations. Without proper management, KUR has the potential to become a business burden. In the context of Sekadau Regency, an in-depth understanding of KUR's role in improving financial performance and sustainability of UMKM is important, considering that the majority of business actors are still small-scale and have capital limitations.

RESEARCH METHOD

This research uses a qualitative method with a descriptive approach, chosen because it is able to provide an in-depth and holistic understanding of social phenomena in the field, specifically to systematically and factually explore the role of Kredit Usaha Rakyat (KUR) in improving the financial performance and sustainability of UMKM in Sekadau Regency according to existing conditions. This approach is relevant because UMKM characteristics are heavily influenced by social, economic, and behavioral contexts of business actors, allowing the researcher to deeply explore the experiences, perceptions, and methods of UMKM actors in accessing and utilizing KUR, all of which are described in words in a natural context to obtain a comprehensive meaning of KUR's role.

This research was conducted in Sekadau Regency, West Kalimantan Province. The selection of the research location was based on the consideration that Sekadau Regency is an area with significant UMKM development and most UMKM actors utilize Kredit Usaha Rakyat (KUR) as a source of business financing.

Research Informatics

In qualitative research, informants are the main source of data, selected purposively because they are considered to know and understand the phenomenon under study deeply. Informants are not determined based on large numbers, but on the depth of information they can provide. Accordingly, the informants in this study consist of:

Key Informatics: UMKM actors who are recipients of Kredit Usaha Rakyat (KUR) in Sekadau Regency, with the following criteria:

- a. UMKM actors who have received KUR for at least 1 year.
- b. Use KUR for productive business activities.
- c. Still actively running the business at the time of the research.
- d. Willing to provide information openly to the researcher.

Supporting Informatics:

- a. Representatives from banks disbursing KUR, such as credit officers or KUR analysts.
- b. Representatives from relevant agencies, such as the Sekadau Regency Cooperatives and UMKM Office.

The number of informants in qualitative research is not determined definitively but is adjusted to the research needs and the level of data saturation.

Data Collection Techniques

This research methodology uses a descriptive qualitative approach focusing on the role of Kredit Usaha Rakyat (KUR) in improving the financial performance and sustainability of UMKM in Sekadau Regency. Data collection was conducted naturally through three main techniques. Semi-structured in-depth interviews were used to explore informants' experiences and views regarding KUR utilization and financial management. Non-participatory observation was conducted to directly observe business conditions and financial management practices to validate interview data. Documentation was also completed to strengthen findings through UMKM financial records, credit documents, and supporting data from relevant agencies.

Types and Sources of Data

The data in this study come from primary and secondary sources. Primary data were obtained directly from interviews with UMKM actors receiving KUR and supporting informants such as bank officers and the Cooperatives Office, supplemented by field observations and researcher notes. Secondary data include business documents, institutional reports, and relevant academic literature.

Data analysis was conducted interactively and continuously from data collection until the research was completed. The analysis process includes four stages: data collection through interviews, observation, and documentation; data reduction by sorting and grouping information based on important themes such as KUR utilization and financial management practices; data presentation in the form of narratives, tables, or thematic matrices; and conclusion drawing, which is verified continuously. This approach ensures that analysis occurs simultaneously with data collection, making findings more in-depth and focused.

Data Validity Techniques

Data validity was maintained through four main criteria. Credibility was enhanced by triangulation of sources and techniques, as well as member checks to confirm the appropriateness of meanings with informants. Transferability was addressed by presenting detailed contextual descriptions so readers can assess the relevance of findings to other contexts. Dependability was maintained through systematic documentation of the entire research process. Confirmability was ensured by storing research evidence such as interview transcripts and field notes so that findings can be traced back and accounted for scientifically.

RESULTS AND DISCUSSION

Overview of the Research Location

Sekadau Regency in West Kalimantan has significant economic potential, especially from the Micro, Small, and Medium Enterprises (UMKM) sector. Community economic activities are dominated by small businesses in trade, services, agriculture, plantations, and household processing. UMKM are the main source of livelihood and play an important role in supporting the local economy.

