



RESEARCH ARTICLE

Legal Protection for Micro, Small and Medium Enterprises in Nature Tourism Business

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The significance of legal protection for micro, small, and medium enterprises, as well as for consumers visiting the area, is crucial for economic support and the preservation of local traditions in tourist regions, ensuring the viability of the tourism sector and the well-being of the surrounding community. Micro, Small, and Medium Enterprises (MSMEs) frequently encounter numerous obstacles, such as limited access to financing, complex rules, and insufficient protection against environmental and business hazards. In the nature tourism business, problems may encompass alterations in land use policies, licensing complications, and the repercussions of natural disasters. In the absence of sufficient legislative protection, MSMEs in this sector have the potential for significant losses or possibly closure. The government has enacted many rules to protect MSME participants, particularly in the nature tourism industry, offering legal protection through both preventive and repressive actions.

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atha.com**1. INTRODUCTION**

Indonesia is an archipelagic nation characterized by a vast expanse and an abundance of various natural resources. These natural resources serve diverse human requirements. One advantage of natural resources is their application in the tourist sector. Tourism Minister Arief Yahya stated that the tourism sector achieved the largest increase, placing 9th globally, as reported by The World Travel & Tourism Council (WTTC). "The WTTC announced that Indonesia ranks ninth globally in tourism growth," stated Minister Arief Yahya during the presentation of the four-year performance of the Joko Widodo-Jusuf Kalla administration in Jakarta.¹

Tourism is a significant economic driver in Indonesia. Tourists visiting Indonesia comprise both domestic and international individuals. In 2022, the influx of foreign tourists entering Indonesia via airports consistently rose each month. This augmentation is evident in the BPS statistical data from 2022.² This significantly enhances the economic conditions of Indonesian citizens, particularly micro, small, and medium firms. This tourism significantly benefits the local communities surrounding these attractions, hence having a tangible impact on the lower socioeconomic class. Tourists who stay at

¹ Indonesia's Tourism Growth Ranks 9th in the World - Travel Tempo.co<https://travel.tempo.co/read/1139099/pertumbuhan-pariwisata-indonesia-peringkat-9-di-dunia>² See Central Bureau of Statistics (bps.go.id) <https://www.bps.go.id/indicator/16/1150/1/jumlah-kunjungan-wisatawan-mancanegara-per-bulan-ke-indonesia-menurut-pintu-masuk-2017---sekarang.html>

hotels, visit attractions, and purchase souvenirs from micro, small, and medium firms, predominantly held by middle and lower economic communities.

Tourism derives from the term *tourism*, which pertains to recreational activities or travel. The term 'tourism' derives from the Sanskrit language, comprising two syllables: 'stingrays' and 'tourism.' Stingrays can be interpreted multiple times, whereas "tour" can be interpreted as travel. Tourism can be regarded as all activities associated with the tourism sector.³ Article 1, number 3 of Law 10/2009 on Tourism in Indonesia defines a tourist as "a variety of tourism activities supported by various facilities and services provided by the community, entrepreneurs, government, and local authorities."

In Law 10/2009 regarding tourism, a businessman tourist is defined as an individual or group engaged in tourism-related business activities. According to Law 8/1999 on Consumer Protection (UUPK), a business actor is any individual or business entity, whether a legal or non-legal entity, established within the legal jurisdiction of Indonesia, acting independently or collectively to enter into agreements for the purpose of conducting various economic activities.

Article 4 of Law 10/2009 on Tourism aims to enhance economic growth. Article 20 of the same law asserts that all individuals are entitled to legal protection and security. Furthermore, Article 22 mandates that every entrepreneur must receive legal protection. This protection is essential for safeguarding business operators and consumers within the tourism sector. It necessitates the establishment of regulations within companies to protect tourists visiting their attractions, particularly in the context of ecotourism, thereby promoting economic growth among micro, small, and medium enterprises and the surrounding community.

Micro, Small, and Medium Enterprises (MSMEs) in Indonesia, particularly within the nature tourism sector, are pivotal in generating employment, enhancing regional income, and stimulating local economic development. This sector encompasses MSMEs involved in accommodation, tour guiding, food services, and handicrafts, all integral to the tourism ecosystem. To foster sustainable growth, it is essential for MSMEs to receive legal protection, enabling them to evolve securely and consistently.

