People's Business Credit for MSMEs: "Oasis" for MSMEs and Challenge for Microfinance Institutions: Case Study of Upakara (Offerings) MSEs in Bali, Indonesia

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ABSTRACT:

Social restrictions due to the Covid-19 pandemic have an impact on various sectors, especially the tourism sector. Bali's economy, which is driven by the tourism sector, is so affected. However, it turns out that traditional and religious activities in Bali are still being carried out, and MSMEs providing religious facilities or offerings (Upakara) still exist. The existence of the People's Business Credit (PBC) program should be able to be put to good use by MSMEs. The first objective of this research is to find out and map the key factors that determine Upakara MSEs in Bali's decision to apply People's Business Credit, which is analyzed using the MICMAC technique. Meanwhile, the second research objective is to capture opportunities for conflict between stakeholders related to and affected by the People's Business Credit program, especially MFIs, and answered with MACTOR analysis. Data collection was carried out through Focus Group Discussions (FGD) with experts. The results of the analysis show that the policy of interest rate of PBC is a key driver in Upakara MSMEs' decision to apply PBC. The government is the main actor related to PBC for MSMEs, together with PBC distributing banks and supervisory institutions. The actors who have high dependence are guarantee institutions, MSMEs actors, and MFIs. The analysis results also show that MFIs have divergence with the government and PBC channeling banks. Objectives related to the number of PBCs distributed were responded negatively by MFIs because they could reduce MFI's market share.

KEYWORDS: people's business credit, MSMEs, offerings (upakara) enterprises, microfinance institutions, MICMAC analysis, MACTOR analysis.

Introduction

The existence of Micro, Small and Medium Enterprises (MSMEs) in Indonesia has proven to be able to support the economy. Moreover, MSMEs have proven to be able to withstand economic shocks, such as the Asian financial crisis in 1997/1998 and the global economic crisis in 2008. Apart from that, during the Covid-19 pandemic, Indonesian people who were affected or previously had employee status, then switched to opening businesses due to layoffs. The difference between the three crises is the transmission channels and mitigation measures (Tambunan, 2020; Amaliyah & David, 2021; Adrian, 2018; Gunadi et al., 2022). Even though the peak period of the Covid-19 pandemic was the most difficult time for MSMEs in Indonesia.

Survey results from the Asian Development Bank (ADB) regarding the impact of the pandemic on MSMEs in Indonesia, 88% of micro-enterprises have run out of cash or savings, and over 60% of these micro-small businesses have reduced their workforce (Arianto , 2020). ILO (2020) reported that 68% of MSMEs experienced disruptions in business activities, 65% ceased operations, and 3% went out of business. Also, in Indonesia, ABDSI (2020) reported that 48.3% of MSMEs had difficulty

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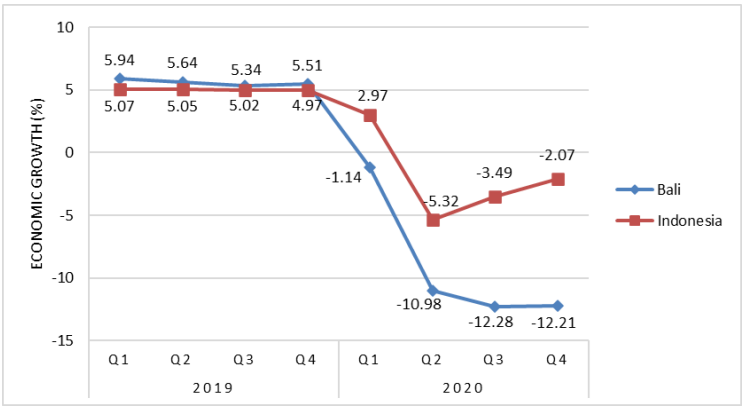
maintaining supply lines, 92.6% needed debt restructuring, and 26.6% experienced cash flow problems resulting in indebtedness. Most of those staying in business lost a large share of revenue, while 28% lost half of their income.

The Indonesian government realizes that MSMEs have an important role, including absorbing a large workforce, overcoming social problems (poverty and unemployment), and contributing greatly to the Indonesian economy (GDP), when compared to the contribution of other sectors (Muliadi et al., 2020; Wijaya et al., 2022a). Therefore, the Indonesian Government has also made the MSMEs mitigation policy a main part of the National Economic Recovery program (a.k.a. PEN program) (Jiuhardi et al., 2022). The essence of the Indonesian Government's support for MSMEs during the Covid-19 pandemic includes (Hartarto, 2022):

1) Creating a People's Business Loan with Supermicro scheme, in the form of assistance for those affected by layoffs and housewives who are trying.
2) Eliminate the 60% limit on the productive sector from the People's Business Loan, to encourage the trade sector as the sector that is easiest to start a business.
3) Providing interest subsidies for People's Business Loans and non-People's Business Loans, to reduce debtors' interest burden through additional interest subsidies.
4) Providing ultra-micro productive assistance, to restart the business.
5) Placing cheap funds with partner commercial banks, as a form of providing a source of cheap funds in banking, to be distributed as working capital credit.
6) Providing credit guarantees for MSMEs, thereby reducing banking risk in providing credit by covering the IJP (guarantee fee) for credit guarantees.
7) Providing exemption from MSME Income Tax, thereby reducing the burden on MSMEs and maintaining cash flow.
8) Providing cash assistance to street vendors and stalls/small shops, to reduce the burden on street vendors and stalls/small shops during the implementation of Community Activities Restrictions Enforcement or CARE.

