

Implementation of Micro Business Productive Assistance for UMKM as an Effort to Grow a Sustainable Economy

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ABSTRACT

This article discusses the Analysis of Micro Business Productive Assistance (BPUM) for Micro, Small, and Medium Enterprises (UMKM) as an effort to Grow and Develop a Sustainable Economy in East Kalimantan, so to explore the topics discussed, this research uses literature study research sourced from theories relevant to the problems in this study, Findings in this study that Micro Business Productive Assistance provides stimulus effective in improving and strengthening UMKM institutions amid the problems faced such as the Covid-19 pandemic and previous UMKM problems. The findings in this study make the conclusion that BPUM is effective in a certain time but in the context of sustainable economic growth, UMKM receiving BPUM are not always able to rely on this program. This is because this program is not sustainable and follows the system of state financial mechanisms available. This means that UMKM must be able to maximize BPUM optimally and be able to make their services progress and sustainable. The massive economic growth of UMKM, followed by strengthening through a creative economy and targeting aspects of the global market, will make UMKM able to survey all issues. So that the impact caused by the existence of a sustainable and creative economy UMKM in the digitalization era makes economic growth in the region increase with the addition of Gross Domestic Product (GDP) and National Income (PN). For BPUM assistance to East Kalimantan UMKM as a whole in 2021 has been realized effectively and optimally, but in 2022 there are several mechanisms that are still not running in several regions and there is a reduction in budget assistance deposited into UMKM.



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Keywords: Economic Growth, Social Assistance, Sustainable economy, UMKM

INTRODUCTION

Micro, Small, and Medium Enterprises (UMKM) are business activities tried by residents that function to realize national economic stability and can increase income and economic equality for residents or business activities can be able to expand and even out employment opportunities for residents (Arif, 2021). Micro-enterprises are businesses that are tried by individuals and have a net result of Rp. 50 million to Rp. 300 million with a total business wealth of Rp. 50 million not listed land and building heritage. A small business is a business that is tried by individuals and is not a branch of a business that

belongs directly or indirectly to medium-sized businesses and small businesses with a result of IDR 300 million to IDR 2.5 billion. A small business is a productive economic business that stands alone, which is tried by individuals or business bodies that are not subsidiaries of industry or branches of industry that are owned, understood, or become part either directly or indirectly of medium or large businesses (Sedyastuti, 2018).

On the other hand, medium-sized enterprises are productive economic businesses that stand-alone, which are tried by individuals or business bodies that are not subsidiaries of industry or branches of industry that are owned, understood, or become part either directly or indirectly with small businesses or large businesses. The net worth of medium-sized businesses is not listed as land and buildings that have reached more than IDR 500 million per year. Small or medium-sized enterprises (SMEs) also have sales turnover criteria of more than Rp2.5 billion to Rp50 billion per year (Law of the Republic of Indonesia No. 20 of 2008 concerning Micro, Small, and Medium Enterprises). The national economic zone shares a position with UMKM in the sustainability of the Indonesian economy as a meaningful position (Sarfiyah, Atmaja & Verawati, 2019). In the sustainability of the Indonesian economy, not only UMKM but there are also SMEs that have a significant position in the national economy. UMKM is listed in the national economic zone that must be raised and empowered so that UMKM can contribute to the development of the national economy (Marlinah, 2020). The need to increase and strengthen UMKM institutions through social assistance provided by the government will be a form of support for the Indonesian economy with the aim of poverty reduction (Ala'uddin, 2019; Hariyanti & Nuryati, 2022).

The Covid-19 pandemic, for several years, has shaken the Indonesian economic sector, most notably in the aspect of trade value which results in the purchasing energy of citizens falling (Pakpahan, 2020). Social encouragement or social assistance is indeed very much needed, even so, the government has tried to provide social assistance in the form of money, necessities, masks, hand sanitizers, etc. The provision of this social assistance aims to ease the burden on business actors affected by this non-natural property. Therefore, the Government through the Micro Business Productive Assistance (BPUM) is committed to providing this social assistance to UMKM actors. This commitment is in the form of the Government's efforts to ensure that it resumes BPUM or BLT UMKM in 2021.

