LEGAL POLICY TOWARDS GOOD CORPORATE GOVERNANCE IN THE EASE OF MICRO, SMALL AND MEDIUM ENTERPRISES BASED ON LAW NO. 6 OF 2023 CONCERNING THE STIPULATION OF GOVERNMENT REGULATIONS IN LIEU OF LAW NO. 2 OF 2022 CONCERNING JOB CREATION TO BECOME LAW

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Abstract

Legal instruments are legal policies that are the basis for efforts to create social justice for the community. Legal policy in the field of developing micro, small and medium enterprises after the enactment of Law No. 6 of 2023 Concerning the Stipulation of Government Regulations in Lieu Of Law No. 2 of 2022 Concerning Job Creation to Become Law is an instrument in the development of micro, small and medium enterprises. The number of micro businesses in Indonesia reaches 63,955,369, small businesses 193,959 and medium businesses 44,728. Therefore, it is necessary to develop policies for micro, small and medium enterprises based on the synergy of the central government and local governments on the basis of the division of affairs in order to facilitate the development of micro, small and medium enterprises through sustainable empowerment in the context of economic equality with a populist economic model as the foundation of state development. The legal policy on the Job Creation Regulation which regulates synergy on the basis of the division of affairs between the central government and regional governments, needs to be further stipulated in government regulations to facilitate the development of micro, small and medium enterprises. This study focuses on analyzing the state's legal policy towards micro, small and medium enterprises in order to facilitate and sustain them. This study uses a legal approach.

Keywords: Legal Policy, Micro, Small, Medium Enterprises and Law No. 6 of 2023

Abstrak

Instrument hukum merupakan kebijakan hukum yang menjadi dasar dalam upaya untuk menciptakan keadilan social bagi masyarakat. Kebijakan hukum dalam bidang pengembangan usaha mikro, kecil dan menengah pasca ditetapkannya UU No. 6 Tahun 2023 tentang Penetapan Peraturan Pemerintah Pengganti Undang-Undang Nomor 2 Tahun 2022 tentang Cipta Kerja menjadi Undang-Undang tentu menjadi instrument dalam pengembangan usaha mikro, kecil dan menengah. Jumlah usaha mikro di Indonesia mencapai 63.955.369, usaha kecil 193.959 dan usaha menengah 44.728. Oleh karena itu diperlukan kebijakan pengembangan kepada usaha mikro, kecil menengah dengan didasarkan kepada sinergi pemerintah pusat dan pemerintah daerah dengan dasar pembagian urusan dalam rangka fasilitasi pengembangan usaha mikro, kecil dan menengah melalui pemberdayaan secara berkelanjutan dalam rangka pemerataan ekonomi dengan model ekonomi kerakyatan sebagai

landasan pembangunan negara. Kebijakan hukum terhadap Perpu Cipta Kerja yang mengatur sinergitas dengan dasar pembagian urusan antara pemerintah pusat dan pemerintah daerah, perlu lebih lanjut ditetapkan dalam peraturan pemerintah untuk memberikan fasilitasi pengembangan terhadap usaha mikro, kecil dan menengah. Dalam kajian ini focus kepada analisis terhadap kebijakan hukum negara terhadap usaha mikro, kecil dan menengah dalam rangka fasilitasi dan keberlangsungannya. Dalam kajian ini menggunakan pendekatan hukum.

Kata Kunci: Kebijakan Hukum, Usaha Mikro, Kecil, Menengah dan Perpu No. 2 Tahun 2022 Tentang Cipta Kerja

1. Introduction

Legal policy instruments in an effort to create good corporate governance as a form of service to the community, especially with regard to improving welfare for the community, need to be encouraged, so that empowerment of the small, micro and medium business sectors can develop and contribute to the sustainability of the country's economy and the welfare of the Indonesian people. In the Principles of Good Governance, which must also be applied to licensing procedures. According to these principles, any licensing scheme must follow national rules and regulations, and decision-making must be transparent and treat all license applicants equally. All public services must be provided within a reasonable timeframe. [1]This process is an effort to provide convenience for the community and encourage a pattern of empowerment for small and medium enterprises. One of the problems in the development of small, micro and medium enterprises, is the capital structure in emerging markets, where agency costs are expected to be high and found that short-term debt can indeed reduce agency problems in these markets.[2] This is one of the provisions in the development of small, micro and medium enterprises.

