

Empowerment of Small Medium Enterprises (SMEs) through Participation of Business World in Order to Support Regional Development Financing in East Java

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Abstract: This study aims to find out how much business participation in development financing, especially the development of SMEs in East Java. Based on the research objectives, this research variable consists of 5 (five) types namely (1) Fields and types of companies, (2) Mechanisms for implementing business cooperation, (3) Fields and patterns of cooperation, (4) Problems faced, and (5) Needs and hopes for developing cooperation. This study uses the subjects of companies and SMEs in 15 districts / cities spread in East Java Province. This research is an explorative study designed using the approach of Mixing Methods, which is research with qualitative and quantitative approaches, which want to examine in depth a phenomenon (in-depth interview) in the community by not manipulating the research variables (expose facto) and not connecting between variables statistically. The results show that (1). The corporate and SME business sectors that conduct partnership partnerships are generally in accordance with the policy direction for the development of the long-term program of East Java as a leading, competitive and sustainable agribusiness center, (2). The partnership mechanism starts with the identification of partners, the selection of partner SMEs, the making of the MoU, the development of SMEs, technical assistance, mentoring and monitoring and evaluation, (3). Most corporations and SMEs collaborate with SMEs in the field of production, with a pattern of intra-national partnerships that are carried out through intermediate partnerships and initial partnerships, (4). Most corporations and SMEs say the obstacles faced in the partnership are relatively very small and can be overcome, (5). Almost all corporations and SMEs agree to continue partnership cooperation with conditions of market absorption conditions, continuity of product supply, and product quality produced by SMEs.

1 INTRODUCTION

The global financial crisis will inevitably have an impact on Indonesia. In many countries, including Indonesia, the Central Bank begins to reduce interest rates and the government talks about the fiscal stimulus (Kompas, 12 January 2009). Indonesia's economic prediction in 2009 is expected not to be too bad compared to other countries. In an increasingly competitive environment, companies face increasing uncertainty. The current sluggish world economy has an impact on Indonesia's exports. The results of research on exports (formed

by USAID) show that Indonesia's exports this year and in the coming years will certainly decline.

There are at least three reasons that underlie developing countries regarding the importance of the existence of SMEs, which is first because the performance of SMEs tends to be better in terms of producing a productive workforce. Second, as part of its dynamics, SMEs often achieve increased productivity through investment and technological change. The third is because it is often believed that SMEs have advantages in terms of flexibility than large businesses (Berry, et al., 2001). Furthermore,

small businesses and household businesses in Indonesia have played an important role in absorbing labor, increasing the number of business units, and supporting household income (Kuncoro, 2002). Based on the 2006 census above, of 38 million East Java residents around 4.2 million of them are people engaged in the SME sector. If each SMEs is able to absorb 2 to 4 workers, then how much labor is absorbed by SMEs. This implies how important the existence of SMEs is in reducing unemployment in East Java.

Regarding the strategic role of partnership cooperation, the East Java Provincial Government continues to strive to improve the role of SMEs through a strategy focused on three main things, namely capital, marketing, and resources. All that can be easily obtained only with easy criteria. Revolving fund loans have been launched by the East Java Provincial Government since 2004, which until now has reached Rp. 300 billion with an interest of 6%.

The problem is, SMEs in developing countries (including Indonesia) are generally in a desperate position and are rivaled by large and medium scale businesses, so the government is encouraged to develop and protect them (Tatik, 2002). For this reason, empowering SMEs through partnerships with advanced companies is an alternative solution that is important for SME development.

The development of SMEs through partnerships has been widely carried out but its effectiveness is still questionable by various interested parties. For this reason, understanding and selection of partnership patterns with nuances of dependence are very important to be put forward (Siswoyo, 2006).

The collaboration that is good and beneficial for both parties is certainly based on the following principles: (1) Cooperative, which is a combination of two elements, namely the ability and effort. The first element means the ability of companies to join and work together to achieve goals, while the second element relates to how far each company tries to contribute and make the relationship successful; (2) Interdependence, is an important variable in contractual relations.

