

SOCIAL PROGRAM POLICY OF BANK INDONESIA AND WELFARE OF SOCIETY

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ABSTRACT

Bank Indonesia Social Program (PSBI) is a form of social concern that Bank Indonesia has implemented in the community to help solve the economic problems faced by the community so that they can provide value for countries and institutions. Bank Indonesia's social assistance is packaged in the form of PSBI activities managed by the Public Relations Bureau and in the representative office conducted by the Communication Unit and policy coordination. The purpose of this research is to know the implementation of PSBI's representative office of Solo area in the effort to improve people's welfare in Surakarta. Based on the results of research and discussion that has been done, it is concluded that the PSBI KPw Bank Indonesia Solo Program is a manifestation of Good Corporate Governance. PSBI is based on the realization that central bank policies focused on economic stability efforts are not yet well understood by the public. Supporting the effectiveness of Bank Indonesia's duties in monetary stability and financial system. Bank Indonesia requires interaction communication with stakeholders that are well managed through PSBI.

Keywords: PSBI, Bank Indonesia, Community Welfare

A. Introduction

1. Background Problems

The country of Indonesia is a law country, meaning that everyone in Indonesia is assured of protection of the law and welfare of the community. According to Setiono, legal protection is an action or attempt to protect the public from arbitrary conduct by the ruler who does not comply with the rules of law, to realize order and tranquility so as to allow man to Enjoy his dignity as a human.¹ Pursuant to article 27 paragraph (2) of the Constitution of the Republic of Indonesia 1945, said that "every citizen is entitled to employment and livelihood that is worthy of humanity".

The company's participation in the environment that is created in the form of corporate social responsibility or Bank Indonesia itself is named after the social Program of Bank Indonesia (PSBI)². Nowadays, social responsibility in many industries is no longer only used as marketing gimmick (unusual promotion to be quickly known), but has become the need of the company concerned to be closer to the community and the environment Surrounding.

Legislation that has set about corporate social responsibility to its environment:

1. Government regulation number 32 year 1998 on construction and development of small business.
2. Law number 20 year 2008 on micro, small, and medium enterprises.
3. Law No. 13 year 2011 on poor Facir handling.
4. Regulation of the Minister of Social Republic of Indonesia No. 13 year 2012 on Forum responsibility of business in the implementation of social welfare.

Chapter 74 of law number 40 year 2007 concerning limited Liability company (UUPT), institutions also carry out the development process is known as the concept of Corporate Social Responsibility (CSR). The definition of CSR itself is an organization that exists in a company that has responsibility to stakeholders for its interests³. The institutions are required not only to consider the financial benefit only, but also to pay attention to the social aspects and environmental aspects. So in the annual report CSR is not only based on the single bottom line which is the value of the company but also based on the triple bottom lines including the finance, social, and the environment or that we often call the concept of development Sustainable (sustainable).

Corporate Social Responsibility (CSR) is a business that must be done by the company as a form of corporate responsibility to empower and improve its social environment.⁴ So the commitment of the company to

¹ Setiono, *Rule of Law (Supremasi Hukum)*, (Surakarta: Magister Ilmu Hukum Program Pascasarjana Universitas Sebelas Maret, 2004), hal. 14.

² <https://www.bi.go.id/id/tentang-bi/bi-dan-publik/bi-peduli/program/Contents/Default.aspx>

³ Aminu Ahmadu Hamidu, at all, *Corporate Social Responsibility: A Review on Definitions, Core Characteristics and Theoretical Perspectives*, Mediterranean Journal of Social Sciences. Vol.4 No.6 Juli 2015

⁴ Deasy Wulandari. *Peranan Corporate Social Responsibility Sebagai Upaya Pemberdayaan Masyarakat Untuk Mengurangi Kemiskinan*. 2012. Artikel dalam "Jurnal Ekonomi Manajemen". No.2. Vol.XI, hal.1.

contribute in economic development by building a cooperation between stakeholders facilitated by the company by arranging various community development programs surrounding it by emphasize Economic, social, and environmental aspects so that the communities and stakeholders associated with the Corporate Social Responsibility fore refer to the concept of sustainable development. One of the institutions in Indonesia that also carried out the CSR concept is Bank Indonesia.

Corporate social responsibility in Indonesia, referring to the Constitution of the Republic of Indonesia year 1945 the fourth paragraph of the Constitution of the Republic of Indonesia year 1945, stating the purpose of the Republic of Indonesia is " Protecting all Indonesians and all the Indonesian blood and to promote the general welfare, educate the life of the nation, and follow the world order.

