

LEGALITY ASPECTS ON EXPORT READINESS OF MSME PRODUCTS FROM UPSTREAM TO DOWNSTREAM

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ABSTRACT

PTUPT's research partners for the 3rd year are the Yogyakarta Traditional Food and Beverage Association (ASMAMITRA), and Central Java's Anugrah Sukses Mandiri (ASM). The issues discussed are partners' efforts to prepare complete export documents in an effort to protect and commercialize their products and readiness from upstream to downstream MSME actors in export efforts. This research is applied research, using a participatory research approach and a sociological approach, focusing on applying the model made in the previous year (2022) and analyzing the legality aspect of readiness. Based on the results of the research, partners' efforts to prepare complete export documents in an effort to protect and commercialize their products have been carried out by partners, namely MSME actors by cooperating with the role of stakeholders, in this case researchers, concerned foundations, banking, and MSME associations supported by empowerment by related agencies and local governments. , likewise with regard to readiness from upstream to downstream MSME players in export efforts have not been maximally carried out, especially the readiness of legal aspects has not been completely fulfilled, and requires a helping hand as well as assistance and facilitation of various parties.

Keywords: *legality, export, MSME, upstream to downstream*

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ABSTRAK

Mitra riset PTUPT tahun ke-3 ini adalah Asosiasi Makanan dan Minuman Tradisional (ASMAMITRA) Yogyakarta, dan Anugrah Sukses Mandiri (ASM) Jawa Tengah. Masalah yang dibahas adalah upaya mitra menyiapkan kelengkapan dokumen ekspor dalam upaya perlindungan dan komersialisasi produknya dan kesiapan dari hulu ke hilir pelaku UMKM dalam upaya ekspor. Penelitian ini merupakan penelitian terapan, dengan menggunakan *participatory research approach*, dan *sociologish approach*, dengan focus menerapkan model yang telah dibuat pada tahun sebelumnya (2022) dan analisis kesiapan aspek legalitas. Berdasarkan hasil penelitian, bahwa upaya mitra menyiapkan kelengkapan dokumen ekspor dalam upaya perlindungan dan komersialisasi produknya telah dilakukan oleh mitra yakni para pelaku UMKM dengan menggandeng peran stakeholders dalam hal ini peneliti, Yayasan yang peduli, perbankan dan perkumpulan UMKM didukung pemberdayaan oleh Dinas terkait dan Pemerintah Daerah, demikian pula terkait kesiapan dari hulu ke hilir pelaku UMKM dalam upaya ekspor belum maksimal dilakukan, utamanya kesiapan aspek legalitas belum terpenuhi secara lengkap, dan memerlukan uluran tangan serta pendampingan dan fasilitasi berbagai pihak.

Kata kunci: legalitas, ekspor, UMKM, hulu ke hilir

I. Pendahuluan

Post-pandemic MSME actors continue to improve, as do PTUPT's research partners for the 3rd year. The Yogyakarta Traditional Food and Beverage Association (ASMAMITRA) UMKM Association and the Central Java UMKM Association 'Anugrah Sukses Mandiri' (ASM) have been quite heavily affected by the pandemic, although the number of members currently reaches around 400 UMKM, most of them are in a condition of just surviving and heading for recovery. In this all-digital era, economic transformation requires DUDI including MSMEs to adopt the digital economy, and of course collaboration with stakeholders with a more rational Penta helix approach to be able to spur its development. The economic recovery program in synergy with the growth of the digital economy requires assistance from stakeholders, MSMEs focus on increasing the sustainability of production and commercialization. The availability of a supply chain from upstream to downstream to support 'hard' efforts to penetrate exports is a heavy burden and a big dream for MSME players.

To help overcome obstacles in terms of production, management, IT, and fulfillment of legal entities and legal products, standardization and acceleration of compliance as well as policies that are in favor of efforts to stimulate MSMEs to 'grade up' this project is oriented to be more specific for export trials and being

able to export. The purpose of the research is to apply the "promote, protect and stimulate model" to overcome partner problems and collaborate with stakeholders in implementing research results from researchers on accelerating the commercialization of partner products with the ultimate goal of benefiting Higher Education personnel from partners.

