



Legality of MSMEs for Tourism Village Development

Ali S¹, Nyimas Fitria², Indah Kartika Meilani³, Endang Sutrisno⁴, Sri Primawati Indraswari⁵

Universitas Swadaya Gunung Jati, Indonesia

alisupardi.9e@gmail.com, nyimasfitriaaa@gmail.com, indahkartika.2210@gmail.com,
Endang.sutrisno@ugj.ac.id, sri.prima.indraswari@ugj.ac.id

Abstract

This research explores the implementation of legalities faced by Micro, Small and Medium Enterprises (MSMEs) in tourist villages, with a focus on understanding and compliance with applicable regulations. The research method involves in-depth interviews with MSME owners and related stakeholders in the tourist villages selected for the survey. The research results identified that MSMEs in tourist villages often face difficulties in understanding and fulfilling the necessary legal requirements, such as business permits. These findings highlight the need for a more integrated approach and active assistance from relevant parties, including government and non-government organizations, to increase MSMEs' understanding and compliance with applicable regulations. The results show that the legality of MSMEs, such as business permits and product certificates, has a significant impact on the growth and sustainability of tourist villages. Implementing clear regulations and a good understanding of the legal process can increase the competitiveness of MSMEs and strengthen the local economy. This research provides policy recommendations for the government and practical guidelines for MSME owners in utilizing legality to support sustainable development of tourist villages.

Keywords : Legality, MSMEs, Tourism Village

INTRODUCTION

The tourist attraction industry is currently one of the sectors supporting economic growth, because the tourist attraction sector has a significant impact on the community's economy (Basalamah and Mawardi 2022). One of them is being able to mobilize local economic potential, especially through the development of tourist villages. In Indonesia, Tourism Villages are the main focus of the government's efforts to strengthen the local economy by preserving culture and the environment. In this context, MSMEs have a crucial role as the backbone of the local economy (Beer and Clower 2014).

The growth of MSMEs in tourist villages not only creates economic opportunities, but also enriches tourists' experiences with unique local and cultural products and the development of MSMEs in tourist villages, not only has a positive impact on the local economy, but also becomes the main pillar in preserving culture and the environment (Aprilani et al. 2023).

However, even though MSMEs have great potential, the challenges they face are often complex, one of the current challenges is the issue of legality (Mukherjee 2018). The legal basis for the legality of MSMEs in developing tourist villages is found in laws and regulations in Indonesia, including Law No. 20 of 2008 concerning Micro, Small and Medium Enterprises which provides a legal basis for the protection, development and empowerment of MSMEs (Hasanah and Driss 2023). The legality of permits for micro, small and medium enterprises is very important, considering that there are many people who still have difficulty developing their businesses and business actors who have difficulty getting contributions to develop their businesses because they have not been registered or received permission from the government (Sondakh et al. 2023).

The Belawa turtle tourist attraction in Belawa village is visited by quite a lot of tourists, because this tourist village has a step turtle destination which is inhabited by hundreds of ancient Belawa turtles, however, with this developing tourist attraction sector there are still many MSMEs who do not have legal status. even though legality itself is a form of recognition from the state towards business actors, so that it can be used as a condition for cooperation with various parties. The legality of developing MSME actors includes the legal framework, regulations, policies and procedures that regulate various aspects of their business (Hadiyati 2022). This includes business permits, legal protection, access to financing, consumer protection, and various other related regulations. Apart from creating supportive regulations, the government also has a role in providing technical assistance, facilitating access to financial resources, and increasing awareness and understanding of MSME players about the importance of legality in running their businesses sustainably.

Related to this explanation , the findings of this research require the implementation of education regarding how important it is to understand legality and the role of external parties in guiding the public regarding legality. Through an approach based on strong legality, it is hoped that it can increase income and stimulate the growth of the tourist attraction industry, thereby triggering regional economic growth. The problem in this article is about the legality of MSME products to provide legal protection for development in the economic context of society.

Waste management is still difficult to resolve due to a lack of awareness from business actors and the community, as well as government efforts that have not been maximized. Law No. 18/2008 on Waste Management regulates administrative provisions, civil liability, the right to sue, and criminal sanctions. The relevant regulations authorize regents/mayors to impose administrative sanctions on managers who violate waste management provisions. However, the law has not further explained the provisions of who is meant by a waste manager and what requirements must be met.