Building the economy of Indonesia can not be removed from the role of government, institutions in the financial sector and business actors. The government as a maker and regulator policy is expected to provide a conducive climate for the business world, so that financial institutions both banking and non-banking and business actors in the field are able to utilize policies and implement Its business activities smoothly, which in the end can encourage economic development acceleration.

One of the business actors who have an important existence but sometimes considered "forgotten" in the policy, the country is micro, small and medium enterprises (UMKM). Though if we know further and deeper, the role of UMKM is not merely a supporter of national economic contributions. Micro, small and medium enterprises (UMKM) have an important and strategic role in the Indonesian economy. There are at least three indicators that indicate it. First, the number of industries is large and in every sector of the economy. According to data from the Department of Cooperatives and SMES, the number of SMES in 2007 reached 49.82 million units, increased to 51.26 million units in 2008 or increased by 2.88%.

By category, the greatest portion is the Micro enterprise segment that reaches approximately 99% of the total number of UMKM. Such large numbers demonstrate that UMKM have a major role in supporting the national economy. Therefore, the development of UMKM should have a great attention. Secondly, UMKM have great potential in absorbing labor. Each investment unit in the UMKM sector is apparently able to create employment opportunities when compared with the same investment in large businesses, according to the data of the Department of Cooperatives and UKM, the number of workers in UMKM in 2007 reached 88.73 million power Work, increased to 90.89 million in labor in 2008 from a total workforce that worked or increased by 2.43%. Thirdly, UMKM contribute significantly to the national income, in 2008 UMKM even accounted for 55.56% of total gross domestic product (PDB) in Indonesia.

General welfare is the responsibility of the State. The realization of such a goal requires the effort of all the people to achieve it. It does not mean that the country bestows its obligations or responsibilities to the community or the company, but the role of the company is also important in the economic development of the country. Such potential can be utilized to accelerate the realization of state objectives.

Article 33 of the Constitution of the unitary State of the Republic of Indonesia year 1945, is the basis of Indonesia's economic system. Pursuant to the provisions of article 33 paragraph (1) of the Constitution of the Republic of Indonesia year 1945 states, "The national economy is held based on the principle of economic democracy with togetherness, equitable efficiency, Environmental, self-reliance, and maintaining a balance of national economic progress and unity. "

The problems related to the implementation of the Bank Indonesia social Program in Surakarta is that many people who do not know the social Program of Bank Indonesia (PSBI) in Bank Indonesia. These findings are known based on the internal knowledge of BI, where many people can not explain the social Program of Bank Indonesia (PSBI). However, when asked for the response to the social Program of Bank Indonesia (PSBI), most of the public agreed with the social Program of Bank Indonesia (PSBI) held by Bank Indonesia. Based on the above, researchers are interested to raise this theme for further study by title, "SOCIAL PROGRAM POLICY of BANK INDONESIA (PSBI) AND WELFARE of SOCIETY".

The formula that we will discuss is how to analyze the implementation of social Program policy of Bank Indonesia (PSBI) in Bank Indonesia Solo?

2. Method

a. Research Location

The research location is conducted in Bank Indonesia's representative office Solo. The author takes this location because the company holds a social program called PSBI which differs from other banks. So many programs that have not been known by the community.

b. Types and Approaches to Research

The research method used is a type of empirical research. Methods have the meaning of working to understand the objects that are subject to the knowledge concerned. Empirical research is research conducted by looking at the reality of the field practice. This approach is also known as sociological approaches that are carried out directly to the field. In this research, researchers develop knowledge based on the reality that is in

Bank Indonesia, representative office Solo so that researchers can describe and review the implementation of social responsibility.

B. Discussion

Bank Indonesia is the central bank that aims to achieve and maintain the stability of the rupiah and to implement the monetary policy in a sustainable, consistent and transparent manner⁵. This purpose is contained in article 7 of UU No. 3 year 2004 concerning Bank Indonesia. In achieving its objectives as a central bank, Bank Indonesia carries out good corporate governance principles. As a manifestation of the implementation of Good Corporate Governance (GCG), Bank Indonesia conducts CSR which is named social Program of Bank Indonesia (PSBI) and includes social responsibility to the environment and society.

