



Community development for MSMEs on improving financial inclusion

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ABSTRACT

Background: Positioned as the bedrock of Indonesia's economic resilience, Micro, Small, and Medium Enterprises (MSMEs) stand out as a focal point for the Indonesian government's efforts to fortify the nation's economy. The inexorable march of the Fourth Industrial Revolution requires adaptive measures by MSMEs to ensure their survival. **Methods:** The research examines the financial literacy levels within a community development program initiated by a financial institution, with a specific focus on the micro-business segment. Moreover, using SWOT analysis, an assessment of the community development program implemented by one of the financial institutions in Indonesia was conducted through which micro-entrepreneurs have succeeded in improving financial literacy, one of which is by having a bank account. **Findings:** The empowerment strategy involves imparting financial knowledge and acquainting MSME communities with digital platforms to foster their growth. Financial literacy is very important to accelerate the reach and bring financial facilities closer to the community in the form of additional capital from microcredit. **Conclusion:** To accelerate this process, community development initiatives and capacity-building programs for Micro and Small enterprise actors become essential, aiming to elevate their proficiency in business management, enhance production competitiveness, streamline small business enterprise management, and fulfill the evolving marketing needs of micro-business actors. **Novelty/Originality of the Article:** This article emphasizes the importance of financial literacy in facilitating the access to microcredit, helping micro-businesses gain financial knowledge and resources to improve their operations and sustainability.

KEYWORDS: community development; corporate social responsibility; financial inclusion; micro small medium enterprise.

1. Introduction

Small and medium-sized enterprises (SMEs) serve a vital function in the Indonesian economy, as reflected in the contribution of small entrepreneurs to Gross Domestic Product (GDP) from 2015 to 2019 and the significant impact on Indonesia's international trade (Winata, 2023). During this period, SMEs emerged as a significant driving force of economic growth, cementing their status as a fundamental component in the national economy (Saputra & Darmawan, 2023). In terms of employment opportunities, labour absorption in the MSME sector grew from 96.99% to 97.22% in the last five-year period (Mahendra et al, 2022). The Indonesian government plays a role in the development of MSMEs in Indonesia, one of which is by providing regulations that support the growth of MSMEs, including strengthening institutions as facilitators, providing operational training and business marketing (Uran, 2023).

This journal focuses on the Micro Business segment, defined as businesses with net assets of up to IDR 50,000,000.00 (fifty million Indonesian rupiah), excluding land and

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business premises; or with annual sales of up to IDR 300,000,000.00 (three hundred million Indonesian rupiah), in accordance with Law No. 28 of 2008. In 2019, the number of micro-business operators dominated the business segment in Indonesia, with a total of 63,955,369 registered micro-business operators at the Ministry of Cooperatives and SMEs, accounting for 99.62% of the total business operators in Indonesia (Ministry of Cooperatives and SMEs, 2023).

The post-pandemic economic sector needs to be given full support from the government to recover, one of which is by increasing state spending (Prasetyo, 2023). The government's encouragement after the Covid 19 pandemic to improve the economy was carried out by providing Direct Cash Assistance/*Bantuan Langsung Tunai* (BLT) (PMK 14, 2021). Through the distribution of BLT, the government maintains the MSME sector to be able to continue running its business by increasing people's purchasing power (Rossevelt, 2023). With the improvement in people's purchasing power after the pandemic and conditions that have entered the normal period, MSME-based business activities such as PKL (field work training) have begun to grow and improve. One example of a pro-MSME policy is in Surabaya through fiscal policy with tax relief in the restaurant sector and through a community development strategy with collaboration between MSME business actors and corporations (Margareta & Huda, 2022).

Micro business actors often experience challenging problems in raw material costs, labour costs and promotion costs, as well as in business capital (Hartono & Hartomo, 2014). Survival strategies for MSMEs include e-commerce trading, digital marketing, improving product quality and adding services as well as establishing and optimising customer marketing relationships (Laura Hardilawati, 2020). In addition, communication strategies through the use of social media can be carried out to encourage public interest in investing in the MSME sector (Wibowo, 2023).

