

## LEGALITY ASSISTANCE OF MICRO, SMALL, AND MEDIUM BUSINESSES THROUGH ONLINE SYSTEM SINGLE SUBMISSION

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### Abstract

Several countries, especially Indonesia, are still feeling the Covid-19 pandemic. The Covid-19 pandemic has impacted the health, politics, and education sectors. In addition, the impact felt by the Indonesian state is the economic sector. The Indonesian economy experienced a slump; the government intensified Micro, Small, and Medium Enterprises to improve quality. Because MSMEs are increasingly visible and widely owned by Indonesian citizens, the government provides a policy that every MSME must have legality. This legality is called the Business Permit Number or NIB, formerly known as SIUP. Using the PAR approach, the facilitator conducts a mentoring program for making NIB using the Online Single Submission System so that MSME actors immediately have legality. Moreover, during the making of the NIB, MSME actors access the OSS page and already have a legality called NIB.

**Keywords:** *Legality, MSMEs, PAR approach*

### Abstrak

*Pandemi Covid-19 masih dirasakan beberapa negara, khususnya negara Indonesia. Pandemi Covid-19 memberikan dampak pada sektor kesehatan, politik dan Pendidikan. Selain itu dampak yang dirasakan negara Indonesia adalah sektor Ekonomi. Perekonomian Indonesia mengalami kemerosotan, pemerintah menggencarkan Usaha Mikro Kecil dan Menengah agar memperbaiki kualitas. Melihat UMKM semakin terlihat dan banyak dimiliki warga Indonesia, pemerintah memberikan kebijakan bahwa setiap UMKM harus memiliki Legalitas. Legalitas ini dinamakan Nomor Izin Berusaha atau NIB yang dulunya dinamakan SIUP. Dengan menggunakan pendekatan PAR, pendamping melakukan program pendampingan pembuatan NIB menggunakan Sistem Online Single Submission, pelaku UMKM agar segera mempunyai Legalitas. Dan selama pembuatan NIB, pelaku UMKM mengakses laman OSS dan sudah mempunyai Legalitas yang dinamakan NIB.*

**Kata kunci:** *Legalitas, UMKM, PAR*

## 1. INTRODUCTION

The Covid-19 Pandemic has impacted various sectors in all countries in the world. Not only the health, education, and political sectors. The Indonesian economy has also been affected by the Covid-19 Pandemic. MSMEs are one of the boosters of the Indonesian economy (Ghufron et al., 2022). The Economic Crisis evidences this

from 1997 to 1998 hit Indonesia and made the nation's economy seem to be sinking. Micro, Small, and Medium Enterprises, or MSMEs, are suspected of being economic heroes who have saved the nation's economy from a downturn. The number of MSME actors can demonstrate this after the economic crisis, which continues to grow yearly.

Moreover, MSMEs were able to survive amidst the economic crisis storm and absorb a larger workforce in the nation's economy, which increased from 96.99% to 97.22% in the same period (2012 - 2017). With so many workers absorbed, the MSME sector is considered to have a strategic role in reducing unemployment and poverty. For this reason, the government has made a strategy by contributing to business actors so that MSMEs can continue to run and stabilize the country's economy. (Sarfiah et al., 2019)

The government is urging the public to increase entrepreneurship or MSMEs to reduce unemployment; of course, the public must know and understand the legality of their own business. Thus, the company's legality must comply with the provisions of the country's positive law so that its legitimacy can be ascertained. Legality is the essential element because legality is an identity that legalizes or legalizes a business entity or individual so that it is recognized by the public (Kusmanto & Warjio, 2019).

With Presidential Regulation Number 98 of 2014 concerning Licensing for MSMEs (Yuwita et al., 2021). With a permit, MSMEs can get four (4) benefits. The first is the legality of business; the second is the ease of getting capital because it is legal, then the access to get business assistance from the government, and the fourth is the opportunity to get empowerment assistance from the government. Many MSME actors override this one thing. Most of them think that permits are only needed by businesses already operating on a large scale. Many still think that getting a business license is complicated and takes time (Kusmanto & Warjio, 2019).

In 25 paragraph (1) of Government Regulation Number 24 of 2018 concerning Electronically Integrated Business Licensing Services or Online Single Submission (OSS), it is stated that NIB is a business identity and is used by business actors to obtain Business Permits and Commercial or Operational Permits including to fulfill requirements Business License and Commercial or Operational License. With a Business Identification Number (NIB), in the future, every entrepreneur can bring only a few required documents to apply for a business license simply by using the NIB as one of the documents needed. This NIB is valid as long as the business actor is still running his business following the applicable laws and regulations. The government will revoke NIB if Business Actors commit irregularities or carry out activities that are not following NIB data (Hartanto Sri, 2019).

