

# EVALUATION OF WOMEN BUSINESS COMMUNITY DEVELOPMENT THROUGH THE REVOLVING LOAN FUND RECIPIENTS FROM UPK SPP IN BANTUL REGENCY, YOGYAKARTA INDONESIA.

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*This study aimed to evaluate the causes of the slow development of the women business community, although it has received a revolving loan from UPK SPP, so it can be used as an evaluation for UPK SPP (Unit of saving and loan for women community) at Bantul regency in Yogyakarta in particular, also for the Indonesian government related institution. UPK SPP conduct a revolving fund management unit of government that is allocated to provide savings and loan services to the public especially women.*

*This study used a qualitative descriptive approach. The problems of this research are: (1) How does the Government Empowering Rural Village business Community especially for women. (2) How are the developments of the business community revolving loan recipients (3) What are supporting and inhibiting factors society business development loan recipients.*

*Methods of collecting and analysis data in this study using interviews and technical Focus Group Discussion (FGD). Interviews were conducted with the chief executive of UPK SPP while FGD conducted with board members, facilitators and beneficiaries.*

*The results of this study are expected to evaluate the causes of the slow development of the women business community, although it has received a revolving loan from UPK SPP. The result will be described in the fishbone diagram. The cause of the slow development of women business community could be caused by materials, methods, machines, measurements, environments, and people.*

*Keywords: revolving loan, women business communities, fishbone diagram*

## 1. INTRODUCTION

Indonesia including developing countries. One of the characteristics of developing countries are still many poor people. To reduce poverty, people in Indonesia should be changed to no longer be job seekers, but participate as well as a provider of employment both for themselves and for society at large, one of them with entrepreneurship. The number of entrepreneurs in Indonesia is still very low compared to the number of entrepreneurs in other countries. The number of entrepreneurs in Indonesia reached 0.24 percent of the population in Indonesia is around 238 million. The number was lower than the number of entrepreneurs in several countries outside the high economic growth rate. The number of entrepreneurs in the United States about 11 percent, in Singapore to reach 7 percent, and in Malaysia reached 5 percent. If Indonesia wants to be a developed country should develop the entrepreneurial sector, entrepreneurs have a minimum of 2 percent of the population [8].

Seeing the amount of people who are below the poverty line, the Indonesian government to make efforts to provide assistance to communities to become more prosperous, one of them with the community empowerment program called Program Nasional Pemberdayaan Masyarakat (PNPM). PNPM is the

national program for community empowerment (PNPM). [3]

UPK (Unit Pengelola Kegiatan) is a unit that manages the operational activities of PNPM Mandiri. One part of the UPK is Unit Pengelola Kegiatan Simpan Pinjam Perempuan (UPK SPP). UPK SPP is activity management unit of women's credit, which is a revolving fund management unit of government that is allocated to provide savings and loan services to the community as a forum for women to achieve the objectives of the PNPM [3].

One UPK SPP is in one part of the district of Bantul in Yogyakarta, which currently has 808 members were divided into groups where each group consisting of 5 to 10 people, with different backgrounds business types [1]. The UPK SPP has been running since 2007 until now. SPP funds beneficiary community embraced it with enthusiasm, as evidenced by the increasing number of customers and the number of revolving funds SPP rapidly growing amounts of funds.

Loans granted to the beneficiary community followed by the business mentoring and involving them in exhibitions. Nevertheless, the business development of the beneficiary communities mostly slow, some even closed.

Based on this background, Researchers want to evaluate what caused the slow of business development of beneficiary community. The problems of this research are: (1) How does the Government Empowering Rural Village business Community especially for women. (2) How are the developments of the business community revolving loan recipients (3)What are supporting and inhibiting factors society business development loan recipients.

## 2. LITERATURE REVIEW

### 2.1. Entrepreneur

An entrepreneur is a person who creates new business in the face of risk and uncertainty for the purpose of achieving profit and growth by identifying opportunities and assembling the necessary resources to take advantage of these opportunities. Entrepreneurs usually start with nothing more than an idea often simple and then arrange the necessary resources to turn that idea into a sustainable business. [14]

One principle of entrepreneurship is the ability to create new ideas that are creative, innovative and useful to solve the problems and challenges faced at any time. Entrepreneurs achieve success by creating a different value to gain competitive advantage over competitors. Employers can create value by creating new products and services, develop new technologies, discover new knowledge, improve existing products or services, finding different ways to provide more goods and services with limited resources, and so forth. [14]

Creativity is the ability to develop new ideas and to discover new ways of looking at problems and opportunities. Innovation is the ability to apply creative solutions to those problems and opportunities to enhance or to enrich people's lives. Harvard's Ted Levitt says that creativity is thinking new things, and innovation is doing new things. In short, entrepreneurs succeed by thinking and doing new things or old things in new ways [14].

