



Local Wisdom in Business Practices in Indonesia

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Abstract. The purpose of doing business through optimal management of economic resources for owners of economic resources and the community must be carried out by taking into account the interests and benefits of owners of economic resources or owners of production factors. Along with this, the idea of local wisdom can be realized in various forms, ranging from habits, rules, values, traditions, and even the religion adopted by the local community that local wisdom has a significant role in business practices in Indonesia. Indonesia is rich in cultural values and characteristics of each. Based on this, this paper will explain that local wisdom in each of the tribes in the territory of Indonesia can be used as a value system in shaping the character of the business community and become social capital because of the value of trust (mutual trust) and the principle of togetherness that applies universally in every local wisdom adopted by the community in each region.

Keywords: Local Wisdom · Business · Practices · Indonesia

1 Introduction

Micro, small and medium enterprises are one of the populist-based economic enterprises which have now become the pillars of the country's economy. Even the increase or decrease in economic growth in Indonesia is strongly influenced by various factors, one of which is the involvement of micro, small and medium enterprises. As mandated by Article 33 paragraph (4) of the 1945 Constitution of the Republic of Indonesia, micro, small and medium enterprises are part of the national economy with an independent perspective and have great potential to improve people's welfare. Micro, small and medium enterprises have a significant role in the country's economic growth. Currently, the number of micro, small and medium enterprises in Indonesia is 59.2 million actors.

Based on data from the Ministry of Cooperatives and Small and Medium Enterprises [1], The number of micro, small and medium enterprises currently reaches 64.19 million with a contribution to Gross Domestic Product (GDP) of 61.97% or worth 8,573.89 trillion rupiahs. The contribution of micro, small and medium enterprises to the Indonesian economy includes the ability to absorb 97% of the total workforce and can collect up to 60.4% of the total investment. The high number of micro, small and medium enterprises in Indonesia cannot be separated from the various challenges and conditions of the Covid-19 pandemic that have driven changes in the consumption patterns of goods

and services into momentum to accelerate digital transformation. As one of the pillars of the Indonesian economy, micro, small and medium enterprises have a significant role, namely micro, small and medium enterprises have a large contribution to GDP, which is 61.97% of the total national GDP or equivalent to Rp. 8,500 trillion by 2020; small and medium enterprises absorb a large number of workers, namely 97% of the absorption capacity of the business world in 2020. A large number of micro, small and medium enterprises is directly proportional to the number of jobs in Indonesia so micro, small, and medium enterprises have a large share in the absorption of labor, and micro, small and medium enterprises absorbed the largest credit in 2018 of approximately Rp. 1 trillion.

According to Tulus Tambunan, there are several reasons that state the importance of micro, small and medium enterprises for the national economy [1], namely the very large number of micro, small and medium enterprises spread in urban and rural areas and even in remote areas; Micro, small and medium enterprises are classified as very labor-intensive, have a large potential for growth in employment opportunities and increase in income; There are many micro, small and medium enterprises in the agricultural sector which indirectly support development; Micro, small and medium enterprises assist in accommodating many workers with low levels of education; In conditions of economic crisis, micro, small and medium enterprises were able to survive, as happened in 1997/1998; To become the starting point for investment mobility in rural areas as well as a forum for increasing the ability of entrepreneurs; Become a tool to divert consumption expenditures of rural residents into savings; Micro, small and medium enterprises are able to provide relatively cheap necessities; Through various types of investment and investment, micro, small and medium enterprises are able and quickly adapt to the times; and has a high degree of flexibility.

Micro, small and medium enterprises can develop in Indonesia because their basis is a people's economy, and the value of the trust (mutual trust) and the principle of togetherness are the characteristics of local wisdom in regions in Indonesia. On the other hand, globalization is a challenge for the existence of micro, small and medium enterprises in Indonesia, with globalization, industrialization in big cities has increased various kinds of pollution and is not environmentally friendly causing the environment to be increasingly damaged. The increasing development gap between developed and developing economies. Developing countries that are rich in natural resources become a place of exploitation of developed countries in developing their business to get very large profits. The exploitation of natural resources on a large scale by foreign and local companies causes environmental conditions to be increasingly damaged and endanger human health. Furthermore, this condition will lead to natural disasters. Big companies that have the technology and big capital kill home industries with small capital scales.

