ROADMAP FOR IMPLEMENTATION OF DIGITAL ECONOMY REGULATORY POLICIES IN MSMES IN CENTRAL JAVA

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ABSTRACT

This paper attempt to analyses how the road map of the Central Java Provincial Government's policy in improving the digital economy in the MSME sector. Furthermore, it will also analyses how the response of MSMEs to Government policies related to the electronic-based national trading system based on Presidential Regulation Number 74 Year 2017. The research method used is juridical-sociological. The results of this study indicate that the e-commerce roadmap policy launched by the Government, at the level of the Central Java Regional Government, has been articulated in concrete policies by building an integrated e-commerce infrastructure in a container named Sadewa Market Cyber UMKM with its website. This policy even precedes national policies that have been in effect since 2015, while Presidential Regulation Number 74 of 2017 is implemented thereafter. The Central Java Province's policy has had a positive impact on the growth of online businesses in Central Java. This policy is also supported by other policies, namely business licensing that is responsive with the change in the conventional bureaucratic business licensing model to be online that can be done anywhere and anytime and by anyone who will open a business. Meanwhile the relationship with the response of online businesses to e-commerce policies is also positive. This is marked by the proliferation of online business activities through Bazaar performances and talk shows, all of which aim to build a new business climate, where the relations of sellers and buyers are bound by trusts to merchandise traded. Because, in essence, e-commerce emphasizes services or services to buyers, so that fraud is pressed as far as possible so that consumer trust in online sellers is well maintained.

Key words: Roadmap, E-commerce, Business Actors, Licensing.

INTRODUCTION

The Central Java Provincial Government of Indonesia through the Small and Medium Enterprises Cooperative Office is actively pushing Micro, Small and Medium Enterprises (MSMEs/UMKM) to diversify marketing through online shopping or e-commerce systems. Since August 2017, through the Office of Cooperatives of Small and Medium Enterprises, the Central Java Provincial Government has built an online shopping system. This system is called Sadewa Market Cyber UMKM through the site www.cyberumkm.com. Head of Central Java SME Cooperative Office Ema Rachmawati said the site had recorded as many as 1,000 MSME units spread across a number of areas in Central Java.

This policy was taken by the Central Java as a response to the Central Government's policy through Presidential Regulation Number 74 of 2017 concerning Guidelines for Roadmap of Electronic-Based National Trade System. This regulates internet-based business (e-commerce) through the XIV economic policy package. The aim is to encourage the expansion and improvement of the economic activities of the Indonesian people efficiently and connected globally. The government is also convinced that this e-commerce roadmap can encourage creation, innovation and invention of new economic activities among the young generation.

In addition, the government also wants to place Indonesia as the country with the largest economic digital capacity in Southeast Asia in 2020. Moreover, internet users in Indonesia reach 93.4 million people and smartphone users reach 71 million people. The government targets to create 1,000 techonopreneurs with a business valuation of 10 billion US dollars and expected to reach the value of e-commerce as much 130 billion US dollars by 2020.

The e-commerce regulation is designed to be light-touch, such as simplifying licensing regulations, taxation procedures for beginner business people, incubation programs for start-up, and improving ICT infrastructure as the backbone of the growth of the e-commerce industry. The use of e-commerce is the cheapest way to do marketing because there is no need for outlets or space. Plus, the trend of using technology in the community now makes e-commerce marketing increasingly in demand.

Based on data from the Central Java Provincial Statistics Agency, it is known that in the last 10 years until 2016 the number of businesses or companies in Central Java increased by 13.06 percent. There are 4.17 million businesses or companies in Central Java which are grouped into 15 business field categories. According to the Head of Central Java Statistics Office, several categories include industrial processing, transportation and warehousing, mining and information mining and communication, education, and others. Meanwhile, in 2006, there were 3.69 million businesses / companies in the province. Viewed from the scale of its business, 4.13 million companies or 98.98 percent are Micro, Small, Enterprises (MSEs). While the remaining 42.48 thousand companies or 1.02 percent are Large Medium Enterprises (LME) respectively.  