### 2.2. The Benefits of Owning Small Business

Entrepreneurs have many benefits of owning a small business, including the following: [14]

#### a. Opportunity to Gain Control over Your Own Destiny

Entrepreneurs cite controlling their own destinies as one of the benefits of owning their own businesses. Owning a business provides entrepreneurs the independence and the opportunity to achieve what is important to them. Entrepreneurs want to "call the shots" in their lives, and they use their businesses to bring this desire to life.

Numerous studies of entrepreneurs in several countries report that the primary incentive for starting their businesses is "being my own boss." Entrepreneurs reap the intrinsic rewards of knowing they are the driving forces behind their businesses.

#### b. Opportunity to Make a Difference

Increasingly, entrepreneurs are starting businesses because they see an opportunity to make a difference in a cause that is important to them. Known as social entrepreneurs, these business builders seek to find innovative solutions to some of society's most pressing and most challenging problems. Whether it is providing low-cost, sturdy housing for families in developing countries, promoting the arts in small communities, or creating a company that educates young people about preserving the earth's limited resources, entrepreneurs are finding ways to combine their concerns for social issues and their desire to earn good livings. Although they see the importance of building viable, sustainable businesses, social entrepreneurs' primary goal is to use their companies to make a positive impact on the world.

#### c. Opportunity to Reach Your Full Potential

Too many people find their work boring, unchallenging, and unexciting. But to most entrepreneurs, there is little difference between work and play; the two are synonymous.

#### d. Opportunity to Reap Impressive Profits

Although money is not the primary force driving most entrepreneurs, the profits their businesses can earn are an important motivating factor in their decisions to launch companies. If accumulating wealth is high on your list of priorities, owning a business is usually the best way to achieve it. Indeed, nearly 75 percent of those on the Forbes list of the 400 richest Americans are first-generation entrepreneurs! Self-employed people are four times more likely to become millionaires than those who work for someone else. According to researchers Thomas Stanley and William Danko, the typical American millionaire is first-generation healthy; owns a small business in a less-than-glamorous industry, such as welding, junk yards, or auctioneering; and works between 45 and 55 hours per week.

#### e. Opportunity to Contribute to Society and Be Recognized for Your Efforts

Often, small business owners are among the most respected and most trusted members of their communities. In fact, a recent survey by Zogby International and WeMedia reports that 63 percent of U.S. citizens say that entrepreneurs and small business owners (whom survey participants ranked first) will lead the nation to a better future. Entrepreneurs enjoy the trust and the recognition they receive from the

customers they have served faithfully over the years. Playing a vital role in their local business systems and knowing that the work they do has a significant impact on how smoothly our nation's economy functions is yet another reward for entrepreneurs.

#### f. Opportunity to Do What You Enjoy Doing

A common sentiment among small business owners is that their work really isn't work. In fact, a recent survey by Wells Fargo/Gallup Small Business Index reports that 89 percent of business owners say they do not plan to fully retire from their businesses! Most successful entrepreneurs choose to enter their articular business fields because they have an interest in them and enjoy those lines of work. Many of them have made their avocations (hobbies) their vocations (work) and are glad they did! These entrepreneurs are living the advice Harvey McKay offers: "Find a job doing what you love, and you'll never have to work a day in your life."

### 2.3. Previous Research

Rahmatika (2011) conducted a research titled "Analysis of the Revolving Fund Loan Program Effectiveness In UPK PNPM Mandiri and SPP in District Situjuh Limo, District Fifty, Padang. Research results are [13]:

a. Management effectiveness revolving fund is influenced by three things: the UPK as a manager and distributor entire revolving funds at the district level, rules and procedures, or the revolving mechanism, direct beneficiaries in the form of a group of borrowers as a manager and distributor of revolving funds for its members.

b. Effectiveness of revolving fund management by business unit activities can be seen from the performance of the UPK 2008-2010. The indicator is atRisk Loan (LAR), Portfolio at Risk (PAR), Return On Investment (ROI) and Cost Coverage Ratio (CCR). In general, the performance of the UPK is getting better from year to year. Especially with the absence of a group of borrowers who do not pay the debt.

c. Effectiveness of the revolving mechanism procedures, obtained from questionnaires distributed to beneficiaries of the revolving fund, is considered effective in both the general perception of the PNPM, the selection process, the process of distribution and disbursement of funds as well as the mentoring process.

d. A revolving fund to the direct beneficiaries, for Profit Margin accepted, Ho which means there is no significant difference before and after the revolving fund. As for the ROA and ROE Ho is rejected, which means that there is a fairly significant difference before and after the roll.