Financial literacy and inclusion are needed to maintain and improve the economy of the MSME segment in Indonesia. In 2022, it was recorded that Indonesia's financial literacy had increased to 49.68% and the financial inclusion index reached 85.10% (OJK, 2022). Through increased financial literacy, financial inclusion will increase, and have an impact on the capitalization of micro businesses (Pradana & Suarmanayasa, 2022). Limited financial literacy and inclusion leads to income inequality (Khoiriyah & Amalia, 2023). Financial literacy refers to an individual's understanding of basic financial concepts such as cash flow management, investment, credit, and financial risk. According to research by Atkinson & Messy (2012), low financial literacy can hinder rational decision-making in business, causing MSMEs (Micro, Small, and Medium Enterprises) to face difficulties in accessing credit and building sustainable businesses. A study by Xu & Zia (2012) emphasizes that improving financial literacy contributes to enhanced business efficiency, reduced financial risk, and the ability to adapt to economic and technological changes. In Indonesia, various studies have revealed that low financial literacy remains a major obstacle for MSMEs. Research conducted by the Financial Services Authority (OJK) indicates that the financial literacy level of the Indonesian population is still at a moderate level, with micro-entrepreneurs being the most vulnerable group to limited financial understanding (OJK, 2021). Therefore, community-based interventions are crucial in enhancing the financial skills of MSME actors.

MSME support needs to be done to access a wider market domestically and abroad. In terms of funding, the Government of Indonesia has made efforts to accelerate the development of the real sector and the empowerment of micro and small enterprises with one of the policies oriented towards increasing the access of micro and small enterprises to sources of financing commonly called Kredit Usaha Rakyat (KUR) (Presidential Instruction Number 6 of 2007).

On the other hand, the government and financial institutions can provide training, resources, and support in terms of marketing and market penetration (Ammar & Satria, 2023). Marketing and licensing programmes as well as business education and training have been shown to have a significant positive influence on MSME profits (Krisnawati & Djamaluddin, 2023).

In addition to the Indonesian government, other stakeholders are expected to empower micro-enterprises to support Indonesia's economic resilience programme. One of the financial institutions in Indonesia that focuses on the micro segment has a community empowerment initiative. The role of banking is needed by MSMEs to deal with the constraints experienced (Cahya et al., 2021). MSME empowerment can be carried out with principle number 7: community development according to the Guidelines for Social and Environmental Responsibility (SNI: ISO 26.000, 2018).

2. Methods

This journal uses the literature study method and SWOT analysis. Literature study is used to describe the current status of Indonesia's MSME and deliberate the development of MSME through the view of financial institutions. By using this method, the author emphasizes financial inclusion aligning with corporate social responsibility from a financial institution. Following the description, authors use SWOT analysis to recommend a current program from a financial institution to be developed for further use.

3. Results and Discussion

3.1 *The Role of financial institutions in financial empowerment*

Financial inclusion in Indonesia is a programme that aims to provide wider and more equitable access to finance for all people, especially those in remote and less developed areas. Some of the benefits of this financial inclusion programme include increasing economic efficiency, supporting financial system stability, reducing shadow banking or irresponsible finance, supporting financial market deepening, providing new market potential for banks, and providing many benefits for the community such as increasing income, managing risk, and moving out of poverty.

Community empowerment of micro and small businesses directly supports the achievement of the Sustainable Development Goals (SDGs), namely No poverty, Decent Work and Economic growth and Sustainable Cities and Communities. Businesses are part of the productive society that plays a role in developing the local economy. The development of MSMEs in Indonesia is strongly supported by financial literacy and information technology (Waharini et al., 2022). Furthermore, a form of financial literacy, namely through simple bookkeeping, can help micro-entrepreneurs to exercise financial control (Rehandi, 2023).

Financial institutions that focus on micro businesses play a role in providing financial literacy and inclusion (Rofiah, 2011). Through the improvement of technology-based financial literacy, people will find it easier to access financial products, ease of transactions and access to financing to increase their business capacity (Kufepaksi & Wiweko, 2022). Furthermore, technology-based financial literacy allows the community to develop collaboration and creativity that will help develop their business.

Financial institutions function as catalysts for economic development through the role of financial intermediaries, which can accelerate Indonesia's economic resilience (Siswanto, 2011). In the early stages of financial literacy, micro-business actors are introduced to banking savings products, then through banking capital can help the development of small and micro businesses (Cahya et al., 2021).

