

MANAGEMENT OF BANK LOANS FOR MICRO, SMALL AND MEDIUM-SIZED MARKETING PERSPECTIVE AND IN TERMS OF LEGALITY IN ITS DISTRIBUTION AND ITS IMPACT ON ECONOMIC DEVELOPMENT AND LABOR ABSORPTION

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Abstract

This study focuses on the development value of sales, labor on ict companies in Bandung, the output value of industry sector and subsector telecommunications equipment industry, exports of communications including communications telecommunications equipment industry, as well as economic development, employment and bank lending in the form of small and medium-sized micro-credit for the years 2000 - 2008 to kabupatenkota in West Java province.

Results obtained bank loan facilities for the industrial sector and the inflation rate together to have a significant impact on employment in West Java, on changes in bank lending as a whole no significant influence on the change of value of output and employment in the industry as a whole and telecommunications equipment industry, exports of communications and telecommunications equipment communications in western Java, while the UMKM loans to agriculture, mining, processing industry, trade, hotels and restaurants, transport and communication co, construction, service businesses, community social services, and other sectors together have a significant effect on employment in western Java.

So that banking institutions should give greater credit to sectors of the productive economy, and have a wider effect multiplier between sectors, so the increase in credit for UMKM will positively impact employment in west Java, so does the local government to provide certainty law for licensing services, transparency, and lower cost, especially for UMKM to various economic sectors in western Java.

Keyword : Bank Credit, Small and Micro Puff, Economic Growth, Labor Absorption.

Introduction

West Java as the most populous province in Indonesia has a variety of problems related to welfare. Increasingly complex range of problems because of well-being depends heavily on the real condition of

the economy that can not be separated from the micro-economic issues such as relationship lending, banks and companies as business entities in general.

In the local regulation No. 1 of 2003 on Basic Pattern of Regional

Development of West Java, determined that the vision of West Java which is "By Faith and Piety West Java Province in Indonesia and advanced pole for the State Capital Partners 2010".

Furthermore, in Local No. 1 of 2004 concerning the Government's Strategic Plan 2003-2008 of West Java Province, Provincial governments set the vision that is west of Java Acceleration To Support Community Improvement welfare Achieving Vision West Java Year 2010. Over the last few years the pattern of sectoral growth show wide gaps that still tends to the real sector and non-real. Relative growth of real sector growth under the banking sector and financial institutions Seeing the conditions of economic Performance in West Java, anticipated improvements needed to generate the real sector. One effort is to create an investment climate that is conducive in the real sector, which in turn can balance economic growth in all sectors.

In general, a growing area can not be separated from sources of Investment Financing that is still dominated by bank lending. Thus, if the slow disbursement of bank credit is feared to be one cause of slow driving engine of regional economic growth, including West Java Province. In addition, the availability of lending capacity banks will determine the ability of banks in lending Some economists argue that, declining lending can be caused by credit crunch which cause the phenomenon credit rationing, so that a decline in credit supply side constraint, but it can also be caused by demand side constant.

The greatest hope for banks, and economic actors are tersalurkannya third party funds in the right place, to the bank must have good credit management as viewed from the marketing and distribution of legality. Field of UMKM are the real sector economic actors who are in need of a helping aid in the form of bank credit. Business field they work at UMKM is very diverse ranging from the service industry sector, Manufacturing and telecommunications. In all these sectors absorbed the labor and have an effect on the wheels of the economy that hinted at the same time economic growth.

Often the question arises that although Indonesia's economic growth as in 2008 is still positive and above 5% but why are still many unemployed and poor people?. The answer is growth that occurs is not a quality growth. To achieve quality growth there needs to be investment and exports.

Bencivenga and Smith (1991), develop a model where individuals face the uncertainty of future liquidity needs. Individuals can choose the investment in liquid assets and are not at risk, but have low levels of productivity, and / or choosing investments in illiquid assets and risk, but has a high productivity level. Based on the financial sector can promote economic growth by channeling savings into projects that have a high productivity level and at the same time to reduce the liquidity risk faced by individual.

Research Objectives

This study intends to empirically obtain a precise and clear about

the phenomenon of micro-credit management role of small and medium enterprises for economic development and labor absorption. The purpose of this study are:

1. To determine the effect of bank credit against the sales turnover and employment in ICT firms in Bandung?
2. To determine the effect of the banking industry credit to the value of output and employment in the industrial sector, as well as telecommunications equipment industry subsector, as well as the export value of the telecommunications equipment industry sub sector in West Java?
3. To know the management of bank credit for Micro, Small and Medium Enterprises in West Java?
4. To determine the legality of marketing and distribution of bank credit for Micro, Small and Medium Enterprises in West Java?
5. To determine the role of bank lending (commercial banks and rural banks) according to type of use for economic development and labor absorption in the Province of West Java?
6. To determine the role of bank lending (commercial banks and rural banks) according to the scale for the absorption of labor in West Java?
7. To determine the role of bank lending (commercial banks and rural banks) according to the field of business / economic sector for economic development and labor absorption in the Province of West Java?

The Bank is the main business of financial Institutions providing credit and providing services in payment traffic and circulation of money. While the definition of commercial banks are banks that collect funds, especially to receive deposits in current accounts and deposits and in its efforts to provide short-term credit. In-Specific bank can serve as: (i) the agent of the trust, which is the main basis is the trust banking activities (ii) the agent of development, namely both the monetary sector and real sector always interact and affect each other, where the real sector will be unable to perform well if the monetary sector is not working properly. Therefore banking activities in collecting and distributing funds is necessary for smooth real sector economic activity. and (iii) the agent of services namely, providing the bank also offers other services to the community such as: service delivery, care of valuables, bank guarantees, and settlement of bills. The three functions of banks in these economies, make the bank not only can be interpreted as a financial intermediary (an intermediary financial institution).