In an effort to create ease of doing business, the government together with the Indonesian House of Representatives established new legal norms and new methods related to job creation, where the focus in the provisions of Law No. 11 of 2020 concerning Job Creation is on ease of doing business, this is then an instrument for the government to increase investment and one of them is on business development, micro and small businesses oriented towards community empowerment. In order to implement the work copyright law, there was a lawsuit which was finally decided by the Constitutional Court with Decision Number 91 / PUU-XVIII / 2020 which stipulated the verdict, among others:

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[1] Pirjo Majuri, et.al. Geoenergy Permit Practices In Finnish Municipalities – Challenges With Good Governance, *Energy Strategy Reviews 32 (2020)*, p. 1, https://Doi.Org/10.1016/J.Esr.2020.100537

[2] Deniz Anginer, et.al, Is Short-Term Debt A Substitute For Or Complementary To Good Governance?, *Borsa I_Stanbul Review 22-2 (2022),* p. 197, https://Doi.Org/10.1016/J.Bir.2021.05.004

a. The enactment of Law Number 11 of 2020 on Job Creation is contrary to the 1945 Constitution of the Republic of Indonesia and has no conditional binding legal force to the extent that it is not interpreted that no improvements have been made within 2 (two) years of the decision being pronounced;
b. Law Number 11 of 2020 is still in effect until improvements are made in accordance with the stipulated grace period; and
c. Make improvements within a period of 2 (two) years since the decision was pronounced.

As a follow-up to the Constitutional Court Decision Number 91/PUU- XVIII/2020, it has been carried out:

a. Enact Law No. 13 of 2022 on the Second Amendment to Law No. 12 of 2011 on the Formation of Laws and Regulations which has regulated and contained the omnibus method in the preparation of laws and has clarified meaningful public participation in the formation of laws and regulations. With Law No. 13 of 2022, the use of the omnibus method has fulfilled a definite, standardized, and standard method in the preparation of laws and regulations.
b. Increasing meaningful participation that includes 3 (three) components, namely the right to be heard, the right to be considered, and the right to receive an explanation or answer to the opinion given. For this reason, the Central Government has formed a Task Force for the Acceleration of Socialization of Law Number 11 of 2020 concerning Job Creation (Task Force on Job Creation Law) which has the function of carrying out the socialization process of Law Number 11 of 2020 concerning Job Creation. The Job Creation Law Task Force together with ministries/agencies, Regional Governments, and stakeholders have carried out a socialization process in various regions which is expected to increase public understanding and awareness of Law Number 11 of 2020 on Job Creation.
c. Furthermore, technical errors in the writing of Law Number 11 of 2020 have also been corrected, including incomplete letters, incorrect references to articles or paragraphs, typos, and/or inappropriate titles or serial numbers of chapters, sections, paragraphs, articles, paragraphs, or items, which are not substantial.

Therefore, the existence of Perpu No. 2 of 2022 concerning Job Creation is an effort to improve Law No. 11 of 2020 concerning Job Creation as a follow-up to the decision of the constitutional court. In order to improve the provisions of the law, one of the government's policies through

