**1. 논문제목 (국문 혹은 영문)**

**Effectiveness of Indonesia State Capital Participation for State Own Enterprise**

**2. 분야 : 경영전략**

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**Abstract**

To improve the performance and productivity of state-owned enterprises, the Indonesian government channels injected a number of cash to state-owned enterprises in an effort to improve performance and encourage the ratio of dividends and state tax revenues. The role of SOEs is to support the implementation of national development, especially in the economic sector, so that government policies in fostering BUMN are also adjusted to national policy. As a country that understands an open economy, the national economy is inseparable from the influence of the rapidly developing world economy. The consequence is that the policy of fostering SOEs has always undergone adjustments following the conditions and developments in the national and international economy environment.

The Indonesian Government's policy in the participation of state capital to State-Owned Enterprises is carried out with the consideration of being able to boost performance and state revenues through state-owned companies. But unfortunately, the policy did not work optimally. Some of the state-owned enterprises indicated losses and did not reach the target as expected. In addition, the policy is deemed incapable of boosting Indonesia's foreign trade balance, which shows a number of deficits that have widened since 2018. In addition, it is estimated that this policy has not had a significant impact on the SME sector which dominates more than 90% of the Indonesian economy.

SME sector looks less able to compete with imported products that enter the Indonesian market. Even though if the existence and existence of the SME sector is able to be optimized, then it can be ascertained that job creation will be available, the state revenue from the tax sector will increase. This study intends to examine the extent of the effects and benefits of state capital participation policies in state-owned enterprises for job creation, large-scale industry growth, growth of the SME sector and government revenues from the tax revenue sector. This study presents empirical data regarding the direct impact of state capital participation policies in state-owned enterprises on various matters, including the absorption of labour force figures, tax revenues, GDP and various other things.

This is the researcher reason to interest of the author to take the title so that the author can see the extent of the influence given by the participation of state capital in state-owned enterprises on the economy of the people, especially in boosting the national SME sector and industry. The research method used in this study is a quantitative method. The research model has showed by the series panel data. The data collected from 1988 – 2018 and categorized in 6 variable hypothesis.

1. **Introduction**

The development of globalization has lead developed countries to sustain their economies rapidly with the innovation of the technology industry and increasingly make a wider difference with developing countries.

These conditions will make Indonesia judged to continue to be trapped in the middle class or commonly called the middle income trap. There are several factors that make it difficult for Indonesia to become a developed country. One of them is because of the weak structure of the domestic industry. The industrial structure is weak, causing Indonesia to depend on imported goods. 70 percent of Indonesia's imports are for raw materials and capital goods. The industrial sector screamed if the depreciation of the Rupiah and inflation. This adds to the production burden, Cost of doing business has increased.

To encourage national industries, the Indonesian government has invested in state capital to several state-owned enterprises. In order to support the continuity of business processes and intensify 'sanitation' for State-Owned Enterprises that require capital injections, the government almost every year carries out State Capital Participation (PMN). Still in the same regulation (Law Number 19 of 2003) and clarified in Government Regulation Number 44 of 2005, it is stated that what is meant by State Capital Participation is the separation of state assets from the state budget or company reserves, and is managed corporately. The source of state capital participation originating from the State Budget can be in the form of fresh funds, projects funded by the state budget, state accounts receivable, and other assets.

* 1. Impact of Capital Participation for State Own Enterprise

The Ministry of State-Owned Enterprises (BUMN) stated that the realization of the use of state capital participation funds (PMN) in 2016 was only absorbed by around 21%. Of the total state capital participation allocation of Rp.41.8 trillion, only Rp.8.9 trillion has been realized. This indicates that the strategy model and capital participation policy implemented so far are considered to be less effective in boosting the performance of SOEs in encouraging the business sector.

