Socialization of Business Identification Number Towards MSME’s Sustainability In Kalianyar Village, Bondowoso Regency

Sosialisasi dan Pendampingan Pembuatan Nomor Induk Berusaha Dalam Upaya Keberlanjutan UMKM di Desa Kalianyar, Kabupaten Bondowoso

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Abstract

The study recognized and identified that MSMEs in the village faced challenges due to limited knowledge about technological developments and business licensing, resulting in a lack of Business Identification Number (BIN) among business owners. This program aims to educate Micro, Small, and Medium Enterprises (MSMEs) about the importance of having a BIN and to help and assist them in obtaining this essential legal credential. Participants were guided through the steps of registering and inputting their personal data to receive a BIN. Which consisted of observation, socialization sessions, and practical assistance in obtaining BINs, also conducting a participant satisfaction rete index survey. Through this program, it is helped MSMEs overcome legal obstacles to access government programs and funding, and improve their business networks or markets. Which will result a better understanding of BINs importance, which enhanced their knowledge and professionalism in running their businesses. The participant satisfaction data from the socialization indicates an average score of 4.3, concluding that participants are satisfied with the implemented program.

KEYWORDS Business Identification Number, MSME, Legality, Satisfaction Rate Index
Introduction

One of the characteristics of a rule of law state is the guarantee of human rights\(^1\), as a fundamental right inherent in every individual.\(^2\) This guarantee of human rights is contained in the Indonesian state constitution, namely the 1945 Constitution of the Republic of Indonesia.\(^3\) In this case, the scope and types of human rights accommodated in the constitution are in line with human rights legal instruments such as *Universal Declaration of Human Rights*, *International Covenant on Civil and Political Rights*, *International Covenant on Economic Social and Cultural Rights*. The types of human rights in question are civil rights, political rights, economic rights, socio-cultural rights, educational rights, to health rights.

The development of MSMEs can be observed in several components including product development, product diversification, and business legality. Legality of business is needed to support the sustainability and expansion of market reach, particularly in a digital era\(^4\). Legality serves to increase the credibility and trust of businesses, protect businesses before the law, facilitate access to financing, and expand access to a wider and free market era\(^5\). Therefore, it is very important for MSMEs to have a legal

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license, in this case BIN (business identification number), in order to show that the business has been officially recognized by the state. Based on the regulation of the Director General of taxes number per 20/PJ/2020, the business identification number (BIN) is the identity of business owners in the context of implementing business activities in accordance with their business fields. BIN can be easily made by MSME business owners either individually, groups, business entities, or other legal entities. BIN is published by Investment and Integrated One-Stop Service Agency (DPMPTSP) through the OSS (Online single submission) portal, where OSS is the implementation of Law No. 11 of 2020 on Job Creation. BIN further plays a very crucial role in the activities of business owners. BIN owners benefit from the legality of business law, BIN becomes one of the important requirements needed in the creation of P-IRT (Household Food Industry permits), MUI (Indonesian Ulama Council) Halal Certificate, BPOM (National Agency of Drug and Food Control), Company Registration, Import Identification Number, Customs Access, Trading Business Permit Letter (SIUP), and so forth.

BIN is important because it is the starting point for further legal certification and other permits, including halal certification. MSME owners who have owned BIN, meaning that their business is formal, because it is registered in the database. If it is recorded, it will be easier to develop and expand its business, the business will have legality and make it easier to


access related matters in the administrative field. With MSME data that has been recorded administratively and have a license to operate. One, the government can easily provide programs that help MSMEs on target as needed.

Business owners in Kalianyar Village, Ijen district, Bondowoso Regency consist of many diverse business fields and products with scales ranging from micro to small. MSME business fields that are widely run in Kalianyar Village consist of processed agricultural products, Plantations, and farms. The existence of MSMEs in Kalianyar Village plays an important role in the economic growth of the local community, where the majority of people make a living as farmers in both plantations, livestock, horticulture, and so on. Therefore, it is very important for MSME owners and village governments to support the sustainability and development of the MSME business scale in Kalianyar Village.

Business owners in Kalianyar Village are still constrained on the legality of business ownership due to the lack of socialization of business legality, which makes some business owners do not yet have BIN business legality. Some MSMEs are still not getting intensive guidance in terms of business legality. Some obstacles that may result in entrepreneurs not obtaining a business license are the lack of understanding of the benefits to be derived from having a business license, difficulties in applying for a business license, and the lack of knowledge about the business license processing process. This is further exacerbated by the presence of pessimism arising from the feeling that when dealing with such permits, it actually fails, and the lack of understanding due to the absence of specialized

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assistance from parties knowledgeable about business licensing. Despite this, the government has made tremendous efforts in facilitating the issuance of business licenses online through OSS, which is a simpler and more efficient process. Which is expected to save time and money for entrepreneurs.