In preparation for production, Partners/MSMEs are ensured to cooperate in their production areas including with farmers and other parties to be utilized, make mapping for laying warehouses, and equipment for drying harvested plants. Revitalizing the function of the garden and its management as well as rehabilitation of plants (seeds) to support raw materials for production. So far, MSMEs buy from collectors and local farmers, so that with this plant preparation garden it will save production costs, be more effective and efficient, as well as expand the partner network from upstream to downstream. Preparedness from upstream is sufficient, followed by standardization and commercialization to export trials.

The characteristics of the "promote, protect and stimulate model" are that in its application, you have to sit together, be enthusiastic about being ready to tackle all the constraints of export governance, and unify the perception that MSME actors, even though they have a local dimension, deserve to go international. With the target of upgrading, it is very urgent to improve legality including intellectual property rights, innovative performance, and synergy between government interests and MSME actors and other stakeholders including campuses on the independent learning, independent campus (MBKM) agenda.

Previous research (Rasbin, 2019: 149) stated that the low export of MSME products was caused by two constraints, namely internal and external. Internal constraints include poor management, non-existent product certificate documents (DKA), low product quality, low product human resources, and so on. External constraints include weakening world economic growth, inconsistencies in government policies related to exports, a lack of skilled workers in the export sector, and others.

Another problem related to the export of MSME products is that their contribution to GDP (47%) is still less than that of large businesses (53%). The

increase in the contribution of GDP by MSMEs that do exports is not due to an increase in the volume of exported products, but due to an increase in commodity prices on the international market. In other words, the high value of exports does not come from the performance of export products that have high competitiveness data but rather is contributed more by the increase in commodity prices of exported products (Ginting, 2011:395–525).

Another concern is that most of the exported products have low technological content, low competitiveness, low availability of infrastructure at ports, and low means of transportation (Ginting, 2011: 395–525). Therefore, it is necessary to make efforts to encourage exports including, advising MSMEs to take care of DKA products, technical guidance on export management, increasing market share in international markets, facilitating foreign exhibition activities, facilitating product certificates, and others (Rasbin, 2019: 149).

Previous references also stated that currently, MSMEs are still having difficulties in increasing export volume and value because there is no standardization and product certification that can guarantee increased exports (Rachmawati et al., 2021: 117). Meanwhile, other literature agrees that the problem faced by MSME players in exporting is the constraints on the application of information and communication technology (Firmansyah dan Arham, 2021: 50–68).

In entering the global market, MSME products must have superior quality and be standardized (Rachmawati et al., 2021: 117). MSME actors need to be given directions and information on how to enter the export market, by improving standardized product quality that is able to provide international market penetration by understanding the cultural characteristics of different countries (Rachmawati et al., 2021: 117).

There are at least four theories that can be used to analyse export opportunities for MSME products. First, behavioral theory, namely by knowing correctly in reading the phenomenon of the export destination community. (Firmansyah dan Arham, 2021: 50–68). There are at least 10 strategies to increase the competitiveness of MSME products, namely, "Training, increasing promotion, providing easy access to capital, applying information and communication technology, improving infrastructure, product standardization,

increasing product innovation, supporting government policies, rating MSMEs , and simplifying export procedures." (Firmansyah dan Arham, 2021: 50–68).

Second, Production Theory. MSMEs when they want to increase their export competitiveness must utilize production theory by paying attention to the quality of labour, entrepreneurship skills, capital, and technology used to produce goods and services. The workforce employed by SMEs, even though they come from families, must be able to produce highly competitive products with high expertise. The capital owned by MSMEs must always increase, both for technology and infrastructure investments as well as for spending on materials and supporting facilities, by increasing access to banking (Ginting, 2011:395–525).

According to production theory, to increase competitiveness, MSMEs must be given reinforcement in the aspects of legality, capital, marketing, business management, technology facilitation, and increasing the role of local governments in increasing cooperation to maintain continuity in the availability of raw materials between regions, building industrial zones for MSMEs products, increasing the role of the private sector and universities (Ginting, Hubeis, dan Fahma, 2019: 1–7).

Economically, MSME product exports can increase a country's GDP compared to Big Enterprises (UB), even during Covid-19, MSMEs are still able to contribute to GDP, it's just not as much as before or after Covid-19 (Salim. et al., 2021: 162–73).

