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The Analysis Of The Benefits Of Expo Bank Sumatera Utara To Reduce Poverty

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Abstract

Bank Sumatera Utara in its activities applies the expo in channeling business capital credit assistance to small communities and the informal sector. This study focuses on the problem of how to apply expo as an effort to reduce poverty and its benefits. This research is conducted using a qualitative approach, in-depth interviews were conducted with research informants consisting of the management of Bank Sumatera Utara as program implementer, the community as program participants, and local community leaders. The results showed that this expo gives benefits to the community, both economic benefits and solidarity among others.

Keywords

Poverty, Rural, Expo, Rural Banks.

Introduction

Poverty is a serious problem facing developing countries today. A considerable number of people worldwide live in conditions of dire poverty (Rebecca et al, 2012). When the U.S. "War on Poverty" was declared in the 1960s, some legislation promoted "maximum feasible participation" by low-income people in solving the structural problem of poverty (Emily, 2019). Various policies and programs have been implemented by the government

and community organizations in the countries concerned in overcoming these problems, namely by making various efforts to eradicate poverty or trying to alleviate the burden of community suffering poor. It is recommended that regulatory and other statutory bodies should monitor the interest rate on loans and advances to make it accessible to micro-clients that is the economically active poor. Programs of poverty reductions, with some countries reducing poverty for the poorest regions, while poorer regions in other countries do not seem to benefit from the general reduction in poverty to the same extent (Sabina, 2017).

Macro-economic policies such as industrialization and modernization of agriculture in an effort to improve the livelihoods of the community as well as businesses such as the formation of agricultural cooperatives, land reform, transmigration, assistance in the marketing of products, rural credit and other efforts have been widely implemented to overcoming the problem of poverty (Suharto, 1991). Indicator development literature is reviewed to clarify if a comprehensive framework or set of frameworks exists that can be used to measure poverty solutions across contexts and identify the conceptual principles that have guided their development (Tamar et al 2015). It was believed that microcredit was a more reliable and faster means to achieve poverty reduction, especially through supporting the entrepreneurialism of the poor (Dallimore, 2013). It is therefore recommended that regulatory and other statutory bodies should monitor the interest rate on loans and advances to make it accessible to micro-clients that is the economically active poor (Yahaya et al, 2011).

Poverty in Indonesia is a national problem, not only resolved by the government through various development policies, but it must also become a shared responsibility for all development actors including government, private sector, professional institutions, universities, including the community itself. Poverty measurement has been seen by many scholars as too often focusing on the economic element (Zal, 2020). Chunhui (2017) finds that several neighborhood characteristics to be associated with a neighborhood's ability to resist poverty relapse, such as high educational attainment and residential stability of the inhabitants. Homeownership is also found to be a neighborhood stabilizer, but its effect varies by specific racial and ethnic groups.

Between 1994/95 and 1997/98, Indonesia's spending on anti-poverty programs grew from 0.1% to 0.3% of GDP. The introduction of the 'social safety net' raised anti-poverty spending to 1.4% of GDP in 1998/99 and changed its main focus from job creation schemes, financed mainly by loans and grants to small firms and community groups, to in-kind subsidies for rice, public health care, scholarships for children in poor families and grants to schools in poor areas (Anne, 2002).

Many bank financial institutions and non-governmental organizations are currently carrying out activities in poverty reduction efforts, manifested in the form of credit services for small businesses and the informal sector. The credit channeling mechanisms developed for small people today are very diverse, ranging from revolving funds to formal forms such as 6PR (Seldodyo, 1994). Other more critical assessments of microfinance are now appearing and gaining an audience. According to Bateman (2011) microcredit's potential as a development and poverty reducing policy is highly questionable, especially its ability to promote growth and profitable enterprises. In the words of Harper "... the impact of microfinance, for good or for ill, is exaggerated. It is no more than second-rate retail banking for people who cannot afford relatively decent services" (2010). In the 2008 report, the focus is on rural credit and the report calls on innovation within the sector to provide more flexible forms of lending. The Report also argues that the ability of rural households and agricultural enterprises to make long-term investments and calculated decisions on risky and time-patterned income flows, is determined by the financial system of the economy (World Bank 2008). Financial inclusion which can be explained as access to formal financial services such as credit, savings and insurance opportunities is still very vague in developing countries (Abimbola et al, 2018). Microfinance led to increasing levels of indebtedness among already impoverished communities and exacerbated economic, social and environmental vulnerabilities.

