

INTERNATIONAL ECONOMIC, SMALL AND MEDIUM ENTREPRENEURS AND CREATIVE ECONOMIC FOR AEC.

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Abstract

Micro, small and medium enterprises (SMEs) are businesses agent in various business sectors, which touch the interests of the community. SMEs have an important role on the national economy, in addition to reduce poverty and unemployment because of the type of business is very easy to do. As well as a large number of industry and found in every sector of the economy. AEC 2015 is an important moment for Indonesia, because the chance to expand the market for the products of the national industry. But on the other side, the implementation of AEC 2015 will also be a challenge, given the very large population of Indonesia, of course, will be a destination market for the products of other ASEAN countries. Reality and creative economic phenomenon is actually not a new thing for Indonesia, which has been shown to have an asset of creativity. Indonesia does not lack capital simply lack the ability to integrate creativity. For that steps needed are: Recognize what we have (national identity and potential of natural resources and human resources) and prepare constructive measures to increase the creative-based foreign exchange earnings on all sectors, promotion potential Indonesia., socialization, dissemination and promotion of systematically about the strength of Indonesia in the field of creative industry in order to be taken into account in the competence of the World Map.

Keywords : International Economic, Creative Economic, Small and Medium Entrepreneurs for AEC.

INTRODUCTION

Micro, small and medium enterprises (SMEs) are businesses agent in various business sectors, which touch the interests of the community. SMEs have an important role on the national economy, in addition to reduce poverty and unemployment because of the type of business is very easy to do. As well as a large number of industry and found in every sector of the economy.

One of the efforts to increase and development of SMEs in the national economy is done by encouraging the provision of venture capital loans to SMEs.

From the point of banking, lending to SMEs profitable for the bank. First, the level of congestion is relatively small. This is mainly due to the small business customer compliance levels higher than large business customers. Second, lending to SMEs to encourage the spread of risk, because lending to small businesses with a nominal value of small loans allows banks to multiply the number of customers, so that credit is not concentrated in one group or certain business sectors.

Thirdly, SMEs loans with a number of relatively more customers will be able to diversify the loan portfolio and spread the risk of lending. Fourth, credit interest rate on the interest rate for the small business market is not a major problem, so as to allow lending institutions to obtain adequate interest income. Experience so far has shown that the availability of funds at the right time, in the right amount, the right target and with a simple procedure is more important than low interest and subsidies.

But of some things that the background as mentioned above, is still not quite become a cornerstone belief that SMEs will get the ease of filing of venture capital credit facility to the creditor institutions of both banking and non-banking. Until now there are many SMEs are experiencing problems in terms of the business credit application. Some constraints of SMEs, among others:

- (1) Less capital
- (2) Difficulties in marketing
- (3) Strict business competition
- (4) Difficulty of raw materials
- (5) Lack of technical and production expertise
- (6) Lack of managerial skills
- (7) Lack of knowledge of financial management
- (8) The unfavorable business climate (licensing, rules or regulations).

While the fundamental problems commonly faced by SMEs in obtaining venture capital is difficult because the application procedure, the absence of collateral, ignorance of procedures and high interest rates. From some of the problems mentioned above, the internal problems only factor ignorance of the procedure, while the other factor is the external factor (the creditors).

If viewed from the side of creditors (financiers or financial institution), to protect the credit risk, requires the business activities carried on by the principles of modern management, an official business license as well as a guarantee (collateral). Differences in perspective between the problems faced by SMEs with the provisions to be followed by credit channeling institution that is the fundamental reason why the SMEs still have difficulty in obtaining working capital loans view from the policy and technical assistance Bank Indonesia that already exist, then there are some efforts to be made in order to provide facilities for SMEs in obtaining venture capital loans, among others:

1) Optimize the role of Bank Partner Financial Consultant (BPFC)

Bank Partner Financial Consultant (BPFC) is part of the institution or institutions that provide business development services in order to improve the performance of Micro, Small and Medium Enterprises (SMEs). The institute legal entity and not a financial institution and can earn a fee from its services. Services provided are consulting services in management or financial analysis in order to occur partnership with the bank or the distribution of funds bank to the SMEs. In this case, including assistance when preparing credit proposals, connect to the financial institution or bank and monitoring since the time of disbursement of credit to the appropriate credit repayment period of the agreement.