Globalization is a necessity. The wave of globalization had raised concerns from various parties about the destruction of local values that had been the life order for certain communities. However, it is soon evident that not all values of globalization are compatible in providing the desired order for most societies in various parts of the world. The Japanese people and the Balinese people are two examples from outside and inside the country, how local wisdom is still firmly held by the people. These two very different regions are not dimmed by their local values, but instead have strengths in their respective

fields that are so prominent. Japan has become the most advanced industrial country in Asia and even the world through its mastery of high science and technology, while Bali is developing through its tourism industry which is not only recognized domestically, but also recognized worldwide. These two examples show that local wisdom can be used as a source of business ethics. Local wisdom provides norms that can be guided by the community in their daily behaviour and can form human character who is obedient to the norms that govern life, in order to achieve order, peace, justice in life together. The Indonesian people who obey the norms and laws with full awareness of implementing them are the nation's most valuable social capital. This social capital can equip the Indonesian nation to be able to adapt to social life, both in the local, national, regional, and international scope [2]. Based on this explanation, the problem that will be discussed in this paper is how can the values of local wisdom be practiced in micro, small and medium enterprises business? and how to maintain the value of local wisdom in the midst of current globalization?

2 Research Accomplished

Andi Wijayanto in his research entitled "Local Wisdom in Business Practices in Indonesia" found that when the wave of globalization swept across the world, many parties feared the destruction of local values that had been the life order for certain communities [3]. However, it is soon evident that not all values of globalization are suitable for providing the desired order for the majority of people in various parts of the world. The Japanese community and the Balinese people are two examples from outside and within the country of how local wisdom is still firmly held by the community. These two very different regions are not dimmed by their local values, but instead, have strengths in their respective fields that are so prominent. Japan is the most advanced industrial country in Asia and even the world through its mastery of high science and technology, while Bali is developing through its tourism industry which is not only recognized domestically but also recognized worldwide. The local nature of this wisdom shows that these values or ideas only apply and will bring good benefits to the communities in which they interact. This is because the idea of local wisdom is often the result of interactions between humans in the environment and/or between humans and the physical (natural) environment around them. Thus, these values are often inappropriate when applied to other societies where the patterns of interaction between humans and human interactions with their environment are different. Even these values are often contradictory. For example, the tradition of bowing deeply as practiced by the Japanese people will be considered too excessive if done by the Javanese people. A guest who ate the host's meal would be considered a tribute to the host, while others would consider it an act of greed. Many studies on this have been carried out from a sociological point of view. Indonesia is rich in artistic and cultural treasures, one of which is in the form of values, habits and traditions that form local wisdom. Many of them are related to the socio-cultural order of society that creates order. Although there are many positive local wisdom values for business practices, the existing studies highlight how local wisdom is able to solve various socio-cultural problems and natural resource conservation. The author believes that there are still many local wisdom values that are important for business practice,

but not much that the writer can find from the existing literature, unlike local wisdom in the social, cultural, and natural resource conservation fields. In some areas in Indonesia, the local wisdom is fading away and replaced by global values. Although global values do not always match the conditions of Indonesian society, it seems that among young people these values are no longer idols.

Heri Pratikno in his research entitled “Learning Business Ethics Based on Local Wisdom” found that the importance of business ethics, the challenges of learning business ethics, local wisdom as a source of business ethics, and learning business ethics [2]. Business people must be committed to upholding ethics, because the business process is a value creation process, the process of creating anything that is beneficial to humanity. Real value creation in business will only happen if it is done in ethical or moral ways. Immoral methods only result in value destruction, not worthy of being called participation in development, but the decline and destruction of society. The challenges of business education include: globalization, technological developments, competency-based business, business perspective as a system, quality revolution, change. The local wisdom of Indonesian ethnic groups generally contains religious values, humanity, togetherness, tolerance, mutual trust, solidarity and social care that can build elements of social capital and business capital, such as trust, trust, social networking. Strengthening social capital originating from the values of local wisdom of Indonesian ethnic groups is very important to continue to strive for its preservation and inheritance from one generation to the next, especially when individualism is getting stronger in modern life in this global era. In order for local wisdom to be implemented and inherited, it is necessary to continue to find approaches and strategies that are more contextual to the development conditions of the Indonesian people. Learning business ethics based on local wisdom through a scientific approach with cooperative learning, with various models focusing on students, is an effective learning approach that deserves to be recommended to educators. The success and failure of business ethics education will greatly affect the role of society in the formation and implementation of rules and principles of life. Local wisdom that lives and develops in the Indonesian ethnic community is the nation’s social capital that can be used in dealing with the swift currents of global culture so that the Indonesian nation can reduce its negative influence on social and national life. The local wisdom of Indonesian ethnic groups, which generally contain religious values, humanity, togetherness, tolerance, mutual trust, solidarity, and social care can build elements of social capital, such as mutual trust; social networking/relationships; and norms. It is very important to continue to strive for preservation and inheritance from one generation to the next, especially when individualism is getting stronger in modern life in this global era. In order for local wisdom to be implemented and inherited, it is necessary to continue to find approaches and strategies that are more contextual to the development conditions of the Indonesian people. The scientific approach to cooperative learning is seen as effective learning to form graduates with character. Cooperative learning is inspired by the art of living in a good group/community, which is inspired by the values of local wisdom. Due to the dynamic context of business activities and curricula, the teaching and assessment of ethics materials will remain important and increasingly challenging going forward. Efforts to integrate curriculum sustainability, improvement, and improvement of business ethics education may involve an extensive negotiation process between the