Munawaroh and Hasnah Rimiyati (2014), conduct research entitled "Effect of Application of Islamic Values Against Enterprise Business Success", performed on Muslim entrepreneurs in the city of Yogyakarta. The research results are variable application of the values of entrepreneurship Islami namely: honesty, willingness to work hard, keep their promises, order administration, always pray, pay zakat and charity together significantly influence the success of the business. [9]

Oluwole Iyiola (2014) doing research entitled "Women Entrepreneurs As Small-Medium Enterprise (Sme) Operators And Their Roles In Socio-Economic Development In Ota, Nigeria". This research study examined the impact of women entrepreneurs on the economy of Ota, Nigeria. It sought to find the roles and contributions of women small and medium scale enterprise (SME) operators to the development of the city. The research results indicate: that more women engagement in entrepreneurial activities the greater the decrease in poverty level. the more women engagement in entrepreneurial activities the greater the decrease in crime rate, the more women engagement in entrepreneurial activities the greater the level of employment available for the people, more women engagement in entrepreneurial activities the greater the living standards of the people [10].

S. Vargheese Antony Jesurajan And Edwin Gnanadhas (2011) doing research entitled "A Study On The Factors Motivating Women to Become Entrepreneurs In Tirunelveli Districtthere". The research results indicate that there are seven factors motivating women to become entrepreneurs, such as economic independence and challenge, economic status and interest, opportunities and necessities, usage of funds, experience, market potential [11].

## 3. RESEARCH METHODS

This study used a qualitative approach. The focus of this research are: (1) The Government's Role in Empowering Rural Village Community (2) The development of the business community revolving loan recipient (3) Supporting and Inhibiting Factors Society Business development loan recipients. This research was conducted in the sub district of Bantul, Yogyakarta.

### 3.1. Data Collection Technique

Data collection method used in this research is to use an interview technique and FGD. Interviews were conducted with the head of the UPK SPP to obtain an overview of the UPK SPP as a whole that includes organizational structure, managers and duties of each committee, cadres, the regulatory supervisor and the description of the beneficiary communities, and so on.

Focus Group Discussion (FGD) was conducted in five separate groups: the FGD with BKAD, FGD with UPK SPP Board, FGD with BP UPK, FGD with Cadre UPK SPP and FGD with member of beneficiary communities SPP (loan recipients).

FGD results will be used as material for evaluation in this study. The tools used to analyze and evaluate the reasons for the slow development of the recipient communities using Fishbone diagram. [4,5]

#### 4. RESEARCH RESULT

UPK SPP or Activity Management Unit women's credit, the unit manager of revolving funds from the government allocated to provide services savings to society of women as a tool to achieve the goal of PNPM Mandiri, which is to the welfare of society and help to alleviate poverty through the empowerment of women at the village level in the subdistrict.

Kasihani Bantul sub district is in the north of the District Bantul. Kasihan has an area of 3437.957 hectares. The village in the administrative region Kasihan consists of [2]:

1. Village Ngestiharjo
2. Village Bangunjiwo
3. Village Tirtonirmolo
4. Village Tamantirto

Kasihani populated by 15 559 households. Kasihan The total population is 77 261 people with a total population of 38 582 people male and female population 38 679 people. [2]

Currently UPK SPP Kasihan Bantul district has 808 beneficiaries with a total revolving fund SPP revolving fund of Rp. 3.845 billion, which spread to the four villages namely: Bangunjiwo, Tamantirto, Ngestiharjo and Tirtonirmolo. Their businesses are grouped into 8 groups, namely trade, crafts, services, convection, production, livestock, furniture and agriculture [1].