4See http://Republica.Co.Id/Berita/Ekonomi/Makrot/16/08/16/OheC5t-Pemerintah-Dorong-Umkm-Merambah-Ekonomi-Digital.


The magnitude, these MSMEs make a significant contribution to the economy of Central Java. The Head of Central Java's One Stop Integrated Investment and Service Office (DPMPTSP), Prasetyo Aribowo said, in the first quarter of 2017 the investment target in Central Java had exceeded the target, namely from the target of IDR 10.1 trillion, the realization had reached IDR 11.9 trillion. This achievement increased by 30.68 percent compared to the same period in 2016. Prasetyo optimises that the Central Government's target of IDR 41.7 trillion will be achieved.

Seeing from the target size of the investment from the Central Government certainly strategic efforts are needed to increase the value of investment in Central Java through the MSME sector. One of the opportunities currently being intensified is the use of information technology (ICT) for business activities. Related to this, the Semarang City Chamber of Commerce and Industry and the largest e-commerce company in Indonesia such as Tokopedia provided information on the use of the internet in building businesses to hundreds of local brand owners at Semarang City Hall. Tokopedia data shows that more than 30 percent of merchants in Central Java are from Semarang. This indicates the high trust of local brand owners in this city towards Tokopedia.

Based on the description on the background above, in this study will be analysed how the roadmap of Central Java Provincial Government policies in improving the digital economy in the MSME sector. Furthermore, it is also analysed how the response of MSMEs to Government policies is related to the national electronic-based trading system.

METHOD

This study is a descriptive-analytical study. In this case, this study describes and analyses data and regulations relating to the policy of a digital economic roadmap in Central Java. Data collected through library research especially the secondary data, and primary data was collected through interview with some respondents related such as Sadewa Cyber Markert managers, local government MSMEs office, and owners of MSMEs selected in the Central Java, Indonesia.

RESULT AND DISCUSSION

1. E-Commerce Policy in Indonesia

The definition of E-Commerce is a process of buying and selling products, services, and information carried out electronically by utilizing computer and internet networks. In the business context, it means that business carried out by using electronic transmission. And conceptually, e-commerce is part of e-business, but the scope of e-business is broader, not just commerce but also includes collaborating business partners, customer service, job vacancies etc. In addition, e-commerce also requires database technology, e-mails and other forms of non-computer technology such as shipping systems, and payment instruments for e-commerce.

E-commerce is not a service or an item, but is a combination of services and goods. E-commerce and related activities through the internet can be a driver to improve the domestic economy through liberalization of domestic services and accelerate integration with global production activities. Because e-commerce will integrate domestic trade with world trade, various forms of talks or negotiations will not only be limited to aspects of world trade, but also how domestic policies regarding supervision in a country, especially in the fields of telecommunications, financial services, and shipping and distribution.

In implementing e-commerce there is a value chain integration of its infrastructure, which consists of three layers, namely: distribution of good infrastructure; flow of money; and information system infrastructure. In order to integrate supply chain systems from suppliers, to factories, to warehouses, distribution, transportation services, to customers, enterprise system integration is needed to create supply chain visibility. Regarding this, there are three factors that should be considered if we want to build an e-commerce store, namely: variability, visibility, and velocity. Related to this, E-commerce will change all marketing activities and also reduce operational costs for trading activities. The process in E-commerce is as follows: (a). Electronic presentation (website creation) for products and services; (b). Direct ordering and availability of bills; (c). Secure customer accounts (both account numbers and Credit Card numbers); and (D). Payments made directly (online) and handling transactions.

Realizing the increasingly rapid development of e-commerce, the Government of Indonesia issued a regulation in the form of Presidential Regulation Number 74 of 2017 concerning Roadmap of Electronic-Based National Trade System (Road Map E-Commerce). This regulation made with the consideration that electronic-based economy has high economic potential for Indonesia and is one of the backbone of the national economy. Therefore, the Government needs to encourage the acceleration and development of electronic-based national trading systems (e-Commerce), start-up businesses, business development, and accelerated.

