

E-Commerce in a Public Policy Perspective

Aji Ratna Kusuma¹, Endang Prihatiningsih²

¹Faculty of Economics and Business, Universitas Mulawarman, Indonesia

²Sekolah Tinggi Ilmu Ekonomi Nusantara Sangatta, Indonesia

ajiratakusuma@fisip.unmul.ac.id, endangp.ningsih@gmail.com

Abstract

Sharing economy activity in the modern technology is now applied in the form of e-commerce or online business which then becomes a new trading phenomenon that is growing rapidly in various fields according to the demands of society. In Indonesia itself, e-commerce is growing rapidly along with the use of android /iOS-based telecommunications media and increasingly affordable internet access costs. Like conventional types of commerce, e-commerce has the accompanying positive and negative impacts, especially about investment issues, labor and their effects on conventional businesspeople. This is where the government's role as a regulator in this case is needed. However, policies issued by the Government are often unresponsive and seem slow in addressing problems, giving the impression that the policy is only thought out and made when problems arise in society.

Keywords

sharing economy; e-commerce; public policy



I. Introduction

The rapid development of the world economy, as well as the globalization and free trade flows that go hand in hand with the presence of technological, telecommunications and information advances that have expanded the reach of the movement of goods and services transactions. From the presence of sophisticated IT facilities able to provide all information media that have an impact on the ease felt in human daily activities. The intense advancement of communication technology today also comes the internet that has its own existence, which makes the barriers in the world become smaller and even blur the boundaries of a country (Imam, 2017).

This progress is happening because of the current globalization which is currently having an impact on our daily lives. That is by eroding the barriers and boundaries between countries in economic activities. One of the supporting factors of globalization itself is the presence of information technology which helps individuals to stay connected without any boundaries between countries, so it is as if the world has no boundaries (Ainur, 2017).

The Era of Global Trade requires digital economy support that is reflected by the birth of electronic trading activities, in various forms of activities such as: retail trade, auction of goods, service offerings, and so on. Therefore, traditional stores are being replaced by electronic stores known by the name: Cyber store, Virtual Store, Digital Market, Electronic Mall, Online Shop and so on. The growth of this digital economy certainly has a positive and negative impact on the life of the global economy that no longer knows the territorial boundaries of a country (Sukrisno, 2015). This form of technological development is diverse, such as the presence of sophisticated equipment such as electronic equipment, as well as

electronic-based technology and information systems. Up to startups or startups based on technology, as well as electronic-based trading activities or e-commerce.

E-Commerce itself can be understood as an activity that occurs in the scope of business transactions (i.e., in the form of purchases, sales, orders, and advertising) with electronic system, which uses the internet as a medium. E-commerce itself comes with the goal of facilitating business transactions that occur, namely by making it easier for consumers and sellers to still be able to make transactions even without face to face. The Internet itself becomes a container of activity for e-commerce, which in its activities e-commerce requires the internet as a medium (Prasetyo, 2016). E-commerce with its understanding as a transaction activity conducted through cyberspace is part of a startup company engaged in commerce, easily, practically, running quickly, and has no restrictions (Prasetyo, 2016).

Through the internet, e-commerce conducts trading activities, namely online markets which are a type of remote trading and electronic commerce. The realm of e-commerce includes the production, management, distribution, marketing, delivery of goods and services through cyberspace (Angga & Jafar, 2016). In its activities e-commerce transactions are through internet media through the EDI application (Electronic Data Interchange) which is used to send documents electronically, such as purchase orders, invoices, and so on. EDI itself is a container for transactions that previously used paper to move to electronic media (Deky, 2018).

From this it can be known that e-commerce is a new form in the economic market. It takes policies that govern the new order in the sphere of political economy. As Jonathan D. Aronson explained, that in this era, the rapid development of technology, greatly affects market conditions. This encourages the government to consider the interests of the market affected by the technology. The role of political economy will arise if there is interference with the balance of the market order (Cowhey & Aronson, 2012). Therefore, policies must be transformed to meet the expectations that overshadow the interests of the state.

