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Analysis Monetary System Development International, Loan and Investment Foreign and Multinational

Era Mustika[1*], Fildzah Darayanti Mujasmara[2], Santi Melati[3], Khairani Matondang[4], Riza Indrani[5]
State University of Medan
Corresponding Author: Era Mustika eragntg2gmail.com

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A B S T R A C T

Foreign direct investment in Indonesia is influenced by various factors. The main goal of studies this is for knowing how influence connection growth economy, the international monetary system against foreign direct investment (FDI) and multinational. Data obtained from official internet sites. System changes the other system was caused by the economic turmoil at that time. To this very day the international monetary system is still a concern of all countries and still want change the system Becomes more function optimal. For that writer will discuss related with "System Monetary International". Study this is quantitative research using secondary data indirectly obtained from company, will but data the obtained from site Internet. The population in this study is the international monetary system, loans, investments foreign and multinational. analytical method in this research is analysis data quantitative

INTRODUCTION

On moment We speak about monetary then the main problem that we often talk about is related with money. Every country has its own currency and that currencyshow mark the goods. So also with system monetary international this refers on institutions where payment on transaction cross country implemented. This system determines how exchange rate swap foreign determined and howgovernment can affect rates swap.

System monetary international is system finance which apply for all country in world which discuss about payments for cross-border transactions. System monetary international which function with good will facilitate trading international and investment, as well as simplify adaptation to change. Discussion core from system monetary international is determine Settings system exchange rate swap. Since commencement system standard gold until the 20th century, the international monetary system has experience install recede.

Change from system system which other caused by the economic turmoil at that time. Until now even the international monetary system still Becomes attention all country and still want change the system Becomes morefunction optimal. For that writer will discuss related with "System Monetary International".

METHODOLOGY

This research is research quantitativeby using secondary data no live obtained from company, will but data was obtained from site Internet. Population in study this is system monetary international, loan, investment foreign and multinational. Sample is the object or subject chosen by researcher which used for represent the whole of the population. Deep data source study this obtained from site Internet.

Method analysis in study this is analysis data quantitative, for estimate in a manner quantitative influencea number of variable independent in a manner simultaneous (together) nor in a manner Partial (individual) to variable dependent (Amen,2012). Method used in analysis data quantitative in study this that is using the help program of the Sites that relating to the international monetary system, loan, investment foreign and multinational.

RESULT AND DISCUSSION

- **Understanding System Monetary International**

In economy international known a system that allows a country can relate to one another. This system is known as the monetary system international. System monetary international (International Monetary System) can be interpreted as Settings or agreement formalbetween countries related mark swap from eacheach country's world currency, against the currency money other.

Shapiro 1991, says that System monetary international shows a setPolicy, institution, practice, regulation and mechanism that determines the degree to which an eye money exchanged with eye other money. System finance international from history has experience so many development and transformation from period to period. Development this caused by exists change economy and political domestic international on each period.

Experts think that money and The International Monetary System is an element neutral, either economically or politically, however presumption this no proven in economy modern. Norm and convention which regulate the International Monetary System with This has an important distributive effect on power something country and well-being in life country the. Something System International Monetary is running well will launched trading world, current investment foreign and interdependence global. Ability System Monetary International is a prerequisite for a healthy world economy, on the contrary collapse System Monetary International west Becomes reasonseparately gloom in economy international.

If on a domestic or national scale payment imbalance problem area could customized through movement capital or Policy fiscal and monetary, in scale international will a little more complicated. Payment which no balanced betweencountry could resolved through financing, domestic policy changes to shift investment fund trading pattern, through controlforeign exchange for do rationing supply foreign exchange, or by letting the exchange rate eye money changed in accordance situation and condition. So that is the most important thing in the monetary system international is availability tool or methodfor adapt no balancepayment international.

History development System Monetary International

History System Economy International walk through 5 Step, that is:

Bimetallism

Bimetallism is Policy monetary where mark this currency is associated with mark two metal, usually (but no always) silver and gold. In this system, the values of the two metals will be connected by one each other—in other words, the value of silver will be expressed in terms of gold, and vice versa -and both metals can be used as toolspayment which legitimate. Money paper so will live converted to total whichequivalent with good metal-for example, eye money US used for in a manner explicitstated that the bill was swapped “in coin gold paid to carrier on Request."

