

## REGULATORY RECONSTRUCTION OF E-COMMERCE TRANSACTIONS IN PERSPECTIVE LEGAL PROTECTION FOR MICRO, SMALL AND MEDIUM ENTERPRISES IN INDONESIA

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### ABSTRACT

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This study, answer the basic problem about 1<sup>th</sup>. Standard of legal protection for micro, small and medium enterprises in the implementation of E-Commerce to create social and economic justice for all Indonesian people, and 2<sup>nd</sup>. The government it's can create social and economic justice for all Indonesians, especially for micro, small and medium entrepreneurs who run e-commerce in Indonesia. Why we need to make the description from this problem is because we all know that real business in micro economical is fundamental from the growth of economical of the country. So, we have to collect some of the problems from the public based on the experience of the business community, and trying to answer the problem with better solutions. This study aims to find out the Regulatory Reconstruction of E-Commerce Transactions In Perspective Legal Protection For Micro, Small and Medium Enterprises In Indonesia. This descriptive-analytic study applied the experience of the business community approach. Meanwhile, the type of study itself was normative juridical. Secondary legal material both in the form of regulations and legal theories were used in this study, even though it still includes economic and social values in it. The regulations on Micro, Small And Medium Enterprises used were Law No 20 of 2008, Law No. 11 of 2008 on Electronic Information and Transactions, Government Regulation on The Implementation of Law No 20 of 2008 on The regulations on Micro, Small And Medium Enterprises No. 17 of 2013, and Government Regulation on Trading via electronic systems No.80 of 2019. The results show that both regulations correspond to each other, however, it is necessary to regulate other needs related to protection in implementation such as protection of local entrepreneurs, this is a more specific matter such as imposing certification on the implementation of electronic transactions to Micro, Small And Medium Enterprises players, to maintain trust from the market.

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### A. INTRODUCTION

Commercial law is a law that regulates the behavior of humans who participate in trading for profit or laws that regulate the legal relationship between humans and legal entities with each other in the field of trade (Swardi, 2012:1), The law regarding this matter is the basic concept in conducting transactions towards the construction of more complex trading acts.

Trade law in the past and now has gone through a metamorphic process many times, therefore it is necessary to have a common understanding to describe the meaning of trade itself because the potential in the trade always follows the times and technological growth, which of course will contain many innovations in the implementation of trade that are not can be muted.

If we look at the development of the Indonesian economy, it is built from business class classes, which are stratified from large to small ones. It is in this classification that a business unit that needs attention and protection is collected, namely what we often refer to as Micro, Small and Medium Enterprises and we call it "MSMEs" in Bahasa we called it as Usaha Micro, Kecil dan Menengah (UMKM).

MSMEs contain three things, these three things have their definitions as explained in Law 20 of 2008 article 1 that:

"**Micro enterprises** are productive businesses owned by individuals and/or individual business entities that meet the criteria of micro-enterprises as regulated in this Law.

**Small Business** is a productive economic business that stands alone, which is carried out by an individual or business entity that is not a subsidiary or branch of a company that is owned, controlled, or is a part, either directly or indirectly, of a Medium or Large Business that meets the criteria of a Business. Small as referred to in this Law.

**Medium Enterprises** are productive economic enterprises that are independent, carried out by individuals or business entities that are not subsidiaries or branches of companies that are owned, controlled, or are part of, either directly or indirectly, with Small or Large Businesses with total net assets or annual sales proceeds as regulated in the Law. "

In the crisis that has plagued the Indonesian economy in the past period, it has proven that MSMEs can survive amid difficult economic turmoil, this should be a concern for the Government because the existence of MSMEs brings strong and growing people's economic defense.

Amid the current economic improvement, it turns out that MSMEs still need to improve, both in terms of capital, law and market. Even though the benefits obtained when maintaining MSMEs are very large, in addition to being resistant to crisis, they are also significant in absorbing labor with a system that is more friendly to noble values in Indonesia, unlike the existing large corporations that use the capitalist system too much (Mukti, 2016).

We know in this time that the internet is one of the important instruments in our lives, if we can associate IT (Information Technology) with the emergence of electricity in the industrial era, the internet is the driving wheel of electricity and the power plant itself (Castells, 2001: 1-2). If in the industrial age, the ability to manipulate energy and distribute it made giant factories and large companies the basic foundation of industrial society, then the internet is the basis of technology that is the basis for the Information Age, namely the network (Castells, 2001: 1 -2). Internet is a communication medium that for the first time can connect in the plural form (many to many), at any time and on a global scale. (Suad, 2009: 2) The use of the internet as a communication system and form of organizing has experienced extraordinary developments. (Suad, 2009: 2).

Currently, such massive technological developments cannot be stopped but must be followed, so to ensure that MSMEs have a place in this development, MSMEs must also enter into the use of technology that occurs, namely by conducting online

transactions or electronic transactions (E-Commerce). as an expansion which is very strategic to maintain the market.

In this case, business actors who rely on E-Commerce are growing in number, and in that environment, it is undeniable that the biggest are MSMEs that are growing very rapidly as quoted in a news portal, by idea with the highest number of growth in Southeast Asia especially Indonesia (<https://www.wartaekonomi.co.id/read216302/pertumbuh-e-commerce-pesat-di-indonesia.html>).

