

Empowerment of Small and Medium Enterprises (SMEs) as Economic Drivers in Village

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Abstract: The prosperity of a country can be measured from various fields or different perspectives, one of them from the perspective of the country's economic conditions. Entering the era of 2006 as the era of the recovery of the structure of economic life after seven years of economic crisis and continued to the multidimensional crisis in 1998, so that to improve the level of the economy in Indonesia one of them by empowering the Indonesian people through SME programs. Judging from the size of the workforce, Small Businesses have a workforce greater than five people up to a maximum of 20 people. Have a turnover of at least 200,000,000 per year. Whereas the criteria for a medium enterprise, if it has a workforce of more than 20 people, is equal to 100 people. Of the number of SMEs in Indonesia, there are quite several, around 99.9% of the total number of companies in Indonesia. SMEs can accommodate 99% of the existing workforce. In the formation of Gross Domestic Product (GDP), SMEs account for only 59%, and large businesses contribute 41% of GDP. Small and Medium Enterprises (SMEs) have a strategic role in national economic development. In addition to playing a role in economic growth and employment, it also plays a role in the distribution of development results. In the economic crisis that occurred in our country since some time ago, where many large-scale businesses have stagnated or even stopped their activities, the Small and Medium Enterprises (SME) sector proved to be more resilient in dealing with the crisis. So that the growth and empowerment of the SME sector becomes a necessity in the context of creating new jobs, both in the formal sector and the informal sector

1 INTRODUCTION

Flourishing of a nation can be estimated from different fields or various perspectives, one of which is from the perspective of the nation's monetary conditions. Indonesia is a creating nation that is in critical need of progress and reshuffle in the financial framework to accomplish a higher monetary level to accomplish the success of a nation's life.

Entering the time of 2006 as the time of the recuperation of the structure of monetary life following seven years of a financial emergency and proceeded to the multidimensional emergency in 1998. It appears that the truth of national financial life improvement is relied upon to have the option to change the components of life to be progressively prosperous like other Asian nations additionally hit by the emergency the equivalent, clearly still a long way from desires, so with an end goal to improve the degree of the economy in Indonesia one of them by engaging the Indonesian individuals through SME programs. Small and Medium Enterprises (SMEs) have a key job in national financial improvement, and notwithstanding assuming a job in monetary

development and work, it likewise assumes a job in the dispersion of advancement results. In the financial emergency that happened in our nation since some time back, where some enormous scale organizations have stagnated or even halted their exercises, the Small and Medium Enterprises (SME) segment demonstrated to be stronger in managing the emergency.

Considering the encounters that have been looked by Indonesia during the emergency, it would not be intemperate if the improvement of the private segment is centred around SMEs, besides this specialty unit is frequently ignored just because its generation results are taking things down a notch and have not had the option to rival different specialty units. SMEs (Small and Medium Enterprises) notwithstanding being an option in contrast to new openings, SMEs likewise assume a job in driving the pace of financial development after the money related emergency when large organizations experience issues building up their organizations. At present, SMEs have contributed significantly to national and state incomes of Indonesia.

What is more, frequently we discover Small and medium organizations (SMEs) that have jumped up because of the effect of the ongoing financial emergency where individuals need to make a substantial commitment to inventive monetary advancement with the goal that the plan to build up Small and medium organizations (SMEs) in country regions has developed.

2 LITERATURE REVIEW

2.1 Profile of Small and Medium Enterprises (SMEs) in Indonesia

SMEs are a sort of business possessed by people, their business elements are not legitimate elements or business substances that are lawful, so it very well may be said that SMEs are a type of private companies in the network whose foundation depends on somebody's drive. This business element is notwithstanding being autonomous and is anything but a backup or part of an organization that is claimed, controlled, or associated legitimately or by implication with a private venture, medium business or huge business. The vast majority accept that SMEs advantage certain gatherings. At the point when, in certainty, SMEs are instrumental in decreasing the joblessness rate in Indonesia, SMEs can retain numerous Indonesian laborers who are as yet jobless (Putri, 2016).

According to the size of the workforce, Small Businesses have a workforce more prominent than five individuals up to a limit of 20 individuals. Have a turnover of in any event 200,000,000 every year though the criteria for a common endeavor, if it has a workforce of more than 20 individuals, is equivalent to 100 individuals. Of the quantity of SMEs in Indonesia, there are a significant number of around 99.9% of the complete number of organizations in Indonesia. SMES can oblige 99% of the current workforce. In the development of Gross Domestic Product (GDP) SMEs represent just 59%, and large organizations contribute 41% of GDP. Demonstrates most of our workforce is still low in compensation, and many do not work as indicated by their instruction, because of the huge number of employment searchers, such a large number of workers in its present condition.

