

# eLearning for MSME in Central Java Indonesia

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## **Abstract**

*Micro, Small and Medium Enterprise (MSME) in Central Java is a basic part of economic development, beside tourism and agribusiness. The MSME gives opportunity in absorbing unemployment, struggling in economic crisis, and contributing to Gross Domestic Product. Optimization of MSME development will be tried by eLearning. Supporting by ICT (Information and Communication Technology) the traffic of information and the material of MSME development could be accessed more MSME and the MSME can also share their experience to each other. Unfortunately, that concept couldn't be done because we have no media for eLearning activities. This paper will describe our experience to develop eLearning for MSME in Central Java Indonesia that shows the importance of collaboration and supporting from many different stakeholders to solve many constrains.*

*The Chamber of Commerce and Industry of Central Java start to develop eLearning activity by introducing MSME Website, although it cannot be used for eLearning activities. Therefore those websites have to redesign. Development of eLearning portal (called MSME Center) by*

*chamber of commerce and industry will be helped by Soegijapranata Catholic University as a web designer. They will be support by PT. INDOSAT (a mobile phone provider) as provider application with cell phone. Then the chamber of commerce and industry will conduct all activities as a portal administrator and the owner of that portal.*

*The other problems and all stakeholder's activities were unidentified and tangled. So they have to sit together to identify their activities because they will be the owners of portal content and they will provide the learning material for those eLearning portal too. So, eLearning portal will be designed that fit stake holder's characteristics and objective and more importantly fit with the need of MSME.*

*The future problem is the participation of MSME in eLearning activities because there are diversity of culture and ability in field of ICT. And so there is a need to identify the level of participant and then will design the training programs to decrease the diversity. The Local Government have to support facilities for this activities.*

*Keywords: MSME, eLearning activity, stakeholder, eLearning portal*

## Back Ground

The MSME has important role in economic structure of Indonesia. The MSME accomplishment in basic economic development is unquestionably, as the unemployment absorber, struggling in economic crisis, and contribution to Gross Domestic Product (GDP). In 2006, there are 48, 9 million of MSME's or equivalent to 99, 99% of total enterprises in Indonesia (Kompas, 13<sup>th</sup> June 2007). The roles and number of MSME in Indonesia are equitable, including in Central Java. In Central Java, MSME is part of basic of economic development, beside tourism and agribusiness.

On the other hand, in fact the life of most MSME is unwell, even the most enterprises are far from wealth condition. Therefore, we need to upgrade or develop the MSME to optimize their roles. The efforts to upgrade MSME have been done by various stakeholders; unfortunately they are not organized well, therefore not effective in doing their task. Conversely, MSME has problem to access information, especially on support, aid and information that can be accessed; and also access to the market. Consequently, their product is internationally marketable, and they have sell it through other parties, and moreover the other parties will get the more benefit from the trading. This problem also causes the outer stakeholders (especially from overseas) have difficulties to have cooperation with the MSME.

MSME upgrading or development is not an easy program, because it will involve a lot of number and kind of MSME, various stakeholders, various kind of support, and also wide geographic area. We emphasize our discussion on the last one, wide geographic area. Base on this constrain, the upgrading of MSME will need support from

Information and Communication Technology (ICT). Therefore, we proposed to use eLearning to upgrade MSME.

In Central Java, to realize eLearning for MSME is not simple. There are some problems in this program, such as no media for learning activities, unidentified stakeholders who will involve in this program, and ability of MSME in eLearning is weak.

## Methodology

This study is to identify all the problems in eLearning program for MSME in Central Java. Therefore, this study explored the real condition of MSME in Central Java related to ICT application and the possibility to implement eLearning on it. Explorations were on MSME, stakeholders in MSME, some relevant website in MSME upgrading, and key stakeholders in this program, such as The Chamber of Commerce and Industry, PT. INDOSAT (cell phone service provider), and MSME's supporting institution. All data were analyzed descriptively to get comprehensive facts on all problems and the solution to implement eLearning in MSME's upgrading in Central Java.

## eLearning by MSME Center

The first step to upgrade MSME through eLearning is by creating a center of all activities related to all MSME's upgrading. This center needs technology support to optimize its roles. Therefore, we propose an internet based MSME center. This center can use internet to optimize interaction through visual interaction by using multimedia facilities both audio and video. This center is expected to be a virtual meeting center for MSME's enterprises, supporting institutions, market, and other stakeholders. Therefore, they can communicate effectively, easily, and economically.

