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RESEARCH ARTICLE

The Role of Small and Medium Enterprises (UKM) with Human Resources (HR) Based in Face of MEA 2015 in Indonesia

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Abstract

This type of study is a qualitative phenomenological approach. Sources of data in this study include: 1) Primary Data Sources, 2) Secondary Data Sources. This research instrument is a researcher himself, in which the researcher as an instrument to obtain accurate data supplied by various methods. From the perspective of the world, recognized that micro, small and medium enterprises (UKM) play a vital role in the development and economic growth, not only in developing countries but also in developed countries. It is widely recognized that KM Medium Enterprises is very important because they are the main characteristics that distinguish them from large businesses, mainly because UKM are labor intensive efforts, there are in all locations, especially in rural areas, more dependent on local raw materials, and The main providers of goods and services the basic needs of low-income communities or poor. To designing and planning human resource development processes are aligned with the needs of the organization, according to Manzini (1996) required an integrated systematic planning namely First, strategic planning which aims to maintain the viability of the company in the competitive environment and provide a long-term forecast HR needs. Second, the operational plan that specifies the source of manpower needs and the needs of everyday in the company. Third, human resource planning, which can predict the quality and quantity of labor required to meet the needs of short-term and long-term.

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INTRODUCTION

Small and medium enterprises however have very limited operations abroad. One reason for this is a barrier to entry. It can be natural: financial market imperfections, differences in legal systems, culture and language of international business can make a risky business for small and medium sized companies. Entry barriers that limit international expansion systematically higher for small firms than large firms (oltan J. Acs, Randall Morck, J. Myles Shaver, Bernard Yeung, 1997).

There are two main perspectives in the process of internationalization of small and medium enterprises (UKM). The first to feel the internationalization of UKM as a sequential process that leads from the domestic market to the international market in accordance with the "learning process," in which newly acquired knowledge of the market and increased resources committed to these markets (Johanson dan Vahlne 1990, 1977; Cavusgil 1980; Bilkey dan Tesar 1977 in Julia M. Armario, David M. Ruiz, and Enrique M. Armario, 2008).

The second perspective, derived from international entrepreneurship literature, argues that companies can "born global" (Rialp, Rialp, and Knight; Andersson and Wictor, McDougall, Oviatt, and Shrader, Kuemmerle, McDougall and Oviatt, Madsen and Servais, Knight and Cavusgil, McDougall, Shane, and Oviatt in Julia M. Armario, David M. Ruiz, and Enrique M. Armario, 2008). The current state of research shows that, in mature industries where environmental change is minimal, sequential perspective on internationalization more precise, whereas, in a growing industry.

The second perspective provides a better understanding of the phenomenon of internationalization. Assessment of the application of the two perspectives is based on the observation that, in the initial stage, the internationalization of UKM can be influenced by life cycle stage of the industry (Andersson in Julia M. Armario, David M. Ruiz, and Enrique M. Armario, 2008). Research also shows that the ownership of a particular competence can facilitate the development of enterprise internationalization strategy, especially in the early stages of the process (Li, Li, and Dalgic, Yip, Gómez, and Julia M. Monti in Armario, David M. Ruiz, and Enrique M. Armario 2008).

Small and Medium Enterprises (UKM) are a group effort most can survive when the economic crisis hit the country. The number of small and medium business unit continues to increase, it will be able to open a big job. However, small businesses are still seen as a weak performance.

Small and Medium Enterprises (UKM) currently has a very large role in the economic development of Indonesia, Small and Medium Enterprises (UKM) have a considerable role in the development of national economy, it is seen from its contribution to Gross Domestic Product (GDP) of Indonesia continues to increase every year. Based on the survey results and the calculation of the Central Statistics Agency (BPS), the contribution of UKM to GDP Indonesia continues to increase every year. Based on the survey results and the calculation of the Central Statistics Agency (BPS), the contribution of UKM to PDB (without oil) in 1997 stood at 62.71 per cent and in 2002 its contribution increased to 63.89 percent.