Is it possible to make the right regulations to regulate online business activities that are growing so fast in various fields in accordance with the demands of modern society because shopping online is one of the characteristics of modern society. In the theory of modernization mentioned that the characteristic of modern society is the use of high technology and widespread in its society because of the rapid development of technology.

Governments in any country are often late and ineffective in responding to a change. In the face of the trend of sharing economy, the government is expected to have a fair position, in the sense of not being subject to the interests of incumbent companies that generally have large resources, but also do not let sharing economy companies out of control (Turino, H. 2016).

The new government will make policies and revise various existing policies to adjust to changes that occur after the community (both individuals, groups, and business entities) is disturbed by changes that are considered detrimental to their existence. Reflecting the Draft Government Regulation on Trade Through Electronic Systems, it will include regulation of e-commerce, with an explanation by Aronson on the relationship between market dynamics responding to something technological.

The government through the Presidential Decree seeks to address the change of order with the presence of a technology that makes a gap or vacancy from the law that has been in force before, this is a loophole in Law No. 7 of 2014, on Trade and the Law, Number 11 of 2008 on Information and Electronic Transactions, in regulating e-commerce activities. specifically. As Aronson explained, the rapid development of Computer Information Technology (ICT) encourages policymakers to be faced with choices, namely the status quo and some political alternatives (Cowhey & Aronson, 2012).

In the government policy regarding network trade (e-commerce) currently only refers to Law No.7 of 2014 on Trade and considers Law No. 19 of 2016 on Amendments to Law No. 11 of 2008 on Information and Electronic Transactions. In Law No. 7 of 2014 on Trade which states through Article 1 paragraph (1): Trade is the order of activities related to the transaction of Goods and / or Services in the country and exceeds the borders of the country with the aim of transferring the right to Goods and / or Services to obtain rewards or compensation; Paragraph (23) states: The Trade Information System is the order, procedure, and mechanism for the collection, processing, delivery, management, and dissemination of trade data and/or information integrated in support of trade policy and control; Furthermore paragraph (24) mentions: Trading through Electronic Systems is Trading whose transactions are carried out through a series of electronic devices and procedures.

However, the reality that occurs in the e-commerce ecosystem is a market activity that has a process that is different from traditional market activities. The Association for Electronic Commerce simply defines e-commerce as an electronic business mechanism. Commerce Net, an industry consortium provides a complete definition of the use of computer networks as a means of creating business relationships. Not satisfied with the definition Commerce Net added that in e-commerce there is a process of buying and selling services or products between two parties through the internet or the exchange and distribution of information between two parties in one company using the internet. Amir Hartman in his book *Net Ready: Strategies for Success in the economy* defines e-commerce as an electronic business mechanism that focuses on individual-based business transactions using the internet as a medium of exchange of goods or services both between two institutions (Business to business) and between institutions and direct consumers (Indrajit, 2001).

Furthermore, in Law No. 11 of 2008 concerning Information and Electronic Transactions mentioned through Chapter I regarding General Provisions article 1 paragraph (2): Electronic Transactions are legal acts carried out using computers, computer networks, and / or other electronic media; then paragraph (5): Electronic Systems are a series of electronic devices and procedures that function to prepare, collect, process, analyze, transmit, and/ or disseminate Electronic Information; and paragraph (6): The implementation of electronic systems is the utilization of electronic systems by state organizers, persons, business entities, and/or the community.

From the definition described by Amir Hatman *Net Ready: Strategies for Success in the economy* and refers to the General Provisions of Law No. 11 of 2008 on Information and Electronic Transactions it is known that e-commerce is the most important in information exchange activities that aim to organize electronic buying and selling activities. However, the arrangements in ecommerce activities still present many problems to the community, as e-commerce consumers. These problems arise because e-commerce is a technological development that changes the flow of commerce. From a change in conventional trading flow to online trading activities and not infrequently encountered problems arising in it.