Despite significant development, UMKM in Sekadau Regency still face various limitations, especially in capital, financial management, and access to formal financial institutions. Most are family businesses with limited capital from personal funds, which hinders business development and creates dependence on easily accessible external financing.

As a solution, the government distributes the Kredit Usaha Rakyat (KUR) program through banks to help UMKM meet their capital needs. However, the utilization of KUR in Sekadau Regency is still varied; some business actors feel its benefits, while others still face obstacles in application and fund utilization. Therefore, an in-depth understanding of KUR implementation is important to analyze its role in the financial performance and sustainability of UMKM.

Profile of Research Informatics

The informants in this study were selected purposively, based on specific considerations relevant to the research objectives. Informants are divided into key informants and supporting informants, as explained in Chapter III.

Key Informatics

Key informants in this study are Micro, Small, and Medium Enterprise (UMKM) actors in Sekadau Regency who have received and utilized Kredit Usaha Rakyat (KUR). The criteria for key informants in this study are as follows:

- UMKM actors who have received Kredit Usaha Rakyat (KUR) for at least 1 year.
- Use KUR funds for productive business activities.
- Still actively running the business at the time of the research.
- Willing to provide information openly and honestly to the researcher.

Based on these criteria, this study involved 5 (five) key informants, with the following profiles:

Table 1.
Key Informatics

Name	Age (Years)	Gender	Type of Business	Length of Time Receiving KUR
AN	42	Male	Grocery Trading	3 years
ST	38	Female	Home-based Culinary Business	2 years

RD	45	Male	Motorcycle Repair Shop	4 years
LN	35	Female	Handicraft Business	2 years
BD	50	Male	Agricultural Product Trading	5 years

The five key informants met all the established criteria and were considered capable of providing in-depth information regarding the role of Kredit Usaha Rakyat (KUR) in improving the financial performance and sustainability of UMKM in Sekadau Regency.

Supporting Informatics

In addition to key informants, this study also involved supporting informants from banks disbursing Kredit Usaha Rakyat (KUR). There were 2 (two) supporting informants in this study, with the following profiles:

Table 2.
Supporting Informatics

Name	Occupation/Position	Institution
AMD	UMKM Credit Account Officer	KUR-disbursing bank in Sekadau Regency
DW	Head of Micro Credit Unit	KUR-disbursing bank in Sekadau Regency

Supporting informants play a role in providing an institutional perspective on the implementation of the Kredit Usaha Rakyat (KUR) program, including disbursement procedures, credit requirements, and obstacles faced in distributing KUR to UMKM actors in Sekadau Regency.

The Role of Kredit Usaha Rakyat (KUR) in Improving the Financial Performance of UMKM in Sekadau Regency

Based on the results of in-depth interviews with UMKM actors receiving KUR and bank representatives, it was found that Kredit Usaha Rakyat (KUR) plays a significant role in improving the financial performance of UMKM in Sekadau Regency, reflected in increased business capital, sales turnover, profits, and the ability to manage cash flow. Before receiving KUR, capital limitations were the main obstacle for UMKM actors in adding inventory, expanding product types, or increasing production capacity. However, after obtaining KUR, the financial condition of their businesses underwent significant changes.

Table 3. Results of Interviews with Key Informatics and Supporting Informatics Regarding the Role of KUR on UMKM Financial Performance in Sekadau Regency
1. Key Informatics (UMKM Actors)

No	Informant	Question	Interview Answer Summary
1	AN	Does KUR play a role in increasing business capital?	KUR funds were used to add grocery stock, so business capital increased and the business ran more smoothly.
		Does KUR have an impact on increasing business income?	Adding stock increased daily sales and money turnover became faster.
		How is the business's financial condition after receiving KUR?	Financial condition is more stable compared to before receiving KUR.
2	ST	Does KUR help in managing business finances?	KUR helped purchase raw materials and equipment, so the business could produce consistently.
		Was there a change in business turnover?	Business turnover increased gradually after receiving KUR.
		What is KUR's impact on business smoothness?	The business became smoother because there was no shortage of raw materials.
3	RD	Is KUR used for business development?	KUR was used to buy workshop equipment and spare parts.
		Does it impact the number of customers?	The number of customers increased because workshop services were more complete.
		How does it affect business profits?	Business income and profits increased.
4	LN	Does KUR help maintain business financial stability?	KUR helped fulfill large orders without disrupting cash flow.