This is very good news but becomes a challenge for MSMEs as well as the Government, namely because of the large growth potential, the world's eyes are also looking towards Indonesia. If this great potential can be managed and managed properly to be enjoyed equally by all Indonesian people, this will be a tremendous advantage, but if not then these benefits may disappear. This is because advances in the science and technology of telecommunications and informatics also support the expansion of the space for transactions of goods and/or services to cross the territorial boundaries of a country (Antonius Dwicki Cahyadi, 2019).

In various countries such as China, Malaysia and India to protect their domestic market, this is intended to maintain the stability of domestic economic growth to remain stable and not to be too harshly affected by the waves of free trade that occur. So seeing this, Indonesia has to take action to protect MSMEs in the country to avoid the market from being entered by other large entrepreneurs who can kill Indonesian MSME businesses.

Indeed, Indonesia already has laws along with derivative regulations governing MSMEs, ITE, prohibitions on monopolistic practices and unfair business competition and trade laws, but all of them only regulate partially and multi interpretations of the protection of MSMEs, especially in the application of E-Commerce and it is necessary to make a finding the principal value as a special rule regarding this matter considering the high economic potential of E-Commerce in Indonesia and its very significant growth because in the Business Competition Law the use of standard clauses in principle is not prohibited (Acep Rohendi, 2015).

Electronic commerce is currently regulated in Law Number 11 of 2008 which has been amended into Law Number 19 of 2016 concerning Electronic Information and Transactions, Law Number 7 of 2014 concerning Trade, Law Number 5 of 1999 concerning Prohibition of Practices Monopoly and Unfair Business Competition, Law 20 of 2008 concerning Micro, Small and Medium Enterprises and Government Regulation Number 82 of 2012 concerning Implementation of Electronic Systems and Transactions. These regulations are still partial because they have not covered the main problems in the use of e-commerce, namely electronic contracts, electronic payments and security guarantees, dispute resolution, state boundaries, business competition and the law used, consumer protection, taxes and most importantly the harmonization of the legal system. (Margaretha, Jurnal Law Reform Program Studi Magister Ilmu Hukum Universitas Diponegoro, Januari 2018), then in the early stages of reforming this legal reform, it is necessary to design a standard regulation whose

contents can answer the challenges of domestic businesses to be able to continue to develop even though there are business giants that were born first.

So in this study, the main problems will be discussed regarding:

1. What is the standard of legal protection for MSMEs in implementing E-Commerce to create social and economic justice for all Indonesian people?
2. What extent can proportional legal protection for MSMEs (Protection for MSMEs) be carried out to create social and economic justice for all Indonesian people?

The specific objectives of the discussion of the problems stated above are intended to create a healthy business climate in the economic climate system in Indonesia for all people by not taking sides only for entrepreneurs with large capital but also for entrepreneurs with small capital so that they can continue to grow so that later they can reach the limit make it established and come out above the MSME zone.

This is related to the danger of massive expansion carried out by foreign entrepreneurs who enter the realm of MSME production which is secretly sneaking and eroding MSMEs business opportunities and this has an important urgency because supervision of this is very minimal in the development of E-Commerce. happened at this time. If this is not handled seriously, it will develop into a serious monopoly due to problems in the business sector and capital that is not balanced to compete.

### **Research Purposes.**

This research will collect information on the fundamental problems of MSMEs, Marketplace support for UMKM products, government regulations in concrete protection of the UMKM business fields which are then formulated in a hypothesis that will conclude with a deductive approach in finding the solution.

## **B. RESEARCH METHODS**

The research is focused for MSMEs on electronic commerce transactions / Electronic Commerce which are the objects of their actions. To find out what are the obstacles faced by MSMEs, the use of normative juridical research methods cannot be forced into this study, because researchers are obliged to see what is experienced by the subject of discussion directly, therefore researchers use a combination method of empirical juridical research and normative juridical research methods as a benchmark to find patterns of values of justice.

Conceptually Marzuki (2015) states that the approach in legal research is divided into several parts that may stand alone and can also depend on each other, namely the statute approach, the case approach, the historical approach, a comparative approach (comparative approach), and a conceptual approach (conceptual approach).

Understanding what is being achieved, in this case, the researcher uses a statute approach, a case approach and a conceptual approach to understand the subject under study, namely MSMEs, the researcher must understand the subject and the actions that are carried out from the law, then after putting the correct understanding, the researcher will see the events that occur in MSMEs, Marketplace, E-Commerce service providers and the government as regulators. This is what researchers collect through

field data collection, which is then compiled and a hypothesis will be analyzed to find a concept that is following the conceptual approach so that it can be a solution to problems, to find the right standard regulatory concept to be applied. for the protection of MSMEs.

The use of primary data is of utmost importance in this study, to create a real picture of the actual situation, this information will be netted from communications carried out in collaboration with MSME business actors in Indonesia who are scattered from various regions. The process is carried out by submitting a survey to business actors and processing the data into a general form and condition that describes the difficulties and advantages of existing regulations to protect MSMEs today.

In this study, secondary data were used which were classified into:

1. Primary legal materials, Primary legal materials are authoritative legal materials, namely, Law Number 11 of 2008 which has been amended to Law Number 19 of 2016 concerning Electronic Information and Transactions, Law Number 7 of 2014 concerning Trade, Law Number 5 of 1999 concerning Prohibition of Monopolistic Practices and Unfair Business Competition, Law 20 of 2008 concerning Micro, Small and Medium Enterprises and Government Regulation Number 82 of 2012 concerning Implementation of Electronic Systems and Transactions.
2. Secondary legal materials, legal materials in the form of all legal publications that are not official documents. Publications on law include textbooks, law dictionaries, and legal journals.
3. Tertiary legal materials, materials that provide guidance and explanation for primary and secondary legal materials such as printed media, internet media.