Differences in organizational functions and specializations enable business organizational interdependence. The statement above shows that interdependence arises when there are two organizations that have different functions and specializations; (3) Trust, is a basic component to form a cooperative relationship. Trust as a belief that the statements of other parties can be relied on to fulfill their obligations. Whereas distrust occurs in

line with the lack of information exchange in planning and measuring performance; (4) Goal congruence is how far business organizations simultaneously achieve their goals, or how far an organization realizes that in an employment relationship, achieving goals is also influenced by the actions of other organizations as partners. Alignment of purpose enables the establishment of openings in the exchange of information and other interactions so as to reduce distortions that hinder the effectiveness of cooperative relationships (Siswoyo, 2003).

The government has provided support through a policy of productive economic growth in SMEs, on the other hand partnerships between medium and large businesses with micro-small businesses have been intertwined with existing limitations. But to what extent the successes, fields and types of companies that carry out partnership cooperation, the mechanism of implementation of cooperation, patterns of cooperation, activity capacity, SME capabilities in the implementation of cooperation, implementation strategy of cooperation, sustainability of cooperation, problems faced by companies and SMEs, as well as needs and the company's and SME's hopes in maintaining sustainability and developing cooperation are not known with certainty. For this purpose it is necessary to conduct a survey on the participation of the business community in order to support the financing of regional development in East Java.

2 LITERATURE REVIEW

There are several literature reviews that used in this research.

2.1 Corporate Partnership Program with SMEs

Since the 1997 financial crisis, Indonesia's (macro) economy has continued to experience significant pressure. Many large-scale economic actors experience difficulties, whereas MSEs prove themselves to be 'immune' economic actors from the influence of the crisis. It is proven that MSEs in both the formal and informal sectors are currently supporting the economic resilience of this nation, although a number of obstacles still confront it. In addition to capital problems, the inequality of production technology with the times, access to marketing, and the quality of human resources are often the complaints of small entrepreneurs. In the

case of capital, banking services do not want to 'greet' small micro-enterprises (SMEs), because of the reasons for collateral and other technical bank requirements.

2.2 Micro-Small Business Development (SMEs) Policy

The policy direction for the development of Micro-Small Enterprises (SMEs) in Indonesia is stated explicitly in the 1999 State Policy Guidelines (GBHN). This Country Policy guideline underlines 28 points regarding the direction of national economic development policies for the 1999-2004 period. Following are the three policies framework.

- a. The populist economic system is based on the market mechanism with fair competition and takes into account economic growth, justice, priority on social, quality of life, environment and sustainable development. This system guarantees equal business opportunities and employment opportunities, consumer protection and fair treatment of the community.
- b. The creation of a conducive business climate to empower SMEs to be efficient, productive and competitive. This policy aims to create a fair mechanism whereby SMEs can benefit proportionally and can compete fairly with other business players.
- c. The policy of increasing the capacity of SMEs which aims to make SMEs able to compete in the free market with other business actors. Basically this policy aims to eliminate all obstacles faced by SMEs, such as limited capital, markets and inputs to produce, lack of management capabilities, lack of workers with technical expertise, business, technology and limited access to information and business partners.

2.3 Integrated Mentoring Program for SMEs

The SMEs mentoring program is a SMEs development model that focuses on efforts to improve institutional systems (capacities building) and managerial aspects of SMEs, carried out intensively and continuously, by actively involving professional SMEs consultants. The consultants are tasked with providing advice (advisory) and consultancy, especially those related to the daily operations of SMEs.

Some of the scopes of work of the SMEs consultant in the mentoring program include at least:

- a. Planning, which is to assist SMEs entrepreneurs in formulating plans (action plans) and future business targets in a measurable, directed and fair manner.
- b. Implementation, namely accompanying SMEs entrepreneurs in carrying out the plans that they have prepared, helping to find solutions when entrepreneurs face obstacles and problems.
- c. Evaluation, which is to give an assessment of the performance achieved by the company, and assist entrepreneurs in finding the cause of the deviation from the target that has been made.
- d. Development, which is helping SMEs entrepreneurs in developing development plans from the results achieved so far.