No	Informant	Question	Interview Answer Summary
5	BD	Does KUR influence cash flow management?	Cash flow became more regular and controlled.
		How is the financial condition after receiving KUR?	Business finances are healthier and less dependent on informal loans.
		Does KUR play a role in increasing business scale?	KUR was used to buy agricultural products in larger quantities.
		Is there any change in business income?	Income increased because trading volume grew.
		What is KUR's impact on business financial sustainability?	Business finances became more stable and sustainable.

2. Supporting Informatics (Bank Representatives)

No	Informant	Question	Interview Answer Summary
1	AMD	What is the main purpose of distributing KUR to UMKM?	KUR aims to increase UMKM productivity and financial performance through additional business capital.
		Does KUR impact UMKM financial performance?	Most UMKM receiving KUR experienced increased turnover and improved ability to manage finances.
		How is UMKM access to KUR?	Access is relatively easy and tailored to UMKM capabilities.
2	DW	What is KUR's role in UMKM development?	KUR encourages UMKM to develop and increase their business scale.

Is there a change in the financial condition of UMKM receiving KUR?	There is an increase in income and improvement in business financial management.
Does KUR support UMKM sustainability?	Yes, KUR helps UMKM survive and grow sustainably

Based on these findings, it can be concluded that Kredit Usaha Rakyat (KUR) has an important role in improving the financial performance of UMKM in Sekadau Regency. This role is reflected in increased business capital, increased turnover and income, and improved business financial management. Thus, KUR is an effective financing instrument in supporting the strengthening of UMKM financial performance.

Based on the research results, Kredit Usaha Rakyat (KUR) has proven to play a significant role in improving the financial performance of UMKM in Sekadau Regency, reflected in increased working capital, turnover growth, increased profits, and cash flow stability. The five key informants utilized KUR funds productively for adding stock, purchasing raw materials, procuring equipment, and increasing production capacity, which directly impacted increased sales volume and gradual business expansion. The bank representatives affirmed that KUR, designed with low interest and easy requirements, aims to increase UMKM productivity and strengthen the regional economy. However, the extent of financial performance improvement varied among informants, influenced by the type of business, market conditions, and the managerial ability of each actor, thus KUR acts as a supporting factor whose success still depends on the business management capacity of the UMKM actors.

Utilization of Kredit Usaha Rakyat (KUR) Funds in UMKM Business Financial Management.

This section presents interview results regarding the utilization of KUR funds by UMKM actors, focusing on fund usage, cash flow management, and changes in financial management practices after obtaining the financing.

Table 4. Results of Interviews with Key Informatics and Supporting Informatics Regarding the Utilization of KUR Funds in UMKM Business Financial Management

1. Key Informatics (UMKM Actors)

No	Informant	Question	Interview Answer Summary
1	AN	What are the KUR funds used for in the business?	KUR funds were utilized for purchasing inventory as main working capital.
		How is business financial management after receiving KUR?	Started separating some business funds for operations and KUR

No	Informant	Question	Interview Answer Summary
			installments, although record-keeping is still simple.
		Does KUR affect business cash flow management?	Cash flow became more controlled because it must be aligned with the KUR installment schedule.
2	ST	How are KUR funds utilized in business activities?	KUR funds were used to buy raw materials and production equipment.
		Is there a change in business financial management?	Started calculating production costs, income, and credit installments.
		What is KUR's impact on business financial arrangement?	Financial management became more planned although not yet formally documented.
3	RD	For what purpose are KUR funds used?	Used for business development through purchasing equipment and spare parts.
		Does KUR influence business financial discipline?	More disciplined in managing business income and expenses.
		How does KUR influence business financial management?	Financial management is more directed due to the obligation to pay installments.
4	LN	How are KUR funds utilized in the handicraft business?	Used to fulfill large orders and maintain smooth cash flow.
		Does KUR help in business financial management?	Helps manage cash flow and avoid informal loans.