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1Ibid.
2It has been conducted on Monday 27/3/2017.
The e-Commerce roadmap based on Presidential Regulation Number 74 of 2017 according to the provisions of Article 3 paragraph (3) serves as a reference for both Central and Regional Governments to establish sectoral policies and action plans in order to accelerate the implementation of the Electronic-Based National Trade System (e-Commerce). In addition, this Presidential Regulation can also be a reference for stakeholders in carrying out e-Commerce activities with the Principle:

a. openness for all parties;
b. legal certainty and protection;
c. strengthening and protecting national interests and micro, small and medium enterprises and start-up businesses; and
d. improvement of human resource actors in the Electronic-Based National Trading System (e-Commerce).

Business people in the era of technological and information advancement now no longer have difficulty in obtaining any information, to support their business activities, including in this case of MSMEs. This condition shifts the pattern of internet usage which used to function as an information channel just to be e-commerce^{15}. With another point, that internet use in business changes from function as a tool for exchanging information electronically into a tool for the application of business strategies, such as: marketing, sales, and customer service. Marketing on the Internet tends to penetrate various obstacles, national borders, and without standard rules. While conventional marketing, goods flow in large parties, through sea ports, using containers, distributors, guarantor institutions, importers, and bank institutions.

The new developments in electronic-based business practices in addition to bring new impacts to consumer shopping behaviour also require the adaptability of the rules that cover them according to the characteristics of these electronic-based businesses. In addition, in relation to taxation, experience in Malaysia according to Rizal Palili^{16} of from Faculty of Economics, Malaysian Nationalities, the tax law in Malaysia at the beginning of the entry into force of electronic-based businesses is not yet affordable, so tax revenues from this sector are not optimal.

In addition, behind the convenience offered by e-commerce, a number of security concerns the government which in some business practices tend to harm certain parties, especially buyers. The trust factor in the relationship of electronic transactions is an important issue. Indonesia as a developing country, and only around the last five years of adopting e-commerce, certainly has some differences with developed countries that have long practiced e-commerce. The difference is at least concerning regulatory issues, legal instruments, and consumer behaviour. The results of the Ainurofiq^{17} study show that trust has a direct positive influence on the level of participation of e-commerce customers in Indonesia and that influence is significant.

In this regard, if the issue of trust is not protected, it will result in violations of consumer rights. This is at least shown by the results of the Heldya Natalia Simanullang^{18} and Bagus Hanindyo Mantri^{19} studies which found that the protection of consumers against defaults of business actors through e-commerce transactions still needs to be addressed. Law Number 8 of 1999 has not been able to protect consumer interests in e-commerce transactions because the provisions contained in the Law have not accommodated consumer rights in this transaction. This is because e-commerce has its own characteristics compared to conventional transactions, namely the non-meeting of sellers and buyers. Related to this, Nindyo Pramono^{20} suggested a legal solution for e-commerce by optimizing conventional law or making specific new laws related to e-commerce that indeed have their own characteristics.

2. Digital Economic Policy Roadmap on the MSME Sector in Central Java

Based on the provisions of Article 2 paragraph (2) of the Presidential Regulation Number 74 of 2017 concerning Guidelines for Roadmap of Electronic-Based National Trade System, there are a number of parameters of success of online trading system policies that must be guided by the government and stakeholders, namely: funding, taxation, consumer protection, education and human resources, communication infrastructure, logistics, cyber security and the formation of management for implementing the 2017-2019 e-commerce task force for roadmap. In this connection all government elements and related stakeholders, including local governments in order to accelerate the growth of e-commerce, are recommended to be guided by this Presidential Regulation. Related to e-commerce policy through Presidential Regulation Number 74 of 2017, the Central Java Regional Government through the Office of Cooperatives and MSMEs has carried out concrete policy steps - which preceded the issuance of the Presidential Regulation by developing online market houses in 2015 named Sadewa Market Cyber MSMEs through the site http://www.cyberumkom.com. Until 2018 there have been approximately 1000 business units spread across a number of areas in Central Java that are accommodated on this page. The site, according to the Office of Cooperatives and MSMEs in the future, is a

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high expectation to become a Central Java market house that can be used like well-known e-commerce such as Lazada, Bukalapak, and others.