Through this internet based center, the program to upgrade MSME is expected be more effective and efficient. By using this center, the supporting institutions can provide learning material virtually. Furthermore the number of MSME who use this learning material will be more than conventional method (manual method). The MSME also can actively search for relevant learning material that needed for them, respond on the delivered learning material, and share their experiences to other MSME. Therefore, the eLearning is an active and participative process of all stakeholders; the rapid process and wider covering area can be achieved.

In fact this center does not exist yet. The Central Java chamber of commerce industry has provided MSME information in its website (<http://develop.amikom.ac.id/kadinjateng>). It provides information about enterprises, kind and price of products. As the key stakeholder, the chamber of commerce and industry realize that to upgrade economics will need participation from MSME and the need of an internet based MSME center. At present, they want to redesign the MSME center through some discussion with Soegijapranata Catholic University who will help in redesigning the MSME center. This center will be support by PT. INDOSAT (a mobile phone operator) with expectation to give easy access for the MSME Center through a mobile phone. In the future, the chamber of commerce and industry will be the administrator and the owner of the portal.

### **eLearning's Stakeholders**

eLearning's stakeholders are all stakeholders who are involved in upgrading MSME through eLearning program. Although we have no eLearning program yet, at the present in Central Java there are some stakeholders who are involved in

MSME upgrading, and can be classified as follow:

- **Supporting Institution:** This institution has support MSME development actively, such as in facilitating, giving technical support (hardware and software), giving training in MSME capacity building, connecting in MSME network, etc. These supporting institutions are usually from university, NGO, Aid Agencies, etc.
- **Funding Agency:** This agency gives financial support for the MSME through loan or grant. These agencies are usually from micro-finance institution, NGO, individual. Etc.
- **Government:** Central Java provincial government has 3 agencies that have task force related to MSME upgrading. They are Cooperation Agency, Industrial Agency, and Commerce Agency. All institutions give services to support MSME activities. These services are such as facilities, licensing, training, control on government policy, and legal protection for MSME and its consumers.
- **Others:** all stakeholders who are involved in MSME upgrading, such as chamber of commerce and industry, private company, etc. These actors usually give support on finance, technical, facilities, and cooperation opportunity.

One of the problems in the eLearning program for MSME in Central Java is unidentified the activities and uncoordinated the activities of all stakeholders above. Consequently, some activities are overlap and furthermore it can not solve the MSME problems comprehensively. The program to develop MSME will need coordination and cooperation of the all stakeholders.

In fact, the existence of stakeholders in MSME development in Central Java is a starting point to implement eLearning for MSME. The activities that should be done are identification of all activities of all stakeholders, classification of those activities, and networking arrangement. These activities will need participation of those stakeholders, for example in a focus group discussion to discuss their activities and their support to implement eLearning. As a result, the learning material can be coordinated and comprehensive to support the MSME upgrading effectively and efficiently.

### **The Participation of Central Java MSME In eLearning**

Actually, the MSME already knows the advantages of ICT for their business activities. Unfortunately, there are only few (10%) of MSME in Central Java who already use ICT in their business. This fact also shows the ability of MSME in Central Java on ICT application. The figure will constrain the participation of MSME in the eLearning program. Especially, eLearning will be designed to involve all stakeholders, including the MSME. Therefore, this eLearning program should be started with the MSME's capacity building activities, particularly in ICT application. Moreover, MSME also need to upgrade its knowledge to actively participate in eLearning program, such as though searching learning material, communication with the learning material provider, sharing their knowledge, updating data, etc. The Local Government have to support facilities for this activities

### **Conclusion**

Although there are some problems in eLearning program for MSME in Central Java, this program can be implemented. The main factor is there are some stakeholders

who are involved in this program. The activities of those stakeholders can act as social capital that is needed as starting point in this program. However, firstly, we should identify the activities of all stakeholders to develop a systemic and comprehensive learning activity to develop MSME in Central Java. The main actor of this program is camber of commerce who has plan to develop MSME center as the media of eLearning. On the other hand, government as one of stakeholders in MSME upgrading has responsibility to support the implementation of this program. And also the participation of MSME will support the success of this program, of course after its capacity on ICT is already improved through some training.

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