Micro, Small, and Medium Enterprises (MSMEs) frequently encounter numerous obstacles, such as limited access to capital, intricate regulatory frameworks, and insufficient safeguards against environmental and commercial risks. Within the nature tourism industry, these obstacles may manifest as alterations in land use regulations, licensing complications, and the repercussions of natural calamities. In the absence of sufficient legal protections, MSMEs in this sector are vulnerable to substantial losses or potential closure.

This policy is bolstered by numerous government initiatives aimed at promoting entrepreneurship, enhancing access to capital, and offering training to business stakeholders in the sustainable management of natural tourism. The People's Business Credit (KUR) program and tax incentives for MSMEs further incentivize participants in this sector.

In the ecotourism sector, it is crucial to uphold consumer confidence by delivering safe and high-quality services. Legal safeguards for MSMEs encompass assistance in acquiring business certifications, adhering to safety standards, and providing training to fulfill tourist expectations, thereby enhancing market competitiveness.

Numerous factors can diminish tourist influx, adversely affecting the economy. A pertinent instance involves TikTok artist Kelly Courtney, who recounted her experience of being misled by a travel agent while en route to Labuan Bajo, shared on her social media account on February 14. Despite having paid IDR 12 million for a package accommodating six individuals for three days and two nights, she was neither picked up nor provided the promised services.⁴

Another legal issue in the tourism sector pertains to the permit complications associated with the construction of The Lost World Castle Jogja, which lacks the necessary authorization. Furthermore,

³ Big Indonesian Dictionary

⁴ Regarding the Labuan Bajo Case, Sandiaga: Those Who Tarnish Indonesian Tourism Will Be Prosecuted - Travel Tempo.co <https://travel.tempo.co/read/1562704/soal-kasus-labuan-bajo-sandiaga-yang-mencoreng-wisata-indonesia-akan-ditindak>

this tourist site is situated in Disaster-Prone Area III regarding the eruption of Mount Merapi. According to Djokolelana Juliyanto, Head of the Disaster Mitigation Section of the Sleman BPBD, the location of The Lost World Castle is susceptible to hazards such as hot clouds, rockfalls, lava flows, and heavy ash precipitation in the event of a Merapi eruption.⁵ Additionally, there are concerns regarding the infringement of local cultural values, exemplified by two foreign tourists who were deemed to have disrespected the sacred water from the Pelinggih in the Monkey Forest Ubud area of Bali, resulting in customary sanctions against them.⁶

This presents challenges for both business stakeholders and consumers within the tourism sector. Entities involved in ecotourism require safeguarding. This study identifies issues pertaining to legal protection for micro, small, and medium enterprises, as well as for consumers traveling in the region, to bolster the economy and preserve local cultural heritage.

2. RESEARCH METHOD

Legal research is fundamentally a scientific endeavor grounded in a specific methodology, systematic analysis, and critical thinking, aimed at examining one or more distinct legal phenomena through analytical scrutiny. Additionally, it involves a thorough investigation of legal facts to propose solutions to the issues that emerge within the pertinent phenomena. Research, as an integral component of scientific advancement, holds significant importance and should be established as a tradition within academic pursuits. The specific objectives and rationale for conducting research are as follows:⁷

1. To ascertain what has occurred or is occurring;
2. To resolve issues; Additionally
3. To evaluate a hypothesis

Research constitutes a scientific endeavor grounded in specific methodologies, systematic approaches, and theoretical frameworks, aimed at the analysis of one or more distinct legal phenomena. Furthermore, a comprehensive investigation of the legal facts is conducted to propose solutions to the issues that emerge within the pertinent phenomena.⁸

This study employs the normative legal approach,⁹ which examines doctrines or principles within legal science.¹⁰ The normative legal approach entails analyzing regulations, encompassing both primary and secondary legal materials, or addressing issues through the lens of applicable legislation. Additionally, this study seeks to elucidate company regulations aimed at safeguarding micro, small, and medium enterprises to enhance economic conditions.

The UUPK not only safeguards consumers but also offers protection for micro, small, and medium enterprises within the ecotourism sector, where issues frequently arise. One strategy to mitigate adverse outcomes is to establish company regulations for the acceptance of both foreign and domestic tourists, ensuring compliance with legal standards to prevent a decline in the popularity of tourist destinations, which could ultimately deter visitors and disrupt the local economy.

