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Indonesian government policies in digital entrepreneurship transformation

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ABSTRACT

Covid-19 has resulted in the paralysis of various sectors of the community's economy. The Indonesian government immediately made efforts to restore the community's economy through the development of digital entrepreneurship. The method used in this study is a library research. The data used in this study are secondary data in the form of books, scientific journals and various relevant references. The study results show that entrepreneurship has a very important role for a country, the transformation of digital entrepreneurship in Indonesia is supported by government policies that are able to encourage economic growth. In Indonesia there are several successful entrepreneurs in the digital era, namely Nadiem Makarim (Go-Jek), Ahmad Zaky (Bukalapak), Andrew Darwis (Kaskus), William Tanuwijaya (Tokopedia), and Ferry Unardi (Traveloka).

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1. INTRODUCTION

At the beginning of 2020, Covid-19 was declared a humanitarian emergency and became an international concern (Graffigna et al., 2020; Hua & Shaw, 2020). Covid-19 has resulted in the paralysis of various sectors of the community's economy (Saptaria, 2022), especially in developing countries that have unemployment problems and the lack of availability of jobs (Perwita, 2021). Indonesia is one of the developing countries that has been economically affected by Covid-19, so the Indonesian government will immediately make efforts to restore the community's economy by increasing the micro, small and medium enterprise (MSMEs) sector.

Although entrepreneurship in the MSME sector is expected to be a solution to overcome the problems faced by the community, economic actors engaged in the MSME sector are required to be able to adjust to changes in business behavior that were previously carried out conventionally to become modern by utilizing digital technology.

The government is trying to carry out entrepreneurship development, namely arranging policies and patterns of development sustainably with various stakeholders to create a better business climate. Regulation, both in the form of laws and regulations and other regulations has explained entrepreneurship directly or indirectly. The implementation of government policies in entrepreneurship is directed at creating entrepreneurs who utilize digital technology together with stakeholders. This is in accordance with the statement (Zhao & Collier, 2016) that the growth in the number of digital entrepreneurs depends on individual digital business skills and systemic support

through transformative policies and programs from government, industry or business, education and training institutions, and society as a whole (Saptaria, 2022).

Entrepreneurship studies have their charm, especially in the study of leadership, management, strategy, and organizations (Corradi et al., 2010; Golsorkhi et al., 2010; Raelin, 2016; Simpson, 2009). However, no one can explain the actual practice of entrepreneurial behavior (Gross et al., 2014; Keating et al., 2014; Thompson et al., 2020). At present, entrepreneurial practices do not only use traditional methods, many take advantage of digitalization in entrepreneurship or are referred to as digital entrepreneurship.

Digital entrepreneurship and digital innovation refer to the combination of digital technology processes and traditional entrepreneurial innovations that harness the potential for transformative change brought about by digital technology (Berger et al., 2021). Researchers argue that digital technology melts the boundaries between traditional entrepreneurship and innovation results (Nambisan, 2017; Nambisan et al., 2017, 2019). The underlying assumption is that digital technology is fundamentally different from traditional technology (Henfridsson & Lyytinen, 2010), digital technology can develop continuously (Garud et al., 2008), and has been proven to change existing entrepreneurial activities (Lee & Berente, 2012).

2. RESEARCH METHOD

2.1 Innovation in Business Model

According to (Chaffey, 2015), various websites that show innovation in business models can be seen in the table below:

Table 1. Innovation in Business Models

Year	Company name	Categories of innovation and business models
1994	Amazons	Retailer (retailers)
1995	Yahoo!	Directories and portals
1995	eBay	Online auction (online auction)
1995	AltaVista	Search engine (search engines)
1996	Hotmail	Web-based email, viral marketing (using email signatures to promote services), was purchased by Microsoft in 1997
1998	GoTo.com , Overture (2001)	Marketing (pay-perclick), bought by Yahoo! in 2003
1998	Google	Search engine (search engines)
1999	Bloggers	platforms blog was purchased by Google in 2003
1999	Alibaba	B2B marketplace with IPO
1999	MySpace	Social network (social network)
2001	Wikipedia	Open Encyclopedia (open encyclopedia)
2002	Last.fm	UK-based Internet radio and music community website
2003	Skype	Voice over internet protocol (voice over internet protocol)
2003	Second Life	an immersive virtual world (immersive virtual world)
2004	Facebook	Social networking and group applications
2005	YouTube	Share videos and ratings (video sharing and ratings)
2009	Foursquare	Location-based social media websites designed for mobile access
2011	Pinterest	The social network offers image sharing
2014	Google Glass	An example of a wearable computing device

Apart from digital technology and innovation, the trend that is transforming entrepreneurship is platformization (Nambisan et al., 2018) or the shift from individual products (services) to platforms as intermediaries for transactions and creating value for a product (Gawer, 2014; Gawer & Cusumano, 2002; Hagi & Altman, 2017; Parker et al., 2016). The purpose of the platform owner is to create a supportive ecosystem that builds business on the platform so that it can create value for users (Adner, 2017; Autio & Thomas, 2014; Nambisan & Sawhney, 2011).

2.2 Research Method

The research method used in this research is library research. The use of the qualitative approach is used to provide a complex picture through research in the form of words, reports, and studying natural situations (Creswell & Creswell, 2017), qualitative research is research that originates from data, utilizes existing theories as explanatory material, and ends with a theory (Izza et al., 2020; Nurdin & Hartati, 2019).