3.2 *Strategies for empowering Indonesian MSMEs*

The strategy of positioning MSMEs in the national economy, the buzz of innovation is not only the task of MSME actors, but also a homework for parties providing MSME empowerment. In order to compete in the global market, MSME empowerment in Indonesia must also target increased product and service innovation, development of human

resources and technology, and expansion of product and service marketing distribution (Sedyastuti, 2018), so that in the end it is also expected to increase export figures. In other words, the empowerment of MSMEs needed in Indonesia is comprehensive and leads to adjustments to the industrial revolution 4.0, especially to technology and the internet that facilitate MSME business activities.

Facing these challenges, the Government of Indonesia (GoI) has initiated "Making Indonesia 4.0" in the first quarter of 2018, as an integrated programme that aims to implement a strategy and roadmap towards the Industrial Revolution 4.0. The programme includes the development of five main focus sectors, namely food products, textiles, automotive, electronics, and chemicals. The programme also has 10 National Priorities, one of which is the empowerment of MSMEs.

The initial strategy of empowering MSMEs was realised through the provision of financial assistance and microcredit, which later became known as microfinance. The financial assistance is provided because the number of MSMEs in Indonesia is dominated by micro-enterprises, which generally have a business orientation for survival, so many still experience constraints in terms of capital (Tambunan, 2020). Studies show that microfinance institutions have successfully assisted millions of people in developing their businesses, especially in the Micro, Small and Medium Enterprises (MSMEs) sector, namely by providing financial assistance, which ultimately contributes to building stable economic conditions in developing countries.

3.3 Social and environmental responsibilities

ISO 26000 was effectively developed to assist organisations in assessing and addressing social responsibilities that are relevant and significant to their mission and vision, operations and processes, customers, employees, communities, and other stakeholders, as well as responsibilities for environmental impacts. The standard was launched in 2010 following negotiations between various stakeholders around the world. Representatives from governments, NGOs, industry, consumer bodies and labour organisations around the world were involved in its development, meaning it is an international consensus. ISO 26000 guidelines and seven key principles underpin social responsibility: Accountability, Respect for stakeholder interests, Respect for the rule of law, Transparency, Ethical behaviour, Respect for international norms of behaviour, And respect for human rights.

3.4 Seven core lessons and issues related to social responsibility

The most crucial element that enables organizations to accept accountability for the effects that their choices and actions have on the environment and society is organizational governance. It includes organizational values and culture as well as official and informal structures, procedures, and methods for decision-making and implementation based on the core ideas of social responsibility. Respect for human rights is a crucial component of this duty, and it includes upholding civil, political, economic, social, and cultural rights as well as avoiding complicity, addressing human rights risk situations, resolving grievances, preventing discrimination, and protecting vulnerable groups. Because businesses create jobs, pay fair wages, and maintain good employment policies, labor practices are also very important. Occupational health and safety, social protection, working conditions, labor relations, human development via education and training, and social dialogue are some of these. With primary concerns like pollution avoidance, sustainable resource use, climate change adaptation and mitigation, biodiversity preservation, and natural habitat restoration, environmental responsibility is equally essential to human existence and well-being. By addressing issues like anti-corruption, responsible political involvement, fair competition, promoting social responsibility throughout the value chain, and respecting property rights, fair operating practices show how an organization uses its relationships with other entities to promote positive outcomes.

Another crucial area is consumer issues, where businesses must practice fair marketing, give accurate and unbiased information, protect consumer data and privacy, promote sustainable consumption, guarantee consumer health and safety, provide dependable customer service and dispute resolution, and make it easier for people to access necessary services, education, and awareness. Lastly, through initiatives like education and cultural support, job creation and skill development, technology access, wealth and income generation, public health support, and social investment, community engagement and development highlight the role of organizations as responsible members of society. ISO 26000 emphasizes the significance of results and ongoing enhancement of social responsibility performance in addition to offering definitions and guidelines to assist organizations in comprehending and addressing social responsibility.