No	Informant	Question	Interview Answer Summary
		How is the financial management condition after receiving KUR?	Business finances became more controlled and stable.
5	BD	How are KUR funds utilized in the agricultural product trading business?	KUR funds were used to buy agricultural products in larger quantities.
		Does KUR influence business capital management?	Capital turnover became more regular.
		What is KUR's impact on business financial management?	More careful in using business funds to ensure ability to pay installments.

2. Supporting Informatics (Bank Representatives)

No	Informant	Question	Interview Answer Summary
1	AMD	What is the intended purpose of KUR utilization for UMKM?	KUR is directed for working capital and productive business development.
		Does KUR encourage improvement in UMKM financial management?	Yes, UMKM become more disciplined due to the installment obligation.
		What is the pattern of KUR usage by UMKM?	Generally used for business operational needs.
2	DW	What is KUR's role in UMKM financial management?	KUR encourages UMKM to be more planned in managing business finances.
		Do UMKM start improving financial management after receiving KUR?	There is improvement, although still simple.

What is KUR's impact on
UMKM cash flow?

Business cash flow becomes
more controlled and directed.

Based on interview results, Kredit Usaha Rakyat (KUR) funds in Sekadau Regency are utilized by UMKM actors as working capital and for business development, especially for purchasing raw materials, adding stock, procuring equipment, and ensuring daily operational smoothness. Receiving KUR also encourages more directed financial management, such as separating business and personal funds, regulating cash flow, and planning fund usage to meet installment obligations. The installment obligation indirectly increases the financial discipline of UMKM actors in managing income and expenses. Thus, KUR not only serves as a source of financing but also becomes a learning tool for UMKM actors in implementing better financial management practices, although still simple and not yet fully administratively orderly.

Based on the research results in Sekadau Regency, the utilization of KUR funds by UMKM actors is generally focused on productive needs as working capital and business development, such as purchasing raw materials, adding stock, procuring equipment, and ensuring daily operational smoothness. Before receiving KUR, business financial management was simple and often mixed with personal finances due to capital limitations. After receiving KUR, there was a change in financial management patterns, although not yet fully using a formal bookkeeping system, with some informants starting to separate business and personal funds and allocating income for operations and installment payments. The KUR installment obligation indirectly encourages discipline in managing income and expenses, as well as increasing the financial awareness of business actors in more structured planning, such as calculating production costs and managing capital turnover. The bank representatives affirm that KUR is designed not only as a financing source but also as a means to build financial discipline. However, most UMKM actors still do not implement systematic financial recording, so increased managerial capacity and financial literacy are still needed for more optimal fund utilization.

The Role of Kredit Usaha Rakyat (KUR) in Supporting UMKM Sustainability in Sekadau Regency

Business sustainability in this study is viewed from the ability of UMKM to maintain business operations, maintain financial stability, and develop the business in the long term.

Table 5. Results of Interviews with Key Informatics and Supporting Informatics Regarding the Role of Kredit Usaha Rakyat (KUR) in Supporting UMKM Sustainability

1. Key Informatics (UMKM Actors)

No	Informant	Question	Interview Answer Summary
1	AN	Does KUR help maintain business continuity?	KUR helps maintain capital availability so the business remains stable.

No	Informant	Question	Interview Answer Summary
2	ST	What is KUR's role when the business experiences increased demand?	Capital from KUR allowed stock addition so demand could be met.
		Is the business more resilient after receiving KUR?	The business is better able to survive compared to before receiving KUR.
		Does KUR support the sustainability of business production?	KUR helps maintain raw material availability so production continues.
		What is KUR's impact on business stability?	The business became more stable and does not often experience capital constraints.
3	RD	Does KUR help the business survive in the long term?	Yes, the business can develop gradually and sustainably.
		Does KUR play a role in retaining customers?	More complete equipment makes customers remain loyal.
		How does KUR support business competitiveness?	Services become better, enabling competition with other workshops.
4	LN	Is the business more sustainable after receiving KUR?	The business is more developed and stable.
		Does KUR help the business survive in unstable conditions?	KUR helps maintain cash flow when orders are low or high.
		What is KUR's role in maintaining business continuity?	Provides reserve capital for production needs.

