

ONLINE SINGLE SUBMISSION RISK BASED APPROACH POLICY (OSS RBA) FOR MICRO SMALL BUSINESS DEVELOPMENT INTERMEDIATE

Alip Rahman

Universitas Swadaya Gunung Jati Cirebon, Indonesia

E-mail: aliprahman8@gmail.com

ABSTRACT

Abstract: Regional developments in global competition have demanded efforts to increase competitiveness through avoiding the occurrence of a high cost economy that has been complained about so far, due to the slow government bureaucracy which always demands greater costs than the service bureaucracy itself, for example through licensing facilities, to create efficiency for optimal resource utilization, in the context of building the birth of a perfect market mechanism. Market failure can be avoided by formulating licensing norms. Increasing regional competitiveness and absorption of regional income in the investment sector through the implementation of the Online Single Submission Risk Based Approach (OSS RBA) System Policy for Micro, Small and Medium Enterprises (MSMEs), for this reason, every business activity has a direct impact on modifying the policy format model, including institutional structure, and related to business service platforms, for the Central and Regional Governments. At the level of local policies, this is not an easy problem, in an effort to accommodate these interests, in the era of global competition. The effectiveness of the implementation of the RBA OSS System Policy by Regional Governments, as well as how to overcome obstacles to the policy are very interesting to analyze, regarding MSME Actors who experience limited conditions, in terms of capital, mastery of technology and market share. The method used to analyze is doctrinal (normative juridical), on the approach of the concept of law as written law in the form of statutory texts, which are built by local government regulations. The research findings state that the Regional Government, that Micro, Small and Medium Enterprises still need assistance to register permits, in terms of the RBA OSS System Policy in the mission of optimizing the policy, massive socialization must be carried out to the community, especially MSME actors, to increase information on the importance of this policy. In the end, the business actors in question no longer make mistakes in relation to determining the choice of categorization of Micro Small and Non-Small Micro Enterprises. This policy model is directly very influential in efforts to improve the efficiency of public services, and avoid the high cost economy that occurs.

Keywords: High Cost Economy; Micro; Small and Medium Enterprises; Online Single Submission Risk Based Approach System Policy; Public Service Efficiency

Introduction

The formal truth of being recognized as the primary factor in legal decision making presents a unique legal performance issue for Indonesia today. A more comprehensive alternative worldview is still being discussed as a potential strategy (Sutrisno, 2015).

Special legal treatment is required since that social problem requires extraordinary legal handling and extraordinary legal action (Sutrisno, 2014). The primary driver behind the policy that led to the passage of this law is this circumstance (Sutrisno, 2019). According to Radbruch, the values of clarity, justice, and benefit must be realized if the law is to catch the executor's attention (Alexy, 2021). A additional justification is offered by Warassih, The legislation does serve a crucial purpose (objective) for the organization, and these three fundamental ideals will guide the law to take the requirements of society at a specific period into account. All facets of human existence are impacted by law, which primarily serves as a framework for social connections between members of society and the implementation of changing policies. OSS RBA offers business actors convenience, security, and structural business models at the level of regional competitiveness. To intervene in the current policy patterns of central and local government businesses, institutions, and service platforms, every corporation must first take into account positioning risk.

The implementation of the RBA OSS licensing paradigm, which is risk-based, affects how prepared and responsive regions are to sustainability, especially related to regulations, institutions such as human resources, and digital service patterns. The purpose of Law No. 6 of 2023 Jo. Law No. 2 of 2022 is the placement of PP which is about Job Creation, namely regulating to provide convenience and security in doing business, in the competition process which aims to increase regional prosperity, namely comfort and security in business. As a core component of every business, licensing has been changed from being on a permissions basis and has changed to being risk-based. In order for the Central and Regional Governments to achieve economic certainty, the government made a new regulation, namely regarding the RBA OSS in a risk-based form regarding its implementation regulated in (PP No. 5 of 2021) followed by the implementation of regional regulations (PP No. 6 of 2021) where this is a work instruction for the organizers.

RBA OSS has been implemented which is interconnected in business entity licensing services provided by Heads of Institutions and Ministers, Governors, Mayors, and Government Agencies. Based on the guidelines outlined in Letter 1342/A.1/Minister of Investment/Director of the Investment Coordinating Board 2021, the type of business is categorized depending on the level of business risk in this particular scenario (Warsih, 2016).