The development of the e-commerce system as a Central Java market house by the Office of Cooperatives and SMEs is based on at least two main reasons. First, so far the MSME business actors have focused more on production activities and have little regard for marketing aspects. The second reason is that the growth of MSMEs and their turnover is increasing every year.

MSMEs under the auspices of the Central Java Provincial Cooperative and MSME Office every year from 2012 to 2017 experienced an average increase of 10%. For example, in 2012 there were 80,585 units of MSMEs, which increased dramatically to 133,679 unions of MSMEs in 2017. The increase in the number of MSMEs also had a significant effect on the number of workers absorbed from 345,622 people in 2012 to 918,455 in 2017. Thus also the turnover of MSMEs also increased many times, from 18,972 billion rupiah in 2012 to 49,247 billion rupiah in 2017. On the asset side, it also experienced a very significant increase from 6,816 billion rupiah in 2012 to 26,249 billion rupiah in the year 2017. This reality encourages the Local Government to continue to make policy innovations in increasing the economic growth of online-based MSMEs (e-commerce).

In line with the guidelines outlined in Presidential Regulation Number 74 Year 2017, the technical policy measures carried out by the Central Java Provincial Cooperative and MSME Service were carried out 'randomly' according to the situation and conditions faced by MSMEs. In Article 3 of the Presidential Regulation, it is explained that the use of road maps as a guide to achieving the goals of technology-based trade. The Road Map functions as:

a. a reference for the Central Government and Local Governments to establish sectoral policies and action plans in the context of accelerating the implementation of the Electronic-Based National Trade System (e-Commerce) in their respective fields of work contained in development planning documents; and

b. reference for stakeholders in carrying out activities of the Electronic-Based National Trading System (e-Commerce).

In detail, the guidelines outlined in Presidential Regulation 74 of 2017 are quite comprehensive covering seven things ranging from funding, taxation, consumer protection, strengthening Human Resources capacity, communication infrastructure, logistics and cyber security both for consumers and for sellers. The seven programs reflect the seriousness and readiness of the government in conducting a trade revolution in Indonesia based on e-Commerce which is strengthened by the eighth program of forming a Special Team related to the implementation of 2017-2019 Electronic-Based National Trade System Roadmap. Related to the program detailed the roadmap guidelines in Central Java, although the pattern is random, but the implementation has been in line with the guidelines in Presidential Regulation Number 74 of 2017 which will be described as follows.

1. Funding Program

In terms of funding, according to M. Riza Radyanto as consultant coordinator explained that the Central Java Cooperative and MSME Service Office provided funding facilities for MSMEs who owned businesses in the form of loan financing schemes in the form of People's Business Credit which was previously managed by all State-Owned Enterprises. But after 2017 it is managed by Bank Jateng (Central Java Bank). Terms that must be fulfilled, namely productive business forms, Tax ID Number, and others. This was followed up by the government and another funding model which was formed in developing the business with Productive Business Loans from the Government. The Central Java Province has a capital loan program without collateral that can be accessed by MSMEs.

Meanwhile, Managing Director of Bank Jateng, Supriyatno, said that the pilot project was an effort to encourage the movement of MSMEs in Central Java to minimize the occurrence of bad credit, which would later be feasible for business people to receive business credit through village, sub-district and district level with selection processes. In terms of optimizing the non-bank financial industry as a business credit money distributor there are agents who enter the area by partnering with grocery stores, food stalls and others.

According to the Head of the Central Java MSMEs Service, Ema Rachmawati, until now the distribution of Business Credit for MSMEs has experienced ups and downs. For example, in 2016 the target of Business Credit that was distributed was 16 trillion, exceeding the target of the Regional Government of 10 trillion. But in 2017 until September, there was a dramatic decline, which only absorbed 5.9 trillion. But in general, the level of Business Credit absorption in Central Java was ranked first followed by East Java. This is confirmed by Iskandar Simorangkir that says:

"Distribution of People's Business Credit nationally for 2016 reached IDR 94.4 trillion. While for 2017 it reached IDR 96.3 trillion, increasing by 2.4%. For East Java, the distribution of Business Credit reached IDR 16.3 trillion in 2017, up by 20.7% compared to the year 2016, which disbursed IDR 14.6 trillion. East Java Province ranked second after Central Java Province in the amount of IDR 16.9 trillion. While the third position is West Java Province at IDR 12.4 trillion. For outside Java, the highest KUR distribution is in South Sulawesi Province of IDR 5.8 trillion and North Sumatra Province of IDR 4.3 trillion."