One of the efforts that have been carried out and to some degree successful in the fight against poverty has been the implementation of expo in Bangladesh, which is a credit program aimed at poor people in rural areas of the country. Expo Bank is a form of credit specifically designed to meet the credit needs of poor people so that they can form capital and carry out activities in order to earn income. Financial inclusion had a positive and not significant relationship with income inequality, but it had a negative and significant influence toward income inequality. It means that financial inclusion can reduce poverty, it has not been able to reduce the economic gap of society well (Zia and Prasetyo, 2018). Financial inclusion helps to lower income inequality when economic condition encourage people to utilize financial access for productive purposes.

Bank Sumatera Utara, as a microfinance institution that is legally incorporated as a bank, was established to facilitate people's economic activities doing business on a micro scale, while at the same time trying to increase women's participation in improving family welfare. In providing business capital credit facilities to the small community and the informal sector, Bank Sumatera Utara since 2001 has implemented expo in its lending activities. Based on the above description, this study will analyze the benefits of Expo Application by Bank Sumatera Utara to reduce poverty in Bandar Setia Village, Percut Sei Tuan District, Deli Serdang Regency.

Literature Review

Poverty

According to Sumodiningrat (1997) Poverty is not merely a lack of income to meet basic living needs or a decent standard of living, but more and more, the essence of poverty concerns the possibility of poor families to empower themselves in an effort to improve their lives. Poverty is conventionally defined in terms of income poverty and is measured in different ways, predominantly in terms of inadequacy of income to procure a minimum level of calories (Jandhyala, 2010). Literature on the characteristics or underlying qualities of the concept of poverty is extensive but fragmented and rarely discusses the influence of these characteristics on poverty analysis (Blessing, 2019). Furthermore, Kartasasmrta (1996) argues that poor households are generally poorly educated and are concentrated in rural areas. Because they have low education, their productivity is low so that the compensation they receive is not sufficient to meet the minimum living needs, including food, clothing, health, housing and education needed to be able to live and work. Biro Pusat Statistik defines the poor as residents with an income (approached by expenditure) less than the income needed to live properly in their areas where they live. (Biro Pusat Statistik, 1998).

Poverty Reduction Efforts in Rural Areas

The costs for rent and utilities account for the largest share of living expenses (Diana, 2016). According to Baswir (1999), the essence of rural development is basically to reduce and eliminate poverty. With this in mind, rural development can be said to be a fundamental aspect of the national development program. Because poverty is not merely a matter of being morally undernourished or undermined but more than that is a matter of human dignity and dignity. Thus the efforts to overcome it are in line with the nature of national development, namely the development of Indonesian people as a whole and the development of all Indonesian people. Emerging research on base-of-pyramid (BoP) approaches to poverty reduction and empowerment of poor populations suggests that market-based initiatives directed at impoverished communities can leverage their social capital to develop capabilities that could lift them out of poverty (Ansari et al, 2012).

Rural communities face greater challenges due to a lack of transportation, geographic spread, and less access to services (Allison, 2008). Many of the women in rural communities strive to be ideal mothers as defined by societal standards, they often find that they cannot carry out the role effectively because of welfare reform regulations (Debra, 2005). Studying the perceptions of the causes of poverty is warranted because individual

perceptions shape behavior toward poor people and actions related to poverty (Juliana, 2016).

Indonesia has made well-documented and domestic progress in raising average incomes and reducing poverty. Andy and Edward (2014) find that Indonesia has the potential to become a high-income country by around 2025 and end \$1.25-per-day and \$2.00-perday poverty by 2030, but this will require strong economic growth and favourable changes in distribution. It must be admitted that there have been quite a number of poverty reduction efforts carried out by the development of small businesses and the informal sector, both by the government and by institutions that have consensus with poverty reduction efforts (see table 1).

Table 1 Supporting Institutions for Poverty Alleviation with the Development of Small Businesses and the Informal Sector in Rural Areas