The decision is contained in the Regulation of the Minister of Cooperatives and Small and Medium Enterprises Number 2 of 2021 and 2022 it will continue. Based on this, researchers will analyze in depth how the effectiveness of BPUM on UMKM as an effort to grow and develop a sustainable economy in East Kalimantan, who are the actors who can create UMKM programs can create sustainable economic success in East Kalimantan? Is this social assistance effort able to increase UMKM income or strengthen UMKM institutions amid global inflation? So later this finding will be very comprehensive in discussing the sustainable development economy based on UMKM.

LITERATURE REVIEW

Economic development means the growth of activity in the economy that causes objects and services produced in the community to increase and the prosperity of citizens increases (Ma'ruf & Wihastuti, 2008). The problem of economic development can be seen as a macroeconomic problem in the long term from one period to another. On the other hand, for Lincoln Arsyad, economic development is referred to as an increase in the gross domestic product (GDP)/ gross national product (GNP) regardless of whether the increase is greater or smaller than the level of population development, or whether the change of

economic structure is intertwined or not. Economic development is one of the markers of successful development in an economy (Acemoglu, 2012; Hess, 2016).

The progress of an economy is determined by the magnitude of developments directed by the turnover of national output. The existence of a turnover of output in the economy is a short-term economic analysis. Universally, the theory of economic development can be grouped into 2, which are the classical theory of economic development and the theory of modern economic development. In classical economic development theory, analysis is based on the beliefs and usefulness of free market mechanisms. This theory is a theory originated by classical economists including Adam Smith, and David Ricardo. Another theory that promotes economic development is a modern economic theory. Harrod- Domar's theory of development is one of the theories of modern economic development, this theory emphasizes the meaning of making investments for economic development. Continuing to be a big investment until it wants to continue to be a good economy, investment not only has an influence on aggregate demand but also on aggregate supply through its influence on creation. From a longer perspective, investment wants to increase capital stocks (Pelsa & Balina, 2022).

This economic growth will be in line with economic development. Economic development is a process that means continuous change, efforts to increase per capita income, mandatory increase in per capita income continue in the long term, and finally the revision of the institutional system in all fields (e.g. economics, politics, law, social, and culture) (Kurniawan & Managi, 2018). This system can be viewed from 2 aspects, namely: revision aspects in the field of organizations (institutions) and revisions in the field of regulations both official and informal legal (Sriyana, 2019). In this regard, it means that economic development is an active action effort that must be tried by a country to increase per capita income. Thus, it is very necessary for the position and citizens, the government, and all elements in a country to actively participate in the development process.

RESEARCH METHOD

This article discusses the Analysis of Micro Business Productive Assistance (BPUM) for UMKM as an Effort to Grow and Sustainable Economic Development in East Kalimantan, so to explore the topics discussed, this research uses literature study research sourced from theories relevant to the problems in this study, besides that the real evidence in this study is supported by several accurate and reliable mass media sources in researching that Deep. Literature Review, which is to critically examine or examine the knowledge, ideas, or findings contained in the body of academically oriented literary works, as well as formulate theoretical and methodological contributions to certain topics.

Snyder (2019) says that a literature review is a research methodology that aims to collect and take the essence of previous research and analyze several expert overviews written in the text table 1.

Table 1. Research Analysis Data

No	News	
1	https://kalimantan.bisnis.com/read/20211022/407/1456965/penyaluran-bpum-tahap-2-kaltim-ditarget-rp29146-miliar-di-akhir-tahun .	Kaltimbisnis.com. (2021)
2	https://kaltimpost.jawapos.com/samarinda/06/09/2022/bin-a-umkm-utamakan-digitalisasi .	Kaltimpost. (2022)
3	https://www.kaltimprov.go.id/berita/gubernur-serahkan-bpum-untuk-195-000-umkm .	Kaltimprov.go.id. (2021)
4	https://databoks.katadata.co.id/datapublish/2021/08/13/kontribusi-umkm-terhadap-ekonomi-terus-meningkat .	Katadata.co.id. (2021)
5	https://diskominfo.kaltimprov.go.id/kerajinan/sinergi-dan-kolaborasi-guna-mendukung-pengembangan-umkm-kaltim . https://lokadata.beritagar.id/chart/preview/kontribusi-umkm-terhadap-pdb-2010-2020-1611277587	Diskominfo.kaltimprov.go.id. (2022)
6	https://indagkop.kaltimprov.go.id/berita/detail/koordinasi-dan-verifikasi-data-bpum-di-kaltim .	Indagkop.kaltimprov.go.id. (2021).
7	Report	
8	file:///C:/Users/ASUS/Downloads/RPJMD%20Prov.%20Kaltim%202019-2023%20c.pdf https://www.bi.go.id/id/publikasi/laporan/lpp/Documents/Laporan%20Perekonomian%20Provinsi%20Kalimantan%20Timur%20Mei%202021.pdf	Bank Indonesia and RPJMD East Kalimantan Report

Source: Author-Managed, (2022).