Comparison of the composition of PDB by business groups in 1997 and 2003 (Hafsah, 2004). It is gaining the attention of observers in the Indonesian economy, and even the economy and government organizations as well as all those who have concerns over the economic viability of democracy, after the failure of the economic system conglomeration in the financial crisis in Indonesia. So when this attention becomes more focused on the small and medium enterprises and cooperatives that was able to demonstrate the existence survive in the face of changing in the business world.

UKM become the foundation for 99.45% of the workforce in Indonesia during the period 2000-2003, SMEs were able to create new jobs for 9.6 million people, while large enterprises are only able to create new jobs for 55.760 people. In addition, the contribution of UKM to national non-oil exports amounted to 19.9%. Premises so that the growth of UKM in Indonesia are required. Thus the small and medium business is business activities capable of expanding employment and economic provide services to society can play a role in the process of equalization and improvement of people's income, and to encourage economic growth and play a role in realizing national stability in general and in particular economic stability. Availability of local raw materials for small and medium industries is a distinct advantage that enables can operate efficiently.

Problem Statement

How Small business Medium role-based Human Resource Facing Asian Economic Community (AEC) in 2015

LITERATURE REVIEW

A. Small and Medium Enterprises (UKM)

UKM (Small and Medium Enterprises) is a real economic activity in Indonesia. It play an important role on the lives of the people of Indonesia, especially on the development of Indonesia's economy is large enough contribution. In addition, SMEs also play a role in employment, meaning that SMEs also play a role in terms of job creation.

Because UKM play an important role, it is necessary government policies in developing and creating UKM to compete with big businesses and SMEs should also be used as a reliable business centers.

In accordance with the criteria of small businesses, according to Law No. 9 of 1995, namely:

- Have a maximum annual sale of 1,000,000 rupiahs
- It has a net worth 200,000,000 rupiah excluding land and buildings

- Stand-alone
- Owned citizen
- Shaped efforts of individual, business entity that is not incorporated, or there are legal entities, including cooperatives

Often we assume UKM are small industrial or domestic industry, although broadly reality is like that but do not rule out the possibility that SMEs can compete with big businesses as long as the government contribute to the activities of UKM such as policies that protect it from unfair competition.

The policies of the government as follows:

- Develop UKM as producer
- Strengthen institutional
- Broadening the base and business opportunity
- Establish cooperative

Many big businesses started from UKM because most businesses are the ones who started his business with UKM engaged in the world. Their pioneering efforts of UKM with very little capital and ultimately of the promising UKM they make great efforts and successful businesses.

Due to the impact of the activities of UKM have a positive result, the development of UKM that have the potential is needed to stabilize the Indonesian economy, increase employment, develop the business world, and the addition of a state income tax of UKM.

UKM has very big influence on the development of the national economy because it provide business opportunities for the business person or the economic actors, which they can create new creations to advance the state and make the country self-sufficient and to realize the state of Indonesia as a country on the basis of social economy.

Issue of what constitutes a small or medium-sized enterprise is a major concern in the literature UKM. Different authors, in many cases have given different definitions of this sort of business. UKM has not been spared the problems normally associated with the definition of the concept and with many components. Definition companies by size varies between researchers. Several attempts to use capital assets; others use the skills and labor turnover rate. Some even define UKM in terms of their legal status and production methods (Joshua Abor and Charles KD Adjasi, 2007).

Weston and Copeland (Joshua Abor and Charles KD Adjasi, 2007) observed that, the definition of the size of the companies suffer from a lack of universal application. It is in their view is that the company can be understood in terms of variety. The size has been defined in a different context, in terms of number of employees, annual turnover, industrial companies, ownership of the company and the value of fixed assets.

B. The role of UKM in the Indonesian Economy

Small and medium enterprises are businesses that are run by one or two people, or a business that has a smaller capital of Rp. 50,000,000, called small businesses and businesses have a smaller capital of Rp. 200,000,000 called medium-sized businesses. But there is also mention of a business carried on 50-60 people are still classified as small and medium (UKM) businesse. The entrepreneur in medium and small business enterprises strongly support the Indonesian nation's economy due to the presence of small and medium business units besides reduce number of UKM unemployment rate also plays an important role that can be seen from several aspects, namely the number of business units were formed, employment, its role in the increase in gross domestic product (GDP) and its contribution to national exports. In the 1997-2001 periods the average UKM units nationwide reached 99.81% of the total existing company. Therefore, the government should intervene on the development and survival of life a small and medium enterprise, by giving capital cash loans with low interest.