This concept is by the thesis "Flexible Specialization" which can apply to economic development and is shown by the contribution of MSMEs to the country's economy. Developing countries are increasingly opening their eyes to the importance of paying attention to the contribution of MSMEs to GDP. MSMEs must be given support for innovation and organizational reform because they can facilitate industrialization patterns based on small-scale production, but are flexible compared to large-scale technology which is more typical for mass production (Herispon dan Hendrayani, 2021: 40–56).

The important role of the Flexible Specialization Thesis that needs to be emphasized is the importance of horizontal and vertical relationships between independent companies. Related companies may be of different sizes but they

have a large number of backward relationships with suppliers and forward relationships with clients and cooperate or compete fairly. (Ginting, Hubeis, dan Fahma, 2019: 1–7).

Third, the theory of planned behavior, the perception of convenience can encourage someone to do something. MSME actors can export because there is something that encourages, namely the application of technology and information. After all, it will make it easier for MSME players to run their business, including exporting (Firmansyah dan Arham, 2021: 50–68). With the support of technology and information and adequate export-import infrastructure, MSME players can be more effective and efficient in carrying out various product marketing steps both domestically and internationally. Of course, this is still according to the theory of planned behavior because the increase in infrastructure is still related to elements that can increase the convenience of MSME players in exporting. Good infrastructure will be able to improve a good supply chain. MSMEs are faster in obtaining raw materials, distributing them to consumers (Firmansyah dan Arham, 2021: 50–68). Fourth, Attribution theory. Based on this theory, product standardization can increase a person's consensus to do something because, with product standardization, someone will gain the same understanding or perception of a product. Product standardization can increase consumer confidence in MSME products so that opportunities to increase product sales abroad are greater (Firmansyah dan Arham, 2021: 50–68).

The novelty of this research lies in the effectiveness of partners' efforts to prepare complete export documents, especially the readiness of the legal aspect in efforts to protect and commercialize products that have been carried out by partners and stakeholders, including campuses, caring foundations, banking and MSME associations, related agencies, and the government. All of these aspects are the target of researchers with partners. So the issues discussed are (1) How are partners' efforts to prepare complete export documents in efforts to protect and commercialize their products?; and (2) what is the readiness from upstream to downstream of MSME actors in the export effort?

II. Method

Legal research is conducted to produce arguments, theories or new concepts as prescriptions in solving problems at hand. This research is applied, using a participatory research approach, and a sociological approach, focusing on applying the model that was made in the previous year (2022) and analyzing the legality aspect of readiness. Data sources were obtained from (1) primary data directly from MSME actors through questionnaires; and interviews, observations, and discussions with related organizations and agencies, namely the Department of Trade, the Office of Cooperatives and SMEs as well as related parties in the regions. Questionnaire results data have been published in international journals; (2) secondary data from the literature, both international and national journals, related to the model in its implementation

III. Results and Discussion

3.1 Partner efforts to prepare complete export documents in efforts to protect and commercialize products

Hadjon explained that Preventive legal protection aims to prevent violations before they occur and repressive legal protection is the final protection given to business actors in the event of a dispute or violation, through judicial procedures, both in general court and outside the court (Asshiddiqie, 2000: 97).

At present the partner's efforts are continuing step by step with the assistance of facilitation by stakeholders, namely the campus in this case through which training has been conducted, assistance on legalities such as trademarks, documents related to BPOM, and lab tests related to food and beverage products. In addition to synergizing with this writer who incidentally is a researcher (YARSI), Mitra also collaborates with the UII, BI, and BPD Foundations, traders as aggregators; and this year succeeded in establishing an export-oriented cooperative called Koperasi Projo Globalindo in Yogyakarta, after previously (in 2022) establishing a PT for digital marketing.

Regarding the legality aspect, Dian, the owner of the Dewiti brand (interview 2 August 2023) who also received brand facilitation from the research team, stated that they had just exported their lemongrass products

to Malaysia this July but in non-label form, meaning without using the brand. He only sends products like sending packages abroad using expeditions that have been recommended by the Buyer. So in this transaction, Dian actually did not use her registered brand at all, in fact, HACCP was not required by the buyer at all.