2.4 The Pattern of Corporate Partnership Cooperation with SMEs

The partnership is a business strategy carried out by two or more parties within a certain period of time to achieve mutual benefits with the principle of mutual need and mutual nurturing (Mohammad, 2003).

The application of business ethics in a partnership that is realized by real action is identical to building a foundation for a house or building. Consistency in business ethics will be directly proportional to the stability or sturdiness in supporting the pillars above. Mariotti (1993) proposes six basic business ethics in which the first 4 are relationships of human interaction and the rest are business perspectives. The six basic business ethics are (1) character, integrity and honesty, (2) trust, (3) open communication, (4) fair, (5) personal desire from partners, and (6) balance between incentives and risk.

Several types of partnership patterns have been implemented, are.

- a. The plasma core pattern is a partnership between small businesses (UK) or small and medium enterprises (SMEs) and large businesses in which large businesses act as the core, and SMEs as plasma.
- b. The subcontracting pattern is a pattern of partnership relations between SMEs and large businesses where SMEs produce components needed by large businesses as part of their production.
- c. General trading pattern, is a pattern of partnership relations between SMEs and large businesses, where large businesses supply the production of SMEs and SMEs supply the needs needed by large businesses as partners.

- d. Agency pattern, is a partnership relationship where SMEs are given special rights to market products (goods and services) of large businesses as partners.
- e. Franchising, is a pattern of partnership relationships where large businesses as franchisors provide the right to use licenses, trademarks, and distribution channels to franchise recipients (SMEs) with assistance from management guidance.

3 METHODS

This research is an explorative study designed using the approach of quantitative approaches. These study concerns events that have occurred that relate to current conditions. This research will explore dynamic data individually through interview techniques, observation, documentation and Focus Group Discussion (FGD). Determination of the sample using purposive cluster sampling technique. Based on this technique (taking into account population homogeneity) samples are determined as many as 15 districts / cities. The research sample was obtained by 148 sample corporations (which carry out CSR) that involved target CSR recipients from individuals, community groups, organizations, villages and or sub-districts.

The data collected in total is analyzed, directed to obtain an overview of the participation of the business community in financing development in East Java. Thus it can be stated that the data analysis technique used is the Discourses Analysis. Broadly speaking, data analysis is carried out with the following steps: a) Grouping data according to the problems to be answered; b) Analyze the data through the stages of checking, editing and tabulation that are adjusted to the type of data.

Based on the research objectives, this research variable consists of 5 (five) types namely (1) Fields and types of companies, (2) Mechanisms for implementing business cooperation, (3) Fields and patterns of cooperation, (4) Problems faced, and (5) Needs and hopes for developing cooperation. The description of the 5 (five) main variables that exist in general will describe the participation of the business world in development in East Java, how it is implemented, the benefits to the goals and expectations in future development.

4 RESULTS

Following are several results that we got from this research. The results of the study are described in accordance with the objectives of this study.

4.1 Fields and Types of Corporate and SME Businesses

4.1.1 Business Fields

Based on the research data recapitulation, it was found that partnership cooperation was dominated by corporations and SMEs engaged in agribusiness, which included agriculture, plantation, fishery, animal husbandry, forestry, and food and beverage, the sixth percentage of these fields for corporations and SMEs, each reaching 50.01% for corporations and 53.95% for SMEs. If it is associated with its trading activities (corporation 10.81% and SME 10.99%), the percentage of agribusiness activities for corporations reaches 60.82%, and for SMEs it reaches 64.94%. Whereas for other business sectors such as manufacturing, mining, and chemical industry (all three amounted to 20.94% for corporations and 10.63% for SMEs) is agribusiness's businesses supporting.

The business sectors that support this agribusiness program absorb as many as 803,185 people or 70.34% of the total workforce. While its contribution to the cost of economic development in East Java is Rp. 2.931.268.218.478 or 85.46% of the total contribution to financing economic development in partnership cooperation activities in East Java.