This Study uses analytical descriptive research methods, the data analysis used is a qualitative approach to primary and secondary data. The descriptive includes the content and structure of positive law, which is an activity carried out by the author to determine the content or meaning of legal rules that are used as references in resolving legal problems that are the object of study. (Ali, 2013).

## **C. RESULT AND DISCUSSION**

### **I. REGULATION DIRECTIONS**

In this study, the discussion will be directed first at understanding and regarding the fundamental understanding of the object being discussed, then observation by drawing a common thread between the rules used to see the suitability of one another, then collecting empirical data from MSME actors in the form of known problems, experience and monitoring of MSME actors as a source of problem discovery that will answer 2 main problems which are the focus of discussion in this study.

The main subject of this research is UMKM, while the object is the implementation of E-Commerce carried out by MSMEs. The real research scope is very broad so that to focus on a description of the research, the researcher will first equalize the perspective and direction of the discussion so that it will make this research easy to understand and more focused on the fundamental things to be conveyed.

In the title of this research, a reconstruction phrase is used, this phrase is intended to illustrate that the purpose of the research leads to improvements in existing rules, but improvements do not always have to change if the existing rules are good, changes are only made if there are deficiencies or inconsistencies in the rules existing, then make a fix. If the rules are well structured, then the purpose of reconstruction here is more to complement the arrangement of these regulations with other complementary rules to adjust conditions in the field based on the needs of stakeholders to increase progress and resolve problems if any exist.

In operational terms in Article 1 and the criteria in Article 6, MSMEs are defined one by one as follows:

1. Micro Business is a productive business owned by an individual and/or an individual business entity that meets the following criteria:
  - a. has net assets of not more than Rp.50,000,000.00 (fifty million rupiahs) excluding land and buildings for business premises, or
  - b. has annual sales proceeds of not more than Rp. 300,000,000.00 (three hundred million rupiahs).
2. Small Business is a productive economic business that stands alone, which is carried out by an individual or business entity that is not a subsidiary or branch of a company that is owned, controlled, or is a part, either directly or indirectly, of a Medium or Large Business Small Business criteria as follows:
  - a. have net assets of more than Rp.50,000,000.00 (fifty million rupiahs) up to a maximum of Rp. 500,000,000 (five hundred million rupiahs) excluding land and buildings for business premises; or
  - b. has annual sales revenue of more than Rp. 300,000,000 (three hundred million rupiahs) up to a maximum of Rp. 2,500,000,000 (two billion and five hundred million rupiah).
3. Medium Enterprises are productive economic enterprises that are independent, carried out by individuals or business entities that are not subsidiaries or branches of companies that are owned, controlled, or are part of either directly or indirectly with Small or Large Businesses with total assets. net or annual sales proceeds as follows:
  - a. has a net worth of more than Rp. 500,000,000 (five hundred million rupiahs) up to a maximum of Rp. 10,000,000,000 (ten billion rupiahs) excluding land and buildings for business premises; or
  - b. have annual sales revenue of more than Rp. 2,500,000,000 (two billion and five hundred million rupiahs) up to a maximum of Rp. 50,000,000,000 (fifty billion rupiah).

This amount can be determined differently, where the authority can be given to the President as mandated in Article 6 paragraph 4 at Law No 20 of 2008 on MSME.

In the rules regarding this criterion, there are restrictions on the upper limit of the circulation of money from the business carried out by MSMEs and the upper limit of the net assets owned by MSME players, this aims to limit the size of the business scale of a company that is included in the MSME class, philosophically This restriction of wealth is an equal distribution of wealth in society as well as a safeguard against

actions that have the potential to dominate individuals, which can lead to unfair competition and trade monopoly, and this means that this will avoid disparities in social welfare.

The privileges given offer many advantages if a company is included in the UMKM group and seeing from the structure that builds the company, of course, due to the small scale, the supervision will be easier and more obedient to regulations because of the symbiotic relationship of mutualism, between government - entrepreneurs, entrepreneurs - entrepreneurs, and entrepreneurs - society. This also makes the provision of privileges for MSMEs relatively rarely misused and creates broader basic welfare.

Based on the principles that must be owned by MSMEs in article 2 of the UMKM Law, we can say that the principles of MSMEs are:

- a) kinship;
- b) economic democracy;
- c) togetherness;
- d) the efficiency with justice;
- e) sustainable;
- f) environmentally friendly;
- g) independence;
- h) balance of progress; and
- i) national economic unity.

Meanwhile, Article 3 discusses the objectives of MSMEs, which states that "Micro, Small and Medium Enterprises aim to grow and develop their businesses to build a national economy based on just economic democracy." Which the goal is upheld by the following principles:

- a) growing the independence, togetherness and entrepreneurship of Micro, Small and Medium Enterprises to work on their initiative;
- b) manifestation of a public policy that is transparent, accountable and just;
- c) development of regional potential-based and market-oriented businesses following the competence of Micro, Small and Medium Enterprises;
- d) enhancing the competitiveness of Micro, Small and Medium Enterprises; and
- e) carrying out planning, implementation and control in an integrated manner.