In Ngablak Village, Srumbung District, approximately 60 of them fall into the category of micro and small businesses, including brick production, bird farming,

chicken farming, snake fruit farming, and others. When submitting BPUM, many business actors applied for this assistance. However, the problem is that many micro-entrepreneurs still need to get a business license. This is by supporting government programs in advancing the economy and developing accompanying micro and small businesses, providing an understanding regarding the importance of having a micro business license (NIB) automatically owned businesses have permits. In 2022 MSMEs will have integrity electronically. Article 38 business actors will obtain licenses (Assegaf et al., 2019). Moreover, business actors with a NIB will find it easier to apply for assistance, such as BPUM assistance. Facilitators try to provide a solution for the community to have a Business Identification Number (NIB) by submitting it to the OSS system.

Integrated Online Licensing or commonly referred to as Online Single Submission (OSS), is a permit issued by the OSS Agency for and on behalf of the Minister, Head of Institution, Governor, or Regent through an integrated electronic system. The OSS system has several benefits in business licensing, namely facilitating the management of various business licenses to obtain business licenses and operational permits in the mechanism of fulfilling license requirements commitments, providing facilities for business actors to be able to connect with the parties involved to obtain permits safely, quickly and in real-time. , providing proper facilities to business actors in reporting and solving licensing problems, and providing appropriate facilities to business actors to store licensing data in one identity.

## 2. METHOD

Facilitators create a program in Ngablak Village to increase understanding of the importance of business legality and procedures for making NIB using the Online Single Submission System. The research method used is the Qualitative Method using observation, interviews, and documentation (Sunindyo, 2021). The approach used is the PAR (Participatory Action Research) approach.

Participatory Action Research is a research model that links the research process to social change. The social change in question is how the empowerment process can realize three benchmarks, namely, the existence of a joint commitment with the community, the existence of local leaders in the community, and the existence of new institutions in society that are built based on needs. (Grace & Mirnawati, 2020). The strategy was undertaken to achieve the condition using the PAR Method. The PAR method has three key variables: Participatory, Action (Action), and Research (Research). Based on the order of the three variables working methodology is as follows:

- a. Research is the stage of Research on the problems faced by the community; the problem is understood in such depth and detail that the cause and effect of the problem can be identified.
- b. Action, after knowing the problem, enters the second step, namely the search for alternative solutions to solve the problem, which is then translated into several work program items that will be implemented.
- c. participatory, the two points above are carried out in a participatory manner by involving all components of society in identifying problems and solving techniques together (Aini et al., 1970).

From the three principles of PAR, assistants can identify problems, plan, and act together with the community to solve their problems. The intended objects are MSME actors in Ngablak Village who do not yet have NIB and those who are willing to take part in making NIB at the Ngablak Village Hall.

### 3. RESULTS AND DISCUSSION

This service is carried out based on the LP3M STAIA Syubbanul Wathon Magelang work program, namely village community assistance. Legality Assistance for Micro, Small, and Medium Enterprises Through the Online Single Submission System in Ngablak Village, Srumbung District. The companion researches the Legality of MSMEs through the PAR method, especially in Ngablak Village, Srumbung District.

#### *Research*

Ngablak Village is one of the villages in the Srumbung District. Ngablak Village has agricultural potential in the form of salak; apart from that, many residents of Ngablak Village also have individual businesses or MSMEs. Businesses owned by residents of Ngablak Village, such as Chicken Farming, Catfish Cultivation, Snack Manufacturing, and so on. Facilitators tried to make observations at the Ngablak Village Hall. They found Letters of Application for Assistance, many MSME entrepreneurs who applied for Productive Presidential Assistance for Micro Enterprises, abbreviated as BPUM, from May to August.

"In Ngablak Village, the potential for Salak is abundant; besides that, many also have MSMEs; when BPUM assistance is available, everyone rushes to apply for this assistance," said Village Secretary Mr. Ahmad Ridwan. In addition, Head of Administration and General Affairs Mr. Masngudi revealed that "Many of those who apply for BPUM are not necessarily those who own a business, just because they want to earn money." This was also emphasized by the Village Head, Mr. Amri Subkhanoro, "One of the problems in Ngablak Village is that when assistance, especially assistance in the form of cash, all filed in droves, such as BPUM assistance, many residents did not have businesses but applied for this BPUM, especially during

the Covid-19 Pandemic, the people's economy was declining, and it was feared that many residents would take advantage of this assistance during the Covid-19 Pandemic.



Figure 1 Archiving incoming mail

Another problem is that MSME actors put aside their business licenses; they think it needs to be simpler when registering their business licenses. This was disclosed by the Head of Ngablak Village, Mr. Amri Subkhantoro, that "if you make a business license, you usually pay, because most of the time when you make a permit with brokers or intermediaries, MSME actors should have a permit".



Figure 2 Inputting Assistance Data

### *Action*

After analyzing the problem, those in Ngablak Village, Srumbung District, were residents who applied for BPUM assistance; not all were MSME actors or did not have MSMEs. Based on this analysis, the assistant tries to provide a solution so that MSME actors who own their business get a Business Identification Number (NIB) supported by the government, which is currently intensifying MSME actors to immediately make a Licensing Letter, which was formerly called SIUP and since May 2021 the government has changed it to Business Identification Number or NIB. With a new policy from the government, assistants are trying to create a work program for MSME actors, namely in the form of Legality Assistance for Micro, Small, and Medium Enterprises through the Online Single Submission System. The companion makes a form that will be given to MSME actors willing to register their businesses. The companion provides a little direction or knowledge about NIB. Most importantly, the companion also brings in a trainer or Mentor, Garda Transfumi, who directly provides extensive NIB knowledge and will guide making NIB with the System Online Single Submission.

