

Building Regional Economic Stability Through Effective Legal Protection for Micro, Small, and Medium Enterprises in Indonesia

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ABSTRACT

Legal protection of Micro, Small and Medium Enterprises (MSMEs) plays an important role in maintaining regional economic stability. MSMEs contribute to the national Gross Domestic Product and create more jobs in Indonesia. They often face challenges such as limited access to financing and legal uncertainty. Adequate legal support, including intellectual property rights protection and ease of licensing, can improve the competitiveness of MSMEs and help them survive in crisis situations, as seen during the COVID-19 pandemic. This research aims to explore the relationship between MSMEs legal protection and regional economic stability, as well as identify policies that can strengthen MSMEs resilience. The method used is normative juridical analysis with a qualitative approach, which involves literature study and analysis of legal documents. Results show that effective legal protection supports the sustainability of MSMEs, and contributes to local economic growth. It is important for the government to continue strengthening regulations that support MSMEs, create a conducive business environment, and ensure equitable distribution of assistance. MSMEs can grow and contribute more to the national economy.

INTRODUCTION

Micro, Small, and Medium Enterprises (MSMEs) are the backbone of the economy in many countries, especially in developing countries like Indonesia. Based on data from the Indonesian Ministry of Cooperatives and SMEs, MSMEs contribute more than 60% to the national Gross Domestic Product (GDP) and create more than 97% of employment, making them a crucial sector for community welfare and economic stability. This contribution is seen in the economic growth rate, and in the labor absorption that creates social stability in the community (Wahyuni & Hartono, 2019).

Despite their significant contributions, MSMEs are often faced with various structural and institutional challenges. Some of the key challenges include limited access to financing, lack of protection for intellectual property rights, and legal uncertainty affecting business operations. In many cases, MSMEs often do not have strong bargaining power in the market sphere or in dealing with legal issues. This makes them vulnerable to unfair competitive practices and other barriers that can hinder their growth (Sopamena et al., 2022).

MSMEs that receive legal protection and support from the government, such as easy licensing, intellectual property rights protection, and access to financing, tend to be more stable and able to face macroeconomic challenges. With a strong legal foundation, MSMEs can avoid bureaucratic obstacles that often hinder small business growth and utilize economic opportunities more optimally. A study shows that this support is beneficial for the survival of MSMEs, and for the regional economy as a whole, especially in maintaining the stability of regional economies that depend on the sustainability of local businesses. For example, in West Seram District, the local government implemented a legal protection policy during the COVID-19 pandemic that helped MSMEs continue to operate despite the economic downturn. These policies include business incentives, legal assistance, and capital access assistance that directly help MSMEs continue to operate in the midst of a crisis. Although challenges like limited resources and uneven aid distribution, the efforts effectively curbed the decline in local economic activity. The policy, despite challenges in its distribution, proved to be able to maintain local economic stability during the crisis (Sopamena et al., 2022).

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The importance of protecting intangible assets such as trademarks cannot be ignored. A trademark is not just a symbol or logo, but a representation of the quality, reputation, and identity of a business. In the context of MSMEs, trademark ownership and protection allow businesses to build consumer trust, differentiate their products from competitors, and create market loyalty. Legal protection of intellectual property rights is necessary to improve the competitiveness of MSMEs in local and international markets. Without this protection, MSMEs could potentially lose their competitive edge, especially when dealing with large companies or more competitive imported products. Trademark protection, as a form of intangible asset, enables MSMEs to build a strong market identity and add value to their products. In the long-term, this contributes to economic stability in the regions where such MSMEs operate (Mundzir et al., 2023).

Through adequate legal protection, MSMEs can thrive and survive the increasingly fierce market competition. With the protection of legal aspects of the business, such as intellectual property rights, trade contracts, and legal certainty in business partnerships, MSMEs can operate in a safer and more structured manner. When MSMEs have clear legal guarantees, they will more easily gain access to business support facilities, such as financing from banks, partnerships with large corporations, or expansion of market networks. Legal certainty provides protection for the rights and obligations of MSME actors, so that the risk of failure due to legal issues can be minimized. This ultimately creates positive effects for regional economic stability, where strong MSMEs contribute to economic growth, and strengthen the socio-economic structure of the region (Wiyandarini et al., 2021).