Government Regulations in Lieu of Law copyright work in the field of small, micro and medium enterprises. In Chapter V Ease, Protection, and Empowerment of Cooperatives, Micro, Small and Medium Enterprises Part One General Article 87 of Law No. 6 of 2023 Concerning the Stipulation of Government Regulations in Lieu of Law No. 2 of 2022 Concerning Job Creation to Become Law, that to provide convenience, protection, and empowerment of micro, small and medium enterprises, this Government Regulation in Lieu of Law amends, deletes, or establishes new arrangements for several provisions stipulated in:

a. Law Number 25 of 1992 on Cooperatives (State Gazette of the Republic of Indonesia Year 1992 Number 116, Supplement to State Gazette of the Republic of Indonesia Number 3502);
b. Law Number 20 of 2008 on Micro, Small, and Medium Enterprises (State Gazette of the Republic of Indonesia of 2008 Number 93, Supplement to State Gazette of the Republic of Indonesia Number 4866); and
c. Law Number 38 of 2004 on Roads (State Gazette of the Republic of Indonesia of 2004 Number 132, Supplement to State Gazette of the Republic of Indonesia Number 44441 as amended several times lastly by Law Number 2 of 2022 on the Second Amendment to Law Number 38 of 2004 on Roads (State Gazette of the Republic of Indonesia of 2022 Number 12, Supplement to State Gazette of the Republic of Indonesia Number 6760).

With these provisions, the provisions relating to small, micro and medium enterprises are regulated in the provisions of the labor copyright law which is oriented towards the ease of improving the quality of business for small, micro and medium enterprises. In an effort to create good corporate governance as an effort to provide good services in the field of micro, small and medium enterprises, it is common to rely on six composite indicators reported by the World Bank's Worldwide Governance Indicators (WGI) Project. The six WGI indicators are grouped into three dimensions of governance: [3]

a. The process by which governments are elected, monitored and replaced:
    - Accountability
b. Political stability:
    - Government effectiveness: refers to the quality of public policy implementation.

[3] Ana Càrcaba, et.al. Does Good Local Governance Improve Subjective Well-Being?, *European Research On Management And Business Economics 28 (2022),* p.1, Https://Doi.Org/10.1016/J.Iedeen.2021.100192

- Regulatory quality: the government's ability to implement regulations that encourage private sector development.

c. Citizen and state respect for the institutions that govern economic and social interactions among them:
   - Rule of law: the extent to which actors have confidence in the rule of law (property rights, police, courts, etc.)
   - Control of corruption: the extent to which public power is used for private gain.

Public service quality is a dynamic condition related to products, services, people, processes and the environment where quality assessment is determined at the time of the public service process. Service can basically be said to be an act and treatment or a way of serving others to fulfill what is their needs and desires.[4] So that good public services for the community, especially in the development of micro, small and medium enterprises, the level of welfare will increase for the community.

2. Research Methods

The research method is the main instrument in order to measure the findings in the research conducted by the researcher. In legal research, of course the instruments used in the research are statutory instruments as an approach. In this study on Legal Policy Towards the Implementation of Good Corporate Governance in the Ease of Doing Business for Cooperatives, Micro, Small and Medium Enterprises Based on Law No. 6 of 2023 Concerning the Stipulation of Government Regulations in Lieu Of Law No. 2 of 2022 Concerning Job Creation to Become Law, using a legal approach to analyze the existing conditions for small, micro and medium enterprises after the enactment of Law No. 6 of 2023 Concerning the Stipulation of Government Regulations in Lieu Of Law No. 2 of 2022 Concerning Job Creation to Become Law

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3. Results and Discussion

[4] I Ketut Sutarga, Analisis Pengaruh Kualitas Pelayanan Pada Pembelajaran *E-Learning* Terhadap Kepuasan Peserta Pelatihan: Studi Kasus Pada Balai Diklat Geospasial – Badan Informasi Geospasial, *Jurnal Good Governance Volume 18 No. 2, September 2022,* p. 140.