Experience demonstrates that when the financial emergency hit us toward the part of the bargain by a profound retreat, SMEs were strong. (Kompas, November 2003). Our subsidence kept going just a single year, in particular in 1998, whose GDP had dropped. In 1999 GDP had begun to increment by 0.8%. In this period, enormous organizations did not

work as organization trains, because most were in a tough situation and were taken care of by IBRA. Remote speculators are hesitant to enter because Indonesia is viewed as too high hazard. For this situation, just the SME division can drive financial development figures.

Small and Medium Enterprises (SMEs) have a key job in national financial advancement, because other than having a job in monetary development and work, it likewise assumes a job in the appropriation of improvement results. In the monetary emergency that happened in our nation since some time prior, where some huge scale organizations have stagnated and even halted their exercises, the Small and Medium Enterprises (SME) part demonstrated to be stronger in managing the emergency (Ainuri, 2009). Considering the encounters that have been looked by Indonesia during the emergency, it would not be extreme if the advancement of the private division is centred around SMEs, besides this speciality unit is frequently ignored just on the grounds that its generation results are from a more minor perspective and have not had the option to contend with different speciality units.

SMEs (Small and Medium Enterprises) notwithstanding being an option in contrast to new openings, SMEs likewise assume a job in driving the pace of financial development after the money related emergency when enormous organizations experience issues building up their organizations. At present, SMEs have contributed incredibly to provincial pay and the pay of the Indonesian State (Bratakusumah and Supriady, 2004).

SMEs have nothing to do with inflows of remote capital and as though they are outside the proper economy with a huge volume. SMEs have an autonomous financial life. SMEs, which have been embraced by the administration and monetary money related establishments, have ended up having contributed incredibly to the retention of work and give resistance in an emergency. (Kwik Kian Gie, 2003) This implies SMEs not just in the monetary sense give pay and work to the least fortunate segments of our kin, yet also give security and a shield against social strife.

2.2 SMEs Becomes Alternative to Economic Development

Small-scale business is a gainful financial business that stands alone which is completed by people or business elements that are not backups that are claimed, controlled or become a section either legitimately or in a roundabout way of medium or huge organizations that have net resources of more than Rp 50,000,000 up to a limit of Rp 500,000,000

barring area and structures for organizations. Has yearly deals aftereffects of more than IDR 300,000,000 up to a limit of IDR 2,500,000,000. In the interim, a medium-sized business is an autonomous financial beneficial business did by an individual or business substance that is certifiably not a backup of an organization which is possessed, controlled or turns into a section either legitimately or in a roundabout way of a medium or enormous business that has a total assets of more than Rp 500,000,000 to with a limit of IDR 10,000,000,000 barring area and structures of business premises. Has offers of more than Rp 2,500,000,000 up to a limit of Rp 50,000,000,000.

SMEs likewise uses an assortment of normal assets that have the potential in a territory that has not been handled monetarily. SMEs can process Natural Resources in every area. This contributes enormously to territorial salary, just as Indonesian state income. Small and medium organizations have demonstrated to have the option to live and flourish in a tempest of emergency for over six years, their reality has had the option to add to GDP by almost 60%, work up to 88.7% of the whole workforce in Indonesia and the commitment of SMEs to sends out in 1997 it was 7.5% (BPS in 2000).

In confronting the time of unhindered commerce and territorial independence, the improvement of SMEs is aimed at building up a helpful business condition for SMEs, creating money related foundations that can give access to straightforward and less expensive wellsprings of capital, giving non-budgetary business advancement administrations to SMEs that are increasingly powerful, and the arrangement of vital collusions among SMEs and different SMEs or with enormous organizations in Indonesia or abroad. The development or passing of Small and medium organizations in the period of facilitated commerce relies upon the capacity to contend and expand effectiveness and structure business systems with different foundations.

A portion of the upsides of SMEs to huge organizations are advancements in innovation that have effectively happened in item improvement, close helpful relations inside Small organizations, the capacity to make enough openings for work or retention of work, adaptability and capacity to adjust to changing economic situations with quick contrasted with enormous scale organizations that are commonly bureaucratic, and there are administrative dynamism and the job of business enterprise.