This incident is also the same as Septi (interview 2 August 2023) who is both herbal producer, he only sends products to Jakarta and it is the expedition in Jakarta that sends them to Malaysia. So there is no need to think about the legal aspect because HACCP is not required, and the product is not even branded at all. Listening to most MSMEs like them, what happened to Dian and Septi, as well as Sudaryati in Wonosobo, Central Java (interview 2 July 2022), is ironic. They actually make it easier for them in terms of administration and export governance, because they don't need to prepare everything regarding the legality of documents, they only send product packages and receive large amounts of money for the MSME class

In fact, in the long term, maybe all products packaged for sale abroad become a scourge for themselves, foreigners can easily make beautiful, attractive product packaging and label it with a registered brand in their country, so one day it will become a well-known brand and be marketed back to Indonesia. In the author's opinion, this product package abroad is normal if it is only limited to 'carrying on', but if it has filled up the containers and in the country people are even traded by companies, then actually Indonesian MSMEs will lose money in the future

In this case, the role of stakeholders is not only needed for education and protection but also for assistance and facilitation as well as implementing policies so that MSMEs are able to perform 'real' exports with their own brand and complete governance and clear export documents. If now it may be left alone with the excuse of simply getting up and recovering, step by step these MSMEs should be coupled with preventive and repressive protection, or firmness accompanied by facilitation is needed, meaning increasing legal certainty for example if MSMEs are going to export then they must use registered brands and or in accordance with

export procedures, so that all parties are moved to help facilitate exports with direct facilitation by the relevant agencies.

In my opinion, if conditions continue like this, on the other hand, MSMEs will feel comfortable and have accomplished achieving export performance that may be worth billions of rupiah, but one day it will have a bad effect on Indonesian products. The government's helping hand is really needed to protect and save this condition, not only economic interests are being pursued, but political will needs to be proclaimed for the future of Indonesian MSMEs.

In connection with the legality aspect of MSME products, we can see from the results of the research which says that MSME product brands are very vulnerable, because many are already well-known, but not many have been registered. Some of the brands in MSME products are only temporary and the most important thing for MSMEs is that the products sell well in the market, regardless of long-term risks. This condition becomes more vulnerable when the product is exported (Hakim dan Herlina, 2018: 111).

MSMEs are the only micro-economic institutions that can maintain ancestral cultural heritage which is hereditary in terms of products, processes, raw materials and additional materials used. When it is intended to be exported, the geographical indications are owned by a food, beverage, weaving, or handicraft product that has not been protected, so it is very vulnerable to being claimed by other parties. It is in this position, when it is intended to be exported, the role of MSMEs as the main gatekeeper for geographical indication of intellectual property is very necessary (Asian-Development-Bank, 2021).

When MSMEs intend to export their products, the support from the state is actually very positive, especially in the field of completeness of export documents, especially the readiness of legal aspects in efforts to protect and commercialize products (Clark Ke Liu dan Medium Enterprises, 2017:1–5). This means that the state has never hampered the export of really good MSME products. Various diplomacy has actually been carried out by the state in order to facilitate exports. (Indonesian Commercial Diplomacy et al., 25–33). Even the Indonesian state and people in the

export target countries have also helped to promote both directly and indirectly MSME products in Indonesia (Kalpataru Bandopadhyay dan Tagar Lal Khan: 2020).

The government, especially at the district level, has the best role, such as providing technical assistance for the completeness of export documents, especially readiness for legal aspects, information, soft loans, and facilitating cooperation between SMEs and local universities, R&D institutions, and business associations. MSMEs that are able to survive are those that are able to compete with other products (Ginting, 2011:395–525).

The state, businesses, and campuses alike can help MSMEs in preparing complete export documents, especially the readiness of the legal aspects in efforts to protect and commercialize products so that they have administrative and other readiness without forgetting the most perfect product quality (Tulus Tambunan: 2019). MSME products that are exported must be of really high quality because they will compete with the domination of foreign products with undoubted quality (Muhammad Adi Adrian: 2019).

The campus has to help prepare complete export documents and readiness for legal aspects in efforts to protect and commercialize MSME products, including carrying out various innovations and efficiencies on all sides, so that MSMEs can still survive (Solihudin et al., 2021: 490). The campus also has a very big role in providing assistance for MSMEs in conducting digital marketing both through online shops belonging to the UMKM community, marketplaces such as Toko Pedia, Shopee, and others as well as utilizing social media for MSME actors, and the UMKM community. (Indah et al., 2022: 3895-3900)

With the help of preparing complete export documents and readiness for legal aspects in efforts to protect and commercialize these products, MSMEs can survive because their products are able to penetrate national and international markets. Thus the role of tertiary institutions in providing assistance is highly recommended for MSME actors. Tertiary institutions are able to provide various solutions to various problems faced by MSMEs, through students who are carrying out Student Work Courses (KKM), Real

Work Classes (KKN), teaching campuses, industrial internships, research, and community services (Tulus: 2017).