A. State Legal Policy in the Framework of Good Corporate Governance towards Ease of Doing Business

Good governance legal policy began to emerge in Indonesia after the reform era. This is motivated by various kinds of problems that arose from the demands of the new order government, namely the president as the center of power. as a result of the constitution and the consequences of other high state institutions that are not running properly, and also the blockage of social control that comes from community participation. But in reality, until now, there is still no good understanding of what good governance is so that in its implementation, this concept has not been able to run well. The government has also begun to have a commitment to make good governance the foundation or foundation of government values. [5] In particular, some of the objectives of good corporate governance are: [6]

a. Improve the efficiency, effectiveness, and sustainability of an organization that contributes to the welfare of shareholders, employees and other stakeholders and is an elegant solution in facing future organizational challenges.
b. Increase the legitimacy of an organization that is managed openly, fairly, and accountably
c. Recognize and protect the rights and obligations of shareholders.

Good governance was originally a political science term introduced to describe a democratic society. The question is, "Is it true that the term good governance is something new?". If we trace it, good governance has actually been applied in governance long before, especially when we examine the general principles of good governance. The meaning of good nature in the context of governance means appropriateness and feasibility, which in foreign terms is called *beehoorlijk* such as *beehoorlijk bestuur*. Good and bad judgment is an ethical judgment. Therefore, the principles of good governance, which are appropriate in the structure of government science, are part of government ethics. The details of these principles have evolved over time. [7] There are five principles of good corporate governance: [8]

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[5] Fitria Andalus Handayani and Mohamad Ichsana Nur, Implementasi Good Governance Di Indonesia, Publica: *Jurnal Pemikiran Administrasi Negara,* Vol 11 No.1 | Juni 2019, p. 2.

[6] Hendrik Manossoh, Good Corporate Governance Untuk Meningkatkan Kualitas Laporan Keuangan, *Diterbitkan Oleh: PT. Norlive Kharisma Indonesia Bekerjasama Dengan: Venti Foundation, 2016*, p. 21-22.

[7] Akadun, Good Governance, *Sosiohumaniora, Vol. 9, No. 1, Maret 2007*, p.38. Https://Doi.Org/10.24198/Sosiohumaniora.V9i1.5375

[8] Hendrik Manossoh**,** Good Corporate Governance Untuk Meningkatkan Kualitas Laporan Keuangan, *Diterbitkan Oleh: PT. Norlive Kharisma Indonesia Bekerjasama Dengan: Venti Foundation, 2016*, p. 22-25.

a. Transparency, the basic principle in the principle of transparency is that the company should provide material and relevant information in a manner that is easily accessible and understood by stakeholders in the conduct of its business. Furthermore, the company should take the initiative to disclose not only matters required by laws and regulations, but also matters that are important for decision-making by shareholders, creditors and other stakeholders.
b. Accountability, in the principle of accountability, the basic principle of implementing good corporate governance implies that the Company must be able to account for its performance transparently and fairly. For this reason, the company must be managed properly, measurably and in accordance with the interests of the company while still taking into account the interests of shareholders and other stakeholders.
c. Responsibility, the basic principle in the principle of responsibility is that the Company must comply with laws and regulations and carry out its responsibilities to society and the environment so that business continuity can be maintained in the long term and be recognized as a good corporate citizen. In its implementation, the company's organs must adhere to the principle of prudence and ensure compliance with laws and regulations, articles of association and company regulations (by-laws). Also, the company must carry out social responsibility by, among others, caring for the community and environmental sustainability, especially around the company by making adequate planning and implementation.
d. Responsibility, the basic principle in the principle of responsibility is that the Company must comply with laws and regulations and carry out its responsibilities to society and the environment so that business continuity can be maintained in the long term and be recognized as a good corporate citizen. In its implementation, company organs must adhere to the principle of prudence and ensure compliance with laws and regulations, articles of association and company regulations (by-laws). Also, the company must carry out social responsibility by, among others, caring for the community and environmental sustainability, especially around the company by making adequate planning and implementation.
e. Independence, the basic principle to facilitate the implementation of the principle of independence, the company must be managed independently so that each organ of the company does not dominate each other and cannot be intervened by other parties. The guidelines for the implementation of this principle are that each organ of the company must avoid domination by any party, not be influenced by certain interests, free from

conflict of interest and from any influence or pressure, so that decision making can be carried out objectively. Then, each organ of the company must carry out its functions and duties in accordance with the articles of association and laws and regulations, not dominating each other and or shifting responsibilities between one another.