Banks generally defined by its activities by the Law No. 10 of 1998 as a bank conducting business in a conventional and / or based on Syariah Principle in its activities to provide services in payment traffic. While rural banks (BPR) as a bank conducting business in a conventional and / or based on Syariah principles in their actions do not provide payment services in cross-lau.

Most banks and transaction services focused on specific customer types. In general, the type of banks on the basis of the target market can be classified into three, namely :

- (1) Retail Banks namely, the bank's focus is the type of services and transactions to retail customers. Understanding the retail here is that individual clients, corporations and other institutions are small scale.
- (2) Corporate Bank is the bank of this kind of focus and transaction services to clients large-scale, usually in the form of corporations.
- (3) Retail-Corporate Bank is, banks that do not focus on the two options above types of customers. This bank provides pelayananannya not only to retail customers but also to corporate clients.

One form of business that can be done by a bank of credit, based on Law No. 10 of 1998, credit is the provision of money or bills can be equated with that, based on the consent or the borrowing and lending between banks and other parties who require the borrower to repay debt after a certain period with interest.

Understanding credit has diverse dimensions, starting from the meaning of the word "credit" derives from the Greek word credere, which means "trust" or creditum the Latin meaning "belief in the truth." In everyday use this understanding developed into abroad, including :

- 1) Credit is the ability to execute a purchase or enter into a loan with

a promise of deferred payment will be at an agreed time period (Kohler, 1964).

- 2) Credit is the provision of money or bills can be equated with that, based on the approval or agreement between the borrowing and lending bank with other parties who require the borrower to pay off debts after a certain period with the amount of interest, exchange gains and division results (Chapter 1, Article 1 paragraph 12 of Law No. 7 year 1992 on the banks).

In a decision on granting credit to prospective borrowers, financial institutions such as formal banks generally have a particular rating standard. Standards are often used banks 5C principles, namely:

- 1) Character.
- 2) Capacity.
- 3) Capital.
- 4) Collateral.
- 5) Condition of Economy.

On the basis of the intended use of funds by debtors, loans can be divided into:

- (1) *Kredit Modal Kerja* (KMK), namely, credit used to finance working capital needs of our customers. KMK is usually short term and adjusted for working capital turn over period of customer. Judging from the period is WCC consists of 2 (two) types namely, Revolving and KMK Einmaleg.
- (2) *Kredit Investasi* (KI) ie, loans used to purchase long-term capital goods for business customers. KI usually medium or long term,

because its value is relatively large and how to call by the customer through the installment.

- (3) Kredit Konsumsi (KK) that is, loans that are used in the context of procurement of goods or services for consumption purposes, and not as capital goods in the customer's business activities.

Micro, Small and Medium Enterprises

Article 5 of Law No. 20 year 2008 on Small and Medium Enterprises (MSMEs) About Objectives maenyatakan Empowerment, empowerment objectives of Micro Small and Medium Enterprises: (a) Achieve a balanced national economic structure, developing, and justice, (b) Grow and develop the capabilities of Micro, Small and medium enterprises become strong and independent business, (c) Enhancing the role of Micro, Small and Medium Enterprises in regional development, job creation, income distribution, economic growth, and poverty of the people from poverty.

Article 5 of Law No. 20 year 2008 on Small and Medium Enterprises (SMEs) on Criteria for Micro, Small and Medium Enterprises, stated:

1. Micro Criteria are as follows: (a) has a net worth (the reduction in total net worth of business / assets with a value of total liabilities) of at most Rp. 50,000,000.00 not including land and building. (b) Has the annual net sales of Rp. 300,000,000.00.