The purpose of this research is to answer several key questions relating to legal protection for MSMEs in light of competition and economic uncertainty. First, the research aims to identify effective forms of legal protection that can be implemented to help MSMEs survive and thrive amidst the challenges. Next, the research will also explore the influence of legal protections on regional economic stability, with the aim of understanding the extent to which such protections contribute to economic prosperity at the regional level. Finally, this research will analyze legal policies that can be implemented to strengthen MSME resilience, with the hope of providing constructive recommendations for policy makers and other stakeholders. As such, this research is expected to make a significant contribution to the development of policies that support the sustainability and growth of MSMEs in the face of changing economic dynamics.

There is thus an attempt to analyze the relationship between legal protection of MSMEs and economic stability at the regional level. Legal protection provides assurance for MSMEs to operate in a fair and competitive business climate, which in turn drives business growth and job creation. Legal protection creates an institutional structure that supports the sustainability of MSMEs amid global challenges such as market fluctuations, economic crises, or the entry of foreign products. Regional economic stability is not only determined by the number of active businesses, but also by the quality of their sustainability. This understanding is expected to be the basis for developing effective policy recommendations to support the sustainable growth of MSMEs.

Along with changes in the global economy, MSMEs require strong legal protection in order to survive and thrive. Mundzir et al. (2023) emphasized the importance of protecting intangible assets, such as trademarks, to maintain local economic stability. This protection increases the competitiveness of MSMEs and plays a role in shaping regional economic resilience. Without adequate protection, MSMEs risk losing their markets, assets, and even their business identity when faced with large companies that have superior capital strength and technology.

RESEARCH METHOD

This research uses a qualitative approach with normative juridical analysis to examine the social and legal aspects of the protection of MSMEs and its implications for regional economic stability. The normative juridical analysis focuses on the study of laws and regulations related to the protection of MSMEs, such as Law Number 20 Year 2008 on MSMEs in Indonesia, as well as other relevant supporting regulations.

The data used in this research is divided into two main categories. The secondary data includes relevant scientific literature, legal journals, scholarly articles related to MSMEs and economic policy, as well as government and international organization reports on the role of MSMEs in the economy. These sources will be obtained from various trusted academic databases such as SINTA, and Google Scholar. This research also involves analyzing various legal and regulatory documents applicable in Indonesia related to MSMEs. The documents analyzed include laws, government regulations, and regional policies regarding the protection of MSMEs, as well as international documents that discuss the practice of small business protection in a global economic perspective.

Data collection techniques are conducted through literature studies by collecting scientific articles, legal regulations, and relevant reports. Each literature and legal document collected will be selected based on the criteria of relevance and contribution to the formulation of the problem. Data analysis in this research is conducted using descriptive-qualitative analysis method. The first step is to classify the data obtained, both in the form of literature and legal regulations. This data was then analyzed to identify the forms of legal protection applied to MSMEs and assess their impact on regional economic stability. This analysis technique allows the research to explain the relationship between the applicable legal policies and the economic stability that occurs in the field.

The research procedure was conducted in stages. The first is to identify literature and legal documents. This is done by collecting relevant scientific literature and legal regulations to understand the juridical and economic perspectives related to MSMEs. Analyze the literature and legal regulations to get an overview of the legal protection of MSMEs. Synthesize the findings by combining the results of the analysis of literature and legal regulations to answer the problem formulation and provide policy recommendations that support MSMEs and regional economic stability. This research method is designed to provide comprehensive insights into the relationship between legal protection for MSMEs and regional economic stability, as well as identify policies that can be implemented to support the sustainability of MSMEs in Indonesia.

RESULT AND DISCUSSION

Small businesses play a very important role in the structure of the Indonesian economy as an integral part of people's economic activities. As part of people's economic activities, small businesses are widespread in various sectors such as trade, agriculture, home industries, and services. Their contribution is not only evident from the dominant number of business units, but also from their ability to absorb labor significantly, thus playing a direct role in reducing unemployment and poverty in various regions. With a strategic position, small businesses have great potential to realize a more balanced national economy, which is based on the principle of economic democracy, as stated in Article 33 of the 1945 Constitution. Efforts to develop this sector must be carried out systematically with more operational and technical institutional arrangements at various levels.

The importance of consistent and tangible political support cannot be ignored in order to strengthen the people's economy. The people's economy, which is the basis of Article 33 paragraph (1) of the 1945 Constitution and the Fourth Precept of Pancasila, demands the active participation of the people in determining economic policy. This means that the people must have a significant role in economic decision-making, without leaving such decisions entirely to market mechanisms or other external forces. This reflects the principle of economic democracy, which rejects the dominance of market forces and outside interventions that are not aligned with national interests. This economic democracy provides space for people to participate in every decision related to their economic welfare, ensuring that the policies taken truly reflect the interests and needs of the community (Masnawati, 2021).