We can find in Article 4 of the MSMEs Law this principle. From this principle, MSMEs become so strategic to support the community's economy, because it can be illustrated that MSMEs arouse existing competencies in society with the spirit of togetherness and cooperation to create independence which is expected to bring prosperity to people's lives.

A company business or one that runs a company is the equivalent of the word trade or trading activity, which implies carrying out continuous activities, clearly to seek profit (Sri Redjeki Hartono, 2000).

MSMEs is a company, where companies with the MSMEs group must meet certain criteria. As an MSMEs company, it can be either a legal entity or not a legal entity, which is a business entity. In the past, when trading it stay referred to the Commercial Code, the term Company was not formulated explicitly as what

happened in the terms Traders and Trading Actions as stated by H.M.N. Purwosutjipto (1995), however, when the regulation was changed using a new law, the term Business Actor was used.

Welfare can be created as a result of all kinds of serious efforts, where welfare is the result. In carrying out business activities, the main act that is carried out in trading. Where trade, if defined according to law number 7 of 2014 concerning Trade, means activities related to transactions of goods and/or services in the country and beyond the borders of the country to transfer rights to goods and/or services to obtain compensation or compensation.

The regulation regarding trade in Indonesia contains basic policy principles, namely:

- a. national interest;
- b. legal certainty;
- c. fair and healthy;
- d. business security;
- e. accountable and transparent;
- f. independence;
- g. partnerships;
- h. benefit;
- i. simplicity;
- j. togetherness; and
- k. environmentally friendly.

Meanwhile, the objectives of policy regulation on the trade side are conveyed in article 3 of the trade law which states that the objectives are,

- a. increasing national economic growth;
- b. increase the use and trade of domestic products;
- c. increase business opportunities and create jobs;
- d. ensure the smooth distribution and availability of necessities and essential goods;
- e. improve Trade facilities, facilities and infrastructure;
- f. increasing partnerships between large enterprises and cooperatives, micro, small and medium enterprises, as well as the Government and the private sector;
- g. increasing the competitiveness of national products and businesses;
- h. improve the image of domestic products, market access, and national exports;
- i. increasing trade in creative economy based products;
- j. improve consumer protection;
- k. increasing the use of SNI;
- l. improve the protection of natural resources; and
- m. increase supervision of traded goods and/or services.

When the topic of our discussion is about MSMEs, we cannot deny that we are talking about the ideals of nationalism for economic development, because the development of MSMEs for basically building the people's economy, and this is in line with what is also mandated in the principles and objectives of the rules regarding trading.

The trading material discussed in this study is a more specific one because its scope is limited, namely only regarding electronic commerce which we usually call (e-commerce), which has had an amazing growth rate in recent years.

For electronic transactions, it is very important to pay attention to where and how the arrangements are made. E-commerce rules in Indonesia are regulated in Government Regulation Number 80 of 2019 concerning Trade Through Electronic Means which is a derivative of the Information and Electronic Transaction Law and the Trade Law. Although we have been dealing with electronic transactions longer than that, at least from 2006 M. (Alfi Syahrini. 2017).

Even though the regulations regarding electronic transactions are placed in special arrangements, in general, the regulations still refer to trade rules, and if we note that the objectives of trade policy are based on what is stated in article 3 letters a, b, c, and f, then these four objectives are the soul There are MSMEs, so it is not excessive if privileges are given to MSMEs in the business world.

Granting privileges to a certain group in the business world is often regarded as a monopolistic practice and a form of unfair competition that is contrary to Law Number 5 of 1999 concerning the Law on the Prohibition of Monopolistic Practices and Unfair Business Competition, but does this apply if the granting of such privileges applied to MSMEs, then this needs to be examined further before we explore the MSME problem and design a solution so that providing solutions for business convenience for MSMEs will not conflict with laws and other regulations in the business world.

The business world is prone to monopolies and unfair business competition which can cause harm not only to business actors but also to society. For business actors, unfair business competition will have an impact on the loss of business opportunities, while for consumers the market control by one or two producers of the same market share allows the emergence of price games and low-quality goods which on a large scale will cause inflation and cause losses for the community (Safrina and Susiana. 2013).

The privileges of MSMEs and the granting of special rights to MSMEs, is this contrary to the concept contained in the Law on the Prohibition of Monopolistic Practices and Unfair Business Competition, namely Law Number 05 of 1999? Because there are so many facilities and compensation provided to MSMEs, either in terms of taxes, capital, cooperative relations, free licensing fees and so on. Does this mean that MSMEs have monopolized business activities or have even made noise in the business world?

To explain the above, we must first understand the meaning of monopoly as referred to in law and who is the intended subject, then if we pay attention to the meaning in the laws and regulations where, Monopoly is the control over the production and or marketing of goods and/or the use of certain services by one business actors or a group of business actors, while unfair business competition is competition between business actors in carrying out production and or marketing activities of goods or services carried out in a dishonest manner or against the law or hindering business competition.

This does not apply to MSMEs, because actually, MSMEs are not a personal subject or a certain legal entity that can be determined who is the subject, but is a group that anyone can become in that group so that its form is not tied to an entity but on a criterion that is classified therein. so that anyone can become a part of this, and that is the keyword that the privileges of these MSMEs are not a monopoly but an opportunity for business actors to meet their special criteria.