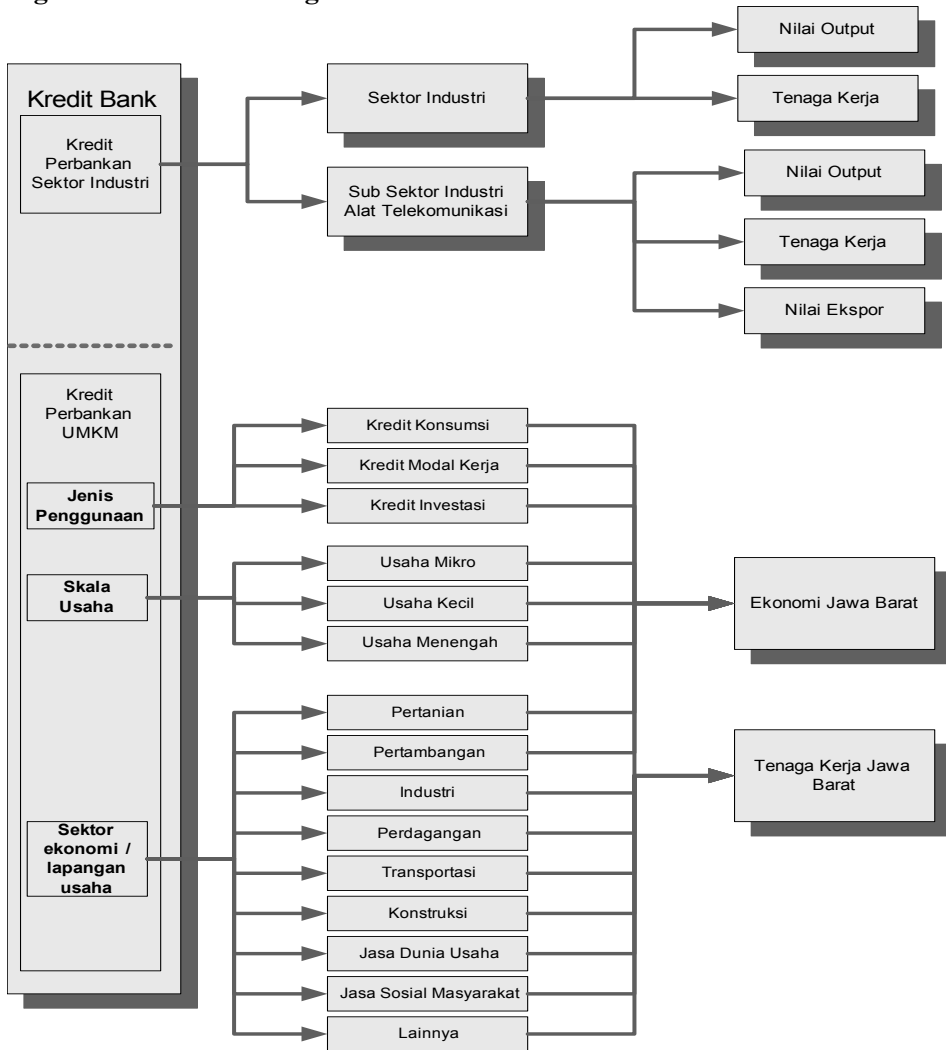
2. Small Business Criteria are as follows: (a) has a net worth (the reduction in total net worth of business / assets with a value of total liabilities) of more than Rp. 50,000,000.00 up to a maximum of Rp. 500,000,000.00 excluding land and building. (b) Has the annual net sales of more than Rp. 300,000,000.00 up to a maximum of Rp. 2,500,000,000.00.
3. Medium Business Criteria are as follows: (a) has a net kekayaan (the reduction in total net worth of business / assets with a value of total liabilities) of more than Rp. 500,000,000.00 up to a maximum of Rp. 10,000,000,000.00 excluding land and building, or have annual net sales revenue of more than Rp. 2,500,000,000.00 up to a maximum of Rp. 50,000,000,000.00.

Paradigm Research

This research paradigm is the paradigm of a double with two variables (independent variables), namely: bank lending, which according to economic sector and by type of use with two dependent variables (dependent variable), namely: sales turnover and employment in ICT firms in Bandung and economic development (GDP) and the use of labor in UMKM in West Java.

The scheme of relationship between variables in the model can be described as follows :

Figure Research Paradigm



RESEARCH METHOD

The approach used in this research is descriptive research and explanatory research. The model of analysis used to analyze the influence of free variables (independent variables) on the dependent variable (dependent variable) is a multiple regression model (multiple regression method).

using panel data, the incorporation of datatime series and cross section.

To determine the extent of the role of credit extended banking industry for sales and labor turnover ICT industry in Bandung, using multiple linear regression equation model based on the software Eviews version 6.0 with the model are as follows:

$$Y_{it} = \beta_0 + \beta_1 KMK_{it} + \varepsilon_{it}$$

$$TK_{it} = \beta_0 + \beta_1 KMK_{it} + \varepsilon_{it}$$

Where is :

- Y_{it} = Sales turnover of ICT companies in Bandung
- TK_{it} = Manpower in ICT companies in Bandung
- KMK_{it} = Working capital loans on ICT companies in Bandung
- β_0 = Constant value
- β_1 = Parameter values
- ε_{it} = Error term
- t = Year (2002 - 2008)

To determine the extent of the role of industrial sector credit by commercial banks and rural banks (state banks, national private banks, private banks and foreign joint venture bank and RB) for the development of value of output and employment industry sector, and its influence on the output value of industry sub-sector exports of telecommunications equipment and telecommunications devices each using multiple linear regression model equation using Eviews software Version 6.0 with the model areas follows:

- $Y_{it} = \beta_0 + \beta_1 KIND_{it} + \varepsilon_{it}$
- $Y_{it} = \beta_0 + \beta_1 KIND_{it} + \beta_2 Inf_{it} + \varepsilon_{it}$
- $TK_{it} = \beta_0 + \beta_1 KIND_{it} + \varepsilon_{it}$
- $TK_{it} = \beta_0 + \beta_1 KIND_{it} + \beta_2 Inf_{it} + \varepsilon_{it}$
- $EKSAkom_{it} = \beta_0 + \beta_1 KIND_{it} + \varepsilon_{it}$
- $EKSAkom_{it} = \beta_0 + \beta_1 KIND_{it} + \beta_2 Kurs_{it} + \varepsilon_{it}$
- $EKSAkom_{it} = \beta_0 + \beta_1 KIND_{it} + \beta_2 Kurs_{it} + \beta_3 Inf_{it} + \varepsilon_{it}$..