The existence of the CARE policy caused economic activity to decline drastically, even during the peak period of the Covid-19 pandemic (2019-2020), Indonesia's economic growth experienced a contraction. One of the regions in Indonesia with the deepest economic contraction is Bali Province. In fact, before the Covid-19 pandemic, Bali's economic growth was always above national economic growth (Indonesia). A comparison of economic growth during the Covid-19 pandemic is depicted in Figure 1.



Source: Data from Statistics of Indonesia (bps.go.id)

Fig. 1: Comparison of Bali and National Economic Growth (Indonesia), Year 2019-2020 (yoy)

Bali Province is a popular tourist destination in the world (Wijaya et al., 2020; Budhi et al., 2022). Bali tourism is synonymous with natural tourism and cultural tourism (Suasih et al., 2017; Wijaya & Suasih, 2023; Rustini et al., 2023), where Balinese culture is colored by traditional Hindu-Balinese religious activities (Donder, 2021). In practice the Hindu community in Bali always implements the belief in God through a series of ceremonies. (rituals) by means of upakara (offerings) (Martiningsih,

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2015). These activities are carried out regularly and continuously, starting from the family, village, and even larger area levels. Religious activities are carried out in individual homes, certain places, and various temples, so it is not surprising that the island of Bali is nicknamed "The Island of Gods" or "Thousands of Temples" (Arismayanti, 2017).

The Covid-19 pandemic has indeed hit Bali tourism, but it turns out that traditional and religious activities in Bali are still being carried out. Where upakara or offerings, which are a means of religious activities, were previously made from raw materials, nowadays people are more likely to buy finished products. Taking stock of these business opportunities, various MSMEs have emerged that provide religious ceremony facilities in Bali (Figure 2).

Source: wikimedia.org and balipost.com
Fig. 2: MSMEs Business Activities in Bali

This is certainly an alternative business opportunity for the Balinese people, while waiting for the recovery of the tourism sector which has been the driving force of Bali's economy. Moreover, many Balinese people (especially women) are fluent in making upakara (offerings) (Bukian, 2021), so this business has the potential to be developed, especially in rural areas, and the products are marketed in urban areas (Putra et al., 2019). One of the obstacles to expanding Upakara MSMEs is limited capital. So the existence of the People's Business Credit program should be put to good use. However, the results of the ADB survey (2021) regarding support from the Government and support needs of MSMEs related to taxes and loans, stated that only 27% of Indonesian firms considered loan-related support as helpful.

The first objective of this research is to find out and map the key factors that determine Upakara MSEs in Bali's decision to apply People's Business Credit. On the other hand, People's Business Credit with very low loan interest is a challenge for Microfinance Institutions (MFI) that already exist in Bali, both formal and customary (communal based) MFIs. The Indonesian Financial Services Authority noted that by 2021, the proportion of financing distributed by banks to MSMEs has reached IDR 1,221 or the equivalent of 20.1% of the total financing distribution. Where the MSME financing ratio complies with the provisions of Bank Indonesia Regulation no. 17/12/PBI/2015 at least 20% of banking financing must be distributed to MSMEs (Anonymous, 2022). So far, MSMEs have been the target market for MFI credit distribution. So the second research objective is to capture opportunities for conflict between stakeholders related to and affected by the People's Business Credit program, especially MFIs.

Material and method

People's Business Credit during the Covid-19 Pandemic

People's Business Credit (PBC) is credit or working capital financing and/or investment for MSMEs in business fields that are productive and viable, but not yet bankable (Ika et al., 2016). The Covid-19 pandemic condition is a challenge in itself to be able to distribute People's Business Credit appropriately and quickly amidst the very high financing needs of MSMEs. Therefore, the Indonesian

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Government issued several KUR policies during the Covid-19 pandemic, namely (Hartarto, 2022):

1) Additional interest subsidy/margin of PBC, for PBC recipients with collectability 1 or 2 (current).
2) Supermicro scheme of PBC, with the target recipients being laid-off workers who have just started a business and have attended training.
3) Postponement of restrictions on People's Business Credit at production sector.
4) Postponement of principal installments.
5) Providing relaxation in the form of extending the term and increasing the ceiling limit.
6) Ease of administration of KUR applications.

MSMEs Regulation in Indonesia

Regulations related to MSMEs in Indonesia are most recently regulated in Government Regulation Number 7 of 2021 concerning Facilitation, Protection and Empowerment of Cooperatives and Micro, Small and Medium Enterprises, together with 48 other implementing regulations from Law Number 11 of 2020 concerning Job Creation (Omnibus Law). This regulation changes several provisions that were previously regulated in Law Number 20 of 2008 concerning Micro, Small and Medium Enterprises, one of which is related to the criteria for MSMEs themselves. The capital criteria for MSMEs in accordance with the new regulations are differentiated into capital or turnover.

