The Analysis of Revolving Fund's Returning through the National Program for Community Empowerment (Pnpm) Mandiri in Makassar City

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Abstract: *The problems statements of this research were whether the factors of LAR, PAR, CCr, and ROI gave significant influence on aid fund returning at BKM Maccini Salewangan PNPK Makassar, and which factor that influence the aid fund returning dominantly.*

The Purposes of this research is to analyze the aid of the fund returning of National Community Empowerment Program. This type of research is quantitative, where this research is associative/ relationship is research that aims to determine the extent of the relationship between two or more variables.

The result show that the partial influence among, LAR.PAR.CCr and ROI on the aid fund returning particularly at BKM Maccini Salewangang, the LAR and PAR gave negative influence on the aid fund returning where high LAR and PAR caused the aid fund returning low. The result of regression test showed that the variable ROI which gave influence dominanaly on the aid fund returning particularly at BKM Maccini Salewangang.

Keywords: *Fund returning, National community empowerment program.*

1. INTRODUCTION

The stable and equitable of economic growth is one of the main conditions for economic survival in a region without any exception include in South Sulawesi Province, so the economic growth becomes one of the development goals of South Sulawesi province. In short term there is a conflict potential between monetary policy and fiscal. If the central bank wants to achieve the price stability, the government's fiscal policy should strive to depress demand aggregate and output so high costs and inflation are hard pressed so it needs to be balance (Mahdi et al, 2012).

Poverty is the main problem of a nation which until today the government and the community has not been able to overcome it. There are about 40 million people in Indonesia are living below the poverty line (World Bank, May 31, 2011), and it is a national problem that must be urgently addressed. Held the poverty, one of the government programs that have been being implemented is a program called the Urban Poverty Prevention Program (P2KP). It was conducted since 1999 as the government's efforts to build community self-reliance and local governments in tackling poverty in a sustainable manner. The poverty prevention done by empowering people through three main types, they are: infrastructure, social and economic known as Tridya. Especially for society's economic activities given revolving loan fund that is granting loans in micro scale to the poor society in the village or the village called the National Program for Community Empowerment (PNPM). The function and role of urban PNPM is provide financial services to the poor households with market-based micro loan to improve their economic condition by spending and managing it and use them correctly. PNPM role not only directed role in poverty reduction, but also provide lending to Self-Supporting Groups (KSM).

PNPM Mandiri urban revolving fund has a chance to reach approximately 2.5 million poor households in Indonesia who have not implement access financial institutions at all. Revolving fund portfolio growth increased from year to year, so a proper assessment needed to be conducted to evaluate factors that affect the smoothness running of a revolving fund.

Smoothness pay of loan is one of the factors that affect the smooth running of the loan, smooth criteria is pay obligations and not in arrears for 2 months. While unsmooth criteria is postponed pay over three months, an obligation which is included in doubtful accounts, and jammed criteria is credit for 6 consecutive months are not paid by the debtor's obligations. Based on the results of the research, factors affected jammed credits is the inadequacy of surveyors in conducting the loan's feasibility, in the other hand the collector is not effective in collecting the revolving fund loans to borrowers. According to Susiani (2009) who conducted research on the factors that affect the smooth revolving fund, found that the factors that affect the smoothness pay of loan are: *Loan at Risk* (LAR), *Portfolio at Risk* (PAR), *Cost Coverage* (CCR) and *Return on Investment* (ROI). Reason to select those variables was because they can be used in assessing the smooth return of revolving funds.

Revolving fund quoted from PNPM (2010) is a loan in the PNPM Mandiri of Urban which given to the poor through Self-Supporting Groups (KSM) to increase the income and welfare. Some considerations in continue revolving fond through PNPM Urban are: 1) the availability of sustainable access to financial services has proven to be one of the effective tools to help poor households to increase revenue and welfare. 2) Poor households' access to formal financial services is low enough, which is based on the results of Don Johnson and Murdoch, about 29 million poor households to formal financial services. 3) PNPM Urban revolving loan has a chance to reach approximately 2.5 million poor households that did not receive access to formal financial institutions. 4). Revolving loan demand on community development plans is still high. 5). Termination of assistance that has been running for this if without adequate performance would undermine cultural borrowing and guarantees about 2.5 million poor households who have not received access to formal financial institutions.

Furthermore, the objectives of this research is to analyze the influence of LAR, NYC, CCR, and ROI to the revolving fund loan repayment, then to analyze which variables are the most dominant influence on the smooth repayment of revolving funds in BKM Maccini Salewangan Village of Maccini District of Makassar.