No	Informant	Question	Interview Answer Summary
		Is the business's sustainability more assured?	Yes, the business is more controlled and not easily disrupted by capital issues.
5	BD	Does KUR support the continuity of the trading business?	KUR maintains capital turnover so the business continues.
		What is KUR's impact on business stability?	The business became more stable and able to survive amid competition.
		Is the business experiencing sustainable development?	The business shows gradual development.

2. Supporting Informatics (Bank Representatives)

No	Informant	Question	Interview Answer Summary
1	AMD	What is KUR's role in supporting UMKM sustainability?	KUR is designed to strengthen the resilience and continuity of UMKM businesses.
		Does KUR help UMKM survive in difficult conditions?	Yes, additional capital helps UMKM remain operational.
		What is the long-term impact of KUR on UMKM?	UMKM become more independent and develop sustainably.
2	DW	Does KUR contribute to the resilience of UMKM businesses?	KUR increases the ability of UMKM to maintain business stability.
		How does KUR influence UMKM growth?	There is gradual business growth.

Does KUR support the economic sustainability of UMKM?	Yes, KUR helps UMKM remain existent and develop.
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Based on the interview results, it can be concluded that Kredit Usaha Rakyat (KUR) has an important role in supporting the sustainability of UMKM in Sekadau Regency. KUR helps maintain business capital availability, strengthens cash flow stability, and increases business competitiveness. With KUR, UMKM actors are able to maintain business operations in various conditions and develop their businesses gradually.

From the banking perspective, KUR is seen as a financing instrument that not only increases productivity but also strengthens the resilience and sustainability of UMKM in the long term. Thus, KUR acts as a key supporting factor in maintaining the continuity of UMKM businesses.

Based on the research results in Sekadau Regency, Kredit Usaha Rakyat (KUR) plays an important role in maintaining the sustainability of UMKM businesses, not only in terms of short-term income increase but also long-term business stability. The existence of KUR helps UMKM actors survive amidst challenges such as price fluctuations and changes in market demand, by providing additional capital that creates a sense of security and reserve funds to maintain production and distribution continuity. Business actors who were previously stagnant due to capital limitations, after receiving KUR were able to expand business scale, improve product quality, and strengthen relationships with customers. Informants who have accessed KUR for 3-5 years show more stable cash flow and are able to face uncertain economic situations, thus minimizing the risk of business closure. From the banking perspective, KUR is designed to encourage UMKM to move up a class through low interest and easy requirements. However, business sustainability is not solely determined by access to financing, but also by internal factors such as management capability, innovation, marketing strategies, and adaptation to the market. Thus, KUR acts as a supporting factor, while long-term success still depends on the capacity of the business actors themselves.

Obstacles Faced by UMKM Actors in Utilizing Kredit Usaha Rakyat (KUR)

Although KUR provides various benefits in increasing capital and business sustainability, in practice there are still several obstacles perceived by UMKM actors.

Table 6. Results of Interviews with Key Informatics and Supporting Informatics Regarding Obstacles Faced by UMKM Actors in Utilizing Kredit Usaha Rakyat (KUR)

1. Key Informatics (UMKM Actors)

No	Informant	Question	Interview Answer Summary
1	AN	Are there obstacles in utilizing KUR funds?	Obstacles arise when sales decline, making installment payments feel heavy.