The Ministry of State-Owned Enterprises (BUMN) stated that the realization of the use of state capital participation funds (PMN) in 2016 was only absorbed by around 21%. Of the total capital participation allocation of Rp.41.8 trillion, only Rp.8.9 trillion has been realized. This indicates that the strategy model and capital participation policy implemented so far are considered to be less effective in boosting the performance of SOEs in encouraging the business sector. The efforts of the Indonesian Government in 2015 and 2016 have given injections of State Capital Participation to State-Owned Enterprises (BUMN). But unfortunately, seven state-owned companies actually suffered losses after getting the capital injection.

**Flowchart 1.**

The seven State Own Enterprise included PT Dock Shipping Surabaya, PT Dirgantara Indonesia (DI), PT PAL, PT Perkebunan Nusantara (PTPN) X, PTPN IX, PTPN VII, and PTPN III. The seven BUMNs suffered a net loss in 2016. PT Dok Perkapalan Surabaya gets an injection of State Capital Participation of Rp 200 billion to procure 8,500 TLC floating dock and modernization of work equipment. However, the net loss actually increased from IDR 48.83 billion to IDR 81.54 billion. While PT Dirgantara Indonesia

Source : Ministry od SOEs

obtained a State Capital Investment of Rp.400 billion, for the development of a maritime program aircraft, an increase in aircraft assembly facilities and its supporters, increased capability and aircraft service capacity, and increased working capital. The company actually experienced a net loss of around Rp271.2 billion in 2016, up from Rp50.52 billion in 2015. Furthermore, for PT PAL, the State Capital Participation obtained in the amount of Rp1.5 trillion for submarine development includes Human Resources (HR) and facilities and equipment. The State-Owned Enterprise of the shipping business sector experienced a net loss of Rp395.22 billion, up from 2015 which amounted to Rp.187.24 billion. Whereas for PTPN X, PTPN IX, PTPN VII, and PTPN III received State Capital Participation of around Rp. 97.5 billion, Rp. 100 billion, Rp. 17.5 billion and Rp. 3.1 trillion respectively. However, the four plantation BUMNs suffered losses of Rp155 billion, Rp304 billion, Rp546 billion and Rp1.3 trillion respectively. "Revenues since 2014 have declined, resulting in an increase in net loss. Although in terms of total assets and equity continues to increase". The policy model of state capital participation in SOEs that has been running so far is feared to have less significant impact on the SME sector. even though the SME sector was signaled that it had contributed 60.6% of GDP and opened employment for 107 million of Indonesia's total population of 260 million.

**Flowchart 2**

However, based on data from the Ministry of State Own Enterprise for 2017, state-owned debt continues to increase. Recorded Rp. 4,825 trillion. This figure is derived from the financial services sector state enterprise debt of Rp. 3,147 trillion and non-financial Rp. 1,683 trillion. This condition certainly shows the performance of State Own Enterprise are less effective and if left

Source : Ministry of SOEs unchecked, will be able to make the BUMN become a bankrupt.

* 1. SMEs involved

Data from the Indonesian Central Bureau of Statistics shows that, after the 1997-1998 economic crisis, the number of MSMEs did not decrease, it increased steadily, even able to absorb 105 million to 110 million workers by 2018. In that year, the number of entrepreneurs in Indonesia was 56,539,560 . SMEs have a proportion of 92.99% of the total business actors in Indonesia or as many as 56.54 million units. Small and Medium Enterprises have been able to prove their existence in the economy in Indonesia. When the storm of the monetary crisis hit Indonesia in 1998 small and medium scale businesses were relatively able to survive compared to large companies. Because the majority of small-scale businesses are not too dependent on large capital or external loans in foreign currencies. So, when there are fluctuations in exchange rates, large-scale companies that generally always deal with foreign currencies are the ones that have the most potential to experience the impact of the crisis.

The SME sector has contributed 68% to employment in Indonesia. so that the existence and contribution of SMEs in Indonesia needs to be maintained and improved. especially in 2030, it is predicted that Indonesia will experience a demographic bonus where Indonesia's population is expected to reach more than 300 million. the increase in population size certainly needs to be followed by job creation and growth in public consumption figures. One of the most rational sectors to be encouraged to create jobs is from SMEs.