In order thatUMKM can compete in the national market with business units managed by Foreign Investors. In terms of many UKM that are not bankrupt due to compete with modern markets in because of lack of capital and not able to pay off high interest loans. In connection with the growth of UKM, it need to be high tight between growth and poverty in society, and also the role of UKM in reduce poverty so that it can be used to identify policy measures that can be taken in the development of UKM in order to reduce poverty. But if the government does not intervene in UKM is by it UKM will further deteriorate farmers in their small agricultural sector and trade.

With the increasing decline of the role of small businesses in the agriculture and trade, the two major contributors to the value-added of this small business group will also become smaller dominance in the formation of GDP. So if this trend is allowed then the position of small businesses will be returned to pre-crisis or even shrink. Meanwhile medium businesses since the crisis decline in various sectors, the position of medium-sized enterprises increasingly unprofitable. Whereas in the process of modernization and democratization of the role of the middle class is very important, especially to improve competitiveness. Because medium businesses easier to modernize and develop overseas network in expanding the market

Small and Medium Enterprises (UKM) have an important role in the Indonesian economy. Due to these UKM, unemployment due to the labor force that is not absorbed in the world of work was reduced. UKM sector has been promoted and used as the main agenda of economic development of Indonesia. The SME sector has proven resilient, when the economic crisis of 1998, only the SME sector that survived the collapse of the economy, while the larger sector actually fell by crisis. Mudradjad Kuncoro in *Bisnis Indonesia* on October 21, 2008 suggests that UKM proved resistant to the crisis and was able to survive because, first, do not have foreign debt.

Secondly, there is a lot of debt to banks because they are considered as bank able. Third, the use of local input. Fourth, export-oriented. During 1997-2006, the number of large-scale enterprises UKM reaches 99% of all business units in Indonesia. UKM contribution to gross domestic product reached 54% -57%. Contribution of UKM to employment of about 96%. A total of 91% of SMEs export activities through a third party exporters / middlemen. Only 8.8% are associated directly with the buyers / importers abroad. Quality of service can also be maximized by the mastery of technology. Mastery of this technology can make a positive contribution in the management, so that the organization can be controlled easily. Therefore, organizations should always follow the dynamics of technological change occurs.

C. Definition and Role of Human Resources

Constructed or developed through the process of development of human resources can be questioned, pale from the SDM should be constructed so that materialize fully human or human-weighted or qualified in accordance with the nature and objectives of national development in Indonesia. That need to be built is the power coming or derived from human or human that produces the power that must be built or developed.

According Hasibuan Human Resources is an integrated capability of the intellect and physical power owned by all individual. Perpetrators and it's done by heredity and environment, while his performance was motivated by the desire to meet his satisfaction. Human Resources or man power in short HR is owned by every human being. SDM consists of the power of thought and every human physical power. Strictly speaking ability of every human being is determined by the power of thought and physical power. HR or human becomes a key element in any activity undertaken. Reliable or sophisticated equipment without the active role of human resources, it does not mean anything. Power of thought is intelligence congenital (authorized capital) while the skills acquired from the business (learning and training). The criteria of intelligence such as Intelligence Quotient (IQ) and Emotion Quotient (EQ).

According to Gouzali Syadam Human Resources (HR) was originally a translation of human recourses. But some experts who equate human resources with manpower or labor, even some people equate understanding of HR with personnel (personnel, staffing and so on).

According to Abdurrahmat Fathoni Human Resources is the most important capital and wealth of any human activity. Man as an absolute essential element analyzed and developed in such a manner. Time, effort and his ability really to be used optimally for the organization, as well as for individual interests.

As the first and foremost factor in the development process, HR has always been a subject and object of development. The process was greatly influenced by the administration of human resource management, and there are four different classifications of human resources as proposed by Ermaya:

Human or people who have the authority to place, controlling and directing the achievement of the objectives referred to an administrator. Human or people who control and lead the effort to make the process undertaken to achieve the goals can be achieved according to plan called the manager.