Problem

How Does The Analysis Of Revolving Fund's Returning Through The National Program For Community Empowerment (Pnpm) Mandiri In Makassar City

2. LITERATURE

2.1. Fiscal and Monetary Policy

2.1.1. Fiscal Policy

Fiscal policy can be interpreted as measures taken by the government in the state's budget with intent to influence the course of the economy. State budget consist of tax revenues, government expenditure and government transfers. The cost of government transfers is government expenditures that do not generate direct remuneration. For example students' scholarship, disaster relief, etc. One effect of the application of fiscal policy is the national income in Dhani Kurniawan (2009).

Fiscal policy is an economic policy in order to steer the economy to get better with the change of government revenues and expenditures. In implementing fiscal policy the government uses excretion instrument and taxes. Through the instrument of government spending and taxes, the government can influence prices in the market for aggregate demand will be affected (Nurul Izza, 2012).

Theories about the effectiveness of fiscal and monetary policies initiated by the classical theory and Keynes theory. These theories have different views about the effectiveness of these policies in the economy. Classical theory later developed by the monetarist (Neo-classical) more emphasis on the use of monetary policy in dealing with economic problems. This opinion is based on the idea that the effects of monetary policy on demand aggregate was direct (Nopirin in Chenny Seftarita, 2005). Additional cash is not necessarily going to buy the securities, but immediately spent in the form of goods. Fiscal policy in this case is considered less effective in influencing the economy in view of the effect of crowding out in the policy.

Richard Layard (2005) in the John F. Halliwell (2005) argues, the tendency of short-term commitment, and increased monetary and other awards to connect individual performance targets, especially the short term, may be having a corrosive effect on trust and loyalty and creates unhappiness in process. Having digested the importance of trust and involvement, they may be expected to inform policy decisions regarding almost any shape and public service.

2.1.2. Monetary Policy

Monetary policy is an attempt to control or direct the macro economy to the desired condition (better) to regulate the money supply. What is meant by better conditions and the equilibrium output is increasing or maintaining price stability (inflation control). Through the government's monetary policy can maintain, increase, or decrease the money supply in order to maintain the ability of the economy to grow, while controlling inflation. If that is done is to increase the money supply, then the policy is expansionary policies, while contractive monetary policy by reducing the money supply, known as tight money policy (Rahardja and Manurung, 2002).

There are three main instruments used to regulate the money supply, namely: open market operations, the facility of discount (discount rate), and reserve requirement ratio. Outside of the third instrument the government can do moral appeal (moral situation).

2.2. Strengthening the Economy

The world economy was shaken by the global economic crisis, which originated from the financial crisis in the United States and the impact on the real sector there. This situation then dragged Countries in Europe and Asia to the dark recession. Indonesia was hit by a significant impact of the world global crisis. Macroeconomic variables in the country began to erode and encourage the Indonesian Bank revises economic growth assumptions in Budget 2009 from 4.5 percent to 4 percent. As is known economic growth is influenced by household consumption, investment, government spending, and export-import.

In times of crisis, foreign investment declined threatened. This is understandable due to the risk of uncertainty and economic stability convulsions due to the global recession. Thus Indonesia cannot rely on foreign investment (PMA) at the present time.

The PMA decline will have implications for the increase in unemployment which further leads to a decrease social welfare. Therefore, the Government and the community should immediately start back up this situation with more intensified domestic investment. Activation of domestic investment can be a real support to Micro, Small, and Medium Enterprises (UMKM). UMKM have proven resistant to the effects of the crisis. But its activities still not optimally support the real sector because interest rates are still high.

The Bank of Indonesia (BI) lowered its benchmark interest rate had been right. Expected reduction in the BI rate from 8.25 percent to 7.75 percent can encourage the development of UMKM so it can absorb the fired-victim which reported has reached 37.905 people due to the crisis. At the same time, the central bank needs to continually encourage banks to want to give credit to SMEs. The support of the banks is needed in developing SMEs, among others, by creating SME financing scheme that is easily accessible.

2.3. Development Planning

In Indonesia's development planning is done in the New Order and experienced many failures are application-application of the theory as follows:

1. Rostow's Growth Theory

Rostow's theory is based on empirical experience of development that has been experienced by developed countries, especially in Europe. By observing the process of development in European countries ranging from medieval to modern times, then later Rostow formulate the existing pattern of development into stages of evolution from an economic development undertaken by these countries. Which is divided into five stages: stage traditional economy; preconditions for take-off phase; take-off; stage to adulthood; phase of high mass consumption (Mudrajad Kuncoro in dumadi and Nana, 2006).