RESULT AND DISCUSSION

The role of UMKM in the growth of the National Scale Economy

The role of UMKM is very large for Indonesia's economic growth, with the number reaching 99% of all business units. The contribution of UMKM to (Gross Domestic Product (GDP) also reached 60.5%, and to employment was 96.9% of the total national employment. It is noted that in Katadta Micro, Small, and Medium Enterprises continue to contribute to gross domestic product (GDP) from year to year. The contribution of UMKM to GDP on the basis of constant prices amounted to Rp 7,034.1 trillion in 2019, up 22.9% from the previous year of Rp 5,721.1 trillion. Meanwhile, the contribution of UMKM to GDP on the basis of prevailing prices amounted to Rp 9,580.8 trillion. This contribution increased by 5.7% from the previous year which amounted to Rp 9,062.6 trillion. Not only that, Indonesian UMKM contributed to absorbing 119.6 million or 96.92% of the total workforce in Indonesian business units. This employment increased by 2.21% from 2018. The large contribution of UMKM is because the majority of Indonesian business units are donated from UMKM. As many as 64.2 million or 99.99% of Indonesian business units are UMKM. The details are as many as 63.4 million are Micro Enterprises, 783.1 thousand are Small Businesses, and 60.7 thousand Medium Enterprises (UM). Meanwhile, Large Enterprises are only 5.5 thousand or 0.01% of the total Indonesian business units. The workforce absorbed from this business unit is 3.6 million or 3% of the total Indonesian workforce (Katadata.co.id, 2021).

Table 2. Contribution of UMKM to Indonesia's GDP in 2015-2019

Date	GDP on the basis of constant prices	GDP On The Basis Of Prevailing Prices
2015	1.655.430.000.000.000	6.228.285.000.000.000
2016	5.171.063.600.000.000	7.009.283.000.000.000
2017	5.445.564.400.000.000	7.820.282.600.000.000
2018	5.721.148.100.000.000	9.062.581.300.000.000
2019	7.034.146.700.000.000	9.580.762.700.000.000

Source: DataBoks.Katadata.co.id (2021).

According to Lokadata (2020), the contribution of UMKM is targeted at 61 percent in 2020. That's an increase of 1.67 percent over the previous year. However, the realization that occurred was precisely UMKM to Gross Domestic Product (GDP) in 2020 was the lowest since 2010, namely 37.3 percent. The contribution decreased by 38.14 percent compared to the previous year. This means that over time, the condition of local UMKM has decreased in the first two years of the Covid-19 pandemic, namely in 2020-2021 (Lokadata, 2022).

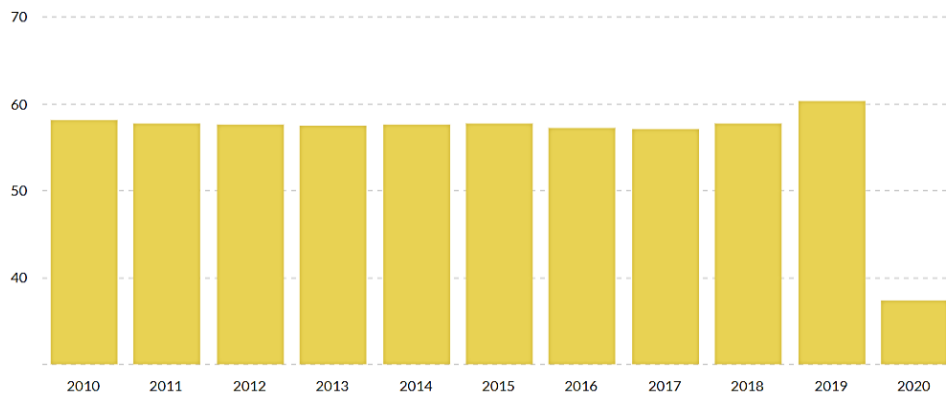


Figure 1. Contribution of UMKM to Indonesia's GDP in 2010-2020

Source: Lokadata (2022).

