

THE ROLE OF SOCIAL INSTITUTIONS ON ONLINE BUSINESS DEVELOPMENT IN CIMAHI, WEST JAVA, INDONESIA

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Abstrak

Studi ini menelusuri peran institusi sosial dalam mengundang dan menyediakan model pertumbuhan ekonomi, termasuk di bidang usaha mikro, kecil dan menengah di masyarakat, terutama dalam hal bisnis online. Ini bisa menjadi potensi yang dapat memberikan kemakmuran bagi masyarakat. Pertanyaan yang muncul tentang bagaimana model pengembangan bisnis berbasis masyarakat di Cimahi, Jawa Barat, apakah institusi sosial dapat membawa komunitas ke bisnis online sehingga menumbuhkan komunitas kreatif, bagaimana perkembangan masyarakat dalam mengapresiasi dan menjadi bagian dari bisnis online, dan pertanyaan sejenisnya dapat ditemukan jawabannya dalam tulisan ini. Dengan metode deskriptif dan kualitatif, penelitian ini menemukan bahwa institusi sosial berperan aktif dalam pengembangan bisnis online, serta beberapa pihak yang sudah terbuka dalam mengejar program lembaga sosial serta perkembangan teknologi terkini di bidang penjualan barang dan layanan. Namun demikian, masih ada kendala yang harus terus disempurnakan untuk kesuksesan bisnis online ke masyarakat maju.

Kata Kunci: *Bisnis digital; institusi sosial; pengembangan bisnis; ekonomi kreatif*

I. INTRODUCTION

Nationally, the Indonesian economy was progressing slowly. That was an increase from 4.9 percent in the last quarter of 2016 to 5.0 percent in the first quarter of 2017, lifted by the recovery of government consumption levels and soaring export values. This could be quite encouraging news.¹ At the same time, the condition of poverty has also begun to decrease in number. The percentage of poor people in urban areas in September 2016 was 7.73 percent, down to 7.72 percent in March 2017. Meanwhile, the percentage of poor people in rural areas in September 2016 was 13.96 percent, down to 13.93 percent in March 2017.²

Although the demands of development were from within and from outside, but the development undertaken until now has not succeeded until felt by the people. This is because national economic

systems tend to apply neoliberalism and follow the flow of globalization by diminishing the role of the state. The impact is the birth of economic inequality and social inequality (Abdoellah, 2016).

Therefore, all potential development must be deployed in order to combat the poverty. The government in this case has undergone a variety of ways to encourage and provide a model of economic growth, including in the field of micro, small, and medium enterprises. Among these is the digital media industry. With digital media, rural residents can do transactions in the Internet world, which can encourage economic growth and combat the poverty at the same time.

Cimahi is a city in West Java Province, Indonesia. It is located in the between Bandung regency and West Bandung regency. Cimahi formerly part of

¹<http://www.worldbank.org/in/country/indonesia/publication/indonesia-economic-quarterly-june-2017> [14/11/2017].

²<https://www.bps.go.id/Brs/view/id/1379> [14/11/2017].

Bandung regency, which is then set as an administrative city on January 29, 1976. On June 21, 2001, Cimahi becomes an autonomous city. Cimahi consists of 3 districts which are divided into over 15 villages.

Judging from the city functions and geographic location directly adjacent to the City of Bandung and the Bandung Regency, Cimahi has a role and strategic position. The condition also would accelerate the rate of growth of the city that caused various problems of classical; as they are experienced by the cities are growing.

The problems that are being and will be facing are the population growth rate is quite high mainly due to the urbanization and newcomers. There is still much traffic congestion on protocol roads towards the city center. In addition, as industrial areas and pollution problems of waste liquid waste volume is very high. This problem is the excess of the Bandung City and Regency then to these problems do together.

The potential that can arise from a variety of professions are evolving. Source of livelihood of the population today has become more and more complex. It can contribute to the labor, so that it is not only agriculture, trade, government offices, but there is also a business area of the field of the creative economy.

Various professions within the community are an important part that must be considered in developing the creative potential and opportunities of the society. The problems of unemployment and poverty are still high in the community as they are acute problems which must be addressed. This is where the need for creativity to develop various potentials in order to make people more prosperous to be taken into consideration (Rahman, 2011).