Legal protection of MSMEs is one of the important aspects in encouraging the sustainability and development of the business sector that has a significant contribution to the country's economy. In an ever-changing and challenging economy, the existence of regulations that protect the rights of MSMEs is vital to ensure their business continuity. Legal safeguards on aspects such as production, marketing, and capital support will provide a sense of security for businesses so that they can focus on business development and improve competitiveness. Through the right policies, legal protections not only support MSMEs in facing challenges, but also play a role in creating a more conducive business environment. Legal protection is not only a means of defense, but also a driving force for MSMEs to become a major pillar in national economic development.

The development of MSMEs in Indonesia has long been the focus of government attention. This is reflected in various legal provisions that have been issued, such as Law Number 9 Year 1995 on Small Enterprises and Law Number 20 Year 2008 on MSMEs. These two laws demonstrate the legal protection given to small entrepreneurs, which aims to create a more conducive business climate. Market development for MSMEs must be carried out within the framework of an integrated system, which involves various elements that support and interact with each other (Indrawati & Rachmawati, 2021). This integrated coaching system aims to create synergy in providing training, access to financing, infrastructure support, and promotion of MSME products. This cross-sector collaboration is important so that the development of MSMEs does not run partially, but becomes part of the national economic system that supports each other.

The development of MSMEs relies heavily on the involvement of various parties, including the small entrepreneurs themselves, as well as support from government economic policies, medium-sized enterprises, and large companies. This collaboration is important as MSMEs often face limitations in terms of access to capital, technology, information and markets. The presence of various other parties as strategic partners will greatly assist MSMEs in overcoming these obstacles and increasing their business capacity. Effective interaction between these components will create mutually beneficial synergies. The role of the government is crucial to create policies that can connect and support these various business sectors (Rojak, 2021). The development of MSMEs depends not only on individual initiatives, but also on organized cooperation between various elements, which influence each other to achieve common goals.

Legal protection provided to MSMEs greatly affects their ability to survive and thrive, especially in the midst of dynamic economic challenges. In crisis situations and intense market competition, legal certainty is a key element that provides a sense of security for MSME actors. Protection facilitated by the government in the aspects of production, marketing, and capital support can create a more conducive business climate. This is especially important for MSMEs in regions that are highly dependent on local businesses for job creation and economic stability (Wahyuni & Hartono, 2019). Regulations that are favorable and responsive to the needs of MSMEs will form an inclusive business ecosystem, encouraging more businesses to engage in formal economic activities.

In a broader perspective, legal protection of MSMEs is an important pillar in supporting economic growth, especially in areas that are highly dependent on the existence of local businesses as a source of employment and economic stability (Putra et al., 2022). When MSMEs are legally protected, they have a safer and more stable space to thrive, even amid economic uncertainty. It is important for the government to continue strengthening regulations that support the sustainability of MSMEs. With policies that favor MSMEs, both in terms of legality and other supporting facilities, this sector will be easier to develop and contribute more to the national economy. Effective legal protection efforts are key in creating an inclusive and sustainable business ecosystem for MSMEs across Indonesia. In the long-term, a commitment to the legal protection of MSMEs will help create a fairer and more equitable economic structure, and strengthen the foundation of the national economy from the grassroots level.

Providing legal protection to MSMEs plays an important role in ensuring the sustainability and success of the sector. When the law is present as an umbrella that provides a sense of security and justice for MSME actors, they will be more confident to develop innovative and sustainable businesses. This protection also prevents the dominance of large businesses that can threaten the existence of MSMEs through unfair competition. Despite the aim of existing policies to strengthen MSMEs, implementation challenges often stand in the way. One of the main problems is ineffectiveness in the distribution of assistance, which has led to many MSMEs actors not benefiting to the fullest extent. Administrative constraints, such as lack of coordination between agencies or complicated application mechanisms, often prevent legal protection policies from reaching the right targets.

Along with this, an evaluation of the distribution system and policy transparency is needed so that it can accommodate all MSMEs fairly. When bureaucratic procedures are considered complicated, assistance is not targeted, or policy information is not conveyed properly, the purpose of legal protection itself is not optimally achieved. This can lead to frustration among MSME actors, especially those in remote areas or with limited access to information and resources. Without improvements in these aspects, the benefits of legal protection policies will be unevenly distributed and reduce businesses' trust in the system. To improve the effectiveness of legal protection for MSMEs, it is important for the government and other stakeholders to optimize existing mechanisms and improve the distribution of assistance and other support. Legal protection for MSMEs will not only be more effective, but will also strengthen the trust and active participation of business actors in national economic development.