parties. The success and failure of business ethics education will greatly affect the role of society in the formation and implementation of regulations in the next few years. Further investment in ethical education would be a better choice.

Husni Thamrin and Kadarudin in his research entitled "ASEAN Economic Community and a Challenge for Indonesia at the Local Level" found that the Government of Indonesia has a large responsibility for the growth and development of micro, small and medium enterprises in Indonesia, because micro, small and medium enterprises are a reflection of the populist economy as proposed by the government itself, so that micro, small and medium enterprises must be fully supported by the government as an effort to be consistent in government policies that support ever forerunner of people's economic growth [4]. The ASEAN single market event, which is currently in effect, is a benchmark of proof for the Jokowi government in realizing its political promises to the small and medium-sized people. The existence of micro, small and medium enterprises products both domestically and in other countries is a matter of pride for the government and the state, so that their existence needs to be supported by the government by issuing strategic policies in the economic development sector.

AFTA is inseparable from the formation of ASEAN. Likewise, the establishment of the MEA certainly cannot be separated from the formation of ASEAN and the AFTA agreement. ASEAN which was formed in 1967 is one of the most dynamic and fastest growing regions, at least until before the financial crisis that occurred in 1997/1998. Initially, ASEAN was founded by 6 (six) members who were also the initiators of the establishment of AFTA, namely Brunei, Indonesia, Malaysia, the Philippines, Singapore, and Thailand. Then Vietnam joined in 1995 and was followed by Laos, Myanmar, and Cambodia. However, because practically all ASEAN member countries make the same products, there is intense competition between them so that the existence of ASEAN is not too significant for the increase in trade volume within ASEAN [5]. The establishment of the AEC will provide opportunities for ASEAN member countries to expand the scope of economies of scale, reduce poverty and socio-economic disparities, increase attractiveness as a destination for investors and tourists, reduce trade transaction costs, and improve trade and business facilities. In addition, the establishment of the AEC will also facilitate and increase intra-ASEAN market access as well as increase transparency and accelerate the adjustment of domestic regulations and standardization.

The ASEAN single market is a challenge for Indonesian micro, small and medium enterprises products. Indonesia's economic growth can be used as a benchmark for the government in improving potential economic sectors including MSMEs in facing the ASEAN single market. This is not only the responsibility of the State that must be carried out by the government, but also as a reflection of the State of Indonesia in the eyes of other ASEAN member countries in terms of the economy and natural resources owned. The government must take part in the era of the ASEAN single market, one way that the government can do this is by providing training, socializing on how to improve the quality of products produced by micro, small and medium enterprises entrepreneurs. In addition to product quality that must be improved, the price component, the place component, and the promotion component of micro, small and medium enterprises products need to be maximized because all of these components are a unit that cannot be separated from one another.

3 Method

This type of research is normative legal research [6] using a legal approach and a conceptual approach [7], the legal materials used are primary legal materials and secondary legal materials obtained through literature study [8]. The legal materials collected were then analyzed qualitatively [9].

4 Values of Local Wisdom in Micro, Small, and Medium Enterprises Business

A person is said to have good character when in real daily life he has three habits, namely: thinking about good things (habits of mind), wanting good things (habits of the heart), and doing good things (habits of action) [10]. Likewise, when a person runs the business he is engaged in, that character must be consistently practiced in running his business. For example, business and business institutions in Bantul, Yogyakarta are strongly influenced by the nuances of local wisdom in interacting with their stakeholders. In time, through the ongoing process of life, the concept becomes a role model and business guide for business actors in the Bantul area, Yogyakarta. The uniqueness of the concept is interesting because it contains elements of spirituality and logic in running a business [11].