Therefore, the issue of community development through digital media becomes an interesting phenomenon to notice. Community development naturally has usefulness for the welfare orientation. The issue of globalization in various aspects, problems of poverty and unemployment, the

problems of the destruction of nature, and others is a unity that cannot be separated, when various ways looking for the solution, including the use of cutting-edge technology. Similarly, according to Manning (1994), wage differences and practices in the labor market are caused due to the application of new technologies.

Community development is basically an effort to empower the community through the abilities and potentials of the community itself. In this regard, participants and the public could pick the fruits of development. Community development sometimes is seen as the opposite of top-down development approach that everything is determined from outside the community.

In the community development approach that is usually formed community organizations, there are the following components Kindervatter (1979: 46):

- 1) Orienting to the needs, both material and non-material.
- 2) Utilizing the authenticity of local community, including the vision and mission of the future.
- 3) Independent, which means basing on its strengths and resources.
- 4) Ecological, which utilize resources rationally and conscientiously.
- 5) Based on the structural transformation, which means a change in social relations, economic activities and power structures.

The main purpose of the Community Organization is the development of 'self-esteem' (dignity) and satisfaction to participate. Although there are differences of opinion, but of the second term it can be taken the same concept, that is, a process that focuses attention to local activities. Below are some definitions of community development, including advanced by Dunham (1971), that is, "Community Development can be tentatively defined as a process designed to create conditions of economic and social progress for the whole community with its active participation and the fullest possible reliance upon the community's initiative. "

The above statement confirms that the community empowerment refers to the improvement of economic and social conditions of society as a whole by using the active participation of community based initiatives. In fact, community development should not only develop the economic potentials of the people, but also the dignity and worth, self-confidence and self-esteem as well as the preservation of local, cultural value system. Empowerment as a socio-cultural concept is implementable in the development focused on the people, not just to grow and develop value-added economy, but also the added value of the social and the cultural (Wisdom, 2000).

There are four directions in understanding the development of society, namely as a process, method, program and as a movement (Hardcastle, 2004). Community economic changes, by Lindell and Perry (2001), is defined as a process in which local community members formed an organization and build partnerships related to one another with a profitable business. In the economic development of the community; more and more people involved will show changes in the community, the more organizations that act and seeks to encourage the wishes and aspirations of the community as a whole.

There are several characteristics of a community economic development program that is effective, namely (Lindell and Perry, 2001):

- 1) Characteristically multifunctional with a comprehensive strategy for various running activities, so that it is different from the projects of economic development of individual or community improvement efforts.
- 2) Integrating the objectives of economic and social objectives for the revitalization of the community even further.
- 3) Basing its operations on the principle of empowering more citizens through governance, organizational development and community as a whole.
- 4) The process is directed at the results of analysis of strategic planning which is far

from opportunistic and unsystematic tactics.

- 5) Using the approach to financial management run usually by the business world in order to establish ownership of the assets and gain the supports of various other financial partners.
- 6) Characteristically public, either for profit entities, public-oriented, and public in character.

Economics is one of the special branches of social science that studies human behavior in its efforts to meet the needs of a relatively infinite with limited means of satisfying their needs (Deliarnov, 2007: 2-3). In other words, the economic problems arising from the use of scarce resources to satisfy human wants which are unlimited. Scarcity cannot be avoided and is the core of the economic issues (Lipsey, 1988: 11).

Humans live in a society that group as a whole make up the system. The system can be interpreted simply as an interaction, or association, or relationship of the smaller elements forming a larger unit and complex in nature. Thus, an economic system is an interaction of small economic units (consumers and producers) with a larger economic unit, in a certain area (Deliarnov, 2007: 3).

In conjunction with the creative economy, this concept is an economic concept in the new economic era that intensifies information and creativity by relying on the ideas and stock of knowledge from the Human Resources (HR) as the main production factor in the economic activities (Anwar, R. K., Rusmana, A., & Rahman, M. T., 2018). The structure of the world economy undergoes a transformation rapidly along with economic growth, from which was based Natural Resources is now a human-based, from the agricultural era to the industrial age and the information. Alvin Toffler (1980) defines economic civilization into three waves. The first wave is the wave of the agricultural economy. Second, the economic tide of the industry. The third is the wave of the information economy. Then it is predicted that there would be the fourth wave,

that is, the wave of creative economy which is oriented to the business and creative ideas.

