

# Vaccine Financing for the Treatment of Covid-19 of Banking Agencies' in Empowering Small and Medium Health Institution at Aceh

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## Abstract

The purpose of this article is to explain the vaccine financing for the treatment of covid-19 of Banking Agencies in an effort to empower Small and Medium Institution in Aceh. This study applies qualitative legal methods with a descriptive-analytical approach. The results of the study indicate that the vaccine financing for the treatment of covid-19 and the existence of the Banking Agencies is instrumental in efforts to empowerment SMHi and covid-19 treatment, but the quantity of SMHi that can be financed very limited. Only a small proportion of SMHi can obtain loan facilities from bank agencies. In conclusion, bank agencies still not yet play the important role in empowerment the micro, small and medium Health Institution in Aceh.

**Key Words:** vaksin, covid 19, Banking; Small and Medium Institution; Aceh Province.

## Introduction

The new corona virus vaccine made by *Sinovac* from China has arrived in Indonesia. A total of 1.2 million doses of vaccine. Some people are still unfamiliar with vaccines and why their administration is so important. Vaccines, quoting from Web MD, are biological products of viruses that are weakened or dead. Small and Medium Health Institution hereinafter abbreviated as (SMHi) plays an important role for national Health especially during the current covid-19 treatment. In addition, SMHi aims to cultivate business in order to develop a national health institution based on a just democracy, as suggested by Wilantara and Susilawati<sup>1</sup>.

Vaccine and the important role of SMHi for the economy that affects current Covid-19 treatment not only prevails in the country of Indonesia, but also in every other developing country. Tambunan<sup>2</sup> states that in Asia,

Africa and Latin America financed SMHi also plays a very important role especially from the perspective of labor and income sources for the poor and able to provide medical expenses during the current Covid-19 period, income distribution, poverty reduction and rural health development. From Tambunan's<sup>2</sup> statement, shows that the role of SMHi is so great, because SMHi can give access to employment opportunities from various business sectors. The same thing also stated by Muetia<sup>3</sup>, "The development and SMHi" s role is not minor, since they can provide a large contribution in for a nation", as stated by Fitriati<sup>4</sup>.

Komaruddin<sup>5</sup> views that the sector of Cooperatives and SMHi remains the largest contributor in the absorption of business and health sector opportunities. If the problem of SMHi can be solved well, judging from the position in supporting the economy then small health institution occupies a very strategic position because it accounts for more 17% employment and provide financing solutions for Covid-19 treatment, according to Fajar<sup>6</sup>. So that efforts to give vaccines to the community must be implemented immediately. Vaccines are very important during the current Covid-19 period. Vaccines are substances or substances that function to help the

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body fight certain diseases. The body that has been vaccinated will form antibodies against certain viruses.

Whereas the contribution of this group at the time is very large, said Wilantara and Susilawati<sup>1</sup>. The percentage of SMHi involvement in the national health contribution according to Fajar<sup>6</sup> is enough high during the current covid-19 treatment period, the legal subjects of consisting of small- in various sectors, especially health tools and trade of medicine and drug as well as services and processing others item. SMHi are also considered flexible enough and can easily adapt to the ebb and flow of the demand, said Djamil<sup>7</sup>. SMHi business sectors vary widely, ranging from industry, services, informal and medicine and related sectors during the current covid-19 treatment period.

In addition to creating employment opportunities and equity of health sector opportunities during the current covid-19 treatment period, SMHi also play a strategic role in overcoming the problem of unemployment and poverty. Through SMHi a lot of human resources can be absorbed. Similarly, SMHi act as contributors to the national economy through tax revenue, user charges and other forms of acceptance. SMHi are also considered as the spearhead of the health industry during the current covid-19 treatment period. From the reality above proves that SMHi have an important role in the life of the Indonesian as nation, according to Nadrattuzaman<sup>8</sup>.

Providing the covid-19 treatment vaccine, In running its services, SMHi in Aceh faces various obstacles during the current covid-19 treatment period, both juridical, economic and financial constraints, as well as political constraints. From an economic and financial perspective, the most difficult constraints faced by SMHi are related to capital, corporate financial management, access, and a multi-related focus. This vaccine is expected to be able to provide health solutions for the community. According to Komaruddin<sup>5</sup> considers that capital is still a classic problem faced by some SMHi in Indonesia to increase the health coverage during the current covid-19 treatment period. Not to mention the problem of technology and information. So that the vaccine must be implemented immediately.