Table 1: Classification of MSMEs in Indonesia

Criteria	**Classification of Enterprises**		
	Micro	**Small**	**Medium**
Based on Government Regulations No. 7 Year 2021	Capital ≤ IDR 1 billions (except land and building)	IDR 1 billions < capital ≤ IDR 5 billions (except land and building)	IDR 5 billions < capital ≤ IDR 10 billions (except land and building)
For MSMEs began before Government Regulations No. 7 Year 2021	Turnover per year ≤ IDR 2 billions	IDR 2 billions < Turnover per year ≤ IDR 15 billions	IDR 15 billions < Turnover per year ≤ IDR 50 billions

Overview of Microfinance Institutions in Indonesia

Microfinance institutions (MFI) in Indonesia are regulated in Law Number 1 of 2013 concerning Microfinance Institutions. MFI is a financial institution specifically established to provide business development and community empowerment services, either through loans or financing for micro-scale businesses to members and the community, managing savings, as well as providing business development consulting services that are not solely for profit.

Meanwhile, microfinance itself is a financial sector activity in the form of collecting funds and providing loans or financing on a micro scale with a simple procedure to poor and/or low-income communities. Where internationally, microfinance refers to financial services provided to small entrepreneurs or small businesses, which usually do not have access to banking due to the high transaction fees charged by banking institutions. Services provided include microcredit. In Indonesia, institutions involved in microfinance can be classified into banks, cooperatives, and non-bank/non-cooperative institutions (Baskara, 2013). The bank in question is a bank that carries out microfinance functions, such as Rural Banks (as known as BPR).

Research Design

People's Business Credit is a program that has undergone evolution as a financing scheme for MSMEs in Indonesia (Hartarto, 2022). Various stakeholders are related to MSME financing. So apart from photographing the relationship between actors and their objectives. So the analysis will begin by analyzing the key factors that determine MSMEs' decisions in accessing PBC. Data collection for MICMAC and MACTOR analysis was carried out through FGD with experts who understand People's Business Credit and MSMEs, especially Upakara SMEs in Bali.

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MICMAC Method

In principle, MICMAC (Matrix of Cross Impact Multiplications Applied to a Classification) analysis functions to: (1) identify the main influential and dependent variables that are essential for a system; (2) mapping the relationships between variables and the relevance of these variables in explaining a system; (3) reveals the causal chain of a system (Almeida & Moraes, 2013). MICMAC will group these variables into quadrants as in Figure 3.

Source: Fauzi (2019), Wijaya & Suasih (2023)

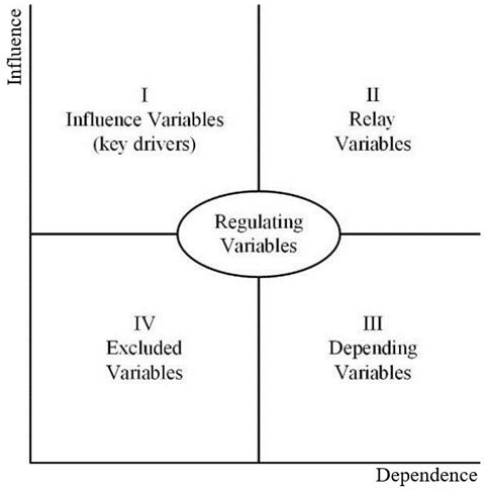
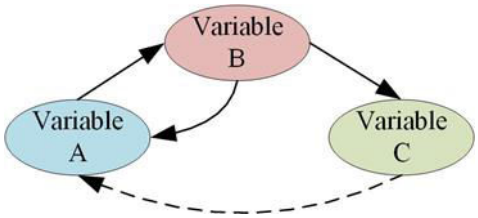


Fig 3 : Variable Mapping in MICMAC

The operational principle of the cross-matrix in filtering influence and dependent variables in MICMAC is carried out using the Lefebvre method (Figure 4), with various different interaction patterns between the three variables.



Source: Fauzi (2019)

Fig 4 : Illustration of Three Variables in MICMAC

Fauzi (2019), explains that the map (Figure 3) produced by MICMAC shows the position based on the influence and dependence of each variable in the system being analyzed. Apart from that, MICMAC also produces variable rankings based on their influence and dependence.

MACTOR Method

MACTOR (Matrix of Alliance, Conflicts, Tactics Objectives and Recommendations) is an analysis technique that works based on inter-actor influence (Fauzi, 2019), namely by analyzing the relative strength between stakeholders and exploring similarities and differences in various problems and goals to be achieved (Bendahan et al., 2003; Jaziri & Bousaffa, 2016). Specifically, Godet (2013) describes a model of influence between stakeholders in Figure 5.

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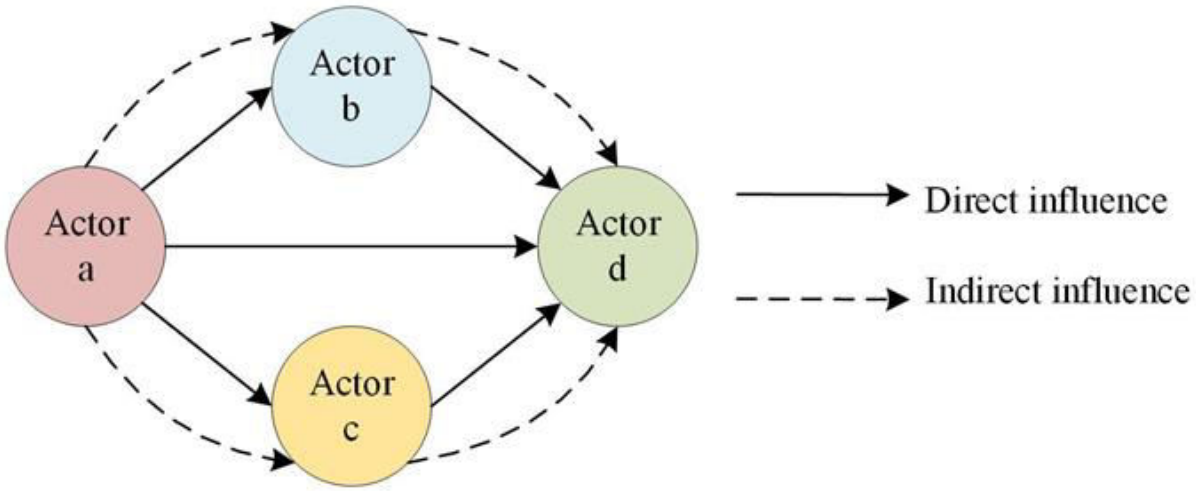