The purpose of this research is to analyze the legalization of MSMEs in the development of Tourism Villages (case study in Belawa Village, Lemah Abang Subdistrict, Cirebon Regency). This research is important to provide an overview of the importance of MSME legalization in the development of Tourism Villages, so that it can be a reference for the government and the community in improving the village economy.

RESEARCH METHODS

This research uses a normative method with the aim of approaching business actors directly to see the implementation of law regarding the development of MSMEs in real life and collecting data. The data sources used in this research are primary data obtained through interviews with MSME actors in Belawa Village, Lemah Abang District, Cirebon Regency, as well as secondary data from document studies related to local government policies regarding village tourism development. The data collection techniques used were in-depth interviews, observation, and documentation studies.

To analyze the data, this study used qualitative descriptive analysis techniques. Data obtained from interviews, observations, and documentation studies will be analyzed in depth to understand and explain phenomena related to the legalization of MSMEs in the development of Desa Wisata in Belawa Village. To minimize plastic waste, it can be done through the use of products made from biodegradable materials, recycling, and the provision of waste disposal facilities. In addition, producers also have the obligation to plan, implement, monitor, evaluate, and report efforts to minimize the waste produced, as well as educate consumers.

RESULTS AND DISCUSSION

Development of Legality of Micro, Small and Medium Enterprises in Tourism Villages

Turtle Tour or cikuya Belawa is a tourist attraction located in Belawa Village. It has 400 turtles that can reach 150 years of age and weigh around 8kg. The results of the research show that this rare *species* of turtle deserves to be preserved and protected from extinction. The existence of the Belawa turtle tourist attraction is an economic sector for the region to continue to be able to further protect the turtle *species and increase the growth of the Belawa tourist attraction*. With the contribution of Micro, Small and Medium Enterprises, Belawa Village has also made MSMEs a target for visits by tourists. Through the large amount of support received, the government has seen the enthusiasm of the village community to revive the community's economy. Some of the steps include, MSMEs in Belawa Village, namely candied mangoes. MSME mango sweets are increasingly in demand, creating the development of other MSMEs, namely, Fruit Chips, Rengginang, and other dry foods. However, the facts found are that the number of business actors who do not yet have legality is greater than those who already have legality.

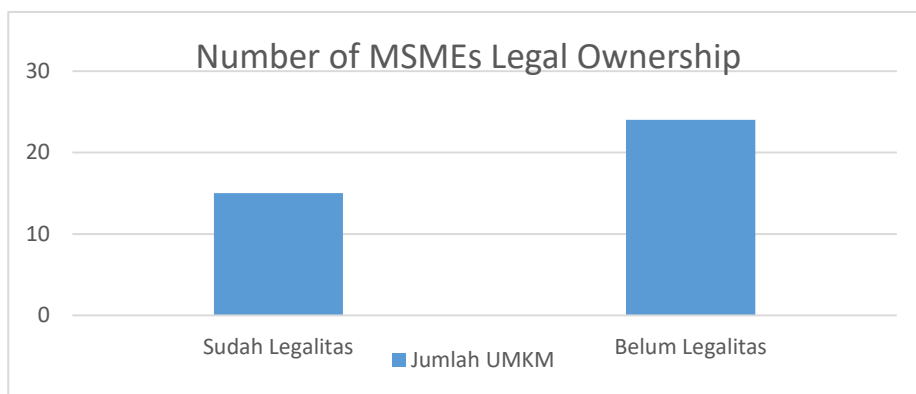


Figure 1. Graph of Number of Legal Ownership of MSMEs in Belawa Village

Based on this graph, the comparison between the number of MSMEs that already have legality and those that do not have legality is quite large. The MSMEs that were successfully recorded in more depth were candied mango products which are one of the superior and developing products in Belawa village with sales already covering outside cities such as Cikampek city. Of the potential mango fruit owned by Belawa village, only 3 business actors already have legal status in processed mango products. With a number of business actors who already have clear legality and fairly extensive marketing, these mango product business actors receive benefits in developing their products such as capital assistance or what is usually called People's Business Credit (KUR). Seeing the potential that these mango sweet MSMEs have, they can get wider benefits such as village level marketing, branding assistance, nutritional content and packaging from the Trade Industry Service.

The implementation of MSME data collection was also carried out *door to door* based on MSME data provided by the Belawa Village government, and input data collection from *Google forms* distributed via the Belawa Village MSME Actors *WhatsApp group* created by students in developing legality. The number of MSMEs found in Belawa Village is 39 MSMEs, almost all MSMEs are engaged in food/beverage products. In this research, assistance was carried out in issuing NIBs and Halal Certificates for MSMEs in Belawa Village through outreach regarding understanding of Legality because there is still a lack of education regarding business permits. The findings that contribute to the fact that many MSMEs do not yet have legality or permits are lack of

knowledge, the perception that making it legal is complicated, concerns about expensive costs, and ignorance about how to manage it.