4.1.2 Type of Business Entity

Based on the results of data analysis it is known that most of the forms of business entities of partnership partners are PT (44.59%), and individuals / UD (37.16%). The rest is in the form of CV (13.51%) and cooperatives (4.73%). There are 32.88% of SMEs who do not have a law. PT was chosen because of the consideration of the ease of obtaining funds, and the business risks limited to the capital included. Individual companies / UD are chosen because of consideration of speed in decision making, but on the one hand the responsibility for business risk is unlimited or up to other personal assets. The CV was chosen because it wanted to integrate the characteristics of PT and individuals. In the CV, active allies are distinguished (unlimited

responsibilities), and active allies are responsible for the amount of capital included.

4.1.3 Operational Scope

The results of the data analysis show that most of the corporations (41.9%) in their operational scope are domestic companies. In addition 33.11% belong to multi-national companies, 22.3% belong to international companies, and 3.39% global / transnational company. Based on the data above, there is still sufficient opportunity for corporations to increase market share at the multi-national level or even in international markets. For SMEs marketing activities that are carried out independently are still limited to the most in the city (72.3%), between cities (24.07%) and between provinces (3.27%) and between islands (0.36%). This condition is highly dependent on the production capacity of SMEs for those who market themselves and depend on the location of large-medium companies that are partners.

4.2 The mechanism for Implementing Partnership Cooperation with SMEs

The procedure for implementing partnership cooperation is carried out in an effort to ensure the security of investment for the corporation, and to maintain the stability of market supply, and efforts to develop market share. Most corporations identify partners (79.1%), select partner SMEs (75%). Corporations that do not identify and select partners are caused by references to personal guarantees, usually played by the heads of similar business groups. It is interesting to note that the corporation also carries out guidance (60.8%), technical assistance (48.6%) and assistance to SMEs (43.9%) in the process of implementing partnership cooperation. The role played by this corporation is a very meaningful effort towards developing the capabilities of small micro businesses in East Java.

Coaching, technical assistance and mentoring applied by corporations for example in the form of fish spawning training in order to provide good seeds (the case in Tulung Agung) by Phok Pan. Post-harvest processing techniques for tobacco leaves to maintain good quality (case in Jember by PT. Mayang Sari; Bojonegoro by UD Supiyanto). Assistance is also provided to partner farmer groups to produce good quality grain products for seedlings (the case in Jember by PT. Sang Hyang Seri). Not all corporations conduct a MoU with SMEs, especially

on products whose results are influenced by many factors.

4.3 Fields and Patterns of Partnership Cooperation with SMEs

4.3.1 Field of Cooperation

Partnership collaboration is carried out in various fields. Most corporations collaborate with SMEs in the field of production (49.76%), second in the marketing of production (22.01%). The third order is cooperation in the field of labor (16.27%), followed by finance (8.13%). In essence, the partnership pattern is the division of roles in the efforts of efficiency and effectiveness. For example, companies in the field of tobacco exporters (the case of PT. Mayang Sari in Jember, Yulius in Bojonegoro, PTPN 12 in Banyuwangi). Shrimp Exporter Company (case in Sidoarjo). For corporations engaged in manufacturing, mining and chemistry, the role of partner SMEs is positioned as marketers for domestic marketing (for corporations) and the scale of one city for SMEs.

4.3.2 Business Cooperation Patterns

These patterns of cooperation reflect the business fields developed. Most corporations carry out a partnership pattern with SMEs in the form of a plasma core pattern. The core plasma pattern is the partnership relationship between small businesses or small and medium enterprises (SMEs) and large businesses in which large businesses act as the core, and SMEs as plasma. This pattern is widely developed in the field of agriculture on a large scale (especially plantations and forestry). Farmers prepare their own land and labor, while production facilities (mainly fertilizer and seeds), technical guidance, management, processing and marketing of products are handled by the corporation. This pattern is referred to as a subcontracting pattern that has been applied by corporate samples in East Java as much as 27.7%. While 28.38% of corporations conduct general trading patterns (the case of Pertamina's marketing of lubricating oil; trade in agricultural products).