Source: Ben-Daoud et al., 2021
Figu 5 : Direct and indirect influences between actors*

*The influence of 'a' on 'b', is the sum of the direct influence it has on 'c' and of all indirect influences it gains through all the other third actors (here 'b' and 'd').

$MDII_{ab} = MDI_{ab} + \Sigma_k\left(min(MDI_{ac}, MDI_{cb})\right)$ ……. (1)The calculation of the matrix of direct and indirect influences (MDII) based on formula (1). This matrix contains, for each pair of actors, the direct influence added to the sum of the indirect influences of each possible intermediate actor (Fauzi, 2019).

Where:

$MDII_{ab}$ = The direct influence that actor 'a' has on actor 'b'

$\Sigma_k\left(min(MDI_{ac}, MDI_{cb})\right)$ = The sum of all indirect influences that actor 'a' exerts on actor 'b' and that transit through a relay actor 'c'

Two indicators are calculated from the MDII matrix according to equations (2) and (3).

$D_a = \sum_b(MDII_{ba}) - MDII_{aa}$ ……. (3)$I_a = \sum_b(MDII_{ab}) - MDII_{aa}$ ……. (2)Where:

I_a = The degree of direct and indirect influence of each actor

D_a = The degree of direct and indirect dependence of each actor

$R_a = \left(\frac{(I_a - MDII_{aa})}{\Sigma_a(I_a)}\right).\left(\frac{I_a}{I_a + D_a}\right)$ ……. (4)Balance of power makes it possible to assess an actor's relative weight in the PBC. This balance of power is measured by calculating a synthetic indicator called the Balance of Power (R_a) from the matrix (MDII), according to the equation (4) (Godet, 2010).

$Q_i = \overline{R_a} = \frac{\Sigma R_a}{n}$ ……. (5)The (R_a) coefficient is normalized in 1, therefore, if all the actors had the same relationship, all the (R_a) quotients would be equal to 1. An actor that has a normalized balance of power greater than 1 has a relationship superior to the mean (Godet, 2013; Lakner et al., 2018). Normalization is given by its mean, defined as (Formula 5):

Where:

$Q_a = n * \frac{R_a}{\Sigma R_a}$ ……. (6)n = number of actors

Therefore, the normalized (Qi) quotient is the one shown below (Formula 6):

$3MAO_{ab} = 2MAO_{ab} * R_a$ ……. (7)The actor/objective plan is derived from a factorial correspondence analysis (FCA) performed on the Weighted valued position matrix (3MAO) using he MACTOR tool. This matrix is obtained automatically by multiplying the Valued position matrix (2MAO) by (Ri) coefficient according to the Formula 7 (Godet, 2013).

Indeed, this process makes it possible to identify the stakeholders' position in an influence/dependence

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map.
$3DAA_{ab} = \frac{1}{2}\sum\left((|3MAO_{ac}| + |3MAO_{bd}|).(3MAO_{ab}.3MDII_{bd} < 0)\right) \ldots\ldots\ldots\ldots\ldots (8) 3CAA_{ab} = \frac{1}{2}\sum\left((|3MAO_{ac}| + |3MAO_{bd}|).(3MAO_{ab}.3MDII_{bd} > 0)\right) \ldots\ldots\ldots\ldots\ldots (8)$The 3MAO matrix was used to obtain the convergence matrix (3CAA) as Formula 7, and divergence matrix (3DAA) as Formula 8. This matrix identifies for a couple of actors the number of common positions they have on the objectives. This makes it possible to identify the number of possible alliances between actors (Munteanu & Apetroae, 2007).

Implementation of all these formulas in MACTOR analysis can be done by: (1) building a table of strategies of actors; (2) identify strategic issues and objectives; (3) simply map the actor's position in the objective related to the pros and cons of the goal; (4) determine the priority goals of each actor; (5) analyzing the balance of power for each actor; (6) integrating balance of power in convergence and divergence analysis; (7) formulating key questions for reconstruction (Fauzi, 2019).

Factors (Variables) Identification

The variables identified as being strongly related to the decision to apply PBC by Upakara MSMEs are: (1) Policy of PBC rate interest (rate); (2) Motive for increasing business capacity (upgrade); (3) Availability of business capital (capital); (4) Availability of guarantees (collateral); (5) Business needs (bus.cond); (6) Banking access (bankable); (7) Financial services literacy (fin.lit); (8) Relations/knowledge about PBC channeling banks (bank).