Functions and responsibilities of Bank Partner Financial Consultant (BPFC) is to provide guidance and development of SMEs. Coaching is meant is an integral process in which includes three elements, namely grow, maintain and elaborated. The process of implementation of the guidance by BPFC be participatory, that everything related to coach (materials, methods, etc.) should always be based on the needs of SMEs, therefore, the working relationship between BPFC with SMEs is not as superiors and subordinates or the relationship between the builder with which fostered. The relationship is equal and BPFC serve as a motivator for SMEs.

The form of coaching and development activities is to provide guidance to SMEs by providing technical assistance in the form of training as needed,

referrals and consultations. To perform these activities in a BPFC implementation in the field based on the following steps:

- To identify the prospective SMEs customers in the region/center/business population;
- Determine if the group obtain micro prospective customers in order of efficiency;
- Prepare credit proposals (micro enterprise) or Feasibility enterprises (SMEs);
- Linking the SME customers with banking;
- Conduct post-admission monitoring and mentoring credit

Hopefully, by the optimization of the role of BPFC, requirements and procedures established by the Institute of loan portofolio, is no longer an obstacle for SMEs in obtaining venture capital loans. The success of this approach will be seen from the increasing number of SMEs are bankable and obtaining venture capital, and the inability BPFC business operations (mutual) so that it can finance itself.

2) Socializing Pattern Sharing Financing or Venture Capital Funding

For some SMEs who feel burdened with high interest rates, capital requirements can be submitted to financial institutions that apply the pattern of cooperation with the outcome. The return is given SMEs in accordance with the results obtained SMEs at the time that SMEs are not burdened with high interest rates. Financial institutions that apply the pattern of results is Venture Capital Financing Company with the concept of pure profit sharing or profit sharing managed.

Characteristic in terms of nature Gain Venture Capital Risk (likely to be more willing to take risks), financing has procedures looser and more priority to the prospects and potential of SMEs in its development efforts. This financing can be done in the short term and long (maximum 4 years).

Venture Capital Funding not only to channel funds derived from shareholders and bank loans but also distribute funds to the government program cheaper rate than the rate of commercial credit. The program funds are distributed

by companies such as Venture Capital, among others LPDB funds (Lembaga Pengelola Dana Bergulir) and Fund PKBL (Program Kemitraan Bina Lingkungan) from PT. Bahana Artha Ventura and LPEI (Lembaga Pengelola Ekspor Indonesia). Hopefully, socialization is expected to venture capital financing, SMEs which have problems in terms of lending still get credit in the form of venture capital financing cooperation pattern of results or credit LPDB and PKBL.

3) Increasing the participation of the Credit Guarantee Institution

Another alternative that can be used to overcome the problems of SMEs lending is credit guarantee scheme. In the scheme, the Bank and Guarantee Company made a cooperation agreement credit guarantee. SMEs that need additional capital of channeling institutions submit credit guarantee to the Guarantee Company and applying for a loan to the Bank. If the results of the feasibility analysis, business as feasible, but it is not feasible from the standpoint of banks due to insufficient collateral (not bankable), then the bank guarantee to the Guarantee Company filed. Furthermore Guarantee Company will conduct a feasibility analysis. If the Loan is declared eligible to be guaranteed, then the Company Guarantor will provide guarantees to small businesses that are expressed in the form Assurance Certificate. The above guarantee is given, a small business that is guaranteed to be paid to the Company's guarantee fee Guarantor.