Human or those that affect certain conditions, nominate directly carrying out the work in accordance with their respective duties or position he held. According to Veithzal Rivai Human Resources is a ready, willing and able to contribute to achieving organizational goals. In addition, human resources is one of the elements of the input (input) which together with other elements such as capital, materials, machinery and methods / technology

management process be converted into output (output) in the form of goods or services in order to achieve company goals.

According to Sonny Sumarsono Human Resources contains two senses. First, HR implies work effort or service that can be provided in the production process. In another case reflects the quality of human resources business given by a person in a certain time to produce goods and services. The second notion, HR human concerns those are able to work to provide the services or work effort. Able to work, means being able to engage in activities that have economic activities, because these activities produce goods or services to meet the needs or the public.

According to M.T.E. Hariandja Human Resources is one very important factor in a company in addition to other factors such as capital. Therefore, human resources must be managed properly to improve the effectiveness and efficiency of the organization, as one of the functions in the company known as human resource management.

According to Tadjuddin Noer Effendi, Human Resources regarding the dimensions, number of characteristics (quality), and distribution (population). Despite efforts to unify understanding of human resource development have been carried out by experts, there are several different opinions about the definition of human resource development. There is a possibility of inequality understanding resource development emerged as a result of each country has been adjust with understanding the conditions and interests of each country. Here are discussed some understanding of the development of human resources according to the World Bank (1990). Understanding the development of human resources is similar to human development (human development). Thus, the development of human resources is the human development efforts relating to the development of activities in the field of education and training, health, nutrition, reduced fertility, increased ability to research, and technology development.

According to B. Silalahi and R.B. Silalahi, humans are creatures who want to play a role or function. Since the baby, someone always hold functional movements like crying when hungry or uncomfortable, crawling towards a place, and so evolve according to developmental physiology, mental, even spiritual. Humans have a basic ability that moves him toward reaching the goals and outcomes. Unfortunately movements or function is not always perfect because of the knowledge, skills, or attitudes towards the introduction of functions and objectives to be achieved are still not quite right. Each target is achieved with successful if: 1) The identity of the target job is clearly known; 2) The mode of action or the most appropriate work can be moved easily.

Two steps above can be summarized as follows: a person's potential in the form of "business" can be deployed in the form of motion or "work" to achieve precise and satisfaction. These elements (business, work, and satisfaction) are the starting point deft coaching employees, meticulous, and survived. The theory says the resources of each employee must be developed and nurtured continuously in order to achieve the objectives and results set.

If we are talking about the development of human resources would have to be accepted that humans have infinite potential, and that the traditional formal education is only capable of developing under 15 percent of this potential. If we are able to direct the potential of our brain up to 50 percent of the available capacity, we can easily mastered 40 languages, memorize the thick encyclopedia Americana, and can meet the requirements of approximately 12 academic degrees. The enormity of the human potential.

RESEARCH METHODS

Location and Type Research

This study describes and analyzes the role of Intelligence in the face of the MEA-based HR 2015. Based on the type of research that is where the use of qualitative research methods using a phenomenological approach

DISCUSSION

The Role of Small and Medium Enterprises (UKM) with Human Resources (HR) Based in Face of MEA 2015 in Indonesia

Small and Medium Enterprises (UKM) appear in all countries of the world with different business volume and with different profiles. Iacovou et al. (Afzaal H. Seyal, Mian Mohammad Awais, Shafay Shamail And Andleeb Abbas, 2004) showed that thirteen million UKM in the US create 90% of new jobs and contributing 38% of total US gross national product. A similar situation is found in other countries such as the UK, Hong Kong, Australia, Singapore and Brunei. In the UK 90% of all businesses fall under the category of UKM and are responsible for millions of jobs (Towler in Afzaal H. Seyal, Mian Mohammad Awais, Shafay Shamail And Andleeb Abbas, 2004).