In response to these problems, the government has another view. In the implementation of government politics in the regions, it is not possible to only prioritize one aspect (economics) but it is important to pay attention to other aspects, namely environmental sustainability so that the implementation of green government is very important in supporting environmental sustainability in the political process of government in the regions (Dama, 2021). The Government of the Republic of Indonesia was formed to protect the whole of the Indonesian people (Angelia, 2020). The government considers this issue to be regulated through the ITE Law, namely Law No. 11 of 2008 on Information and Electronic Transactions. This is evident from the explanation expressed by the Ministry of Communication and Information that consumer protection in online transactions has been regulated through Law No. 11 of 2008 on Electronic Information and Transactions and

Government Regulation No.82 of 2012 on the Implementation of Electronic Systems and Transactions. Head of Public Relations of the Ministry of Communications Ferdinando's Setu revealed as reported by CNN Indonesia, Thursday, December 13, 2018 with the title "Kominfo Consumer Protection E-commerce Has Been Regulated by THE ITE Law" revealed that "About consumers who feel aggrieved if the promised goods are different it can use Article 28 paragraph (1) of the ITE Law, regarding consumer losses, and it is also regulated in the PSTE RPP" in Law No. 11 of 2008 CHAPTER VII on the Deeds of the Law that Prohibited through Article 28 paragraph (1) only mentions that: Everyone intentionally and without the right to spread false and misleading news that results in consumer losses in Electronic Transactions. Then in the next articles related to Prohibited Acts in electronic transactions still not explained about the problems that are the urge of the community such as related to the problem of customer satisfaction and trust in e-commerce.

Based on the background above it can be concluded that the rules governing e-commerce in public policy. In this regard, researchers are interested in further researching e-commerce in the perspective of public policy whether the policy is made when problems arise in society.

II. Research Methods

2.1 Type of Research

This research uses qualitative approaches as a strategy to collect and utilize all information related to the subject matter. This research is descriptive which aims to describe and analyze how the role and synergy between related institutions to support the development of domestic e-commerce to increase national economic growth in the digital economy era.

2.2 Data Collection

Using the desk study method is a way of collecting data and information through the examination and analysis of data and information that uses secondary data. Secondary data obtained through search of literature that is the source of data in this study is literature, articles, journals, scientific research, and internet pages related to research conducted.

2.3 Data Analysis Techniques

The data analysis techniques used in this study are interactive models as proposed by Sugiyono (2012) including data reduction activities, data presentation and conclusion withdrawal. Data reduction and data presentation are compiled when researchers get the data needed in the study. After the data collection ended, the researchers sought to draw conclusions based on verification of the field data.

III. Discussion

3.1 Policy in E-Commerce

Every change that occurs and concerns the activities of the wider community with all its dynamics will certainly have a positive and negative impact. Online business that grows rapidly along with the development of technology is not all responded positively by the community and businesspeople. The impact it causes can also sometimes be negative.

While the positive impact is the absorption of new labor, (in the period August 2015 to August 2016 there was an increase of 500 thousand Ojek online workers from 5.11 million to 5.61 million) and increased to 4 million in April 2020 (Coil Tech) and the opening of new business fields. The negative impact is that the transition from conventional transactions to

online transactions reduces the income of conventional businesspeople and conventional service workers which has an impact on the decline in family income.

Who will be the mediator in the conflict between conventional business and *e-commerce* so that this change does not cause greater problems and harms society and conventional businesspeople? This is where the responsibility of the government to organize, supervise and provide solutions if there are problems that can cause conflict in the community.

Dewey in his book *The Public and Its Problem* (1927) said that public policy focuses on the public and its problems, how the issue is structured and defined and how everything is placed in the policy agenda and political agenda. This opinion is in line with Harold Lasswell's opinion that public policy focuses on problems (*problem-focused*). In response to this *e-commerce phenomenon*, the Government of Indonesia issued a policy that specifically regulates *e-commerce*, namely Presidential Regulation of the Republic of Indonesia No. 74 of 2017 on ROAD MAP OF **ELECTRONIC-BASED NATIONAL TRADING SYSTEM (ROADMAP E-COMMERCE) YEAR 2017-2019**. The policy packaged in the XIV Economic Policy Package aims to provide strategic direction and guidance in accelerating the implementation of the Electronic-Based National Trading System (*RoadMap Commerce*) period 2017-2019.