3. REGULATION OF MICRO, SMALL, AND MEDIUM ENTERPRISES IN INDONESIA

Government Regulation 7/2021 pertains to the convenience, protection, and empowerment of cooperatives and micro, small, and medium enterprises (MSMEs). It establishes the framework for the implementation of these regulations, which serve to safeguard the interests of micro, small, and

⁵ 10 Controversial Events in Indonesian Tourism 2018 That Caused Various Reactions, Which One Do You Remember? (travelingyuk.com) <https://travelingyuk.com/peristiwa-kontroversial-pariwisata-indonesia-2018/149634/>

⁶ Viral Case of Foreign Tourists Insulting Holy Water and Reflection of Bali Tourism (kompas.com) <https://travel.kompas.com/read/2019/08/12/175156527/kasus-viral-turis-asing-lecehkan-air-suci-dan-refleksi-pariwisata-bali>

⁷ Hakristuti Hakrisnowo, Lecture Handout on Legal Research Methods, (Jakarta: Pogram Doctor Postgraduate University of Indonesia, 2004)

⁸ Roni Hanitijo Soemitro, Legal Research Methods and Jurimetrics, Ghlmia Indonesia, 1988, p. 43.

⁹ Ibid, p. 43

¹⁰ Zainudin Ali, Legal Research Methods, Sinar Grafika, Jakarta, 2009, p. 24

medium business operators, thereby providing a foundational legal structure for MSMEs more broadly.

The definition and criteria for Micro, Small, and Medium Enterprises according to PP UMKM are as follows:

1. A Micro commercial is a productive enterprise operated by individuals or commercial organizations that meet the Micro Business Criteria.
 - a. Venture capital is limited to a maximum of Rp. 1,000,000,000.00 (one billion rupiah), excluding land and buildings for business purposes.
 - b. Annual sales results capped at IDR 2,000,000,000.00 (two billion rupiah).
2. A small business is an independent economic entity engaged in productive activities, operated by individuals or a business entity that is neither a subsidiary nor a branch of another company. It is not owned, controlled, or affiliated with medium or large enterprises, and it meets specific criteria defining small businesses.
 - a. Venture capital ranges from IDR 1,000,000,000.00 (one billion rupiah) to a maximum of IDR 5,000,000,000.00 (five billion rupiah), excluding land and buildings for commercial premises.
 - b. Annual sales figures range from Rp. 2,000,000,000.00 (two billion rupiah) to a maximum of Rp. 15,000,000,000.00 (fifteen billion rupiah).
3. Medium Enterprises are independent economic entities engaged in productive activities, operated by individuals or business entities that are neither subsidiaries nor branches of larger corporations. They are distinct from small businesses and sufficiently substantial to meet the criteria for Medium Enterprises, which include specific standards.
 - a. Venture capital ranges from Rp. 5,000,000,000.00 (five billion rupiah) to a maximum of Rp. 10,000,000,000.00 (ten billion rupiah), excluding land and buildings for business purposes.
 - b. Annual sales results range from Rp. 15,000,000,000.00 (fifteen billion rupiah) to a maximum of Rp. 50,000,000,000.00 (fifty billion rupiah).

Micro, Small, and Medium Enterprises must undertake licensing efforts for their activities. The licensing process for these enterprises is executed using an integrated computerized licensing system that is managed accordingly by the governing institution, licensing is connected with electronics.

The government and regional authorities offer guidance and registration for micro and small enterprises, facilitating licensing efforts. Both the central and regional governments are obligated to provide service assistance and legal support to micro and small business operators. This assistance encompasses legal consultation, mediation, document drafting, external court support, and/or court assistance.

In the event of an emergency condition such as a disaster, epidemic, or other situations as determined by authorized officials, the Central Government and Regional Governments shall strive to recover Micro and Small Businesses. This includes restructuring credit through relaxation and rescheduling of loans; business reconstruction by providing assistance in the form of production grants; capital assistance distributed as grants or financing; and prioritizing micro and small businesses registered as traders in traditional markets affected by disasters such as fires, natural calamities, or social conflicts, enabling them to acquire shops, kiosks, stalls, or tents at subsidized rates.