Local wisdom in Indonesia is a form of expression from the tribes in Indonesia, where people carry out activities and behave according to ideas that ultimately produce certain works [12]. Abd. Choliq argues that local wisdom is a view of life and knowledge as well as various life strategies in the form of activities carried out by local communities in answering various problems in meeting their needs [13]. In foreign languages it is often also concentrated as a local policy “local wisdom” or local knowledge “local knowledge” or local intelligence “local genius”. Modern science is considered to manipulate nature and culture by objectifying all natural and inner life with the result that the elements of “value” and “morality” are lost. Modern science considers the elements of “values” and “morality” as irrelevant elements for understanding science. It is important to note that the presence of local wisdom is not a new discourse in our daily lives. Local wisdom actually exists at the same time as the formation of our society, the Indonesian people. The existence of local wisdom becomes a real mirror of what we call the law that lives and grows in society. According to a report by The World Conservation Union (1997), of the approximately 6,000 cultures in the world, 4,000–5,000 of them are indigenous peoples. This means that indigenous peoples constitute 70–80 percent of all societies in the world. Of these, most are in Indonesia, which is spread across various islands.

Indonesia is truly the number one plural society in the world. Topographically, it is an archipelagic country consisting of a number of large islands and thousands of small islands, but more than that, it is human communities with hundreds of local colours and ethnicities. According to several sources, the number of ethnic groups with specific languages is more than 300 thousand. This is a fairly large number that should not be underestimated, although in the context of economic domination and advances in modern science and technology they are always marginalized and ignored. Pancasila is a crystallization of the noble values of Indonesian culture. In accordance with this

sentence, it means that Pancasila is a process of crystallization or hardening of the noble values and culture of the Indonesian nation that has existed before throughout the history of the existing national and the values of our own culture. So multicultural and pluralistic diversity accommodates various cultural, ethnic, religious, and ideological differences. Therefore, the principle of the state as we know it is *Bhinneka Tunggal Ika*, 'different but one. In line with the times, many things have changed, including socio-cultural values, ideological political perceptions, and so on. On the other hand, the cultural heritage of the ancestors in the form of traditional values and roots, including local wisdom, has been eroded and eroded. What is the position of local wisdom in the midst of changes that take place externally and internally? Referring to the current condition of Indonesia, it can be said that there are two factors that influence changes in socio-cultural values, namely external and internal factors that (perhaps) move simultaneously. External factors, among others, are influenced by globalization, political de-ideology at the global level, developments in information and communication technology, neo-capitalism, and neo-liberalism which increasingly spur pragmatic, consumptive, and individual lifestyles. Internal factors are influenced by the fading of traditional values and local values (including local wisdom) which may also occur due to external factors. Because it is assumed that there has been a decline in traditional values, what efforts can be made to revitalize local wisdom in the midst of globalization and changes in socio-cultural values so that local wisdom remains a national identity while at the same time contributing to building a multicultural and pluralistic as well as civilized Indonesia. The revitalization of local wisdom is also expected to be able to respond and provide solutions to Indonesia's current challenges and problems, such as how to overcome corruption, poverty, and the destruction of natural ecosystems [13].

In addition to the need to consistently practice the values of local wisdom in the micro, small and medium enterprises business in Indonesia, the government also needs to strive to advance Indonesian micro, small and medium enterprises, while the government's efforts have been made so far are (1) the Job Creation Law, out of the total number of micro, small and medium enterprises in Indonesia., as many as 64.13 million are micro, small, and medium enterprises that are still in the informal sector so they need to be encouraged to transform into the formal sector. Indonesia still has problems with complex licensing and overlapping regulations at the central and regional levels. Therefore, the Government seeks to accommodate these problems through the preparation of the Job Creation Law which was ratified in 2020. One of the substances regulated is regarding the convenience, protection, and empowerment of micro, small and medium enterprises. The government hopes that through the Job Creation Law, micro, small and medium enterprises can continue to develop and be competitive; (2) The National Economic Recovery Program (*Pemulihan Ekonomi Nasional/PEN*), The National Economic Recovery is one of the programs initiated by the government to restore the Indonesian economy due to the impact of Covid-19. This program is also the government's response to the decline in the activities of the affected community, especially the informal sector or micro, small and medium enterprises. This program was created based on Government Regulation No. 23 of 2020 which was later changed to Government Regulation No. 43 Year 2020. As one of the government's efforts to promote micro, small, and medium enterprises, the following are details of The National

