



Legal Policy on Regulation of Employment Law in Order to Improve Micro, Small and Medium Business Activities Papua Mom's in Sorong City

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Abstract

Legal research is a scientific activity based on certain methods, systematics and thoughts, which aims to study one or several certain legal phenomena by analyzing them. Law No.11-2020 is part of the latest legal protection solution that is compiled to help provide solutions to the problems of MSME centers, such as capital, permits and marketing as well as access to data-based government projects. This can be seen in articles of amendment contained in Law No.11-2020, which includes providing convenience, legal protection and empowering MSMEs is placed at the beginning with Cooperatives, which is followed by an increase in investment ecosystem, rapid national strategic projects with protection and welfare of workforce.

Keywords: *Legal Policy; Regulation; MSMEs*

Introduction

Micro, Small and Medium Enterprises (MSMEs) are business activities carried out by individuals or groups with aim of prospering individuals and groups. Micro, Small and Medium Enterprises (MSMEs) have a strategic role in national economic development and also in economic and labor growth and the distribution of development outcomes. Micro, Small and Medium Enterprises (MSMEs) in village are seen as having good future prospects. The benefits of Micro, Small and Medium Enterprises (MSMEs) for national economy include: creating jobs, being the largest contributor to value of gross domestic product, one of effective solutions for economic problems of small and middle class people. Meanwhile, benefits of MSMEs in village for the regional economy are increasing income, empowering the community, especially women, gaining entrepreneurship experience, reducing unemployment in village, strengthening a sense of togetherness, developing community potential, developing existing businesses, and fostering a sense of wanting to move forward and so on. (Idayu et al., 2021)

The concept of national development implemented by government as an effort to improve the welfare of policy community of developing Indonesia from the village. (Fahrial et al., 2019) The target of

national entrepreneurship ratio in National Mid-Term Development Plan is to reach 3.9% and growth of new entrepreneurs by 4% in 2024. Leader, Executive, & Entrepreneur Program of the Industry & Business Institute of Management program virtually. Micro, Small and Medium Enterprises (MSMEs) are most important pillars in Indonesian economy. Based on data from the Ministry of Cooperatives and SMEs, the number of Micro, Small and Medium Enterprises (MSMEs) currently reaches 64.2 million with a contribution to GDP of 61.07% or worth 8,573.89 trillion rupiah. The contribution of MSMEs to Indonesian economy includes ability to absorb 97% of total workforce and can collect up to 60.4% total investment. However, high number of Micro, Small and Medium Enterprises (MSMEs) in Indonesia is also inseparable from existing challenges. (Limanseto, 2021)

To answer this challenge, the Government has implemented a number of Micro, Small and Medium Enterprises (MSMEs) support programs, including incentive and financing assistance through the PEN program, People's Business Credit, the Proudly Made in Indonesia National Movement, MSME marketing digitization, Strengthening Alumni Entrepreneurs of Pre-Employment Card Program through KUR Financing, and including strategies. Long term, increasing the MSME class through Law No.11 of 2020 concerning Job Creation (Law No. 11-2020). Provisions regarding ease of doing business for Micro, Small and Medium Enterprises (MSMEs), both those regulated in a special chapter on convenience, empowerment, and protection of Micro, Small and Medium Enterprises (MSMEs) and outside the MSME chapter provide reinforcement for empowerment and protection of Micro, Small and Medium Enterprises (MSMEs). This arrangement is a guarantee of ease of doing business and facilitation of Micro, Small and Medium Enterprises (MSMEs), as well as a form of *affirmative action* given by lawmakers to Micro, Small and Medium Enterprises (MSMEs). The complexity of setting ease will doing business which are spread across several discussion clusters requires caution in discussion. (Rongiyati, 2020)v

The indigenous Papuan women, a young group of batik and fish in Maladumes District, Sorong City, received capital assistance and business equipment as well as assistance from Garuda Timur Papua Foundation. The assistance was handed over by Deputy Director of Garuda Timur Papua Foundation in Sorong City, Septinus Kambu, together with Head of Industry at the Sorong City Trade and Industry Office, Melkias Malak, at Tanjung Kasuari Village Office. Septinus Kambu said that equipment and business capital assistance for indigenous Papuan mama-name business groups as well as coaching money for young batik batik and smoked fish groups were assisted by Garuda Timur Papua Foundation, in order to encourage these business groups to continue running their business amid COVID-19 outbreak 19. This becomes a big question when role of local government Papua Sorong or Mayor of Sorong to help in efforts to stimulate economy, especially in material and financial assistance. In addition, is it necessary for Papuan Mamas Business Group to establish a business entity in form of a sole proprietorship or whether it remains an MSME as has been ratified in Law No.11-2020.