The state will assist MSMEs in preparing complete export documents and readiness for legal aspects in efforts to protect and commercialize products and never lock export routes for MSMEs, in fact, all doors are opened, and export faucets are widely opened, so that the export process can run smoothly (Ministry-of-MSME-Government-of-India, 2018: 1-13). The local government, as a party that is closer to MSMEs, has also provided various facilities in the field of policy and provided various assistance, both facilities and infrastructure, as well as assistance with the cost of obtaining permits (Ondang Christofer, 2019: 1–10).

So far, the regional government has played a very large role in preparing the completeness of export documents and readiness for legal aspects in efforts to protect and commercialize products for developing MSMEs, so that the number of MSMEs has never decreased even though it was hit by the Covid-19 Pandemic (Salam dan Prathama, 2022: 137). The government also has an important role in maintaining the sustainability of MSMEs, by keeping the prices of raw materials, basic necessities, and stable fuel so that MSMEs can benefit (Siregar dan Tomi Jaffisa, 2020: 8–14).

During the export preparation process, MSMEs need to be assisted and accompanied in preparing complete export documents and readiness for legal aspects because MSMEs play an important role in the process of economic recovery in Indonesia, because they have the ability to adapt to micro and macro situations and conditions, even when macro conditions are affected by a crisis. Even so, MSMEs can still survive, even though their performance has decreased (Dwiputra dan Barus, 2022: 26–34).

Sobirin and Yuli (interview 15 July 2023) as leaders of the Central Java Independent Anugrah Sukses Association, stated that all of its members already have registered brands, and are exploring the export world, but need help due to limited production and facilitation such as obtaining HACCP which is very difficult for them. Suprihatinah as deputy leader of ASMAMITRA (interview 16 July 2023) stated the need for support

from many parties to help them wake up and prepare export documents. They have participated in various exhibitions facilitated by the Department of Trade and the Regional Government, the average prospective buyer is still conscientious and in the end, they cancel their purchase. The main obstacle to legality and supply chain readiness.

Reviewing the application of Freeman's Stakeholder Theory, stating that stakeholders have a relationship and interest in the company (Kelsen, 2007: 81). Of course, this relationship must be based on synergy and responsibility, as is the case with Kelsen in his theory of legal responsibility, where the legal subject is responsible for a sanction in the event of a conflicting act. and according to Kranenburg and Vegtig, the severity of an error has implications for the responsibilities that must be borne (*'fautes de services'* theory). (Kelsen, 2007: 81).

Then the partners took the initiative to jointly conduct training with researchers as well as an assessment of potential buyers through traders, both traders in Indonesia and abroad. According to Trifosa (interview 17 July 2023), Trader Indonesia, stated that what is mandatory for food and beverage exports like this partner is IPR documents, namely trademarks, documents related to product content from BPOM, and documents related to HACCP.

According to the author, especially for MSMEs, because the production constraints are not large and the legal aspects are quite complicated, it is best if export-oriented MSME products are assisted by many parties, including these small-scale traders. If MSMEs have obtained export permits, have a large number of products, and are able to serve large orders with the help of similar associations or cooperatives of similar producers, then it will be easier. Quality standardization also needs to be monitored and always evaluated.

In overcoming partner problems, efforts need to be made to promote, protect, and stimulate models, by collaborating with stakeholders in an effort to implement the research results of researchers on accelerating the commercialization of partner products with the ultimate goal of benefiting Higher Education personnel from partners. Thus, universities have an

effective role for partners in increasing efforts to promote MSME products, assisting in obtaining legal protection for products produced by partners, and providing a stimulating model that is beneficial to partners.

Partners are also expected to give meaningful speeches by continuing to strive so that the products produced can be known outside the region, even to foreign countries. Partners are also expected to be able to help protect products by registering their own brand so that other people don't claim that they want to ride on the fame of the products produced by partners. In this case, partners also need to have a simulation model that is able to improve partner performance which in turn is able to improve partner welfare in a sustainable manner.