According to the economist Paul Romer (1993), the idea is very important economic goods, more important than the objects emphasized in most economic models. In the world with physical limitations, the discovery of big ideas coincides with the discovery of millions of small ideas that caused the economy to keep growing. The idea is an instruction that makes us combine physical resources limited preparation becomes more valuable. Romer also argued that a country becomes poor because people do not have access to the ideas used in the national industry to generate economic value.

Nobel laureate in economics, Robert Lucas (1988), said the force that drives growth and economic development of a city or area can be seen from the level of productivity of groups (clusters) those talented and creative people or humans who rely on the ability of science. What is included in the beginning was the creative industries of advertising, architecture, art and antiques market, crafts, design, clothing design, film, video, software, music, performing arts, publishing, computer, TV, radio, etc. Now perhaps it includes the arts, gadgets such as mobile phones, smart phones, etc.

United Nations Conference on Trade and Development defines the creative economy as "an evolving concept based on creative assets potentially generating economic growth and development." (UNCTAD, 2009).

In Indonesia, in the blueprint for the Development of Creative Economy Indonesia in 2025, the creative economy is defined as "a new era of economics after agricultural economics, industrial economics, and the economics of information, which intensifies information and creativity by relying on the ideas and knowledge of human resources as a major production in their economic activities." (www.dg.or.id).

Here, the development of the creative economy is driven by the launch of the Indonesian Design Power (IDP) in 2006. The IDP is a program to improve the competitiveness of Indonesian products in the domestic and export markets. During the past 10 years, the creative economy sector growing rapidly in several major cities. Through the initiative of youth communities in a number of cities, such as Jakarta, Bandung, and Yogyakarta creative industries have flourished and improve the movement of the local economy.

The seeds that trigger the growth of the creative economy at the local level have been able to produce films, animation, fashion, music, software, computer games, and so on. Some of the perpetrators of the creative economy are even getting a chance to show their works in the international arena.

Former special staff of the Minister of Trade who co-developed the blueprint of creative economy industry, Rhenald Kasali, said that the digital creative industry in essence makes the products or services. If it is run as an industrial or an economic enterprise, it is eventually would be associated with risk-taking (www.dg.or.id).

To support the development of these achievements which are also meant to build communities become more productive and have achievements, it is needed to create a synergy between government, businessmen, and intellectuals concerning the development of creative economy. That was among recommendations of Creative Economy Development blueprint above.

II. RESEARCH METHOD

This research on the contribution of the digital media industry in improving the people's welfare is included in the category of a qualitative research. According to Taylor and Bogdan (2003), a qualitative research is done by observing the activity of a particular social group, which is in the observation of the activities the group attempted to describe in detail from the start, the process until the behavior of those who engage in such activities.

A qualitative approach also focuses this study on subjective meanings, notions, metaphors, symbols, and descriptions of the particular, specific case to be investigated. This approach was selected in order to obtain an overview of the study and in-depth detail about a particular social phenomenon, that is, phenomenological. Based on the objectives, this research included in the category of descriptive research, the research sought to describe the specific details of the situation, setting or social relations that take place within the scope of the study subjects (Patton, 2002).

In this study, the researcher placed himself as the insider that as far as possible do empathy (or projecting himself in the role and perception of the object under study) in order to best reflect a subjective appreciation of the object studied.

This study is also using a case study method. According to Bloor and Wood (2006), a case study method is the exploration of the system is bound. Case studies can be conducted on an individual, a class of human beings, human environment or social institutions. These methods are considered effective because it can be used to look for motives behind social facts seem empirically.

Through the case study method, the exposure that will be presented in the research results is nothing other than the facts found during research conducted and the exposure of the research will be conducted descriptively based on qualitative and quantitative data were available.

This study requires data collected from actors involved in the development of synergy program with the government's role digital media industry. In addition, also interviewed some of the parties associated with the activities of the synergy that community leaders and the public are involved in various activities, Government of Cimahi, Government of West Java Province, Department of Trade and Industry, or other relevant agencies as well as private parties that participated actively support these activities.

