

Analysis of the Competitiveness of Micro Enterprises in Dealing in 2016 Asian Economic Community

Ikaputera Waspada

Universitas Pendidikan Indonesia, Setiabudi 229, Bandung, Indonesia

ikaputerawaspada@upi.edu

Keywords: Competitiveness, AEC, SMEs, Capital management.

Abstract: Sentra Cibaduyut footwear industry faces problems of competitiveness of capital management and market structure is not optimal in the Asean Economic Community. Government as the policy holder should be able to provide capital infrastructure management assistance to make the footwear industry Cibaduyut competitiveness in the AEC. Therefore, on the occasion of this study used qualitative research by distributing questionnaires and interviews with 75 entrepreneur. The results showed industrial competitiveness Footwear AEC Cibaduyut ready in 2016 for its own products, working capital, production, infrastructure and an increase in assistance to face the AEC 2016. These results contribute to the Department of Cooperatives and SMEs in West Java and tried as optimum for entrepreneurs, walking footwear industry manager Cibaduyut face AEC 2016.

1 INTRODUCTION

The implementation of AEC 2016 focuses on 12 priority sectors, comprising seven sectors of goods (agriculture, electronic equipment, automotive, fishery, rubber-based industries, wood-based industries and textiles) and five service sectors (air transport, health services, Logistics, and the information technology industry or e-ASEAN). How description of competitiveness footwear industry. Based on data released by World Economic Forum 2013, Indonesia is only ranked 50th away from Malaysia which has a better competitiveness in the 25th rank, even Singapore is ranked 2nd.

Competitiveness creates some improvements both for the economy and for others. Indonesia must immediately prepare itself to face the AEC agreement. If this condition cannot be overcome it will be booming for Indonesia. In addition to labour and capital that are the measure of productivity. The ACFTA policy also affects SMEs in the field of technology. The owners of SMEs choose to sell some modern production machines in addition to production capital due to reduced sales and turnover decreased. Based on existing problems How description of competitiveness footwear industry seen from the Capital Management in facing Asean Economic Community 2016?

2 METHODS

Objects in this study are entrepreneurs the center of footwear industry Cibaduyut Bandung. Qualitative research with sampling technique used purposive sampling and snowball sampling. The number of samples of this study 75 entrepreneurs. The entrepreneur in question is a craftsman who owns a shop. Data obtained by interview and secondary data. Then the data collection is done by natural setting (natural condition), primary data source, and more data collection techniques on participant observation, in-depth interview and documentation.

3 RESULTS AND DISCUSSION

3.1 Research Result

Large capital factor will create a lot of production result, so that production can fulfil consumer demand which will be converted to result of sale / profit. The capital source of Cibaduyut footwear SMEs every year has increased. The increase is due to the government funding program. Like the People's Love Credit (KCR) program that is managed by the Office of Cooperatives and SMEs of West Java Province. According to Sudaryanto, Ragimun and Rahma Rina

Wijayanti, Bank Indonesia (BI) noted that micro and small and medium enterprise (MSME) credit distribution is still very low below 10% from January to May 2011. The central bank continues to direct banks to boost the productive sector credit Prevent the economy "overheating" aka overheating.

Table 1: Investment Value in Cibaduyut Footwear Industry

Year	Investment(Thousands of IDR)	
2007	14,620,000	-
2008	14,669.123	100%
2009	23,970,675	163%

Source: Report on the Installation of Small and Medium-Scale Industries Development of Bandung Footwear / Fireplace 2009

Although the increase in investment/capital in 2009 is quite large at Rp 23,970,675,000, - compared to the previous year which only amounted to Rp 14,669,123,000, The condition of the 2007 investment growth until 2009 was 163%. This leads to an increase in production. That year as an indicator of one year before the 2008 economic crisis and one after. On the other hand, the products of production are decreasing every year. Even the results of its production every year have decreased. For more details please note table 2 below:

Table 2: Products per Year Produced by Cibaduyut Shoes

Year of Product	Per Year (PCS)	
2007	4,516,300	
2008	4,952,780	1,09%
2009	4,091.20	0.82%

Source: Report on the Installation of Small and Medium-Scale Industries Development of Bandung Footwear / Fireplace 2009

The big investment, the company will have more power in producing goods or in making marketing strategy. This is very necessary cooperation between the craftsmen, and entrepreneurs and the government to continue to improve the quality of work and the potential of footwear industry center Cibaduyut. Investors can invest their capital in Cibaduyut footwear industry effectively. Nevertheless production continued to decline, in 2009 reached - 0.82%. This is felt to continue to decline even as investment increases. This phenomenon of investors can invest their capital in the footwear industry Cibaduyut with effective but decreased production. If we look from the standpoint of Diamond Porter's theory then this is one of the weaknesses of competitiveness that enter the production factor.

Research entrepreneurs Cibaduyut footwear industry center about the competence of entrepreneurs in the readiness of capital on the competitiveness of SMEs in the city of Bandung. The

ability of a company to survive in the competition in an industry illustrates how the competencies of the entrepreneur. The results of this study can be new information in developing knowledge in economics especially in starting and running a business with the readiness of capital in the face of competitiveness.