To encourage the productivity of the SME sector in Indonesia, then the Indonesian government should, through the Ministry of State-Owned Enterprises, need to create some innovation strategy among others through mutually beneficial policies between SMEs and State-Owned Enterprises that focus on production activities. The concept is supply chain management. Supply chain is basically a network of companies that work together to create and deliver a product to the end user. The importance of friendship, loyalty, and mutual trust between one industry and another to create a market space without competitors, which then led to the blue ocean strategy.

One of the real forms of cooperation is partnership. Partnership is a business strategy that allows two or more parties to do it in a certain period of time to gain profits together with the principle of mutual need and mutual nurturing. Partnership is a series of processes that begin with getting to know potential partners, knowing the position of the advantages and disadvantages of their business, starting to develop strategies, implementing, monitoring, and evaluating until the target is achieved.

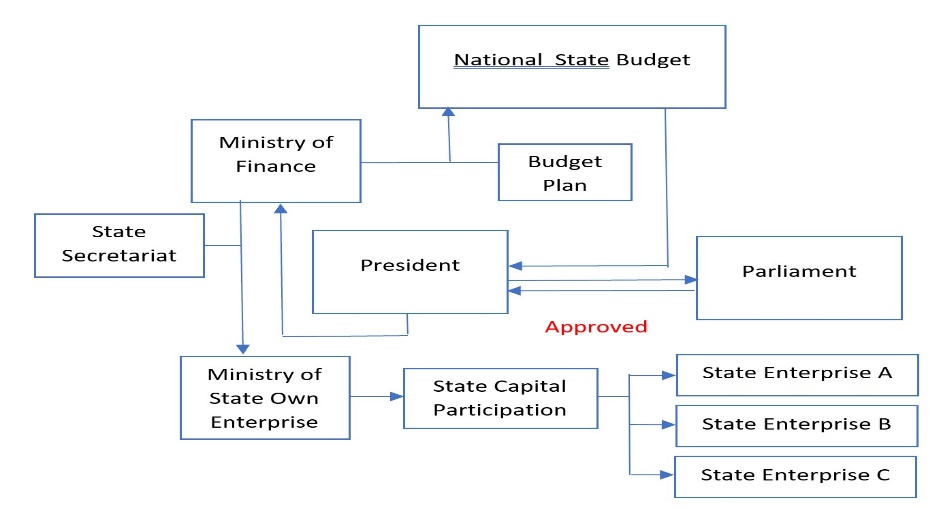
The benefits that can be obtained for SMEs and SOEs that make partnerships include (1) increasing productivity, (2) efficiency, (3) guarantee of quality, quantity, and continuity, (4) reducing risk of loss, (5) providing social benefits quite high, and (6) increasing economic resilience nationally.

1. **Previous Studies and present situation**

Based on the conventional assumption of the previous conditions, the policy of Indonesia state capital participation is not working well. It showed by the data to examine the inefficiency and effectiveness of the state capital participation model in SOEs so far. There are any several State-Owned Enterprises loses money after receiving assistance from state capital participation. In addition, the condition of national economic growth also shows a relatively stagnant. Job creation is relatively minimal. the growth of the SME sector and large businesses also run very slowly or even seem stagnant. Starting from these conditions, this research trying to find the correlations and relationship between state capital participation ( X ) and Job creation ( Y ). Indonesia prediction is become as a country with demographic bonus in 2030. The population estimate will increase to achieve over 300 million population. this study will examine the significant correlations between the policy of state capital participation in state-owned enterprises as a factor of X and its impact and contribution to job creation as a factor Y.