3.2 Readiness from upstream to downstream MSME actors in export efforts

Handayani (July 17, 2023) MSME actors stated that they had carried out micro-exports to several countries: Doha, Turkey, Germany, Melbourne, Canada, while Rukiyanti has passed the export curation and is ready to complete other requirements. Zulaeka said that in 2022 there were under-name exports, then in early 2023 it decreased and in July 2023 again received orders.

Mardiana, a producer of "ganjel ril" cakes and processed fish in Semarang (July 15, 2023) stated that she is eager to seriously study technical completeness for exports and wants her trademark to become famous. Likewise, Susmukti (July 16, 2023), which produces processed spices, is eager to try exporting but has not yet found a potential buyer. If possible, get facilitation from the relevant agency. Sugiarto (July 16, 2023)

According to ASMAMITRA's leadership, the obstacles experienced by MSME players in this case were represented by the secretary, Supartinah (18 July 2023), namely that apart from being technical, the products did not last long, and were still packaged as is. Sobirin (July 15, 2023), the leader of ASM, stated that although the motivation was great, it felt like a jungle, it was still scary and confusing, especially regarding the HACCP requirements.

In the following, data is presented as support, which was analyzed based on the results of a questionnaire from 52 MSME actors who were specifically export-oriented. Regarding the motivation to complete legality in the context of export including HKI and other documents, it looks quite enthusiastic. They even want the brand to be registered and well-known overseas.

Table 1. Level of Motivation Completing the legality aspect

| Respond | Frequency | Percent | Valid Percent | Cumulative Percent |
|---------|-----------|---------|---------------|--------------------|
| 5 | 3 | 5,3 | 5,3 | 5,3 |
| 4 | 14 | 24,6 | 24,6 | 29,9 |
| 3 | 19 | 33,3 | 33,3 | 63,2 |
| 2 | 13 | 22,8 | 22,8 | 86,0 |
| 1 | 8 | 14 | 14,0 | 100,0 |
| Total | 57 | 100,0 | 100,0 | |

Sources: Data in 2023

So the level of motivation of MSME actors to complete legality documents including the majority of brands is still moderate, namely as much as 33.3%, high as much as 24.6%, low 22.8%, very low 14%, and very high 5.3%. MSME actors need to be continuously encouraged, assisted, and facilitated so that they are more enthusiastic and have wide-open opportunities to explore the world of exports and can be accepted by consumers abroad.

Furthermore, regarding special mapping, namely preparing products that are specifically export-oriented, of course with safe and quality designs and packaging, it turns out that the role of stakeholders is still needed, not only to train but also to assist, as stated by Sumartini (interview 17 July 2023) that the display on the web should be more attractive to potential buyers, both product design and packaging.

Table 2. Level of readiness of export-oriented products and their legality in supply chain mapping

| Respond | Frequency | Percent | Valid Percent | Cumulative Percent |
|---------|-----------|---------|---------------|--------------------|
| 4 | 7 | 12,3 | 12,3 | 12,3 |
| 3 | 22 | 35,1 | 35,1 | 47,4 |
| Valid 2 | 20 | 38,6 | 38,6 | 86,0 |
| 1 | 8 | 14,0 | 14,0 | 100 |
| Total | 57 | 100,0 | 100,0 | |

Source: data in 2023

Based on these data it is known that some MSMEs have started pioneering special export products and even export trials, including their agenda in the business roadmap, most are still incomplete, namely as much as 38.6%, sufficient conditions as many as 35.1%, very incomplete conditions as many as 14%, complete conditions as much as 12.3%. Thus, MSME actors need to receive assistance in preparing export-oriented products, which are standardized, and comply with legality aspects and include them in the business plan from upstream to downstream so that the supply chain during the implementation of exports can later be fulfilled.

The development of export-oriented MSME products can be carried out by improving the supply chain by fostering, innovating, increasing competitiveness, applying appropriate technology, increasing the quantity of production, and strengthening the institutional capacity of the UMKM itself. (Anam et al., 2021: 15–23).

To improve the supply chain from upstream to downstream, the competitiveness of MSME products towards exports needs to be continuously improved, by "Utilizing advances in information technology through e-commerce and social media." In addition, it is hoped that the government can improve various internet infrastructures so that MSME players can use the internet cheaply and quickly. It is even hoped that in the future MSME actors can enjoy the internet for free so that they have strong competitiveness and are able to penetrate the international market online. (Permana, 2017: 93–103).