Legal protection policies for MSMEs often encounter challenges at the implementation stage. Administrative barriers mean that some MSMEs do not receive sufficient support. Complicated procedures, voluminous paperwork and lengthy verification processes are often a barrier for small businesses, especially those with no experience in accessing government facilities. This emphasizes the need for improvements in distribution mechanisms and policy transparency so that all MSMEs can receive the same benefits (Sopamena et al., 2022). A thorough evaluation of the existing system is necessary to identify gaps and fix administrative bottlenecks. With greater transparency and efficient mechanisms, legal protection policies for MSMEs will be better able to reach all business actors in a fair and equitable manner.

Improving the effectiveness of legal protection for MSMEs requires more structured improvements in policy implementation. Legal protections designed to provide security and support for MSME actors often do not work as intended due to weak implementation systems in the field. The difficulties faced by MSMEs in accessing assistance, especially due to administrative issues, point to imperfections in the policy distribution and monitoring process. MSMEs in remote areas and those that have not yet entered the formal system are often neglected due to limited access and lack of assistance. For this policy to have a significant impact, a more transparent and accountable system is needed. This will ensure that the legal assistance and support provided actually reaches all MSMEs, including those in remote areas.

Through improved policy mechanisms and stricter oversight, it is expected that the MSME sector can benefit from maximum legal protection. A good policy mechanism not only includes the formulation of appropriate regulations, but also includes efficient and transparent means of implementation. Strict supervision is needed to ensure that the entire process of aid distribution, facilitation and legal support runs in accordance with the applicable provisions without any irregularities or abuse of authority. These efforts will support the sustainability of MSMEs and give them the opportunity to thrive in a more stable business climate and support national economic growth. In this regard, the government's seriousness to address administrative barriers and improve the efficiency of policy distribution will largely determine the future of MSMEs in Indonesia.

Increased foreign investment in developing countries is often considered a positive step to strengthen the economy, but the impact on the MSME sector can be counterproductive. The competition presented by the influx of foreign investment often puts local MSMEs in a difficult position to thrive. Large companies backed by huge capital and advanced technology have a huge advantage, while MSMEs are limited to smaller resources. This condition can exacerbate the gap between large and small enterprises, which is ultimately detrimental to the development of the MSMEs sector. MSMEs play an important role in the absorption of labor and the distribution of economic welfare in the wider community. Policies are needed that not only encourage foreign investment, but also provide sufficient protection and empowerment for MSMEs to be able to adapt and compete healthily. Support such as access to capital, technology training, and fiscal incentives can help MSMEs strengthen their position amid increasingly complex competitive dynamics.

In Indonesia, business competition is regulated through Law Number 5 Year 1999 on the Prohibition of Monopolistic Practices and Unfair Business Competition. This law aims to create healthy market conditions by providing equal opportunities for all parties to participate in the production and distribution of goods and services. The main hope of implementing this law is to prevent monopolistic practices and unfair business competition, which can harm other business actors and consumers. With this regulation, it is expected to create a more competitive and equitable business climate, which in turn can support more inclusive and sustainable economic development in Indonesia. With healthy competition, businesses of all sizes, including MSMEs, have greater opportunities to grow and compete fairly. Open and fair market conditions not only benefit businesses but also encourage innovation, production efficiency and best quality goods and services.

For this reason, it is important for the government to develop policies that not only support foreign investment but also protect local MSMEs. Despite foreign investment brings positive impacts such as increased capital and technology, without accompanying policies that favor MSMEs, small businesses will be increasingly marginalized in market competition. Balanced policy will help create a healthy business environment, where MSMEs can compete with large companies without feeling left behind. Through the right regulations, it is expected to create a fairer business climate and support the growth of the local sector at the regional level, while optimizing the potential of MSMEs. By optimizing the potential of MSMEs through a holistic and strategic approach, Indonesia can build a more resilient and equitable economic foundation across regions.