This study attempts to find a correlation between the policy of implementing state capital participation in state-owned enterprises with the growth of the SME sector, large industrial sectors, unemployment rates, state tax revenues and economic growth. this means that this research will see from the extent to which the Indonesian government's policies in capital participation in this country are able to reduce unemployment and boost national industry. whether the mechanism for distribution of state capital participation is correct or still not effective and efficient. The figure below will explain the flow of state capital participation to state-owned enterprises

**Figure 1**



Source : Ministry of Finance

in the picture above it is explained that the finance ministry made plans for budget allocations which were then submitted to the president. If the president agrees, then the budget is submitted and discussed with the legislature. After being discussed and approved, the finance ministry allocated a budget to the relevant ministries and agencies, including the ministry of state-owned enterprises. The budget allocated to the ministry of state-owned enterprises is then reallocated to state-owned enterprises in the form of state capital participation.

There is nothing wrong with the distribution mechanism, but it will be more optimal if in the mechanism of distribution of state capital participation there are binding regulations such as minimum local content that must be met in production goods, and involve the SME sector as a supplier of materials and marketing distribution. Besides that, the Business Entity needs to collaborate with the university and researchers in developing innovative products and provide capacity development to the capabilities of the human resources of SMEs.

1. **Hypothesis and Variable**

In its implementation, the Indonesian government has carried out state capital participation as stipulated in the State Capital Participation law which states that the participation of state capital is the separation of state assets from the state budget or stipulation of company reserves or other sources to be used as SOE capital and / or other limited liability companies. and managed corporation (Article 1 point 7, Government Regulation No. 44 of 2005). The aim is to strengthen the institutional and working mechanism of SOE.

However, some experts stated that when a State-Owned Enterprise loses, it is not a big problem because indeed the purpose of establishing BUMN is not merely seeking profit, but other parties argue that the main purpose of state-owned enterprises is to assist the Government in improving the economy (Arthur J Keown: 2008). But another thing that becomes a benchmark is the ability of companies to pay dividends to shareholders (Dividend Pay-out Rate - in this case SOEs to the government) is a valid financial performance parameter (Keown: 2008). Classics economist believe that an economy based on the strength of a market mechanism will always lead to equilibrium. In a position to balance all resources, including labour, will be fully employed. Thus under a system based on the market mechanism there is no unemployment. Based on these theories, the hypothesis is formulated

**H1 : The capital participation positive have a positive impact to give job opportunity and decrease number of unemployment for the people**

Attention to the issue of SMEs was first given by Hozelitz, described in his writing (1959) regarding industrialization in Germany. He pointed out that in the early stages of development, the manufacturing sector in the country was dominated by craftsmen and many of them eventually developed into big businesses. The output composition of SMEs in the manufacturing industry also shifted in the development process. As per capita income increases, SME activities shift from light industries to simple processing to heavy industries that produce goods between and then capital goods with a more complicated process (Biggs and Oppenheim, 1986). In other capita, as development progresses or income per capita increases, the share of SMEs that make traditional goods as a percentage of the number of employment opportunities or companies in the industry-related industries decreases (Liedholm and Parker, 1989)

Biggs and Oppenheim (1986) also show evidence that indicates that sectoral shifts or shifts from earlier making simple products to more sophisticated production of goods within an industry group take place along with changes in business scale. responding to the theory, the hypothesis is generated :

**H2 : The government capital participation policy will be effective and give a positive impact for the productivity if they involve SME to be a strategic partnership of State Own Enterprise and cooperation with large enterprise. It will improve job creation from SME and large enterprise.**

**H3 : The government capital participation policy will be effective and give a positive impact for the productivity if they supported Manufacture and large industry sector to be a strategic partnership of State Own Enterprise. It will improve performance from manufacture and large industry sector.**