Standard gold (gold standards)

The gold standard is the monetary system in where government peg eye moneydomestic to gold. In lower system this, the nominal value of your money is equivalent to gold which will you get when exchange it. So, government agreed for convert money paper into gold in a fixed amount. By because that, total money which circulating will change according to stock gold in a country. Standard gold depends on supply gold. Countries that are poor in gold minerals do not as well as immediately rich because no can mine gold. They onlydepend on supply from exportgoods. Therefore, in general, standard this considered limit economy for grow. But, system monetary this also supportlong term price stability. Amount money which circulating more measurable than when adopting paper money.In system monetary with standardgold, you can convert in free Becomes a number gold with fixed rate. Popular gold standard in a number of country During century to 19 until beginning century 20th. On 1821, English Becomes country first which officially adopted the gold standard. Then, standard gold international appeared in 1871 after Germany adopt it. On 1900, part most developed countries do the policy similar.

a. Interwar period (1915-1944)

Standard gold classic end on period after World War I, where the country which lost specifically German, Austria, Hungary, Poland and Russia experiencing hyperinflation. Example: Germany experience increase index price by 1 trillion times the current before war Fluctuation mark eye money in the 1920's made a lot the country implements a depreciation policyall out so that could obtain profits in the global export market. Lots the country 'seems' to return to standard gold classic after start recover from impact of war. However, that was only a coverjust so they canimplementing policies sterilization gold. Sterilization Gold Policy for adapt current enter and go out gold, with method reduction in the amount of domestic money and enhancement credit in country. Efforts to return to the gold standard classic destroyed total with happening Great Depression (1929) and chaos that resulted pulled discharge massive gold from the 'hands' of the bank- bank in big countries.

b. Sistem Bretton Woods (1944-1976)

Bretton Woods System is a world economic system generated from conference which held in Bretton Woods, New Hampshire on year 1944[1]. Conference this is product cooperation Among America Union and English which have a number of feature key which give birth to three institutionfinance world that is Fund Monetary International, Bank World, and Organization Trading World. System Bretton Woods was formed in order finish the fight Among autonomy which owned by domestic and stability international,but the basis contained in the system national policy autonomy, exchange rate fixed, and the ability to change currency-one another repel each other back.Purpose Conference Bretton Woods There is two aim main conference Bretton woods, that is:push subtraction rates and obstacle other in trading internationally and create a framework economy global for minimize economic conflict that occurred between countries, which wrong one part is prevent happeningWar World II.

c. Regime Mark Swap Flexible/Expand under control

System this do sinceNovember 1978 – August 1997. On At this time the value of the rupiah was no longer solely eye associated with dollar America United would but against a basket foreign currency (basket currency). On period this has occur three time devaluation that is on month November 1978, March 1983, and September 1986.

After devaluation year 1986, mark nominal rupiah allowed depreciated as big 3-5% per year for maintain mark swap real which more good. With system this, Bank Indonesia set exchange rateindication and let the exchange rate move in the market with a certain spread. For guard exchange rate stability Rupiah, so Bank Indonesia dointervene if the exchange rate volatility exceeds the upper or lower limit of the spread. On moment system mark swap floating controlled applied in Indonesia, value Exchange Rupiah from year to the year.

Weakness System Monetary International

When system monetary international associated with gold, which on finally cause each other dependency in Among currency system so that it becomes an anchor forfixed exchange rate and stabilize inflation. When system gold Standard is destroyed, this valuable function is not last long and the world is stuck in a regime the inflation keep going continuously.