3.5 Banking sector as the accelerator in financial inclusion

PT Bank Rakyat Indonesia (Persero) Tbk (BRI) is a bank in Indonesia that chooses to focus on the MSME segment. The bank was founded on 16 December 1895. In 2022, BRI generated a net profit of IDR 47.8 trillion, or grew 48.46% from 2021. The portion of lending is dominated by the MSME segment, amounting to IDR 849 trillion (or 82.46% of total lending). BRI's main products in the Micro segment are Micro People's Business Credit (KUR) and Rural Public Credit (KUPEDES). In 2021 BRI also strengthened its infrastructure and financial penetration strategy through ultra-micro holding (UMi) with Pegadaian and PNM. This ultra-micro holding allows BRI and the Group to provide a micro ecosystem for the community, and financial literacy targeting 3T (underdeveloped, frontier and outermost) areas.

BRI's micro ecosystem is currently wider and more spread out, this is assisted by the BRI PNM and pawnshop networks spread throughout Indonesia. This is very instrumental in increasing financial literacy and inclusion as mandated by the government. This holding also provides benefits for the community, especially micro business actors, including increasing financial literacy and inclusion, increasing capabilities, market access and including empowering women.

Community development and empowerment at BRI cannot be separated from internal development activities. BRI has many professionals and practitioners who have experience in implementing micro segment finance in Indonesia. For this reason, BRI has developed several programs that aim to improve both internal and external capabilities through:

3.5.1 Affiliation with Bank Rakyat Indonesia (BRI)

For 124 years, Bank Rakyat Indonesia (BRI) has been present as an Agent of Development in the lives of Indonesian people with the spirit of building a populist economy through banking and financial services. With this spirit, BRI continuously provides assistance, provides financial access, and financing to MSME players, given the important role of MSMEs for the Indonesian economy, namely through the following programs Annual Report Bank Rakyat Indonesia, 2019; [a] MSME Empowerment This effort is carried out through financing, mentoring, training, go-export, and implementation of government programs; [b] BUMN Creative House (RKB) RKB is a collaboration of BUMNs to form a Digital Economy Ecosystem through MSME coaching to increase the capacity and capability of MSMEs. Until the end of 2019, it was recorded that BRI had 54 RKB throughout Indonesia, with a total of 329,969 members and had conducted 4,133 trainings; [c] BRIncubator Through RKB BRI, the Financial Services Authority (OJK) initiated BRIncubator to provide assistance, modernization, and empowerment of MSME groups to encourage the productivity of MSME players, create new technopreneurs, and to facilitate MSMEs to develop to become well literate or considered "upscale". In 2019, there were 1.9 million MSME debtors who were categorized as having upgraded. The first BRIncubator was held in 2018 in 5 cities, namely Padang, Bandung, Solo, Malang and Makassar with 500 MSME participants who are members of RKB BRI. In 2019 the second BRIncubator was held in 5

cities, namely Central Jakarta, Semarang, Yogyakarta, Sidoarjo and Gianyar with a total of 500 MSME participants who were members of RKB BRI who were then selected to 250 MSMEs to take part in the BRIncubator process which consisted of workshops, coaching and mentoring by nationally certified lecturers. Furthermore, these MSMEs are given business guidance and assistance by mentors for 6 months with a maximum ratio of 5 MSMEs accompanied by 1 mentor, so that the business assistance process can run optimally. At the end of the BRIncubator implementation, the 3 best MSMEs in each city were selected, after which the best UMIKMs received cash prizes for their business development and continued to receive assistance from the BUMN Creative House to Go Global and be ready to enter the export market.

3.5.2 BRI microfinance center (BMC)

BRI Microfinance Center (BMC) is a research and consulting institution in the field of microfinance and Micro, Small and Medium Enterprises (MSMEs), which actively participates in networking in the field of microfinance and MSMEs, both domestically and internationally.

In BMC's company profile, it is explained that BMC has a company vision "To become the world's leading microfinance study center", and adheres to the company's mission as follows: [a] Carry out strategic research and consulting activities that are comprehensive and strategic for the development of microfinance, Micro, Small and Medium Enterprises (MSMEs), and financial inclusion; [b] Actively participate in programs to improve the quality of community welfare and economic development; [c] Provide and exchange information and publications related to microfinance activities, Micro, Small and Medium Enterprises (MSMEs), and financial inclusion, both at home and abroad; [d] Actively participate in microfinance forums, both on a national and international scale.