f. Fairness and Equality, the basic principle based on the principle of fairness and equality that in carrying out its activities, the company must always pay attention to the interests of shareholders and other stakeholders based on the principle of fairness and equality. In the implementation of this principle, the company must provide opportunities for stakeholders to provide input and express opinions for the benefit of the company and open access to information in accordance with the principles of transparency within the scope of their respective positions. Also, the company must provide equal and fair treatment to stakeholders in accordance with the benefits and contributions made to the company.

In good corporate governance, correlated with the phenomenon of public services by the government bureaucracy is full of problems, such as difficult service procedures, uncertainty of time and price which causes services to be difficult to reach reasonably by the community. This causes distrust of the service provider, in this case the bureaucracy, so that people look for alternative ways to get services through certain means, namely by providing additional costs. In addition to the above problems, it is also about the way services are received by the public who are often harassed by their dignity as citizens. The community is placed as a client who needs the help of bureaucratic officials, so they must submit to the provisions of the bureaucracy and the will of its officials. This happens because the culture that has developed in the bureaucracy so far is not a culture of service, but rather a culture of power. [9] Therefore, the form of state legal policy is not only an unenforceable norm, but must be a statutory provision that provides convenience in the business sector. In Article 2 paragraph 1 of Law No. 6 of 2023 Concerning the Stipulation of Government Regulations in Lieu Of Law No. 2 of 2022 Concerning Job Creation to Become Law, at least that this Government Regulation in Lieu of Law is organized based on the principle:

a. Equalization of rights;

[9] Neneng Siti Maryam, Mewujudkan Good Governance Melalui Pelayanan Publik, *Jurnal Ilmu Politik Dan Komunikasi, Volume VI No. 1 / Juni 2016*, p. 2.

b. Legal certainty
c. Ease of doing business;
d. Togetherness; and
e. Independence.

One of the fundamental aspects in the provisions of Law No. 6 of 2023 Concerning the Stipulation of Government Regulations in Lieu of Law No. 2 of 2022 Concerning Job Creation to Become Law is in the field of ease of doing business. One of the ease of doing business is related to small, micro and medium enterprises. In general, the description of small, micro and medium enterprises is as follows:

No.	Business Type	%	Total	Average-Turnover
1	Small Business	0.30%	193.959	Annual turnover of 2 billion to 15 billion with a business capital of 1 billion to 5 billion.
2	Micro Business	99,62%	63.955.369	Turnover/year up to 2 billion and venture capital up to 1 billion
3	Medium-sized business	0,06%	44.728	Annual turnover of 15 billion to 50 billion and business capital of 5 billion to 10 billion.

Source: Processed from the Ministry of Cooperatives and Enterprises, Small and Medium Enterprises

From the data above, that the potential of small, micro and medium enterprises is quite large, so the government needs to form a legal policy that is oriented towards a form of convenience in the field of services to small, micro and medium enterprises in order to encourage community economic equity and poverty alleviation. In order to provide legal certainty, based on the Regulation of the Minister of Cooperatives and Small and Medium Enterprises of the Republic of Indonesia Number 02 of 2019 concerning Electronically Integrated Business Licensing for Micro and Small Enterprises, where in Article 3 the IUMK Applicant includes individual Micro or Small Business Actors. A policy in the form of a permit must reflect a

policy that is in accordance with the livelihood and comfort of the entire community, as a form of policy, of course, permits must not conflict with laws and regulations and norms of life in society both vertically and horizontally, so that the state's objectives in the concept of a welfare state as stated in the Preamble of the 1945 Constitution of the Republic of Indonesia in the fourth paragraph, can be realized and contained in the preamble of the 1945 Constitution to realize a welfare state. In the preamble of the 1945 Constitution to realize the welfare state has been mandated that: [10]

a. The state is obliged to provide protection to the entire Indonesian nation and the entire territory of Indonesia.
b. The state is obliged to promote the general welfare.
c. The state is obliged to educate the nation's life.

