**INFORMATION TECHNOLOGY IN THE TRANSFORMATION OF CIVIL SOCIETY ECONOMICS THROUGH UMKM IN INDONESIA**

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**Abstract:** Information technology makes human life diverse. Economic transformation from traditional to using new media in economic. UMKM are characteristic of the economic activities of the Indonesian people. Formulation of research problems is how information technology in the economic transformation of civil society through UMKM in Indonesia. The aim of the study was to analyze information technology in the economic transformation of civil society through UMKM in the community. The concept used is information technology and community economic empowerment. This is a quantitative research approach with 127 respondents. Descriptive research results are all indicators in information technology positively charged. This means that information technology is highly optimized in the joints of people's lives. The information technology cluster in this study has positive values ​​in all aspects. This means that in previous studies and reflective studies this cluster has a positive charge. Respondents use information technology to empower the economy in all aspects of human activities. The research suggestion is to need guidance from academics in assisting the community to use information technology in economic empowerment in the community.

**Keywords**: ***new media, information technology, community empowerment, economic transformation.***

**Teknologi Informasi dalam Transformasi Ekonomi Masyarakat Madani melalui UMKM di Indonesia**

**Abstrak:** Teknologi informasi membuat kehidupan manusia yang beragam. Transformasi ekonomi dari tradisional sampai menggunakan media baru dalam kegiatan ekonomi. UMKM merupakan ciri khas kegiatan ekonomi masyarakat Indonesia. Perumusan masalah penelitian adalah bagaimana teknologi informasi dalam transformasi ekonomi masyarakat Madani melalui UMKM di Indonesia. Tujuan penelitian adalah untuk menganalisis teknologi informasi dalam transformasi ekonomi masyarakat madani melalui UMKM di masyarakat. Konsep yang digunakan adalah teknologi informasi dan pemberdayaan ekonomi masyarakat. Pendekatan penelitian kuantitatif dengan 127 responden. Hasil penelitian deskriptif adalah semua indicator dalam teknologi informasi bermuatan positif. Artinya teknologi informasi sangat dioptimalkan dalam sendi kehidupan masyarakat. Klaster teknologi informasi dalam penelitian ini memiliki nilai positif pada semua aspek. Artinya pada penelitian sebelumnya dan reflektif penelitian ini klaster memiliki muatan positif. Responden menggunakan teknologi informasi dalam memberdayakan ekonomi pada semua aspek kegiatan manusia. Saran penelitian adalah perlu bimbingan dari akademisi dalam mendampingi masyarakat menggunakan teknologi informasi dama pemberdayaan ekonomi di masyarakat.

**Kata kunci : *media baru, teknologi informasi, pemberdayaan masyarakat, transformasi ekonomi****.*

**INTRODUCTION**

Declaring the movement of 100,000 Usaha Mikro, Kecil, dan Menengah (UMKM) simultaneously in 30 cities / districts in Indonesia was initiated along with President Joko Widodo's vision to make Indonesia as Digital Energy of Asia.

The movement held at Creative Space Galeri Indonesia Wow, SMESCO UKM Jakarta Building aims to facilitate and provide opportunities for UMKM in various regions to be ready to compete in a wider market.

The government, in this case the Ministry of Cooperatives and UKM together with the Ministry of Communication and Information Technology, is committed to connecting 8 Million UMKM until 2020. This commitment shows the government's partiality in advancing UMKM as one of the backbone of the Indonesian economy.

By following this movement, UMKM will get the opportunity for the largest distribution of People's Business Credit (KUR) in 1 x 24 hours, RKB incorporation, financial inclusion transformation, and the opportunity to create a NPWP simultaneously for all UMKM players who will be online.

The UMKM will also be guided from online counseling to online management and promotion. The promotion process itself will be assisted starting from product shooting, product descriptions, prices, then also getting a .id domain and hosting for free. The registered UMKM products will then be promoted and placed in large marketplaces such as Tokopedia, Blibli.com, Elevania, etc.

One of the chocolate UMKM entrepreneurs Pralin Chocolistic, Marta Dorkas, said that she was interested in communicating her products in the hope of increasing the sales of her products, more widely known by the public.