As previously explained, MACTOR analysis requires input actors and their objectives. The stakeholders consist of: (1) MSMEs actor (actor); (2) Bank as PBC distributor (bank.distr); (3) Government (government); (4) PBC insurance/guarantee institution (guarantee); (5) PBC supervisory institutions (supervisor); (6) Microfinance institution (MFI). Meanwhile, the objectives i.e.: (1) Increasing the capacity and performance of MSMEs (MSME.perfo); (2) Collectability of PBC (collectabi); (3) Increased the amount of PBC distribution (amount.PBC); (4) Accelerating inclusive financial literacy (inc.fin.lit); (5) MFI stability and sustainability (MFI.sust).

Results and Discussions

Key Factors related to the decision of Upakara MSMEs to applied PBC (Results of MICMAC Analysis)

The manuscript is accepted for review with the understanding that no substantial part of the paper has been published or is under consideration for publication elsewhere and that its submission for publication has

The results of the MICMAC analysis present a map of the position of each factor related to Upakara MSMEs' decision to apply PBC as shown in Figure 6.

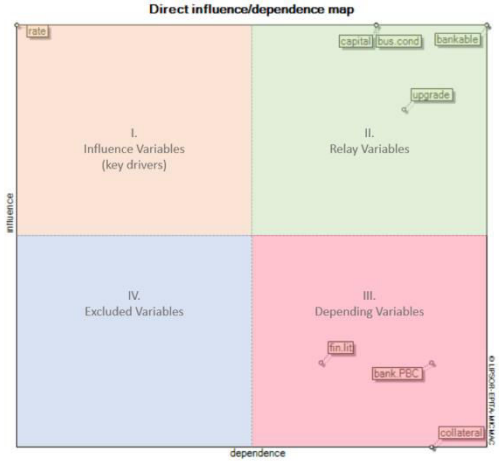

Figure 6. Results of Direct Influence/Dependence Map

Figure 6 shows that the variables which are key drivers of the PBC interest rate policy are the most influential factors. Next, the factors which are relay variables are the availability of business capital, the demands of business conditions, and banking access (bankability). This means that these variables have high influence and dependence. Meanwhile, the other three factors are dependent variables which have high dependency with low influence, financial services literacy, relationships/knowledge about PBC channeling banks, and availability of collateral.

It is also important to map the strength of each factor against other factors (Figure 7). Policy of PBC interest rate is seen as a factor that influences many other factors, and is not influenced too much. Meanwhile, other factors, such as availability of capital, banking access, availability of collateral are factors that influence each other. Financial literacy tends not to have a very strong influence.

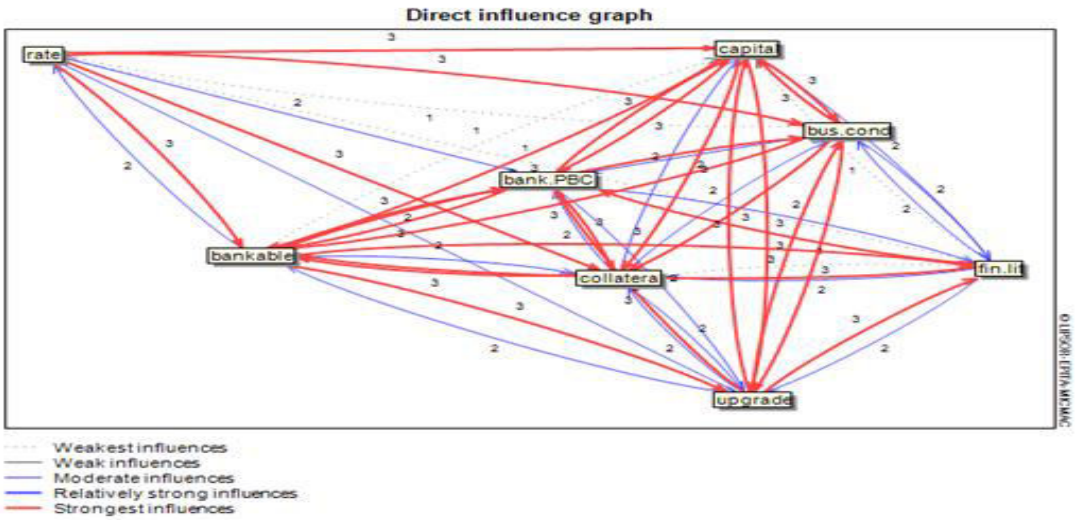

Fig 7 : Results of Intensity of Direct Influence Variables

As previously explained, MICMAC also produces indirect influence, where the results do not show a significant difference from direct influence. So that in terms of existing (direct influence) and forecasting (indirect influence), the changes are not significant. More specifically, a comparison of the influence rankings between direct and indirect is presented in Figure 8.

Rank	Variable
1	1 - rate
2	3 - capital
3	5 - bus.cond
4	6 - bankable
5	2 - upgrade
6	7 - fin.lit
7	8 - bank.PBC
8	4 - collateral

Variable
1 - rate
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3 - capital
2 - upgrade
7 - fin.lit
8 - bank.PBC
4 - collateral

(a) Influence

Rank	Variable
1	6 - bankable
2	4 - collateral
3	8 - bank.PBC
4	2 - upgrade
5	3 - capital
6	5 - bus.cond
7	7 - fin.lit
8	1 - rate

Variable
6 - bankable
8 - bank.PBC
4 - collateral
2 - upgrade
3 - capital
5 - bus.cond
7 - fin.lit
1 - rate

(b) Dependence

Fig 8 : Variables Sorted by Influence and Dependence (Direct and Indirect)

The indirect influence ranking shows a decrease in the capital availability ranking, which shows that

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in forecasting, business condition factors and banking access are considered more influential in the decision of upakara MSMEs to apply PBC. PBC's sustainability is characterized by collectability, which in the future will of course be determined by business conditions. Meanwhile, related to dependence, in indirect dependence there is a decrease in the collateral rating, because PBC in small schemes does not require collateral, besides there is already a guarantee institution.