The form of assistance and technical assistance carried out by BMC is by providing training and technical assistance to the business sector and institutions, with a number of experts (advisors) from various fields who will assist in providing expertise and facilities to help empower targeted MSMEs or institutions.

Cooperation with advisors and agencies that have signed an MoU with BMC will be very useful when BMC conducts empowerment that is technical in nature as well as empowerment that requires regular monitoring and evaluation. An example is empowerment in agriculture and plantations.

The key takeaway is that BMC aims to increase the competitiveness of MSMEs, is transparent, market-oriented, and has regional potential. It also plans and executes its activities in an integrated way. The goals of MSME empowerment outlined in Presidential Regulation Number 2 of 2015 regarding the National Medium-Term Development Plan (RPJMN) for 2015–2019 are also met by BMC's MSME empowerment strategy. These goals include enhancing the quality of human resources of MSME business actors by fostering an entrepreneurial spirit, providing training and mentoring, and raising the added value of the goods and services provided by assisted MSMEs. The approach taken by BMC is part of the ring finger philosophy, which serves as a facilitator to help MSMEs, and is based on Bank Indonesia's Five Fingers Philosophy of MSME empowerment.

Community Empowerment carried out by BRI is carried out close to the business being carried out. Some of these programs are: BRILiaN Village, My Life Cluster, LINKUMKM, and UMKM EXPO (RT). In accordance with POJK 51 of 2017, financial institutions and issuers are required to implement Sustainable Finance, one of which is through the Social and Environmental Responsibility (CSR) program.

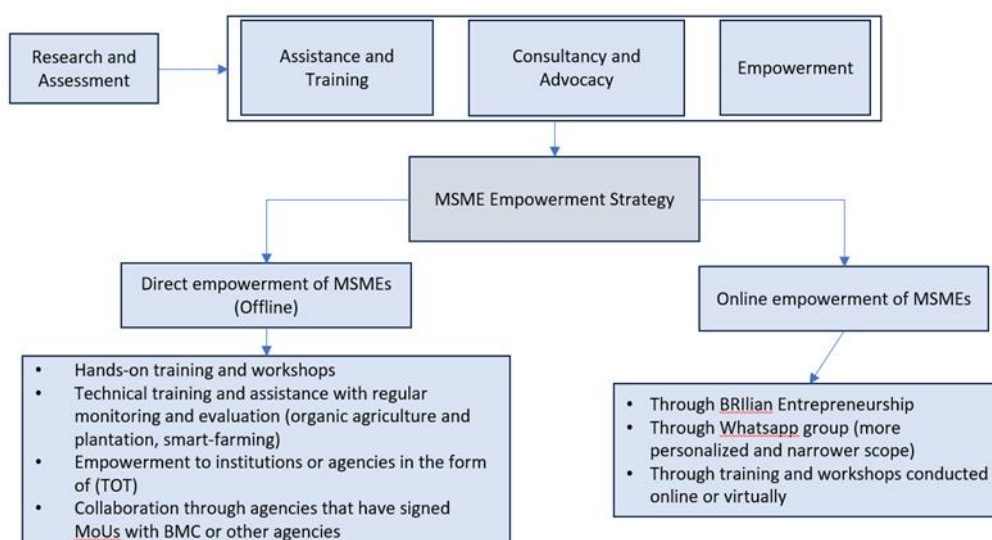


Fig. 1. Flow of MSME empowerment by BRI microfinance center

Each of these empowerment initiatives is designed with a specific focus and set of objectives. The BRILiaN Village program empowers rural communities to become economically independent through strategic collaboration with Village-Owned Enterprises (BUMDes). This program strengthens local governance, enhances digital financial services, and supports entrepreneurship at the village level. My Life Cluster applies a community-based approach by grouping individuals with similar livelihoods and enabling collaborative development through financial assistance, mentoring, and capacity-building.

The LINKUMKM initiative addresses a critical challenge faced by MSMEs—limited access to financial literacy and digital platforms. Through education and digital onboarding, this program enhances MSME resilience and inclusivity in the formal financial system, in line with studies emphasizing the role of financial inclusion in poverty alleviation and economic empowerment (Tambunan, 2020; Beck & Demirgüç-Kunt, 2006). Meanwhile, the UMKM EXPO (RT) provides MSMEs with exposure to broader markets, especially international ones, by facilitating export opportunities, business matchmaking, and product showcases.

