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INTERNATIONALIZATION OF MSME THROUGH PROPERTY RIGHTS: A STUDY CASE OF FOOD STALL

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ABSTRACT

The purpose of this study is to find out the internationalization of MSMEs from a review of property rights in case studies of simple food stalls. The data collection method was carried out qualitatively through field observations, interviews and documentation in the process of interviewing 3 informants. The sampling technique in this study is quota sampling. The data analysis technique used in this study is descriptive analysis and explorative analysis and then processed using the Atlas qualitative data analysis tool. The results of this study support the internationalization of Simple Restaurants, because there are several indicators of innovation, business environment, and internationalization that can influence the internationalization process of Simple Dining Stalls to fulfill the desired desires. This indicates that the process was successful.

INTRODUCTION

Digitalization has a tremendous impact on the development of human life, including the financial sector. The emergence of metaverse technology is a challenge and a surprise for the lives of people around the world (Ball, 2022). The future of the world is not only pleasant but also terrifying. The emergence of the metaverse is inseparable from the development of the digital economy in Indonesia. The depravity of a capitalist economy that is incapable of facing the challenges of conventional economies of scale that is a response to its inability to respond to development in the current era of Revolution 5.0 (Sparkes, 2021).

The Industrial Revolution was a technological, socioeconomic, and cultural change in the late 18th and early 19th centuries, when the labor-based economy was replaced by an industrial and machine-based economy. This revolution began in England with the introduction of steam engines (coal-powered) and was used by machinery (especially in textile production). The development of all-metal machine tools in the first two decades of the 19th century made the production machinery products applicable to other industries. Its cultural influence spread to Western Europe and North America and later influenced the whole world. The impact of these material changes on society was enormous and was often compared with the Neolithic Cultural Revolution, when agriculture began to develop and form civilization, replacing nomadic life with modern society.

In modern society, there are small industries that become the main drivers of the Indonesian economy with high competitiveness. Under all this, the government has opened up as many different industries as possible in this field and industry, including agriculture, tourism or even manufacturing industries and machinery industries. On the other hand, this small industrial sector is also quite encouraging, especially the capacity of labor and equal opportunities, because small

industries are relatively labor-intensive, so they can affect workers. equality and business opportunities and even fairness for most Indonesians (Guridno, 2020).

When the Indonesian state was hit by the crisis in 1997, small businesses could emerge as heroes of the economy. When major industries fall one after another, small businesses can show their existence, although some could not. This is evident from a 1998 study of 225 units, micro, small and medium enterprises (MSMEs) during the crisis, only four percent of which went out of business. While sixty-four percent, there was no change in turnover, 31% experienced a decrease in turnover and 1% actually increased.

Throughout 2002, the development of MSMEs increased in line with the improvement of the real sector. Furthermore, SMEs grew by an average of 3% per year from 37,911,723 units to 1,362,315 units in 2002. In 2003, the number of small businesses was estimated to be the least estimated, and increased rapidly by 42,607,738 business units to 738 business units. In response to the rapid increase in small businesses, small businesses continue to play the greatest role in absorbing labor for workers.

So far, people may underestimate MSMEs as economic drivers, but if you look further, the role of MSMEs as recipients of employment and GDP producers for Indonesia is actually very large. Kompas Daily (December 14, 2007) reported that the number of job applications by absorbing labor in Indonesia reached a total of 85 million, or 96.18%, and the share of household income was 52.28%. With this statement, it is known that the role of MSMEs in poverty reduction is very large. Problem With the rapid growth of networks and communication between countries, it opens up opportunities for MSMEs to internationalize in the form of exports, foreign direct investment and licensing. Internationalization activities of MSMEs are related to the export sector, because they do not have financial capital, so it is not impossible for MSMEs to make foreign direct investment and licenses, or the orientation of internationalization strategies compared to labor. capital-intensive activities. In recent years, only large companies are engaged in internationalization activities, but at the moment it is not excluded, SMEs can engage in internationalization activities. As stated in Bonaccorsi (1992) and Lu and Beamish (2001) argue that the size of the business does not rule out the possibility of carrying out internationalization activities, but MSMEs struggle to internationalize because they have difficulty in obtaining international access (Roida et al., 2010).

In terms of internationalization of MSMEs, which is an effort or condition that is related to either products or business activities of MSMEs that enter or integrate with international markets. One of them is the culinary business in Indonesia, namely simple food stalls or people usually call it by the name of warteg. In this study, it will be explained more about the internalization process of simple food stalls since very few, even close to none, research discussing this topic.

METHOD

The data collection method was conducted qualitatively through field observations, interviews, and documentation in the interview process of 3 informants. The sampling technique

in this study was quota sampling. The data analysis techniques used in this study were descriptive analysis and exploratory analysis then processed using the Atlas qualitative data analysis tool.