Licensing services are important to be prioritized, among others, due to first, the provision of licensing services by the government which has a clear legal basis for implementation and has a configuration of legal and operational indicators. Secondly, to improve the professional work of state officials and other civil servants, there are various soft legal tools such as codes of ethics and other rules of conduct. Both tools have not functioned at the level of strengthening the role of the state and are less oriented towards creating improvement and accountability of the apparatus in licensing services. [11] Therefore, the ease of licensing for small, micro and medium enterprises in the provisions of Law No. 6 of 2023 Concerning the Stipulation of Government Regulations in Lieu of Law No. 2 of 2022 Concerning Job Creation to Become Law is an effort to equalize the country's economy which is a state obligation.

B. Policy Direction of Law No. 6 of 2023 Concerning the Stipulation of Government Regulations in Lieu of Law No. 2 of 2022 Concerning Job Creation to Become Law Towards Micro, Small, and Medium Enterprises

The people's economy is a driver of prosperity for the people of Indonesia, so the existence of small, micro and medium enterprises will make a positive contribution to the sustainability of

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[10] Susilo Wardani, Kebijakan Perizinan Pengembangan Umkm Sebagai Upaya Mewujudkan Negara Kesejahteraan Di Era Liberalisasi Ekonomi Global, https://publikasiilmiah.ums.ac.id/xmlui/bitstream/handle/11617/9414/6.%20Susi%20Wardani.pdf?sequence=1&isAllowed=y , p. 123.

[11] Susilo Wardani, Susilo Wardani, Kebijakan Perizinan Pengembangan Umkm Sebagai Upaya Mewujudkan Negara Kesejahteraan Di Era Liberalisasi Ekonomi Global, https://publikasiilmiah.ums.ac.id/xmlui/bitstream/handle/11617/9414/6.%20Susi%20Wardani.pdf?sequence=1&isAllowed=y , p. 123.

the country's economy. The role of society in national development, especially in economic development, is Micro, Small and Medium Enterprises. The position of Micro, Small and Medium Enterprises in the national economy has an important and strategic role. This condition is very possible because the existence of MSMEs is quite dominant in the Indonesian economy, due to the large number of industries and in every economic sector; great potential in employment, and the contribution of micro, small and medium enterprises in the formation of Gross Domestic Product (GDP) is very dominant. Another reason is that micro and small enterprises have advantages in fields that utilize natural resources and are labor intensive, especially in the agricultural sector of plantation food crops, livestock, fisheries, trade, and restaurants. Medium-sized enterprises excel in value-added creation in the hotel, finance, rental, corporate services and forestry sectors. Large enterprises have advantages in the processing industry, electricity, gas, communication, and mining. This proves that micro, small and medium enterprises and large enterprises complement each other and need each other, although in reality micro, small and medium enterprises are more dominant in employment and contribution to national income. [12] In order to support the development of micro, small and medium enterprises, the implementation of the Good Corporate Governance system is expected to increase added value for all interested parties (stakeholders) through the following objectives: [13]

a. Improve the efficiency, effectiveness, and sustainability of an organization that contributes to the welfare of shareholders, employees and other stakeholders and is an elegant solution in facing future organizational challenges.
b. Increase the legitimacy of an organization that is managed openly, fairly, and accountably.
c. Recognize and protect the rights and obligations of shareholders.