The PSBI policy is governed by the BI Board of Governors Regulation No. 14/14/PDG/2012 concerning PSBI. The policy is a policy carried out beyond the duties and responsibilities of Bank Indonesia. This Program is based on the realization that central bank policies focused on economic stability efforts are often not well understood by the community. Then consider that to support the effectiveness of the implementation of Bank Indonesia's duties in the field of monetary stability and the required financial system of communication and interaction with well-managed stakeholders.⁶

The implementation of PSBI pursuant to circular letter No. 14/44/Intern Year 2012 can be in the form of partnership or giving/distribution of aid in the form of goods or funds.⁷

The policy is governed by BI Board of Governor No. 14/14/PDG/2012. Now apply the new rules that are regulation of the Council of BI Governor No. 21/17/PADGintern/2019.

Bank Indonesia Management report (2014), this Program is based on the realization that central bank policies focused on economic stability efforts are often not well understood by the public. Then consider that to support the effectiveness of the implementation of Bank Indonesia's duties in the field of monetary stability and the necessary financial system of communication and interaction with well-managed stakeholders.

Article 7 of Law No. 3 of 2004 concerning objectives of Bank Indonesia:

- a. The objective of Bank Indonesia is to achieve and maintain stability of rupiah value
- b. In order to achieve the objectives referred to in paragraph (1), Bank Indonesia conducts the monetary policy in a continuation, consistent, transparent, and should consider the general policy of the order in the economic field.⁸

The social policy Program of Bank Indonesia (PSBI) at Bank Indonesia Solo as a provision of technical assistance by the Office of Bank Indonesia Solo, an increase in economic capacity, increased HUMAN capacity, and caring Social. According to Utari Indriani as the Staff of the assistant manager of coordination function and policy communication (FK3) in Bank Indonesia Solo explained that there are 3 things that make social policy at Bank Indonesia Solo.

Bank Indonesia social Program is a form of social concern or empathy of Bank Indonesia to contribute in helping to solve the socio-economic problems facing the community. Through its social program, Bank Indonesia also seeks to raise public awareness and understanding of the performance of tasks and achievements of the objectives of Bank Indonesia.

The implementation of PSBI is part of PR activities. The Public relations Bureau has a duty and responsibility to realize the social Program of Bank Indonesia (PSBI). At the representative office level, PSBI is implemented by the communication Unit and Coordination Policy (UK3). According to Utari Indriani as Staff of the assistant manager of coordination function and communication policy (FK3) Bank Indonesia Solo As the result of interviews on Friday, 8 November 2019 at 09.00 WIB.

"How is the implementation of social Program of Bank Indonesia (PSBI) in Solo to handle the empowerment and welfare of the community in the Regional Representative area of Solo? Every year, we have different themes. Kalo in this year 2019 our theme is "Strengthening the role of PSBI through programs that contribute to the national economy".⁹

⁵ Safari Kasiyanto, central bank transparency in indonesia: a law and economic perspective, Indonesia Law Review (2017) 2: 178 - 207

⁶ UU Nomor. 3 tahun 2004

⁷ Surat Edaran No.14/44/intern tahun 2012

⁸ Pasal 7 Undang-Undang Nomor 3 Tahun 2004

⁹ (Wawancara 1 dengan Utari Indriani Selaku Staff Bank Indonesia Solo) Jumat tanggal 8 November 2019 Jam 09.00 WIB