This study took place in Cimahi, West Java to get some models of digital media-based community development naturalistically developed by the business media industry and institutionally developed by the government. Data on the impact of the program on the welfare of the people in West Java was found by using triangulation, that is, the triangulation of data sources.

III. RESEARCH FINDINGS AND DISCUSSION

Globalization of media has resulted that information is not only be obtained through print media such as newspapers, magazines and so forth and electronic media such as television and radio. Globalization has created the Internet which is seen as an interactive media and can also serve as a medium that provides a variety of information in it, including news, even business. Today, everyone can write news freely via the Internet.

At the level of news, there has emerged websites and blogs that became one cause of what is called online journalism which can shift position or influence the traditional or conventional journalism. Similarly, people are not satisfied with the existing media, which sometimes has a certain tendency (Dzyaloshinsky, 2013). There had already appeared on the internet about news portals in the international, national, and local levels.

At the business level, the digital media industry has begun to crawl on the service trade of basic needs as food, clothing, technology, gadgets, and others. Now, people just open the internet to find what is needed, and then ordered, paid for, then just wait for the item to come home. Similarly, it is for the services. Advertisements are already on the internet. People interested in the advertisements on the internet can contact and make transactions. No wonder, if as a result, the ads have been less roadside longer use.

Displacement of consumption from conventional media to new media is indeed reasonable. Within seconds online media

becomes increasingly accessible. Most people prefer information or news that is more easily and quickly accepted. By continually expanding world of technology and information in recent periods apparently more and more new media grows to support the means to communicate. It is also considered as a new era in communication. Of course, these massive scale developments that are gradually continue to be utilized by many, especially in the process of dissemination of information by the mass media.

In the era of the super busy as it is now there are a lot of information consumed in a practical and fast way, most of them event too lazy to move from the chair and then buy a newspaper and open it page by page. The emergence of online media becomes a threat and challenge to the various parties. It is undeniable that the dissemination of information via the internet will become a major commodity in the media industry. It is recognized by the Deputy Director General of the WTO (World Trade Organization) that "the Internet has the potential for people's lives, connecting markets further, and creating a new market altogether, gathering people away, and help them share a lot of information "(The Internet has the potential to improve people's lives, linking distant markets, and creating entirely new ones, remote bringing people together, and helping them to share more information) (Lund and McGuire, 2005).

The business world in Indonesia was already eyeing this development for a long time. Various industries, both industrial goods and services have long been involved in the development of this digital. Even for the things that are not premeditated, there is now a development that already exists, that is, 'proactive' (delivery) businesses. For example in the transport business has now grown digital businesses "Uber" taxi or motorcycle taxi business of "Gojek."

Thus, through the new media of the Internet, in the virtual world, many parties are ready to serve customers. In the Internet world that was once called the virtual world,

there is now a market-ready trade in goods and services as Bukalapak, Alfa Cart, Tokopedia, Blibli, and so forth.

Local business media has also grown, although not as extensive development as mainstream media, because they have to compete with the mainstream media. Local business websites are a medium that is most popular communities. Local business websites have grown significantly and have played an important role in the dynamics of grassroots business communities. However, the development of local business websites is not without problems. A complex process in training the community is one of the most crucial problems. There is a problem of punctuality too, for doing business online needs punctuality, whereas Indonesians, especially Sundanese, are not really punctual.

As already indicated in the above two points, our research shows that the dynamics of the media industry is closely correlated with the development of media policy or the development of media policy. In many cases, the government as a regulator having difficulty in aligning with the environmental regulations of the media industry is changing rapidly. Governments that do not respond have made the industry move freely without strict regulations. Lack of traction on the regulatory framework is especially noticeable in the Broadcasting Law No. 32/2002, which is continually criticized by various civil society organizations, media activists, and also by the media industry itself. Each party has a different interpretation of laws that appear multi-interpretation is: on the one hand this law to promote democratization and diversity through the media, but on the other hand this law does not explain in detail the concrete implementation. This vague regulation provides for freedom of the media, which then can allow businesses to use public goods without strict control of the government. Regulation of other media such as the Law on Information and Electronic Transaction has also threatened the right of citizens to participate in the media and citizens have to

get rid of their role as a media controller, media user and media producer.