The implementation in the process of managing permits in the RBA OSS system, RBA OSS business licenses intended for business actors to be able to start and run their integrated and directed business activities, are qualified based on the level of risk of their business activities, there is a very significant difference from the previous system, namely OSS, 1.1, namely the previous system is not based on risk in every activity of business actors (Firdaus, Sukowati, & Adi, 2023).

In the RBA OSS, there is a level of risk that needs to be adjusted, namely based on the assessment of the level of danger in this case, namely how influential the risk hazard is on business actors and the classification of the type of business in activities,

The risk of business activities is regulated in PP No. 5 of 2021, the level of risk is contained in (Article 10 Paragraphs 1 and 2) of the classification of these business activities, namely Low Risk, Medium Low Risk, Medium High and finally High Risk. The type of business can be categorized into a scale of risk levels adjusted to the initial capital of the business, Micro Enterprises, namely a maximum working capital of 1 billion, then Small Businesses with a minimum of 5 billion to a maximum of 10 billion for Large Businesses business capital needs to be above 10 billion, this rule makes the business scale proportioned according to the level of risk adjusted to its business activities. (Article 35 paragraph (3) PP No. 7 of 202)

The classification of MSMEs in the RBA OSS system provides commercial licensing infrastructure for various industries, including agriculture, forestry, energy and minerals, nuclear, marine and fisheries, and the environment. The electricity, business, public works, public housing, transportation, health, medical care, and food, education, culture, tourism, and religion, as well as postal, telecommunications, broadcasting, electronic systems, and transactions, as well as land, security, and employment, are all regulated in (PP No.5 of 2022)

Business actors in business need to first take care of business licenses in order to comply with applicable regulations where it is commercially or operationally, which is often called a business license, which includes location permits, environmental permits, and construction permits in their business areas to obtain business licenses. In the process, business actors need to update the RBA OSS System with information about their business operations. RBA OSS permits for MSME actors who face obstacles due to limited human resources in terms of mastery of information technology, as well as lack of local government support, require business actors to meet standards, certificates, licenses, and registration of goods or services based on the type of product sold.

Research Method

The methodology is to use normative (doctrinal) juridical issues in terms of law which refer to related laws and regulations in written form related to the implementation of the RBA OSS Policy by Local Governments for MSME Actors, or small and medium enterprises. By examining laws and regulations related to current legal issues, a statutory approach is used to try to ensure consistency between laws and their derivative rules. This doctrinal perspective is applied to a number of written legal rules, including PP No. 5 of 2021 and Law No. 6 of 2023 Jo Law No. 2 of 2022 concerning the Application of PP and also regulations in Job Creation.

Result and Discussion

The government uses licensing as a form of regulation and supervision in regulating

community activities. Many types of licenses often consist of registration, authentication, quota setting, referral permissions, and a form of business authorization. To perform an activity or action, they often must be owned by the ship, business, or person concerned or acquired by them. As a result, authorization becomes a tangible tool that can unilaterally guarantee binding freedoms. In legal lexicons, authorization (*vergunning*) is generally defined as administrative authorization required for an action that requires special oversight, but is not usually considered an unexpected or unforeseen thing that is sufficiently desirable (Ridwan, 2018).

One of the main principles of Government Regulation No. 24 of 2018 concerning Electronic Integrated Business Entity Licensing Services (now in effect as Government Regulation No. 5 of 2021 concerning Risk-Based Business Entity Licensing) is licensing for risk-based business entities. To start and run a business operation, a business must comply with the basic requirements of a business license and a risk-based business license. Suitability of space use, environmental permits, building authority approvals, and proof of function all count as basic prerequisites for corporate permits. The fundamental specifications for each business license are established by laws and regulations in the field of space, environment, and architecture. To carry out business licensing in the country, PP No. 6 of 2021 was issued. In fact, the management of business licenses in the regions needs to be fast, smooth, straightforward, and accountable according to the demands of stakeholders and economic actors. In this case, the company's licensing organization is more centralized at the central government level than at the regional level (Pehrsson, 2023). Micro and small enterprises are companies with a maximum registered capital of 5 billion, excluding land and buildings used for commercial purposes, and are owned by residents of Indonesia, including individuals and legal entities.