To ensure it again, let us both pay attention to the principles and objectives of the Law on the Prohibition of Monopolistic Practices and Unfair Business Competition, in the law in article 2 it is stated that the applicable principle is, business actors in Indonesia in carrying out their business activities are based on economic democracy by taking into account balance between the interests of business actors and public interests.

While the objectives are stated in article 3 as follows:

- a. safeguarding the public interest and increasing the efficiency of the national economy as an effort to improve people's welfare;
- b. creating a conducive business climate by regulating healthy business competition to ensure certainty of equal business opportunities for large, medium and small business actors;
- c. prevent monopolistic practices and or unfair business competition caused by business actors; and
- d. creating effectiveness and efficiency in business activities.

From the principles and objectives above, we can draw the important meaning of the hope of this law, namely to create a balance between the roles of the community to take part in economic development in Indonesia, this is also in line with what is conveyed in the text of the explanation of this law which sees In the past, the business world in Indonesia is centralized and monopolized by people close to the power elite, then this law hopes to examine and restructure business activities in Indonesia, so that the business world can grow and develop healthily and properly, so that a healthy business competition climate is created, and the concentration of economic power in certain individuals or groups is avoided, among other things in the form of monopolistic practices and unfair business competition that is detrimental to society, which is against the ideals of social justice.

If we look at all of these things, it is appropriate that the concept of developing MSMEs becomes something very important because the fundamentals come from the people and the limitation of the size ensures that MSMEs can be reached by all levels of society and do not become too fat and greedy to monopolize a business sector because the spirit is the spirit of family togetherness. and cooperation and this is a guarantee that it will not lead to absolute capitalism, but will lead to social justice that is more respectful of diversity because of the singular feeling of being a family.

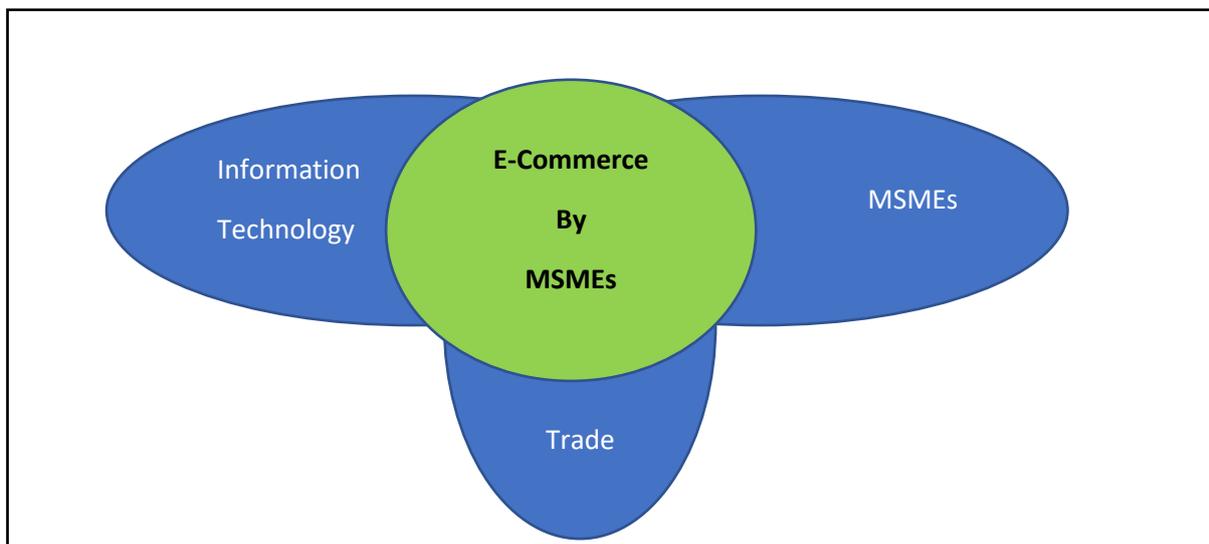
So seeing from the absence of conflict with the provision of convenience for MSMEs in granting specificities/privileges to the Law on the Prohibition of Monopolistic Practices and Unfair Business Competition, it means that the granting of special privileges or rights is following the direction of the constitutional point of view

and for that, it should be encouraged as much as possible to create prosperity. social for all Indonesian people.

So this means that as long as MSMEs are seen as a group with criteria that do not limit all people with Indonesian citizenship as a condition of nationalism to be able to enter it, there is no limit to their protection, because the existence of MSMEs itself is a form of carrying out the mandate and ideals of the basic constitution want social justice for all Indonesian people, especially in creating economic prosperity for the Indonesian people.

If the principles of MSMEs in Trade by carrying out electronic transactions presented above are assembled and combined, in general, it will contain an idea of a direction to build a national economy based on a just economic democracy to improve the welfare of society by opening the widest opportunity for everyone to advance their thinking and abilities in the field. the use and utilization of technology, especially in carrying out electronic transactions responsibly, to provide a sense of security, justice and legal certainty for MSMEs, the public and information technology operators to conduct trade based on national interests, legal certainty, justice, health, benefits, to increase national economic growth that strengthens partnerships between large businesses, MSMEs cooperatives and the government and the private sector.

From what was conveyed, we can take a clear slice of this discussion, which is illustrated in the following slice illustration:



Green is the center of the discussion in this study.

## MSME SITUATION

Trade carried out by MSMEs is part of economic activity, while the economy itself is conceptually an activity or human effort in fulfilling the needs (needs and desires) of life (Ansar, 2017: 23).