- **Understanding Loan Outside Country**

Foreign loans are money that borrowed by government or company private sector from other countries or lenders private outside country. Loan outside country also covers obligation to organization international like Bank World, Bank Asian Development (ADB), and the Monetary Fund International (IMF). Loan outside country that alone done because reception government which originate from tax nor reception other no sufficient for finance government spending, both for spendingpublic nor expenditure apparatus. With thereby loan Becomes wrong one factor which determine will happeningfiscal sustainability of something budget country. With use loan as tool for cover deficit government budget, this will have implications on balance sheet payment which then also implications for government budget performance. In government Indonesia, matter this will related tight with so far where ability government in management fiscal in Budget Reception and Shopping Country (APBN) as well possible.

Reasons Reception Loan OutsideCountry

- Request for owe With use theory pull loanabroad, demand for loans abroad happens because it exists Request which done by the government of the borrowing country. There are two category possibility why there is pull for owe, Among other as follows:
  a. There is a demand for external loans country which based by reasona mature and clearly linked economy with process enhancement capacity national production.
  b. There is Request loan from medium countries develop without based by calculation economy (efficiency) but by factor random (random). Factor ran dom tight relation with behavior para elite power in country currently develop, that is behavior corrupt andno responsible inutilise outside loans country.
- Push for owe from CountryDonor
  mandel (in Hudianto, 2005) put forward that it flows foreign loans from countries proceed to country currently develop not only because of the request of the state debtor, however also isinsistence from country country which have petro dollar. From theory pull and encouragement, finallyloan flow swift to nagar- country currently develop. If encouragement and pull that rational and can Upgrade production national, of course is matter which ideal. Exist need, there is supply. However whichoften occur exists insistence from countries proceed for "throw" excess funds met with withdrawals Request which no based by consideration economical, butonly for interest para elite power nodded profit personal or class as much possible.

Impact Loan Outside Country

Problem about impact economical which generated from loan outside country as is the case with foreign private companies on the one hand, that is para economist traditional put forwardthat foreign aid has proven the benefits with push growth and transformation structural in many country develop (Todaro, 1994), (Basu, 1997) in

(It eats, 2001).

However party other argue that in fact the foreign aidsame very no push growth until Becomes more fast, but precisely slow down growth in connection with the substitution of investment and domestic saving and a growing deficit balance of payments developing countries, which everything that is consequence from increasing obligation world third for pay off loans, as well as often associated with them such assistance with the necessity of accommodating product export countries donor (Todaro, 1994) in (Lumadya, 2001)

Solution on this loan issue need work hard in a manner collective from various party, that is debtor, creditor international (good country, institution donor, nor banks commercial), country country industry as market product country develop, as well as system economy world on generally (which influential on fluctuation ethnic group flower) (Prasetiantono, 1996).

- **Understanding Foreign Investment Live**

Investment foreign live is investment which live implanted with establishing a company in an industry or field effort certain like mining, property, agriculture, and other so. Investment in the real sector is very important because it can give benefit economy which big for Indonesia through absorption power work, subtractionpoverty, enhancement quality HR, industrial growth, and cultivation of variouseconomic resources.

Indirect foreign investment Investment indirect much done in the form corporate stocks, bonds, bank certificates Indonesia (SBI), and Letter Debt Country (SUN). The amount of foreign funds from this investment indeed has strengthened the value of the rupiah, however strengthening the no there is it means if does not have a positive impact on the real sector and people.

Investment Live Outside Country (Foreign Direct Investment) Investment decisionsabroad is the result of that process different complex of investment inside country. Investments abroad are usually understated by consideration strategic, consideration behavior and consideration economical which complex.

According to Krugman (1991) whichmeant with FDI is current capital international where company from something country establish or expand companies in other countries. Therefore no only occur transfer source power, but also occur enforcement control to company in outside country. FDI (Foreign Direct Investment) or outside direct investment country is one of the important characteristics of the system economy which increasingly global.

Aim FDI

Aim every FDI no same,company investors moved by various various reasons to invest abroad. They have a decision-making processand different priorities when choosing an investment location. There are four objectives main FDI (Foreign Direct investment) that is:

1. seeker resource
2. seeker market
3. seeker efficiency
4. seeker assets strategy.