Based on figure 1. a survey from UNDP and LPEM UI involving 1,180 respondents of UMKM actors, it was found that at that time more than 48% of UMKM experienced raw material problems, 77% of their income decreased, 88% of UMKM experienced a decrease in product demand, and even 97% of UMKM experienced a decrease in asset value. Strategic policies implemented by the Government include the National Economic Recovery Program (PEN), the implementation of the Job Creation Law and its derivative rules, as well as the Bangga Buatan Indonesia (BBI) program. The PEN program itself includes UMKM Support programs, including in the field of KUR financing during the pandemic, Micro Business Productive Assistance (BPUM), Non-KUR Interest/Margin Subsidy, Placement of Funds/Placement of State Money, UMKM Credit Guarantee, Investment financing to cooperatives through LPDB KUMKM, Final Income Tax (PPh) for UMKM Borne by the Government, and Cash Assistance for Street Vendors, Warungs and Fishermen (BTPKLWN). historically, social assistance to UMKM during this pandemic helps them to be able to pay their credit installments again to the banking industry. We will also encourage for example Wage Subsidy Assistance (BSU) and Pre-Employment Cards as semi-social aid instruments. This is quite effective because the

incentives from Pre-Employment are the largest compared to other social aid program incentives.

According to data from the Indonesian Joint Funding Fintech Association (AFPI), in 2020 there were around 46.6 million of the total 64 million UMKM in Indonesia that did not have access to capital from banks or non-bank financial institutions. The financing barriers experienced by UMKM are the basis for the Government to provide support for other financing facilities, including through partnership and community development programs (PKBL), Mekaar PNM, Micro Waqf Bank, Ultra Micro Financing (UMi), and People's Business Credit (KUR). This financing scheme can be accessed by UMKM according to their class in line with the development of the UMKM business level. Since January 19, 2022, the KUR scheme consists of Super Micro KUR, Micro KUR, Small KUR, Special KUR, and PMI KUR. Especially for Super Micro KUR and Micro KUR, no additional collateral is needed. The development of UMKM loans itself continues to increase and NPLs continue to be maintained stable. UMKM loans continued to increase until they reached Rp1,275.03 trillion or grew 16.75% (YoY). NPL was maintained at around 4%, where the last position in April 2022 NPL was recorded at 4.38%, lower than the same period last year which was at 4.41%. However, the increase is still far from several other countries such as Singapore (41%), Thailand (41%), and China (60%). So, the target of UMKM export contribution is expected to increase to 17% in 2024. "Mr. President requested that there are 30 million UMKM going *digital* in 2024. We are pushing this through a cluster or center system because the expected final result will not only be that they enter the digital platform, but will also succeed in becoming a global and export-oriented player," said Deputy Rudy. The total contribution of UMKM exports increased from 14.37% in 2020 to 15.69% in 2021. One of the efforts to increase the competitiveness of SMEs is by taking advantage of the opportunity to integrate them into the global market through *Global Value Chain (GVC)* and *Global E-Commerce (GEC)*.

The integration of SMEs into the GVC can be carried out in the form of indirect exports through domestic aggregators as well as foreign-affiliated companies. Thus, the challenges of UMKM in the future that must be overcome jointly by all relevant stakeholders include those related to innovation and technology, digital literacy, productivity, legality or licensing, financing, branding *and* marketing, human resources, standardization and certification, equitable distribution of coaching, training, and facilitation, as well as a single database (Ekon.go.id, 2022).

Realization of Micro Business Productive Assistance (BPUM) to Local UMKM: The Case in East Kalimantan

The development of micro, small and medium enterprises in East Kalimantan from 2013 to 2017 has made significant progress. In 2013, the number of UMKM amounted to 360,733 units, increasing to 452,309 units in 2017. However, there are still several main problems including: First, the low contribution of UMKM to the regional economy, Second, the growth of UMKM is still low. Third, Lack of entrepreneurial competence, Fourth, Lack of innovation in UMKM products that are able to be competitive nationally and internationally, Fifth, Lack of access to capital, Sixth, Low public interest in entrepreneurship, Seventh, Lack of business incubation growth, Eighth, there are still limited production cooperatives (cooperatives consisting of production SMEs) (Graph1.2).