If the credit is secured in a stalemate, the Guarantee Company will check whether existing conditions meet the terms and conditions agreed upon by the Company Guarantor with the Bank. When all the requirements have been met, then the Guarantee Company will make the payment claim. Furthermore, the Company Guarantor entitled to subrogation receivables for the portion of the guaranteed loan. After payment of claims made, the Bank will still have to perform billing until the debt is paid off. The billing results divided proportionally between the Company Guarantor and the Bank in accordance with the percentage of credit guarantee. With the credit guarantee, then:

- ❖ Submission of credit by small businesses that previously did not meet the banking requirements become bankable, so that SMEs can develop their business.
- ❖ Risk is reduced, because some have been transferred to the Company's risk Guarantor. With the fulfillment of the adequacy of collateral and reduced risk, the possibility of rejection of loan proposals become smaller.
- ❖ Guarantee Company also conducts feasibility and control over secured loans. The presence and control of two different parties expected risks can be minimized.
- ❖ Guarantee Company will earn fee income guarantee.

Hopefully, by the credit guarantee scheme for SMEs, then the SMEs who have problems in terms of collateral can be overcome because of the guarantee of the credit guarantee institution. The channeling institutions credit will feel safe in extending credit to SMEs.

AEC 2015 is an important moment for Indonesia, because the chance to expand the market for the products of the national industry. But on the other side, the implementation of AEC 2015 will also be a challenge, given the very large population of Indonesia, of course, will be a destination market for the products of other ASEAN countries.

Indonesia and other countries in the Southeast Asia region will form an integrated region, known as the ASEAN Economic Community (AEC). AEC is a form of realization of the ultimate goal of economic integration in Southeast Asia.

There are four things that will be the focus of the AEC in 2015 which can be used as a good momentum for Indonesia. First, countries in Southeast Asia will be used as a unified region market and production base. With the creation of the unity of the market and production base will make the flow of goods, services, investment, large amounts of capital, and skilled labor becomes no barrier from one country to other countries in Southeast Asia.

Second, the AEC will be formed as the economic region with a high level of competition, which requires a policy that includes competition policy, consumer protection, Intellectual Property Rights (IPR), taxation, and E-

Commerce. Thus, it can create a climate of fair competition; there is protection in the form of a network system of consumer protection agencies; prevent copyright infringement; creating a transport network that is efficient, secure, and integrated; eliminating the Double Taxation systems, and; increase trade with online-based electronic media.

Third, AEC will serve as the region has equitable economic development, with priority on Small and Medium Enterprises (SMEs). Competitiveness and dynamism of SMEs will be enhanced by facilitating their access to the latest information, market conditions, development of human resources in terms of capacity building, finance, and technology.

Fourth, the AEC will be fully integrated to the global economy. With the building of a system to improve coordination of the member states. In addition, there will be increased participation of countries in Southeast Asia in the global supply chain through development package of technical assistance to countries less developed ASEAN Member. This is done to improve the ability of industry and productivity so that not only increase their participation in a regional scale, but also led the initiative to globally be integrated.

For Indonesia, AEC will be a good opportunity because of trade barriers will tend to be reduced even be non-existent. This will result in increased exports, which in turn will increase Indonesia's GDP. On the other hand, emerging new challenges for Indonesia in the form of commodities traded homogeneity problems.

On the investment side, this condition can create a climate that supports the entry of Foreign Direct Investment (FDI) which can stimulate economic growth through the development of technology, job creation, human resource development (human capital) and easier access to the world market. Nevertheless, these conditions can bring risk exploitation. Indonesia still has a less binding level of regulation so that it can lead to acts of exploitation on a large scale the availability of natural resources by foreign companies into Indonesia as the country with the abundant natural resources compared to other countries. There is a possibility also exploitation by foreign companies could damage the ecosystem in Indonesia, while the regulation of investment in Indonesia has not been strong

enough to keep the natural conditions including the availability of natural resources contained.

From the aspect of employment, there is a tremendous opportunity for job seekers as it can be a lot of available jobs with different needs diverse skills. In addition, access to go abroad in search of jobs easier and even could be without any particular obstacles. AEC also be a good opportunity for entrepreneurs to find the best workers in accordance with the desired criteria. In this case may bring the risk of employment for Indonesia. Viewed from the side of education and productivity of Indonesia is still unable to compete with workers from Malaysia, Singapore, and Thailand as well as the industrial foundation for Indonesia alone makes Indonesia ranked fourth in ASEAN.

