

بِسْمِ اللَّهِ الرَّحْمَنِ الرَّحِيمِ

Cross Border SMEs: Malaysia & Indonesia

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Preface

Much have been written in various forms with respect to Micro, Small and Medium Enterprises (MSMEs). In spite of this, a compilation of works on “cross border SMEs”, especially between Malaysia and Indonesia, has still not been made available to the public. Prior to addressing the issue at hand, let us look at what we mean by MSMEs for Malaysia and Indonesia? Micro, Small and Medium Enterprises (MSMEs) have been defined differently in both countries. So far, there has not been a unified definition that is accepted by all. In Malaysia, SME Corp, a coordinating body on SMEs, refers to micro size SMEs as companies with sales turnover of less than RM300,000 and employees less than five. However, for small size SMEs in the manufacturing sector, it refers to companies that have sales turnover between RM300,000 and RM15 million and employees between 5 and 75 people, while in the services sector it is described as companies that have sales turnover between RM300,000 and RM3 million, and employees between 5 and 30 people. As for medium size SMEs, in the manufacturing sector, it includes companies with sales turnover between RM15 million and 50 million, and

employees between 75 and 200 people. However, in the services sector, companies that have sales turnover between 15 million and RM 20 million and employees between 30 and 75 people are already considered as medium size SMEs. In Indonesia, MSMEs are defined as those enterprises which have full time employment of less than 100 employees with a substantial proportion of them consisting of micro enterprises with not more than five full-time employees.

Elsewhere in these two nations, SMEs are much regarded as “unsung heroes” as they play significant economic and social roles by offering new job opportunities, lowering unemployment rate, increasing competition and productivity, and providing substantial benefits to the economy of the two countries, Malaysia and Indonesia alike. The SMEs in both the neighboring nations are considered to be the backbone of the modern-day economy. Thus, it is far from being a surely not a “fish bone” anymore. The importance of this segment is undisputed. For instance, a total of 98.5 percent of the Malaysian business establishments are SMEs. In 2017, these businesses were responsible for 37.1 percent of the country’s GDP, 66 percent the total employment of the country, and 17.3 percent of the total Malaysian export. The annual growth of these SMEs’ contributions towards the GDP, employment and export are 7.2 percent, 3.4 percent and 7.9 percent respectively. A more or less similar example can be illustrated for the Indonesian counterpart. The importance of MSMEs in the Indonesian national economy has been well noted. There are more than 56.8 million MSMEs establishments and they consist of approximately 99.9 percent of the total number of enterprises. It can be further emphasized that within MSMEs, microenterprises seem to be more dominant compared to small and medium enterprises. It covers about 98.7 percent, while small and medium enterprises represent only about 1.13 percent and 0.09 percent respectively.

Having those figures are insufficient as there is a yawning gap between the needs, demands and policy responses in SMEs that often dampen their prospects. The recent economic turbulence has only added to SMEs' problems. In this regard, SMEs in both nations have also been struggling for the improvement in the cost reducing industries by providing relatively lower prices which bring transformation to the industrial structure and development of new markets along with large and multinational corporations (MNCs). SMEs directly and indirectly assist and facilitate growth, multiply and replicate into sufficient mass across industries and sectors. Starting in the late 70s and early 80s, SMEs have started to become more innovative and flexible in terms of reducing cost, technology adoption and diversification of products. Hence, it becomes imperative for us to ensure that SMEs, which are facing one of the toughest times in the industrial history, are strongly supported by the relevant stakeholders; governments, financial agencies, institutions and associations.

Realizing the need to leverage further on the development of small and medium enterprises (SMEs) in these two brotherly countries, Malaysia and Indonesia, a small group of scholars/researchers from IIUM, UMY, UNIDA Gontor and UNISSULA have collaboratively embarked on a little-known project known as the Research Matching Grant Schemes (RMGS), International Islamic University Malaysia (IIUM), Project ID: RMGS 17-001-0027. After a successful Malaysia-Indonesia Workshop on SMEs in 2019, that was conducted to present all the RMGS findings, a subsequent effort is to compile the selected-relevant papers in the form of a book to enable the knowledge and the latest findings to be shared with the public at large. Thus, the book, "Cross Border SMEs: Malaysia and Indonesia", is put forward as an extension of a compilation of works designed to foster the status, growth, progress and development of SMEs, espe-

cially in Malaysia and Indonesia. Such an effort has not been made elsewhere.