Rostow's theory of development is a depiction of the historical pattern of development in European countries that have a social and cultural structures are established (Mudrajad Kuncoro in dumadi and Nana, 2006). They have become the imperialist, colonialist and invaders, meanwhile countries in Asia are country that suffered from imperialism, colonialism, and colonization. So that high consumption stage of Europe is the result of the country's wealth of colonies. So that the European countries in this age were able sympathize unemployed and poor people as in the Netherlands and Germany.

2. Harrod-Domar's Growth Theory (Growth Model)

To increase the economic growth needed capital, so that the capital stock is needed. If it is assumed that there is a direct relationship between the amount of capital stock / capital stock, K, and total GNP, Y. Knowledge in economic about its relations called Capital Output Ratio (COR).

3. Arthur Lewis's Development Theory.

Arthur Lewis development theory underlying the discussion of the development process that occurs between urban and rural areas, by including factors of urbanization. Arthur Lewis assumes the country's economy will basically divide into two, namely: the traditional economy and industrial economy.

2.4. Economic Democracy and People's Economic Empowerment

It should be underlined that the community economy cannot simply a political commitment to change the trend in the economic system of the new order to defend the very large employers, especially the conglomerates. That change should be carried out by actually giving primary attention to the little people through operational programs are real and able to stimulate productive economic activity at the level of the community while fostering the entrepreneurial spirit. There is no denying that build community economy requires political commitment (political will), but with a populist economic equating the practice to divide the money of the little people (I do not make an assessment of the system JPS), is something big mistake in the correct perspective of democratic economy. Practice to divide the money to poor people is not favorable to any party, including the little people themselves (Compare with Ignas Kleden's opinion in Fredrik Benu, 2002).

Federal Zone Empowerment program series spatially targeted tax incentives and block grants are designed to encourage economic investment, physical, and social in urban and rural areas most in need in the United States. Talk of the federal program caught at the beginning of the first term of President Clinton after the 1992 Los Angeles riots. In 1993, Congress authorized the creation of a series of Empowerment Zones and smaller Enterprise for Communities (ECs) that will be managed by the Department of Housing and Urban Development (HUD) and administered through a competitive application process (Matias Busso and Patrick Kline, 2008).

Zone concept was first popularized in England by Peter Hall (in Deirdre Oakley and Hui -Shien Tsao, 2006), and the EZ / EC initiative comes from the state level program early 1980s called business zone (Boarnet, Rubin in Deirdre Oakley and Shien-hui Tsao, 2006). The idea is to use tax incentives targeted geographically and relaxation of regulations to encourage job creation, business activities, and environmental improvements in depressed urban areas (McCarthy in Deirdre Oakley and Hui-Shien Tsao, 2006).

3. METHODS

This type of research is quantitative, where this research is associative/relationship is research that aims to determine the extent of the relationship between two or more variables.

4. RESULTS

One way done to meet the criteria of good financial management and targeted is necessary monitoring conducted by UPK officers. Monitoring activities are conducted with respect to financial performance indicators revolving loans include loans in arrears. The main indicator in assessing the financial performance of the above may include: LAR, NYC, ROI and CCR.

Based on LAR formula, then the amount of LAR at BKM Maccini Salewangan, Maccini Village, District of Makassar from 2008 to 2010, was 29% in 2008, 29% in 2009 and 14% in 2010, making an average of LAR was 24% per year . For clarity, the following table:

Table1. *Loan at Risk (LAR) year 2008-2010*

Year	KSM Arrears > 3 Months	KSM Borrowers	Loan at Risk (%)	LAR Evaluation Criteria
2008	277	966	29	Postponed
2009	259	902	29	Postponed
2010	87	627	14	Minimal
Average	208	832	24	Postponed

Source: *Data processed 2011*

Based on Table 1, LAR performance assessment and graphs from 2008 to 2010, had seen that the LAR in the last 2 years (in 2009 to 2010) decreased. Factors that lead to a decrease due to lower number of KSM Arrears > 3 months, and in addition to the assessment criteria LAR from 2008 to 2009 in the category postponed because LAR is above or equal to 20%, then in 2010 LAR categorized as minimum because it below 20%, so that the average performance of 24% and LAR can be categorized postponed because LAR already above or equal to 20%. Then based on the analysis, *Participation at Risk* (PAR) is as follows:

Table2. *Participation at Risk (PAR) 2008-2010*

Year	Loan Arrears > 3 Months	Loan Balance Realization	Participation at Risk (%)	PAR Evaluation Criteria
2008	26.614.832	133.563.902	20	Minimal
2009	12.956.823	109.179.797	12	Minimal
2010	22.618.868	68.127.691	33	Postponed
Average	20730174	103623797	22	Postponed

Source: *Data processed 2011*

Based on Table 2, the development of PAR from 2008 to 2010 is seen that for the last 2 years has decreased. Hence, seen from the performance assessment criteria for 2008 and 2010 can be categorized delayed, because the value of PAR above 20%, whereas in the year 2009 can be considered a minimum because the PAR below 20%. Further analysis of the performance of the *Cost of Coverage (CCr)* 2008 to 2010 can be seen through the table 3 below:

Table3. *Cost Coverage (CCr) year 2008 – 2010*

Year	UPK Income Total	UPK Cost Total	Cost Coverage (%)	CCr Evaluation Criteria
2008	159.890.356	132.026.986	121	Minimal
2009	153.159.678	122.890.223	125	Minimal
2010	151.199.868	124.913.192	121	Minimal
Average	154.749.967	126610134	122	Minimal

Source: *Data processed, 2011*

Based on data regarding CCR calculation from 2008 to 2010, which means that each 1 rupiah, costs incurred to generate revenues 1, 21 rupiah or 121%, in 2009 amounted to 123%, and in 2010 amounted to 121%. If based on the development of the cost of coverage, it can be considered as minimum because of the value of cost coverage (CCR), which is achieved by BKM Maccini Salewangang already above 100%.

Further analysis of Return on Investment (ROI), the following table:

Table4. *Return On Investment (ROI) year 2008 to 2010*

Year	Clean Profit (Rupiah)	Modal Invests (Rupiah)	Return On Investment (%)	ROI Evaluation Criteria
2008	27.863.370	145.539.252	19,14	Satisfy
2009	30.269.455	123.680.640	24,47	Satisfy
2010	26.286.676	91.351.445	28,78	Satisfy
Average	28.139.834	120.190.446	24,13	Satisfy

Source: *Data process result*

Smoothness refund of revolving loan is one of the factors that affect the performance of PNPM Urban, because with no smooth development revolving loan funds will result in lower ROI obtained through a revolving loan fund returns by urban PNPM. Therefore there should be an assessment of the revolving loan repayment smoothness.

Table5. *Smoothness of loan's payment from its collectability from 2008 to 2010.*

Year	Collectability of Revolving Fund's Returning (Rupiah)				
	L	PK	KL	D	M
2008	58.509.920	39.763.917	11.970.681	11.970.681	9.257.122
2009	63.144.116	34.332.467	5.655.475	5.655.475	4.870.433
2010	27.998.698	17.510.125	7.936.710	12.469.850	4.424.615
Average	49.884.245	30.535.503	8.520.956	10.032.002	6.184.057

Source: *Data process result*

Table 5 the views of collectability revolving loan fund for the last 3 years (2008 to 2010) which indicates that the collectability of revolving loan funds in the current category (L) at 49.884.25, while included in the category of special concern (PK) of 30.535.503 and substandard category (KL) of 10.032.002 and loss (M) of 6.184.057. One of the factors that led to a decrease due to a reduction in the revolving loan fund distribution by BKM Maccini Salewangang, especially in the year 2010.

Furthermore, the results of the descriptive statistical data processed using SPSS version 17, which can be seen through the following table:

Table6. *Results of descriptive statistical data processed using SPSS Version 17*

	N	Minimum	Maximum	Mean	*Std. Deviation*
Loan At Risk (LAR)	36	2.35	41.46	23.7875	12.38395
Participation At Risk (PAR)	36	1.49	84.35	21.8253	18.14797
Cost Coverage (CCr)	36	103.20	156.70	123.3311	13.68726
Return On Investment (ROI)	36	12.34	37.98	24.9539	7.12868
Revolving Fund's Returning	36	1.00	5.00	3.4722	1.25325
Valid N (list wise)	36				

Source: *Data process result*

4.1. Normality Test

Based on normality test, note that of the 36 samples of the study, showed that the mean value of each variable for 7, 18E-16, a standard deviation of 0.941. So in the normality test of each variable to be included in the regression model can be said to have met the assumption of normality.