External Role Strategy in Making MSMEs Legal to Provide Legal Protection.

The external role in the legality of MSMEs is very important to provide legal protection (Tira 2023). One strategy is guidance and legal assistance from the government or non-governmental institutions to ensure that MSMEs understand and comply with applicable regulations (Permatasari and Gunawan 2023). The findings of this research are the implementation of assistance for NIB issuance using an integrated electronic system, namely OSS (Fasyehhudin, Jaya, and Rahman 2022). Integrated Online Licensing or better known as *Online Single Submission* (OSS) is a permit issued by the OSS authority that is guaranteed and integrated (Nurmayanti and Widayati n.d.). The OSS system has many advantages in business licensing such as ease of processing various business permits and allowing MSMEs to be able to connect with related parties to obtain permits quickly and safely and provide appropriate facilities to MSMEs in reporting licensing problems and storing licensing information in one identity, namely the Business Identification Number (NIB). This OSS authority is given directly in the name of the Minister, Institutional Leaders, Regents and Governors so that it plays an important role in the Legality of Micro, Small and Medium Enterprises (Ramdhani 2022).

Through socialization carried out in Belawa Village, assistance and understanding of how to register a Business Identification Number (NIB) and Halal Certificate were carried out (Jaelani 2016). NIB registration uses student laptops, to provide direction to MSME entrepreneurs via the OSS Indonesia website or application. Then provide directions by registering using a *WhatsApp cellphone number* or *e-mail* that has not been used in the OSS system. A few moments after getting the verification code, continue with setting *the password* and filling in the form according to the KTP (Kusuma, Sukarno, and Wardana 2022). Then the next step is to fill in the complete business actor data required by the Indonesian OSS application by filling in the form provided (Mayasari 2018). After the OSS account has been created, the business manager is asked to photograph the product and explain the composition of the product. After everything has fulfilled the requirements and filing, the NIB and Halal Certificate will immediately become documents issued directly from OSS Indonesia .

MSME actors who have agreed to issue NIBs and Halal Certificates, show that the percentage of successful legality in Belawa Village is 10 Business Actors and 14 business actors who are still not legal yet still have minimal knowledge, assuming that their operations are small or insignificant so they feel that they do not need Legality. The results of the NIB and Halal Certificate registration carried out by these 10 business actors were in the form of documents and were immediately received by the MSMEs in Belawa Village.

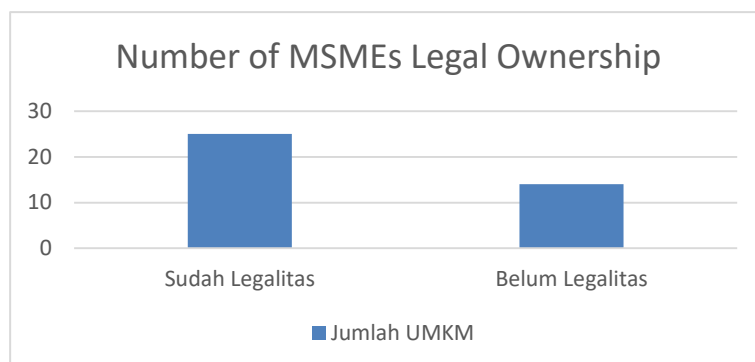


Figure 2 . Graph of Number of Legal Ownership of MSMEs in Belawa Village

CONCLUSION

This tourist attraction as a significant regional economic sector is exploited through community economic activities, namely MSMEs, carried out by the Belawa Village community by developing the potential of the main MSMEs they have, namely Candied Mango. The role of MSMEs in making this tourist destination for Turtle Turtle Belawa is very enthusiastic to see that MSME players want to develop their products from not yet legal to legal, this is in accordance with Government Regulation No. 32 of 1998, Presidential Instruction No. 10 of 1999 and Job Creation Law No. 11 of 1998. 2020 in an effort to create economic development in the country.

Through MSMEs which are used as tourist destinations, it is hoped that they will be able to increase the growth of the Belawa tourist attraction so that they can continue to protect turtles further and revive the community's economy. This research also emphasizes the importance of strengthening legality as a step in supporting the development of tourist villages and a form of government protection for business actors if problems arise with their business.

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