According to Mulyadi (2003), classical theory assumes that humans are the main production factor that determines the prosperity of nations. The reason is that nature (land) has no meaning if there are no human resources who are good at processing it so that it is beneficial for life. In this case the classical theory of Adam Smith (1729-1790) also saw that the effective allocation of human resources was the beginner of economic growth. After the economy grew, new (physical) capital accumulation began to be needed to keep the economy growing. Classics believe that an economy based on the strength of a market mechanism will always lead to equilibrium. In a position to balance all resources, including labour, will be fully employed. Thus under a system based on the market mechanism there is no unemployment. The higher the jobs that can be absorbed by the community will affect the level of income per capita of a country. Per Capita Income is the average income of the population in a country in a given period. This per capita income is one measure of prosperity from a country. Countries that have high national income values are not necessarily more prosperous compared to low-income countries because the population determines the level of prosperity of the country. According to Mankiw (Principles of Macroeconomic 3rd edition), the main factor influencing differences in standard of living (indicated by the difference in the amount of income per capita) between rich and poor countries is the level of productivity. Productivity refers to the amount of goods and services a worker can produce at any hour. Thus, a country can enjoy a high standard of living if the country can produce goods and services in large quantities. Soeharsono Sagir (1995: 3) stated : "The accumulation of capital and community savings funds, where their savings represent the remainder of income after being used for consumption and payment of taxes. The existence of savings capital allows the creation of funds for further investment by creating jobs ". Employment development is carried out in the context of complete Indonesian human development. This theory is explain the hypothesis 4.

**H4 : The growth of job opportunity will give positive impact to able for boost people's consumption capacity and provide an increase for government tax revenues.**

This is of course related to the Solow growth model designed to show how the growth of the capital stock, labor force growth, and technological advances interact in the economy, and how it affects the output of goods and services of a country as a whole (Mankiw, 2003: 175 (translation)) . In this model, long-term economic growth is determined exogenously, or in other words determined outside the model. This model predicts that in the end there will be convergence in the economy towards steady-state growth conditions that depend only on technological development and labor growth (ibid). In this case, steady-state conditions indicate long-term economic equilibrium (Mankiw, 2003).

If labour growth is assumed (due to population growth), in the short term, output growth will slow down due to diminishing returns and the economy will converge towards a constant steady-state growth rate (i.e. no per capita economic growth) (ibid) . So, the Solow model predicts that population growth will affect the standard of living of a country reflected in GDP per capita. Countries with high population growth will have low GDP per capita, and vice versa.

**H5 : The higher of the productivity and industry in a country, it will encourage the need for labour that can be absorbed by the people, thus contributing to the GDP per capita income of the people in that country.**

Taxation is the main source of government revenue to pay for the goods and services it produces. The main purpose of some general principles of taxation and evaluating it is to understand the impact of the various tax sources used to finance the government. Tax is the basic capital of development. More than two-thirds of the basic capital of development comes from taxes. The mechanism of working the tax system like this can be explained as follows. When the government purchases goods and services there is a flow of revenue from the government into the community. Also included in this case are several multiplier effects in the form, such as employment creation and increased output of Waluyo (2007: 2). This increase in people's income will stimulate an increase in demand and in a relatively limited supply condition there will be a tendency for price increases (henceforth leading to inflation). In a situation like this, a portion of the community's increased income is taken by the government through taxes to finance the next budget deficit. This is said to be forced saving, which can then be used for capital formation, Soemitro (1990: 5). This theory is related with hypothesis.

**H6 : The Increase of the government tax revenue, is any positive impact to increase the budget for spending public expenditure. One of the positive impacts is that the government has an adequate budget to increase state capital participation in state-owned enterprises also.**

1. **Statistical technique and model**

**Reasons for using Panel Data**

To examine impact from strategy of state capital participation in Indonesia since 1998 – 2018, this study utilises time series panel data analysis. Two way regression alternative is used to see the correlations and significant among variable X and Y.

Panel data can take explicit more data variation, less collinearity and more degrees of freedom, panel data is better suited than cross-sectional data for studying the dynamics of change. It is better in detecting and measuring the effects which cannot be observed in either cross-section or time-series data. Panel data also enables the study of more complex behavioural models – for example the effects of technological change, or economic cycles. If all the cross-sectional units have the same number of time series observations the panel is balanced, if not it is unbalanced.