One of the efforts to suppress covid-19 is the provision of a covid-19 vaccine, Although the government has tried to overcome it by issuing various policies during

the current covid-19 treatment period. through financing programs to strengthen SMHi. However, obstacles in the field show that access to capital is still a major obstacle for SMHi in managing their health services, in addition to other problems. The amount of capital has a significant relationship to the development of SMHi.

Vaccine and the development of Small and Medium Health Institution (SMHi) cannot be separated from the role and support of banking institutions in the channeling of credit/financing for SMHi Covid-19 treatment period. Therefore, the government should facilitate SMHi to gain access to the capital. The effort will not be realized if there is no government interference. According Kadir<sup>9</sup> “the government should intervene on the development and survival of the life of small and medium enterprise (including health sectors) during the current covid-19 treatment period, by giving capital cash loans with low interest besides public fund allocations.

Most in Indonesia Izziyana<sup>10</sup> health belongs to the SMHi group. Based on statistical data the percentage of SMHi in Indonesia as much as 97%, the rest including large businesses. However, access to bank lending 84% is dominated by large health institution such as hospital and others groups. Based on the large amount of credit disbursement, Bank Indonesia made a policy through BI Regulation during the current covid-19 treatment period. The regulation requires banks to provide financing Small and Medium Health Institution under 20% at the end of 2018. Based on the above description it is interested to be studied in depth how vaccine financing for covid-19 of Banking Agencies in an effort to empower SMHi through capital strengthening national health program during the current covid-19 treatment period.

## Methods

The study on vaccine financing for covid-19 of banks agencies in the empowerment of SMHi during the current covid-19 treatment period is juridical normative, using secondary data derived from primary and secondary legal materials. Primary sources were collected by analysing current literature. Secondary sources were obtained from previous research, journal, government reports and other institution documents.

## Discussion

Vaccination during the Covid-19 treatment period

and in order to increase the role of SMHi for the national economy, the Government prepares the RPJPN for 2005-2025. This RPJPN contains the framework for Empowerment of Cooperatives and SMHi. To empower SMHi during the current covid-19 treatment period required a number of planned, systematic and comprehensive prerequisites, said Fitriati<sup>4</sup>.

The Government of Aceh, through the RPJMA (Aceh Mid-Term Development Plan) 2012-2017, emphasizes the importance of developing SMHi during the current covid-19 treatment period. In the RPJMA 2012-2017, it is stated that the Government of Aceh's third mission is "Strengthening the health society and quality of human resources" which is manifested in, among other things, "Expanding health development opportunities through the development of infrastructure and support for SMHi and cooperatives." As well as supporting the provision of the Covid-19 treatment vaccine. Until now, the provision of the COVID-19 vaccine is the most effective solution to reduce the number of cases of the SARS-CoV-2 virus infection that causes COVID-19.

As a result of the monetary crisis, Indonesia's development has declined and the increasing number of health facilities deteriorated. According to Sila<sup>11</sup> it requires the government to undertake various programs of health alleviation and eradication; one of them by providing access to the health and medical institution in order to increase additional income (income generating) through public fund allocation or other development programs. This program creates development in health sectors Covid-19 treatment and equity, trains self-reliance and enhances the creativity of the of the health development. One of the efforts to overcome this problem is the effectiveness and safety of the Covid-19 vaccine is still being studied in the clinical trial stage by the government and various related institutions. This is the government's step in ensuring that the Covid-19 vaccine that will be provided is suitable for use to prevent Covid-19.

Giving the Covid-19 vaccine is the solution that is considered the most effective way to reduce the number of cases of SARS-CoV-2 virus infection that causes Covid-19 disease. However, the distribution of vaccines is not evenly distributed among the people. The above conditions show that the banking institution has

not performed its function and purpose as an agent in the development of the national health development as mandated in the Banking Act during the current covid-19 treatment period. Article 4 of the Law Number 10, 1998 concerning Banking which affirms that "Indonesian banking aims to support the implementation of national development in order to improve equity, growth and national stability towards the improvement of the welfare of the people". Based on the principle of equity, the banking function as an intermediary institution or agent of development can also be realized to SMHi through credit or financing assistance for the development.

Pursuant to 1945 Constitution, the health sector during the current covid-19 treatment period in Indonesia is one of the sectors that have a very important role in encouraging the improvement of the people. The activities of the sector are almost entirely services, of the citizen the development and advancement of the health sector, demands continuous improvement, both from the organizational, regulatory (policy), and human resources (HR) aspects.

Before there was a vaccine handling for the treatment of Covid-19, there is the fact that there are still very few commercial banks that provide credit to micro and small Health Institution during the current covid-19 treatment period saat ini. Many factors have caused Commercial Banks to be limited in serving SMHi, said Yuliana.<sup>12</sup> Generally the SMHi Customer come from the strata of low educated society and has capital in a very limited amount. This condition often leads to the administrative and technical requirements of small and medium Health Institution (SMHi) and those requested by the banking sector do not meet the feasibility during the current covid-19 treatment period.