In order for the supply chain of MSME products to be well maintained, and for MSMEs to have global competitiveness, MSMEs must have access to banking. So as to be able to invest in production facilities technology that is capable of carrying out raw material efficiency and improving product quality with high precision (Suci, 2017: 51–58).

To improve the sustainability of the supply chain for MSME products in the export sector, the government needs to implement the Indonesia National Single Window (INSW) policy so that businesses can easily accelerate export procedures and increase the effectiveness and performance of handling goods traffic at ports (Hartanti dan Setiawati, 2017: 83–92).

It was further explained that the steps that need to be taken by the government in increasing the competitiveness of MSME products are, "expertise or level of education of workers, entrepreneur skills, availability of capital, good organizational and management systems (according to business needs), availability of technology, availability of information, and availability of other inputs such as energy, raw materials." (Hartanti dan Setiawati, 2017: 83–92).

The Indonesia National Single Window (INSW) is a national system in Indonesia that allows a single submission of data and information to be carried out, a single submission of data and information, a single, synchronous processing of data and information, and a single decision-making to grant customs clearance and release of goods (Presidential Regulation Number 10 of 2008) (Hartanti dan Setiawati, 2017: 83–92). The INSW system must be applied by all business actors who carry out export-import, including MSMEs. INSW was designed by the government with the hope of being able to encourage an effective and efficient export-import process (Hartanti dan Setiawati, 2017: 83–92).

To improve the supply chain's ability to export, MSMEs also need to provide support in terms of capital, production, marketing, human resources, facilities and infrastructure, the introduction of technology, and social and economics. The right strategy to encourage MSMEs to export is a growth strategy that is able to take advantage of existing strengths to

increase their competitive advantage (Idayu, Husni, dan Suhandi, 2021: 73).

Other experts are of the opinion that, in order to increase supply chain export capabilities, MSMEs must be given an increase in e-commerce. E-Commerce is an export pilot effort on a micro-scale because it is still limited to direct producers to consumers both inside and outside the country (Jauhari, Najib, dan Aminah, 2022: 336).

Another strategy that can be implemented is to increase capital, human resource capacity, strengthen the technology used by MSMEs, improve product quality, and place, promote, and price the products offered (Fidela, Pratama, dan Nursyamsiah, 2020: 493).

A good supply chain will increase competitiveness. Competitiveness is the ability to produce better, faster or more meaningful results. Capabilities with high competitiveness include (1) the ability to strengthen its market position, (2) the ability to better connect with its environment, (3) the ability to improve performance without stopping, and (4) the ability to establish a more profitable position. (Permendiknas, Number 41 of 2007, regarding Process Standards).

A good supply chain that is manifested by high MSME competitiveness can be seen from four elements, namely the scope of company competitiveness, MSME organizational capabilities, competency of MSME entrepreneurs or actors, and MSME performance. In addition, there are three factors that affect the competitiveness of MSMEs, namely the internal factors of MSMEs, the external environment, the influence of MSME actors.

Thus the supply chain from upstream to downstream is a requirement for MSMEs in exporting, it still needs to be continuously improved, programmed, and well planned. all of that cannot be released or allowed to run independently, MSMEs still have to be accompanied by stakeholders who care about the ability of MSMEs to carry out Exports

IV. Conclusion and Recommendation

4.1. Conclusion

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

1. Partners' efforts to prepare complete export documents in an effort to protect and commercialize their products have been carried out by partners, namely MSME actors by cooperating with the role of stakeholders, in this case, researchers, concerned foundations, banks and MSME associations supported by empowerment by related agencies and local governments.
2. Readiness from upstream to downstream MSME actors in export efforts has not been maximized, especially readiness in the legal aspect has not been fully met, and requires a helping hand as well as assistance and facilitation from various parties.

4.2. Recommendation

Recommendations for this research are given to MSMEs and all stakeholders, such as foundations that care about MSMEs, banking and MSME associations, related agencies, and local governments to continue to assist and assist MSMEs in fulfilling the completeness of export documents in efforts to protect and commercialize products so that actors are ready from upstream to downstream. MSMEs in export efforts can run optimally.

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