As a strategic direction and guide the *e-commerce* roadmap aims to regulate all parties involved in electronic-based commerce which includes Education and Human Resources, Logistics, Funding, Infra Communication Structure, Taxation, Consumer Protection and Cybersecurity.

This economic policy aims to position Indonesia as the country with the largest digital economy in Southeast Asia by 2020, encouraging the creation, innovation, and invention of new economic activities among the younger generation by providing certainty and ease of effort in the utilization of *e-commerce*. With 93.4 million internet users and 71 million smartphone users, the government is targeting the creation of 1,000 **TECHNOPRENEURS** by 2020 with an *e-commerce* value predicted to reach UDS 130 billion.

The existence of a 2-year deadline (2017-2019) in the implementation of Presidential Regulation No. 74 of 2017 on the Road Map of Electronic-Based National Trading System (Road Map E-Commerce) allows for evaluation so that the government can change regulations in accordance with the development of *e-commerce*. The results of the evaluation can be a new rule in the next policy so that the government is able to respond quickly to the rapid development of *e-commerce* that continues to transform in all aspects of trade.

Policy evaluation is a series of public policy flows that aim to assess the performance of a policy. Suarsono (2005) said that the more technical the nature of a policy or program, the evaluation can be done in a relatively faster period since the implementation of the policy in question.

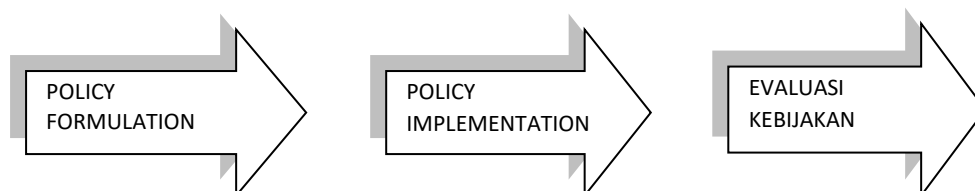


Figure 1. Data Analysis Techniques

Susetyo Dwi Prihadi (Ministry of Communication and Informatics) dissected the road map policy above by presenting the obstacles and solutions of each of these components as follows:

1. Education and Human Resources:
Obstacles: 1. Lack of basic *e-commerce* curriculum and IT applications, 2. Incubator program is unstructured & coordinated, 3. Limited access to experts from abroad, and 4. The IT sector is not considered a profitable career.
Solutions: 1. Establishment of road map implementing management, 2. Awareness raising and *e-commerce* education, 3. It's an incubation program for start-ups, and 4. Formal education and educational facilitator.
2. Logistics:
Obstacles: 1. High logistics costs, 2. Lack of logistics facilities to support operations, 3. Limited range and penetration of delivery services
Solutions: 1. Create a blueprint for the National Logistics System (Slogans), 2. Capacity building of local logistics service providers, 3. Development of logistics systems from village to city
3. Funding
Barriers: 1. Lack of access to funding and financing, 2. Investment of local investors and limited business financiers, and 3. *Incompatibility of conventional loan schemes* or nonconformity of conventional loan schemes.
Solutions: 1. Funding & loan alternative financing schemes: Grants and *angel capital/seed capital*, and 2. The tiered opening lists negative investments. Infra Structure of Communication
Obstacles: Limited speed, networking, and interconnection
Solution: Accelerated development of infrastructural internet structure.
4. Taxation
Obstacles: 1. VAT requirements, Agency PPH, Customs, and others burdensome, 2. No tax incentives for small players.
Solutions: 1. Simplification of the fulfillment of tax obligations, 2. Preparation of *e-commerce* business registration procedures, 3. Equality of tax treatment
5. Consumer Protection
Barriers: 1. Regulation has not protected industry players, 2. Trust in the *e-commerce* sector, 3. Registration for business, accreditation & certification is unclear, and 4. Payment and transaction systems still depend semi-online *real time*
Solutions: 1. Building consumer trust, 2. Regulation of transactions through electronic systems, and 3. Developing a *National Payment Gateway*
6. Cybersecurity
Barriers: 1. Lack of consumer awareness of cybersecurity, 2. Lack of participation in maintaining security from merchants, 3. Lack of procedures for user data security principles
Solution: 1. Establishing an *e-commerce* transaction surveillance system, 2. Increase public *awareness* about cybercrime, 3. Compiling a consumer data storage SOP, 4. Certification for consumer data security