The elements of Chapter III of the Job Creation Law that regulate the improvement of business and investment ecosystems, general license agreements, and company administration are regulated. *One Stop Service* and *Online Single Submission 1.1*, now known as OSS RBA, is expected to be more effective in reducing the complexity of licensing management and making it easier for business actors through its implementation. Government Regulation No. 5 of 2021. The RBA OSS gives priority in assisting the complaint process and enabling other actions that can be taken by business actors.

The basis for the RBA OSS definition is listed in Government Regulation No. 24 of 2008. The commercial system allows businesses or activities to be carried out based on the provisions of Government Regulation Number 5 of 2021. This was stipulated by Government Regulation Number 24 of 2018 which was later replaced by the Online Single Submission Risk-Based Approach (OSS RBA) scheme which was formed through Government Regulation Number 5 of 2021 (RBA OSS Agency on behalf of Ministers, Heads of Institutions, Governors or Regents, or Mayors) through an interconnected

electronic system (2023). To conduct transactions and/or business activities based on trade licenses or business licenses, business actors are given the obligation to meet the requirements. It is known that entrepreneurs need more time and money to launch a business, for example in Indonesia. Government services are more expensive due to two main causes. First, due to the longer administrative process, the bureaucracy does not provide services to employers but rather requests them. Entrepreneurs have to incur higher costs due to licensing costs in addition to taxes and levies. In addition, the government failed to create the necessary conditions for the emergence of a perfect market (Tumar Sumihardjo, 2008).

Business actors in registering for RBA OSS are in the form of licensing using an electronic system contained in a website that is flexible access (anytime, anywhere) and provided by the OSS institution for and on behalf of Ministers, Agency Leaders, Governors, Regents / Mayors. By itself, the management of the use of technology in a government agency can have an impact on the transformation of the intended company's work system from non-digital to digital, namely online. By modifying conditions that previously had a complicated work system to facilitate the granting of permits to become civil servants (Serving), Online Single Submission is here to provide the concept of ease in implementing permits (Noor, 2017). This is done by monitoring licensing settlement procedures carried out at all levels of government at the regional, provincial, and central levels. In order for work to be completed in accordance with the expected target, which is fast and precise, digitalization must be more advanced, especially to accelerate administrative processes that provide convenience for users such as in government and community organizations (Indah, 2017).

The authority of the government in carrying out its responsibilities and functions to the community or business actors where the context of the business world is known as public policy in managing business licenses. Public interest in the sense of society itself is supervised by government policies which in its hierarchy regulate all the interests of people's lives in various aspects. Public policy regulation can be understood as a set of rules or methods used to guide a policy making itself. Every public policy formulation is based on defining the problem under consideration, and every policy implementation is focused on solving issues that arise in the public (society) at large (Mustari, 2015). Policy implementation as a means to achieve policy objectives. Meanwhile, to carry out public policy there are two options, either execute it directly as a program or by making private policy (a derivative of public policy) (Riant Nugroho, 2009).

Justice is the goal because legal certainty, a very basic community need, can only be met on the basis of certainty through legal positivism or laws which are the result of the form of regulations. The conclusion that certainty and justice are fundamental components of law is that for good legislation to be implemented, positive law must reflect the principles of justice on which human needs are met. As a result, to achieve

superior law, the principle of justice is a condition that must be met and cannot be ruled out, therefore laws and regulations must essentially be fair and certain (Sutrisno, 2019).

The results of the study support local government policies, namely continuing to monitor MSMEs that do not meet the requirements for risk-based business licensing documentation, such as MSMEs whose business scale is based on the medium risk level, in order to provide legal certainty for MSMEs that manage business licensing. This office handles this matter. Low to high will take firm action against MSMEs to immediately meet the requirements outlined in PP No. 5 of 2021 if they do not have the necessary documents other than having a Business Identification Number (NIB), such as a Standard Certificate verified directly by the Regional Government through the City/Regency and Provincial Offices. If it does not immediately meet the requirements as intended by the Office in the City or Regency Local Government, strict action will be taken immediately. Actions in the form of imposition of administrative sanctions to the suspension of business activities.