FDI could give diverse benefit economics and others for host location, benefit this including Upgrade field work, enhancement income, impact profitable for investment local, over technology, the improvement Skills laborer, increasing exports, increasing competitiveness international from company – local firms and increased competition domestic. FDI now play role urgentin process internationalization business. Very big changes have taken place either from facet size, scope, and method FDI in decades final. Change change this occur because development technology, subtraction restrictions for investment foreign and acquisitions in many countries, as well as deregulation and privatization in various industry. The development of information technology systems as wellcommunication global which more cheap possible anagement investment foreigndone with far easier.

The government pays a lot of attention to FDI because Genre investment enter and go out from their country could have the same consequences significant. para economist consider FDI as wrong one pusher growth economy because give contribution on national economic measures such as Product Domestic Gross (GDP/GDP), Gross Fixed Capital Formation (GFCF, total investment in economy country Sir House) and balance payment. They also argue that FDI push development because-forcountry Sir House or company local whichaccept investment it-FDI Becomes source growth technology, process, product system organization, and skills management which new.

The Role of Foreign Investment in the Economy Indonesia

1. Source fund capital foreign could utilized for speed up investment and growth economy.
2. Capital foreign could role urgent in use fund for structural improvements to be more good again.
3. Assist in the process of industrializationwhich currently implemented.
4. Help in absorption power work more many so that capable reduce unemployment.
5. Capable Upgrade well-beingon society.
6. Become a reference for the Indonesian economy the more more good again from previously.
7. Add backup foreign exchange country with tax which given by planter capital.

Impact From Investment Foreign To Indonesia's Economic Growth

Impact Positive Investment foreign, Among other:

- New modal entry fordevelopment
- Add foreign exchange country
- standing companies newso that there is income for the stateform tax income
- Absorption labor

- Experienced in field technology
- Management which good
- Experienced in tradinginternational (export-import)
- Create Request product incountry as ingredient raw
- Give protection political andsecurity region
- Impact Negative investment foreign, Among other:
- Company foreign which managed by party foreign, so Policy the management in accordance with operational company foreign
- Foreign company financial management characteristic closed, so that company no could is known healthy or no
- SDA which managed foreign with right and obligation as arranged act invite, often raises environmental impact and social where company new the will established
- For results (Product sharing) no comparable with damage which arise and must borne by government or Public that alone.
- Company foreign look for profit which is as big as possiblethe advantage brought to his country
- Income discrimination between employees foreign and employees local
- Production management is difficult to oversee especially deep development
- Foreign companies will dominate the market local, so that worried product in country no capable competewith product foreign and lost market local
- Sector finance the more no stable
- Worse prospect growthlong term economy

Development FDI in Indonesia

Investment foreign live (FDI) inIndonesia always experience movement ride- down every year. If compared to with other areas that have fallen into disrepair after happening crisis economy on year 1997. Data year 1998-2002 show that Genre FDI which enter to Indonesia experience decline in a manner significant compared to country other. However on year afterwards its volatility FDI in Indonesia the more increase compared to year previously. If accumulated problems which actually, so there is two matter which influence activity FDI in something country,which first that is environment or framework other. In the operation to various Country- a country's policy. Basically investors knowing potency and condition something country which will be used as an investment location. Framework Policy this in several things, that is:

1. Stability economy, political and social
2. Rule which support enter andan operation effort
3. Standard agreement international
4. Policy in enable andmarket structure
5. Agreement international in FDI
6. Policy privatization
7. Policy trade and taxation.

Understanding Company Multinational

Experience of economic growth in century ninth mercy in countries proceedmany sourced from from movement capitalquite heavy international at that time. mobility factors production which occurbetween countries reached its zenith with presence companies multinational.Company multinational or PMN is company which try in many country, these companies are usually very large. Possible development which most important inconnection connection economy international During two decade final this is awesome surge of power and influence companies giant multinational.they are distributor main various factor production, start from capital, power work and technology production, everything in scale massive, from one Country to Country country world third, they operatewide range of innovative and business operationscomplex so that we can no longer understand it only by means of trading theories which simple, especially about distribution the advantage. giant companies, like IBM, ford, Exxon, Philips, Hitachi, British Petroleum, Renault, volkswagen, and coke, has such shape worldwide in the operation so that calculation on distribution advantages which produced by that international production toresident local and party foreign Becomes the more difficult done.