This study uses multiple regression analysis in which multiple linear regression analysis is used to determine whether there is an influence of independent variables on the dependent variable. So that researchers look for the influence of independent variables (independent variables), namely Leverage (X1), (X2), (X3), (X4), (X5) and (X6) on the dependent variable, namely Beta (Y).

And the regression equation can be formulated as follows:

Y = a + b1x1 + b2x2 + b3x3 + b4x4 + b5x5 + b6x6 + e

Where:

Y = Beta X3 = Large Enterprise

(β)a = Constantb1, X4 = Unemployment

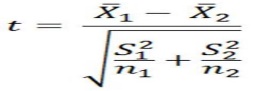
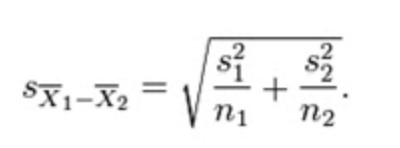
b2, b3, b4, b5 ,b6 = coefficient of determination X5 = GDP

X1 = Capital State Participation X6 = Tax Revenue

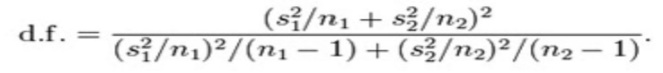
X2 = SMEs e = Error

This study will also test statistics using the SPSS program. This test is conducted to determine the significance of the independent variable on the dependent variable. As for the formula is as follows :

t = βn/Sβn

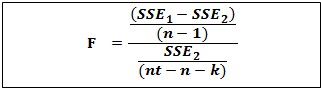


which



The t test is used to determine whether the independent variables partially have a significant or not effect on the dependent variable. The degree of significance used is 0.05. If the significant value is smaller than the degree of trust, we accept the alternative hypothesis, which states that an independent variable partially affects the dependent variable. The t test analysis is also seen from the table "Coefficient.

The F test is used to determine whether independent variables simultaneously have a significant effect on the dependent variable. The degree of trust used is 5%. If the F value of the calculation results is greater than the value of the F table, the alternative hypothesis which states that all independent variables are simultaneously significantly influence the dependent variable (Gunjarati, 2001).



F statistic formula is as follows : F table = (α: k-1, n-k )  α  = 5 %,

Where :

SSE1 : Sum Square Error from the Common Effect

modelSSE2 : Sum Square Error from the Fixed Effect model

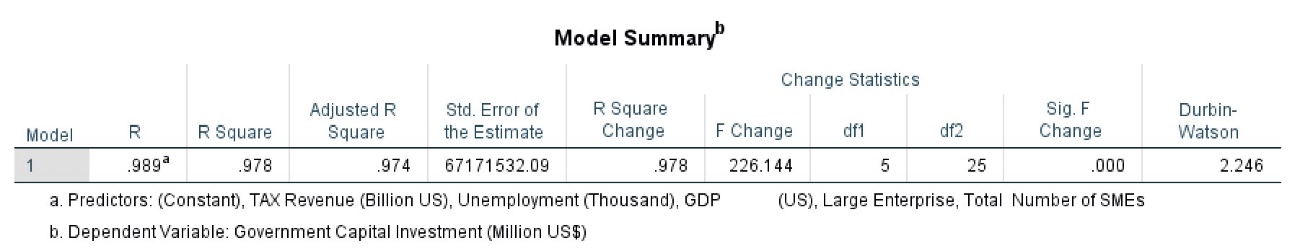
n : Number of companies (cross section)