 "In the sense that the brand will be stronger. Because if it's not online, people won't know our products. At a minimum, if you are online, all of Indonesia can know our products. Type chocolate, our products appear, "said Marta.

On the same occasion, Minister of Cooperatives and Small and Medium Enterprises (Kemenkop UKM) Anak Agung G.N. Puspayoga said that the government in its efforts to support UMKM had taken several steps, such as financing alignments for UMKM by reducing People's Business Loans to 9%, and establishing Revolving Fund Financing Institutions (LPDB). (<https://www.kominfo.go.id/content/detail/9514/umkm-go-online-usah-wujudkan-visi-digital-energy-of-asia/0/berita_satker>)

Institut Teknologi Sepuluh Nopember (ITS) recommended that UMKM be digitally integrated to increase competitiveness in the era of industrial revolution 4.0. This is important, because UMKM are one of the economic backbone bones in Indonesia.

The ITS Partnership Director, Arman Hakim said, in this recommendation it encouraged the government to collaborate with many parties. Ranging from telecommunication companies to marketplaces, so UMKM can be bridged and assisted in terms of technology.

“So, that they can compete in the national market, in other words, UMKM are encouraged to partner with technology providers as well as supportive training," Arman said at the MarkPlus Office, Jakarta, Thursday, April 11, 2019.

According to Arman, the role of UMKM is very vital. That, reflected in the data, where of the 62 million business entities in this country, around 99 percent of them are UMKM.

For that, he continued, empowerment of the UMKM sector is very important, not only for the government but also institutions in the related fields to academics.

"Moreover, the presence of technology is often regarded as disruption, because it is suspected that it will reduce the potential number of UMKM sector workers," he said.

To request the attention of the government, ITS made a study entitled Recommendations for Indonesia's 4.0 UMKM Readiness in Supporting Economic Resilience in the Disruptive Era. The study was to prepare UMKM not to regard technology as a disruption, instead using digital to develop their businesses better.

Arman hopes that through the Indonesian Ministry of Cooperatives and SMEs, the study document can be considered and applied as a form of a more advanced and digitalized MSME sector. The study explained, under the UMKM 4.0 era is a business that has integrated digital technology such as social media, to the use of internet of things (IoT).

The study document was submitted to the government, namely the Indonesian Ministry of Cooperatives and SMEs, which was bridged by the International Council for Small Business (ICSB) Indonesia. The Government through ICSB also welcomed the positive recommendations from ITS.

Arman wants his recommendations to be able to work with IoT companies such as XL, Indosat Ooredoo and Telkom to develop UMKM IoT features. So that UMKM can go up to class.

Another hope is that the recommendations can work with national companies and BUMN such as Angkasa Pura, Indonesian Port, Indonesian Shopee, Sinar Mas Group to support regional and national UMKM competition. Then, in the Indonesian region, the readiness of UMKM is in the field of technology.

"The presence of platforms such as the marketplace is a one-door access for UMKM in marketing their products. It all becomes a key," added Arman. (<https://www.medcom.id/pendidikan/news-pendidikan/GNGBZBxK-its-rekomend-umkm-teregrasi-digital>)

The use of digital technology has proven to be able to accelerate the growth of micro, small and medium enterprises in Indonesia. This was revealed from a discussion held by Katadata Forum.

The discussion forum was attended by dozens of stakeholders and UMKM business actors. The secretary of the Ministry of Cooperatives and MSMEs, Meliadi Sembiring in his speech said that MSMEs are the backbone of the economy.

(https://www.liputan6.com/news/read/3631651/peran-teknologi-tumbuhan-lebih-dari-442-ribuumkm?utm\_expid=.9Z4i5ypGQeGiS7w9arwTvQ.0&utm\_referrer=https%3A%2F%2Fwww.google. co.id% 2F)

The data above shows that information technology is in the economic transformation of civil society through UMKM in Indonesia. The research objective was to analyze the economic information technology of civil society through UMKM in Indonesia.