3 DISCUSSION

3.1 Empowerment of Small and Medium Enterprises (SMEs)

The advancement of the world economy will be commanded by small and medium organizations. Districts that have a solid system of independent companies will prevail in the modern challenge in the local and worldwide markets. Since nearby governments should focus because SMEs are territorial resources. Neighborhood governments have known from the earliest starting point the job of SMEs in their local economies. The test looked by every locale is planning business due to the fast increment in the workforce. This can be seen from the high joblessness rate in practically all areas. The job of SMEs is felt to be significant because this division is not just a wellspring of occupation, yet additionally gives business both straightforwardly and by implication for individuals with low degrees of information and abilities. This area is exceptionally open to anybody, so do not be shocked if there are such a significant number of this fluctuated.

Endeavors to enable the SME segment are planned to build the respect and status of SMEs so that SMEs are better ready to assume a job in the national financial field. Frequently strengthening endeavors are trapped in strengthening inclinations. This should be done with the goal that specialists and experts who do not comprehend and may not accept to be the premise of the idea of improvement.

As per Kartasasmita (1996), SMEs strengthening is an elective answer for different quandaries looked by the SME segment. Concerning the different predispositions that may happen in strengthening, to be specific: The central inclination, that the strengthening of SMEs is progressively worried about material help (capital) than specialized or administrative aptitudes. Such examples and presumptions regularly bring about strengthening endeavours as a misuse of assets and assets, since they do not focus on specialized and administrative perspectives. The subsequent inclination, the thought that the SMEs strengthening project is a program from over (the legislature), and the individuals who are enabled are less vital to usage. Great collaboration between the administration and the SME segment in the strengthening procedure is required; in this manner, the strengthening system is not pathetic.

Regarding the second inclination, the SME strengthening venture is regularly drained, the strengthening project has finished. The third inclination, the SME segment, is viewed as not realizing what is required or how to improve their part. Subsequently, they should be guided and guided

and do not should be engaged with arranging regardless of whether it concerns themselves. Because of these suspicions, make SME strengthening ventures futile, and the engaged individuals stay weak.

In the long haul, the SMEs strengthening project must have the option to move the pyramid business visionary model to the rhombus business visionary model. From this model, most of our business person profile was private companies (the lower layers), which were enormous in number. While a Small part is enormous business visionaries, who control a segment of investment, such conditions will enormously disturb the country's monetary improvement later on.

Later on, the profile of Indonesian business visionaries must be changed to a rhombus, where most of the business visionaries are the white-collar class. Such conditions will have the option to diminish the hole among rich and poor. With respect to the determinants of adjustment concerning the issue of enhancements in the framework (design) of industrialization, instruction, network improvement, and corporate advancement. The majority of that will be done on the off chance that it depends on the soul of vision that mirrors our fellowship as a country.

Monetary advancement is basically for the flourishing of all things considered to be specific to the Indonesian individuals. If the profile of the rhombus business person model can be accomplished, it implies that the SME part will genuinely be the foundation of the national economy. The order of the constitution (the 1945 Constitution) will be acknowledged as a general rule, and the majority of that will have the option to help the procedure of national solidarity and simultaneously ensure the event of national monetary dependability. The soul of vision must be the premise of each strategy that can influence the operations of the determinant of progress. Vision can be viewed as a responsibility that must be executed and not a talk. This responsibility is significant particularly for pioneers or chiefs because the power and authority had can influence the determinants of progress.

Industrialization must reflect imaginative and creative HR, with the goal that the items delivered, have high aggressiveness, both in household markets and in worldwide markets. Training in the broadest sense turns into a significant way of looking for that change. Network advancement here suggests the frame of mind of the enterprising network. The soul and soul of the enterprise must be ingrained in the network. This is altogether expected to build up the SME division network. This is proof that MSMEs are security valves, dynamists and stabilizers of the Indonesian economy that are valuable as drivers of the town economy.

4 CONCLUSIONS

Improvement and strengthening of the individuals' economy, particularly the SME area must be a national duty for the fate of the country. The challenge looked by every area is the planning of work because of the fast increment in the workforce. This can be seen from the high joblessness rate in practically all districts. The job of SMEs in the change time is very vital because it isn't just a wellspring of business, yet additionally gives occupations both legitimately and by implication for individuals with low degrees of information and aptitudes. SMEs will promise enormous benefits, particularly whenever upheld by advanced offices and foundations.

Moreover, from existing information, that the improvement of the SME part from year to year demonstrates a pattern of expansion both in the sort of business involved and the nature of its business. With this condition on the off chance that it is created in all degrees of our general public, at that point there will be no a greater amount of our general public that doesn't work, aside from the individuals who form the earliest starting point were essentially lethargic. This worldview that isn't great is by all accounts evacuated and no longer perfect with present-day existence with the rule of time is money.

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