



INCREASING THE COMPETITIVENESS OF INDONESIA'S SMALL AND MEDIUM ENTERPRISES IN THE SOUTHEAST ASIA REGION IN THE CONTEXT OF THE INDUSTRIAL REVOLUTION 4.0: CHALLENGES AND OPPORTUNITIES

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Abstract

This paper will try to describe and analyse various opportunities and challenges in the effort to improve Indonesia's small and medium enterprises in the era of industrial revolution 4.0. in the Southeast Asia region. In fact, the Indonesian economy is supported by a large number of Small and Medium Enterprises including a smaller type of business called Micro, Small and Medium Enterprises. The data shows that the number of SMS's in Indonesia reached more than 90% of the total companies, and the contribution to the economy reached almost 63.4% of total GDP. In terms of employment, SMS's absorb almost 83% of the total workforce. Most SMS'Es in Indonesia also include those who work in sectors that are often referred to as "the informal sector" because not all businesses in this sector are formal business entities. Typically, this type of MSME is concentrated in the home industry sector that produces traditional goods (handicraft items). Although the number of MSMEs in Indonesia is very large, and its ability to support the national economy is undoubted, its existence is still not "lucky" for SMS's in other Southeast Asian countries in particular. Problems that are often related to the development of SMS's, among others, are weaknesses in Indonesia's competitiveness caused by factors such as; business infrastructure development such as physical facilities and collaboration with all stakeholders in the industry. There are problems in providing ease of business operations where Indonesia is still under other Southeast Asian countries such as; Singapore, Thailand and Malaysia. There are problems in providing protection and security for investors to invest. The quality of human resources (HR) and the large amount of imported taps are opened so that Indonesian small and medium entrepreneurs often experience difficulties in expanding exports. From some of these issues, this paper will examine the efforts made by the government in developing the quantity and quality of Indonesian products, the economic competitiveness of the five other major ASEAN member countries, and the policies and strategies of the Indonesian government in the field of industry in the face of the 4.0 Industrial Revolution.

Keywords: Political Economy, Realis, Competitiveness, SMS's, Industrial Revolution 4.0.