Economic Recovery program for micro, small and medium enterprises, namely: Interest/margin subsidies, Guarantee Service Fees, Placement of Government Funds in banks, Guarantee for micro, small and medium enterprises credit loss limits, display of final income for micro, small and medium enterprises borne by the government, Investment financing for cooperatives through the Revolving Fund Management Agency for micro, small and medium enterprises cooperatives, Presidential Assistance Program for Productive Micro Enterprises; (3) People's Business Credit, another effort from the government to promote micro, small and medium enterprises is the People's Business Credit program which is channeled through financial institutions with a guaranteed pattern. The service fee (interest rate) for working capital credit/financing is subsidized by the government. The purpose of the People's Business Credit is to increase access to financing and strengthen micro, small, and medium enterprises capital; (4) Proud National Movement Made in Indonesia, is one of the government's programs as a government effort to promote micro, small and medium enterprises, which was launched in 2020. The goal of Proud National Movement Made in Indonesia (Gerakan Nasional Bangga Buatan Indonesia/Gernas BBI) is to encourage national branding of superior local products to create new industries and of course increase economic growth. Through this program, the government encourages micro, small, and medium enterprise players to join digital platforms; (5) Expansion of Indonesian Product Exports through ASEAN Online Sale Day or ASEAN Online Shopping Day, is a shopping event carried out simultaneously by electronic-commerce platforms in ten ASEAN countries. ASEAN Online Sale Day is being held to coincide with ASEAN's birthday, which is August 8 since 2020. ASEAN Online Sale Day participants are business actors in the ASEAN Region that provide goods and services through Trading Through Electronic Systems. ASEAN Online Sale Day is an opportunity for Indonesia to promote and build the image of local products of the archipelago in the ASEAN arena as well as to encourage and increase export activities of Indonesian products. These efforts are expected to promote micro, small and medium enterprises, increase the number of micro, small and medium enterprises in Indonesia, and of course, increase Indonesia's economic growth. Thus, more and more jobs are opened so that the unemployment and poverty rate in this country can decrease.

5 Efforts to Maintain the Value of Local Wisdom Amid the Currents of Globalization

As stated earlier that globalization erodes the values of local wisdom in each region, micro, small and medium enterprises business actors need to be aware of the importance of maintaining the value of local wisdom in the midst of an increasingly massive current of globalization. Local wisdom can be interpreted as habits, rules, and values as a result of the cognitive efforts adopted by certain communities or local communities that are considered good and wise, which are implemented and obeyed by the community. The ideas of local wisdom can be realized in various forms, ranging from customs, rules, values and traditions [14]. Some of Indonesia's potentials to win trade competition in the flow of globalization, among others [14]:

Indonesia is a potential market with the largest area and population in the region (40% of the total population of ASEAN). This can make Indonesia a productive and

dynamic economy that can lead the ASEAN market in the future with market share and investment opportunities.

Indonesia is a destination country for ASEAN investors. The investment proportion of ASEAN countries in Indonesia is 43% or almost three times higher than the average investment proportion of ASEAN countries in ASEAN which is only 15%.

Indonesia has the opportunity to become an exporting country, where the value of Indonesia's exports to intra-ASEAN is only 18–19% while outside ASEAN is around 80–82% of its total exports. The increase in exports to intra-ASEAN is balanced with the rate of increase in imports from intra-ASEAN.

The liberalization of trade in ASEAN goods will ensure the smooth flow of goods for the supply of raw materials and finished materials in the ASEAN region because tariff and non-tariff barriers no longer exist. Free market conditions in the region will automatically encourage producers and other business actors to produce and distribute quality goods efficiently so that they can compete with products from other countries. On the other hand, consumers also have a variety of alternative choices that can be chosen according to their needs and abilities, from the cheapest to the most expensive. Indonesia as one of the big countries that also has a high level of integration in the electronics sector and a comparative advantage in the natural resource-based sector, has a great opportunity to develop industries in these sectors domestically.

Indonesia as the country with the largest population will get its own advantage, which is called the demographic bonus. The comparison of Indonesia's productive population with other ASEAN countries is 38:100, which means that for every 100 ASEAN residents, 38 are Indonesian citizens. This bonus is estimated to still be enjoyed at least until 2035, which is expected with a productive population that will be able to support economic growth and increase the income per capita of the Indonesian population.