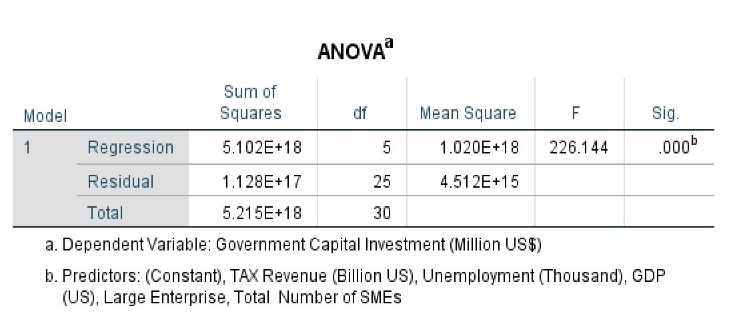
nt : Number of cross section x number of time series

k : Number of independent variables

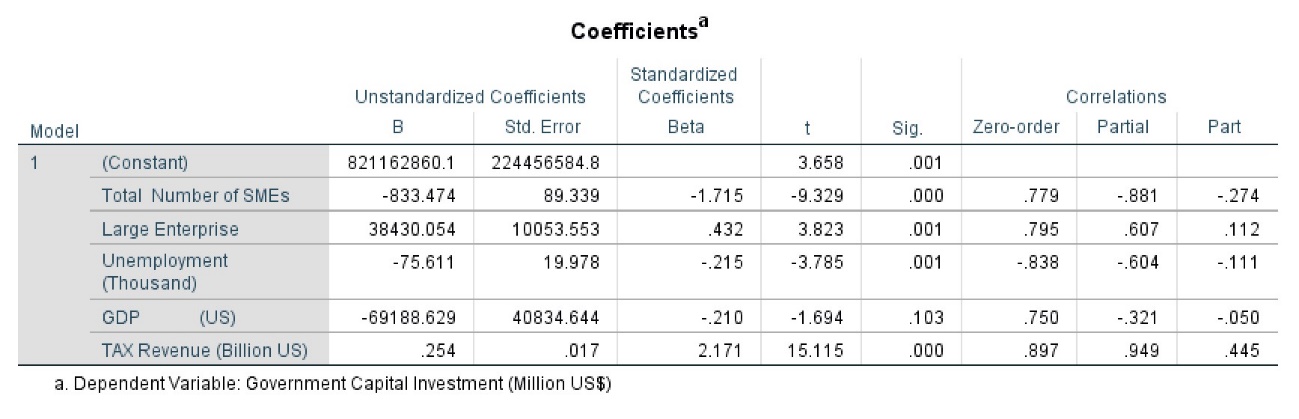
1. **Analysis and Discussion**

Descriptive statistics



Based on the Table "Model Summary" is show the R value is 0, 989 it can be concluded that the relationship between variables has an effect of 98.9% on Government Capital Participation, while 1,1 % is influenced by other variables not examined. R Square value is 0.978 which means 97.8%. This value is smaller than the value of R. While the Adjusted R Square value is 0.978 or 97,8.0% the influence of the independent variable on the dependent variable is strongly. Durbin-Watson's value (d) is 2.246 bigger than the upper limit (du) of 1.83 and bigger than (4-du) 4 - 1.83 = 2.17, so it can be concluded 2,246> 1.83 then there is no any autocorrelation or it can be concluded Hypothesis is accepted and can continue.

In the ANOVA table the value is sig. stated at 0,000 <0,05, it can be concluded that the variable tax revenue, unemployment, GDP, large enterprise and SMEs have a joint effect on government capital participation. The second way is by comparing F-Count and F-Table, the formula used is df1 = k-1 and df2 = n-k where n is the number of samples, k the number of independent variables. then the number of df1 = 5-1 = 4 and df2 = 31-5 = 26. The F table number is 2.76. F-Table 226.1 >F-Calculate 2,74 then the conclusion is the independence variables (variables tax revenue, unemployment, GDP, large enterprise and SMEs) together have an effect on the dependent variable (government capital participation).