3.2 Infrastructure (Facilities and Infrastructure Company)

The research of entrepreneurs of footwear industry center Cibaduyut. About competence of entrepreneurs in the use of Infrastructure is the next indicator to know the competitiveness of the company. In the footwear industry center Cibaduyut there is no data that can indicate the readiness of infrastructure, but as a reference there is the latest data as follows:

Table 3: Infrastructure at Cibaduyut Footwear Industry Center 2012

No.	Facility	Amount
1	Showroom / outlet / take	176
2	Trade center	4
3	Grocery and support stores	38
4	Shoelast industry	8
5	Manuf of equipment/spare parts	3
6	Packaging industry	15
7	Rubber sole industry	5

Source: Technical Service Unit (UPT) Cibaduyut Footwear Industry, 2013

The data in Table 3. Above is data released back by UPT Persepatuan Cibaduyut which since the last 5 years there has been no data collection again. Researchers in this case have not been able to ensure that the number of existing infrastructure in the footwear industry center Cibaduyut need to be re-identified as an effort to improve the infrastructure of Cibaduyut region meaning global.

3.3 Discussion

The results of research and hypothesis seeing an almost uniform answer compared to previous answers indicates that there is variation in degree of readiness among footwear entrepreneurs in Cibaduyut. However, the variation can be said to be better because there is a large portion of entrepreneurs who are ready to face the AEC 2016 seen from the existing infrastructure. Surely this is an obligation between employers and the government to facilitate the provision of easy access to capital if SMEs want Cibaduyut footwear competing in the AEC 2016.

a. Cibaduyut Footwear Industry Competitiveness From Government (Government)

Porter's Diamond Theory, Porter also adds the Government's involvement to encourage readiness to face the competitiveness of a company. In this study, the researchers provide information on the extent to which the role of government in the development of Cibaduyut footwear industry center in AEC 2016. A total of 18.75 percent of 75 entrepreneurs answered in the AEC 2016 is very helpful program development. Looking at these conditions would encourage the Government pro-active to provide assistance information product strategy values and support the sustainable market ACE 2016. The development of entrepreneurs in UMKM Cibaduyut footwear must be able to manage global market information. The results of interviews with employers, including:

- 1) Government is proactive in developing business managed by entrepreneurs of Cibaduyut footwear industry center. Whereas in the center of IKM Cibaduyut footwear that already exist Technical Implementation Unit (UPT) which has a strategic task of development, facilitate the development of footwear entrepreneurs face AEC 2016.
- 2) The government is expected to increase the active coordination among entrepreneurs as a strategic value of entrepreneur development. Ongoing discussions are held between the Government and entrepreneurs, is expected to improve the communication of business development is not limited to local values, effective entrepreneur regeneration but global market developments.

b. Competitiveness of Cibaduyut Footwear Industry in Facing ASEAN Economic Community 2016

The ASEAN Economic Community (AEC) is an agreement that must be accepted by all Indonesians, especially micro-economic actors. SMEs Cibaduyut footwear is one of the industrial centers that have the potential to more utilize the agreement. Some opportunities are found, including:

- 1) There are efforts to reduce the unpreparedness of Cibaduyut footwear entrepreneurs in the face of AEC 2016.
- 2) Opportunities Cibaduyut entrepreneurs in dealing with AEC 2016 has a strategic value of SMEs development in West Java.

The above opportunities immediately inform the AEC 2016 agreement has been ongoing and entrepreneurs continue to improve themselves. Therefore the efforts have been made:

- a. Cibaduyut footwear entrepreneurs have been trying to find out, either through seminars or the internet, including continuing to discuss around the environment of Cibaduyut footwear industry center.
- b. There is guidance on how to analyze the company, be it the strengths, weaknesses, opportunities and challenges of the company, so that will be known unpreparedness and the opportunity to then be ready.
- c. Improvement of Government advisory assistance to the importance of AEC 2016 that supports the strategic business agreement in AEC 2016 area becomes an opportunity to create a more competitive global market for the managers of Cibaduyut footwear industry center and increase local market commitment.
- d. Indonesia seeks to align with other countries in the world economic setting that has led to the era of information and globalization. One of them is within the scope of Southeast Asian countries.

Micro, Small and Medium Enterprises (MSME) development strategy is one of the most appropriate strategies to be implemented in Cibaduyut's existing footwear SMEs. On the other hand SMEs Cibaduyut footwear should get a lot of optimal assistance to improve its competitiveness against the competition with a variety of foreign products that go into the country. The low competitiveness of SMEs Cibaduyut footwear become a strategic factor of MSME existence in the global business competition.

4 CONCLUSIONS

Based on the results of research Consisting of an increase in the availability of capital (163%) that has been done found, as follows: Factor Condition consisting of capital availability and infrastructure UMKM Cibaduyut footwear has a high competitiveness in the face of AEC 2016; Government which consists of government development program of ASEAN Economic Community 2016 UMKM Cibaduyut footwear has competitiveness in face of AEC 2016; And Opportunity of Cibaduyut footwear SMEs in facing ASEAN Economic Community 2016 which consist of preparedness and opportunity of company ready to face competitiveness in winning AEC 2016. Finally with Diamond Porter's theory on average, UMKM

Cibaduyut footwear has a high competitiveness and won the ASEAN Economics Community 2016.

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