In view of this, we would like to extend our appreciation to the Research Management Center (RMC) of the International Islamic University Malaysia (IIUM), the research centers of *Universitas Muhammadiyah Yogyakarta (UMY)*, Universitas Darussalam (UNIDA) Gontor, and Universitas Islam Sultan Agung (*UNISSULA*) for undoubtedly giving us the opportunity by providing research grants under RMGS. The grants from our respective institutions enabled us to generate and integrate these research papers into an edited book. Therefore, special thanks and the flagship's appreciation to those who have contributed their papers and their efforts and unquestionable support which have eventually led to this edited book.

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PROFILE OF MSMEs IN EAST JAVA: CHALLENGES AND PROSPECTS

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ABSTRACT

This chapter aims to explore further information about the background, the profile of the MSME's sector in East Java. The identification results can be utilized in various ways: policy formulation, identify problems MSMEs, mapping of a strategy to build competitive advantage for MSMEs. This chapter applied a quantitative approach and the data collection techniques used are survey methods using questionnaires. Data analysis techniques are a descriptive statistical test. The sample used is mostly MSMEs in East Java (according to) the number of samples used by 250 respondents. This chapter shows that the profile of MSME business actors (key players) in East Java can be viewed from the perspective of gender differences, MSMEs were dominated by respondents' female spouses surveyed. Based on the aspect of Marital Status, MSME is dominated by married respondents with a percentage of 81.6%, Based on the aspect of age distribution, SMEs are dominated by respondents aged 40-49 years, with a percentage of 37.6%. Based on the aspect of Education Level, East Java MSME was dominated by respondents with high school level education with a percentage of 62.8%. Based on the aspect of ownership of expertise (what do you mean?) before entrepreneurship, MSME with the same percentage, the respondents already have expertise in entrepreneurship and some do not have expertise before becoming entrepreneurs. Based on the aspect of the number of full time workers in their business, East Java MSME has only one worker in their business operations, with a percent-

age of 40.8%. Based on the aspect of income, MSME has amassed between 11 million and 50 million per year with a percentage of 28.4%. Based on the aspect of the duration works carried out, MSMEs has been working for more than 10 years, with a percentage of 55%. Based on the aspect of Total assets in business, MSME has assets of 500 thousand - 50 million with a percentage of 67,2%. Based on the aspect of the establishment of the business, East Java MSME entrepreneurs set up businesses in 2011 to 2018 with a percentage of 61.2%. Based on the aspect of the form of the business entity , East Java MSME has individual / private business entities, with a percentage of 60%. Based on the aspect of the type of business sector, MSMEs entrepreneurs are worked in the trade and services sector, with a percentage of 38.4%.

KEYWORDS: Profile of MSMEs, East Java, Micro Small and Medium Enterprise

1.0. INTRODUCTION

Indonesia is the 15th largest country in the world, with a total population of 265 million people in 2018 (Central Bureau of Statistics) which consists of 133.17 million men and 131.88 million women. With a huge population, Indonesia has advantages and disadvantages in many sectors, both in terms of education, economy and health. Concerning the economy, the prevailing situation in Indonesia is supported by multiple business sectors including agriculture, trade, industry, mining, transportation, MSMEs and various other sectors. The MSMEs sector is a sector that provides an excellent opportunity for the Indonesian population in terms of providing employment. Also, according to the Central Bureau of Statistics (BPS), the MSME sector is a sector that contributes greatly and plays a vital role in the economic growth of Indonesia. Based on this fact, it was concluded that the majority of Indonesian people involved worked in the field of MSMEs, both small, medium and large scale.

The MSMEs sector has been a pillar of the economy in Indonesia

and can contribute 60.34% to the country's gross domestic product (GDP), creating employment for nearly 108 million Indonesians. GDP is the amount of added value produced by all business units in a particular country or is the sum of the value of final goods and services produced by all economic units. It can be interpreted that MSMEs are one of the advantages of a country, especially Indonesia, that can help alleviate unemployment and enhance the economy of Indonesia. With these conditions, it is a mandatory task for the government, institutions and other parties to support the development of MSMEs in all regions in Indonesia, one of which is the East Java province, which has the second largest population among all the provinces in Indonesia.

In the effort to develop MSMEs, both government, institutions and other parties can contribute through various programs in education, training, financial assistance, entrepreneurship assistance and other development programs. In supporting this, the profile and characteristics of MSMEs in East Java are needed to determine the model of MSME development seen in various aspects.