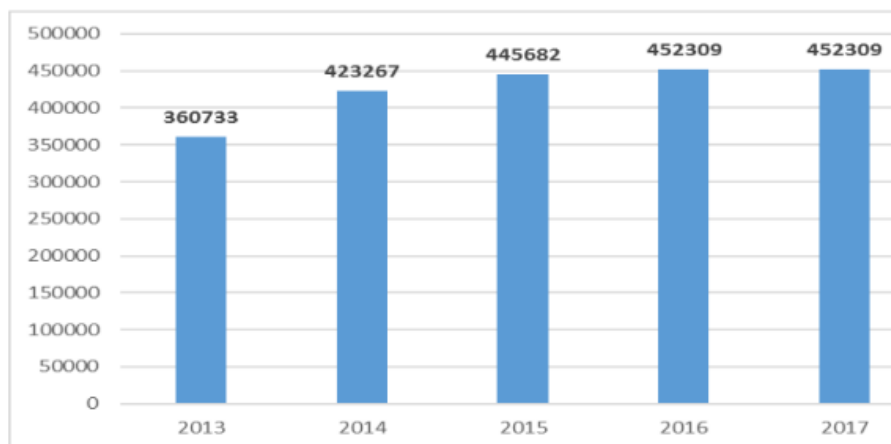


Figure 2. Development of UMKM in East Kalimantan 2013-2017

Source: RPJMD 2019-2023.

Based on figure 2, the East Kalimantan government has made various ways to increase economic growth through strengthening the independent and digitalization-based UMKM base, so that this is the basis for the realization of a creative economy that is able to encourage gross domestic income in East Kalimantan. Over time, UMKM have been faced with problems again considering that from 2020 to 2021 UMKM have to fight through their difficult times. It is undeniable that the government must consider this sector to be a priority to deal with economic shocks in the future. Given that UMKM are a business group whose role is very significant in the Indonesian economy. The contribution of UMKM to the economy has a significant effect, especially in employment. However, the problem that often occurs in UMKM to be able to develop and increase their income is the low level of technology owned by UMKM and the difficulty of obtaining capital. Efforts made by the government to help UMKM capital, one of which is through the BPUM program in the form of funds worth Rp. 1.2 million rupiah.

This BPUM program is one of the government's commitments in helping capital to UMKM actors and the government's efforts to encourage the UMKM sector to continue to exist in running its business and can increase its production so that it can increase its income. Moreover, currently, based on data from the Ministry of Cooperatives and SMEs, in 2022 the number of UMKM currently reaches 64.2 million with a contribution to GDP of 61.07 percent or idr 8,573.89 trillion. The contribution of UMKM to the Indonesian economy includes the ability to absorb 97 percent of the total existing workforce and can collect up to 60.4% of the total investment (Diskominfo.kaltimprov. gp.id, 2022). So it is hoped that the BPUM Assistance will be one way to extend the breath of micro, small, and medium enterprises or UMKM. The efforts made by the government by providing BPUM assistance are felt to be very effective in overcoming the problem of UMKM capitalization. This BPUM assistance can be used by UMKM actors to run their business, either to increase capital or for the purposes of promoting and marketing UMKM products. It is hoped that with this program, the UMKM sector can continue to exist in running its business and can increase its production so that it can increase its income.

Based on data owned by the East Kalimantan government, around 50% experienced a decrease in activity and turnover due to the Covid-19 pandemic. So the Governor of East Kalimantan hopes that with this assistance, the business activities of UMKM actors will be enthusiastic again and continue to improve, even though the pandemic cannot be predicted

when it will end (Kaltimprov.go.id, 2021). So that the East Kalimantan government coordinated and verified the Data of the Presidential Assistance Program for Micro, Small Enterprises (BPUM) in 2020 which was carried out by the East Kalimantan Provincial Government through the Office of Industry, Trade, Cooperatives, Small and Medium Enterprises of East Kalimantan Province according to the direction of President Joko Widodo regarding the receipt of the Productive Social Assistance Program for Micro Enterprises (Indagkop.kaltimprov.go.id, 2021).