Relations of Actors and Objectives in the case of PBC (Results of MACTOR Analysis)

The interaction between actors in the sustainability of PBC and its impact on MFI can be assessed from the direct and indirect influence between actors.

Table 2. Results of Matrix of Direct and Indirect Influences (MDII)

MDII	actor	bank.distr	government	guarantee	supervisor	MFI	Ii
actor	8	6	5	7	5	8	31
bank.distr	13	9	8	12	7	12	52
government	15	9	8	12	7	13	56
guarantee	10	7	8	9	5	9	39
supervisor	10	9	8	10	7	10	47
MFI	7	5	5	6	4	7	27
Di	55	36	34	47	28	52	252

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The summation of each matrix column (Ii) shows the level of influence (direct and indirect), where the results show that the government is the most influential actor. Meanwhile, the sum of each row of the matrix (Di) is the level of dependence (direct and indirect), where the results show that the MSMEs actor is the most dependent actor.

The map of influences and dependences among actors shows their power relationships or dominant and dominated actors (Figure 9).

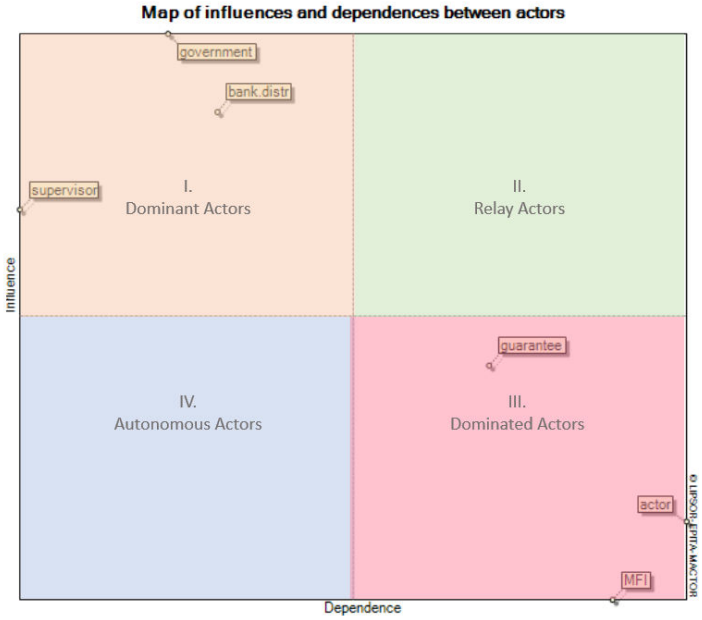

Fig 9 : Results of Map of influences and dependences between actors

Based on Figure 9, there are three actors as dominant actors, namely government, PBC channeling banks, and supervisory institutions. This is natural because the sustainability of the PBC program really depends on government policy. Furthermore, in the PBC distribution process, of course the PBC distribution bank plays an important role. The supervisory institutions referred to here are the

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Financial Services Authority (OJK) and the Financial and Development Supervisory Agency (BPKP), which supervise the distribution of PBC. On the other hand, OJK is also a supervisor of MFIs, especially Rural Banks. Meanwhile, the dominant actors are represented by guarantee institutions, MSMEs actors, and MFIs. These three actors are "recipients" of the impact of the PBC program, so it is normal for them to have high dependence.

The calculation of actor's balance of power (Ri) allowed to measure its relative weight in the sustainability of the PBC program. It can be said that if Ri is low, then the actor has a low position to defend its interests in the sustainability of the PBC program. Table 5 presents the potential power balance (Qi) value based on the power balance (Ri) value.

Table 3. Comparison between the Ri and Qi

Actors	**Ri**	**Qi**
Government	1.64	1.5
Bank as PBC distributor	1.40	1.3
Supervisor institution	1.38	1.1
Guarantee institution	0.75	0.8
MSMEs actor	0.46	0.6
Microfinance institution	0.38	0.6

A comparison between the Ri (apparent situation) and Qi (potential situation) values shows the weight of certain actors, and it turns out that even though there has been a change in potential power ratios, the ranking has not changed significantly.

Godet (2010) explains that the actor objectives relationship presents the consensual characters of all actors around the objectives during the activity. Matrix 2 MAO (Matrix Actors-Objectives) determines the position of each actor in each objective (pro, against, neutral, or indifferent). This matrix is the initial information of experts and also presents marginality.

Table 5. Results Valued position matrix (2MAO)

2MAO	MSME.perfo	collectabi	amount.PBC	inc.fin.li	MFI.sust
actor	4	3	3	3	3
bank.distr	3	4	4	3	2
government	3	3	4	3	3
guarantee	2	3	3	2	1
supervisor	1	2	2	3	2
MFI	3	1	-3	-1	4
Number of agreements	16	16	16	14	15
Number of diagreements	0	0	-3	-1	0
Number of positions	16	16	13	13	15

Table 5 shows that for several objectives, there are actors who give negative responses, namely MFI. MFI apparently gave a negative response to the number of PBC distributed and the inclusiveness of financial literacy. PBC's main target is MSMEs, as is the case with MFI, which generally also targets MSMEs, lower middle class communities and the informal sector. While PBC becomes more mature and MSMEs have financial literacy, it will reduce MFI business opportunities.

