

ABSTRACT

The emergence of sharing economy business models such as the ridesharing platform in Indonesia is particularly interesting in the context of cities that struggle with population growth and increasing density. In the province of Yogyakarta , for instance, the significant growth of Go-Jek business networks (Start-up) have several public response both positive and negative. This ridesharing platform has rapidly embraced the rise of ride-hailing apps to add convenience to people's live. However, it disrupts the market and government which created circumstances for revolutionary change to establish orders. Using the public value theory in analysing the government response and ten sharing economy principles which purposed by Stephen R.Miller (2015), this research discusses how the existing local regulations affect the Go-Jek operation and significant sharing economy principles. By using a qualitative descriptive approach to describe the overview of research objective, the findings show, the operation of ridhesharing business; Go-Jek as an online transportation, provide benefits to people in term of accessibility, economic activity, and flexibility. However, there are several sharing economy principles that have not been implemented yet which are causing the failure of the local government to regulate the sharing economy business in the province of Yogyakarta.

Keywords: *sharing economy principles, online transportation, government response.*