Economic policy package XIV specifically setting about the *e-commerce* roadmap above provides an overview of this policy made after there are problems in *e-commerce* and this is a characteristic of public policy that focuses on problems / problems as a policy basis.

3.2 E-Commerce Legal Challenges

In general, e-commerce is a trading system that uses electronic mechanisms that exist on the internet network. E-commerce can involve electronic funds transfer, electronic data exchange, automated inventory management system, and automated data collection system.

E-Commerce can be defined as any form of trade transaction or trade of goods and services using electronic media. In e-commerce it there is commerce over the internet such as

in business to consumer (B2C) and business to business (B2B) and trade with electronically structured data exchange (Riyeke, 2000).

According to Onno W. Purbo and Aang Wahyudi (2000) who quoted David Baum, e-commerce is a dynamic set of technologies, applications and business processes that connect companies, consumers and communities through electronic transactions and trade in goods, services and information conducted electronically. While according to Suyanto (2003) E-commerce is a new concept commonly described as the process of buying and selling goods or services on the World Wide Web Internet or the process of buying and selling or exchanging products, services and information through information networks including the Internet.

Factors that drive the implementation of e-commerce, In Ainur (2001) include:

1. Globalization and trade liberalization.
2. Increasingly sharp competition.
3. Technological developments.
4. Physical reduction of goals; and
5. Publicity

In addition to the many benefits offered by e-commerce systems, there are threat gaps that exist in their utilization. The threat is a variety of possible events that can harm valuable assets. Juridically activities in cyberspace / internet cannot use conventional legal approach alone because there will be many difficulties that arise. Activities in cyberspace are virtual activities that have a very real impact even though the documents used as evidence are electronic or softcopy. Therefore, the role of the State in this case the government has an obligation to protect its citizens by carrying out the function of protection through legal regulations governing ecommerce transactions, so that legal certainty is achieved, and welfare can be realized.

When viewed from the legal aspect, trade transactions or buying and selling as a form of agreement have been regulated in the Civil Law Code, namely Book III on Engagement. However, in the KUHPdt only regulates conventional buying and selling transactions, has not regulated buying and selling activities in the cyber space (e-commerce). In 2008 the government passed Law No. 11 of 2008 which has now been amended in Law No. 19 of 2016 on Information and Electronic Transactions (UU ITE). The ITE Law generally regulates the utilization of information and communication technology. In the Law, there is an expansion of interpretation of norms related to e-commerce that still refer to conventional civil code in KUHPdt.

Currently the government is serious about structuring and regulating the world of e-commerce. Of course, in the future, it can be ascertained that e-commerce businesses will have many rules and laws that bind them. So, with the existence of some rules of e-commerce law will certainly create its own challenges for the perpetrators. According to Easybiz's Director of Development and Business, Leo Faraytody, businesspeople who do not know and understand the existing e-commerce laws, it is not impossible that they will encounter many difficulties and obstacles.

Then what are the legal challenges that have been and will come in the world of ecommerce that must be understood by the perpetrators. Here are the legal challenges of the e-commerce world (Maxmanroe, 2017):

3.3 E-commerce Legal Entity in Indonesia

The first thing that needs and must be considered in the e-commerce business is to know the legal entity of the business to be established. Some things such as business scale, capital, target market and strategies that will be applied into consideration to align with the form of legal entity to be established.

By having a legal entity, e-commerce businesses have a definite identity and can support and anticipate existing legal problems. Although still on a small scale, legal entities are an important thing to consider in the development of e-commerce businesses. Can form a legal entity *Communautaire Vennootschap (CV)*, or form a legal entity limited liability company (PT) that is more powerful and reliable.