Research from both Indonesian and international sources supports the significance of such integrated empowerment programs. Domestically, studies emphasize that CSR initiatives aligned with local economic potential can foster sustainable community development. Internationally, empirical evidence suggests that CSR-led empowerment, especially when tied to financial education and digital transformation, can improve economic resilience and competitiveness of marginalized groups (Ghosh & Vinod, 2016).

These community empowerment initiatives by BRI not only fulfill regulatory mandates but also contribute to the achievement of several Sustainable Development Goals (SDGs), such as No Poverty (SDG 1), Decent Work and Economic Growth (SDG 8), and Reduced Inequalities (SDG 10). By embedding social responsibility within its core business practices, BRI exemplifies how financial institutions can act as catalysts for inclusive and sustainable national development.

3.5.3 LINKUMKM

As a bank that focuses on MSMEs, BRI has several community empowerment programs, one of which is LINKUMKM. This program is an online platform that aims to empower small and micro businesses through assistance and training in running their business. LINKUMKM can be accessed through the website address: www.linkumkm.id as well as applications on devices. The main features of this program are free training for businesses and product marketing through the application. Fig. 2 below is the flow of registration and the process of LINKUMKM activities:

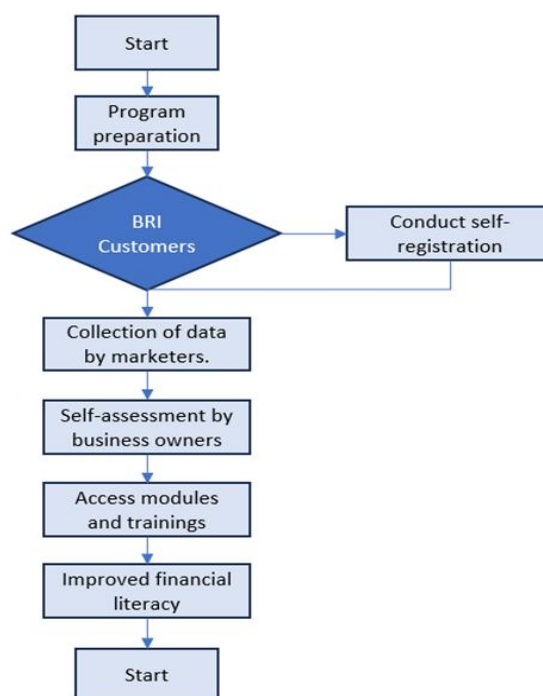


Fig. 2. LinkUMKM process flow

The platform provides assessments to businesses to identify and categorize them into traditional, emerging, and modern. The identification is done through assessments on 11 aspects, namely: business scale, leadership, culture of innovation, marketing management, operational management, financial management, HR chain management, legality and compliance, social and environmental, industry and market understanding and supply chain management. Through grouping based on the assessment results, MSME business actors receive training in accordance with the aspects that need to be developed. Based on the report submitted by BRI, LINKUMKM has been running since 2021, and there has been a significant increase in terms of LINKUMKM users. Table 1. below is the growth of LINKUMKM BRI users in the last 2 years.

Table 1. LINKUMKM user growth

| Category | 2021 | 2022 | Growth |
|-------------|---------|-----------|---------|
| Traditional | 436,265 | 1,432,742 | 228.41% |
| Evolving | 169,122 | 781,481 | 362.08% |
| Modern | 13,429 | 81,567 | 507.39% |

In 2022 there were 2,295,791 micro and small businesses registered on the LINKUMKM platform. As for the total registered business actors, it has been identified that as many as 1,432,742 users (62%) are in the traditional category, 781,482 users (34%) are in the developing category and 81,567 users (4%) are in the modern category (SR BRI, 2022) (See Fig. 3).

Based on this data, it was found that user enthusiasm increased sharply in 2022. This is due to several things including: program socialization carried out up to the sub-district level through BRI marketers, and the opportunity to improve the capabilities of business actors from traditional to developing and modern categories. The development of micro and small business actors as LINKUMKM users is carried out by adjusting the depth of the module based on the category. The requirements for actors to follow LINKUMKM are: personal data, having a micro or small scale business.