No	Informant	Question	Interview Answer Summary
2	ST	How does business condition affect installment payments?	If sales drop, installment payments must be managed more strictly.
		Are there difficulties in managing KUR funds?	Management is still simple because complete financial records are not yet available.
		Were there obstacles during the KUR application process?	The administrative process requires quite a lot of document completeness.
3	RD	Are there obstacles in using KUR funds?	Sometimes it's difficult to manage expenses to ensure installments can be paid.
		What is the understanding of credit obligations?	Initially did not understand in detail, but after a while got used to it.
		Are there challenges in paying KUR installments?	Challenges arise when workshop income is unstable.
4	LN	How does income fluctuation affect credit obligations?	Unstable income affects the ability to pay on time.
		Are there administrative obstacles?	Not really, but it still requires discipline in reporting and payment.
		Are there obstacles in managing KUR funds?	Lack of financial record-keeping knowledge is an obstacle.
		How does limited financial literacy affect the business?	Financial management is not optimal because neat bookkeeping is not yet used.
		Are there other obstacles in utilizing KUR?	Sometimes it's difficult to manage cash flow when orders are quiet.

No	Informant	Question	Interview Answer Summary
5	BD	Are there obstacles in paying KUR installments?	Fluctuations in agricultural product prices affect payment ability.
		How do market conditions affect KUR utilization?	If prices fall, profits decrease, requiring budget adjustments.
		Are there other obstacles in utilizing KUR funds?	Management is still simple and not based on formal recording.

2. Supporting Informatics (Bank Representatives)

No	Informant	Question	Interview Answer Summary
1	AMD	What are the common obstacles for UMKM in utilizing KUR?	Low financial literacy and lack of understanding of administration.
		Do UMKM experience difficulties in payments?	Some UMKM experience obstacles when income decreases.
		What efforts does the bank make to overcome these obstacles?	Provides assistance and explanations regarding credit obligations.
2	DW	What are the main challenges in KUR distribution?	Completeness of documents and understanding of procedures by UMKM.
		Do obstacles affect business sustainability?	If not managed properly, it can affect business stability.
		What solutions are provided by the bank?	Conducts socialization and guidance to UMKM actors.

Based on the interview results, it can be concluded that the main obstacles faced by UMKM actors in utilizing KUR include limited financial literacy, still simple financial record-keeping, fluctuating business income, and challenges in meeting installment payment

obligations when business conditions decline. Additionally, the administrative process at the initial application stage is also an obstacle for some UMKM actors.

From the banking perspective, these obstacles are generally caused by low understanding of financial management and credit procedures. Therefore, continuous assistance and guidance are needed so that KUR utilization can be more optimal and does not pose risks to UMKM actors.

Based on the research results, the implementation of Kredit Usaha Rakyat (KUR) in Sekadau Regency still faces several obstacles, both at the application, disbursement, utilization, and credit repayment stages. The main obstacles faced by UMKM actors include limitations in meeting administrative requirements, such as financial records and business legality, as well as lack of understanding of financial management and business planning, which leads to less-than-optimal fund utilization. External factors such as fluctuations in raw material prices, changes in market demand, and business competition also affect the ability of UMKM actors to meet installment obligations. From the banking side, the main challenge is ensuring funds are used for productive activities through monitoring and assistance, but this is constrained by the limited financial literacy of UMKM actors. Additionally, psychological factors such as worry about debt risk are also initial obstacles in applying for KUR. Nevertheless, most informants were able to overcome these obstacles through adjusting business strategies, more careful cash flow management, and active communication with the bank, so that the overall benefits of KUR are still significantly felt by UMKM actors.

CONCLUSION

Based on the research results, it can be concluded that Kredit Usaha Rakyat (KUR) plays a significant role in improving the financial performance of UMKM in Sekadau Regency, reflected in increased turnover, profits, and business cash flow smoothness after obtaining additional working capital. The utilization of KUR funds is focused on productive activities such as purchasing raw materials, procuring equipment, and adding working capital, and it encourages cash flow management discipline even though financial recording remains simple. In supporting business sustainability, KUR provides stability and a sense of security for UMKM actors in carrying out business operations, although this sustainability is also highly determined by the managerial capabilities and business strategies of each actor. This study also identified several obstacles in KUR utilization, including limitations in business administration, low financial literacy, external factors such as market fluctuations, and concerns about credit risk. However, these various obstacles do not significantly reduce the benefits of KUR, because most UMKM actors are able to adapt through adjusting business strategies and still meet their credit obligations.

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