| Supporting Institution | Role performed | Program / intervention |
|----------------------------------|---|--|
| 1. Pemerintah melalui: | | |
| a Oepraker | <ul style="list-style-type: none"> • Coaching and Placement labor • Formulation of employment policies | <ul style="list-style-type: none"> • Training through BLK. • Development center information. • Small business development rather aimed at solving the problem of unemployment kstimbang pengembangan usaha itu sendiri. |
| b. Bappenas | <ul style="list-style-type: none"> • Planning and monitoring focused development on alleviating poverty. • Control mechanism | <ul style="list-style-type: none"> • Mapping of poor villages. • Orientation of the program to. users of funds for productive activities. |
| c. Depsos | <ul style="list-style-type: none"> • Development of small businesses and the informal sector as part of and efforts to reduce poverty. | <ul style="list-style-type: none"> • Trainings. |
| 2. Supporting Institution | Roles that are cancelled | Program/intervensi |
| d Depkopi PPK | <ul style="list-style-type: none"> • Formulating policies small business development • Serves as a coordinator in the development movement people's economy | <ul style="list-style-type: none"> • Human resource development. • Consulting services work same as college. • Developing cooperatives as the only container people's economic activities. |

| | | |
|---|--|--|
| 1. Lembaga Swadaya Masyarakat (LSM) | <ul style="list-style-type: none"> • Alternative service agencies for small businesses that function as an intermediary agency for undergo assertiveness government and private in reach out to small businesses. • Very beipolensi be small business partner because impermanence to do with small business. • Coordination between NGOs and other supporting institutions very minimal. | <ul style="list-style-type: none"> • Development of various self-help group community, technical training produce and manage administration. • Research and use effective interventions only in depth kenanya area. • Still not reaching out small business group ones really marginal. |
| 2. Lembaga Penelitian I dan Perguruan Tinggi. | <ul style="list-style-type: none"> • Research and development of production technology, resources human. | <ul style="list-style-type: none"> • Scheme development financial services at rural. • Training and technical management for small businesses. • Construction and guidance. |
| 3. Asosiasi Pengusaha Kecil | <ul style="list-style-type: none"> • Ideally, an association of small entrepreneurs such as this one is directly involved in negotiations, policy formulation, monitoring and evaluation. | <ul style="list-style-type: none"> • Organizing entrepreneurs small gotta build up with specific and linked goals with empowerment. • Information distribution. |
| 4. Lembaga Swasta | <ul style="list-style-type: none"> • Increasing human resources through individual education and training. | <ul style="list-style-type: none"> • Human resource development • Intermediaries in the labor market |
| 5. Lembaga Perbankan | <ul style="list-style-type: none"> • Increased welfare Public. • Poverty reduction. | <ul style="list-style-type: none"> • Provision of credit facilities for small and medium business • Resource development human. |

Source: Hafah Syifucfin, (in Kuncoro, 1995) with some adjustments.

Overview of Expo

Expo was first introduced by Professor DR. Muhamad Yunus, who teaches economics at Chittagong University Bangladesh, as a pretest for the banking and credit system that applies in his country in particular and in the world in general. According to Muhamad Yunus (in Suharto, 1991), banking basically does not want to be associated with; (1) poor people, (2) illiterate people, (3) women. This is due to the fact that conventional banking working capital loans with reasonable interest and conditions are very difficult to fulfill and obtain by poor people, because generally banks are oriented towards cities and are aimed at meeting the needs of those who are in poverty.

Furthermore, Suharto (1991) argued that Expo Bank was launched as a courageous attempt to oppose the standard provisions of the banking system that was in effect, with the aim of:

- a. To expand banking facilities for poor people, both men and women.
- b. Eliminate the exploitation of moneylenders
- c. Creating opportunities to open up employment opportunities to utilize human resources that are under-utilized or not fully utilized
- d. Bringing disadvantaged members of the community into an organizational form that they can understand and operate.

In Mexico, the program like expo called as Conditional Cash Transfer (CCT) is success at reducing poverty depends on whether, and the extent to which, cash transfers affect adult work incentives (Emmanuel, 2008).

Research Methods

The approach used in this study is a qualitative approach, because this study aims to reveal about the application of expo as an effort to reduce poverty and find out the various benefits felt by the community. According to Bogdan & Taylor (Moleong, 2000) a qualitative approach is a research procedure that produces descriptive data in the form of written or oral words from people and observable behaviors. Descriptive data obtained in this study are the results of interviews with informants who experienced and experienced firsthand expo implemented by Bank Sumatera Utara.