Actors-objectives map is determined by MACTOR to present the possible positions of actors with each other and their objectives towards each objective in the revitalization and relocation of traditional markets, namely through the 3MAO (Weighted Value Position) matrix.

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Table 4 : Results of Weighted value position matrix (3MAO)

3MAO	MSME.perfo	collectabi	amount.PBC	inc.fin.li	MFI.sust	Mobilisation
actor	1.8	1.4	1.4	1.4	1.4	7.3
bank.distr	4.2	5.6	5.6	4.2	2.8	22.4
government	4.9	4.9	6.6	4.9	4.9	26.3
guarantee	1.5	2.2	2.2	1.5	0.7	8.2
supervisor	1.4	2.8	2.8	4.1	2.8	13.8
MFI	1.1	0.4	-1.1	-0.4	1.5	4.5
Number of agreements	14.9	17.3	18.5	16.1	14.1	
Number of disagreements	0.0	0.0	-1.1	-0.4	0.0	
Degree of mobilisation	14.9	17.3	19.7	16.5	14.1	

Furthermore, the correspondence map between actors and objectives is presented (Figure 10)

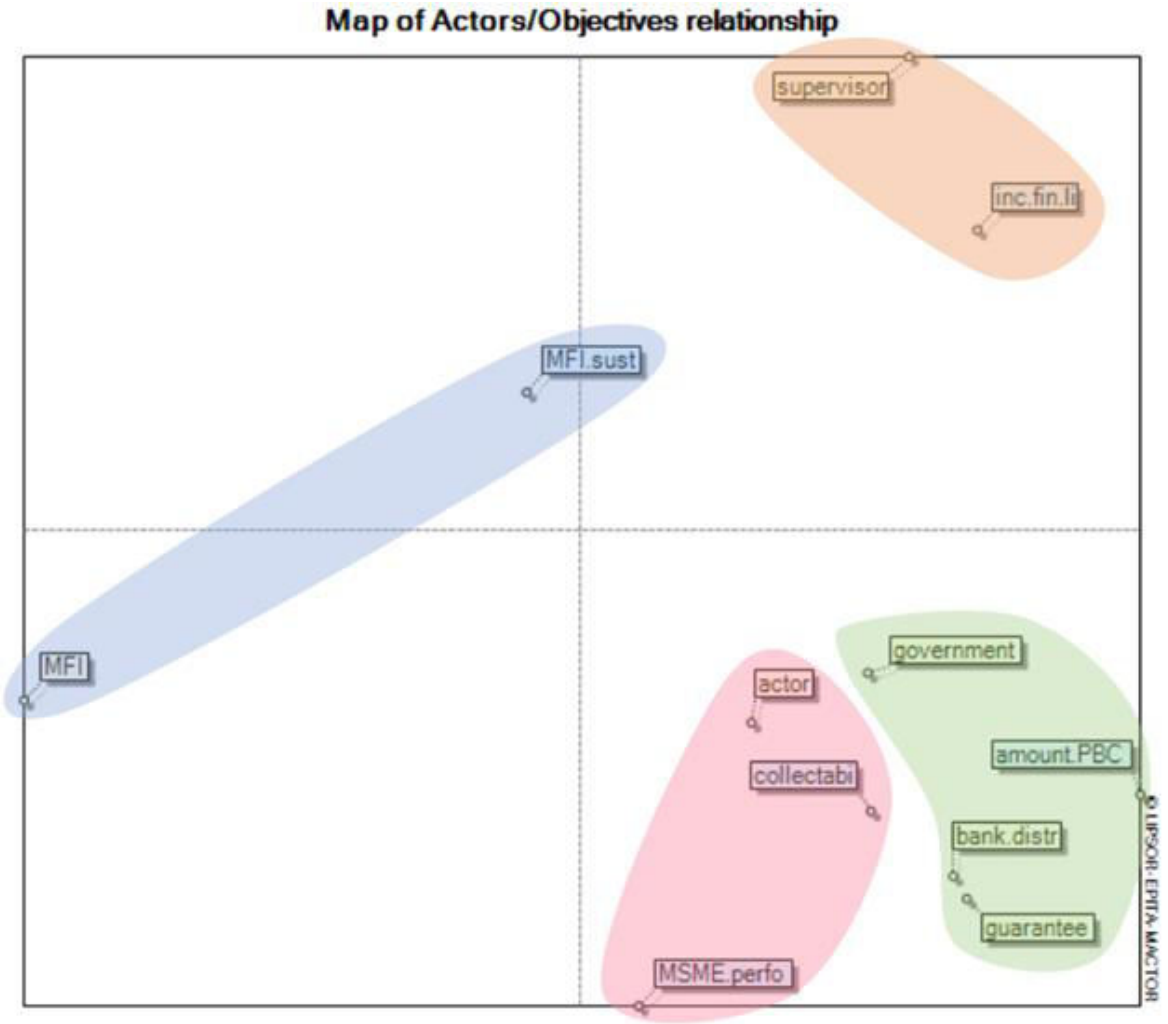

Fig 10 : Actors/objectives correspondence map

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It is clear that MFI has a close relationship with the sustainability of MFI. Regarding MSMEs actors will of course focus on MSMEs performance and PBC collectability. Meanwhile, the government, PBC distributing banks and guarantee institutions will be closely related to the amount of PBC distributed. Finally, there is a supervisory institution that has a motive for accelerating financial literacy inclusiveness. However, this closeness does not mean that actors and objectives have absolutely no other relationship.