Where is:

- Y_1 = Output value of industry sector in West Java
- Y_2 = Output value of telecommunications equipment industry sub sector in West Java
- TK_1 = Manpower in the industrial sector in West Java
- TK_2 = Sub-sector workforce in the telecommunications equipment industry in West Java
- $EKSAkom$ = Export Value Telecommunications Equipment Industry in West Java
- $KIND_{it}$ = Credits are distributed to the industrial sector in West Java
- Inf_{it} = The inflation rate that occurred in West Java
- $Kurs_{it}$ = Currency exchange rate of the dollar against the rupiah in West Java
- β_0 = Constant value
- β_1 = Parameter values
- ε_{it} = Error term
- t = Year (2001 – 2007)

As for knowing the extent of the role of micro credit, small and medium by commercial banks and rural banks (state banks, national private banks, private banks and foreign joint venture bank and BPR) based on user type (consumer credit, investment and working capital) and based on the business scale (micro, small and medium enterprises) for economic development and employment in all districts and cities in West Java Province

each using multiple linear regression equation model based on the Fixed Effects Model (FEM) is follows:

$$PDRB_{it} = \beta_0 + \beta_1 KK_{it} + \beta_2 KI_{it} + \beta_3 KMK_{it} + \varepsilon_{it} \dots\dots$$

$$TK_{it} = \beta_0 + \beta_1 KK_{it} + \beta_2 KI_{it} + \beta_3 KMK_{it} + \varepsilon_{it} \dots\dots$$

$$TK_{it} = \beta_0 + \beta_1 KUMI_{it} + \beta_2 KUKU_{it} + \beta_3 KUME_{it} + \varepsilon_{it}$$

Where is :

$PDRB_{it}$ = Gross Regional Domestic Product (GDP) each sector of the economy in West Java Province

TK_{it} = Manpower in various economic sectors in the Province of West Java

KK_{it} = Micro-credit, small and medium-sized commercial banks and rural banks for consumption in West Java

KI_{it} = Micro-credit, small and medium-sized commercial banks and rural banks for investment in West Java

KMK_{it} = Micro-credit, small and medium-sized commercial banks and rural banks for working capital in West Java

$KUMI_{it}$ = Commercial banks and rural credit for micro-enterprises in West Java

$KUKU_{it}$ = Commercial banks and rural credit for small businesses in West Java

$KUME_{it}$ = Credits of commercial banks and rural banks for medium enterprises In West Java

β_0 = Constant value

β_1 = Parameter values

ε_{it} = Error term

t = Year (2002 – 2008)

To determine the extent of the role of micro credit, small and medium by Commercial banks and rural banks (state banks, national private banks, private banks and foreign joint venture bank and RB) for the absorption / use of labor in various sectors: agriculture, mining; processing industry, electricity, gas, water, building, trade, hotels and restaurants, transport and communications, finance, banking and business services; and services in kabupaten and cities in West Java using multiple linear regression model based on fixed effect model (FEM) are as follows:

$$Y_{it} = \beta_0 + \beta_1 X_{1it} + \beta_2 X_{2it} + \beta_3 X_{3it} + \beta_4 X_{4it} + \beta_5 X_{5it} + \beta_6 X_{6it} + \beta_7 X_{7it} + \beta_8 X_{8it} + \beta_9 X_{9it} + \varepsilon_{it} \dots$$

$$TK_{it} = \beta_0 + \beta_1 X_{1it} + \beta_2 X_{2it} + \beta_3 X_{3it} + \beta_4 X_{4it} + \beta_5 X_{5it} + \beta_6 X_{6it} + \beta_7 X_{7it} + \beta_8 X_{8it} + \beta_9 X_{9it} + \varepsilon_{it} \dots$$

Where is :

Y = GRDP City / District in West Java Province

TK_{it} = Use of Labor in West Java Province

X_1 = Micro-credit, small and medium-sized commercial banks and rural banks for the agricultural sector

X_2 = Micro-credit, small and medium-sized commercial banks and rural banks for the mining and quarrying sector

X_3 = Micro-credit, small and medium-sized commercial banks and rural banks for industrial sector processing

X_4 = Micro-credit, small and medium-sized commercial banks and rural banks for the electricity sector, gas and water supply

- X_5 = Micro-credit, small and medium-sized commercial banks and rural banks for the building sector
- X_6 = Micro-credit, small and medium-sized commercial banks and rural banks for trade, hotels and restaurants
- X_7 = Micro-credit, small and medium-sized commercial banks and rural banks for transport and communications sector
- X_8 = Micro-credit, small and medium-sized commercial banks and rural banks for the financial sector, banking and business services
- X_9 = Micro-credit, small and medium-sized commercial banks and rural banks for services sector
- β_0 = Constant Value
- β_1 = Parameter Value
- ε_{it} = Error term
- I = District / City ($I = 1$ s/d 25)
- t = Year (2002 – 2008)

Operationalization of variables

No	Variable	Concept	Indicator	Scale
1.	ICT company's sales turnover in Bandung.	Value of goods produced by the company in Bandung ICT in one period.	Value of product sales company in Bandung ICT within one year.	Million Rupiah
2	ICT manpower in the company in Bandung.	The number of workers employed by the company in Bandung ICT in one period.	The number of workers at companies in Bandung ICT within one year.	People
3	Industrial output and output value of telecommunications equipment communications in the region West Java.	Value of output produced by all the telecommunications equipment industry and communications in the region West Java.	Value of goods produced by all industries and telecommunications equipment company in one year.	Million Rupiah
4	Exports of telecommunications equipment communications in the region West Java	Value of telecommunications equipment company communications generated in western Java that can be sold abroad.	Value of telecommunications equipment West Java communications that are sold abroad in one year.	Thousands of U.S. dollars
5.	Bruto regional domestic product (PDRB) according to the field of business in various cities in West Java province.	Output value (final output) of goods and services produced by residents in a particular region in one period.	Output value (final output) of goods and services produced by residents of various districts in the West Java region in one year.	Million Rupiah
6.	Bruto regional domestic product (PDRB) according to the field of business in various cities in West Java province.	Output value (final output) of goods and services produced by residents in a particular region in one period.	Output value (final output) of goods and services produced by residents of various cities in West Java region in one year.	Million Rupiah
7.	Bruto regional domestic product (PDRB) according to the business field in West Java province.	Output value (final output) of goods and services produced by residents in a particular region in one period.	Output value (final output) of goods and services produced by residents of West Java province within one year.	Million Rupiah