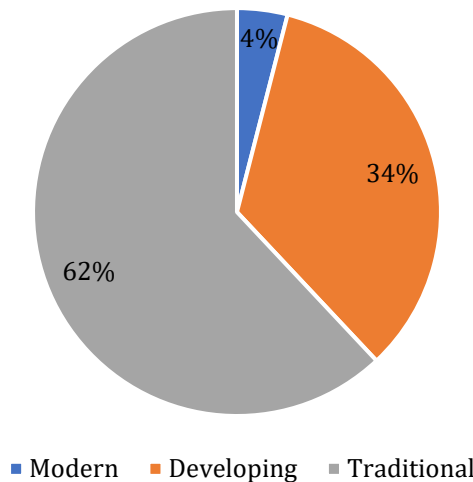


Fig. 3. Assessment results of LINKUMKM users who have registered
(Sustainability Report BRI, 2022)

The modules that can be accessed by users include digital marketing modules, halal certification, product design, MSME tax and packaging. Users are also equipped with soft skills such as negotiation, leadership etc. To complete financial literacy, users also get information about banking products such as insurance, savings, financial services and loan facilities.

The preparation of this module is tailored to the characteristics of the category of small and micro businesses. The modules are organized at a certain level that can answer the needs of each user. Business actors can access modules according to the opportunities each business actor has. In 2022 there were 462 training modules that could be accessed by users through the LINKUMKM platform. development is also carried out through training by mentors who have expertise in their fields. LINKUMKM has 415 mentors who are experts and ready to help users. Training not only targets soft skills, but also technical skills needed by micro and small businesses. Examples of training modules needed in this social media era are product design, photo-taking techniques, digital marketing to the narrative needed if the product will be marketed through social media.

In addition to the above benefits through the LINKUMKM platform, users can develop and market products with the aim of increasing network and reach. This is done on the storefront. Users can interact with other users who need certain commodities or products to be distributed. Or users can develop their business through other users who have access or new markets.

The LinkUMKM BRI program also provides information about entrepreneurship, innovation, and development that can help MSME businesses in developing their businesses. This program can be accessed free of charge by all MSME business actors through the official LinkUMKM BRI website. With this program, it is hoped that MSME business actors can benefit in improving business quality, strengthening business capacity and productivity, opening market access, and getting rewards and appreciation.

3.5.4 SWOT analysis

SWOT analysis (Strength, Weakness, Opportunity and Threat) is a strategic planning method used to evaluate internal and external factors that affect the performance of an organization or company. Internal factors include strengths and weaknesses, while external factors include opportunities and threats. This analysis helps in identifying the Company's strategic position and strategy formulation.

SWOT analysis can be used as an effective tool to analyze the factors that affect the company and assist in the decision-making process to determine strategy (Freddy, 2006).

This method is useful for looking at a topic or problem from four different sides, namely strengths, weaknesses, opportunities, and threats.

Table 2. SWOT analysis

| | STRENGTHS | WEAKNESS (W) |
|--|---|---|
| | <ul style="list-style-type: none"> Widespread network all over indonesia Eksisting micro ecosystem Human resource Good basis of customers Strong and capable infrastructure Diverse financial data basis Support from government Well prepared program Long experience in msme industry | <ul style="list-style-type: none"> no benchmark Diverse financial literacy Diverse technology literacy New type of network introduced to new people High maintenance program |
| OPPORTUNITIES | STRATEGY SO | STRATEGI WO |
| <ul style="list-style-type: none"> No competitor Industrial revolution 4.0 Post pandemic new normal Digital market Widespread location Community capacity building Increase market scope for client New network for clients New source of growth for banks Close ecosystem for clients and banks | <ul style="list-style-type: none"> Improve the involvement of stakeholder to create an ideal ecosystem Improve user experience in both apps and activities Improve engagement program Diverse program and training as needed Custom program and training Advertorial program to increase social media engagement | <ul style="list-style-type: none"> Improve resources literacy and create legacy to be evaluate in the future Creating pre-program introduction and assessment Community approach with local wisdom Monitor and evaluate program to better understand the needs |
| THREATS (T) | STRATEGY ST | STRATEGY WT |
| <ul style="list-style-type: none"> Malware Digital crime Unsustained program Public acceptance Clients involvement | <ul style="list-style-type: none"> Increase privacy and digital data to level up stakeholder confidence level Include digital literacy program and training Create timeline progress and engagement status to maintain program's sustainability. Advertising and introducing the program using local wisdom Create vocal point of interest to attract more users and clients | <ul style="list-style-type: none"> Create strong and safe digital environment Improve financial literacy along with digital literacy Dedicated long run team to maintain and manage the program Boost engagement by using familiar approach and experience to user anf clients Work with third party to ensure program is well accepted and spead in all area targeted |