In conducting trade at this time, electronic transactions are part of transaction development in general, but what is different is, in e-commerce transactions, business transactions are created that are more practical without paper (paperless) and in e-commerce transactions, sellers and buyers cannot meet directly (face to face), so it can

be said that e-commerce is a new economic driver in the technology field (Abdul Halim Barkatullah, 2007).

Good rules are rules that can be lived and obeyed and bring benefits to the whole society, there is minimal evil in them and brings benefit. In creating these good rules, input from the subject of the stakeholders is certainly necessary, including when talking about the rules of e-commerce as a means of trade for MSMEs.

So starting from this understanding, in this study, various problems faced by MSMEs, which focus on trading carried out by MSMEs, to dig up the information is done by going down the field to spread out questionnaires to find initial data and then continue with interviews that still adjust the current Health protocol. In this regard, the aim is to collect the problems faced by MSMEs, all of these problems are accommodated and solutions made by follow-up planning methods of regulation and considering their location in the regulatory strata.

This research is broadly carried out using qualitative analysis methods, however, to seek initial information, a survey is still carried out to find initial data in the field, field data search activities using this questionnaire seem thick describing quantitative methods, it cannot be denied that this is still something that It is important even though its function is only as a determinant of the level of priority and urgency of the problems experienced by the participants who took the survey, which at the end of some of these problems were still interviewed one by one, participants in this survey described the number of MSME business actors to show their views in determining the urgency of business actors who are engaged in commerce that meets the criteria of MSMEs using the rules mentioned above to suit the needs of MSME players.

The questionnaires were distributed in 4 provinces, namely Riau, South Sumatra, Banten and West Java, which as a whole were distributed to 5 urban districts, namely Pekanbaru City, Palembang City, Tangerang City, Bandung City and Majalengka Regency. The selection of these five places was carried out because it took into account the range and availability of human resources and possible information resources to be collected, in a spirit of cooperation and cooperation with agents and communities who could be contacted.

The implementation is carried out in 3 stages; The first stage is to collect initial data that is distributed freely to collect as many problems as possible using open-ended questions and the results are of course mixed. Part Two conducts interviews with several business actors who are classified as MSMEs who do use E-Commerce as the backbone of their marketing. While the third stage uses another questionnaire by asking closed questions to find out the views of the main problems that have been collected.

The total survey was carried out using questionnaires both online and offline to at least 200 survey participants who filled out the questionnaire in the first and third processes, so there were at least 30 problems obtained by some information related to problems faced by MSMEs today, namely:

1. The high rate of fraud that occurs in electronic transactions.
2. Many of the MSMEs entrepreneurs are not exposed even though they have good performance.

3. There is no uniformity of prices for MSME products because prices are determined according to the tastes of entrepreneurs.
4. There is no centralization and standardization of products sold by MSMEs so that their sales are only sporadic.
5. Production and sales seasons are sometimes missed so that when loans are made for production, sometimes payments are made at risk because the absorption of the product in the market has been intervened by imported goods.
6. Some of the MSMEs actors are not dedicated and have high professionalism so that sometimes it reduces the level of public trust in transactions to the MSMEs producers as a whole.
7. The need for an effective and efficient standardization to support public trust in using or consuming MSMEs products.
8. MSMEs who live in remote areas have difficulties in marketing products, which are products that have a good price in other regions but are constrained by problems with shipping transportation.
9. Shipping expense is one of the cost elements that greatly affect the buyer.
10. There is no integration between delivery couriers or delivery services with MSMEs in Indonesia so that products from distant areas are difficult to absorb.
11. MSMEs do not have the opportunity to gain a trustworthy reputation that is integrated with their track record in online sales even though in offline transactions they already have loyal customers.
12. There is no special access that is owned by the public on the marketplace or general sales so that they still have to compete with big entrepreneurs who place their products on the marketplace.
13. Not all marketplaces support MSMEs more specifically and specifically.

Of the 30 problems, if we simplify and study topics that are directly related to E-Commerce faced by MSMEs, we can show them 5 main problems, namely:

1. Price competition
2. Competition marketing strategy
3. Product Quality Competition
4. Competition of Trust
5. Service Provider Support

The five problems were in an interview conducted with MSME actors who in the transcript chose their data to close.

It is described as follows in response to these five problems:

- Price competition is formed from the tight supply that occurs in the market, of course, in this intense competition we cannot ignore production costs as an instrument for forming prices, the scarcity of raw materials is very influencing, but all of that is quite fair because all MSME players feel it and who is the smartest in choosing the supply of raw materials, and efficient in production will certainly benefit greatly because of course, this will still provide a spare advantage in the price. So in fact, if you look at the most dangerous main

problem is the entry of goods from abroad that are supplied to our market (the Indonesian market), especially if the types of products and segments are the same because they enter without going through the cycle of raw materials and production here. After all, maybe they get subsidies or in place. Originally it was very cheap so when it came in it could be very cheap the product, and this is a definite danger that we would lose competitiveness, so don't play like that, it is necessary to restrict the entry of foreign products to products that can be produced by MSMEs. Well we are looking for food and them too, but this is our place, they have a place too, don't come here and destroy our prices, poor MSMEs, if there is an invasion of foreign products, currently the safest thing is still in the food sector because what is It matches the tongue here, yes, Indonesian food is also typical, food businesses should still be safe, but the SMEs only sell them without production. But what they sell in the end is not domestically produced products but imported goods because they are cheaper.