Increased foreign investment often puts MSMEs at a disadvantage. Policies that heavily favor foreign investment can create unbalanced competition. Local MSMEs tend to find it difficult to compete with large companies that have greater capital and capacity. This points to the need for more balanced regulation between support for foreign investment and policies that protect local small businesses. When economic policies are too favorable to foreign investment interests, MSME players often have to face the challenge of unbalanced competition. Regulations that pay attention to this balance will create a fairer climate for MSMEs at the regional level (Fernando, 2022). This not only strengthens the economic structure from below, but also reduces the imbalance between large and small businesses. Economic development can only be achieved if all businesses are given equal opportunities to thrive amidst global investment dynamics.

In order to promote sustainability in economic growth, a balance between foreign investment and the protection of local MSMEs is crucial. Without adequate regulations, MSMEs will continue to face difficulties in competing with large companies and thus their growth potential cannot be maximized. The government needs to create policies that pay attention to both sides, both to support the entry of foreign investment and to provide sufficient space for MSMEs to develop.

With fairer and more balanced policies, MSMEs can thrive in a more conducive business climate, not only at the local level, but also nationally. This will open up opportunities for MSMEs to improve competitiveness, create new jobs, and contribute more to the economy. Managing these dynamics wisely will ensure that the MSME sector can survive and grow alongside incoming foreign investments.

Legal protection of intangible assets, such as trademarks, plays a crucial role in maintaining the competitiveness of MSMEs. As an element that reflects product identity and quality, trademarks are assets that must be protected so that MSMEs do not lose their bargaining position in the market. Without adequate protection, MSMEs risk losing the competitive advantage they have built so far, especially in an increasingly open international market. Efforts to strengthen the brand protection system should be a priority in policies that support the sustainability of MSMEs.

Effective trademark protection not only provides a sense of security for businesses, but also allows them to expand their market reach with more certainty. With legal security over their brands, MSMEs can increase their visibility and build a solid reputation in the eyes of consumers. Finally, this move also has the potential to positively impact the regional economy, by creating new jobs and increasing the competitiveness of local products at the global level.

Legal protection of intangible assets, such as trademarks, is an important element in maintaining the competitiveness of MSMEs. Without brand protection, MSMEs could potentially lose their competitive edge, especially in international markets. This can result in significant economic losses, both for MSMEs and for the regional economy as a whole. Through strong brand protection, MSMEs can strengthen the identity and value of their products, which in turn has a positive impact on the regional economy (Mundzir et al., 2023).

Trademark protection is not just a matter of law, but also about the sustainability of MSMEs themselves. Without strong protection, MSMEs will find it difficult to maintain their existence amidst intense competition,

especially in an increasingly complex global market. Policies that pay special attention to brand protection can provide great opportunities for MSMEs to grow and develop more optimally, creating a more inclusive and productive business ecosystem.

With regulations that provide legal guarantees for brands, MSMEs can achieve long-term benefits, ranging from increasing economic value to strengthening brand identity in the eyes of consumers. Good protection will lead to strengthening the position of MSMEs in domestic and international markets, which in turn can make a significant contribution to the regional and national economy. Proper implementation of legal protection of these intangible assets will be a strategic step in strengthening the MSMEs sector and expanding economic opportunities.

During the pandemic, the MSMEs sector is facing tremendous challenges that threaten their sustainability. Recognizing the vital role of MSMEs in the national economy, the Indonesian government launched various support programs to ensure the sector survives the crisis. The legal and financial assistance programs implemented include funding, subsidies, as well as training, all of which aim to strengthen the resilience of MSMEs against economic shocks. With these measures, the government not only seeks to sustain the MSMEs sector but also support economic recovery at the regional level that relies heavily on local businesses.

The legal protection provided through the program is key to the survival of many MSMEs, given the uncertainty they face during the pandemic. This integrated support demonstrates the government's commitment to maintaining economic stability, both macro and micro. By facilitating MSMEs through financial assistance and legal protection, the government has proven that this sector has great potential to adapt and survive, even in the most difficult situations (Jaya et al., 2022).

During the pandemic, the Indonesian government provided support through legal and financial assistance for MSMEs to ensure they could survive. These programs included funding, subsidies, and training that greatly helped MSMEs in facing economic challenges during the crisis. The legal protections implemented through these programs prove the government's important role in maintaining regional economic stability by ensuring MSMEs continue to operate. This support is crucial to mitigate the negative impact of economic recession at the local level (Debora et al., 2022).

Amidst the global crisis faced by many countries, the Indonesian government's support for MSMEs through legal and financial assistance is crucial.

These programs not only give them room to survive, but also provide opportunities to bounce back stronger. With the funding, subsidies and training provided, MSMEs can improve their operating conditions and overcome the difficulties brought about by the economic recession. This kind of support creates the stability needed for economic recovery at the local level and accelerates the process of MSMEs adapting to new market conditions.