Departing (digressing somewhat) from the explanation above, the research problem will revolve around the profile of the MSME sector in East Java. The formulation of research problems is as follows: "What is the profile of the MSMEs sector in East Java?". In general, the objective to be achieved from this research is to explore further information about the background and the profile of the MSME sector in East Java, with the hope that results can be utilized to identify various matters, namely, policy formulation, MSMEs problems, and strategy mapping that are expected to be used to build competitive advantage for MSMEs as a sector that has an important role for the Indonesian economy (Ascarya, 2007)

2.0. THEORETICAL REVIEW

Definition of Micro, Small and Medium Enterprises (MSMEs)

There are few forms of businesses run by the community in Indonesia, starting from the micro, the small and the medium scale. According to Law No. 20 of 2008, "A company can be classified as MSMEs. It is the effort in terms of productive economic activity that stands alone, managed by one or owned by a small group of people or business entities with a certain amount of wealth and income ". Most forms of business are classified as informal businesses because the operations of such entities do not have any business licenses or official operational letters from the government.

It can be understood that what is meant by a micro-scale business is an economic activity carried out by individuals or business entities or households that produce goods and services with the intention to trade with a maximum total asset of 50 million and a maximum income of Rp. 300 million - Rp2.5 billion per year, with approximately ten employees. Furthermore, a small-scale business is a type of business that has total assets > IDR 50 million - IDR 500 million and income from operations is > IDR 300 million with a number of employees of approximately 30 people. Next is the medium-scale businesses which are run by the community with a total asset of > Rp500 million and earning > Rp2.5 billion - Rp50 billion per year and having an employee base of up to 300 people. There is also a large-scale business that can be viewed as a creative economic venture undertaken by a business entity that includes the national business state and private property, joint ventures, and which have assets of > Rp 10 billion with earnings of > 50 billion.

Profile of MSMEs

It has been proven that the MSMEs business is a business sector

that has the largest contribution to the Indonesian economic development. MSMEs has a proportion of 99.99% of the total business sectors in Indonesia or as many as 56.54 million perpetrators(???). Among the different sectors contained within the MSME business sector are Agriculture, Animal Husbandry, Forestry and Fisheries, Mining and Excavation, the Processing Industry, Trading, Hotels and Restaurants, Transportation and Communication and a few other service sectors.

The business profile carried out by MSMEs businesses can be classified into a few criteria which include : Kinds of business, Education Level, Income, Gender, Age of business actors, Status, Religion, Character of the law, and Business sectors.

3.0. RESEARCH METHODOLOGY

The design that is the object of this research is the profiling of the micro, the small and the medium enterprises (MSMEs) in the East Java province. This research is targeted in East Java because the concentration of MSMEs is as much as 9.59 million, which in addition, contributed to the domestic Gross Regional Product (GDP) of 74.36% in 2018 in the province of East Java. This research was conducted to investigate the type of profiles of MSMEs in East Java, and the results can be used as significant data in developing various policies for developing business needs..

The approach used in this research is quantitative and the data collection techniques used are survey methods with questionnaires given to respondents.. The population in this study are all entrepreneurs of MSMEs in East Java, while the sample used is 250 respondents, mostly from MSMEs in East Java.

This research used nonprobability sampling together with purposive sampling technique from MSMEs in the business areas ranging

from culinary, transport to trade sectors. The determination is based on the number of East Java MSMEs who engage in those areas rather than those who are from other areas of businesses. The data analysis technique used is the Descriptive Statistics Test.

4.0. RESULTS AND DISCUSSION

4.1. The General state of MSMEs in East Java

East Java is one of the provinces in Indonesia, with an area of 47,922 km² and with a total population of 39.29 million people, consisting of 19.4 million male and 19.9 million female, which are equivalent to 49.3% and 50.63% respectively from the total population.

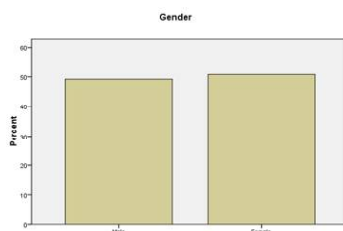
The National economic census data stated that the number of MSMEs in East Java was 9.59 million, with 4.61 million MSMEs engaged in the non-agricultural sector and 4.98 million MSME engaged in the agricultural sector. East Java contributes 14.85% to the National Gross Domestic Product.

4.2. Research Results

The results of this chapter will present the profile of MSMEs in East Java province with informants, who are MSMEs actors in the culinary, trade and transportation fields with as many as 250 of them.