The results of the analysis will offer recommendations or alternatives to the problems found, which can be in the form of new suggestions that revise some previously determined alternatives, or suggestions in the form of new strategic alternatives that can be carried out in the future. In essence, SWOT analysis aims to provide recommendations on whether the strategy that has been implemented can be continued, improved or changed, or even

stopped and replaced with a new strategy, which is determined based on analysis through the SWOT for LINKUMKM by BRI Matrix, which is described in Table 2.

The LINKUMKM program initiated by BRI has several strengths, namely: First, National reach, as a bank that is very close to MSME customers, BRI has a wide network to the sub-district and rural level, this will increase the reach of this program. Second, BRI has a strong digital infrastructure, and allows this program to be managed and improved with the support of a strong digital ecosystem, this is in line with the objectives of LINKUMKM which encourages users, namely small and micro businesses, to upgrade and improve their capabilities and access to better financial literacy. Third, financial support, with BRI as the manager of the micro business ecosystem, both BRI and business actors get their respective benefits. BRI has access to extensive data consisting of a network of MSME business actors along with training modules and also financial services that can answer customer needs, while at the same time will maintain the Company as a bank that focuses on the MSME portfolio. From the customer side, this development is needed in order to increase business scope and business reach as well as self-development. Fourth is financial literacy, the Indonesian government encourages increased financial literacy by financial institutions in order to strengthen the MSME segment as the backbone of the Indonesian economy. The MSME segment is proven to be the most resilient segment to the macroeconomic impacts that occur globally.

The weakness of the LINKUMKM program is that the application used as the LINKUMKM platform is still not very attractive, especially for customers with a low level of financial literacy. Micro and small business actors still have to be encouraged and introduced slowly and adjusted to their respective literacy levels. This happens to customers who are in areas with limited internet access, and low access to gadgets.

In terms of opportunity, this program is the only platform-based program that targets micro and small businesses in Indonesia. Increasing access and technological centeration in Indonesia in the industrial revolution to the digital era is a major opportunity that must be captured and this momentum is the right opportunity for BRI and also for micro businesses. However, there is an accompanying threat from this program, namely the digital security of users who are newly exposed to technology. This is a concern because of the growing mode of hacking and fraud. If not managed properly, this risk threat will become an uncontrollable obstacle.

4. Conclusions

The LINKUMKM BRI program is an initiative designed to assist MSME players in improving their competitiveness and ability to do business. From the analysis of the LINKUMKM program, it can be concluded that the LINKUMKM BRI Program aims to help MSME players upgrade, especially in terms of technology and innovation. MSME players involved in the LINKUMKM BRI program can get rewards and appreciation, such as participation opportunities at Bank BRI exhibitions/expos and mentoring programs. The LINKUMKM BRI program provides information and support to MSME players, such as information about entrepreneurship, innovation, and development. Bank BRI has committed to providing convenience in financial services to all corners of the business, including MSME players. Finally, the LINKUMKM BRI Program supports the strengthening of MSMEs in Indonesia by promoting the use of digital technology and business globalization. Overall, the LINKUMKM BRI program is an initiative that aims to assist MSME players in improving their competitiveness, capabilities, and business class through support and resources provided by Bank Republic of Indonesia.

As a program that targets micro and small businesses and provides direct benefits to micro and small businesses, this program can be considered for continuation in the future. The impact of this program, which has reached more than 1 million micro and small business owners. At last, strategy of Strength and opportunity (SO) is considered to be effective. By continuing to improve area based on massive strength, and opportunity the

inisiator could provide improvement of the involvement of stakeholder to create an ideal ecosystem, user experience in both apps and activities, engagement program, diversity program and training as needed as well as advertising the program to more widespread network and audience.

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The authors declare no conflicts of interest.

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