In principle, there is no need for an e-Commerce business field in the form of PT. As mentioned in Article 1 number 4 of Government Regulation No. 82 of 2012 concerning the Implementation of Electronic Systems and Transactions as follows:

"An Electronic System Operator is any person, state administration, business entity, and society that provides, manages, and/or operates an Electronic System for the purposes of himself and/or the needs of others"

The same thing is also mentioned in Law No. 7 of 2014 on Trade in Chapter I of General Provisions Article I paragraph 14 defines business actors including the field of e-commerce business as follows:

"Business Actor is any individual citizen of Indonesia or business entity in the form of a legal entity or not a legal entity established and domiciled in the jurisdiction of the Unitary State of the Republic of Indonesia that conducts business activities in the field of Trade".

Based on the above provisions, there is no problem when choosing a business entity other than PT for example by establishing a cooperative, *Komanditer Guild (CV)*, or firm. Establishing a PT for e-commerce business is certainly safer than a CV. Because PT status is a legal entity so that there is a separation of property and responsibilities between the owner of the company and his company. The responsibility of the owner or shareholder is limited to the value of his shares in the company. A CV is not a legal entity. So, there is no separation of possessions and responsibilities. That is, if the CV suffers a loss, it can spread to the personal property of the owner of the company.

3.4 About Licensing

Licensing often makes businesspeople lazy and reluctant to take care of it because of the complexity factor (bureaucracy). Poor licensing service system becomes the thing that inhibits business actors. Licensing and legality documents to establish a business include a Certificate of Corporate Domicile (SKDP), Taxpayer Principal Number (NPWP) on behalf of the company, Trade Business License (SIUP) and Company Register Mark (TDP). In setting up an e-commerce company, what needs to be considered is to have a SIUP. Without SIUP, it cannot conduct trade activities in Indonesia. Article 24 paragraph (1) of the Trade Act states:

"Business actors who conduct trade business activities must have a license in the field of trade provided by the Minister".

This article is the basis of the law of issuing SIUP. Without having SIUP, the criminal threat to business actors is a maximum prison term of 4 years or a maximum fine of Rp 10 billion (Article 106 of the Trade Law).

3.5 Legality Aspects

The legal aspect not only stops at the establishment of the company or licensing, but all matters that can facilitate the course of all business activities, strengthen the business foundation to maintain and hope for the sustainability of business activities, to win

competition in business. The legality aspect has a major role and is very important. Every part of the activity in carrying out and implementing business wheel activities from simple affairs to complex ones is also a matter of legality itself.

The legal aspect of e-commerce is about regulations or rules that govern the course of e-business in accordance with the laws and rules that apply to a country. The legality process will be the entrance for businesses to develop their ecommerce business. In this case, the legality angle must touch on the overall ecommerce business process both aspects of communication resources and information technology infrastructure used and aspects of trade, so that there are no rules between overlapping departments.

The legal arrangements in ecommerce should be aligned with the intellectual property rights that govern copyright, patents, and brands because everyone can access and use the internet for their purposes. In e-commerce has a great opportunity for violations or deviations of Copyright, Brands and Patents.

3.6 Forms of Legal Protection

The next legal challenge that needs to be scrutinized in e-commerce business is about legal protection. E-commerce businesses in their activities must protect their assets and in terms of their own business. This is done so that there are no legal problems in the future after the business runs long enough. By anticipating it from the beginning, businesspeople will be safe and save costs that could be incurred by businesspeople in the event of legal problems.

The Ministry of Communications and Informatics has issued a Safe Harbor Policy to protect owners, merchants, and users of online buying and selling platforms from lawsuits. Safe Harbor Policy is a system that first appeared in the United States in 1998. Originally, this policy was created to prevent e-commerce platforms in the European Union and the United States from providing user data to third parties. Broadly speaking, this policy concept also requires sellers to maintain or protect the good name of their products. So, product error is not the responsibility of the e-commerce platform but the owner of the product.