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21Interview on July 10, 2018 in his office.
22See Ministry of Finance Regulation Number 135/PMK.05/2008 tentang Fasilitas Penjaminan Kredit Usaha Rakyat as has amended by Peraturan Menteri Keuangan Number 10/PMK.05/2009.
23Interview with the Public Relation of Central Java Government, July 10, 2018.
Related to funding sources from the grant as stated in the Presidential Regulation Number 74 of 2017, according to M. Riza Radyanto, that before 2015 there were no grant funds issued by the Government to the Office of Cooperatives and MSMEs. Majority grant funds are provided by the Government through Ministry of Research, Technology and Higher Education and Bekraf. For a maximum of 1-year business incubator, Companies that provide corporate social responsibility funds are currently minimal, allocated and managed by the provincial government or district government.

The data shows that the aspect of funding for e-Commerce-based MSMEs in Central Java is more than adequate. On the one hand it shows that the stretch of e-Commerce-based MSMEs is also very high, so this becomes a new landscape in business practices in Central Java that has good prospects going forward. Therefore, the Central Java Regional Government policy needs to respond to this situation wisely and on target.

2. Taxation Program

Tax regulation related to MSMEs is Government Regulation Number 46 of 2013 in conjunction with Government Regulation Number 23 of 2018 concerning Income Tax from businesses received or obtained by Taxpayers who have certain gross circulation.

The MSMEs sector in this case the business internet base and conventional in Central Java are both using this regulation. The only difference is access to sales through the internet and directly. However, currently the MSMEs tax regulation has been reduced by the tariff rate.

The tax reduction has several reasons as well as stimulation for MSMEs players as follows:

1. encourage community participation in formal economic activities
2. provide more justice for MSMEs actors
3. ease in implementing tax obligations for MSMEs
4. provide opportunities to contribute to the country's economy through the MSME real economy sector
5. knowledge of tax benefits for the community increases especially among business actors

The most basic emphasis in addition to stimulation for MSMEs in carrying out their business, the reduction in taxes is to accommodate the aspirations of MSME actors who have been treated unfairly through the Government Regulation Number 46 of 2013, where losses or profits in running their businesses are taxed. Through the revision of the tax rules, new MSME taxpayers will be given the freedom to choose to hold accounts, so that they are subject to tax income at a generally applicable rate or hold records only and are subject to tax income at the final tariff.

3. Consumer protection

The issuance of Presidential Regulation No. 74 of 2017 has not given a significant change to the regulation of internet-based MSMEs, especially those related to consumer protection. So according to the UMKM Office of Central Java Province, currently it is still studying specifically by forming a team for aspects of consumer protection in conducting online business activities.

In this regard, the Government has actually issued special regulations regarding electronic transactions through Law Number 11 of 2008 concerning Information and Electronic Transactions. However, this law cannot be used as a basis for dealing with fraud cases in online transactions in Indonesia. Consumer protection is regulated separately in Law Number 8 of 1999 concerning Consumer Protection (UUPK) which aims to create a consumer protection system that contains elements of legal certainty and information disclosure and access to information, even though it does not specifically regulate online transactions. However, there are several articles that can be used as guidelines in resolving fraud cases on online transactions as follows:

Article 8 paragraph (1) letters d, e, and f which states that business actors are prohibited from producing and / or trading goods and / or services that are not in accordance with quality, conditions and promises as stated in labels, information, advertisements or promotions sale of said goods and / or services.

Article 16 letters a and b stating that business actors in offering goods and / or services through orders are prohibited from keeping orders and / or agreements in accordance with the agreed time of settlement and are prohibited from keeping promises of services and / or achievements.