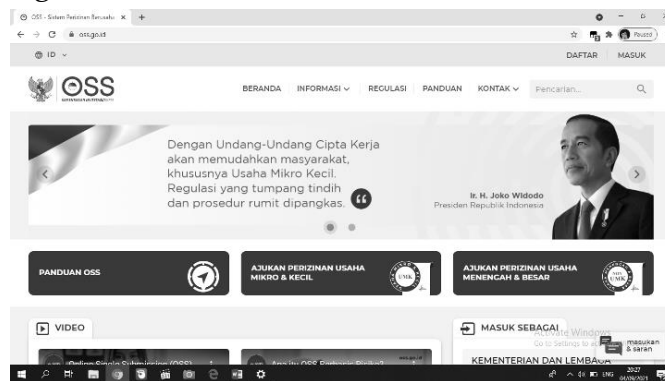


Figure 3 OSS application

MSME actors can access the OSS system and are required to have access rights. The first step is to enter the OSS page; once the page opens, click the Register/Login button, then click the Register button. Then you will be asked to fill in data, namely filling in the National Identity Number/NIK for individuals and the validation number of the establishment deed or registration number for non-individuals; after all, data has been filled in, fill in the available captcha and click Submit. After that, you will receive an e-mail verifying the OSS account; click the Activation button, then you will receive an e-mail again containing the username and password sent by the system. Then access the page above again, then click the Enter button. Then MSME actors can enter the OSS account.

### *Participatory*

To implement the program, companions need stakeholders, including the Village Government or Village Officials, residents, and especially MSME actors. After approval from the Village Head and the accompanying Village Apparatus, the

assistant makes steps. Before carrying out the Assistance for making NIB, MSME actors are asked to fill out a form and attach a photocopy of their KTP and Family Card. The Facilitator also gives MSME actors a little guidance regarding the NIB. The time given by the companion is August 23, 2021, to August 26, 2021.



Figure 4 Form Filling Directions

After filling out the form provided by the companion, the following day, the MSME actor is asked to come to the Village Hall to make a Business Identification Number or NIB, which a Garda Transfumi Trainer or Mentor will train, he is Mr. Nunung Zudianto and Mrs. Yeny Fitriyani, SE., MEK.



Figure 5 Mentor Presentation

With the assistance that was carried out, the assistants felt the benefits felt by MSME actors and the village government. This is evidenced by conducting interviews after the event with MSME actors on behalf of Ahmad Saefudin, a snack maker. He said, "This creation is beneficial for SMEs, especially me, sis, I, who used to be lazy to be complicated, now it's made easier by making this NIB."

Mr. Secretary of the Village, Mr. Ahmad Ridwan, stated that creating this NIB makes it easier for villages to record MSME actors who have businesses. In addition,

village officials also feel the positive impact of the assistance in the making NIB, as Mr. Tanto said that the application is relatively easy to use and can be a lesson for other devices.

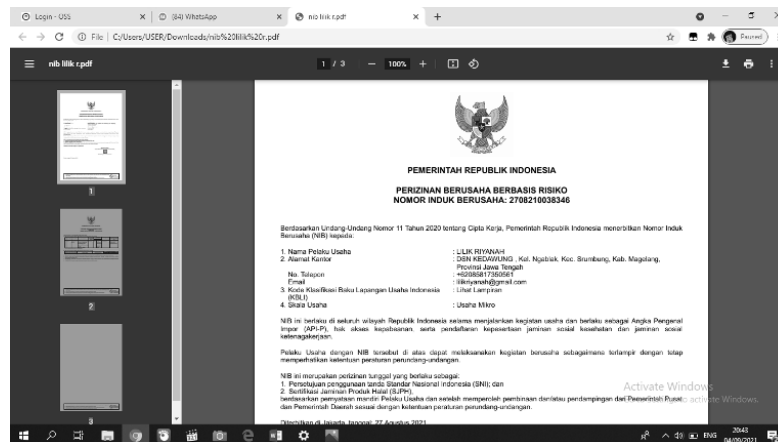


Figure 8 NIB results

#### 4. CONCLUSION

Based on the analysis of the data above, it can be concluded that the knowledge of the Ngablak Village residents regarding Business Legality still needs to be improved, so wider social Assistance is needed after this Assistance. The Village Government also has yet to be able to make breakthroughs for its citizens who do not have NIB, so the Village Government must pay more attention to MSMEs in Ngablak Village. MSME actors feel very happy from this Assistance activity because they have been assisted in making NIB. In the past, they thought that permits were unnecessary for MSMEs because making permits was complicated and costly. MSME Legality Assistance is very much needed for MSME actors, especially for preparations for the coming year.

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