4.3.3 Business Partnership Patterns

Based on the data analysis, it was concluded that the partnership pattern that had been established between the corporation and SMEs had been the initial partnership pattern (47.97%) and the

partnership between (52.03%), had not identified the final partnership pattern. The partnership pattern is more common than the initial partnership pattern, indicating that in the partnership process there has been participation from the UKM in the form of capital participation in the form of production facilities, for example agricultural land, production facilities, and labor. Equity participation is still considered as a burden for SMEs, because latent problems in SMEs are lack of capital and access to business information.

4.4 The Problems Faced by Corporations on Partnerships with SMEs

Based on the results of data analysis shows that the obstacles faced by corporations generally (84.46%) are relatively very small and can be overcome. 10.81% stated that it was quite a lot but could be overcome, and 4.73% stated that there were obstacles that were relatively difficult to overcome. The data shows that generally there are relatively small obstacles, but all of them can be overcome. This shows that a partnership is a good solution to overcome business development problems, especially in SMEs.

4.5 Needs and Expectations for Partnership Sustainability

The results of the data analysis show that almost all corporations (95.27%) stated that the follow-up plan for partnership cooperation with SMEs will be continued with certain conditions. Something that is required is among others in the form of market absorption, consistency and continuity of products, as well as the quality of products produced by SMEs. For this reason, increasing the role of the government in facilitating and creating conditions that are more conducive to the growth and development of SMEs is something that is highly expected. For example, a Milk Cooperative encountered a business diversification permit problem related to dairy farming.

5 DISCUSSION

Following are a discussion of this research. Discussions of the study are described in accordance with the objectives of this study.

5.1 Fields and Types of Corporate and SME Businesses

5.1.1 Business Fields

Based on the research data recapitulation, it is concluded that those who carry out partnership cooperation are dominated by companies engaged in agribusiness, which includes agriculture, plantation, fishery, animal husbandry, forestry, and food and beverage, totaling 50.01%. If linked to its trading activities (10.81%), the percentage of agribusiness activities reaches 60.82%. Whereas for other business sectors such as manufacturing, mining and chemical industry (all three amounting to 20.94%) are agribusiness supporting businesses. From the data collection on 148 corporations that carried out partnerships, it was identified that with the number of corporations capable of establishing partnership involving 67,050 micro / small businesses with the number of workers absorbed reaching 1,141,315 people. The business sector that supports the agribusiness program (60.82%) absorbs 803,185 people or 70.34% of the total workforce. While its contribution to the cost of economic development in East Java is Rp. 2,931,268,218,478, - or 85.46% of the total contribution of financing the economic development of partnership cooperation activities in East Java.

The data presented above illustrates that the agribusiness sector is able to move and develop micro / small businesses in large parts of the countryside, as well as open employment opportunities for the community. Therefore, the strategy of placing Agribusiness as the focus of economic development in East Java is a very appropriate choice. In welcoming 2025, the current East Java Provincial Government has launched an East Java vision in the future: "East Java as a leading agribusiness center, globally competitive and sustainable". Furthermore, the East Java mission announced for 20 years is: (1) technology innovation-based agribusiness, (2) development of an agro-based economic structure that is globally competitive and sustainable, (3) the realization of reliable, noble and cultured human resources, (4) the realization of the ease of gaining access to improve the quality of life, (5) optimizing the use of natural resources and artificial, (6) the fulfillment of high added value infrastructure, and (7) good governance.

The data presented above illustrates that the agribusiness sector is able to mobilize and grow micro-small businesses in most villages, as well as open employment opportunities for the community.

Therefore, the strategy of placing agribusiness as the focus of economic development in East Java is a very appropriate choice. In welcoming 2025, the East Java Provincial Government has now launched the East Java vision of "East Java as a leading agribusiness center, globally competitive and sustainable". The direction of the policy really provides a considerable opportunity for corporations and SMEs to improve their performance through a partnership, which in turn is expected to support quality and sustainable East Java economic growth, while being able to overcome the problem of poverty and unemployment and inequality between regions and income.