TEMA DAN RUANG LINGKUP PSBI 2019

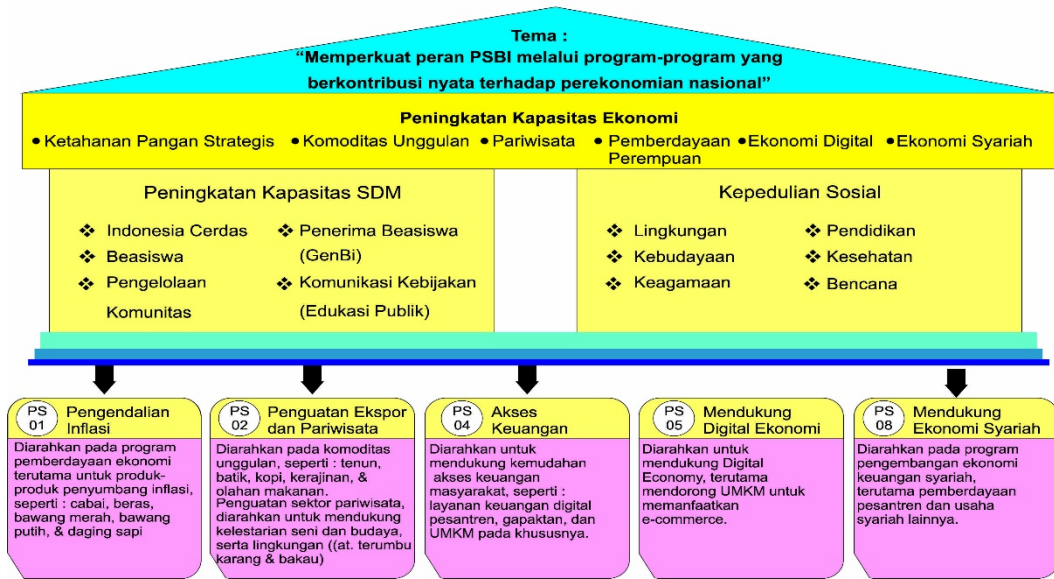


Figure B. 1. Images of PSBI theme and scope 2019

The explanation of the picture above is explained that Bank Indonesia has 3 demands, namely¹⁰:

1. Increased economic capacity
2. Increased HR capacity
3. Social concern

The explanation on the three programs explained by Utari Indriani as Staff of assistant manager that social Bank Indonesia (PSBI) is a form of social concern or empathy of Bank Indonesia. As the interview results on Friday, 8 November 2019 at 09.00 WIB.¹¹

a. Economic Capacity Improvement

Consisting of 6 kinds in increasing economic capacity:

- 1) Strategic food security
- 2) Featured Commodities
- 3) Tourism
- 4) Women Empowerment
- 5) Digital Economy
- 6) Sharia Economics

(1) Strategic Food Security

Bank Indonesia Solo has clusters of shallots, garlic, especially strategic food security that is a community that influences against inflation. In Solo Raya area there are shallots, garlic, chicken meat, chicken egg, and chilli. But currently, Bank Indonesia is still focusing on shallots, garlic, and chili. While the chicken eggs and chicken meat for this year the classic has already passed out, because the cluster has a facenya. The first three years were really in development. This year the Bank Indonesia Solo is really built namely shallots, garlic, and chili.

(2) Featured Commodities

The excellent commodity is something in every area superior or famous. For example in the most excellent Boyolali area it is his cattle. Continue to reply in Surakarta as we build batik too, but it is from the side of the cluster.

(3) Tourism

The tourism sector is still a part of its division into regional economic growth. The priority of PSBI 2019 program has two development sectors:

- (a) UMKM development programs and creative industries that support tourism program, among others support in the development of tourism village.

¹⁰ Ruang Lingkup PSBI 2019, Bank Indonesia Perwakilan Solo

¹¹ (Wawancara 2 dengan Utari Indriani Selaku Staff Bank Indonesia Solo) Jumat tanggal 8 November 2019 Jam 09.00 WIB

- (b) Environmental improvements that support the tourism sector, such as the cultivation of coral reefs and mangroves.

Bank Indonesia Solo has not been giving for the tourism sector this year. In fact, Bank Indonesia Solo had been in the Sangiran, but the new vasilator was not from PSBI itself.

- (4) Women Empowerment

- (5) Digital economy

The digital economy can improve the play of money. Even the faster the economic growth is getting higher. The priority of PSBI 2019 program has four economic digital development, namely through:

- (a) Digital Preneur Program
- (b) UMKM Start up
- (c) Encouraging UMKM to utilize e-commerce
- (d) Digital financial services of Pesantren

This year that will Bank Indonesia Solo is in the area of Umbul Ponggok. So, Bank Indonesai will give E-gate to its part.

- (6) Sharia economics

The Priporitas of the PSBI 2019 program has five sharia economic developments, through:

- (a) Drinking water treatment and garbage in Pesantren
- (b) Cultivation of horticultural pesantren
- (c) Biogas processing Pesantren
- (d) processing of coconut flour
- (e) All-round business School

- b. Increased HR capacity

Consists of 4 types of human resources improvement:

- 1) Smart Indonesia
- 2) Scholarship
- 3) Community Management
- 4) Policy communication (public education)

- (1) Indonesia Smart

Bank Indonesia has BI Corner and PDB.