TABLE 2. 1 GENDER

		FREQUENCY	PERCENT	VALID PERCENT	CUMULATIVE PERCENT
Valid	Man	123	49.2	49.2	49.2
	Women	127	50.8	50.8	100.0
	Total	250	100.0	100.0	



NUMBER OF RESPONDENTS BASED ON GENDER

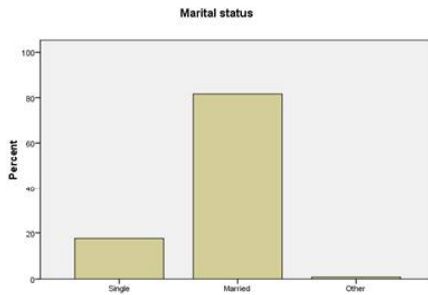
It can be seen from these results that MSMEs in East Java is dominated by businesses which are being run by females with a percentage of as much as 50.8%, with the remaining 49.2% from the business people who are males.

NUMBER OF RESPONDENTS BASED ON MARITAL STATUS

The number of respondents according to their marital status can be seen in the results of the following percentages: Respondents from the MSMEs businesses in East Java with single status accounted for 17.6%, whereas the married ones/and the ones with get married status as much as 81.6%, and respondents with more status by 8%.

TABLE 2. 2 MARITAL STATUS

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Single	44	17.6	17.6	17.6
	Married	204	81.6	81.6	99.2
	Others	2	.8	.8	100.0
	Total	250	100.0	100.0	

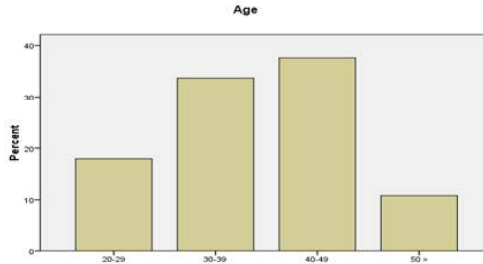


THE NUMBER OF RESPONDENTS BASED ON THE AGE DISTRIBUTION.

The respondents from MSMEs businesses, show that most respondents were in the age group of 40-49 years with a percentage of 37.6%, followed by the age group of 30-39 years at 33.6%, and respondents from the age group of 20-29 years assessed at 18%, while the the age group of 50 years or more is measured at a percentage of 10.8%.

TABLE 2. 3 AGE

		FREQUENCY	PERCENT	VALID PERCENT	CUMULATIVE PERCENT
Valid	20-29	45	18.0	18.0	18.0
	30-39	84	33.6	33.6	51.6
	40-49	94	37.6	37.6	89.2
	50 >	27	10.8	10.8	100.0
Total		250	100.0	100.0	



NUMBER OF RESPONDENTS BASED ON THE EDUCATION LEVEL

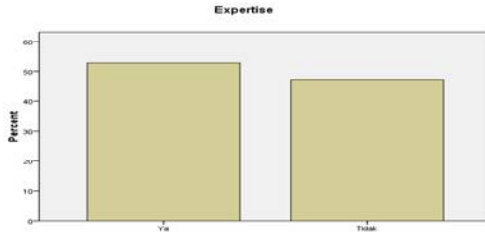
The number of respondents in East Java MSMEs business actors according to their level of education can be seen in the following percentages. Most MSMEs practitioners are secondary school graduates or high school graduates (equivalent) at 62.8%, followed by business people with an elementary school education at 16.8% and Bachelor graduates or equivalent with a percentage of 14%. The rest are Diploma graduates at as much as 3.6% and postgraduate at as much as 1.6%. The last is business actors (participants with a non-formal education background) at 1.2%.

NUMBER OF RESPONDENTS BASED ON EXPERTISE BEFORE ENTREPRENEURSHIP

The results of the research on the respondents as MSMEs business operators indicate that the percentage of respondents who have expertise in entrepreneurship before going into entrepreneurship is 52.8% and the percentage of respondents who stated that they do not have expertise in entrepreneurship is 47.2%.

TABLE 2. 4 EXPERTISE

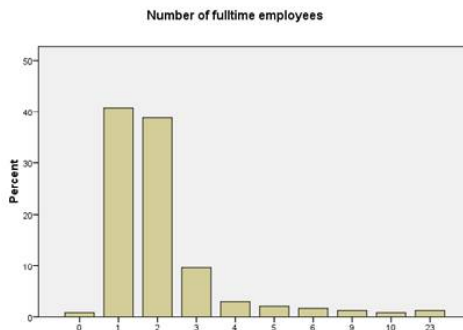
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Yes	132	52.8	52.8	52.8
	No	118	47.2	47.2	100.0
	Total	250	100.0	100.0	



THE NUMBER OF RESPONDENTS BASED ON THE NUMBER OF FULL-TIME WORKERS IN THEIR BUSINESSES.