The data used in this study are secondary data in the form of books, scientific journals, and various relevant references collected through library research, a series of research activities related to library data collection methods, then reading and recording, and processing the research material. Further (Sofiah et al., 2020; Zed, 2014), related to theoretical studies through references related to values, culture, and norms that develop in the social situations studied (Sofiah et al., 2020; Sugiyono, 2017).

This library research does not directly go into the field to meet respondents because the data is obtained from library sources in the form of books or documents which are then read, recorded, and analyzed (Sofiah et al., 2020). In this study, researchers looked for library data in the form of theories about Indonesian government policies in digital entrepreneurship transformation.

After all the data has been collected, the next step is data analysis by systematically reviewing and comparing the data found. This study uses data analysis techniques in the form of content analysis (content analysis). Content analysis (content analysis) is an in-depth discussion of the contents of printed or non-printed information sourced from the internet (Sofiah et al., 2020). Content analysis in this study is by analyzing books and journals or research articles related to the Indonesian government's policies in digital entrepreneurship transformation.

3. RESULTS AND DISCUSSIONS

The term entrepreneurship has been known since the 16th century, while in Indonesia in the 20th (Mintardjo et al., 2020; Rahim & Basir, 2019). Indonesia is a developing country because the number of entrepreneurs still shows a very small percentage (has not yet reached 4%), while developed countries have a minimum number of entrepreneurs of 5% of the total population (Rahim & Basir, 2019). As a developing country, Indonesia is making efforts to develop entrepreneurship through measurable policies so that people can receive benefits in the form of business opportunities to improve people's economic conditions.

Indonesian government policies regarding entrepreneurship are regulated directly or indirectly, contained in (1) Law Number 25 of 2007 concerning Investment, (2) Law Number 20 of 2008 concerning Micro, Small, and Medium Enterprises, (3) Law Number 20 of 2008 Law Number 40 of 2009 concerning Youth, (4) Law Number 1 of 2013 concerning Microfinance Institutions, (5) Law Number 3 of 2014 concerning Industry, (6) Law Number 7 of 2014 concerning Trade, (7) Law Number 23 of 2014 concerning Regional Government, (8) Government Regulation Number 41 of 2011 concerning Development of Entrepreneurship and Youth Pioneering and Provision of Youth Infrastructure and Facilities, (9) Government Regulation Number 60 of 2013 concerning Organizational Structure, Personnel, and the Working Mechanism of Youth Entrepreneurial Capital Institutions, (10) Presidential Regulation Number 27 of 2013 concerning Entrepreneurial Incubators.

The Indonesian government's policy to accelerate digital economic growth requires business actors to be able to transform towards digitalization through the development of digital entrepreneurship (Mavilinda et al., 2021). Digital transformation has become a demand in social and state life. Not only a matter of technology but also paying attention to the social and cultural elements of society. To realize digital transformation, the perpetrators cannot walk alone. All existing components need collaboration to make it happen. One form of digital transformation is encouraging the development of the digital economy.

Digital technology entrepreneurship has had a tremendous impact on the world. Digital businesses built through internet networks such as Google, Facebook, or Microsoft have been able to change the world and have formed communication patterns without geographical barriers. Digitalization also has an impact on the development of new entrepreneurs. The potential for developing new businesses has increased due to opportunities for digitizing business branches and changing businesses from offline to online (Hayati & Caniogo, 2019).

Based on research (Perwita, 2021), the facts show that policies and regulations issued also support digital media and automatically encourage the development of entrepreneurship. In addition, the government has made policies aimed at the digital economy with the objectives of (1) maintaining the level of competition for digital economy actors, (2) strengthening and enforcing rules and accountability, and (3) becoming a catalyst for digital economic growth. As an institution authorized for digitalization, the Ministry of Communication and Informatics accelerates digital transformation

through policies (1) development of equitable and quality telecommunication and information infrastructure (2) development of supporting technology to accelerate digital transformation, (3) empowerment of human resources in quantity and quality good and sustainable

Entrepreneurship has a very important role in a country (Perwita, 2021), being one of the driving factors for the Indonesian economy (Rahim & Basir, 2019) through increasing the creativity and ability of the community to channel their ideas and creativity (Rahim & Basir, 2019).

The process of developing digital entrepreneurs starts from the start-up stage which develops initial ideas to get results from their hard work (Hayati & Caniago, 2019). In Indonesia, there are several successful entrepreneurs in the digital era, namely Nadiem Makarim (Go-Jek), Ahmad Zaky (Bukalapak), Andrew Darwis (Kaskus), William Tanuwijaya (Tokopedia), and Ferry Unardi (Traveloka).

Among the advantages of digital entrepreneurship is that digital businesses tend to be new, so they are not noticed in business competition. Digital businesses can access and analyze several competitive and potential customer information (Hayati & Caniago, 2019).

4. CONCLUSION

Based on the research results, it can be concluded that entrepreneurship has a very important role in a country, the transformation of digital entrepreneurship in Indonesia is supported by government policies that are able to drive economic growth. In Indonesia, there are several successful entrepreneurs in the digital era, namely Nadiem Makarim (Go-Jek), Ahmad Zaky (Bukalapak), Andrew Darwis (Kaskus), William Tanuwijaya (Tokopedia), and Ferry Unardi (Traveloka).

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