8	Absorption or the use of field workers by businesses in various cities in West Java province.	Total labor force that works according to hours of work or expertise in the various districts in the west Java region in one year.	The number of workers who work in various economic sectors in various districts in the west Java region in one year.	People
9.	Absorption or the use of field workers by businesses in various cities in West Java province.	Total labor force that works according to hours of work or expertise in various cities in West Java region in one period.	The number of workers who work in various economic sectors in various districts in the west Java region in one year.	People
10.	Absorption or the use of field workers by businesses in various cities in West Java province.	Total labor force that works according to hours of work or skill in West Java province in one period.	The number of workers who work in various economic sectors in various districts in the west Java region in one year.	People
11.	Micro small and medium (MKM) according to the economic sector in various districts in West Java province.	Provision of money under contracts borrowing and lending between banks and micro business small and medium (MKM) according to the economic sector in various districts in West Java province, which memwajibkan the borrower to repay the debt after a certain period of time with interest.	The number or amount of loans granted by banks u mum and BPR by economic sector in various districts in West Java province within one year.	Million Rupiah
12.	Micro small and medium (MKM) according to economic sectors in various towns in west Java province.	Provision of money under contracts borrowing and lending between banks and micro business small and medium (MKM) according to the economic sector in many cities in West Java province, which memwajibkan the borrower to repay the debt after a certain period with interest.	The number or amount of loans granted by banks u mum and BPR by economic sector in various districts in West Java province within one year.	Million Rupiah
13.	Micro small and medium (MKM) according to the economic sector in the province of West Java.	Provision of money under contracts borrowing and lending between banks and micro business small and medium (MKM) according to the economic sector in West Java province, which memwajibkan the borrower to repay the debt after a certain period with interest.	The number or amount of loans granted by banks u mum and BPR by economic sector in various districts in West Java province within one year.	Million Rupiah
14.	Micro small and medium (MKM) according to type of use in various cities in West Java province..	Provision of money under contracts borrowing and lending between banks and micro business small and medium (MKM) according to the types of uses in various districts of West Java province, which memwajibkan the borrower to repay the debt after a certain period with interest.	The number or amount of loans granted by banks u mum and BPR by economic sector in various districts in West Java province within one year.	Million Rupiah

15. Micro small and medium (MKM) according to type of use in various cities in West Java province.	Provision of money under contracts borrowing and lending between banks and micro business small and medium (MKM) by type of use in various cities in West Java province, which memwajibkan the borrower to repay the debt after a certain period with interest.	The number or amount of loans granted by banks u Million and BPR by economic Rupiah sector in various districts in West Java province within one year.
16. Micro small and medium (MKM) according to type of use in the provinces of West Java.	Provision of money under contracts borrowing and lending between banks and micro business small and medium (MKM) according to type of use in the province of West Java, which memwajibkan the borrower to repay the debt after a certain period with interest.	The number or amount of Million loans granted by banks u Rupiah mum and BPR by economic sector in various districts in West Java province within one year.

Data and Data Sources

Data used in this study are primary and secondary data using time series data (time series) for some district / city in west Java province in the period 2002 to 2008.

Research Object

Objects in this study based on data from field surveys on ICT

companies in Bandung, and derived from secondary data, namely: Bank Indonesia (BI), the central statistical agency (bps), workforce agencies (Manpower), cooperatives and business services small-medium enterprises (SMEs), and regional planning agencies district / city (BAPEDA) in west Java province, while the region is shown in table 3.2 as follows :

No.	City and district in West Java province
1.	Tasikmalaya City.
2.	Depok City
3.	Cimahi City
4.	Bekasi City
5.	Banjar City
6.	Sukabumi City
7.	Cirebon City
8.	Bogor City
9.	Bandung City
10.	Tasikmalaya District
11.	Sumedang District
12.	Sukabumi District
13.	Subang District
14.	Purwakarta District

15. Majalengka District
16. Kuningan District
17. Kerawang District
18. Indramayu District
19. Garut District
20. Cirebon District
21. Cianjur District
22. Ciamis District
23. Bogor District
24. Bekasi District
25. Bandung District

West Java province

Model Specification Tests

Econometric model using partial regression model using OLS (ordinary least square) is important in the process of analysis, the test will then estimate the model.

Coefficient of Determination (R²)

Coefficient of determination (r²) indicates how much variation explanatory variables affect the dependent variable variation. Coefficient of determination (r²) ranging from 0 ≤ R² ≤ 1. r² greater or close to one means the greater variation dependent variables can be explained by variations in explanatory variables. Otherwise the smaller the value of r² or close to zero means that the smaller the variation of the dependent variable can be explained by the explanatory variables.

Formula used to calculate the value R² is:

$$R^2 = 1 - \frac{RSS}{TSS}$$

with : TSS = Total Sum Square
 RSS = Residual Sum Square

Hypothesis testing and significance parameter

After the estimation of regression parameters is done, the next step to test the significance of parameters, which performed to test the hypothesis that has been filed and find significance (significance) effect between the independent variables with dependent variable.