The modern bureaucratic model as we know it today, was mainly formed and practiced in several countries since the industrial revolution in Europe in medieval times. In that era, government bureaucratic bodies and the bureaucratic profession grew along with the growth of industrial companies and job professions in private institutions (companies). Since the industrial revolution, government institutional units have grown increasingly complex and varied, with patterns/systems of recruitment, education, employment, and recitation. The

[12] Sudati Nur Sarfiah, et.al. UMKM Sebagai Pilar Membangun Ekonomi Bangsa MSMES The Pillar For Economy, *Jurnal REP (Riset Ekonomi Pembangunan) Volume 4 Nomor 2 2019, p. 138.* DOI: http://dx.doi.org/10.31002/rep.v4i2.1952
[13] Dedi Kusmayadi, et.al, Good Corporate Governance, *Penerbit: LPPM Universitas Siliwangi,* 2015.

growing complexity of bureaucratic institutions was done to meet the needs of private companies and the public for government services and protection. Moreover, at that time almost all European countries practiced colonialism and colonization in various parts of the world. This practice requires European countries to modernize the administration of government and its apparatus so that the management and control of the colonized countries can be carried out effectively. Along with this, various industrial products such as paper, typewriters, telephones, ink, ballpoints, and stamps also helped shape the characteristics and performance of modern bureaucracy. . [14]

There are three main pillars that support a nation's ability to implement good governance, namely: government (the state), civil society, and the market or business world. Good and responsible governance is only achieved when in the application of political, economic and administrative authority the three elements have equal and synergistic networks and interactions. Such interactions and partnerships usually only flourish when there is trust, transparency, participation, and clear and definite rules. Good governance will also flourish Strategic efforts in the development of micro, small and medium enterprises are in licensing, so licensing supervision is needed properly. In the Fourth Section of the Simplification of Sector Business Licensing and Ease and Investment Requirements Paragraph 1 General in Article 26 of Law No. 6 of 2023 Concerning the Stipulation of Government Regulations in Lieu Of Law No. 2 of 2022 Concerning Job Creation to Become Law concerning Work Certificate, where Business Licensing consists of the marine and fisheries sector, agriculture, forestry, energy and mineral resources, nuclear power, industry, trade, legal metrology, halal product guarantees, and standardization of conformity assessment, public works and public housing, transportation, health, medicine and food, education and culture, tourism, religion, post, telecommunications, and broadcasting; and defense. In addition, in Article 91, where in the context of facilitating Business Licensing, the Central Government and Regional Governments in accordance with their authority are obliged to provide guidance and registration for Micro and Small Enterprises based on norms, standards, procedures, and criteria set by the Central Government. Registration as referred to in paragraph (1) can be done online or offline by attaching a National Identity Card. Online registration is given a business identification number through the electronic Business Licensing system. The master number is a single license that applies to all business activities. The single license includes Business

[14] Muhammad, BIROKRASI, (Kajian Konsep, Teori Menuju Good Governance), *Penerbit: Unimal Press, 2018,* p. 6.

Licensing, Indonesian National Standards, and halal product guarantee certification. The Central Government and Regional Governments in accordance with their authority based on the norms, standards, procedures, and criteria set by the Central Government are required to provide guidance on Business Licensing, fulfillment of standards, Indonesian National Standards, and halal product guarantee certification. In having medium or high risks to health, security, and safety and the environment, in addition to registering to obtain a business identification number, Micro and Small Enterprises are required to have a standard certification certificate and/or license. The Central Government and Regional Governments in accordance with their authority based on norms, standards, procedures, and criteria set by the Central Government facilitate standard certification.