- The problem of this marketing strategy is a matter of how we can be seen and known, sometimes there are things that we do all of it, it must be troublesome, there are also those that we share the responsibility where one sells, which is a focus of production, well that's all kinds, well For MSMEs, sometimes the problem is, of course, we can't focus maximally if we want to enter our goods online, because sometimes we are clueless and so on and have designs that already have online names, well we don't have our names if we sell it directly, it's already in know, maybe we need to add a label for Indonesian MSMEs so that their national trust can be recognized.
- Currently, I believe that our MSME products are of very good quality because we know that customer trust is very important and all MSMEs are currently trying their best to maintain their quality, because the requirement for customers to return is their satisfaction and the first sure indicator is quality and then service. customers can trust us.
- Now this competition for trust is very important, we as entrepreneurs who use online tools are annoyed with people who intend to cheat in the online world, well, in the online market, either from social media or other methods using massaging applications. That is very detrimental to us because it greatly reduces public trust in online stores even though the cheating may only be a small part, but we are affected, customers like to underestimate, maybe for MSMEs, it is very necessary to make a bandage or special status provided by the authorities that we are MSMEs and we are trusted, right, pity, for example, our MSMEs colleagues who are already running and are good in the real world continue to want to enter the online world, their sales don't even sell because they don't have a reputation, well if they don't sell, they don't sell because their reputation doesn't change. Maybe if there is a solution here it will quickly increase our sales.
- Regarding the support of online service providers at this time it is not evenly distributed, some marketplaces have provided special places for MSMEs but some are not yet, it's good for MSMEs to provide special vehicles or differentiators, it can be from certain badges given to MSMEs stores, and the

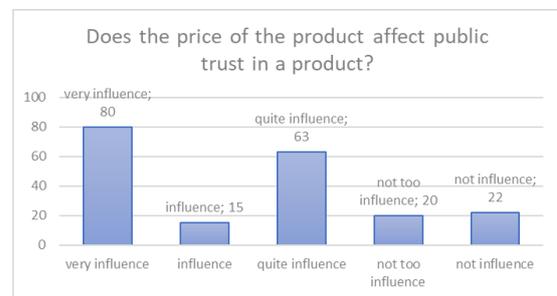
conditions by attaching a certain identifier or anything that might be done, the meaning is so that not all sellers who do not meet standardization enter either. That means so that we can be trusted, if everything comes in, the cheaters can come in too, so it may not be under the purpose

Of the 5 main problems above and the discussion described in the interviews conducted in the second stage, the third stage of the questionnaire was distributed to verify the public's view that what was conveyed was valid.

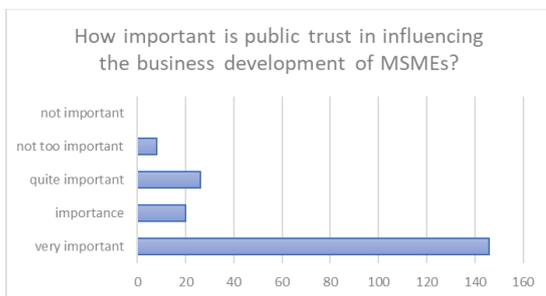
In the third part of the survey, its function is to find more in-depth information regarding the responses of the community of MSMEs actors regarding how the interest and direct opinion on the problems and difficulties faced, and the results of the data are recorded in the following graph.



1st Chart



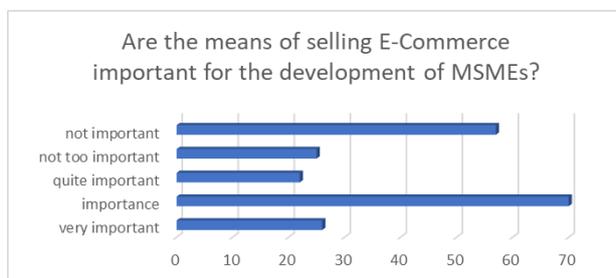
2nd Chart



3rd Chart



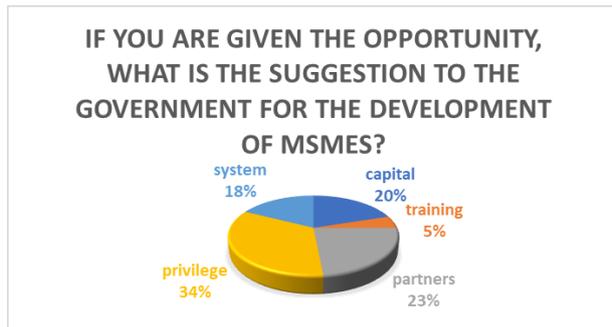
4th Chart



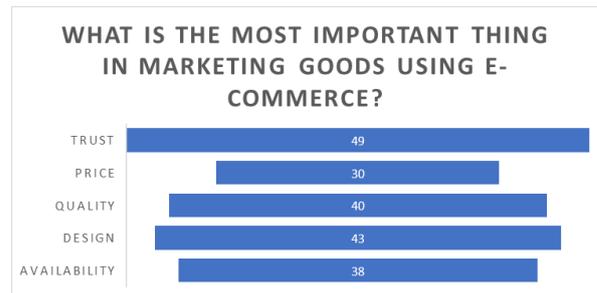
5th Chart



6th Chart



7<sup>th</sup> Chart



8<sup>th</sup> Chart

The explanation above comes from the results of collecting questionnaire data and then conducting interviews with MSME actors to obtain the required information.