As for the research hypotheses, are as follows :

- H₀ : Partially independent variables did not affect the dependent variable
 H_a : Partially independent variables affect the dependent variable

Based on the above research hypotheses, using a significance level 95% or α = 5%, hypothesis testing can be made as follows :

1. Define a null hypothesis and alternative hypothesis:

$$H_0 : b_i = 0$$

$$H_a : b_i \neq 0$$

Where : i = 1, 2, ..., n

2. t statistic calculations with formula:

$$t = \frac{b_i}{S_i} \quad (3.20.)$$

3. Testing Criteria:

q If $-t_{\alpha} \leq t_{stat} \leq t_{\alpha (N-k-1)}$, then H_0 accepted, means that **the individual independent variables are not significant** in influencing the dependent variable

q If $-t_{\alpha (N-k-1)} > t_{stat}$ or $t_{\alpha (N-k-1)} < t_{stat}$, then H_0 rejected, means **that the independent variables individually significant** in influencing the dependent variable.

In the Multan Test

hypothesis testing in the multan conducted to determine whether or not significant effect given by the Multan independent variable to dependent variable.

As for the following research hypotheses :

H_0 : Independent variables in **the Multan does not significantly** affect the dependent variable.

H_a : Multan is **the independent variable significantly** affects the dependent variable.

Based on the above research hypotheses, testing hypotheses with the F test to determine the effect in the Multan independent variables against dependent variable, using a significance level of 95% or $\alpha = 5\%$. Process aimed at testing the following:

1. Define a null hypothesis and alternative hypothesis:

$$H_0 : b_1 = b_2 = \dots = b_n = 0$$

H_a : At least there is one $b_i \neq 0$, $i = 1, 2, \dots, n$

2. F statistical calculations with chart analysis of variance :

Sources Of Variation	Degrees Of Freedom	Sum Of Squares (JK)	The Average Sum Of Squares (RJK)	F_{stat}	F_a
Regresi	k - 1	JK Regresi	RJK Regresi	RJK Regresi	Tabel
Residual	N - k	JK Residual	RJK Residual	RJK Residual	Uji F

3. Testing Criteria:

q If $F_{stat} \leq F_{\alpha (k-1; N-k)}$, then H_0 accepted, means that **the independent variables jointly insignificant** in influencing the dependent variable

q If $F_{stat} > F_{\alpha (k-1; N-k)}$, then H_0 rejected, means that **the independent variables is jointly significant** in influencing the dependent variable.

Discussion

Influence The Distribution Of Bank Credit In The Industrial Sector For Output, Employment And Exports Of Telecommunications Equipment Communications In Western Java

Based on the results of multiple linear regression analysis, can be expressed mathematically:

$$\text{Output}_{\text{IND}} = 55.684.433 + 5,416\text{Kredit}_{\text{IND}}$$

(1,49) N.S

F = 2,23 R²= 0,3081 (4.1)

$$\text{Output}_{\text{Akorn}} = -67.0885,9 + 0,034\text{Kredit}_{\text{IND}}$$

(0,93) N.S

F = 0,88 R²= 0,1501 (4.2)

$$\text{TK}_{\text{IND}} = 918.439 + 0,007\text{Kredit}_{\text{IND}}$$

(1,36) N.S

F = 1,85 R²= 0,2701 (4.3)

$$\text{TK}_{\text{Akorn}} = 816,96 + 2,38\text{E5Kredit}_{\text{IND}}$$

(0,35) N.S

F = 0,05 R²= 0,0110 (4.4)

$$\text{TK}_{\text{IND}} = 974.318,10 + 0,009\text{Kredit}_{\text{IND}} - 9.279,021\text{Inflasi}$$

(2,01) N.S

(-2,16)* F = 3,94 R²= 0,4954 ... (4.5)
Sig.

$$\text{TK}_{\text{Akorn}} = -320,99 + 2,47\text{E-06Kredit}_{\text{IND}} + 188,96\text{Inflasi}$$

(0,04) N.S

(3,55)** F = 6,42 R²= 0,7624 ... (4.6)
Sig.

$$\text{Ekspor}_{\text{Akorn}} = 1.853.636 + 0,034\text{Kredit}_{\text{IND}}$$

(0,93) N.S

F = 0,64 R²= 0,096(4.7)

$$\text{Ekspor}_{\text{Akorn}} = 1.309.465 + 0,003\text{Kredit}_{\text{IND}} + 77,551\text{Kurs}$$

(0,20) N.S (0,41) N.S

F = 0,36 R²= 0,1265....(4.8)

$$\text{Ekspor}_{\text{Akorn}} = 1.925.197 + 0,011\text{Kredit}_{\text{IND}} - 42,276\text{Kurs} + 29.352\text{Inflasi}$$

(0,58) N.S (1,64) N.S (0,73) N.S

F = 0,78 R²= 0,3691 (4.9)

Ket : (...) = t hitung

NS = Non Signifikan

Sig = Signifikan

(*) **Sig pada α = 0,10**

(**) **Sig Pada α = 0,05**

(***) **Sig Pada α = 0,05**

Hypothesis Testing In The Multan And Partial

Calculated by multiple linear regression model is the equation (4.1), (4.2), (4.3), (4.4) and equation (4.7), (4.8) also equation (4.9) obtained

F_{hitung} < F_{tabel}, then the model is shown to receive H₀ (H₀ accepted), so that the lending bank for industrial sector (Kredit_{IND}) together have no significant influence on the result of telecommunications equipment

exports munkasi either without or by entering the macroeconomic variables. While for the results of equation (4.5) dan (4.6)) obtained $F_{hitung} > F_{tabel}$ then the model is shown to receive H_1 (H_1 accepted), so that the lending bank for industrial sector ($Kredit_{IND}$) and the rate of inflation together have a significant effect on employment in western Java.