In Hong Kong, 98% of organizations are UKM (Chau and Jim in Afzaal H. Seyal, Mian Mohammad Awais, Shafay Shamail And Andleeb Abbas, 2004). In Singapore, about 92% of businesses are SMEs that employ 53% of the workforce and contributes 34% of Singapore's GDP (Kendall et al. In Afzaal H. Seyal, Mian Mohammad Awais, Shafay Shamail And Andleeb Abbas, 2004). In Australia there are about one million UKM are important to the economy from the perspective of job creation and growth overall (Sathye and Beal in Afzaal H. Seyal, Mian Mohammad Awais, Shafay Shamail And Andleeb Abbas, 2004).

In Brunei 90% of the business falls under the category of UKM and contribute to 70% of the workforce (Seyal et al. In Afzaal H. Seyal, Mian Mohammad Awais, Shafay Shamail And Andleeb Abbas, 2004). The biggest problem of technological development in UKM is that they are fragile. In the UK about 25% of the total share of UKM out of business, with a consequential effect on employment and gross domestic product (Towler in Afzaal H. Seyal, Mian Mohammad Awais, Shafay Shamail And Andleeb Abbas, 2004).

UKM is the lifeblood of the modern economy. The importance of UKM to the UK economy and the industry as a whole cannot be over emphasized. Short summary of the relevant statistics are available from the Office of Small Business (SBS), an agency of the Department of Trade and Industry (DTI), indicating the important role that SMEs play (Christian N. Madu, Jiju Antony and Maneesh Kumar, 2005).

There are an estimated 4.0 million business enterprises in the UK in early 2004. More than 99 percent of these companies are UKM. In this study, we consider an organization to be UKM if employing less than 250 employees and have a turnover of less than £ 11,200,000 (DTI, 2003 in Christian N. Madu, Jiju Antony and Maneesh Kumar, 2005).

World Challenge in Exertion to Human Resource Planning

Without ignoring the industrial scale, size and location, the current business organization without exception banking sector and the industry will be faced with five critical business challenges and collectively these challenges requires organizations to build new capabilities (Ulrich, 2002). The fifth challenge is:

- 1) Globalization, which requires business organizations improve the ability to learn, to collaborate and to handle diversity, complexity and ambiguity.
- 2) Profitability through growth. This can be done through the efforts of getting new customers creative and innovative.
- 3) Technology. The challenge facing the organization is to create an understanding and correct use of what technology has to offer.
- 4) Intellectual capital. The challenge for organizations is to make sure that they have the ability to determine, assimilate, develop, replace and maintain the resources that have the potential for more.
- 5) Changes continuously. The most competitive challenges faced by the company is adjusting to relentless changes, so the company should always be in a state of transformation that does not end, the fundamental and continuous.

To face these challenges, according to Kane and Stanton (2003) the company's organization must have the characteristics of human resources strategic planning approach that is: have a policy and good planning and systematic, able to increase the role of line managers in HR processes, able to integrate with the human resources policy and planning policy HR management organization, able to motivate all the components of human resources and perform recognition of the work culture (corporate culture) of individuals, groups and organizations.

Furthermore Kane and Stanton added their six concepts required in human resource planning, namely:

- 1) The desire of top management and HR managers in order to engage more proactive human resource management in the achievement of organizational goals.
- 2) Efforts to integrate the needs and expectations of workers in career development with organizational goals.
- 3) The need to coordinate and integrate the various functional areas of human resources management according to the strategies and goals of the organization.
- 4) Recognition of the contribution of the strategy and objectives of the organization
- 5) Planning levels of the organization as opposed to geographic planning.
- 6) The requirements of an integrated HR planning

To design and planning process of the development of human resources in tune with the needs of the organization, according to Manzini (1996) required an integrated systematic planning namely First, strategic

planning which aims to maintain the viability of the company in a competitive environment and provide a forecast of long-term human resource needs. Second, the operational plan that specifies the source of manpower needs and the needs of everyday in the company. Third, human resource planning, which can predict the quality and quantity of labor required to meet the needs of short-term and long-term.

