

Assistance with the Legalization of MSME Products in Gondang Village, Gangga District, North Lombok Regency

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Abstract

Assistance with the legalization of MSME products can provide knowledge to the public for sustainability as well as security and comfort for MSME activists both from a legal perspective and their position as products that are suitable to compete in national or global markets. The focus of this research is on the factors behind the defects in the identity of products produced by MSME activists in Gondang Village, Gangga District, North Lombok Regency. The method used in this research is qualitative by collecting data through interaction. directly with MSME activists to then provide an explanation regarding the importance of legalization of MSME products. primary (community) and secondary data sources (books related to MSME product regulations)

Keywords: Assistance, Legalization, MSME Products

INTRODUCTION

In the midst of increasingly complex global economic dynamics, Micro, Small and Medium Enterprises (MSMEs) play an important role in a country's economic growth. MSMEs are not only the backbone of the local economy, but also a source of innovation and job creation(1). However, the main challenge often faced by MSMEs is understanding and complying with applicable legal regulations related to the production and distribution of their products.(2).

Gondang Village, Gangga District, North Lombok Regency is one of the areas with rapid development of innovation related to MSME products which continually experience various kinds of obstacles in order to be able to compete at the local and national level. This can be believed because in the development of products that are used as sources of income, attention is rarely paid to the various kinds of regulations that exist in these products. So that all types of identities related to the products produced are unable to withstand various kinds of conflicts in the world of trade competition or the brands they own.

With the above problems, the legality of MSME products becomes the main focus in ensuring the sustainability and success of their business. The product legalization process ensures that the products produced meet

established quality standards and comply with applicable regulations. Assistance in the legalization process is crucial because MSMEs often have limited resources and knowledge to navigate the complexity of legal regulations.

In this context, product legalization assistance for MSMEs is not only about complying with regulations, but also about building a solid foundation for sustainable growth(3). By understanding the importance of product legalization assistance for MSMEs, we can identify the challenges they face, as well as the important role of the government, non-government organizations and legal practitioners in providing the right support to provide safety and comfort for the products being developed.

Given the various obstacles to the growth of MSMEs on a local scale in Gondang Village, Gangga District, North Lombok Regency, this can be indicated by the existence of various existing factors, both internal and external factors. Because in its development, MSME activists at the sub-district level do not understand enough about the various existing regulations in order to develop the products that are being developed. These obstacles can be traced based on what has been the field facts regarding the conditions and obstacles of existing MSME activists.

Internal factors

- **Lack of Legal and Managerial Knowledge:** MSME owners or managers in Gangga District do not understand the legal requirements needed to legalize their products. Apart from that, a lack of managerial expertise in managing administrative and regulatory processes can also be an obstacle(4)
- **Inadequate Product Quality:** MSME products that do not meet the quality or safety standards set by regulatory bodies can hinder the legalization process. This could include issues related to raw materials, production processes, or non-conformance with applicable technical standards.
- **Resource Limitations:** MSMEs in Gangga District often have limitations in terms of human, financial and technological resources. This can make it difficult for them to invest the time and money required to meet legalization requirements.
- **Inability to Meet Administrative Requirements:** Administrative processes that are complex and require a variety of documents often require high administrative skills. MSMEs that do not have a good administrative system or access to administrative assistance may experience difficulties in meeting these requirements.

External Factors

- **Regulations that are not MSME Friendly:** Some government regulations or policies may not properly consider the conditions of MSMEs. Regulations that are too complicated, slow bureaucracy, or expensive requirements can be the main obstacles for MSMEs to obtain legalization.
- **High Rate of Policy Change:** Uncertainty in government policy or frequent changes in regulations can make MSMEs reluctant to take the risk of starting the legalization process, for fear that new regulations will emerge or change in the future.
- **Level of Corruption or Unfair Practices:** In some countries, the level of corruption or unhealthy practices in the bureaucracy can be a serious obstacle for MSMEs. They may be faced with requests for informal bribes or “fees” to speed up the legalization process,

which may hinder their access to the official process.

- **Low Level of Intellectual Property Protection:** MSMEs that rely on innovation or unique designs may face challenges in protecting their intellectual property rights. Without adequate protection, they may not be willing to take the risk that legalization could result in unauthorized use or imitation of the product by others.
- **Low Level of Education and Skills:** In some cases, low levels of education or skills among MSME owners or their employees can be an obstacle in understanding and complying with the legal requirements necessary for product legalization.

In understanding all the types of obstacles above, it can make MSMEs unable to move freely in accordance with the wishes expected by their activists, but this is actually not quite complicated in processing everything that is needed, it's just that the existing apathy means that the products produced cannot have a clear identity in accordance with existing regulations. so that further investigation into this article will provide a deeper understanding of how assistance in the legalization of MSME products can be improved, so that MSMEs can more easily adapt and compete in an increasingly tight market, both locally, nationally and even internationally.

IMPLEMENTATION METHOD

This research uses qualitative research. This research is an identification of problems through observation of humans and their own environment as well as matters related to people and regulations in their discussion and terminology.(5).

The primary data source in this research is the MSME activist community in Gangga District, while the secondary data source in this research is in the form of books related to regulations on the legalization of MSME products, official documents, as well as the results of research in the form of reports related to the implementation of product legalization assistance. MSMEs in the Gangga District community today.