Further changes can be explained as a whole bank lending can not explain (no effect) means the change of value of output and employment in the industry as a whole and the telecommunications equipment industry, exports of communications and telecommunications equipment communications in west Java, so need for performance improvement that

can improve production efficiency and breakthroughs in order to develop the production of various types of telecommunications equipment as well as communication which is expected to increase export of various types of telecommunications equipment such communications to foreign countries and assessed whether the large amount of credit given to the industrial sector is adequate.

The influence of micro lending, small-medium enterprises (UMKM) by type of use to the economic development of western Java

Based on the results of multiple linear regression analysis, can be expressed mathematically as follows:

$$PDRB_{JB} = 8.377.620 + 30,465KI_{UMKM} + 2,589KMK_{UMKM} \dots\dots\dots(4.10)$$

(1,99)	(0,68)	F = 85,09 R ² = 0,4974
Sig	N.S	

Ket :

NS = Non Signifikan

Sig = Signifikan

(*) Sig pada $\alpha = 0,10$

() Sig Pada $\alpha = 0,05$**

(*) Sig Pada $\alpha = 0,05$**

Calculated by multiple linear regression model obtained $F_{hitung} = 85,09 > F_{tabel} = \dots$, then the model shows no reason to accept H_0 (H_0 ditolak), so that the investment credit ($KINV_{UMKM}$) and working capital loans (KMK_{UMKM}) for micro, small and medium enterprises (UMKM) together have a significant impact Produk Domestik Regional Bruto (PDRB) in West Java. Now to find out where the significant variables, it is necessary to test partial (individual) obtained $t_{hitung} = 1,990 > t_{tabel} = 1,645$

for $KINV_{UMKM}$, then the model shows no reason to accept H_0 (H_0 ditolak), so that the investment credit ($KINV_{UMKM}$) partially have a significant impact on bruto regional domestic product (PDRB) in west Java. While working capital loans (KMK_{UMKM}) had $t_{hitung} = 0,681 < t_{tabel} = 1,645$, then partially working capital loans (KMK_{UMKM}) had no significant effect on regional domestic product.

The need for UMKM to increase productivity to further increase

the production (output), so that the presence of bank loans, UMKM can access even more for the capital with cheaper cost compared to looking for sources of funds outside the banking system which has a higher interest rate.

The influence of micro-lending, small and medium enterprises (UMKM) according to the business field of economic development west Java

Based on the results of multiple linear regression analysis (multiple linear regression analysis). Can be expressed mathematically as follows:

$$PDRB = 1.972.968 + 114.43Tan - 27.54Tam + 16.47Ind - 4.33Dag - 76.88Ang + 30.65Kon - 11.54Jdu + 14.27Jsm + 6.39Lain$$

(6,27)	(-0,61)	(3,19)	(-1,23)	(-2,13)	(1,02)	(-0,92)	(-0,62)	(4,90)
Sig	N.S	Sig	N.S	Sig	N.S	N.S	N.S	Sig

F = 93,00 R² = 0,8370

Ket : NS = Non Signifikan Sig = Signifikan
 (*) **Sig pada α = 0,10** (**) **Sig Pada α = 0,05** (***) **Sig Pada α = 0,05**

Calculated by multiple linear regression model of UMKM credit obtained for the agricultural sector, mining, industry, trade, hotels and restaurants, transport and communication co, construction, service businesses, community social services, and other sectors together have a significant impact gross regional domestic product (GDP) in west Java.

West Java local government, especially through the banking institutions should provide funding

policy in order to help UMKM to grow and develop in various economic sectors, through the expansion of funding sources through the provision of various banking-credit schemes for small and medium enterprises.

The influence of micro-lending, small and medium enterprises (UMKM) by type of use of manpower west Java.

Based on the results of multiple linear regression analysis, can be expressed mathematically as follows :

$$TK = 439.153 - 1,849KINV_{UMKM} + 0,598KMK_{UMKM} \dots\dots\dots(4.12)$$

(-3,,99)	(5,20)	F = 28,05	R ² = 0,2460
Sig	Sig		

Ket : Sig = Signifikan
 (*) **Sig pada α = 0,10** (**) **Sig Pada α = 0,05** (***) **Sig Pada α = 0,05**

Investment credit (KINV_{UMKM}) and working capital loans (KMK_{UMKM}) for micro, small and medium enterprises (UMKM) together have a significant effect on employment in western Java.

West Java local government, especially through the banking institutions should provide funding

policy in order to help UMKM to grow and develop to increase lending to UMKM, particularly for working capital loans as compared to investment credit, because the use of working capital loans to UMKM in western Java partly used for add workers or employees in its production process.

The influence of micro-lending, small and medium enterprises (UMKM) according to the scale of labor in western Java

Based on the results of multiple linear regression analysis, can be expressed mathematically as follows :

$$TK = 296.141 + 0,469KUMI_{UMKM} - 0,170KUKE_{UMKM} - 0,134KUME_{UMKM} \dots (4.13)$$

(8,31)	(-2,21)	(-2,50)
Sig	Sig	Sig

F = 41,53 R² = 0,5847

Ket : Sig = Signifikan

(*) **Sig pada α = 0,10** (**) **Sig Pada α = 0,05** (***) **Sig Pada α = 0,05**

UMKM loans to micro-scale (KUMI_{UMKM}), small-scale enterprises (KUKE_{UMKM}), and medium-scale enterprises (KUME_{UMKM}) together have a significant effect on employment in western Java.