The development of micro, small and medium enterprises cannot be separated from the role based on the authority possessed by the central government and local governments. In Article 21 of Law No. 6 of 2023 Concerning the Stipulation of Government Regulations in Lieu Of Law No. 2 of 2022 Concerning Job Creation to Become Law, where the Central Government and Regional Governments provide financing for Micro and Small Enterprises. State-Owned Enterprises provide financing from the allowance of the share of annual profit allocated to Micro and Small Enterprises in the form of loans, guarantees, grants, and other financing. National and foreign Large Enterprises provide financing allocated to Micro and Small Enterprises in the form of loans, guarantees, grants, and other financing. The Central Government, Regional Governments, and the Business World provide grants, seek foreign aid, and seek other legal and non-binding sources of Financing for Micro and Small Enterprises. The Central Government and Regional Governments in accordance with their authority provide incentives in the form of ease of licensing requirements, relief of tariffs for facilities and infrastructure, and other forms of incentives in accordance with the provisions of laws and regulations to the Business World that provide Financing for Micro and Small Enterprises. In the provisions of Article 89, the Central Government encourages the implementation of integrated management of Micro and Small Enterprises in cluster arrangements through the synergy of the Central Government, Regional Governments, and relevant stakeholders. Integrated management of Micro and Small Enterprises is a collection of related groups of Micro and Small Enterprises:

a. Common product chain;
b. Reliance on similar labor skills; or

c. Integrated use of similar and complementary technologies.

The Central Government and Local Governments implement mentoring as an effort to develop Micro and Small Enterprises to provide management support, human resources, budgets, and facilities and infrastructure. In the provisions of Article 90, the Central Government and Regional Governments in accordance with their authority are obliged to facilitate, support, and stimulate partnership activities of Medium and Large Enterprises with Cooperatives, Micro Enterprises, and Small Enterprises which aim to increase business competence and level. Partnerships include the transfer of skills in production and processing, marketing, capital, human resources, and technology. The Central Government and Regional Governments provide incentives and ease of doing business in the framework of partnerships in accordance with the provisions of laws and regulations. The Central Government and Regional Governments in accordance with their authority supervise and evaluate the implementation of partnerships between Medium and Large Enterprises with Cooperatives, Micro Enterprises, and Small Enterprises.

In addition, in Government Regulation of the Republic of Indonesia Number 7 of 2021 concerning Ease, Protection, and Empowerment of Cooperatives and Micro, Small, and Medium Enterprises. Cooperatives, Micro, Small, and Medium Enterprises are one of the pillars of the peoples economic power that is able to expand employment and play a role in equitable distribution and increase in community income, encourage economic growth, and realize national stability. Given the importance of Cooperatives, Micro, Small, and Medium Enterprises in the national economy, they must obtain economic political alignments that provide more convenience, support, protection, and empowerment. Institutional synergy through the provisions of Article 39 The Central Government and Regional Governments provide guidance and registration for Micro and Small Enterprises for ease of Business Licensing. In carrying out guidance and registration, the Central Government and Regional Governments conduct: identification and mapping of Micro and Small Enterprises based on low, medium, and high risk levels; and registration of Micro and Small Business actors through an integrated electronic Business Licensing system to obtain a business identification number.

4. Conclusion

Legal policy in the field of micro, small and medium enterprises is part of a legal policy based on the division of affairs carried out by the central government and local governments. In

empirical data that the number of micro businesses reaches 63,955,369. with the existence of Law No. 6 of 2023 Concerning the Stipulation of Government Regulations in Lieu Of Law No. 2 of 2022 Concerning Job Creation to Become Law, the government together with local governments carry out policies in a hierarchical manner, where the Central Government and Local Governments carry out assistance as an effort to develop Micro and Small Enterprises to provide management support, human resources, budgets, and facilities and infrastructure. The Central Government and Regional Governments in accordance with their authority are obliged to facilitate, support, and stimulate partnership activities of Medium and Large Enterprises with Cooperatives, Micro Enterprises, and Small Enterprises that aim to increase business competence and level. Partnerships include the transfer of skills in production and processing, marketing, capital, human resources, and technology. The Central Government and Regional Governments provide incentives and ease of doing business in the framework of partnerships in accordance with the provisions of laws and regulations. The Central Government and Regional Governments in accordance with their authority supervise and evaluate the implementation of partnerships between Medium and Large Enterprises with Cooperatives, Micro Enterprises, and Small Enterprises. The legal policy is an effort to encourage the economic stabilization of the Indonesian people by empowering and the government facilitating.

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