This research was conducted in Bandar Setia Village, Percut Sei Tuan Subdistrict, Deli Serdang Regency, which is one of the target areas for credit distribution activities at the Bank Sumatera Utara. in this village since 2015 so it is very possible for the availability of data and information needed in this study. The informant retrieval technique used in this study is purposive sampling, which is the taking of informants based on the need to be able to provide an accurate, precise and detailed description of expo according to the aims and objectives of the study. The informants in this study are as follows:

- a. Manager / Management of Bank Sumatera Utara Branch of Percut Sei Tuan
The managers of Bank Sumatra Utara consist of; Branch heads, field officers, administrative staff, other employees to find out about the implementation of expo in the field, the manager of Bank Sumatra Utara also has some part in determining and carrying out the work program of Bank Sumatra Utara.
- b. Bandar Setia Village Officials
As a village government apparatus, of course they understand the conditions and responses of the community to the programs implemented in their area so that they can provide information about the implementation process, perceived benefits, and

constraints faced by the community. Informants from this village government apparatus are the Village Head, RW Chair and Chair RT.

c. The community of Bandar Setia Village / Program Participants

As the target group for the implementation of community programs (members), Bank Sumatera Utara can certainly provide information about the implementation process, perceived benefits and constraints in following expo. Member Bank Sumatera Utara who became informants were those who had become members Expo Bank Sumatera Utara for more and 3 years, and runs the business as traders.

Table 2 Theoretical Sampling

| Information sought | Source Information | Number of Informants |
|---|---|----------------------|
| <ol style="list-style-type: none"> 1. How is the application of expo in an effort, poverty reduction (covering the regional survey process, maximum meeting, feasibility test, group determination, LWK, week and what is done with the loan (credit such). 2. What benefits do members of Bank Sumatra Utara feel with expo run by Bank Sumatera Utara, how are the benefits of loan funds and coaching benefits obtained and Bank Sumatra Utara, especially in an effort to increase business activities, employment and sources of income for members and the community other. 3. What constraints do members feel and "the existence of application expo, especially on improving the economy members and increased welfare. | Community / Members of Bank Sumatera Utara who work as traders. | 5 informants |
| <ol style="list-style-type: none"> 1. How are the efforts of the Bank Sumatera Utara in the planning, implementation and preservation of expo lending assistance programs, (covering the process of area surveys, feasibility tests, group formation, LWK, Minggon). 2. What benefits are felt by the community for the implementation of Expo Bank by the Bank Sumatera Utara, especially in its efforts economic improvement, | Head of Kelurahan, Chairman of RW, and Head of RT. | 3 informants |

| | | |
|--|---|---------------------|
| <p>business improvement, field work work and as a source of income for the community rural.</p> <p>3. How is the development of the level of community life with the support of expo program by Bank Sumatera Utara, especially in the field of social activities and community economy.</p> | | |
| <p>1. How are the efforts, roles, actions in applying the method. Expo to the community in terms of preparation, planning, implementation and program preservation, the extent to which progress has been made especially for the social and economic development of the community</p> <p>2. What benefits are felt in resource coaching activities human power that is run by the Bank Sumatera Utara for development of community socio-economic activities.</p> <p>3. What obstacles faced by Bank Sumatera Utara in applying expo to the public increase in business activities, employment opportunities, sources of income for private citizens.</p> | <p>Bank Sumatera Utara Management, namely: Head of Branch, Team Leader, Account Officer, & Staff Adm.</p> | <p>5 informants</p> |

Source: Table processed by the author

Table 3 House Index & Income Index

| Order | Nominal (Rp) | House Index | | Income Index | | | |
|-------|--------------|-------------|-----|-----------------------------|-----------|----------------------|-----------|
| | | Mln | Max | Net Saving/Family Card (Rp) | | Income / capita (Rp) | |
| | | | | Mln | Max | Mln | Max |
| P1< | 500.000 | 17 | 36 | 119.167 | 238.333 | 128.833 | 257.667 |
| P1< | 750.000 | 18 | 36 | 174.688 | 349.376 | 160.938 | 321.857 |
| P1< | 1.000.000 | 20 | 40 | 227.500 | 455.000 | 196.700 | 353.400 |
| P2< | 1.500.000 | 23 | 42 | 333.125 | 666.250 | 248.069 | 496.130 |
| P2< | 2.000.000 | 28 | 45 | 423.333 | 846.667 | 302.395 | 604.759 |
| P3< | 2.500.000 | 30 | 45 | 502.708 | 1.005.417 | 361.815 | 723.631 |
| P3< | 3.000.000 | 33 | 45 | 555.625 | 1.111.250 | 424.653 | 849.307 |
| P3< | 3.500.000 | 36 | 45 | 542.500 | 1.085.000 | 484.734 | 969.46B |
| P4< | 4.000.000 | 39 | 45 | 650.000 | 1.300.000 | 5814.81 | 1.162.962 |

| | | | | | | | |
|-----|-----------|----|----|---------|-----------|---------|-----------|
| P4< | 4.500.000 | 41 | 45 | 731250 | 1.462.500 | 688.027 | 1.376.054 |
| P4< | 5.000.000 | 42 | 45 | 612.500 | 1.625.812 | 812.632 | 1.62526J |