RBA's OSS-based licensing policy seeks to simplify the licensing process for businesses. This convenience is based on the policy objectives of PP No. 5 of 2021 concerning the Implementation of Risk-Based Business Licensing. It is expected that the ease of doing business, especially in the regions, will improve the investment climate and make business actors more comfortable facing the challenges posed by the online single-based licensing service policy. Especially for Micro and Small Enterprises, OSS RBA. The success of policy implementation is greatly influenced by a person's capacity to use the resources they have. Ineffective human resources and an insufficient number of policy holders are among the causes that often result in failure in policy implementation. The provision of human resources to such demands, in accordance with their areas of competence, allows the proper and effective implementation of policies at the regional level, ensuring that the objectives correspond to the anticipated objectives of the planned policy development. Other supporting criteria that need to be considered include the availability of funds and the facilities and infrastructure needed to enable the implementation of licensing policies based on the RBA OSS.

To translate national policies in the field of licensing, to improve regional competitiveness and to create market perfection in the era of global competition, regions must have access to qualified human resources to implement licensing policies based on the RBA OSS Risk-Based Approach. Employee competence refers to factors that influence attitude, behavior, and performance so that tasks can be completed as desired. According to some standards, policy implementation requires the existence of human resources who have superior competence. The availability of infrastructure is also a determining factor for the success of RBA's OSS-based licensing policy in the regions. Without infrastructure that is in accordance with applicable laws and regulations as a means of support, policy implementation will not be successful.

If the pioneer policy implementer can understand the standards and objectives of the policy, then the policy will be implemented as well as possible. Individuals or groups participate in communication to transfer information. Therefore, policies can be understood and applied consistently at the implementation level thanks to communication. The focus of this study on communication between organizations is on the vital communication lines that must exist between the technical services responsible at the local government level and other relevant technical services. Communication that occurs as part of the new company's license review and approval process. As a method of socialization and establishment of positive legal communication regarding licensing policies based on the RBA OSS, relevant agencies should hold formal and informal activity forums involving Micro, Small and Medium Enterprises periodically. Based on the characteristics of the implementing agency, one of the achievements of policy implementation is identified. The way the policy should be implemented by the appropriate implementing agency depends on the relationship between the nature of the implementing agency and the implementation of the policy. In addition, the bureaucratic structure of the implementing agency and its characteristics are closely related.

When examining how social and economic factors affect how policies are implemented, it is important to consider how much external factors, or the policy environment, affect how successfully policies are implemented. To avoid the problem of lack of information about licensing policies based on OSS RBA, the implementation of OSS RBA policies requires adjustments between published policies and social conditions. For this reason, all MSME actors must be involved in integrated licensing policies online, because if that happens can be an obstacle because in general people do not understand digitalization related to RBA OSS. This is an obstacle to the sustainability of the implementation of risk-based business licensing policies because the community becomes reluctant to participate in enforcing the obligations made by the Central Government.

Reliable and durable central digital policy support and systems are required for efficient implementation of RBA OSS policies in the regions. RBA's OSS policy cannot be immediately distributed and implemented in some regions due to the incomplete substance of regulations in several Government Regulations, the lack of implementing provisions (which are still delegated to Ministerial Regulations), and the subpar system integration process. The regulatory, institutional, and technological issues facing local governments are numerous. The relevant agencies solely carry out their responsibilities as local government administrators in terms of issuing business licenses and advising the media. These agencies manage the Risk-Based Approach policy in the regions. In particular, the Online Single Filing Risk-Based Approach, allows companies to enter into the licensing system. In addition, many business people do not know the advantages of obtaining their company license. It is worth mentioning that these advantages consist of:

1. The existence of Online Single Submission Risk Based Approach makes it easier so that companies with low risk levels can quickly apply for permits. The reduction of