The policies implemented during the pandemic demonstrate the importance of government protection and attention to the MSMEs sector as a pillar of the economy. Given the huge potential that MSMEs have in creating jobs and supporting regional economies, sustained and structured support will ensure that the sector can continue to contribute to Indonesia's economic recovery. The government's efforts in providing legal and financial assistance during this crisis is an example of how the right intervention can protect and strengthen MSMEs in the face of great challenges.

Policies that regulate the financial relationship between central and local governments play a very important role in maintaining the stability of the MSMEs sector. One aspect that has a direct impact on MSMEs is the regulation on license fees applied at the regional level. When these policies are unbalanced or overly burdensome, MSMEs can face difficulties in carrying out their business activities. Policies governing financial relations between central and local governments should be carefully designed to support the viability of MSMEs and create a more conducive business climate.

Decentralization of financial policies provides an opportunity for local governments to formulate rules that are more in line with local needs and characteristics. With the ability to manage budgets and policies more flexibly, regions can create regulations that help MSMEs grow. This not only increases local revenue, but also strengthens the local economy through more targeted support for MSMEs. A decentralized approach to financial policy is essential in supporting the sustainable development of the MSMEs sector.

Policies related to central and local financial relations affect the economic stability of MSMEs. Regulations governing license fees have a direct impact on the business climate and local revenues. With financial policy decentralization, regions can develop policies that are more adaptive to the needs of local MSMEs, creating a more stable and conducive business environment (Rini & Kalo, 2023).

Policies that harmonize the financial relationship between the center and regions can increase the effectiveness in supporting the MSMEs sector, which is one of the pillars of the economy at the local level.

Proper regulation of licensing fees and decentralization of financial policies will create the necessary balance to strengthen the competitiveness of MSMEs. In this regard, regions have a very important role in identifying and adjusting policies that suit local conditions to help MSMEs develop more optimally.

With decentralization allowing regions to adapt more quickly to the needs of MSMEs, regional economic stability will be maintained. Adaptive and responsive financial policies will have a positive impact on MSMEs, not only increasing local revenue potential, but also creating more inclusive and sustainable business opportunities. This suggests that policies that support financial linkages between the center and regions are key to creating a better business climate for MSMEs across Indonesia.

CONCLUSION

Legal protections provided to MSMEs have a bearing on regional economic stability. These protections, whether through local policies, support for intangible assets or financial assistance, contribute significantly to the resilience of MSMEs. In uncertain times, such as economic crises, adequately protected MSMEs are able to sustain their operations, which in turn benefits regional economic stability.

Recommendations to improve the sustainability and competitiveness of MSMEs in Indonesia include several strategic steps that need to be taken by the government. First, to encourage the progress of the MSMEs sector, regulations that support the empowerment and development of this sector are needed. Legal protection for MSMEs in Indonesia is specifically regulated in Law Number 20 Year 2008 on MSMEs, which covers aspects of empowerment, financing, and partnerships. This legal protection is also supported by a number of other regulations, such as the Banking Law, Local Government Law, Investment Law, and Antimonopoly and Unfair Business Competition Law. The current legal protection is still unable to provide maximum guarantees for MSMEs in facing various challenges.

The essence of ideal legal protection is legal certainty that cannot be separated from the active role of the government in creating a conducive environment. To realize effective legal protection for MSMEs, a legal system that meets five main requirements is needed, namely stability, predictability, fairness, education, and transparency. With laws that fulfill these requirements, the MSMEs sector can develop in a safer and more secure climate, and support sustainable economic development in Indonesia.

By improving the effectiveness of implementation, it is expected that the assistance provided can be right on target and have a significant impact on the growth of MSMEs. Strengthening the protection of intangible assets, such as brands and intellectual property rights, also needs attention. Policies that support these protections will give MSMEs a competitive edge in the international market so that they can compete more effectively.

Balance in foreign investment policy should be a major concern. Policies that encourage foreign investment should not neglect the sustainability of local MSMEs so as to create synergies that support regional economic growth. Foreign investment can provide wider benefits for the community and local economy. Finally, the development of regional financial policies is a crucial step in supporting MSMEs. Regional autonomy in managing financial policies allows for the formulation of policies that are better suited to the specific needs of local MSMEs, which in turn will contribute to regional economic stability. By implementing these recommendations, it is hoped that MSMEs can grow and develop sustainably, making a significant contribution to the national economy.

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