Source: Guidelines for Implementing the Grameen Method for Bank Sumatera Utara, 2019

Citizens who are members of Bank Sumatera Utara are those who fall into the program target group, namely the poor who have businesses and have passed the selection based on the standards applied by Bank Sumatera Utara Participants has various types of businesses, namely those who run business as traders, craftsmen, farmers, credit workers, brick makers, motorcycle taxi drivers, salon workers, tailors and others. Until the end of May 2004 the members of Bank Sumatera Utara had reached 3,712 (all women) consisting of 247 groups and 124 central meetings. Funds that had been rolled out until May 2004 had totaled 2.2 billion with a repayment rate of 93.4%. In Bandar Setia Village, there are 1,080 members of Bank Sumatera Utara. The population of Bandar Setia Village is 7,023 people, consisting of 3,348 male and 3,675 female, with a total of 1,612 heads of families (Family Card). Of the total population of Cibarusah village, there are 1,254 people or as many as 327 households, including the poor, consisting of 714 men and 540 women.

Table 4 Total Population in Bandar Setia Village by Age

| No. | Age group | Gender | | Total |
|-----|------------------------|--------|--------|-------|
| | | Male. | Female | |
| 1 | 0-12 months | 160 | 206 | 366 |
| | 13 months-14 months | 239 | 287 | 526 |
| | 5-6 years old | 298 | 346 | 644 |
| | 7-12 years old | 273 | 294 | 567 |
| | 13-15 years old | 453 | 470 | 923 |
| | 16-18 years old | 327 | 340 | 667 |
| | 19-25 years old | 318 | 339 | 657 |
| | 26-35 years old | 413 | 449 | 862 |
| | 36-45 years old | 273 | 288 | 561 |
| | 46-50 years old | 170 | 182 | 352 |
| | 51-60 years old | 174 | 193 | 367 |
| | 61 - 75 years old | 177 | 194 | 371 |
| | More than 76 years old | 73 | 87 | 160 |
| | Total | 3.348 | 3675 | 7023 |

Results and Discussion

Application of Expo in Bandar Setia Village

Preparation Stage

The initial steps taken in the preparation process for the implementation of expo are: (a) preparing an institution that will carry out and manage various activities in order to achieve the aforementioned goals, in this case the Bank Sumatera Utara; (b) prepare human resources or officers / staff as program implementers; (c) prepare a location or area as a target place for program implementation.

Procedurally, the establishment of Bank Sumatera Utara has met the requirements stipulated in government regulations as stated by one of the following managers of Bank Sumatra Utara:

"Bank Sumatra Utara was established under the terms of a license from Bank Indonesia, so with this formal license, the position of Bank Sumatera Utara in society is very fetus, namely as a microfinance institution that aims to provide business capital loans to people engaged in small businesses. and the informal sector ... '(AG, Management of Bank Sumatera Utara 06/14/2019).

And the management of Bank Sumatera Utara revealed that in Bank Sumatera Utara there was a special division to prepare human resources as professional workforce, i.e. a training center.

It is in this training center that prospective employees undergo education before being assigned as program implementers. As AG discloses below:

'Before my keqa here had trained first by the Head Office at the training center (TC), we were given material in class for two weeks to prepare before working in the field, then ... two months later I was told to have an internship in another branch. After being declared passed, I got a placement decree at this Jonggol branch, I've been here for almost two years' (AG, Bank Sumatera Utara Management 14/06/2019).

Bank Sumatera Utara Management also tried to obtain information on whether the local residents had received credit assistance programs, both carried out by the private sector (NGOs) and programs from the government, and what their implementation was like and so on.

As the information obtained from UC, one of the village officials Bandar Setia below;

"Yes.. when I first came here, people from Bank Sumatera Utara asked about the residents here, many of them were poor, then where were the houses. They also asked if the residents here had ever received credit assistance. get JPS assistance, many people have been given loans but the JPS is no longer known now.. '(UC, Bandar Setia Village Officer, 17/06/04).

This information is urgently needed by Bank Sumatera Utara as material for consideration in program implementation, as well as to avoid the possibility of overlaps between similar credit programs carried out by other parties and those to be carried out by Bank Sumatera Utara so that they will not cause problems.