BI Corner is a kind of library. Bank Indonesia provide facilities such as books, a set of computers, desks, sofas, and all sorts, as well as a collection of books around 100 books. The location of BI Corner which Bank Indonesia Solo just give in Unisri, UNS, UMS, and PerpusDa.

PDB is almost similar to libraries but for children (Paud). Bank Indonesia gives the book a number of 350 books, tables, the walls we also give wallpapers, as well as props like dolls that they can use it all and certainly comfortable.

Bank Indonesia aims to establish BI Corner and PDB so that people know Bank Indonesia since childhood and can improve the literacy for youths to love reading.

- (2) Scholarships

Bank Indonesia Solo has a scholarship program that aims to support students ' fluency when study. The university requirement to get a scholarship that is accreditation of PTS at minimum C, preferably B to expand opportunities for PTS. Scholarship budget in Indonesia 2019 increased 30% which will be allocated to:

- (a) Scholarship: 105 Higher Education (PT) existing, 30 PT (10 PTN) & 20 PTS), as well as 5 pilots of the vocational College of Vokasi Project.
- (b) Scholarship beneficiaries development Program (GenBI).

Year 2019 Bank Indonesia Solo gave scholarships in 2 PTN namely UNS and IAIN and 1 PTS namely Unisri.

- (3) Community management

Bank Indonesia has a community management program that aims to communicate as a means of Bank Indonesia Solo policy communication. The program is still related to the scholarship program or we would call GenBI (new Generation Indonesia). So many GenBI activities are sometimes in love about PSBI and also often involved in PSBI's education. The GenBI community seems to cultivate PSBI in relation to the environment each year, its name is Bersih Indonesia.

- (4) Scholarship recipients (GenBI)

The new generation of Indonesia (GenBI) is a community of scholarship recipients of Bank Indonesia (BI), which is found in several students from various universities in selected regions. There are several common criteria for BI scholarship recipients:

- (a) has completed at least 40 units of credit semester (SKS) or 3 (three) semesters.
- (b) Maximum 23 years old or not yet 24 years old when assigned as a scholarship recipient.
- (c) Not being accepted as a scholarship and/or being in the status of service bonds of other Lemaga/isntance.
- (d) have a in of conducting social activities that have a beneficial effect on the community.
- (e) Willing to play a role, manage, develop the GenBI community & the activities held by Bank Indonesia.

(5) Policy communications (public education)

The purpose of communication of this policy is Bank Indonesia Solo but also with what is the concept of Bank Indonesia itself.

c. Social care

Regarding the context of sustainability, CSR is implemented in three aspects, namely economic, social and environmental. Economic aspects are concerned with efforts to increase economic growth and empowerment of community life including increased education. The social aspect relates to public education and other social care activities.

Environmental aspects relate to efforts undertaken to support the preservation of the environment. PSBI as a form of CSR by KPw Bank Indonesia Solo focuses on economic, educational, public and social education.

Consists of 6 kinds of social care:

- 1) Environment
- 2) Culture
- 3) Religious
- 4) Education
- 5) Disasters
- 6) Health

(1) Environment

Bank Indonesia Solo's environmental Program aims to support environmental sustainability. The environment is still in line, so Bank Indonesia Solo gives PSBI an environment but that is Ngelola GenBI. So we can control the both. For example in this year, Bank Indonesia gave in the area Mojosongo named "Clean Indonesia 2019 BI Solo".

(2) Culture

Bank Indonesia Solo's cultural Program aims to support cultural sustainability. Bank Indonesia Solo has given gamelan at Mangkunegaran Palace, Kraton Culture House.

(3) Religious

Bank Indonesia Solo's religious Program aims to support the facilities of religious infrastructures. Bank Indonesia Solo always help to build mosques, join events such as Chinese New Year (Imlek), etc.

(4) Education

The education Program of Bank Indonesia Solo aims to support the infrastructure of education. Bank Indonesia Solo helped build the school from renovation to its finishingnya.

(5) Disasters

Bank Indonesia Solo Disaster Program aims to help victims of disaster. But until now Bank Indonesia Solo rarely give because in Solo area itself until now includes areas that are still safe. But there is a disaster, the usual that gives the party (IPB) is not from the BI institution that gives but from its own officers.

(6) Health

Bank Indonesia Solo's health Program aims to supervise and assist people's health.