Head of Disperindagkop of East Kalimantan Province HM Yadi Robyan Noor said that in East Kalimantan in 2021 there were 307,343 UMKM affected by Covid-19. Of these, 158,624 are in Samarinda. In early October 2021, the East Kalimantan government said that the utilization of BPUM was 77.97 percent and the target must be appropriate and complete by December 2021. Meanwhile, as many as 22.03 percent have not been utilized by recipients or as many as 53,509 people with funds reaching IDR 64.21 billion. Then, Roby revealed that BPUM phase I 2021 has been distributed as much as 100 percent or IDR 235 billion with a total of 195,001 UMKM players. If detailed, according to the classification of business fields, 28.2 percent of the culinary field, the processing industry as much as 8.56 percent, 22.3 percent of services, crafts as much as 1.3 percent and the most in the field of trade which reached 44.6 percent (Kaltimbisnis.com, 2021). And for BPUM recipients in Samarinda City as many as 42,805 UMKM with each received cash assistance of IDR 1,200,000. The total amount of funds disbursed is IDR 51,072,000,000. Spatially, the three regencies/cities that received the most BPUM came from Kutai Kartanegara Regency with 47,673 UMKM, followed by Samarinda City, namely 42,805 UMKM and Paser Regency with 28,056 UMKM.

However, not all cities have been able to realize this BPUM. Like the city of Bontang alone, in 2022 as many as 4,125 data on prospective recipients of Micro Business Productive Assistance (BPUM) in Bontang are not yet valid. This is because the data is a 2020-2021 file with errors, such as the NIK does not match the address of the prospective BPUM recipient. This means that there are still micro-business actors who are unaware of the BPUM program, there is still a lack of quantity of implementing staff, and there is still a lack of public understanding of the process of distributing aid funds. Some of the efforts to deal with the inhibiting factors are using better communication media, dividing tasks to devices, and limiting the number of microenterprises present at the channeling bank. Some suggestions that can be given regarding the implementation of the BPUM program in Tenggarong District, namely the use of technology by implementors must be further improved, it would be better if additional staff were held, as well as the need for a review related to the way the government communicates with micro business actors and between channeling banks and micro business actors (Anggraini & Nasution, 2013). Even so, the East Kalimantan government will continue to target this BPUM to be optimally realized. The East Kalimantan government considers that this assistance is temporary in nature so it will not necessarily be sustainable, therefore it is hoped that the recipients of this assistance will be able to make the best use of it for sustainable economic growth for the East Kalimantan region. Until now, the government has again distributed social assistance to UMKM business actors through BLT UMKM or BPUM with assistance that is no longer worth 1.2 million Rupiah but only gets 600 thousand Rupiah, which is included in government policy through the PEN nod.

Actor Collaboration in Realizing UMKM to Create Sustainable Economic Development in East Kalimantan

Based on government data, UMKM development activities will again be held. As launched by the Office of Industry, Trade, Cooperatives, Small and Medium Enterprises of East Kalimantan this September. After almost 2 years of being stopped due to the pandemic. Various activities to stimulate and revive the growth of UMKM after the pandemic were held. Starting from a special UMKM competition consisting of amplang creations, original amplang, traditional cakes, booths, to video products. There are also bazaars, cheap groceries, to blood donations and leisurely walks. The East Kalimantan government is in charge of helping to foster UMKM. Mainly related to digitalization, which has so far *been* assisted by Tokopedia and *Shopee*. In East Kalimantan, there are around 344 thousand UMKM recorded until the end of 2021. Of these, 97 percent are microenterprises. The data collection process continues to run to facilitate the distribution of assistance. The offers of help that came in, there have been many. It's just the readiness of UMKM. Later, UMKM will be trained and directed to enter the Marketplace. To get a bigger market. And make transactions and marketing easier, this is the era of digitalization. Digital storefront. We also have our own government online store," explained Sa'duddin. Of the hundreds of thousands of UMKM spread across East Kalimantan, there are already several that have entered the big Marketplace. With assistance from related agencies. Indeed, Sa'duddin admitted, not all can be reached by the East Kalimantan Department of Industry, Trade, Cooperatives, Small and Medium Enterprises. But it is divided into districts/cities. However, some obstacles still exist, namely related to Reach or relationships and budget factors and others.

In addition to the dinas dinasprindagkop, coaching in the field is also carried out by other agencies. Such as the Agriculture Office, the Plantation Service, and BUMN. For 2022, activities involving UMKM will continue to be rolled out until the end of the year. Both in East Kalimantan and other regions. Like in November there is Mahakam Festival, there is also an exhibition in East Java. The culmination of the dekranasda event in Jakarta. Therefore, he asked the district/city government to pay more attention to the UMKM development budget. Some regions are said to have very minimal budget allocations. In fact, the coaching and process of reinvigorating UMKM needs proper budgetary support. Especially in areas that intersect with the National Capital City (IKN) of the Archipelago, such as Sepaku in PPU, more attention is needed. To hold training to increase the capacity of UMKM actors so that they can compete (Kaltimpost, 2022).