With the presence of this AEC event, Indonesia has the opportunity to take advantage of economies of scale in the country as a base gain. However, Indonesia still has many challenges and risks that would arise if the AEC has been implemented. Therefore, the professional risk is expected to be more sensitive to the fluctuations which will occur in order to anticipate emerging risks appropriately. In addition, a slick collaboration between state authorities and entrepreneurs is needed, both physical infrastructure and social (laws and policies) needs to be addressed, as well as the need for increased capacity and competitiveness of the workforce and companies in Indonesia. Do not let Indonesia just be a spectator in his own country in 2015.

To enter this event AEC 2015 Indonesia needs to increase the potential of the creative economy already initiated several years ago. With boost the development of creative economy in the country, many benefits that can be achieved when government and supporters of the creative economy are serious in carrying out their duties, such as:

- 1) SMEs Business growing majority of SMEs engaged in the creative industries. Some problems of SMEs in Indonesia, such as marketing, promotional, managerial, information, human resources, technology, design, networking, and the financing is expected to be resolved soon. As a result, the expectations of SMEs become a major driver of the national economy,

contributing 54% to GDP and average growth of 12.2% per year by 2025 could be realized.

- 2) Reducing the level of poverty. According to BPS, the poor in 2007 had reached 16.5% (approximately 37.1 million), an increase compared to 2005 is 15.9%.
- 3) Reducing the unemployment rate. In 2005, the official unemployment rate was recorded at its highest point, which is 10.3%. While the open unemployment rate in August 2007 reached 10.01 million people. Rural unemployment rate was slightly higher than in urban areas. From the year 2000 onwards, there is an increasing trend of unemployment among women and young people. Studies Professor Harvey Brenner of Johns Hopkins University in the US showed that for every 1% additional unemployment rate would result in 37 thousand deaths, 920 people committed suicide, 650 murders and 4,000 people were treated in a mental hospital.

Reality and creative economic phenomenon is actually not a new thing for Indonesia, which has been shown to have an asset of creativity. Indonesia does not lack capital simply lack the ability to integrate creativity. For that steps needed are: Recognize what we have (national identity and potential of natural resources and human resources) and prepare constructive measures as follows:

- 1) Develop Blueprint Creative Economy Indonesia that involves the entire Stake Holder.
- 2) Asking the Creative Economy policy proposals are comprehensible.
- 3) Intensified initiatives, both private and government to create places of talent development of creative industries in the regions.
- 4) Creating Products & creative services and based culture based on priorities, for example tourism, craft, lifestyle (spa, herbal, culinary), furniture, etc.
- 5) Creating a culture-based market in the country as long as it has always been the target markets of other countries.

- 6) Growing innovation spirit and creativity in the world of education that the younger generations were able to give birth to new ideas based on what has been owned since the first.
- 7) Transfer of technology is consistent with the vision of cultural creative industries as mentioned above.
- 8) Increase the creative-based foreign exchange earnings on sectors mentioned above.
- 9) Promotion Potential Indonesia, such as nature, cultural heritage.
- 10) Socialization, dissemination and promotion of systematically about the strength of Indonesia in the field of creative industry in order to be taken into account in the competence of the World Map.

CONCLUSION

SMEs is a important factor support for Indonesian economic, but SMEs have many problems such as difficult for large of market and have a litle capital. AEC will be a good opportunity because of trade barriers will tend to be reduced even be non-existent. This will result in increased exports, which in turn will increase Indonesia's GDP. On the other hand, emerging new challenges for Indonesia in the form of commodities traded homogeneity problems but SMEs also keep quality for international trade. SMEs needs to help a bank and bank also have advantage if loan to SMEs.

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innovation spirit and creativity in the world of education that the younger generations were able to give birth to new ideas based on what has been owned since the first. Transfer of technology is consistent with the vision of cultural creative industries as mentioned above. Increase the creative-based foreign exchange earnings on sectors mentioned above, Promotion Potential Indonesia., Socialization, dissemination and promotion of systematically about the strength of Indonesia in the field of creative industry in order to be taken into account in the competence of the World Map.

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