Determination of the type of activity of the program depends on each representative office (KPw). Bank Indonesia's representative office can choose what it will do for its region, so not all should be run. In the event of its execution, the place and the allocation of funds refer to the general rules set forth in circular letter No. 14/44/Intern in 2012. Can be in the form of partnership or granting/distribution of aid in the form of goods or funds. Each of the objectives, beneficiaries and allocation of funds based on the needs of the

recipient are approved by the respective chairman of KPw. As the interview results on Friday, 8 November 2019 at 09.00 WIB.

"What is the motive in the development and empowerment of social Bank Indonesia (PSBI) in the representative of Solo territory? The purpose of this year's BI is based on the theme "Strengthening the role of PSBI through programs that contribute to the national economy". So now this BI maintains stability but do not have a steady reply but its economic growth is not the way. Kalo about the capacity of human resources in line, because according to the theme of Mr., "SDM excellence", indeed who wants to be lifted 5 years ahead of his HR. For our provision in the form of funds and goods. But if the goods like Ribet in us when we manage many of the nominables. But we always love in the form of funds let it be safe, but we still monitor/watch until the end. We also ask for Notes report, vote that final result whether according to the future filed at the beginning or not."¹²

What are the programs given to the community in the development and empowerment of social Bank Indonesia (PSBI) in the regional representative of Solo? Every year, we have different themes. Kalo in this year 2019 our theme is "Strengthening the role of PSBI through programs that contribute to the national economy."¹³

Conclusion that is in the explanation of the above programs then the program is very strengthened as the statement to the 3rd as the result of interviews on Friday 8 November 2019 hours 09.00 WIB.

"What are the legal regulations on the Bank Indonesia social Program Policy (PSBI) in the Solo area representative? The Rules are procedure only. Instructions for implementing the Bank Indonesia Social Program (PSBI) based on circular letter No. 14/44/INTERN year 2012. The PSBI policy is governed by the BI board of Governor No. 21/17/PADGintern/2019."¹⁴

A paradigm change, the focus of Bank Indonesia's policy in supporting the development of UMKM was formulated into the four pillars of UMKM development Strategy, namely (1) the implementation of the crediting policy (2) implementation of institutional development; (3) Provision of technical assistance and (4) cooperation with the Government and other related institutions. One of the pillars of Bank Indonesia's policy is encouraging the development of UMKM through the provision of technical assistance. In the provision of technical assistance, Kanor Bank Indonesia (KBI) Solo conducts training and provision of information that also includes research.

The main problem of UMKM that lead to the development of SMES is the problem of capitalization. Therefore, most of the efforts of the Office of Bank Indonesia (KBI) Solo in order to develop UMKM in Solo Raya is to solve the capital problems. Like the role of KBI Solo through the provision of technical assistance also aims to solve capital problems by encouraging UMKM to access capital to banking and encourage banking to distribute credit to the UMKM sector. Therefore, the role of KBI Solo in the development of UMKM in Solo Raya through the provision of technical assistance is very important and vital. As the results of interviews 5 and 6 on Friday, 8 November 2019 at 09.00 WIB.

"How is the implementation of Bank Indonesia social Program (PSBI) policy in Solo area representative? We are more into the increasing economic capacity of strategic food security, the digital economy, then the capacity of human resources.¹⁵ "Some have been di jelasin above"¹⁶

Building the economy of Indonesia can not be removed from the role of government, institutions in the financial sector and business actors. The government as a maker and regulator policy is expected to provide a conducive climate for the business world, so that financial institutions both banking and non-

¹² (Wawancara 3 dengan Utari Indriani Selaku Staff bagian asisten manajer FK3 Bank Indonesia Solo) Jumat tanggal 8 November 2019 Jam 09.00 WIB

¹³ (Wawancara 4 dengan Utari Indriani Selaku Staff bagian asisten manajer FK3 Bank Indonesia Solo) Jumat tanggal 8 November 2019 Jam 09.00 WIB

¹⁴ (Wawancara 5 dengan Utari Indriani Selaku Staff bagian asisten manajer FK3 Bank Indonesia Solo) Jumat tanggal 8 November 2019 Jam 09.00 WIB.

¹⁵ (Wawancara 6 dengan Utari Indriani Selaku Staff bagian asisten manajer FK3 Bank Indonesia Solo) Jumat tanggal 8 November 2019 Jam 09.00 WIB

¹⁶ (Wawancara 7 dengan Utari Indriani Selaku Staff bagian asisten manajer FK3 Bank Indonesia Solo) Jumat tanggal 8 November 2019 Jam 09.00 WIB

banking and business actors in the field are able to utilize policies and implement its business activities smoothly, which in the end can encourage economic development acceleration.