1. Trade, including retail, food, clothing, electronics, stationery, herbs, fishing equipment, counter hp, batik, used bike, vegetables and so on.
2. Crafts, including flowers, slippers, knit, knife batik, souvenirs and so on.
3. Services includes laundry, garage, transportation, salon, bridal makeup, sound system rental, and so on.
4. Convection, include leather jackets, clothing.
5. Production, including tempeh, tofu, snacks, brick, soap and so on.
6. Livestock include chickens, goats, ducks, fish, pigs.
7. Furniture, including furniture
8. Agriculture, including ginger, ornamental plants, agriculture.

##### 4.1 Organization Structure

Figure 1 is an organization structure of BKAD [1,12]

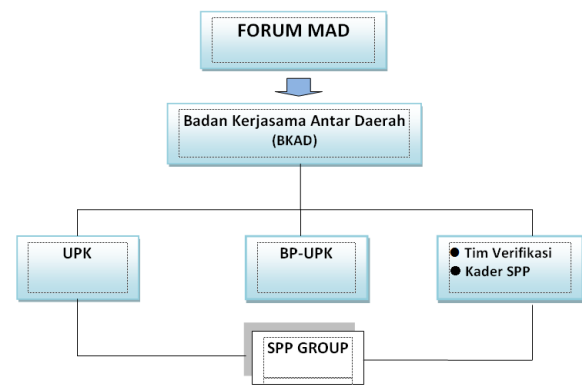


Figure 1  
Organization Structure of BKAD

Based on the figure 1 it can be seen that the highest position is the forum MAD (Musyawarah Antar Desa). For a smooth and preservation of SPP (Simpan Pinjam Perempuan) has been formed consisting of institutional management UPK, BP-UPK, , and the SPP Group itself.

MAD (Musyawarah Antar Desa) is deliberation followed by all the villages within the territory of one sub-district.

BKAD (Badan Kerjasama Antar Daerah) is an agency managing community activities, the management of productive assets and resources and programs between the villages. This institution helps the preservation and advancement of SPP (Simpan Pinjam Perempuan).

UPK (Unit Pengelola Kegiatan) is a unit which manages the operational activities of PNPM (Program Nasional Pemberdayaan Masyarakat). One of the activities UPK is SPP (Simpan Pinjam Perempuan). UPK SPP task is Conducting Preservation funds Lending save women's groups (SPP).

BP-UPK (Badan Pengawas Unit Pengelola Kegiatan) is the regulatory body in charge of monitoring, supervision and oversight to the UPK.

Kader or cadre is the party in charge of helping UPK SPP technically and helping a group of recipients. SPP group is a group of recipients SPP

##### 4.2. Evaluation of Community Business Development Revolving Fund borrowers

Based on the results of FGD with BKAD, FGD with BP-UPK, FGD with the board UPK-SPP, FGD with cadres UPK-SPP, and FGD with the beneficiaries of funds UPK-SPP, can be analyzed that the operation of revolving fund UPK SPP successful enough with returns smoothly. In terms of business development,

30% of the beneficiary communities UPK SPP develops its business due to these loans, 10% failed and 60% of its progress has been slow.

Some things that factor into the cause of the slow progress of the business community UPK SPP grant recipients can be identified as described by the fishbone diagram (fishbone diagram) in figure 2.

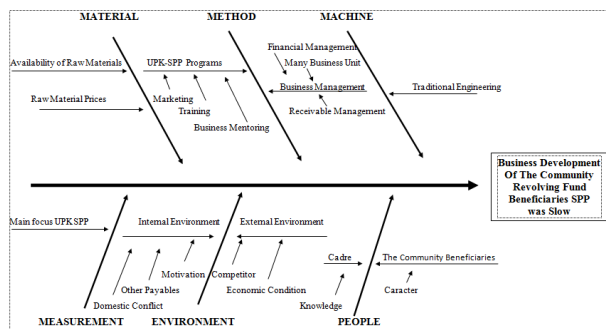


Figure 2  
Fishbone Diagram

Based on Figure 2 the problems do exist in the right most part of the fish's head is business development of the community beneficiaries SPP was slow.

The cause of the slow progress of the beneficiary enterprises UPK-SPP is caused by several factors that are described in the bones of the fish in the diagram: a) Material, b) Method, c). Machine d) Measurement e) Environment f) People

## 1. Material

### a. Availability Of Raw Materials

Based FGD with UPK-SPP administrators some recipients have difficulty raw materials, such as the pottery industry, they have difficulty in obtaining raw materials of clay in the region. They had to bring in clay from other areas.

### b. Prices Of Raw Materials

Based FGD with beneficiary community SPP, the factors slowing the development of their business is the raw material prices are unstable. At the time of rising raw material prices, they are not automatically able to raise its product prices, because they can not compete in the market, so that their benefits reduced.