RESULT AND DISCUSSION

Internationalization of Indonesian SMEs

Internationalization is closely related to the company's activities abroad (Casillas & Acedo, 2013). The most prominent activity in internationalization is export. The company expands its business by exploring more regional market entry patterns through international market (Zahra & George, 2017). Export activities are also conducted by MSMEs.

MSMEs are a milestone in the Indonesian economy. Almost 99.9% of Indonesian economic actors are MSMEs, in which they contribute to the country's economic growth rate of 2-4% per year (Supriyanto, 2012). MSMEs business units have reached 48.9 million per 2009 (Adawiyah, 2014). MSMEs have become an important part of the Indonesian economy. The contribution to GDP reached 56.7 percentage compared to the contribution of exports other than oil and gas which only contributes 15% (Kara, 2013). MSMEs also contributed 99.6% in employment (Khasanah et al., 2022). Even when the 1997/1998 financial crisis hit, MSMEs persisted in constraints, but many large companies collapsed due to the onslaught of internal and external conditions. The prowess of small businesses was once again evident when the global financial crisis resumed. In 2008, the global economy was disrupted by a recession in the United States. However, MSMEs survive and even grow well.

The growth of networks and communication between countries gives MSMEs a quick opportunity to enter the international market competition. MSME products that have only existed in the domestic market must be able to do that. Improving quality to meet export standards. Positive export jobs for the country's economic development and export companies are generally more productive than those who do not export (Mitic & Ivić, 2016). The problem faced by MSMEs is the creation of competitive advantages through high-speed and global domestic competition (Violinda, 2018).

Effect of Process Internationalization on MSMEs

Over the past 30 years, SMEs have played an important role in the national economy. MSMEs now appear to dominate in terms of recruitment and job creation (Kusumawati & Sadik, 2016). MSMEs are also characterized as dynamic, flexible, and easily adaptable to risky and unstable economic conditions (Risteska et al., 2014). However, given competitive liberalization, MSMEs face many new challenges and must be able to adapt to the current situation. The process of internationalization and globalization is both a threat and an opportunity for MSMEs (Rissanen et al., 2020). Opportunities to cover exports, entry into new markets and cooperation with foreign countries in the face of the threat of growing competition (Agwu & Onwuegbuzie, 2018).

According to the European Commission's MSME Observatory Survey Summary (2007), the main motivation for MSMEs to go international is the desire to strengthen their strength. The competitiveness of the company through access to new and larger markets. In the theoretical

approach, the most fundamental assumption is that the internationalization of SMEs is driven by growth factors. This is the desire of MSME managers to focus on developing their business by trying to open foreign markets.

Factors for accelerating the internationalization of MSMEs are Entrepreneurial Factors Guiding Entrepreneurship (Growing companies are striving to expand their operations in the international market. This factor is the most important factor among many), the driving force (It is the company's inability to grow in the local market. These factors are sometimes called negative factors that force the company. Get out of market competition), and a pulling factor (i.e. how the company perceives the opportunities that exist in foreign markets or whether the product will only appear in foreign markets if needed. This factor is often called the positive factor). Such factors are an opportunity for the company to enter the international market (Kaukab, 2020).

As MSMEs continue to improve their ability to adapt to competition There are still questions around the world about how MSMEs do this. Recently, many companies claim to be in the process of developing a globalization strategy in entrepreneurship. Stehr (2009) also internationalizes entrepreneurship and the globalization of entrepreneurship. The internationalization of entrepreneurship (internationalization of business activities) is achieved when the product is successfully shipped by another country. Globalization of entrepreneurship International economic activity to the limits of the world. Analysis of globalization potential specifically for SMEs, the following analysis is required:

1) The potential of globalization usually develops from corporate aspirations Adapting and adapting to global conditions (legal, cultural, administrative) And situations around the world (political/economic). In addition, the willingness to adapt requires systematic development and gradual resolution.
2) There is a direct relationship between the globalization potential of entrepreneurship, organizational structure, HR for organizations and companies. It consists of the capabilities of the general organizational structure of the company, the qualifications of employees, the readiness of the management/owner (manager) to bear the additional costs associated with overseas expansion.
3) The issue of funding foreign and global activities is also an important criterion of decision making If possible, there are positive or minus possibilities in the process of globalization of MSMEs.
4) Therefore, the ability and ability to globalize entrepreneurship refers to specific resources, company goals, business areas, and competing MSME positions.

As for simple food stalls, there are several indicators related to innovation, business environment, and internationalization that can affect the internationalization process of simple food stalls, so that the results of the internationalization of simple food stalls / warteg show that the process goes well in the internationalization process. So that the simple food stalls that are designed are running well.

CONCLUSION

The results of this study support the internationalization of Sederhana Restaurant because there are several indicators of innovation, business environment, and internationalization that can influence the internationalization process of simple food stalls to fulfill the expectations. This shows that the process was successful.

The researchers expect future research to discuss more on how MSMEs, especially in Indonesia, can get internationalized in this modern era. More variables supporting it are expected to emerge to give more reference for the country's economic growth.

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