Previous research conducted by Ellot Simanggungsong that factors in the quality of management of higher education can be a positive trigger factor for business in Indonesia. (Ellot Simangungsong, 2019). (http: //doi.10.21831/cp.v3812.19685). Through information technology is an important aspect in improving the economy through UMKM so that people can work in accordance with the wishes of the community.

Previous research conducted by Arturi Wiyarsi regarding a test analytical and chemical representation ability on rate of reaction ". (Arturi Wiyarsi, 2019) (http: //doi.10.21831/cp.v3812.23062) Likewise the research carried out by Mahar Hanifah regarding competencies for form six geography teachers in reaching the Malaysian education quality standards. (Mahar Hanifah, 2019) (http: //doi.10.21831/cp.3812.23228)

Information technology is a study of the design, implementation, development, support or management of computer-based information systems, especially hardware (software) and software (software).

In other words, information technology is a variety of facilities consisting of hardware and software to support and improve the quality of information for the community quickly and with quality.

According to Wikipedia, the notion of information technology (IT) in language is a term in any field of technology in human life that is useful for changing, helping, communicating, storing and disseminating information.

Information technology is not only important as a communication tool (read: Understanding Communication) via electronics, but is an important device that should be owned in business as a means to coordinate and archive important documents.

The definition of information technology, including:

1. Mc Kewon

According to Mc Keown, the notion of Information Technology is all forms of technology used to create, change, store and use information in all its forms.

1. Haag and Keen

According to Haag and Keen, the notion of information technology is a set of tools that help work with information and perform tasks related to information processing.

1. Martin

According to Martin, IT is not only limited to hardware and software used to process and store information, but also includes communication technology that sends information.

1. Lucas

According to Lucas, the notion of information technology is all forms of technology applied to process and transmit information in electronic form.

1. Williams and Sawyer

According to Williams and Sawyer, the notion of information technology is technology that combines computers with high-speed communication lines that can carry data, sound, and video.

1. Information Technology Association of America (ITAA)

According to ITAA, the definition of information technology is the process of processing, storing and distributing pictorial, vocal, text and numerical information through micro-electronics based on a combination of telecommunications and computing.

Information Technology Function, in general there are six functions of IT for humans, including:

1. Capture

IT can compile detailed records of various activities. For example receiving input from a keyboard, scanner, mic, and others.

1. Processing

IT can process / process input data received which is then converted into new information. This data can be in the form of conversion, analyzing, calculating, and combining various forms of information and data.

1. Produce (Generating)

IT will produce or organize information into useful forms. In example: graphics, tables, and calculation.

1. Storage (Storage)

IT can record information and data into a media that can then be used for other purposes. For example, the data is stored on a disk, CD, and hard drive.

1. Looking Back (Retrival)

IT is able to search and retrace information and data that has been stored. In example: looking for data on clients who have not made payments.

1. As Transmission (Transmission)

IT can send data and information from one location to another by using a computer network. For example: sending sales data to other teams in different locations. (<https://www.maxmanroe.com/vid/teknologi/teknologi-informasi.html>)

Structural transformation is a prerequisite for increasing and sustaining growth and reducing poverty, as well as supporting the continuation of development. In fact, economic growth in Indonesia is not accompanied by a change in the structure of a balanced workforce, meaning that the turning point for economic activity is achieved more than the turning point of labor use . So there are problems that are often debated including whether the share of GDP is comparable to the decline in the share of absorbent sectoral labor and which industries are developing faster, agro-industry or manufacturing industries. If the transformation is less balanced, it is feared that there will be a process of impoverishment and exploitation of human resources in the primary sector.

The service sector share is more or less constant, but its contribution will increase in line with economic growth. In analyzing economic structure there are two main theories, namely Arthur Lewis's theory (migration theory) and Hollins Chenery (structural transformation theory). In his theory, Lewis assumes that the economy of a country basically it is divided into two, namely the traditional economy in the countryside which is dominated by the agricultural sector and the modern economy in urban areas with industry as the main sector.

In the countryside, the growth of population growth is very high, and there is an excess of labor supply. As a result of over-supply of this workforce, the wage rate becomes very low. In contrast in urban areas, the industrial sector is experiencing a shortage of labor.