1<sup>st</sup> Chart illustrates the importance of restricting the entry of products from abroad to products that can be produced by MSMEs, this diagram illustrates that most MSMEs players feel that incoming products are a threat because they damage market prices at least around 47% who feel it, but some others feel that it is not a serious threat. This happens because entrepreneurs who think so do not compete directly with products from abroad. Products originating from abroad are usually superior in price quotations, but rarely are superior in quality and this is very unsettling for local entrepreneurs.

2<sup>nd</sup> Chart, depicting the effect of price on public trust in the product, it turns out that around 79% feel that it has a big effect, while the rest don't, this certainly leads us to understand that price has an important role in creating trust in the product, especially when Now the market is getting smarter in choosing products and more logical in choosing it, maybe the remaining 21% of the market is what needs to be worried about, hopefully, it doesn't harm the community, and the solution that needs to be done is to improve the quality of good control so as not to harm the community, namely by implementing Indonesian National Standards in granting distribution permits for a product.

3<sup>rd</sup> Chart, depicting 96% of MSMEs realizing that customer trust is a very important factor for developing a business, so almost all MSMEs seem to have realized this and already have the awareness to sell their products of the highest quality to gain the trust of their customers to ensure sustainability. ) his efforts.

4<sup>th</sup> Chart illustrates that 74% of MSMEs agreed to carry out certification to increase the standardization of their products and from their management to improve services, while the rest mostly argued that a lack of time to carry out the certification and lack of technical knowledge made them less confident in carrying it out.

5<sup>th</sup> Chart, depicting 59% of MSME players feel that the development of MSME marketing towards digital e-commerce is important while the rest are still

- engaged in offline/direct marketing, this is because many MSMEs do not understand how to work from using existing e-commerce facilities this.
- 6<sup>th</sup> Chart describes the willingness of MSME actors to share their experiences for the development of this research to encourage advanced and better MSMEs.
- 7<sup>th</sup> Chart, depicting proposals for the future development of MSMEs, where 34% expect to grant special rights, for example, closed fields that can only be managed/run by MSMEs, 23% hope that the government groups MSME synergy partners to supply raw materials and production results to distribute them to the community or even directly absorbing goods produced by MSMEs, then 20% of MSMEs expect the government to help capital with various schemes that make it easier for MSMEs, which sometimes experience difficulties due to low capital while the high production burden is borne, 18% of MSMEs hope for an integrated system between large entrepreneurs, to collaborate in providing products that can be provided by MSMEs from various sectors, both tourism, industry and so on. 5% of MSMEs expect to receive training in product marketing support skills to find good standards in managing the business they do.
- 8<sup>th</sup> Chart, depicts the level of priority from the highest to the lowest in terms of the most urgency in marketing a product using E-Commerce, and in this case, the highest is proven customer trust, so that customer trust needs to be handled immediately to help MSMEs to be more competing for marketing in the world of E-Commerce.

From what is stated above, it appears that one of the main needs needed by MSMEs in supporting their business activities using Information technology is to provide something that can guarantee customer confidence in MSMEs, this can be done by giving certification to MSMEs where this certification will be a differentiator namely in the form of a special sign for online shops managed by MSME players, to make it easier for them to attract public confidence in identifying that the products being sold are products originating from Indonesian MSMEs.

Could this be done? Of course, it is possible, because, in its implementation, this arrangement is carried out by a government executive who has the power and authority to regulate all of that and obliges e-commerce service providers to do so. This authority is evident in the derivative of the ITE Law, namely in Government Regulation Number 80 of 2019 concerning Trade through Electronic Systems which binds all parties related to Electronic Commerce, including Trade actors and administrators, so that it is possible to include the privileges referred to above through the organizer's permit arrangement. electronic commerce in article 15 paragraph 3 of this rule.

The rules regarding E-Commerce Certification can be included in the rules that are tied to MSMEs, course it requires good coordination between Ministry Agencies because MSMEs themselves are part of the authority of the Ministry of Cooperatives and MSMEs while Trade is part of the authority of the Ministry of Trade while the use of electronic means is part of the authority Ministry of Communication and

Informatics. This synergy must be well developed to produce planning based on good regulations, the aim of which is none other than the welfare of the nation through integrated and modern MSMEs.

#### D. CONCLUSION

The standard of legal protection for MSMEs in E-Commerce is by resolving the mismatches of regulations that hinder the growth of MSMEs, protecting MSMEs because of their micro, small and medium weaknesses which are also advantages in the status because they avoid disparities in welfare in society, positioning MSMEs as part of the business world and provide special privileges for MSMEs. One example is by providing a special certification that makes trust in MSMEs optimal in the E-Commerce market by the public when viewed from the expectations of MSMEs players.

It has been concluded that as long as MSMEs are seen as a group with criteria that do not limit all people with Indonesian citizenship as a requirement for nationalism to enter into it, there is no limit to their protection because the existence of MSMEs itself is a form of carrying out the mandate and ideals of the basic constitution that wants justice. social for all Indonesian people, especially in creating economic prosperity for the Indonesian people. One of the hopes of MSMEs entrepreneurs regarding MSMEs certification in the implementation of e-commerce is a step to realize this welfare.

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