The 3CAA and 3DAA matrix is used to measure the degree of convergence among stakeholders, which is determined by identifying the number of common positions that the pair actors have on the objectives (for or against) (Ben-Daoud, 2021). If actors are close to each other, the more intense their convergence is (Godet, 2013), and thus divergence.

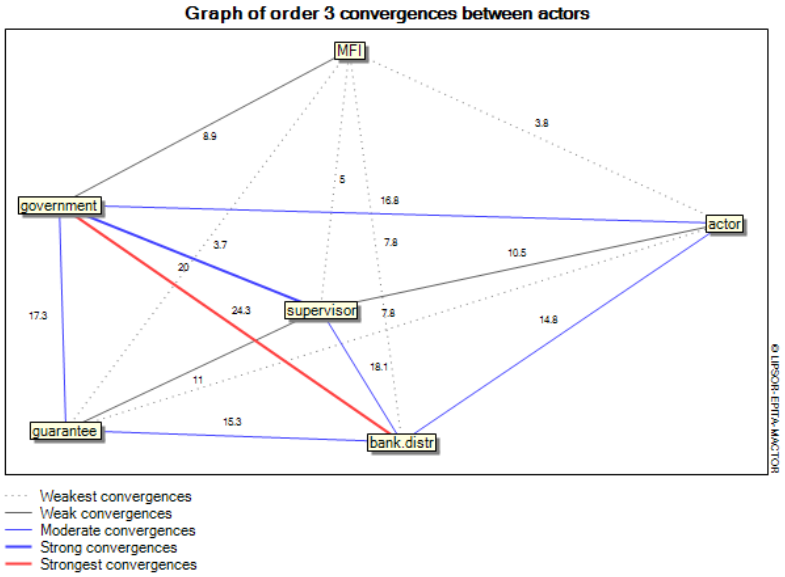

Fig 11 : Convergence network between actors

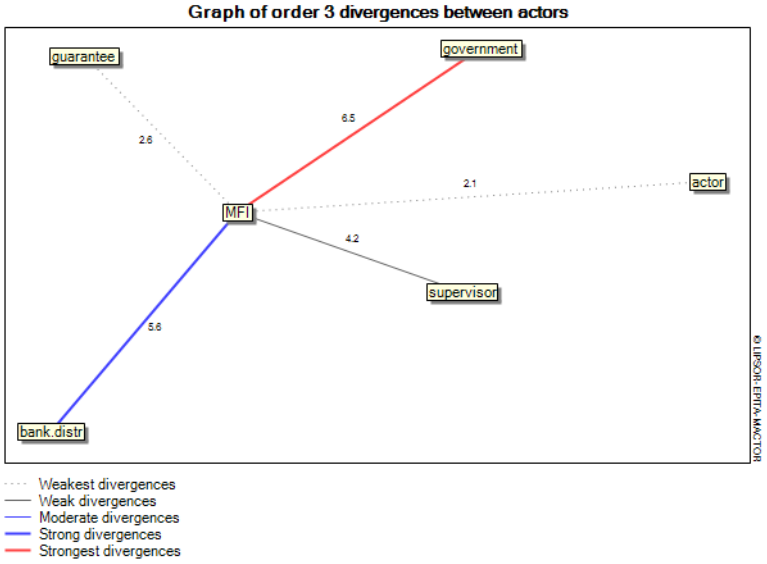

Fig 12 : Divergence network between actors

Figure 11 shows the link convergence between actors, where the highest convergence value is between the government and PBC channeling banks, as well as supervisory institutions. Meanwhile

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Figure 12 shows the divergence, where MFIs actually have a high divergence with the government and KUR distributing banks.

Conclusions

People Business Credit (PBC) in Indonesia has experienced an evolution and its benefits have been felt, especially during the Covid-19 pandemic and its recovery. MSMEs efforts have a great opportunity to develop in Bali Province, despite the Covid-19 pandemic. So that these MSMEs become worthy targets for PBC recipients. The results of the analysis show that the policy of interest rate of PBC is a key driver in Upakara MSMEs' decision to apply PBC. While the factors of capital availability, business conditions, banking access and business expansion motives do have a high influence, dependence is also high. Apart from financial literacy factors, relationships with PBC distributing banks and collateral availability are factors with high dependence.

Before the massive PBC, MFI was a financing institution that was widely accessed by MSMEs, including Upakara MSMEs, which were dominated by women (middle age). The results of the analysis indeed show that the Government is the main actor related to PBC for MSMEs, together with PBC channeling banks and supervisory institutions. The actors who have high dependence are guarantor institutions, MSMEs actors, and MFIs. The analysis results also show that MFIs have divergence with the government and PBC distributing banks. Objectives related to the number of PBCs distributed were responded negatively by MFIs because they could reduce MFI's market share. The government will of course continue to evaluate policies, including those related to PBC. So that when the condition of MSMEs and the real sector economy has recovered, the government can consider linking PBC with MFI. So that PBC does not actually threaten the sustainability of MFI.

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