Program Socialization Stage

At the implementation stage of expo developed by Bank Sumatera Utara there are activities called the General Meeting. This general meeting activity is a means of socializing Expo Bank program and Bank Sumatera Utara institutions. The general meeting activity aims to provide information to parties involved in the implementation of expo program, such as local government officials, community leaders and community members. The information shared is about Bank Sumatera Utara institutional vision - mission and objectives. Besides that, the management of Bank Sumatera Utara also socializes about what and how expo will be run by Bank Sumatera Utara in Bandar Setia village.

The results of the implementation of this socialization not only generated understanding among the public about Bank Sumatera Utara but also emerged a positive response from them to participate in program activities. As disclosed by the UC Bandar Setia village apparatus below:

"After we heard about the purpose and procedure of borrowing at Bank Sumatera Utara, the interest on the loan is very small ..., I think this is good, because in our area there are already a lot of loan sharks, if residents borrow with them, it is impossible for them to advance, those who are there are even trapped in debt, indeed the loans from loan sharks are small but the interest is very high when compared to Bank Sumatera Utara, so we advise residents to take advantage of this loan from Bank Sumatera Utara ... '(UC, village official of Bandar Setia 17 / 06/2019).

Determination Stage

After knowing with jets the condition of the prospective members of the community in Bandar Setia village, visitors to the Bank Sumatera Utara then carried out the determination

or feasibility phase of the prospective members. This due diligence activity aims to determine whether the community members concerned are truly eligible for credit assistance, including determining how much loan will be given to them.

In this feasibility test, Bank Sumatera Utara establishes a standard for evaluating prospective program participants, assessing economic, social and cultural aspects. The economic aspects that are assessed are the level of income, the level of asset ownership and the condition of the prospective membership. The social aspects that become the assessment are the environment, family conditions, while the cultural aspect is looking at the habits and character of the prospective member applying for the credit loan.

As stated by one of the management of Bank Sumatera Utara below:

'We do the feasibility test of prospective members by exploring their abilities, seeing the aspects of the business they are running, their income and assets. Besides that, we also study the character of the prospective member, how is attitude, honesty, habits and so on. all of which are part of the consideration for lending.

Consolidation Stage

Strengthening activities are carried out on community members who have been designated as prospective borrower members based on the results of the due diligence that has been carried out. This strengthening activity is carried out by members before credit assistance is given to them. In accordance with expo developed by the Bank Sumatera Utara, before members receive a loan for working capital, they must first follow an 'education' or 'training' process known as Compulsory Gathering (LWK). This mandatory gathering training activity is a process of training and consolidating prospective members of Expo Bank Sumatera Utara so that they are truly ready to become members so that they are able to implement various provisions that have been required by the program in an effort to improve their welfare. As revealed below:

'... after a feasibility test is carried out for prospective members of Bank Sumatra Utara, they are required to follow LWK, the goal is that they are truly ready to receive credit assistance and are truly ready to follow various program provisions ...' (ED, Bank Sumatera Utara Management 18/06 / 2019).

Program Realization Stage

Expo credit assistance funds are distributed to the public poor who have fulfilled the loan requirements. Because the credit program targets Expo Banks are those who are not touched by the bank because they don't have enough guarantees in mengoteh bank credit, therefore expo bank applies the loan application procedure is taken through quite long stages as revealed above before the funds reach the members concerned.

Loan funds are given after members who have joined the group in an activity known as Sunday. The Sunday activities were attended by members who had taken part in the socialization activity stages, due diligence and compulsory training.

From the information obtained in the field, it is known that Sunday activities are the culmination of all stages of expo program activities, as disclosed by one of the managers below:

'.. weekday activity is the culmination of all the stages we have to go through before we hand over funds to borrowers, in this weekday activity the process of activities will run such as repaying loans, submitting new proposals, receiving savings ... "(AG Management of Bank Sumatera Utara 14/06/2019).

The Benefits of Applying Expo

In Bandar Setia village, there are currently 327 poor people recorded, while currently 347 people have participated in Expo Bank in Bandar Setia village. When viewed from this number, it appears that the community members who accept expo are already larger than the number of poor people. However, the reality on the ground shows that not all poor people can accept expo. This means that the participants of expo in Bandar Setia village as a whole are not classified as poor.