Based on the results of FGD with UPK, known that raw material difficulties experienced by the food producers, for example in snacks. Snack suppliers, who previously supply to the beneficiary community businesses now prefer to supply to other business people who want to buy raw materials at higher prices.

## 2. Method

### a. UPK SPP Program

Based on the results of FGD with UPK SPP committee can be analyzed that the efforts of the board in helping develop the beneficiary community SPP is not optimal. Product marketing, training and mentoring can not touch evenly to all beneficiary community SPP, because the activity of its representative and alternate. Number of recipients UPK-SPP is more than 808, while often each activity is only followed by dozens of participants and representatives, make the recipients are less likely to be able to follow all the activities. This is supported by the opinion of the UPK-SPP recipients stating that relates to the role of the board UPK-SPP in helping develop the business, they stated that the board UPK SPP own guidance, but not sufficient for recipients. This is because usually mentoring programs, training, and participation in the Expo participants only representative and a rotation. Programs of UPK SPP are:

#### 1) Marketing

Management UPK-SPP include the beneficiary in an exhibition Bantul (Bantul Expo) is held once a year. The exhibition can only be followed by a fraction of the businesses selected by UPK SPP in turns. UPK receiver member tuition of more than 808 of course need more time to be able to get their turn to participate in the exhibition in Bantul Expo is held once a year.

UPK-SPP include the beneficiary in Jamboree one district Bantul. As the exhibition Bantul (Bantul expo). Jamboree UPK also can not simultaneously be followed by all the beneficiary communities SPP, but have a rotating basis by the beneficiary UPK-SPP.

UPK-SPP assist the beneficiary marketing of the product by displaying their product in the district. According to information from the board by FGD, there are about 10 of the 808 businesses receiving business an UPK SPP deposited to be displayed in the district. Products are displayed include snacks, clothing, crafts. Consumers who buy these products are the people who came to the district. Some products can be sold in the district, but some were taken back by the entrepreneur, because the old can be sold. Based on observations of investigators at the site of districts, the actual location of displaynya in the front yard districts so easily seen by visitors districts, but a place to display products are very simple and structuring lay out are also less attractive. Even when this study was conducted, the store's display was destroyed by falling trees that shelter, so the location was moved behind the districts that are relatively less visible to visitors.

UPK SPP Empower products member if there are events in the district as a snack when there is a meeting in order to assist the majority of businesses beneficiary community SPP, if there are events such as Indonesian

Independence day ordered the uniforms to the beneficiary SPP.

## 2) Training

Training cooking ever held by various parties was also attended by representatives of the business groups engaged in the food.

Training of administration for the chairman and treasurer of the group management SPP by Faskeu (financial facilitator of the district) and from the BP-UPK

The planned agenda is training PIRT (Pangan Industri Rumah Tangga) for participants who have not had PIRT. PIRT is a marketing authorization as a guarantee that the business of home-cooked food or beverages we sell meet safety standards. One phase is done to get PIRT is to provide a sample of water, which is a cost. Cost of water samples is facilitated by using the UPK funds already allocated in the budget UPK SPP.

Based on the description in the FGD with the board, another obstacle in training are some of the participants SPP is not easy to training as well as the majority does not capture the training material.

## 3) Business Mentoring

Mentoring program is held in the form of sharing when there are events such as the celebration of the feast of Eid al-Fitr

Sharing is done at the time of collection revolving loan. Fundraising is done once a month, but every three months UPK SPP held a forum on the issue of sharing their business, such as marketing and capital issues.

The event was attended by all the SPP groups per village, the explanation by UPK or cadres and villages. But in practice the SPP even return when given time for sharing. In the future sharing will be done per village to make it more effective.

Based on the FGD with the management of SPP UPK, one factor business development of beneficiary community is slow is because not all training programs implemented, such as training on packaging. Though the training is very necessary packaging. Some entrepreneurs beneficiary community before employees of large companies who have resigned, then set up the same business. Their products are not inferior to the products of the company where they worked before. Nevertheless, they are still experiencing difficulties in marketing as well as make the packaging attractive sellable, thus slowing the development of business.