The problem we found is that the development of the media industry is not necessarily in line with the development of infrastructure and the development of media literacy on the citizens. When the business side of the industry is growing, access to the media is still not evenly distributed. There is a staggering gap between the media infrastructure in the distribution business groups advanced and business groups are less developed. The gap is not only associated with the rapid growth of new media and digital media that require Internet access, but also the gap in access to conventional media. This has made the growing information gap is widening. Community media can, in fact it may be, an alternative that provides information that is more relevant to the local community. Although community radio is also growing, complex rules and the rapid technological developments in the media industry makes community radio initiatives face difficulties to survive and compete with other media channels based gains.

Advances in technology and communications media not only have changed the media industry environment but also open up greater space for citizens to participate in the media over the Internet and social media. Internet seems to have become the main space where citizens can communicate without restriction. Spaces such as blogs, social networking sites and micro-blogging has enabled citizens to create their own public sphere and engage with each other freely. With 64% of Internet users use social media, it is not surprising to see a number of civil society activism and movements have been organized using social media and new media. Dissemination of information through social media is very remarkable that was referred by the mainstream media. The Internet has become an essential infrastructure when the media industry must face new challenges in media technology: convergence and digitalization.

Our research shows that the development of the media industry which

requires adequate infrastructure media and media literacy adequate to the national level. Media development should be oriented towards the creation of educated public by providing information-oriented public and provide public space for citizens' participation. Only if governments embrace the rights of citizens to information and work in a way that is more oriented it is the public we can expect to see the media play a more significant role as a public medium. Regardless of the circumstances that tend to be marginalized, community media offer an alternative example: they are run by the community and serve the community.

In Cimahi, West Java, in order to respond the will of people to work, there were the growth of the establishment of the creative community. Creative communities in Cimahi have grown rapidly in the last 10 years. One of them is Cimahi Creative Association (CCA). One of the goals of Cimahi Creative Association is to accommodate the communities and is responsible for the development of human resources (HR), which in turn is expected to drive the development of community-based creative economy. Memberships in CCA community open to the public either from inside or outside the city of Cimahi. In the development of CCA has been part of the center of information and dissemination of creative industries Regional and National. CCA also be the purpose of the visit industry and job training for vocational and Universities from various regions in Indonesia as well as being a place of research and business incubation.

The building of Baros Creative Information Technology (BCIT) is one of the iconic facilities in Cimahi. It is a center for the development of creative industries in Cimahi. Expected in the future will be the center of creative activity both national and international, this building has a public service or facility space display space information services and public places to introduce the world of Information Technology (IT) to the public, trade, as well as space research and development in the

field of telematics industry. Moreover, it will also provided space for Studio Research and Development field of informatics and telecommunications, facilities for IT experts in conducting the study, a computer room to access technological developments, the space where IT training and community activities Cimahi Creative Association (CCA). In addition there is also room display and multimedia simulations (auditorium), seminars, discussions and meetings as well as space infrastructure movies, animation, design and IT.

In the course of developing the creative industries in Cimahi, Cimahi Creative Association got the support from the Cimahi municipal government. Given the size and complexity of the needs in carrying out any activities, CCA also works with government agencies, education institutions and Private Parties. Thus, the role of social institutions is crucial in adapting to the times, so it is not lost rapidly by the development of society. With it, people can rely on their government when they need them.

IV. CONCLUSION

Based on the description and explanation above, this study concludes:

1. The main mission of managing industry is for the survival of the industry itself, only then can it pass to others or perform business incubation.
2. Business incubation is an absolute thing to do in the industry for this effort conducted for the sustainability of the industry itself. An incubation pattern differs from one industry to another, which is dependent on the type. In the conventional industry, incubation occurs from businessmen to families. It is after that, then, the incubation to the communities proceeds. The government has done to the people of incubation. The incubation process, therefore, is the convergence between the government and the entrepreneurs to the advancement of society.
3. The pattern of digital management as a specialization, influence, promotion, and

so on is done by industries, including the conventional industry. Without a digital management, an industry will eventually go bankrupt as experienced by small scale conventional industries.

4. With the social institutions' involvement in building the community, a community has a chance to rise through the ranks of ordinary people to become entrepreneurs.

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