Research Method

Legal research is a scientific activity based on certain methods, systematics and thoughts, which aims to study one or several certain legal phenomena by analyzing them. (Suryoputro et al., 2012)

Research Results and Discussion

Some Effects of Law no. 11-2020 Against Local Business Groups of Indigenous Papuan Mamas in Papua Sorong Region

After enactment of Law No.11-2020 is associated with impact on MSMEs. The problem that will be studied in this research how is the legal protection for micro, small and medium enterprises after enactment of Law No.11-2020. The method used by author in this study is a normative juridical

research. The results of the study show that the general problems faced by MSMEs are matters relating to law and debts to partners. Furthermore, the protection of MSMEs has been well regulated through Law No.11-2020 and Government Regulation Number 7 of 2021, especially regarding legal protection because currently central government and local governments have given more attention to financing for MSMEs who request legal assistance and assistance services such as legal counseling, legal consultation, mediation, and outside assistance court. (MPR RI, 2013)

Law No.11-2020 has been approved by DPR RI as a solution to accelerate economic recovery, but along the way, this law has experienced various rejections, including by workers. This paper aims to see whether Law No.11-2020 will have an impact on Indonesian economy. This law is expected to be able provide at least five benefits economy, namely job creation, improvement of worker competence and welfare, increased worker productivity, increased investment, and empowerment of MSMEs and cooperatives. This law also has an influence on fiscal policy in which central government has authority to intervene in setting of regional tax rates and regional levies and supervise regional regulations regarding regional taxes and regional levies that are considered to hinder investment. For this reason, caution is needed in formulating the derivative rules. DPR RI plays a very important role in ensuring and supervising that this Law will have a positive impact on the economy going forward. (Respatiningsih, 2011)

Article 4 Products that enter, circulate and are traded in territory of Indonesia must be certified halal, this obligation incurs costs for making certification, what about MSME products, the Order of Halal Product Guarantee Act which bears the cost of third party halal certification, including private parties in it, after Law No.11-2020 is ratified, then the cost of halal certification are responsibility of state.

The expansion of working capital financing for MSMEs is carried out by encouraging banks to be able to provide soft loans to MSMEs. Thus, MSMEs have sufficient working capital to be able to run their business. This policy is necessary to maintain MSME liquidity. (Hendra, 2020) MSME criteria according to Law No.11-2020 is a business that can provide business capital, turnover, net worth indicators, annual sales results, incentives/disincentives, application of environmentally friendly technology, local composition or total amount. The role of government in helping to provide business capital are disbursement of People's Business Credit program. (People's Business Credit) KUR applies to MSMEs that are included in criteria for having a decent business, but don't have sufficient collateral as a requirement in bank. KUP is financing for MSMEs that don't receive a credit program from government when the application for financing is submitted. The final goal of the People's Business Credit program is to improve economy, eradicate poor families and absorb workers. People's Business Credit is credit intended for MSMEs from banks in form of providing capital and investment so that business is productive and feasible but not yet bankable. The main goal is to accelerate development of real sector, including forestry, agriculture, fisheries, industrial and marine sectors. ("COVID-19 DAN IMPLIKASI BAGI USAHA MIKRO, KECIL, DAN MENENGAH," 2020)

Forms of Papuan Government's Legal Policy on Increasing Micro, Small and Medium Enterprises in Papuan Mama Business Groups

Application of rules Law No.11-2020 has recently been realized by a state-owned company, namely PT. Pertamina, through *Pinky Movement* program, such as providing business capital loans for LPG MSME actors with the aim of increasing business capability, so to create competence through monitoring, assisting and educating public for use of IDIC subsidies that are use tailored.

In addition to business capital, through the Renery Unit (RU) VII Marketing Operation Region (MOR) VII Maluku, PT. Pertamina also fosters and implements certification assistance according for needs MSMEs. The goal is that MSME actors can grow competence and develop business which will eventually be able to raise level of business class they are engaged in.

Some solutions and efforts of the local government through the Mayor of Sorong City Regulation No. 35 of 2015 concerning the Arrangement and Development of Traditional Markets, Shopping Centers and Modern Stores in Sorong City, in article 21 paragraph (2) that cooperation in terms of marketing as recorded in paragraph (1) implemented in the form of: (a) Marketing of manufactured goods from MSMEs packaged with the brand owner the goods, modern shops or other brands that have been determined to increase the sales value of goods, and (b). Marketing of MSME products by way of storefronts or outlets made by modern shops.

In next paragraph, paragraph (3) states that location provider to open a business as stated in paragraph 1 must be carried out by management of shopping centers, modern shops for MSMEs and cooperatives through the provision of business space in a shopping environment. Furthermore, in paragraph 4, the provider of business locations referred to in paragraph 3 is only for shopping centers and modern shops which have a land area of 2000 m² which is obliged to provide space for MSMEs with an area of at least 10% of the building's effective area which cannot be converted into other forms.

This support is not only from the government, institutions and companies also pay special attention to the ongoing MSME actors, especially in Sorong City. It is hoped that during this difficult time of the pandemic, MSME actors will still be able to make a positive contribution to regional and national economy and ultimately improve welfare. Bank Papua has provided CSR assistance in the form of 50 carts to Papuan mama-mama traders who don't have a place to sell. Carts can be used as a more appropriate and better place for independent business.(Sugiri, 2020)

The role of Law No.11-2020 in increasing MSMEs for Papuan mothers as reflected in Article 30 of Law No.11-2020, among others: First, implementing a trade pattern by looking for general partners as referred to in Article 26 letter d, through marketing cooperation and providing MSME business locations which are carried out openly. Second, Fulfilling product standardization required by large-scale entrepreneurs, prioritizing production from small or micro-enterprises, provided that integrity standards of goods or services being marketed are met. Third, the systematic arrangement of payments made without harming other parties.

Conclusion

Law No.11-2020 is part of the latest legal protection solution that is compiled to help provide solutions to the problems of MSME centers, such as capital, permits and marketing as well as access to data-based government projects. This can be seen in articles of amendment contained in Law No.11-2020, which includes providing convenience, legal protection and empowering MSMEs is placed at the beginning with Cooperatives, which is followed by an increase in investment ecosystem, rapid national strategic projects with protection and welfare of workforce.

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