The results showed that 40.8% of MSMEs businesses has one full-time worker working with them, 38.8% has two workers working in their businesses and the rest being businesses with 3 or more workers.

FIGURE 2. 1 NUMBER OF FULL-TIME EMPLOYEES

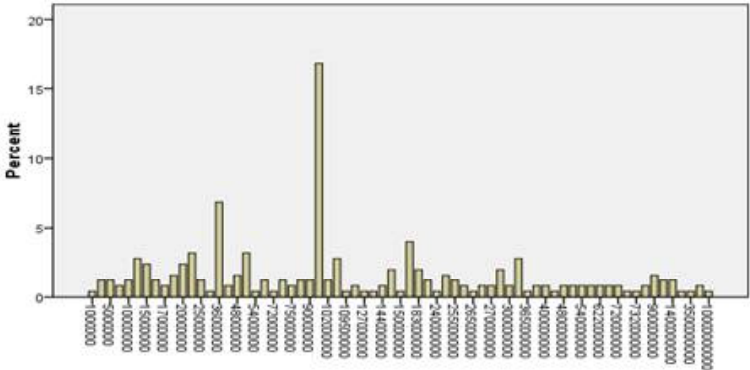


THE NUMBER OF RESPONDENTS BASED ON TOTAL INCOME

Data obtained at the time of the study shows that the amount of annual income generated by respondents was approximately Rp. 1 million - 10 million per year which is as much as 4.8 %, income between 11 million and 50 million per year was 28.4 %, while the income of MSMEs, which is between 51 million - 150 million per year

is at 32.4%. Income between 151 million - 500 million per year is at 22.8% and the rest are MSMEs with income above 500 million per year with a percentage of 11.6%.

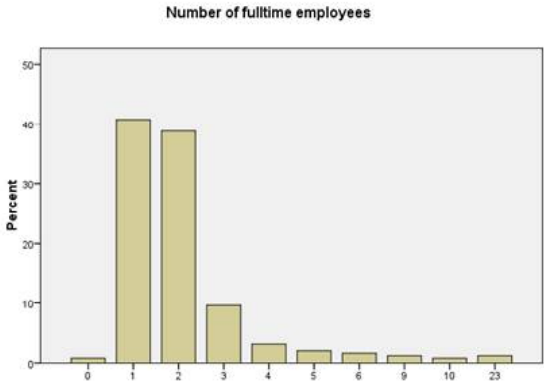
FIGURE 2.2 ANNUAL INCOME OF MSMEs



THE NUMBER OF RESPONDENTS BASED ON DURATION OF WORK

Based on the results of the chapter, the lengths of time spent trying to be a part of East Java MSMEs are as follows: the length of businesses that was most often done were businesses built for approximately 3 years which are as much as 14%, then 13.6% of businesses have a duration of about 1 year and 13.2% of businesses were built in about 2 years. The rest were businesses which were built for more than ten years with the largest percentage of 55%.

FIGURE 2.3 NUMBER OF FULL-TIME EMPLOYEES



THE NUMBER OF RESPONDENTS BASED ON THE NUMBER OF ASSETS IN THE BUSINESS

The results of the chapter showed that the East Java MSMEs businesses have total assets of between IDR 500 thousand- 50 million with a percentage of 67,2 %, while the number of MSMEs assets is between 51 million and 100 million with a percentage of 25.2%, and the remaining 7.6% are MSMEs businesses having total assets of 500 million to 10 billion.