- business licenses, for business actors with a low level of risk, does not require technical verification from the central or local government.
2. The business licensing process will be simplified by cutting commercial/operational licenses based on risk strategies, using OSS Risk-Based strategy services as a guide for selecting types of business licenses, and efficient control. The potential risk of a particular commercial activity is inversely proportional to how strict government regulation is, so it requires additional permits. On the other hand, if the commercial activity is low-risk, no government agency, agency, or licensing or inspection is required. It can be concluded that companies with small risks will find it easier to obtain business licenses, while companies with high risks can apply for all licenses online using a risk-based approach.
 3. Reduce expenses where entrepreneurs often need large amounts of money to launch their companies. Due to the high cost of obtaining a business license, this condition will get worse. Business actors can take care of all business licenses according to the type of risk by utilizing only one application thanks to the online single submission risk-based approach service. Business actors do not need to frequently contact institutions, agencies, or local governments to arrange company permits.
 4. Improve compliance as risk-based licensing is anticipated to detect non-compliance as well as potential risks to certain business activities. The government can also have full control over high-risk companies with these licensing requirements, resulting in more efficient control. The advantages obtained by MSMEs in the OSS Risk-Based Approach System are fast licensing, where the licensing process for MSMEs is very fast; The submission usually only takes 15 (fifteen) minutes, and the approval is complete. given within 3 (three) hours, MSMEs are also exempt from financing in terms of cost management, there is no fee for licensing procedures submitted with a risk-based approach *single submission online* for MSMEs with a turnover of less than Rp. 5 (five) billion. There are no prerequisites for the creation of MSMEs, including the opportunity to manage SNI and Halal Certificate for free. The RBA Online Single Submission System only requires information about the business and the person in charge of the business to be filled in, then the Business License Number (NIB) is immediately available and can be downloaded directly from the system, so that business actors can run their business without having to leave the house for permits.

Conclusion

Additional policies in the form of socialization and continuous legal communication with MSME actors are still needed for the policy of implementing the RBA OSS licensing system in the regions through Regional Governments. An important phrase that must be used in policy efforts in the form of mentoring programs is the integration, completeness, and holistic policy approach to achieve the anticipated goals and objectives of the implementation of risk-based licensing policies. It is good that a risk-based policy called the Risk-Based Approach to Online Single Submission because it offers legal certainty and is made possible by the existence of a risk classification system

and the necessary business orders, although in the context of the MSME community, especially those with a low level of risk, this may be a very common thing because they are difficult to access due to inadequate digitization of human resources, thus hampering the value of legal certainty from being fulfilled. In order for relevant stakeholders to succeed in programs that consider the availability of funding and supporting infrastructure, this policy mandates continuous monitoring and assessment of efforts to achieve policy objectives.

Bibliography

- Alexy, Robert. (2021). Gustav Radbruch's Concept of Law. *Law's Ideal Dimension*, 26(1946), 107–118. <https://doi.org/10.1093/oso/9780198796831.003.0008>
- Firdaus, Gusti Achmad, Sukowati, Praptining, & Adi, Dodot Supto. (2023). Licensing of MSME Business through Online Single Submission Risk based Approach. *Cross Current Int J Econ Manag Media Stud*, 5(2), 11–20.
- Indah, Agus Tri. (2017). Pengaruh Keterampilan Teknologi Terhadap Produktivitas Pada Subbagian Evaluasi dan Pengembangan SDM Dirjen Perhubungan Udara. *Widya Cipta: Jurnal Sekretari Dan Manajemen*, 105–110.
- Milta, Chyndi Berliana. (2023). Pelayanan Perizinan melalui Sistem Online Single Submission Risk Based Approach (OSS RBA) pada Dinas Penanaman Modal Pelayanan Terpadu Satu Pintu dan Tenaga Kerja Kabupaten Kuantan Singingi. *Jom Fisip*, 10(II), 1–12.
- Mustari, Nuryanti. (2015). *Understanding of Public Policy (Formulation, Implementation and Evaluation of Public Policy)*.
- Noor, Musawiq M. (2017). *BIMTEK Online Single Submission (OSS)*.
- Pehrsson, Anders. (2023). *Digital Business Strategy: Content, Context and Cases*. Taylor & Francis.
- Ridwan, HR. (2018). *Hukum administrasi negara*.
- Sutrisno, Endang. (2014). Implementation of Coastal Resource Management Based on Integrated Coastal Area Management for Fishermen Welfare (Study in Rural Fishermen Cangkol, Lemahwungkuk Sub-district *Journal of Law Dynamic*, 1–2.
- Sutrisno, Endang. (2015). *The Local Governments Dilemma in Accommodating the National Regulation*.
- Sutrisno, Endang. (2019). Relations between legal culture and economic empowerment among marginalized group of farmers. *J. Legal Ethical & Regul. Issues*.
- Warsih, Warsih. (2016). *Pengaruh Pembinaan Aktivitas Keagamaan Terhadap Keberagamaan Siswa Dan Hasil Belajar Pendidikan Agama Islam (Pai) Di Sd Negeri Tlutup Trangkil Kabupaten Pati Tahun Ajaran 2014/2015*.