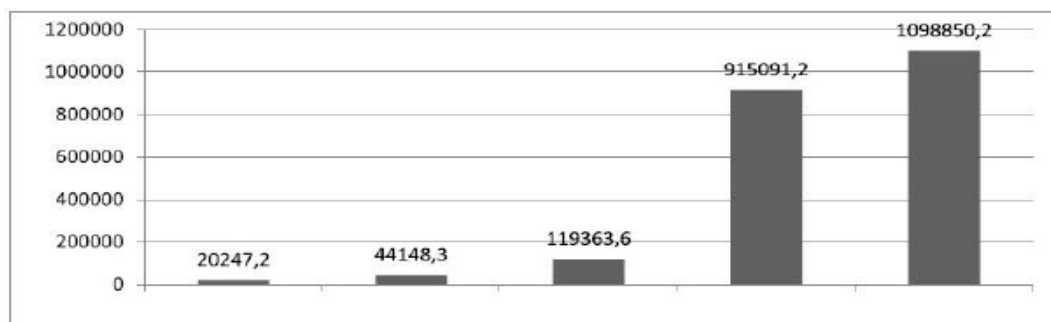
In order for long-oriented HR planning and is fully integrated with strategic planning, it takes several requirements such as: being able to analyze changes in the external environment (social, economic, political and technological) in accordance with the needs of the organization, optimizing internal capabilities in order to more centralized strategic HR planning and HR planning function can maintaining harmonious relations with other aspects of human resource management functions.

Condition of UKM in Indonesia as the Economic Pillar

From the perspective of the world, recognized that micro, small and medium enterprises (SMEs) play a vital role in the development and economic growth, not only in progress countries but also in developed countries. It is widely recognized that UKM are very important because they are the main characteristics that distinguish them from large businesses, mainly because SMEs are labor intensive efforts, there are in all locations, especially in rural areas, more dependent on local raw materials, and the main provider goods and services the basic needs of low-income or poor communities.

Being aware of the importance of the UKM, do not wonder why governments in almost all of the NSB has a variety of programs, with subsidized credit schemes as the most important component, to support the development and growth of UKM. International institutions like the World Bank, the Asian Development Bank (ADB) and the World Organization for Industrial Development (UNIDO) and many donor countries through bilateral co-operation is also very active so far in efforts to develop (or capacity building)UKM in NSB. Micro, small and medium enterprises (UKM), is one of the leading driving forces in economic development (World Bank, 2005). UKM significant role in the economy contributions of said especially on employment. In 2005, UKM in Indonesia is able to absorb 77.678.498 thousand people or by 96.77% of the total work force that can be absorbed by the small-scale enterprises, medium, and large (Sri Susilo, 2007). Of the number of business units and workforce that is able to absorb the much larger UKM than large enterprises. On the other hand, in terms of the creation of added value for the Gross Domestic Product (GDP), the large enterprises (UB) is much larger than SMEs.

Table 3. Exports Value of UMI, UK, UM, UB and Total, 2008 (miliar rupiah)



Most of the export of Indonesian UKM came from the manufacturing industry, but its contribution is much smaller than the share of exports in total exports of UB in Indonesian manufacturing. Moreover, in general UKM manufacturing industry more domestic-oriented compared to overseas. Still minor role Indonesian UKM in non-oil exports reflects two things namely the limited production capacity of up to not always able to meet export demand and low competitiveness of the products produced by the business group.

Asean Economic Community (AEC) 2015 is a project that has long prepared all ASEAN members which aims to improve the economic stability in the ASEAN region and establish intra-ASEAN economic region strong. With the implementation of MEA at the end of 2015, ASEAN members will have free flow of goods, services, investment, and educated workforce to and from each country. In this case, what needs to be done by Indonesia is how Indonesia as part of the ASEAN community trying to prepare themselves and take advantage of the opportunities the quality of AEC 2015, as well as the need to improve the capability to be able to compete with other ASEAN member states so that the fear of losing competitiveness in their own country due to the implementation of AEC 2015 did not happen.

The government has issued Presidential Instruction (Instruction) No. 11 of 2011 on the implementation of the AEC Blueprint Commitment in an effort to prepare for the ASEAN free trade. In the AEC Blueprint, there are 12 priority sectors that will be integrated by the government. The sector consists of seven agro-industrial sector, namely goods, automotive, electronics, fisheries, rubber-based industry, the wood-based industries, and textiles. Then the rest came from five service sectors, namely air transport, health, tourism, logistics, and information technology. These sectors will be implemented MEA era in the form of the release of the flow of goods, services, investment, and labor.