Benefits of the Expo Method / To the Community Economy

The presence of expo implemented by Bank Sumatera Utara in the village of Bandar Setia which aims to provide business capital assistance and guidance for the poor, micro entrepreneurs and the informal sector have shown good progress! This indicates that expo that is being implemented plays a role in the economic growth of the Bandar Setia village community.

The implementation of Expo Bank certainly provides benefits for the development of the member economy, in particular. and generally the people of Bandar Setia village. Condition. This is marked by the development of businesses run by members, as well as an increase in the number of members who receive credit assistance funds from Expo Bank.

The benefits of credit assistance with expo are also expected to have an impact on the progress of the members' business, as the following information was presented by HE, a community leader in Bandar Setia village:

"... Bank Sumatera Utara credit assistance has helped many residents who have difficulty with capital for business, with easy terms and a simple process, in my opinion, it is more likely that the community's businesses can develop, besides that the benefits of credit that residents get are enormous if residents can use it. well.. '(HE Community leader 20/04/2019).

The need for business capital is the cause of the underdevelopment of businesses carried out by residents of the village of Bandar Setia, to the extent that the capital needs of many citizens receive from moneylenders (loan sharks) who in their implementation are not helpful but instead burdensome to the poor as the information obtained from them. OK, Chairman of RW 03 below!

'in this area there are lots of moneylenders ... now there are still money, if it is difficult to borrow money from local moneylenders, the interest is very high, so pay it daily again, at Bank Sumatera Utara, the interest is not large, there is no guarantee, so a resident the community here can be helped by the loan.. '(OK community leader 18/04/2019).

Based on the information and documents obtained from the first stage of the feasibility test data conducted by the Bank Sumatera Utara on NT informants, it can be seen that NT has a house index value of 21, an income index of 350,000 and an asset index of 400,000. Based on the assessment of the index on loans first stage NT gets (credit of Rp. 500,000, - from the amount of 1 million he submitted

This is the same as expressed by the NT administrators after conducting an in-depth interview as below:

'I got a loan for the first time, only 500 thousand, even though I wanted to get one million but that was already paid off. Yesterday, I worked again with Bank Sumatera Utara Officer for another capital increase. Pinjaman, I am currently given one million mas ... yes, thank God, I can add trading capital ... "(NT, Member of Bank Sumatera Utara 18/06/2019).

NT is the Chairperson of the Bunga group which consists of 5 members, all of whom are mothers. Each member of the flower group has a different business, but no place! they are

close together. The loans obtained by each group member also vary, some can be 500 thousand, 750 to 1 million rupiah.

Likewise, an IM informant who also revealed that the loan funds he got from Bank Sumatra Utara were used to finance his business activities. As revealed below:

"I was given a capital loan for the first time of 500 thousand, now I can borrow another 1 million, I use the money to increase capital to buy merchandise, I shop for merchandise in the market if I couldn't store goods in the past, thank God now I've added a little.. "(IM Member of Bank Sumatra Utara 24/06/2019).

With this additional capital, the benefits felt by IM are not only in the form of growing businesses and of course having an impact on the increased income it can generate.

'Now my merchandise is quite a lot, if every day I can make a lot of profit, the result is for my daily needs, for school children save a little because next year my child enters SMF needs a lot of money.. "(IM, Member of Bank Sumatra Utara 24 / 06/2019).

For members of the small business community and those engaged in the informal sector, the credit assistance provided has not fulfilled their wishes in running a business, because the capital given is very limited, even though their needs are very much, as disclosed below:

"If you can get big I want to open a business bam, for my child he is not in school, so instead of unemployed, it's better to open a business and also make a shop, Grandpa, but I don't have the capital, if at Bank Sumatra Utara the loan can't be big, now i just studied.

Benefits of Expo Against Community Social Life

Expo implemented by Bank Sumatra Utara is not only to help improve the community's economy, it is hoped that it can also bring discussion to the social life of the community because it is realized that the problem of poverty is not only related to economic aspects but also social, cultural aspects and if it is not addressed it will have a very bad impact. as; the lack of quality of human resources, the emergence of social jealousy, vulnerability, the threat of crime and so on.

There is an obligation for members who will get credit for the Expo Bank Sumatra Utara method to join the group, must participate in compulsory gathering exercises and, Sunday activities are nothing but a means built in an effort to foster a sense of shared responsibility

and strengthen social relationships that exist within the community 'so that It is hoped that a pattern of tolerance, togetherness and good cooperation will emerge between them to solve the problems they face.