The Sig value for the effect of X1 (Capital participation) to Y is 0.01 < 0.05 so it can be concluded that **H1 is accepted**. It’s means there is any positive influence X1 to Y

The Sig value for the effect of X2 (SMEs) to Y is 0.00 < 0.05, so it can be concluded that **H2 is accepted**. It’s means there is any positive influence X2 on Y

The Sig value for the effect of X3 (Large enterprise) to Y is 0.01 < 0.05, so it can be concluded that **H3 is accepted**. It’s means there is any positive influence X3 to Y

The Sig value for the effect of X4 (Unemployment) to Y is 0.01 < 0.05 so it can be concluded that **H4 is accepted**. It’s means there is any positive influence X4 to Y

The Sig value for the effect of X5 (GDP) to Y is 0.103 > 0.05, so it can be concluded that **H5 is rejected**. It’s means there is no any positive influence between X5 to Y

The Sig value for the effect of X6 (Tax revenue) to Y is 0.00 < 0.05, so it can be concluded that **H6 is accepted**. It’s means there is any positive influence X6 to Y

Hypothesis Flowchart

SME Performance

State Capital Participation

Job Opportunity

H1 (0.01) H2 (0.00) H5 (0.10)

GDP

H3 (0.01)

Large Company Performance

H6 (0.00) H4 (0.01)

Tax Revenue

1. **Conclusion**

This research paper is to see how effective the Indonesian government policy to injected cash money into various state-owned enterprises. On the one hand, the data shows that after receiving state capital participation in several state-owned enterprises, the state business entity actually experienced a decline in income or even some of them actually had significant debt increases. In the structure of the Indonesian economy, the SME sector has a dominance of 90% of the total private companies in Indonesia. And the SME sector is able to contribute 67% to job creation and contribution to state tax revenues by 59%. However, this condition seems to be less able to boost the per capita income of the Indonesian people who are still in the range of under $ 4000. This may be one of the causes of so many other things that make Indonesia trapped in the middle income, even though the country's total GDP is actually above $ 1 trillion.

Large industrial sectors seem to be quite strong and stable in competition, it is proven that the market for their products still dominates in the domestic market and their export growth is also relatively more stable. But the SME sector specifically is considered still need to be empowered, considering that this sector is actually still quite fragile if it has to compete with imported products that have better quality and prices. The policy of including state capital to state-owned enterprises in Indonesia is actually quite appropriate if we see that there is a very strong correlation and significance between dependent and independent variables, only the GDP variable is not significant but still has a positive correlation. The GDP in Indonesia itself actually needs to be improved to encourage the purchasing power of the Indonesian people. Because the growth in purchasing power capability will trigger demand for goods and services that will automatically be followed by increased business sector productivity and ultimately will provide wider employment opportunities for the community. Labour sector growth will automatically contribute to state tax revenues. The increase in state tax or tax ratio will certainly encourage an increase in the state budget, especially state expenditure in the public sector. This increase in state expenditure will ultimately provide increased demand for the needs of goods and services through various government projects involving the private sector.

This increase in state spending will also be able to encourage growth in the income per capita of the community. In addition to the increase in government revenue from the tax sector, besides being able to encourage increased demand for goods and services, it will also be able to increase the government's budget to increase the capacity and capability of state-owned enterprises through a program of state capital participation in state-owned enterprises.

Through this research, it can be concluded that government policy in pouring money into business entities in the form of state capital participation is appropriate. It's just that it needs to involve more national industries, especially the SME sector. Because SMEs are very strategic to become partners in encouraging the growth of job creation. SMEs need to improve the quality of their products, and they also need market access to sell their products. If the mechanism of state capital participation is made in the regulation, that every state-owned enterprise that accepts state capital participation must involve national industries, especially the SME sector in supplying industrial material needs in state-owned enterprises, it is expected that there will be a significant increase in the growth of SMEs in Indonesia.

The growth of the SME sector itself is believed to be able to boost the creation of jobs for the public, especially Indonesia is predicted to experience a demographic bonus in 2030, where an increase in Indonesia's population is expected to reach 300 million people. This of course will be followed by an increase in community consumption. If Indonesia does not strengthen the industry sector from now on, it is not impossible that the demographic bonus will only be enjoyed by business people from abroad or in other words Indonesia will only be a market for the entry of imported products.

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