Table7. *Results of the data processed by the normality test Smirnov one-sample*

No.	Research Variabel	Value of Asimp sig	Significant Standard	Decision
1.	LAR	0,243	0,05	Normal Data
2.	PAR	0,079	0,05	Normal Data
3.	CCr	0,873	0,05	Normal Data
4.	ROI	0,811	0,05	Normal Data
5.	Smoothness refund revolving loan	0,133	0,05	Normal Data

Source: *data processed with SPSS*

From Table 7, the results of the data normality processed by one sample Smimov, it appears that all of the study variables (LAR, PAR, CCR, ROI, the smooth repayment of revolving loan funds) all have a normal distribution, the reason for having a sig > 0.05. It can be concluded that all the variables of the study will be used in parametric statistical tests are all normal distribution.

4.2. Multicollinearity Testing Assumptions

Table8. *Results Processed Data Collinearity Statistics*

Regression Model	Collinearity Statistics	
	Tolerance	VIF
LAR	0,988	1,012
PAR	0,884	1,131
CCR	0,953	1,049
ROI	0,873	1,146

Source: *data processed with SPSS*

From the above results it can be seen that the value of the variable inflation factor (VIF), namely: LAR, NYC, CCR and the ROI is not more than 10, so it was concluded that the study did not have a multicolinearity problem.

4.3. Autocorrelation Testing Assumptions

Table9. *Results of the data processed autocorrelation*

Indicator	Dl	dU	Dw
Durbin			
Watson's value (dw)	1,236	1,726	1,990

Source: *data processed with SPSS version 17*

Based on Table 9 shows that the value of dL = 1.236 > dw = 1.990 and then because the value of dw 1,990 < 4 dw (4 - 1.726) means that the data used in this research does not have any autocorrelation problem.

4.4. Heteroskedasticity Testing

The results of the data processed heterokesdastisitas with Glesjer test can be seen in the following table:

Table10. *Results of heteroscedasticity test data processed by methods glejser*

No.	Research Variables	F count	T table	Description
1.	LAR	-1,647	1,688	No Problem heteroskedasticity
2.	PAR	-0,644	1,688	No Problem heteroskedasticity
3.	CCr	0,210	1,688	No Problem heteroskedasticity
4.	ROI	1,365	1,688	No Problem heteroskedasticity

Source: *Data were processed using SPSS*

From the table 10 above which shows that each variable research has t > t table means in this study did not have a problem heteroskedasticit**y.**

4.5. Regression and Correlation Analysis

In this study used multiple regression model with the dependent variable is the smooth repayment of revolving loan funds (Y) and the independent variable is variable of LAR (X1), PAR (X2), CCR (X3) and ROI (X4). Model of the relationships formed in this study are as follows:

$$Y = \alpha + \beta_1 x_1 + \beta_2 x_2 + \beta_3 x_3 + \beta_4 x_4$$

Based on the results of the data processed, it can be served SPSS regression equation is:

Y = 0.004 + (-0.421) + (-0.414) + 0.316 + 0.352

Regression of the data processed between LAR with smooth distribution of a revolving loan fund, the obtained coefficient of -0.421 with p value = 0.002 value. This suggests that an increase of 1% Loan At Risk (LAR) will result in the smooth return of a revolving loan fund will decrease by 0.421%. Thus it can be concluded that the higher the risk refund revolving loan then the smooth return of a revolving loan fund, the lower (down). Then viewed from the p value is equal to 0.002, as the value of 0.002 p value <0.05 means that the conclusions that can be drawn is LAR negative

effect on the smooth return of a revolving loan fund, the reason for having the value p value <0.05.

Then the influence between PAR with smooth distribution of revolving loan funds negatively affect the smooth distribution of a revolving loan fund. This suggests that an increase of 1% *Participation at Risk* (PAR) will result in a decrease in the smooth return of a revolving loan fund. Thus it can be concluded that the higher the risk refund revolving loan then the smooth repayment of revolving loan fund will fall.

Then can be seen from the p value is equal to 0.004, as the value of p value 0.004 <0.05, means that there is a negative and significant effect of PAR and the smooth return of a revolving loan fund, the reason is having p vallue value <0.05. From the results of the data regression processed between CCR and the smooth distribution of a revolving loan fund, the obtained coefficient of 0.316 with p value = 0.002 value. It suggests that an increase of 1% *Cost of Coverage (CCR)* will result in an increase in the smooth return of a revolving loan fund. Thus it can be concluded that the higher the CCR, the smoothness of a revolving loan fund returns will fall. Then viewed from the p value is equal to 0.021, as the value of p value 0.021 <0.05 means it can be concluded that there is a positive and significant influence between the CCR with the smooth return of a revolving loan fund, the reason is it has p value < 0.05.