## b. Business Management

Based FGD with BP-UPK, some of beneficiary community lack of discipline in the use of funds, because it is used for other purposes such as donating, buying consumer goods and so on, not to develop a business or increase business capital. This is supported by the opinion of the beneficiary community SPP in focus group stated that ideally the funds obtained from UPK is to develop a business, raise capital, buy equipment, and others associated with the business. However, there are some members who use these funds for other things such as paying for school children, buying consumer products, pay debts to others such as moneylenders, and so on.

Based FGD with UPK-SPP board also stated that there is no good management, so that we can not detect the rise and development of business quantitatively. The business of community beneficiary revolving fund UPK SPP is growing slowly, but their patterns of consumption expenditure increased and they were pleased with consumption expenditure greater than ever. Thus it can be analyzed that the fact of their income from the business is on the rise. However, the increase in revenue was accompanied by an increase in consumption, not to expand the business and increase capital so that they appear to slow its development efforts.

They run a business without a business feasibility study, even without a business plan. A good entrepreneur will not be in a hurry to implement his ideas before unsure about the planned profit and loss business. Their actions are conducted a study to examine whether the proposed business is feasible. It is often forgotten in setting up small businesses so many businesses small, undeveloped, and some even went bankrupt. Feasibility study is a study conducted to assess the appropriateness of the business is run [7,8]

Business management has not been good. It is supported by the opinion of the beneficiary community in focus group stated that the majority of members do not keep records properly. The majority of members have not made financial records, so that the amount of revenue and profits they earn they do not know. In addition the the company's assets mixed with personal assets. At the time they need money, they take from business assets without using calculations.

Based FGD with UPK-SPP board there are limitations in marketing, which is due to the limited capacity of both the products and the human resources market because generally all activities handled by self. This is supported by the opinion of the beneficiary UPK SPP in focus group revealed that most of the beneficiary community SPP run their own business, partly helped by family members, so that their capacity is limited. They were unable to think of a larger effort to develop further, because of the effort that now they are already

exhausted. Nonetheless, there are some members who own employees in the operations, such as catering businesses, bakpia, laundry and so forth.

Based FGD with beneficiaries community SPP, some beneficiaries community SPP has many businesses that can not be managed optimally with limited resources (capital, labor, time). Many businesses are also making efforts to manage the lack of focus in that will have an impact on the slow development of the business. Based FGD with UPK grant recipients can be seen that most of them run by receivables. Most beneficiary community selling into accounts receivable management with less precise, so that capital mostly embedded in receivables, and slow spin. Even accounts that they provide to the consumer at risk for uncollected.

The slow development of business beneficiary community is also due to its short repayment period. Based FGD with beneficiary community SPP can be analyzed that they complained UPK-SPP refund period is too fast, that is 1 year. Although there is now a policy of extension to 16 months, it still felt too fast. They found that they spend time investments using borrowed funds have not been back, they've started to have to pay monthly installments.

### 3. Machinery

Based on the FGD with the board UPK-SPP, the craftsmen still use traditional equipment in the production process, for example on pottery craftsmen, they perform combustion using straw, instead of using the oven burning capacity bigger and faster.

### 4. Measurement

Based FGD with BKAD, the slow progress of the efforts of the beneficiary UPK-SPP is indeed the main focus and the target given to the board of UPK-SPP is on the smooth return of borrowed funds and the increase in the number of customers who use UPK-SPP funds. Thus the mentoring program, training and marketing that has been done UPK-SPP is not yet uniformly for all recipients UPK-SPP funds, so that the limited knowledge of the beneficiary community SPP this could be one reason for the slow development of their businesses. For BKAD, efforts have been made by the board UPK-SPP so far has been quite good, because in addition they have successfully managed and developed a number of revolving funds as an asset UPK-SPP, the board is also still stints mentoring and training and marketing help recipients UPK-SPP although not optimal.

Based FGD with cadres can be analyzed that during this visit the only beneficiary cadres who have problems such as non-current in paying the installments. Kader or cadre could not monitor the further for the use of loan funds are actually allocated to a business or for other

things, because the task is quite a lot and bustle cadres cadres not only in UPK-PKK. Focus cadres mainly only on the refund UPK-SPP smoothly.

## 5. Environment

### a. The Internal Environment

#### 1) Motivation

Based on the results of focus group with cadres can be analyzed that motivation of beneficiary community SPP to develop a business is low. This is because the target beneficiaries UPK-SPP is the mother-housewife, where they run a business just to earn extra income for the family. The husband as the primary source of income. They still give priority to domestic work is seen as an obligation of a wife, start cooking, caring for children, serving her husband and so on. Thus they do not have a target and less motivated to develop the business. However, not all recipients UPK think so. Some of them also serious in running and developing a business

#### 2) Have Other Debt

Based on the FGD with the beneficiaries UPK-SPP majority of loan recipients also bear installment loans from other sources. There are even incurred debts from moneylenders that interest was very high.