FIGURE 2. 4 TOTAL ASSET VALUE

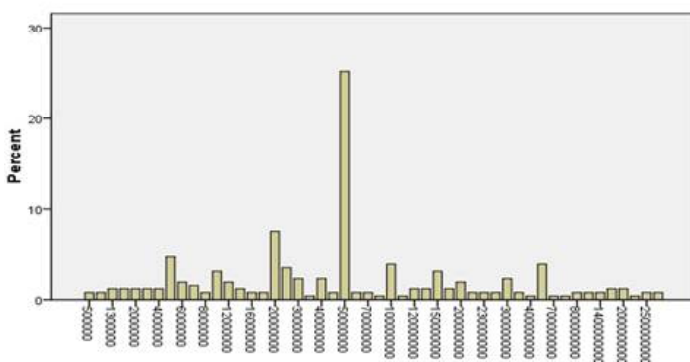
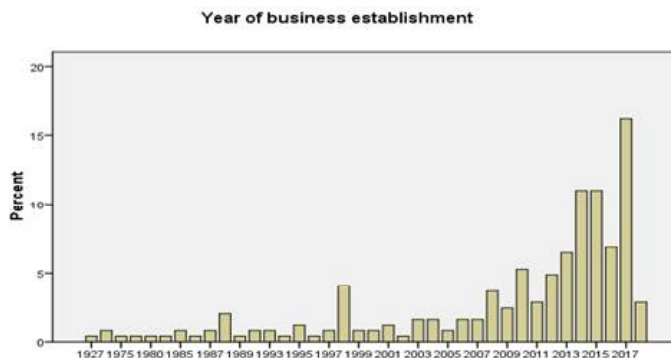


FIGURE 2. 5 YEAR OF ESTABLISHMENT



THE NUMBER OF RESPONDENTS BASED ON THE YEAR OF BUSINESS ESTABLISHMENT

The results show that the respondents established their businesses from 1927 to the present day, with the difference, among others, which

were built between 2000 and 2010 which is as many as 20.8%, while the MSMEs which were built between 2011 to 2018 were as many as 61.2% and the remaining 17.2% is the East Java MSME businesses that were built before 2000.

THE NUMBER OF RESPONDENTS BASED ON THE FORM OF BUSINESS ENTITY

The results show that 60% of the businesses that were run by the respondents of MSME entrepreneurs in East Java were individual / self-owned businesses, then 8.4% were limited liability businesses (PT), of which 7.6% were businesses in partnership (CV), as much as 5.2% were businesses in the form of cooperatives and the remaining 16, 8% were in the form of businesses with other legal entities.

FIGURE 2. 6 FORM OF BUSINESS

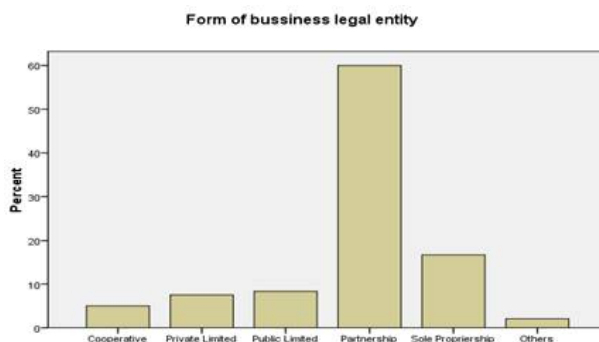
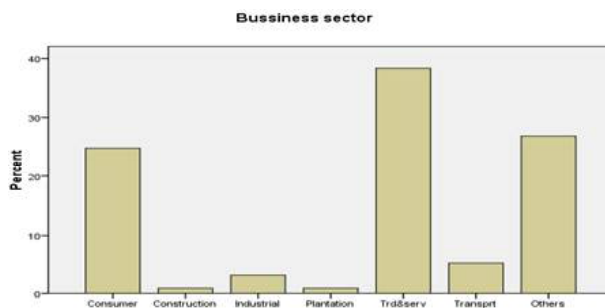


FIGURE 2. 7 BUSINESS SECTOR



THE NUMBER OF RESPONDENTS BASED ON THE BUSINESS SECTOR

Based on the results of the research, 38.4% of the MSME business sectors were in the business of trade and services, then 24% of the businesses were in providing consumer goods, 26.8% were in other fields, and the rest were in the fields of transportation, industry, construction and agriculture.

5.0. DISCUSSION

From the results of research conducted on the MSME players in East Java, there are 12 important variables that can be used to describe the profiles of the MSMEs. The twelve variables studied included respondent differentiation based on: Gender Differences, Marital status, Age Distribution, Education Level, Ownership of expertise before entrepreneurship, Number of full-time workers in their businesses, Income, Duration of work by the Respondents, Number of assets in their businesses, Year of business establishment, Kinds of business entity and Business Sectors.

The following will discuss the variables mentioned above one by one so that the results can be used in decision-making by the various parties.

1. Characteristics of MSMEs in East Java by Gender

The results showed that 50.8% of East Java MSMEs are females and 49.2% of the business people were males . It can be concluded that the majority of MSMEs in East Java is currently dominated by women: this is supported by data from the Central Statistics Agency that the population of East Java is as big as 50.63% and dominated by female residents, which suggests that there is a huge potential for women to involve themselves as business participants in the field of MSME.