So far, the steps taken by the government of Indonesia based on a strategic plan to deal with MEA / AEC, among others:

1) Strengthening Economic Competitiveness

On May 27, 2011, the Government launched a Master Plan for the Acceleration and Expansion of Indonesian Economic Development (MP3EI). MP3EI is the embodiment of national economic transformation with orientation based on strong economic growth, inclusive, quality, and sustainable. Since MP3EI launched until the end of December 2011 was carried out at 94 Groundbreaking real sector investment projects and infrastructure development.

2) Program ACI (I Love Indonesia)

ACI (I Love Indonesia) is one of the movement 'Nation Branding' part of the creative economic development are included in Instruction 6 of 2009 which contains the Creative Economy Program for the Ministry of State and Local Government 27. This movement is still continuing today in the form of an ongoing national campaign in a variety of local products such as clothing, accessories, entertainment, tourism, and so forth. (The Ministry of Trade of Indonesia: 2009: 17).

3) Strengthening UMKM Sector

In order to enhance the growth of UMKM in Indonesia, the Chamber held several programs, among others is the 'Exhibition of Cooperatives and UKM Festival' on June 5, 2013 and were followed by 463 KUKM. This event aims to introduce the products of UKM in Indonesia and also as a stimulant for people to be more creative in developing small and medium enterprises.

In addition, preparation of sector Indonesian Cooperatives and Small and Medium Enterprises (KUKM) to face the AEC 2015 is the establishment of the National Preparatory Committee AEC 2015, which serves to formulate a precaution as well as outreach to the community and KUKM regarding the implementation of MEAs at the end of 2015.

The steps that have been prepared in anticipation of the Ministry of Cooperatives and SMEs to help offenders KUKM meet the ASEAN free trade era, among others, increased oversight of the MEA KUKM offenders, increase the efficiency of production and business management, increase market absorption KUKM local products, the creation of business climate conducive.

However, one of the main obstacles for the sector factor Cooperatives and UKM to compete in the era of free market is the quality of human resources (HR) KUKM actors are generally still low. Therefore, the Ministry of Cooperatives and UKM to provide guidance and empowerment KUKM aimed at improving the quality and standards of products, in order to improve the performance KUKM to produce products that are highly competitive.

The Ministry of Industry is also currently conducting coaching and empowerment of small and medium industries (UKM) that are part of the SME sector. Strengthening UKM play an important role in poverty reduction efforts through the expansion of employment opportunities and produce goods or services to be exported. In addition, coordination and consolidation among agencies and ministries also be improved so that the inhibiting factors can be eliminated.

4) Infrastructure Improvements

In order to support the increased competitiveness of the real sector, during the year 2010 has achieved an increase in the capacity and quality of infrastructure such as roads, railways, inland transportation, sea transportation, air transportation, communication and informatics, as well as electricity:

- a. Improvement of Access Road and Transportation
- b. Improvement and Development of ICT Line
- c. Improvement and Development of Electric Energy Sector.

5) Improving the Quality of Human Resources (HR)

One way to improve the quality of human resources is through education. In addition, in order to provide quality education a service, the government has built educational facilities are adequate, including the rehabilitation of damaged classrooms. Kemdikbud data in 2011 showed that there are approximately 173 344 classrooms in elementary and junior high school severely damaged condition. (Bappenas RI in Book I, 2011: 36).

6) Institutional Reform and Governance

In order to encourage Accelerating Prevention and Combating Corruption, has been designated a national strategy to prevent and eradicate corruption long-term 2012-2025 and medium 2012-2014 as a reference for all stakeholders for the implementation of the action every year. Enforcement efforts against Corruption (TPK) enhanced through coordination and supervision carried out by the Commission to the Attorney and Police.

Meanwhile, the majority opinion states that Indonesia will MEA Not Ready to 2015. One of them, the Executive Director of Core Indonesia (Hendri Saparini) assess preparations by the Indonesian government in the face of the Asean Economic Community (AEC) in 2015 is still not optimal. The new government socialized "What It MEA" yet the socialization of what to do to win the MEA. Socialization "What the MEA" which has been taken by the government was apparently still not 100% because of the new socialization implemented in 205 districts of the total 410 districts spread across Indonesia.