This attracts laborers to move from the first sector to the second sector so that there is a process of migration and urbanization. In addition, the level of income in the country concerned increases so that people tend to consume various industrial products and services. This is the main motor for the growth of output in the non-agricultural sectors. Theory Chenery focuses on structural changes in the stages of the process of economic change in a country that has undergone a transformation from traditional agriculture to the industrial sector as the main engine of economic growth.

In general, there has been an improvement in the quality of human resources in Indonesia, as evidenced by the composition of the population with education equivalent to education in the middle and up is getting bigger, on the contrary the composition of the population with lower elementary school education is lacking. Work in accordance with the qualifications of improving the quality of these human resources.

However, in the condition that Indonesia has joined the ASEAN Economic Community or AEC, the quality of human resources must be equal to other ASEAN countries. Moreover, the development of new economic industrial zones leading out of Java and Bali, rural areas, small islands, coastal areas and border areas.

Not only that. We have an enormous cultural richness and natural beauty, the tertiary sector should receive special attention in the short and medium term is the tourism industry. Because of Malaysia, Thailand and Singapore are very good at utilizing the tourism industry's foreign exchange opportunities.

Creative economy is also a tertiary sector that has the potential to become Indonesia's competitive advantage. The government is time to strengthen and improve research and development, especially in the field of science and technology needed in economic development and industrialization today. (<http://www.neraca.co.id/article/70041/transformasi-ekonomi>)

**METHOD**

This research approach uses a quantitative approach with clustered analysis. With 173 of respondents that have the characteristics of using information technology in empowering their economy and the surrounding community.

**FINDING AND DISCUSSION**

**Findings**

Table 1.Validity and reliability dimension of technology information

|  |  |  |  |
| --- | --- | --- | --- |
| No.  | Dimensions of Media Literacy | Validity  | Reliability |
| 1  | capture  | KMO =. 71 Sign = .000  | r =. 62  |
| 2  | Processing  | KMO =. 69 Sign = .000  | r =. 61  |
| 3  | produce  | KMO =. 77 Sign = .000  | r =. 69  |
| 4  | Save  | KMO =. 68 Sign = .000  | r =. 66  |
| 5  | retrieval  | KMO =. 65 Sign = .000  | r =. 64  |
| 6  | transmission  | KMO =. 64 Sign = .000  | r =. 62  |

  The Validity and reliability of the research instrument are good. So it is forwarded at a later stage. A few of interviews with several leaders is in supporting research data. In how researchers do with regional heads and small business owners of local products is in several regions.

Table 2.Descriptive results of information technology variables

|  |  |  |
| --- | --- | --- |
| No. | Information Technology Dimension |   |
| 1  | capture  | 1 = 4 % 2 = 13 % 3 = 34 % 4 = 49 %  |
| 2  | Processing  | 1 = 8 % 2 = 6 % 3 = 42 % 4 = 44 %  |
| 3  | produce  | 1 = 11 % 2 = 1% 3 = 59 % 4 = 29 %  |
| 4  | Save  | 1 = 9 % 2 = 2 % 3 = 37 % 4 = 52 %  |
| 5  | Retrieve  | 1 = 5 % 2 = 12 % 3 = 47 % 4 = 36 %  |
| 6  | Transmission  | 1 = 5 % 2 = 13 % 3 = 53 % 4 = 29 %  |

The results of the highest dimensional description are safe. Respondents respond to the answer to this research with the highest value descriptively is on the save dimension. Sophisticated information technology can store data properly. This is very much needed by UMKM drivers in storing consumer data

**Discussion**

This research cluster collects in the save dimension. Storing consumer data is still very much needed by UMKM business users in information technology. Previous research on the viability of industry in industrial clusters: Saparuddin Mukhtar's still hopes for growth states that industrial development continues to grow well. Therefore with the help of information technology economic development can move more towards the results desired by economic of drivers.

**CONCLUSION**

The results of this study state that the cluster dimensions of this research are in storing data. Likewise descriptive data is in storing data. The significance of information technology in this study is in storing data. The suggestion of this research can be to make the next research with a broader range of respondents with different concepts and methods.

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