The Regulation of the Minister of Cooperatives and Small and Medium Enterprises Number 3 of 2021 regarding the Implementation of PP UMKM stipulates in Article 11 the classification and developmental levels of MSMEs are conducted for:

Categorizing Micro Enterprises, Small Enterprises, and Medium Enterprises;

1. Become a platform for further development, elevated from prior stages.
2. Deliver essential information for the periodic monitoring, analysis, and evaluation of the performance of Micro, Small, and Medium Enterprises with a focus on sustainability.
3. Facilitation of planning and facilitation during the academic term.

4. LEGAL SAFEGUARDS FOR COMMERCIAL ENTITIES

According to Philip M. Hadjon, protection law encompasses the safeguarding of dignity and the acknowledgment of fundamental human rights through appropriate legal frameworks. In relation to consumers, this implies that the law provides safeguards for consumer rights against violations stemming from neglect.¹¹ Additionally, Setiono posits that protection law constitutes an endeavor to shield the public from capricious actions by those in power, thereby fostering order and tranquility.

¹²

The term 'consumer' derives from the American English word 'consumer' and the Dutch 'consument.' According to the Big Indonesian Dictionary, 'consumer' refers to a user or consumers. In the context of UUPK, a consumer is defined as "every user of goods and/or services available in society, for personal benefit, family, others, and other living beings, and not for trade."

Az. Nasution defines the Law of Consumer Protection as a set of regulatory principles that inherently possess protective attributes for consumer interests. The law is understood as a set of overarching principles and regulations that control the relationships and issues arising between parties involved in the exchange of goods and/or services within social interactions.¹³

Concerning the comprehension of consumer law and the protection of consumers previously mentioned, several key considerations arise:¹⁴

1. Consumer law provides broader coverage compared to consumer protection law.
2. The entities engaged in consumer protection include the public as consumers and various business actors, such as distributors, print and television media, agents, or advertising agencies, as well as organizations like the Indonesian Consumers Foundation (YLKI) and the Food and Drug Supervisory Agency (BPOM).
3. Items classified as goods and/or services provided by the offending firm or manufacturer to customers.
4. Inequality between consumers and businesses necessitates government regulations that ensure consumer protection and rights.

To provide legal protection for customers, certain principles serve as guides for UUPK. The principles outlined in Article 2 of the UUPK encompass consumer

1. Protection based on benefits, justice, balance, security, safety, and legal certainty.
2. The principle of intended benefit dictates that all organizational efforts in consumer protection must maximize advantages for both consumers and corporate stakeholders in a comprehensive manner.
3. The idea of justice aimed at universal participation can be maximized to create possibilities for consumers and corporate actors to gain their rights and fulfill their obligations equitably.
4. The notion of balance aims to establish equilibrium among consumer interests, business actors, and government in both material and spiritual dimensions.
5. Principles of consumer security and safety are designed to ensure the protection and safety of consumers in the usage and consumption of goods and services.
6. The notion of legal certainty is intended to benefit both businesses and consumers by ensuring compliance with the law and facilitating justice in consumer protection, with the state guaranteeing legal certainty.

Article 3 of the UUPK aims for:

1. Enhance consumer awareness, capability, and autonomy for self-protection.

¹¹ Philipus M. Hadjon, *Protection for the People in Indonesia*, Surabaya: PT. Bina Science, 1987, pp. 1-2.

¹² Setiono, *Rule of Law*, Surakarta; Master of Law Postgraduate Program Sebelas Maret University, 2004, p. 3.

¹³ Shidarta, *Protection Law Consumers*, Jakarta: Grasindo, 2000, p. 9

¹⁴ Susanti Adi Nugroho, *Settlement Process Dispute Consumer Reviewed from the Procedural Law and Implementation Constraints*, Jakarta, Kencana, 2011 p.58

2. Uphold dignity and honor consumers by implementing methods to prevent unfavorable usage and/or service access.
3. Enhance customer empowerment in selecting, defining, and asserting their rights as consumers.
4. Establish consumer protection systems that incorporate elements of legal certainty, transparency of information, and access to obtain information.
5. Increasing knowledge among perpetrators regarding the need of consumer protection fosters a culture of honesty and responsibility.
6. Enhance the quality of goods and/or services that ensure the continuity of business production, as well as the health, comfort, security, and safety of consumers.
7. Protective legislation encompasses two categories: preventive law and repressive law. The primary distinction lies in the following explanation of protection:

Preventive Legal Protection is a governmental assurance that aims to avert undesirable events from occurring:

1. This pertains to legal provisions that prevent violations and establish signs or constraints to fulfill duties. The government should exercise caution when making decisions that significantly effect actions based on the Freedom Act, particularly in relation to protective law and preventive measures. Regulatory law imposes limitations on the execution of obligations and encompasses many forms of preventive protective legislation.

MSME actors are generally in a disadvantaged position compared to larger perpetrator businesses. In the absence of protective legislation, they are susceptible to exploitation by many entities, including large corporations and investors seeking to exploit natural resources and the services they oversee.

With established regulations, UMKM actors can operate with legal certainty. This mitigates the danger of legal violations or conflicts that may adversely affect them, such as those pertaining to business permits, regional zoning, or environmental regulations.

The tourism industry is highly susceptible to the detrimental effects of natural disasters such as earthquakes, floods, or wildfires. Regulations that safeguard MSMEs may include protective insurance or governmental assistance during emergencies, thereby preventing significant losses for affected businesses.

In the realm of ecotourism, environmental protection laws are crucial for safeguarding sustainability. MSME stakeholders want protection to do business sustainably without harming the environment. The law can help ensure that actions do not lead to environmental deterioration while still safeguarding their rights to utilize natural resources wisely.

Protection laws can facilitate more access to capital, training, and mentoring for MSMEs, which often face limitations in resource availability to advance their initiatives.

2. Repressive Legal Protection entails punitive measures such as fines, imprisonment, and supplementary legislation in the event of a dispute or infringement. Legal oppression aims to resolve problems arising from violations. As a sort of punishment for previous transgressions, this serves primarily as a means of protection.

If a UMKM actor encounters a contractual default with another party, legal protection may manifest as a lawsuit for breach of contract. Disputes over settlements that receive assistance from the government center, as micro, small, and medium enterprises obtain legal support. Additionally, there exists a protective machinery that enforces laws for the arrest, prosecution, and punishment of individuals doing destructive criminal acts against businesses. The obligations of tourists or business travelers are delineated in Article 26 of Law 10/2009 regarding Tourism:

1. Uphold and honor local cultural norms and values.

2. Provide precise and reliable information in response.
3. Provide identical services to all guests, ensuring no discrimination.
4. Provide security, safety, comfort, and health for visitors.
5. Provide insurance coverage for high-risk tourism activities.
6. Maintain a healthy, clean, aesthetically pleasing, and comfortable environment.
7. Protect the image of the Indonesian state and nation.
8. Enhance competency and capability through training and education.
9. actively participate in the construction of infrastructure and public empowerment programs;
10. Engage in and deter all actions that contravene ethical standards and legal statutes in the environment, dedicating his efforts accordingly.
11. Maintain a healthy, clean, and aesthetically pleasing environment.
12. Attend to sustainability, environmental preservation, nature, and cultural heritage;
13. Safeguard the image of the Indonesian state and nation through prudent corporate tourist activities.
14. Establish standard business practices and competencies in accordance with regulatory legislation.

Regarding the rights of each individual engaged in business tourism, as articulated in Article 22, every business tourist is entitled to:

1. obtain equivalent opportunities to excel in the tourism sector;
2. to establish and join a tourism association;
3. Obtain protective legislation in an attempt;
4. Obtain facilities in compliance with regulatory provisions and regulations.

5. CONCLUSION

A variety of regulations have been implemented by the government to provide protection for MSME stakeholders, including those in the nature tourism sector. Law 20/2008 regarding MSMEs establishes a foundational framework for the advancement and safeguarding of MSMEs. In the realm of tourism, Law 10/2009 about Tourism significantly contributes to the establishment of governance in the sector, particularly addressing small enterprises within the natural tourism industry. Additionally, there exists PP UMKM, governed by the Regulation of the Minister of Cooperatives and Small and Medium Enterprises Number 3 of 2021, which pertains to the implementation of PP UMKM and serves to protect micro, small, and medium business operators.

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