The amount of the government's commitment to deal MEA turns contrary to the business readiness. According to the results of in-depth interviews with the entrepreneurs turns Core business people and even many who do not understand the agreement MEA. He said one of the strategies that are prepared ahead of MEA is Indonesian government must develop strategies of industry, trade and investment in an integrated manner as with the implementation of MEA trade deficit burden will be greater and therefore make industrial strategy should be a government priority.

Strategy and preparation that had been done by the existing stakeholders in Indonesia in order to deal with the liberalization of the system implemented by ASEAN, especially in the framework of economic integration is perceived is still less than optimal. But it is indeed grounded domestic issues that require more intensive treatment. Necessary discipline on the part of the government, particularly with regard to preparations for the realization of the discourse of the AEC by 2015, with an increase in oversight of the development of the implementation of the system contained in the AEC Blueprint.

The quality of human resources (HR) was considered to be one of the key successes of cooperative actors micro small and medium enterprises (MSME) in the face of the ASEAN Economic Community (AEC) which will come into force in 2015. To that end, training for principals KUMKM need to be added and intensified. "One attempt to anticipate the MEA is implementing programs to increase the capacity of human resources through training KUKM in these areas,"

To create a quality human resource of KUKM, requires hard work by all parties, both the central and local governments. It is important to deliver our KUMKM actors welcome the opportunities and challenges of MEA 2015. "Particularly for KUKM actors in the field of superior product with OVOP approach (one village one product), it is important for them," improving the quality of human resources side he said. In KUMKM, KUKM training capacity building in developing superior product is a part of community empowerment.

Application of MEA, which leaves only less than two years from now, requires thorough preparation given KUMKM general readiness in the face of the MEA is still low. Therefore, the perpetrators KUMKM must be equipped with a variety of training materials on cooperatives, entrepreneurship, to export.

Ministry of Cooperatives and UKM the opportunity for the public to propose the type of training and human resources are needed by the market trend today. The candidates are welcome to correspond to the Department of Cooperatives and UKM in their respective regions about what kind of training is most needed and desirable community.

Deputy Human Resource Development Ministry of Cooperatives and UKM currently in the stage of human resource training programs expand cooperatives and UKM. In addition, in order to be effective and applicable training, it opens the input as possible for the community to provide the type of training proposal.

In the future, these efforts can be expected to increase professionalism in developing a business that can compete in the free market MEA 2015. Application of MEA, which leaves only less than two years from now requires thorough preparation given KUMKM general readiness in the face of the MEA is still low.

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Training can include product packaging training, entrepreneurship, cooperatives, computer technicians and HP, even stone ring craft training. The Ministry of Cooperatives and UKM will facilitate the implementation of the training required by the community in the form of infrastructure, facilities, until all other supporting facilities. "We do this as well as to encourage more entrepreneurs in Indonesia," he said.

To date, the number of entrepreneurs in the country has reached 1.6 percent from 2 percent target later this year. That amount is insufficient. Citing the theory of sociologist David Mc Clelland, a nation will progress and prosper when at least 2 percent of the population is entrepreneurial.

For Indonesia, the ideal number of entrepreneurs if 2 percent of the population, means that it takes 4.6 million entrepreneurs from 231.83 million to build the country's economy. "A number of developed countries have proved that theory, such as the US, developed thanks to the number of entrepreneurs who reach 11.5 to 12 percent, 7 percent Singapore, China and Japan by 10 percent," said Prakoso.

CONCLUSION

Application of MEA, which leaves only less than two years from now, requires thorough preparation given the readiness of SMEs in general in the face of the MEA is still low. Therefore, the SMEs should be provided training in a variety of materials on cooperatives, entrepreneurship, to export.

Ministry of Cooperatives and UKM the opportunity for the public to propose the type of training and human resources are needed by the market trend today. The candidates are welcome to correspond to the Department of Cooperatives and UKM in their respective regions about what kind of training is most needed and desirable community.

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