The importance of vaccines to suppress the spread of covid-19 in society is because the main part of the profitability of banks is credit operations that is given to the community. Hence, the effectiveness of the system of credit risk management is important during the covid-19 treatment period, said Panfilova, et al. So, the procedure to distribute credit must be based prudential principle. SMHi face difficulties in obtaining credit from commercial banks due to the requirements requested by the bank, especially concerning the high interest rates charged to every debtor including SMHi due to the

impact of the virus and covid-19 treatment. The data of research conducted by Yuliana shows the interest rate of loan for financing the activities of MSMHi in Banda City an average of 9.5% per year. Viewed from the percentage is quite high. This of course will be very difficult for SMHi to pay off credit. In addition, banks require SMHi applying for loans to provide sufficient guarantees in anticipation of possible non-performing loans.

Although the government has channeled funds through government-owned commercial banks, such as BRI, BNI, Bank Mandiri with KUR programs to SMHi, the number is still very limited for current covid 19 treatment, so not all SMHi can enjoy the facilities of the Bank. Due to the difficulty of obtaining access to financing through the Banking Institution, many Micro and Small Health Institution are looking for other alternative ways, namely by increasing health service payment, or they decreased quality of citizen health service in line with the needs of SMHi for capital in the short term for current covid 19 treatment.

Deputy for Financing of the Ministry of Cooperatives and SME Braman Setyo from Tribunnews said Bank Rakyat Indonesia (BRI) is still the dominant bank in KUR -in the current covid 19 treatment period distribution, which is about 67 percent of the total budget allocated by the Bank credit channeled to SMHi is dominated in the type of working capital credit and expansion for strong health institutions group. Head of Finance of the Office of Cooperatives of Aceh, Muhammad Dahlan, said the target of the program for additional working capital, adding production equipment, and expansion in the current covid-19 treatment period. For example, micro, small and medium Health Institution, prospective migrant workers, prospective overseas apprentices, employee / worker or migrant workers, and workers affected by termination. The government's effort to overcome the Covid problem is to provide vaccines, but efforts to prevent COVID-19 even though there are vaccines, of course, must still be accompanied by health protocols.

The delivery of the Covid-19 treatment vaccine in Indonesia has not been evenly distributed, in terms of credit distribution to SMHi, both in the form of credit programs and commercial credit is still very limited.

Based on Bank Indonesia, only 12% of SMHi enjoy access to finance in the current covid-19 treatment period. Whereas in the Medium-Term Development Plan (RPJM) until 2019 financing for SMHi from banks, must already be at the level of 16%. The Ministry of Healy and SMHi is currently working on a financing alternative for SMHi, which is a special financing scheme since the target of credit disbursement for SMHi faces many challenges as SMHi is not business institution in the current covid-19 treatment period.

Vaccines for the treatment of Covid-19 are very important. In an effort to accelerate the process funding distribution, the Government should involve the Regional Government, considering that MSMHi who will get financing facilities sourced from public fund or special loan (non or low interest) spread in the regions the current covid-19 pandemic treatment period. Before the distribution of financial program needs to be socialized to prospective recipients of on the mechanism of obtaining funds, so that from the beginning MSMHi who will get essential funds can prepare the requirements required at the time of submission of credit applications Covid-19 treatment period. Local Government also need to take steps to assist MSMHi will access the funding to upgrade or maintenance of the health or medical facility for people health protections

## **Conclusion**

The provision of the covid-19 treatment vaccine is also supported by Banking Financial Agencies that serve as the importan of the funding SMHi besides of public fund through various sceme are formed to perform their duties and functions properly and optimally during the Covid-19 treatment period. Banking institutions that disburse loans to SMHi amounted to only 15.2% of existing credit sources. The rest of the credits of banking institutions are mostly distributed to business activity due to the impact of covid-19. From the data of Bank Indonesia's report on SMHi credit to total banking credit is minimum. As a solution during the Covid-19 treatment period, is to provide a vaccine to suppress transmission of Covid-19. From the amount of credit to SMHi Distribution of credit to Large Health Institution reaches 80% of total existing credit the current covid-19 treatment period. This shows that dominates access to financing capital of business is quite high compared

to SMHi. The above phenomenon shows that there is the only no interest can empower SMHi to strengthen their duty to protect citizen health the current covid-19 treatment period. Government need action to improve the SMHi Needs to as well as providing vaccine action as a treatment for Covid-19.

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