#### 3) Household Conflict

Based on the results of FGD with BKAD, domestic conflict also can be factors slow the development of business, even businesses go bankrupt.

### b. The External Environment

#### 1) Economic Conditions

Based FGD with beneficiaries community SPP can be analyzed that the poor economic conditions cause the customer purchasing power also decreased. This is impacting on their turnover, which in turn will slow the development of business.

#### 2) Competitors

The number of competitors in the same business with them will be a factor slowing down the development of the business. Those who are less innovative will have difficulty competing with other businesses more innovative. The beneficiary community business is difficult to compete with larger businesses.

## 6. People

### a. Cadre

#### 1) Knowledge UPK-SPP Cadre

Based on the results of FGD with BKAD, the requirements to be a cadre does not have to undergraduate education. Level cadres education is a high school graduate.

One of the activities carried out by cadres is also mentoring the beneficiary UPK-SPP experiencing payment difficulties are due to the efforts hampered. In this case the cadres to help find a way out problems by also sharing between groups and based on his experience as well. High school level of education comparable course has limited knowledge in terms of business or business management right, so the less than optimal in advising manajemen or sharing between groups.

#### b. Beneficiaries Community SPP

Character of beneficiary community SPP: Based FGD with BP-UPK aware that some grantees UPK-SPP has underestimated the character of the new loan installments so that it should be for the development of enterprises is not immediately liquid, so that development efforts hampered

### 4. CONCLUSION

1. The Government's role in empowering rural village community is through the National Program for Community Empowerment (PNPM) one Rural PNPM Mandiri (PNPM MP). PNPM MP is a program to accelerate poverty reduction in an integrated and sustainable. UPK or Activity Management Unit is a unit that manages the operational activities of PNPM Rural, which UPK is an inseparable part of PNPM Mandiri for UPK itself is formed by the PNPM-MP. UPK SPP or Activity Management Unit Women's Savings and Loans, a revolving fund management unit of government that is allocated to provide savings and loan services to the community as a place to achieve the goals of PNPM Mandiri. PNPM Mandiri is a program to accelerate poverty reduction in an integrated and sustainable.

2. Enterprises recipient community revolving fund UPK SPP had been developed. Business development community revolving loan recipients In terms of business development, 30% of the beneficiary communities UPK SPP experienced business development for such loans, 10% failed and 60% of its progress has been slow. Thus, despite the efforts of receiving communities SPP UPK revolving loan fund was growing, but the majority of progress has been slow.

3. Factors supporting the development of the business community revolving loan recipients from UPK SPP is a program created by the board UPK SPP in terms of

marketing, training and mentoring. The marketing program involving the community in the form of beneficiary UPK SPP in several expo in turn, help ordering their products in several events such as meetings or making uniforms. The training program is also given in turn to the beneficiaries of funds UPK SPP, such as cooking training, computer training and so on. Assistance from the volunteer in the form of sharing of funds to beneficiaries who have problems in his business that causes late installment payments.

4. Operational scrolling UPK funds SPP quite successful with the current rate of return. However, when seen from the development of the majority of the business beneficiary community slow. Based on data analysis using the fishbone diagram, factors inhibiting the development of the business community revolving loan recipients from UPK SPP are:

#### a. Material

- 1) Availability of raw materials, which they had difficulty raw materials
- 2) Prices of raw materials, where the raw material prices are unstable

#### b. Method

1) SPP UPK program is helping improve the community's business development revolving loan recipients in the form of UPK SPP marketing, training, mentoring is not optimal, because of uneven to the whole society, because it is only a representative fraction of the whole society and its grantees rotation. Communities also complained repayment period is too short for 1 year.