In response, the government invited Bank Indonesia to collaborate in strengthening UMKM and creating value in this business field through increasing exports. Bank Indonesia considers that there are still relatively few UMKM with export potential, so it does require government policy support and synergy from all parties to grow and strengthen the competitiveness of East Kalimantan Province UMKM products in the global market. Furthermore, according to the results of a survey conducted by BI East Kalimantan in 2020, UMKM that have a global scale market are still relatively very small, namely around 3% (), for this reason, it is very appropriate that the programs and policies of the East Kalimantan Provincial Government target the creation of 100 small and medium enterprises to become new exporters by 2023. In line with the Provincial Government's program, BI East Kalimantan initiated the establishment of the East Kalimantan Export Academy (AEK) which was inaugurated by the Minister of Cooperatives & UMKM Mr. Teten

Masduki and the Deputy Governor of Bank Indonesia Mr. Doni P. Joewono at the end of 2020 Figure 3.

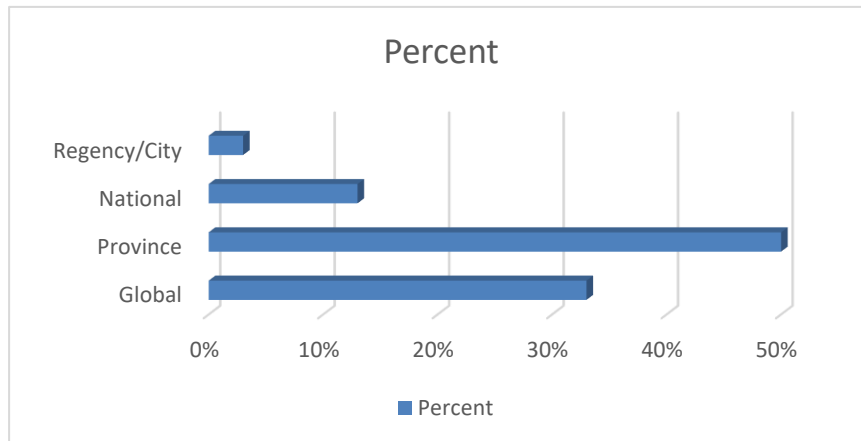


Figure 3. Main Target Market for UMKM in East Kalimantan Province

Source: Bank Indonesia Kaltim, (2021).

The strategy for developing export-potential UMKM (Go-Export MSEs) is to carry out technical assistance in training and assistance so that UMKM in East Kalimantan are able to advance in class / level to become export-level UMKM. Three important pillars of UMKM development carried out by Bank Indonesia: strengthening corporatization (institutional), capacity building (HR and Business), as well as access to marketing and financing. These three pillars are strategic steps to realize competitive UMKM to accelerate inclusive economic growth. In an effort to develop UMKM, Bank Indonesia groups UMKM into 4 (four) levels based on the table 3 criteria of Institutional and Human Resources, Finance, Production and Marketing. The four levels are:

Table 3. Bank Indonesia groups UMKM into 4 (four) levels

No	Four Levels
1	UMKM Level 1 (Potential). UMKM at this level require coaching to develop business scale;
2	UMKM Level 2 (Success). UMKM at this level have an increasing business scale, are ready to expand the online market but do not yet have access to financing.
3	UMKM Level 3 (Digital). Criteria at this level include having marketed their products online and having gained access to financing.
4	UMKM Level 4 (Export Potential). At this stage, UMKM already have maturity both in terms of HR institutions, finance, production, and marketing.