Some of these provisions are very important to be guided by online businesses and online buyers on the importance of consumer protection, so that an honest and responsible attitude in the business grows. However, in addition to the UUPK, regulations specifically regulating online buying and selling activities are needed because not only can they provide protection for consumers but also online businesses.

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2Interview July 10, 2018.
4. Education and Human Resources

After the Central Java Market House formed through the Sadewa Market Cyber MSMEs site, the Cooperative and MSMEs Service carried out capacity building continuously through assistance to MSMEs actors. According to Bagus, as the Cooperative services and MSMEs Public Service field, Central Java revealed that Central Java has 12 consultants from various business fields, for example: planning, licensing, taxes, etc. and having 1-2 assistants in the district city, where the consultants were placed in the Central Java MSMEs Center to conduct guidance, monitoring, and learning for business people for free. In addition, according to Bagus, every month also has an “NGUCING” activity which stands for Business Chat Fishing Science with an organizer from the Central Java Cooperative and MSMEs Service.

The activities that are carried out every month, in the NGUCING Business program that has been carried out continuously every week and the business incubator program for both beginners and entrepreneurs, for example is strengthening the productive business skills in the food sector in Boyolali Regency, Productive Business Skills in food, socialization of MSMEs tax regulations, website creation, e-mail, and others. Follow-up of what has been given to MSMEs actors depends on the business actor itself, because after training and incubation, if there is no follow-up after the activity, it is in vain. Seeing this, the MSMEs Centre is always ready to address the problems of business people by coming directly to the Central Java MSMEs Centre.

5. Communication Infrastructure

Currently internet usage in Central Java is quite large. This is indicated by internet access that is not only in government offices. But it has reached the public area visited by the community, for example parks that have WiFi facilities. This data is in line with survey carried out by the Ministry of Communication and Information (2016) which shows that the adult groups aged 26-35% use the internet the most in e-commerce activities which reaches 32% of the total internet users in Indonesia. Meanwhile, the group of parents from the age range of 36-65 years occupies the second one, with the exception of the age of 46-55 years, the percentage of which is slightly smaller, reaching 22.10%. The group of adolescents aged 16-25 years the level of internet usage for e-commerce activities occupies the fourth position, which amounted to 21.60%, and is ranked by the group of children aged 9-15 years using the internet for e-commerce is only 7% of total respondents.

While concerning the type of online shopping that is mostly carried out by net citizens is clothing shopping as the culmination, which reaches 73.80%, followed by cosmetics and drug spending of 27.50% and electronic spending in the third position at 26.30%. The need for travel is in the fourth place, which is as much as 23% and in the fifth place is the purchase of household appliances by 20%.

Regarding the method of payment in electronic transactions, indicating that payment via ATM transfer is the main choice of 77.50%. Followed next with a system of cash payments in place of as much as 22.50% and using mobile banking at 20.70%. Other methods such as debit and credit cards are in the range of 11%, and online payments are 8.60% and very few use notes, which is 4.80%.

6. Logistics

The food logistics system is still not optimal, the supply of goods from one place to another is still stagnant. According to M. Riza Rdyanto who directly deals with Central Java logistics problems at Bank of Indonesia, together with 3 partners, PT Post, PT Sarina and PPI, cooperated in matters of goods, but in the middle of one of these agencies there were those who were not committed to being abandoned.

7. Cyber Security

A cyber team has been formed from law enforcement officials who will later synergize with the relevant agencies, especially MSMEs business players in Central Java. The security system in online business is very important. Because this will have a reciprocal impact on buyers and sellers. For buyers, an online selling site does not have a good level of security, it will affect the level of trust of consumers. The higher the level of security of an online company, it will be more trusted, and vice versa, if the security level of a company is low, then the company's reputation will not good in the eyes of the customer.

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39Interview on July 8, 2018.
40Ibid.
41Interview, July 11, 2018.
3. Response of MSMEs to the Provincial Policy Related to Electronic-Based Trading System

The connection between the policies of the Central Java Government and online business has so far not seen a massive correlation. Because, in general, online businesses in Central Java have existed naturally through individual innovations. For example, Anik Zahirout Sajida is an internet-based MSMEs actor from Demak who has an office in Kendal with a total of 17 employees. She pursued the Hijab Fashion business and claimed that using e-commerce was more effective. She did not have to have extensive land for shopping display, more selective in choosing customers, and the prices offered to customers were also relatively clear. The only challenge faced in business competition, the price of the goods we offer has similarities with other goods, the cheaper the customer will be more interested.