2. Characteristics of East Java MSME actors based on marital status

From the results of research related to marital status, it is known that East Java MSME respondents who are married are 81.6%, while those who are single are 17.6% and respondents with other status are rated at 8%. It can be concluded that MSME actors are dominated by business people who have a family which means that respondents have a responsibility to support their families through entrepreneurship. While single-status respondents run MSME businesses for various reasons such as limited job vacancies, they are the ones who also come from the category of those who have completed school or dropped out of school. There are also those who want to earn more income to help their family. This is in accordance with the previous research conducted by Riat Aziz, (2016) in an earlier study which stated the same reasons for informal businesses? doing such businesses.

3. Characteristics of East Java MSME actors based on age distribution.

37.6% of the MSME players in East Java are between 40-49 years old, and as much as 33.6% are MSME actors aged between 30-39 years. In addition, business is also carried out by the age group of 20-29 years who account for 18% and there are 10% of business people who are older than 50 years. It can be concluded that MSMEs in East Java are dominated by people who are in the productive-age group with the largest percentage of business people aged between 40-49 years and there are those aged 30 to 39 years. This illustrates that in this productive age, respondents are required to produce and meet the economic demands of the family, while at the age of 20 to 29 years, which is the second largest percentage of business people, they are the ones who are motivated by the fact that this age is the age of

adolescence and college students who may continue their studies. Most recently, business people above 50 years accounted for the smallest percentage, which suggests that this is an unproductive age to work in the MSME entrepreneurial sector.

4. Characteristics of East Java MSMEs based on the education level

The results showed that the majority of MSMEs in East Java are dominated by people with a secondary school level education or are high school graduates rated at 62.8%. In addition, business is also carried out by many people with an elementary school education level which accounted for 16.8% of the respondents. The rest are MSME respondents who have successfully gone through the education levels of a Bachelors degree or equivalent, Those with Diploma qualifications and also those who have a background in non-formal education accounted for 20.4%. It can be concluded that the majority of MSME participants (key players) are people with a high school level of education and those without a bachelors degree or a diploma. These findings suggest that the education level of MSME entrepreneurs in East Java is generally low.

5. Characteristics of East Java MSME actors based on expertise ownership before entrepreneurship

The results showed that 52.8% of East Java MSMEs stated that they had expertise in entrepreneurship and the remaining 47.2% had no expertise in entrepreneurship. Looking at these comparisons, they do not have many differences and as such can be concluded that the number of MSME participants who have expertise before entrepreneurship and who do not have the expertise before entrepreneurship are balanced.

6. Characteristics of East Java MSMEs based on the number of full-time workers in their businesses

The research shows that the majority of MSMEs which are run by one worker accounted for 40.8%. The MSMEs run by two workers has a percentage of 38.8%, and the remaining 20.4% are the ones run by three or more workers. It can be concluded that the efforts made in MSMEs are mostly by small scale businesses with one worker as the owner and also the operator of the business.

7. The characteristics of East Java MSMEs based on total income

Based on the research, MSME in East Java has an annual income of 11 million to 50 million per year which is equivalent to 28.4%, revenue of 151 million - 500 million per year which has a percentage of 22.8%, and the rest are MSME businesses with an income of 500 million per year with a percentage of 19.2%, and businesses with an income of Rp. 1 million - 10 million per year with a percentage of 11.6%. The results of the research conducted showed that the benefits obtained from the respondents varied. The majority of East Java's MSME income is dominated by micro-enterprises, with revenues of 11 million to 50 million per year. This condition can be said to be feasible for MSME players where the level of capital expended is not too large.

8. Characteristics of East Java MSMEs based on the duration the businesses have been successfully run

Based on the research, the majority of the East Java MSMEs, has been successfully run for more than 10 years, with a percentage of 55%. In addition, the percentage of businesses which have been successfully run for about 3 years is 14%, and the rest are MSME busi-

nesses that have stayed operational in about 1 to 2 years with a percentage of 26.8%. It can be concluded that the majority of the MSME respondents are successful in running their businesses for more than 10 years. This is because the respondents were able to run their businesses well and have benefited from being able to meet the demands of the economy. One of the reasons is that the respondents were well aware of their inability to compete with large scale businesses in their competitive markets. Therefore they chose to maintain their current scale of business and were able to be successfully competitive in their respective market segments. There were also new businesses which established themselves as MSMEs between one to three years, due to the lack of formal jobs in the country as well as in other parts of the world. As such, the respondents chose to engage in informal businesses such as businesses in the sectors of MSME.