The following informal statements indicate that the implementation of expo bank program has brought positive changes in the social life of the community in Bandar Setia village as expressed by RH as follows:

"Joining as a member has the advantages too, bro. You can also get acquainted with you already know, tapping] I don't know much now, if there are 20 people gathering, the good thing is that if there are members who celebrate we can know, we also understand if someone is there. sick so we can help together ...

"(Rh member of Bank Sumatera Utara 21/06/2019).

Expo implemented by Bank Sumatera Utara has raised awareness of saving among members. Expo of credit program requires each member to try to set aside a small portion of their income each week to be saved at Bank Sumatera Utara. This saving is voluntary in nature, but it has created a positive outcome among members where if one member gets it. save so other members will try to save too. As stated by the following IM:

'... I didn't just borrow, bro, but I also had savings, every week I said there was an excess of one thousand and two thousand I saved, and when I was held by enter, the other members also spent saving too ... "(IM, Bank Member North Sumatra 24/06/2019).

In addition to the pension savings fund taken and "the member's loan fund, the member's voluntary savings is not determined. As with Dd's informant, he said that every time he installs it he must set aside the money for savings, as stated below:

'every time my instalments deposit. I should have paid Rp. 27,100, - because my first loan was 1 million, that's all. I put 30 thousand in return, the rest can be used for adding my savings.' (Dd Member of Bank Sumatera Utara 24/06/2019).

Discussion

The existence of expo which is currently being implemented by Bank Sumatera Utara in rural area¹⁷ has shown the existence of a new economic power in the community that is expected to be able to play a role in building people's lives to a more prosperous level. Through expo that he developed, Bank Sumatera Utara is trying to bring the poor, especially those in rural areas, to the banking system that has been remote or not. reach out to these

poor groups of people. The presence of the Expo by Bank Sumatera Utara method in the community provides new hope for the existence of rural modernization. ¹⁰ Because one of the roles of the bank is to promote modernization in rural areas, where so far most of the people living in rural areas have not been reached by banking facilities, so with the presence of Bank Sumatera Utara which applies expo specifically. Bandar Setia village, this problem has more or less begun to be answered.

In terms of economic development the benefits of the sulrt program to be measured consistently based on a simple analysis of the large amount of money that is distributed (circulating) on a regular basis can show that expo implemented by Bank Sumatera Utara helped spur in improving the economy of the Bandar Setia village community in particular. Bank Sumatera Utara with expo which is carried out in an effort to improve welfare and overcome poverty, currently its presence in the village community of Bandar Setia has entered its third year. The development of the number of members of Expo Bank Sumatera Utara in Bandar Setia Village has shown a fairly rapid development if in the first year the number of members who received credit was 113 people, now there are 345 people.

This increase in the number of members shows that in quantity many people have benefited from Expo by Bank Sumatra Utara method. As previously stated, currently in Bandar Setia village, funds that have been rolled out have reached +124 million with a repayment rate of 92, 1%. The increase in the number of members also resulted in the need for credit funds also increasing, not only for new members but this increase was also due to an increase in the amount of credit that could be given to members who returned to apply for a credit loan, for example, if in the past they received a loan of 500 thousand in loans the second can increase to 750 thousand or even increase to 1 million rupiah. One of the prominent changes in the community participating in the expo program is the awareness of saving in members. Expo mechanism developed by Bank Sumatera Utara has spurred Expo Bank members to try to set aside their income once a week to save at Bank Sumatra Utara.

One of the prominent changes in the community participating in the Grameen Bank program is the awareness of saving in members. The Grameen Bank mechanism developed by BPR Parasahabat has spurred Grameen Bank members to try to set aside their income once a week to be saved at BPR Parasahabat. The emergence of sufficiently high awareness among members in saving is indicated by the large amount of savings that the Bank Sumatera Utara can collect from members each month. Especially for Expo Bank members who are in Bandar Setia village, the existing data shows that on average each month members' savings can accumulate more than 3 million rupiah. This amount is enough to give an idea that among members of the Expo Bank Sumatera Utara there has been an awareness of saving.

Conclusion

Application of expo as an effort to reduce poverty conducted Bank Sumatera Utara in the village of Bandar Setia. has not fully touched the poor community groups, because the application of expo in the field shows that not all members of the community who are classified as poor, especially in Bandar Setia village, can access expo applied by Bank Sumatera Utara. The application of expo in general also provides benefits to the community in Bandar Setia village, both economically, namely an increase in business and income, as well as benefits for the social life of the community such as a change in the attitude of the members, especially in the form of solidarity between people and habits of saving.

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