Related to the regulation problem of the Regional Government, Anik did not think too much about it, because according to her, if doing business online, the one who bears taxes is e-commerce itself. This business opportunity is quite promising considering the minimal risk, if we are observant in interacting with the customer. Creativity and innovation are very important in running this business due to the competition of online-based MSMEs like ordinary markets. The more we make products that attract customers, the buyers will be interested too. In addition, the ads that we make must follow the times.

Related to online market buyer trusts, this was responded to creatively by online sellers through the holding of the Bazaar. For example, the Candy Land Bazaar was held at The Park Mall, Sukoharjo, June 29, 2018. The bazaar was attended by online business people from Semarang, Bandung and Jakarta. According to the Project Manager of Bazar Land, Yohanes Adianto, this event is intended to increase public trust in online businesses: "Sometimes people are deceived when buying goods online, by coming to this bazaar they can see and compare the quality of the original and fake goods considering the participants "online" business people, "he said. Another strategy in an effort to increase the turnover of Online Stores is not only through Bazaar activities as done in Solo, another effort is to Talk-shows to equip online businesses about online marketing strategies. For example, a Talk-show with the theme "Increase Online Store Turnover" was initiated by Bapppergrammer, at the Impala Space Spegel Building 2nd Floor, Old City of Semarang, the Talk-show theme was based on the reason that online business people are ready to face the world digital by preparing a good online store. Because, the characteristics of an online business are selling services that are very different from conventional businesses.

Responding to the situation, the Semarang City Government carried out responsive policies, especially in the licensing sector which was changed from conventional to online, called the integrated single online licensing system (OSS). Head of Semarang One-Stop Integrated Services and Investment Services, Ulfi Imran Basuki said, the implementation of OSS is regulated in Government Regulation Number 24 of 2018 with the aim to facilitate the business licensing and creates a model of integrated licensing services that are fast and inexpensive, and provide certainty.

In line with the OSS policy, long before, the Central Government had issued five policies to facilitate business licenses. As this was stated by Apindo Chairperson Hariyadi Sukamdani. Two of the five policies in question are in direct contact with the development of the real economy, the establishment of the One Stop Integrated Service to accelerate business licensing services. This System is intended to simplify the process of investment permits by delegating the authority to grant key business licenses to the Investment Coordinating Board. Reform of investment permit services continues to be improved. This policy, according to Sukamdani, is proven to be able to improve Indonesia’s ranking in the Ease of Doing Business survey or ease of business, from the 120 position to 109 released by the World Bank Group which was up to 11 ranks position.

CONCLUSION

Based on the elaboration and analysis as described earlier, it can be summarized as follows. First, the e-commerce roadmap policy launched by the Government, at the level of the Central Java Government, has been articulated in concrete policies by building an integrated e-commerce infrastructure in a forum named Sadewa Market Cyber UMKM equipped with its website. This policy even precedes national policies that have been in effect since 2015, while Presidential Regulation Number 74 of 2017 is implemented thereafter. The Central Java Province policy has had a positive impact on the growth of online businesses in Central Java. This policy is also supported by other policies, namely business licensing that is responsive with the change in the conventional bureaucratic business licensing model to be online that can be done anywhere and anytime and by anyone who will open a business. Second, the response of online businesses actors to e-commerce policies are also positive. This is marked by the proliferation of online business activities through Bazaar performances and talk shows, all of which aim to build a new business climate, where the relations of sellers and buyers are bound by trusts to merchandise traded. Because, in essence, e-commerce emphasizes services to buyers, so that fraud is pressed as far as possible so that consumer trust in online sellers is well maintained.

The proliferation of e-commerce activities in Central Java among MSMEs, needs to be continuously fostered and increased in capacity, both from the infrastructure and from the cyber security side. This is important to maintain consumer confidence.

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36Conducted on April 10, 2018.
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Website/Internet

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