Data collection techniques were carried out through outreach and field assistance by exploring information related to this research. Data analysis can be carried out through several stages such as: re-collecting data, grouping data, re-checking. After collecting the data, it is then clarified, followed by analyzing regulations regarding the legalization of MSME products. Finally, conclusions are made regarding the research results which contain answers to the problems raised.

RESULTS AND DISCUSSION

The legality of MSME products is an important and complex process in building the sustainability and growth of small and medium enterprises(6). So that against all obstacles in the continuity of MSMEs in Gondang Village, Gangga District, North Lombok Regency, we can understand the regulations that have been determined as quickly as possible for the continued legalization of existing products. So that the legalization process for MSME products can provide legal protection for business owners and help avoid all future problems(7).

The author can explain all the provisions that exist in the process of legalizing MSME products in Gondang Village, Gangga District, North Lombok Regency, including: Business Establishment: The first step in legalization is establishing a business entity. MSMEs can choose a business form such as a sole proprietorship company, CV, or PT. This establishment usually involves the creation of a Notarial Deed and approval from the Ministry of Law and Human Rights. Business License: After the business entity is formed, the business owner must obtain a business license such as a Trading Business License (SIUP) or Business Identification Number (NIB) which can be processed through the Online Single Submission (OSS) system. Product Certification: Several types of products require special certification, such as Halal Certification from MUI for food and beverage products, BPOM Certification for medicinal and cosmetic products, and SNI (Indonesian National Standard) for certain products. Tax: MSMEs also need to take care of their Taxpayer Identification Number (NPWP) and understand the tax obligations that apply to

their type of business. Apart from that, the author can also provide an overview of how important it is to know the legalization of MSME products(8).

The following are several important points related to the legalization of MSME products:

The Importance of Legalizing MSME Products:

1. **Consumer Safety:** Legalization ensures that MSME products meet the required quality, safety and legal compliance standards(9). This is important to protect consumers from products that are unsafe or do not meet standards.
2. **Access to a Wider Market:** Legal products have better access to formal markets, both domestically and internationally. Many modern markets require products that meet certain standards to enter and thrive.
3. **Protection of Intellectual Property Rights:** Legalization also ensures better protection of MSMEs' intellectual property rights, such as trademarks, patents and copyrights. This is important to prevent misuse or imitation of the product by other parties.
4. **Trust and Reputation:** Having legal products can increase the trust and reputation of MSMEs in the eyes of consumers, suppliers and investors(10). This can support long-term business growth and open up wider collaboration opportunities.

Challenges in the Legalization Process for MSME Products:

1. **Costs and Resources:** The legalization process often requires significant costs, especially for MSMEs with limited resources. These costs include administrative costs, product testing, certification, and more(11).
2. **Complicated Regulations and Bureaucracy:** A complicated regulatory system and slow bureaucracy can be a serious obstacle for MSMEs. The process of applying for permits and complying with complex administrative requirements can take excessive time and energy.
3. **Lack of Knowledge and Skills:** Many MSMEs may not have sufficient knowledge or skills in understanding the legal requirements, technical standards, or

administrative processes required for legalization. This can be a real obstacle in starting or completing the legalization process.

4. **Policy Uncertainty:** Changes in government policies or regulations can create uncertainty for MSMEs, making them hesitant to start or continue the legalization process.
5. **Intellectual Property Protection Challenges:** For MSMEs that rely on innovation or creative design, protection of their intellectual property rights can be a problem. This may hinder their willingness to apply for legalization, for fear that their products will be misused or counterfeited(12)

CONCLUSION (12pt)

Legalization of MSME products plays a crucial role in the development of small and medium enterprises. By having official legality, MSMEs can increase consumer confidence, expand market access, and obtain adequate legal protection. Legality also opens up opportunities to obtain financing support from financial institutions and facilitates collaboration with business partners both at home and abroad.

The legalization process, although sometimes complicated, provides significant long-term benefits for the sustainability and growth of MSMEs. The government also provides various supports to facilitate MSMEs in managing legality, through training programs, technical assistance and consulting services.

With guaranteed legality, MSMEs can not only operate more safely and calmly but can also increase their competitiveness in an increasingly competitive market. Therefore, understanding and awareness of the importance of product legalization needs to be increased among micro, small and medium business actors.

SUGGESTION

1. **Increased Access and Education:** The government and related institutions can increase MSMEs' access to information, training and technical assistance related to the legalization process. This can help reduce existing knowledge and skills gaps.
2. **Simplification of Regulations:** Efforts to simplify regulatory and bureaucratic

processes can reduce the administrative burden for MSMEs. Regulations that are more friendly to MSMEs can encourage more MSMEs to legalize.

3. **Financial and Technical Support:** Governments, financial institutions and non-governmental organizations can provide financial and technical support to MSMEs to help them meet legalization requirements, including certification and testing costs.
4. **Strengthening Cooperation and Networks:** Building networks and collaboration between MSMEs, government institutions, universities and the private sector can help facilitate the exchange of information and best practices in meeting legalization requirements.

Through a holistic and sustainable approach, the legalization of MSME products in Gondang Village, Gangga District, North Lombok Regency can be more easily accessed and implemented, providing significant benefits for local economic growth and MSME inclusion in the global market.

ACKNOWLEDGEMENT

Thanks are especially addressed to research funders or donors. Thanks can also be expressed to those who helped carry out the research.

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