One of the business actors who have an important existence but sometimes considered "forgotten" in the policy, the country is micro, small and medium enterprises (UMKM). Though if we know further and deeper, the role of UMKM is not merely a supporter of national economic contributions.

The crisis that struck in Indonesia both the economic crisis of 1998 and the current global crisis, UMKM showed that there was a strong success in the face due to the advantages of UMKM. UMKM circles are broken to grow lost, always able to survive, because indeed in this level there is no option but in any way must be able to survive. If they fail to endure, they will die in the true sense. That triggers the emergence of small innovations in their business, so that UMKM can still exist. As the result of interviews 8 on Friday, 8 November 2019 at 09.00 WIB.

"Where is the source of fund social Program Bank Indonesia (PSBI) in Bank Indonesia representative of Solo territory? Our source is from Bank Indonesia headquarters in each year. So each year the representative office at drop how many we asked for. For example in the beginning of the year we propose, we want to ask the same to the fore about what aja we help. So at the head office of VI to the representative office, then the self-representation who self-harvesting what we love."¹⁷

Accelerate the recovery process of economic activity for which has been sought development and improvement in various economic sectors, where one of the strategic sector of concern is UMKM sector.

Seeing this above, the Bank Indonesia (BI) effort in UMKM development is a long story that is full of love and grief. From 1960-year to 1999, Bank Indonesia has assisted UMKM in the form of granting Bank Indonesia liquidity Credit (KLBI) which is a credit subsidy to assist various sectors to support the development in this regard also to SMES. However, since the enactment of LAW No. 23/1999 which was amended by LAW No. 3 of 2004 on Bank Indonesia, Bank Indonesia's policy in assisting UMKM Development has a very basic change. Bank Indonesia can no longer provide financial assistance or Bank Indonesia liquidity Credits (KLBI), so that the role of Bank Indonesia in the development of SMES becomes indirect, because the assistance (PSBI) the system or process in the delivery of the UMKM development intangibles the business beneficiary account to make transactions safer. As the interview results 9 on Friday on 8 November 2019 hours 09.00 WIB.

"How are grants/expenses (PSBI) in providing Community policies and welfare? Solo representatives provide in the form of money and goods. But we often love money through transfers to be safe and can be used as needed. But the office also needs to know by asking for notes and all sorts for what purposes AJA money was used. And we continue to monitor until the end result and whether the outcome is the original plan or not."¹⁸

Bank Indonesia's duties, one of which is in the field of monetary economy in real sector Empowerment Group and UMKM (KPSRU), are to develop and implement real sector empowerment programs (corporations, BUMN, and UMKM) based on identification results. In addition to being required to perform the task, BI is also asked to communicate the program that has been assigned to the stakeholders in order to encourage banking in SMES financing.

Behind the toughness of tens of millions of UMKM, UMKM development efforts still encounter various constraints such as traditional business management, inadequate human resources, scale and low production techniques and still limited access to financial institutions, especially banking. As the interview results 10 on Friday on 8 November 2019 hours 09.00 WIB.

"How much funds should be prepared or estimated for social implementation? That depends on the same, the petition will ask how. But usually the office does not love all, because the office would want to ask for contributions from them let them also there is responsi to Kesitu. So there is no patokannya. Yes Kalo requester very-desperately need, we love."¹⁹

¹⁷ (Wawancara 8 dengan Utari Indriani Selaku Staff bagian asisten manajer FK3 Bank Indonesia Solo) Jumat tanggal 8 November 2019 Jam 09.00 WIB.

¹⁸ (Wawancara 9 dengan Utari Indriani Selaku Staff bagian asisten amanjer FK3 Bank Indonesia Solo) Jumat tanggal 8 November 2019 Jam 09.00 WIB

¹⁹ (Wawancara 10 dengan Utari Indriana Selaku Staff bagian asisten manajer FK3 Bank Indonesia Solo) Jumat tanggal 8 November 2019 Jam 09.00 WIB

Aiming in order to support the empowerment and development of UMKM, especially in facilitating UMKM access to banking credit services, Bank Indonesia made several efforts known as the four pillars of Bank Indonesia in the development of SMES, namely (1) the implementation of the crediting policy (2) Implementation of institutional development (3) provision of technical assistance and (4) cooperation with the Government and other related institutions. One of the pillars of Bank Indonesia's policy is encouraging the development of UMKM through the provision of technical assistance. Training activities and the provision of information that also includes research is an activity conducted by Bank Indonesia in the framework of providing technical assistance, so hopefully will be able to provide benefits to UMKM of course and also stakeholders, whether to local governments, banking, private and public people who are interested in UMKM empowerment efforts.