5.1.2 Type of Business Entity

Based on the results of data analysis it is known that most of the forms of business entities of corporations are PT (44.59%), and individuals / UD (37.16%). The rest is in the form of CV (13.51%) and cooperatives (4.73%). PT was chosen because of the consideration of the ease of obtaining funds, and the business risks limited to the capital included. Individual companies / UD are chosen because of consideration of speed in decision making, but on the one hand the responsibility for business risk is unlimited or up to other personal assets. The CV was chosen because it wanted to integrate the characteristics of PT and individuals. In the CV, active allies are distinguished (unlimited responsibilities), and active allies are responsible for the amount of capital included. Whereas cooperatives are chosen because of consideration of togetherness and common interests.

5.1.3 Operational Scope

The results of the data analysis show that most (41.9%) of the operational scope are domestic companies. In addition 33.11% belong to multi-national companies, and 22.3% belong to international companies. This shows that the corporation that cooperates with SMEs is mostly a corporation engaged in the export sector. This export-oriented corporation requires output stability, therefore the supply of raw materials and finished goods from SMEs will greatly help maintain sustainable exports. Thus the role of partnership cooperation is needed in an effort to maintain the continuity of export activities from corporations. Based on the data above, there is still sufficient opportunity for corporations to increase market share at the multi-national level or even in international markets.

5.2 The mechanism for Implementing Partnership Cooperation with SMEs

The role played by this corporation is a very meaningful effort towards developing the capabilities of small micro businesses in East Java. Coaching, technical assistance and mentoring applied by corporations for example in the form of fish spawning training in order to provide good seeds (the case in Tulung Agung) by Phok Pan. Post-harvest processing techniques for tobacco leaves to maintain good quality (case in Jember by PT. Mayang Sari; Bojonegoro by UD Supiyanto). Assistance is also provided to partner farmer groups to produce good quality grain products for seedlings (the case in Jember by PT. Sang Hyang Seri). Not all corporations do MoU with SMEs, especially on products whose results are influenced by many factors. For example, fishing business (case in probolinggo). Another reason for not implementing the MoU is that corporations have provided assistance that includes planning, implementation and monitoring and evaluation (the case of freshwater fish cultivation in Tulung Agung).

5.3 Fields and Patterns of Partnership Cooperation with SMEs

5.3.1 Field of Cooperation

For corporations that are engaged in agribusiness, partnerships in the field of production are very important, because they require assets in the form of vast land, a lot of energy. This is not possible to be fulfilled by corporations independently. For example, companies in the field of tobacco exporters (the case of PT. Mayang Sari in Jember, Yulius in Bojonegoro, PTPN 12 in Banyuwangi). Shrimp Exporter Company (case in Sidoarjo). For corporations engaged in manufacturing, mining and chemistry, the role of partner SMEs is positioned as a marketer for domestic marketing (for corporations) and a city scale for SMEs.

5.3.2 Business Cooperation Patterns

The core company (Sugar Cane factory) provides land, production facilities, technical guidance, management, accommodates, processes and markets production, in addition to the core companies still producing the company's needs. While the business partner group meets the needs of the company in accordance with the agreed requirements so that the

results created must have the competitiveness and high selling value. In its development, the core plasma pattern in East Java has undergone changes in accordance with the developed business fields. Corporations do not fully facilitate the concept of PIR in forestry. In general, farmers prepare their own land and labor, while production facilities (mainly fertilizer and seeds), technical guidance, management, processing and marketing of products are handled by the corporation. This pattern is referred to as a subcontracting pattern that has been applied by corporate samples in East Java as much as 27.7%. While 28.38% of corporations conduct general trading patterns (the case of Pertamina's marketing of lubricating oil; trade in agricultural products).

5.3.3 Business Partnership Patterns

Based on the data analysis, it was concluded that the partnership pattern that had been established between the corporation and SMEs had been the initial partnership pattern (47.97%) and the partnership between (52.03%), had not identified the final partnership pattern. The partnership pattern is more common than the initial partnership pattern, indicating that in the partnership process there has been participation from the SMEs in the form of capital participation in the form of production facilities, for example agricultural land, production facilities and labor. Equity participation is still regarded as burdensome for SMEs, because latent problems in SMEs are lack of capital and access to business information.