The policy is contained in the Circular Letter of the Minister of Communication and Informatics number 5 of 2016 concerning the Limitation of Responsibility of Platform Providers and Traders (Merchants) of Trading through Electronic Systems in the form of User Generating Content. This policy is like the Digital Millennium Copyright Act (DMCA) that took effect in the US in 1996. The DMCA will criminalize the production and use of technology, services, and devices that intentionally restrict access to copyrighted works.

The circular of the Minister of Communication and Informatics No. 5 of 2016 aims to protect the owners of online buying and selling platforms from lawsuits. Because the platform provider has been vulnerable to lawsuits due to the activity of buying and selling prohibited products sold by its users. One of the points in the circular in Section II.B.2 mentions, there are legal protections for providers, merchants, and users of online store platforms. Protection is carried out by ensuring the limitations and responsibilities of each in conducting trading activities through electronic systems. In the circular, for example, it is regulated that platform providers are obliged to provide reporting facilities and pay attention to the period of removal or blocking of prohibited content. In the meantime, the user is obliged to provide complete and correct information on the terms and contracts of the products he sells.

3.7 Positive Impact and Negative Impact of E-Commerce

Responding to the rapid online-based trade makes the government faced with a positive impact that is directly proportional to the negative impact and must be accepted by

conventional businesspeople and the public as consumers. Some of the impacts that must be addressed by always evaluating government policies include:

3.8 The Positive Impact of E-Commerce

1. The large investment in the form of an injection of funds makes Go-Jek for example an Indonesian *startup* that has the highest valuation reaching US \$ 1.3 billion or Rp 17.3 trillion and *e-commerce* transactions that rose 500% in the last five years. In 2018 it is predicted to rise to Rp 144.1 trillion. Unfortunately, *e-commerce* investment is difficult to detect by BKPM so only a small percentage are detected.
2. New jobs. In the online transportation sector in 2016 there was an increase of 500 thousand workers.
3. The growth of entrepreneurs who mandate the ease of transacting online, especially in retail trade.
4. Growth of freight forwarding services.

As a capital-intensive industry, the positive impact of *the above e-commerce* policies is only for the upper middle class so that it is not able to reduce poverty and reduce unemployment. Capital intensive is an industry that is built with large capital and supported by high technology, resulting in minimal labor.

This policy is often contrary to the policies and goals of employment development, namely creating jobs and lowering the unemployment rate so that to compensate for capital-intensive industries the government must also make labor-intensive industrial policies so that the unemployment rate can be suppressed. E-commerce policies have no direct impact on increasing people's incomes and decreasing poverty. What happens is that the increasing number of unemployed due to the number of conventional businesses that are forced to stop.

3.9 Negative Impact of E Commerce

1. The threat of conventional business is similar so that the potential for unemployment.
2. Many businesses are forced to stop because consumers switch to using online transactions (e.g., *travel agents* and conventional transportation).
3. Consumer protection is still weak, so it is vulnerable to fraud (the number of reports handled by YLKI concerns consumer losses from *e-commerce*).
4. Many are interested in working in this field so that it becomes a shortcut and short-term goal of the workforce (for example: Go-Jek).
5. Various trade activities that are contrary to the laws and regulations that force the government to work hard to create new rules to adjust to the dynamics of *e-commerce*.

The negative impact above must be addressed by the government wisely for example with policies to create new jobs in the form of labor-intensive activities if they do not want the unemployment rate to increase which will have an impact on increasing poverty.

IV. Conclusion

E-commerce policy is generally a policy in the form of administration and law aimed at regulating and protecting the perpetrators, the community, and the interests of the government. The rapid growth of e-commerce is a dilemma for government policy. On the one hand, this progress will be economically beneficial but raise new problems for conventional trade players and for the workforce.

Policies made by the government are generally adjusted to changes or policy revisions in response to various problems so that there are no anticipatory policies. The number of community reports (consumers) through YLKI has not been responded to in the form of

policies that can solve problems and anticipate the emergence of problems that are more flexible and detrimental to consumers.

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