The training and the provision of information provide benefits to UMKM in the empowerment of UMKM, then in receiving the program must have procedures in Pemohonan. The following Bank Indonesia in receiving assistance programs by applicants as beneficiaries can be described as follows:

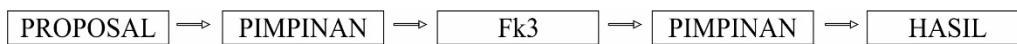


Figure B.2. Recipient Process Help

Bank Indonesia Social Program process (PSBI) in conducting assistance in the way the applicant makes the proposal first then enclosed to the representative office of Bank Indonesia Solo. Then the proposal goes to the lead to discuss whether it is necessary to be surveyed location by FK3. If the principal asks to be surveyed FK3 survey the location whether the applicant needs and correct according to the theme held by Bank Indonesia Solo. After that FK3 create a report notes for the leadership of the survey results that have been conducted. Then the leader reopens to be approved or not. If the applicant's proposal is approved the FK3 will notify the applicant but must complete the requirements especially documents such as the double-receipt, the news of the handover ceremony, and so forth. As the interview results 11 on Friday on 8 November 2019 hours 09.00 WIB.

"Manasaja location ever given by Bank Indonesia representative Solo in giving social policy? Location in Solo Raya area (Solo, Boyolali, Sukoharjo, Karanganyar, Wonogiri, Sragen, Klaten)"²⁰

Based on the conclusion above, in the presence of community layer PSBI is very easy by knowing the process (PSBI) in carrying out the assistance in the way the applicant makes the proposal first then enclosed to the representative office of Bank Indonesia Solo. Then the proposal went to the leadership to discuss whether it is necessary to be surveyed by FK3 with the purpose of the training activities and the provision of information to provide benefits to SMES in msme empowerment efforts.

C. Closing

The PSBI KPw Bank Indonesia Solo Program is a manifestation of Good Corporate Governance. PSBI is based on the realization that central bank policies focused on economic stability efforts are often not well understood by the public. To support the effectiveness of Bank Indonesia's duties in monetary stability and financial system, Bank Indonesia needs communication and interactions with stakeholders that are well managed through PSBI.

1. Analysis of implementation of Bank Indonesia social Program Policy (PSBI) at Bank Indonesia Solo

- a. The implementation of PSBI pursuant to circular letter No. 14/44/Intern Year 2012 can be in the form of partnership or giving/distribution of aid in the form of goods or funds.
- b. The policy is governed by BI Council of Governor No. 14/14/PDG/2012. Now apply the new rules that are regulation of the Council of BI Governor No. 21/17/PADGintern/2019.

In the management report of Bank Indonesia (2014), the Program is based on the realization that central bank policies focused on economic stability efforts are often not well understood by the public. It then considers that to support the effectiveness of Bank Indonesia's duties in monetary stability and the required financial system of communication and interaction with well-managed stakeholders.

- c. Article 7 Act No. 3 year 2004 concerning the objectives of Bank Indonesia:
 - 1) Bank Indonesia aims to achieve and maintain stability in the rupiah
 - 2) to achieve the objectives as referred to in paragraph (1), Bank Indonesia executes the monetary policy in a continuation, consistent, transparent, and should consider the general policy of orders in the field of economy

²⁰ (Wawancara 11 dengan Utari Indriani Selaku Staff bagian asisten amanjer FK3 Bank Indonesia Solo) Jumat tanggal 8 November 2019 Jam 09.00 WIB.

2. Barriers analysis in the implementation of Bank Indonesia social Program Policy (PSBI) at Bank Indonesia Solo

His resistance is not a balance of program giving. So the applicant most of it asks in the social program. The fear is wrong to give, the applicant is good to ask from us identifying ourselves. Awareness of the policy of the bank is centered on economic stability efforts are not well understood. So we often ngasih to the clusters so we ngasih know also the true prices of the Community fathers also including those that we look at and they keep the economic stability so we also Ngasih tau to them, their goal also tau Kalo BI role. Related monetary policy to support the sole purpose.

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