The description above indicates that partnerships still need to be improved both on corporate initiatives and small micro businesses. Evidently the partnership has been able to significantly improve the performance of both parties. Furthermore, it is expected that the partnership that has been established will increase SMEs independence so that the bargaining position becomes equal to the corporation.

5.4 The Problems faced by Corporations on Partnerships with SMEs

5.4.1 Basic Cooperation Sustainability

The results of the data analysis show that the determinant of the sustainability of corporate cooperation with SMEs is mostly (60.1%) due to the consideration of the frequency of cooperation that

has been carried out; 33.8% stated that it was due to the influence of the agreed contract period; and as many as 17.6% due to other reasons. This corporate statement shows that the frequency of cooperation is the most respected, meaning that SMEs that have repeatedly made partnership partnerships are considered competent, proving that they are capable, therefore the partnership deserves to be continued with it.

5.4.2 Cooperation Sustainability is seen from the Level of Dependency

The results of the data analysis show that the determinant of the continuity of cooperation with SMEs is mostly (52.7%) due to cooperative reasons or not interdependent. This shows that the partnership cooperation carried out is relatively unstable, there is a lack of business attachment between the two. Whereas the continuity of cooperation with obligate reasons or the existence of interdependence of 41.89%. This finding indicates that the partnership cooperation is categorized as well, meaning that both understand the importance of positive synergy in developing joint ventures. This obligate pattern in the development of future partnerships needs to be developed in order to ensure sustainable business development and stability.

5.5 Needs and Expectations for Partnership Sustainability

Based on the results of data analysis shows that the obstacles faced by corporations generally (84.46%) are relatively very small and can be overcome. 10.81% stated that it was quite a lot but could be overcome, and 4.73% stated that there were obstacles that were relatively difficult to overcome. The data shows that generally there are relatively small obstacles, but all of them can be overcome. This shows that a partnership is a good solution to overcome business development problems, especially in SMEs.

6 CONCLUSION

Following are several conclusion that we got from this research. the conclusion of the study is described in accordance with the objectives of this study.

1. Fields and Types of Corporate and SME Businesses

The corporate and SME business sectors that carry out partnership cooperation are generally in accordance with the policy direction for the development of East Java's long-term program as a leading, competitive and sustainable agribusiness center. The form of corporate business entities is generally in the form of PT and Individual / UD, while SMEs are mostly in the form of Individuals, others are not legal entities.

2. The mechanism for Implementing Partnership Cooperation with SMEs

Partnership cooperation mechanism starts with partner identification, selection of partner SMEs, the creation of MoU, SME coaching, technical assistance, mentoring and monitoring and evaluation. SME development, technical assistance, mentoring and monitoring and evaluation are carried out by the corporation as an effort to ensure that the production process carried out by SMEs will produce products that are in line with the specifications expected by the corporation. This provides benefits: First, it is a guidance for improving the capacity of SMEs in their business activities; second, provide guarantees for the corporation against the sustainability of its business (safety play).

3. Fields and Patterns of Partnership Cooperation with SMEs

Most corporations and SMEs collaborate with SMEs in the field of production, with a pattern of intra-social partnership that is carried out through an intermediate partnership and initial partnership. This condition illustrates that SMEs have not been supported by adequate resources.

4. The Problems faced by Corporations on Partnerships with SMEs

Most corporations and SMEs say the obstacles faced in the partnership are relatively very small and can be overcome. This shows that each party is able to carry out its duties and responsibilities in accordance with the agreements that have been made together.

5. Needs and Expectations for Partnership Sustainability

Almost all corporations and SMEs agree to continue partnership cooperation with conditions of market absorption conditions, continuity of product supply, and product quality produced by SMEs. The conditions proposed by SMEs are smooth payment, and sustainable transfer of technology from corporations.

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