Current sources finance international could materialized within two forms.

- First, namely foreign investment which done by party private (private foreign investment)
- Second, investment portfolio, especially form planting capital foreign "live" (PMI). Planting capital like this also could called foreign Direct Investments (FDI).

FDI (Foreign Direct investment) or foreign direct investment is one characteristic urgent from system economy which increasingly global. It started as a company from one country investing in long term to a company in the country other. With method this company which exists incountry of origin (commonly called „home country„) can control company which there is in country investment destination (commonly called „host country„) good part or entirely. The method with the investor buys the company outside existing countries or provide capital to build a new company there or buy the shares at least 10%.

Impact company multinational

Impact positive company multinational

- Its role in filling the void or deficiency source power Among level investment which targeted with total actual "savings domestic" which can be mobilized.
- With pick up tax on profit company multinational and follow as well as in a manner financial in activities they in in country, government countries develop hope that theywill could participate mobilize sources financial in order to finance projectsdevelopment in a manner more good.
- Such multinational companies are not only will provide source- financial resources and new factories only for poor countries Act as Sir House, willbut they also provide something "package" source power which needed for

process development in a manner as a whole, including experience and managerial skills, abilities entrepreneurship, which on finally later could manifested and taught to entrepreneursdomestic.

- Multinational companies are also useful to educate local managers to knowing strategy in framework build relationships with outside banks country, look for alternatives supply source power, as well as expand network-network marketing until to level international.
- Company multinational will bring knowledge and technology which of course is considered very advanced and proceed by Country develop about process production at a time introduce machines and modern equipment to the Countriesdun he third.
- Impact Negative Company Multinational
- On generally market which Becomes target marketing company multinational this of course isThe countries that incidentally areDeveloping countriesor countries world third.These countries face a dilemma inwhere part big country too weak to apply the principle of rule law, as well as companiesgiant this very strong operateeconomic interests for profit they alone.
- These multinational companies no interested for support effort development something Country. Attention they only fixed to effortmaximization profit or levelresults financial on every cent capital which they instilled.
- Often give influence negative against rate wages average, because they usually give wages andvarious allowance well-being which far more tall rather than wages wages average to its employees, eitherthat which originate from Country localor which brought in from Country-other countries.
- Could reduce income foreign exchange that, good from side balance sheet transaction current account and capital account. balance sheet transaction walk can worsened due to massive imports semi-finished goods and goods capital by company multinational that, and that matter still exacerbated again by exists delivery return profit results flower, royalties, and management service fees to the State origin. So practically the host country House no obtain part profit which fair and reasonable.
- Companies multinationalpotentially big for damage host economy in a way push emergence spirit business local entrepreneurs, and use level mastery knowledge technology they which superior, network connection outside country which wide and well organized, skill and aggressivenessin the field of advertising, as well as mastery on various various type service complementary other for push go out every company local whichenough potential which considered bother or threaten incompetition scene, and at the same time for blocking emergencecompany company new which potentially for Becomes rival they.

CONCLUSION

End decades 1990s this is period which interesting to We to assess return all impact qualitative nor quantitatively generated by that investment done companies giant multinational to condition socio-economic countries develop which Act as Sir his house. But company multinational or transnational can Becomes a national disaster because it is prone to violations of rights basic man (HAM) and can Becomesstrength inhibitor process democratization in countries currently develop.

The international monetary system issystem finance which apply for all country in world which discuss about payments for cross-border transactions. System monetary international which function with good will facilitate trading international and investment, as well as simplify adaptation to change.

SUGGESTION

Re-negotiating foreign debt private Indonesia with para creditor for request a delay in payment, which is now currently worked on by Team Prevention Debt Outside Country Private (PULNS) or Indonesian Debt Restructuring Agency (INDRA). forming cabinet new which consists on technocrat for return the trust of the people of Indonesia and outside country will seriousness program reform. With exists trust this, including IMF reform program, is expected to occur current come back foreign exchange and entry capital outside country.

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