9. Characteristics of East Java MSME players based on the number of assets in the business

Based on the research, MSME players who have assets of IDR 500 thousand - 50 million are assessed at a percentage of 67.2%. In addition, MSMEs that have total assets of 51 million to 800 million have a percentage of 25.2%; the rest are MSMEs which have total assets between 500 million and 10 billion with a percentage of 7.6%. It can be concluded that the majority of MSMEs in East Java have assets of 500 thousand - 50 million.

10. The characteristics of East Java MSME based on years of business establishment

Based on the research, the majority of businesses run by MSME were established between 2011 and 2018; namely, 61.2% in percentages and businesses that built in 2000 to 2010 were 20.8%, and the

remaining 17.2% were long-term efforts, which were built before the year 2000.

11. Characteristics of East Java MSMEs based on the form of a business entity

The results from the research showed that 60% of businesses were run by individuals / self-owned businesses, and 8.4% were in the form of limited liability companies (PT), 7.6% were in the form of partnership (CV), and 5.2 % of businesses were in the form of cooperatives and the remaining 16.8% were in the form of businesses which had other legal forms. It can be concluded that the majority of East Java MSME businesses are private businesses. This is because many businesses are established independently without cooperation with other parties and traditional business entities which are mostly illegal.

12. Characteristics of the East Java MSMEs undertaken by the business sector

The results of the chapter indicate that 38.4% of the businesses run by the East Java MSME are in the field of trade and services. The remaining 26.8% are in the sectors of transportation, industry, construction and agriculture, and 24% of the business focus is about providing goods for consumers. It can be concluded that the majority of businesses carried out by MSME are businesses in the field of trade and services. This is because these businesses are easy to run and are needed by consumers every day, so they have a great chance to be successful in running them.

6.0. CONCLUSION

Based on the results of the research, it can be concluded that:

1. The profile of MSME business players in East Java can be viewed from several aspects, namely: Gender Differences, Marriage Sta-

tus, Age Distribution, Education Level, Ownership of expertise before entrepreneurship, Number of full-time workers in their business, Income, Duration of Respondents, Number of assets in business, Year of business establishment, Form of business entity and Type of business sector.

2. From these various aspects, it can be concluded that:
 - a. Based on the aspect of Gender differences, the East Java MSMEs are dominated by female respondents, with a percentage of 50.8%.
 - b. Based on the aspect of Marital Status, the East Java MSMEs are dominated by married respondents with a percentage of 81.6%,
 - c. Based on the aspect of age distribution, the East Java SMEs are dominated by respondents aged 40-49 years, with a percentage of 37.6%.
 - d. Based on the aspect of Education Level, the East Java MSMEs are dominated by respondents with a high school level education with a percentage of 62.8%.
 - e. Based on the aspect of ownership of expertise before entrepreneurship, the East Java MSMEs have the same percentage, namely the respondents already have expertise in entrepreneurship and some do not have expertise before venturing into business..
 - f. Based on the aspect of the number of full-time workers in their businesses, the East Java MSME with only one worker in their business operations, accounts for 40.8%
 - g. Based on the aspect of income, the majority of the East Java MSME has income between 1 million and 50 million per year with a percentage of 28.4 %.
 - h. Based on the aspect of duration (duration of work?), the East

Java MSMEs have been successfully run for more than 10 years, with a percentage of 55%.

- i. Based on the aspect of total assets in a business, the majority of the East Java MSMEs have assets of 500 thousand - 50 million with a percentage of 67.2%.
- j. Based the aspect of the establishment of the business, the majority of the East Java MSMEs entrepreneurs have set up businesses from 2011 to 2018 with a percentage of 61.2%.
- k. Based on the aspect of the form of the business entity, the majority of the East Java MSMEs have individual or private business entities, with a percentage of 60%.
- l. Based on the aspect of the type of business sector, the majority of the East Java MSME entrepreneurs are in the trade and services sector, with a percentage of 38.4%.

SUGGESTIONS

1. Further research is expected to be carried out to develop a more accurate respondents' profiles with a broader scope by using more multiple aspects.
2. Further research is also expected to use more respondents to be able to describe the MSME's situation more accurately.
3. Future studies are expected to be carried out to develop discussions on various business areas that have not been included in this chapter.

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