2) Business Management, where the recipient community revolving funds have not run the SPP UPK management principles properly. Wealth perusahaan not separate from personal property, no recordkeeping well, has not been able to measure operating income, and the use of loan funds from SPP UPK for purposes other than business.

c. Machinery / equipment, where the equipment used was traditionally thus experiencing a shortage of production capacity.

d. Measurement, where the success of SPP UPK main focus and target is measured based on the smoothness of refund loans and the increase in the number of customers who use UPK funds SPP. Thus the mentoring program, training and marketing that has been done UPK SPP has yet to be equitable for all recipients UPK SPP funds, so the limitations of knowledge recipients SPP UPK this could be one reason for the slow development of their businesses. For UPK SPP if the public is able to pay the loan installments smoothly, the business merea considered running smoothly.



e. Environment, which is divided into:

1) The internal environment, such as low motivation in developing the business because it is considered as an additional job to help her husband, have debts other than loans UPK SPP, domestic conflict that it can inhibit the development of the business.

2) The external environment, such as the economic conditions are not good cause decreased purchasing power, the number of competitors in the same business with them will be a factor slowing down the development of the business. Those who are less innovative will have difficulty competing with other businesses more innovative. The SPP UPK grant recipients will also experience difficulties when having to compete with the larger business.

f. People whose level of education and skills that have not qualified for the party who were given the task to monitor operations and provide assistance to beneficiaries of funds, as well as the character of the majority community grant recipients who ignore payment of the loan, so the new loans which should be for the development of enterprises were not immediately accepted, so that business development is slow.

## 5. SUGGESTIONS AND RECOMMENDATIONS

1. The results of this study showed that the majority of people utilizing the revolving fund SPP experiencing slow business growth. This is caused by:

a. Material, includes:

1) Availability of raw materials, which they had difficulty raw materials

2) Prices of raw materials, where the raw material prices are unstable

UPK Board should help coordinate the community beneficiaries SPP revolving fund that has the same kind of effort to cooperate in sharing information in obtaining raw materials, as well as help open network with others.

b. Method

1) SPP UPK program is helping improve the community's business development beneficiary community in the form of UPK SPP marketing, training, mentoring is not optimal, because of uneven to the whole society, because it is only a representative fraction of the whole society and its grantees rotation.

2) Business Management, where the beneficiary community have not run the SPP UPK management

principles properly. Wealth perusahaan not separate from personal property, no recordkeeping well, has not been able to measure operating income, and the use of loan funds from SPP UPK for purposes other than business.

In connection with the SPP UPK program and business management beneficiary community SPP, SPP UPK administrators should increase cooperation with other parties on an ongoing basis, for example in cooperation with universities. The university can provide regular training and mentoring programs and business consulting, financial management, marketing management, operations management and human resources management to the community revolving fund beneficiaries SPP evenly and scheduled. Therefore UPK SPP needs to do a MoU with other parties such as universities.

UPK SPP can also initiate cooperation with big companies that allocates its CSR that can be used to fund training and mentoring as well as business consulting involving experts.

3) People also complained repayment period is too short (1 year).

UPK SPP Board may propose a longer loan period to society SPP revolving fund beneficiaries who have a record of the refund rolling smoothly.

c. Machinery / equipment, where the equipment used is still traditional so there is a shortage of production capacity.

Board UPK SPP can provide a revolving loan fund that can be allocated for investments in modern equipment.

d. Measurement, where the success of SPP UPK main focus and target is measured based on the smoothness of refund loans and the increase in the number of customers who use UPK funds SPP. For UPK SPP if the public is able to pay the loan installments smoothly, then they are considered business running smoothly.

UPK SPP Board should also focus on the development of beneficiary community SPP for example by creating a new division within its organizational structure to monitor developments that focus on managing the business, such as business development division. This makes the division of the real working program includes programs that involve working with various parties more seriously and intensively.

e. Environment, which is divided into:

1) The internal environment, such as low motivation in developing the business because it is considered as an additional job to help her husband, have debts other than loans UPK SPP, domestic conflict that it can inhibit the development of the business.

Relating the low motivation of people utilizing the

revolving fund SPP, SPP board UPK can include capacity building program, held a motivational training to the community revolving fund beneficiaries SPP.

2) The external environment, such as poor economic conditions led to decreased purchasing power. The number of competitors in the same business with them is also a factor slowing down the development of the business. Those who are less innovative will have difficulty competing with other businesses more innovative. The SPP UPK grant recipients will also experience difficulties when having to compete with larger businesses.

f. People. The level of education and skills of cadres have not been qualified in the business to monitor and provide assistance to the community beneficiaries. Some of the beneficiary community, has character ignores installment payments, so the new loans for business development that should not be immediately liquid, so that business development is hampered.

Based on these conditions, cadres should be focused on collecting funds only, while sharing and business consulting involving external parties that are competent in the field of business both in terms of experience and education level.

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