Banking institutions need to provide policies to facilitate and serve the more micro-entrepreneurs and provide capital support for

micro-entrepreneurs to improve their business.

The influence of micro-lending, small and medium enterprises (UMKM) according to the business field of manpower development in West Java

Based on the results of multiple linear regression analysis, are as follows mathematically :

$$TK = 339.993 + 5,69Tan + 3,77Tam + 0,58Ind - 0,29Dag - 1,32Ang - 1,82Kon + 0,32Jdu + 1,95Jsm + 0,05Lain$$

(7,42)	(1,98)	(2,67)	(-2,01)	(-0,87)	(-1,44)	(0,61)	(1,23)	(0,90)
Sig	Sig	Sig	Sig	N.S	N.S	N.S	N.S	N.S

F = 19,45 R² = 0,5179

Ket : NS = Non Signifikan

Sig = Signifikan

(*) **Sig pada α = 0,10** (**) **Sig Pada α = 0,05** (***) **Sig Pada α = 0,05**

UMKM credit to agriculture sector, mining, manufacturing industries; hotel and restaurant trade, transportation and communication co; construction, service businesses, community social services, and other sectors together have a significant effect on employment in western Java.

Banking institutions should give greater credit to sectors of the productive economy, and have a wider

effect multiplier between sectors, so the increase in credit for UMKM will positively impact employment in west Java. As well as local governments to provide legal certainty for licensing services, transparency, and lower cost, especially for UMKM to various economic sectors in western Java.

The discussion results can be seen that there is great potential in the development sector UKM as domestic

power.If it is properly managed it will create a formidable medium businesses in countries like china and korea, But on the other hand UKM is facing fundamental problems outline includes the difficulty of market access, lack of business development and the limited access to financing institutions in this regard are banks.

Other problems that hinder the development of banking institutions in UKM is treating generally ukm same as medium and large businesses in any financing proposal, which among others include the adequacy of collateral, capital, as well as in terms of business feasibility 5C.Whereas most of the actors can not afford UKM meet these requirements in addition to their needs is still on a small scale. it is seen from the number ukm who enjoy access to capital from the banking institutions amounted to only 22.14 percent.

These conditions illustrate that the marketing function of credit in the banking UKM not optimal to run well and are still fettered by the rules in the form of legislation both at local and central inflexible and still wide problems faced by UKM, which was also once a huge potential banks, particularly in lending because it is still a wide open market for micro-credit schemes and small scale.

CONCLUSIONS AND SUGGESTIONS

Conclusions

Discussion of the results of the analysis, it can be deduced as follows:

1. Bank lending in the form of loans for investment and working capital loans to industrial sector did not significantly affect output and employment in total industrial output and communications telecommunications equipment industry also includes telecommunications equipment industry, exports of communications.
1. Bank lending for investment credit in micro, small and medium enterprises (UMKM) providing positive and significant for economic development in West Java, while working capital loans provide a positive influence but however not significant.
2. Channeling of bank credit to agriculture, industry and other sectors (informal sector), are each providing a significant positive impact for economic development west of Java, this is due to the agricultural sector has a distribution percentage (contribution), the largest in the formation of bruto regional domestic product (PDRB), and industrial sectors have the highest economic growth rate compared to other economic sectors.
3. Lending to UMKM investsi pebankan opposite effect pekembanan employment in west Java, while working capital loans provide a positive and significant effects for employment.
4. Bank lending to UMKM in western Java based business scale, micro-businesses providing a positive influence for the absorption of

labor in western Java. While for the supply of bank credit for small and medium enterprises in the opposite effect on employment in West Java.

5. Bank lending to UMKM for the agricultural sector, mining, and industry, are each providing a significant positive effect for the absorption of labor in western Java, while the trade sector has a negative effect on labor.

Suggestions

Conclusions based on the suggestions proposed by the authors are as follows :

1. Financial institutions, particularly banks to increase lending to the industrial sector, especially for export-oriented industries, including telecommunications equipment industry, communications, thus not only generate foreign exchange for the country, but also at the same time increasing production capacity and can absorb the use of labor for the community of Java west.
2. Financial institutions (banks) can increase the provision of micro credit for small and medium enterprises (UMKM) based on the type of use for credit-oriented, especially in additional working capital, to the later investment loans, and credit limit consumptive nature, which so far has the biggest portion absorption of banking credit to the UMKM sector in West Java.

3. In an effort to boost the economic growth (GDP) and peyerapan labor for small and medium micro enterprises (UMKM) in west Java, the financial institutions (banks) to increase lending, with puts especially for the field of economic sectors of the productive enterprises, and have a broad impact externalities for other economic sectors, both to increase output and employment.
4. Researchers suggested creating a new alternative funding institutions with the concept of multiplier effects in the hope that this new institution can be split up in the middle of a small community and a source of new hope to be able to build new businesses and improve their quality of life, the concept of a chain effect consists of two basic concepts, namely how to manage and distribute micro-credit and small to be effective and how to find sources of cheap funds that will be used as loan funds for the community, simply the concept of this chain effect can be described by schemes such as the concept of lending, adapted from the concept of Grameen Bank, Grameen is a bank formed the first time in Bangladesh by Mohammed Yunus in 1983.mereka focus on small communities in the hope that their credit channeled to reach and value-added for many individuals is not just a handful of big businessmen.

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