Today, almost all local governments have developed superior regional products or commodities. The criteria for superior products are: (1) using local raw materials, (2) in accordance with regional potential and conditions, (3) having a wide market, (4) being able to absorb a large number of workers, (5) being a source of community income, (6) production volume is quite large and continuous, (7) is a regional characteristic, (8) has relatively high competitiveness, and (9) can spur the development of other commodities. The determination of superior products must of course also be based on the competitive advantages of these products compared to similar products outside the region or even similar products in the international market. If efforts to develop these superior commodities are carried out seriously, it is not impossible that regional commodities will emerge that have competitiveness in the international market [15]. With the development of regional superior products or commodities, efforts from micro, small and medium enterprises business actors are also needed to apply the values of local wisdom which are reflected in the business development process and the process of running their business, the values of trust, honesty, friendliness and maintaining the quality and quality of products in the community. The business he runs.

Of the eight key rules for world competitive rankings issued by the International Institute for Management Development, one of them is support for micro, small and medium enterprises. During the monetary crisis, micro, small and medium enterprises were able to survive and continue to grow, this could provide opportunities to increase

competitiveness. However, micro, small and medium enterprises are still an area that the government does not pay attention to. The absence of assistance from the government to standardize local products and internationalize micro, small and medium enterprises makes it difficult for micro, small and medium enterprises to compete and lose in the local market. Often times the phrase for micro, small and medium enterprises is “Excellent in Product, Lost in Promotion”. The diversity of Indonesian micro, small and medium enterprises have the opportunity to form the ASEAN market, one example of which is handicrafts, furniture, regional food, and other industries, therefore the need to maintain the value of local wisdom in the midst of globalization by micro, small and medium enterprises business actors need to be done consistently.

According to Sulpi Affandy, the Indonesian nation in the past was famous for the characteristics of a friendly, wise, helpful society, tolerance, mutual respect, and various other positive moral behaviours [16]. Such traits are almost evenly distributed at all levels of society in the life of this nation. So it is known that the Indonesian people have noble values that are preserved in their lives. Therefore, it is not surprising if there are comments from almost every foreign nation who visits Indonesia stating that the Indonesian people are friendly, kind, and friendly. The formation of noble values that are able to pattern the behaviour of Indonesian society is due to the strong role of customs, which become a culture in people’s lives. Although the customs and culture of each region are different, in general, they have the same essential values. Traditional and cultural philosophies that have developed in various corners of the Indonesian nation, on average, instil good and positive moral attitudes and behaviours. So how to behave and behave towards parents, children, relatives, neighbours, guests, foreigners, the community and even how to behave towards nature, plants, and animals there are rules. There are traditional guidelines, there are cultural formations, and there are recommendations, and taboos. And this phenomenon is so thick in the life of the Indonesian people. Thus, whether we realize it or not, the formation of the character of the Indonesian nation is strongly influenced by local cultural values and customs that exist in each region. The belief in the habits and beliefs of the ancestors that were built in people’s lives is able to become a medium for inculcating values in each individual in society. So that it becomes a personality, nature, behaviour, habit, and attitude of life that is quite characteristic in their social life which is rooted in the local wisdom that grows around them. So that when these values are practiced in the micro, small and medium enterprises business they run, they can avoid conflicts and become characteristics of business entrepreneurs in Indonesia and distinguish them from business actors from other countries.

6 Conclusion

The need to consistently practice the values of local wisdom in the micro, small and medium enterprises business in Indonesia, besides that the government also needs to strive to promote Indonesian micro, small and medium enterprises, while the government’s efforts have been made so far are enacting the Job Creation Act; Issue policies for the National Economic Recovery Program; Facilitating People’s Business Credit; Promoting the Proudly Made in Indonesia National Movement; and Expansion of Indonesian Product Exports through ASEAN Online Sale Day. During the monetary crisis, micro,

small and medium enterprises were able to survive and continue to grow, this could provide opportunities to increase competitiveness. However, micro, small and medium enterprises are still an area that the government does not pay attention to. The absence of assistance from the government to standardize local products and internationalize micro, small and medium enterprises makes it difficult for micro, small and medium enterprises to compete and lose in the local market. Often the phrase for micro, small and medium enterprises is “Excellent in Product, Lost in Promotion”. The diversity of Indonesian micro, small and medium enterprises has the opportunity to form the ASEAN market, one example is handicrafts, furniture, regional food, and other industries, therefore the need to maintain the value of local wisdom amid globalization by micro, small and medium enterprises business actors needs to be done consistently so that they can become characteristics of business actors in Indonesia and distinguishes them from business actors from other countries.

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