Result of the regression data processed between ROI with smoothness of a revolving loan fund, the obtained coefficient of 0.352 with p value = 0.015 value. This suggests that an increase of 1% return on investment (ROI) will result in an increase in the smooth return of a revolving loan fund. Thus it can be concluded that the higher the ROI, the higher the smooth return of a revolving loan fund.

Furthermore, judging from the p value is equal to 0.015, beacuse the value of 0.015 <0.05, it can be concluded that there is a positive and significant influence between the ROI with the smooth return of a revolving loan fund, the reason is because it has p value <0.05, then the hypothesis results which has been described previously then after the regression test results proved no significant effect between LAR, PAR, CCR and ROI on the smooth return of revolving loan funds, especially at BKM Maccini Salewangan Maccini Village District of Makassar, so the first hypothesis is proven.

According to the table on the results of multiple correlation analysis of the obtained number R of 0.707, this suggests that LAR, PAR, CCR and ROI together have a significant relationship with the smooth return of a revolving loan fund, because the value of R positive and close by 1. Then the value of R^2 (R-square) of 0.500 (50%), this shows that the percentage of the effect of the independent variable (LAR, PAR, CCR and ROI) can explain 50% of variation variable revolving loan refund.

Then the standard error of the estimated is a measure of the number of regression models in predicting the return of a revolving loan fund (Y). From the results of regression analysis of the obtained values of standard error of the estimated was 0.941. This shows that the number of errors in predicting refund revolving loan can be set at 0.941.

5. DISCUSSION

Based on the analysis of the performance of the BKM Maccini Salewangang especially in the 2008 to 2010 which was measured with LAR, PAR, CCR and ROI. From the aspect of LAR is seen that for the year 2008 - 2009 can be categorized postponed. This suggests that the BKM Maccini Salewangang not been effective in channeling revolving loan fund, where the number of SHGs in arrears.

Then viewed from the aspect of PAR for 2009 can be categorized postponed. This indicates that the value of PAR achieved quite high. Where standards are below 10%. One of the factors that cause because of the number of SHGs in arrears, which can be seen that the number of delinquent loans> 3 months increased. Therefore efforts should be made by BKM Maccini Salewangan are collections from each KSM in arrears, which can be viewed by intensifying collector to collect the KSM, 5C analysis in a revolving loan fund, such as: capital, collateral, character, capacity, and condition.

Then viewed from the aspect of Cost Coverage (CCR) is achieved by BKM Salewangang especially in the 2008 to 2010 shows that the CCR is achieved by BKM Maccini can be categorized Salewangang minimal, so the conclusions that can be drawn is BKM Maccini Salewangang been able to use the cost basis efficient and effective. Furthermore, from the aspect of Return on Investment (ROI), it is seen that the ROI for the last 3 years from 2008 to 2010 can be considered satisfactory and have increased from year to year, especially in BKM Maccini Maccini Salewangang in the Village District of Makassar.

6. CONCLUSIONS AND RECOMMENDATIONS

6.1. Conclusion

From the analysis of the influence of LAR with the smooth refund rotating loans especially at BKM Maccini Salewangang, turns negative effect means higher LAR then the smooth return of the lower revolving loan fund. Similarly, PAR also has a negative effect on the smooth return of a revolving loan fund.

Furthermore, the influence of Cost Coverage with the smooth return of a revolving loan fund, a positive and significant effect, meaning that the higher cost of the coverage, the more smoothly the level of refund loans. Similarly ROI positive and significant effect on the smooth return of a revolving loan fund to BKM Maccini Salewangang.

6.2. Suggestions

It is recommended that the need for BKM Maccini Salewangang to reduce the ratio of LAR, which by reducing the number of adverse KSM and besides it is more selective in granting aid revolving loan funds to SHGs. It is recommended that this BKM need to reduce loan balances in arrears, so that Dubai can be decreased. This is done by way of doing intensively in billing invoices in arrears.

Then, in order to further improve the cost BKM need coverage the way it is done by adding the amount of income in aid delivery pinjuaman revolving fund to SHGs. It is suggested that one way to improve ROI is to increase profits in the distribution of aid funds.

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