The program carried out at the East Kalimantan Export Academy targets UMKM Level 4 (Export Potential) in order to be able to export sustainably This export potential UMKM development program is expected to expand UMKM market access so as to encourage *local economic development (LED)*, improve the Current Account Deficit (CAD) through increasing exports, and as a source of new economic growth. In its operations, the implementation of this program synergizes with all relevant parties who have the same vision / mission both at the district / city, provincial, national levels, as well as BI Representative Offices / related institutions abroad. As an initial stage, AEK BI East Kalimantan collaborated with the Indonesian Export Training Education (PPEI) of the Directorate General of National Export Development (PEN) of the Ministry of Trade of the Republic of Indonesia to carry out training and mentoring programs divided into several training classes and mentoring programs. There are 3 (three) classes / programs for Export

Potential UMKM, namely: How to Start Export (BME) class, Export Procedure (PE) class, and Export Coaching Program (ECP). The BME class contains training on technical knowledge needed to prepare UMKM to start exports such as: (i) getting to know the export business; (ii) identification of internal potential and export markets; (iii) development of export products; (iv) export costs & price calculations; and (v) sourcing buyers and export experience. For PE Class provides technical and practical knowledge of exporter needs such as: (i) export procedures and documents; (ii) export customs management; (iii) procedures for transportation and handling of export cargo; (iv) INCOTERMS 2020; (v) export payment systems; and (vi) the filling of export documents. Furthermore, for ECP, it is carried out as a mentoring program in 8 stages for market development and export products, to the business matching process so that UMKM are successful in exporting.

The Go-Export UMKM training and mentoring program has been carried out since the end of 2020 which involves a number of potential exports UMKM from almost all districts/cities in East Kalimantan Province with a transparent and accountable recruitment pattern. There are 2 BME training classes and 1 PE training class has been carried out, each in December 2020 and March 2021 and attended by more than 60 UMKM Participants from almost all cities and regencies spread across all provinces in East Kalimantan. Spatially, the majority of participants came from Balikpapan City, Samarinda City, and Bontang City. Training participants go through a strict and transparent selection from hundreds of UMKM to ensure the quality of training graduates who are expected to proceed to the final stage, namely ECP. The class and mentoring program at ECP is a carried out in 8 stages and will start at the end of June 2021 after going through a very strict and transparent selection stage. It is hoped that several training and mentoring classes that have been and will be carried out programmatically can produce UMKM that can already export in the second semester of 2021 (Bank Indonesia Report, 2021).

Based on the explanation above, the economic growth of an area or neagar is indeed very important and strategic to be prioritized (Elisabet, Lestari & Sari, 2021; Wahyunti, 2020). Thus, the need for an understanding of the concept and method of calculating economic growth, high and sustainable economic growth is the main condition or a necessity for the continuity of economic development and the improvement of welfare. The number of people is increasing every year, so that naturally the daily consumption needs are also increasing every year, so additional income is needed every year. Apart from demand (consumption), from the supply side, population growth also requires the growth of employment opportunities (sources of income) (Daryanto & Hafizrianda, 2018). Economic growth without being accompanied by the addition of employment opportunities will result in inequality in the division of these income additions (*ceteris paribus*), which will further create a condition of economic growth with increased poverty. The fulfillment of consumption needs and employment opportunities itself can only be achieved by a continuous increase in the output of *gregat* (goods and services) or GDP. In the understanding of macroeconomics, economic growth is the addition of GDP which means an increase in National Income (PN) (Statistics, 2014). Attention to the economic growth of the region is increasing in the era of regional autonomy. This is quite logical, because in this era of autonomy, each region is competing to increase regional economic growth in order to encourage the improvement of the prosperity of the local community. Therefore, the discussion of structural and determinants of regional economic growth will be very important for local governments in determining policies and efforts that can be made to encourage economic growth in their respective regions (Sjafrizal, 2012).

CONCLUSION

The assistance carried out by the government during the Covid-19 pandemic in the national economic recovery program which focused on Micro Business Productive Assistance (BPUM) provided an effective stimulus in increasing and strengthening UMKM institutions amid the problems faced such as the Covid-19 pandemic and previous UMKM problems. The findings in this study make the conclusion that BPUM is effective in a certain time but in the context of sustainable economic growth, UMKM receiving BPUM are not always able to rely on this program. This is because the program is unsustainable and follows the system of state financial mechanisms available. This means that UMKM must be able to maximize BPUM optimally and be able to make their services progress and sustainable. The massive economic growth of UMKM, followed by strengthening through a creative economy and targeting aspects of the global market, will make UMKM able to survey all issues. So that the impact caused by the existence of a sustainable and creative economy UMKM in the digitalization era makes economic growth in the region increase with the addition of GDP and PN. The government must be able to facilitate UMKM in building network relations between stakeholders so that UMKM programs can be optimally realized.

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