Taking into the situation, Authors decided to carry out this community development program. This effort includes providing education and providing support in the issuance of Business Identification Numbers (BIN) to Micro, Small, and Medium Enterprises (MSMEs) in the Kalianyar Village area, Ijen District, Bondowoso Regency. This decision is based on an analysis of the situation of the various problems that we identify and want to solve in our community development program, namely MSME owners are faced with several obstacles, namely the lack of understanding of the OSS and the urgency of having a business license, especially the business identification number (BIN). They are not familiar with the procedure of making BIN through OSS (Online Single Submission).

Here are the following objectives that are expected to be achieved regarding this activity which consists of Educating MSME owners about the concept of OSS (Online Single Submission), the role of BIN, and its benefits. Provide an understanding to MSME owners about the steps to take of business licenses through OSS (Online Single Submission). Assisting MSME owners in obtaining business legality through the issuance and renewal of business Identification Numbers (BIN).

Method

This community development program was held on Wednesday, August 15, 2023. The location of the activity was in the Village Hall located in the village of Kalianyar. This community development program was providing education and making Business Identification Numbers (BIN) in collaboration with the Kalianyar Village apparatus to obtain data on MSMEs in Kalianyar Village.

1. Preparatory Steps
   Observation which is the preparation stage, the team has conducted data collection and mapping on the entire number of MSMEs, preparing an audience satisfaction survey form on the socialization of business legality of the Business Identification Number (BIN). The Data obtained from this observation is that MSME business owners in Kalianyar village still have MSMEs who do not have BIN.

2. Socialization About the Importance of Business Identification Number
   The team explained to MSME owners about the Business Identification Number (BIN) and offered to assist in the registration process through the Online Single Submission (OSS) website for MSMEs who do not yet have a Business Identification Number (BIN) to register the resulting products. At the same time also provide educational counselling and understanding of BIN and crucial business legality.

3. Implementation of Primary Activity
   In a series of development activities carried out by the team, it is carried out in order to increase inspiration and motivate MSME business owners to register their business licenses and obtain BIN. This program will help in assisting directly in conducting socialization, mentoring, and technical guidance on Business Identification Number registration.

4. Satisfaction Index Rate in Assessing the Activity
Participant satisfaction was measured using the satisfaction rate index method with a rating scale of <1 (dissatisfied), <2 (less satisfied), <3 (moderately satisfied), <4 (satisfied), <5 (very satisfied). There are 8 aspects of assessing participant satisfaction with activities, including:

- The friendliness and politeness of the team
- Information Clarity of the socialization
- The method of delivering the socialization
- Media/technology used in delivering the socialization
- readiness for the implementation of the socialization
- Facility used in delivering the socialization
- Timeline of the implementation of this socialization
- The assistance in making a Business Identification Number

The assessment of each aspect from the participants will be averaged to conclude the participants' satisfaction with the socialization activities.

**Result and Discussion**

Article 1, Paragraph 3 of the 1945 Constitution (UUD 1945) states that Indonesia is a nation governed by the rule of law. This principle is embedded in the idea of the Unitary State of the Republic of Indonesia, which underscores that all actions, whether undertaken by citizens or government officials, must adhere to the law and must not contradict the existing positive laws (iis constitutum).16

The rule of law aligns with the concept of a welfare state, wherein the pursuit of welfare is reliant upon upholding the rule of law and executing

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sustainable development initiatives led by the government. Development, in essence, involves concerted human endeavors to guide social and cultural transformation in alignment with the nation's objectives. This encompasses achieving advancements in civilization, societal growth, and cultural life as outlined in predefined targets.

It is a widely held belief that development stands as a universal challenge confronting humanity. This is evident as no nation is exempt from grappling with various issues, including but not limited to, hunger, illness, high mortality, lack of education, underdevelopment, housing shortages, and unemployment. Consequently, the task of shaping development lies within the domain of public policy makers, mainly the government. This includes nurturing the growth of Micro, Small, and Medium Enterprises (MSMEs) through mechanisms like the Business Identification Number (NIB) and Online Single Submission (OSS).

Historically, the concept of NIB gained prominence in 2018, particularly through Government Regulation No. 24 of 2018. This regulation defined NIB as the identity assigned to business entities by the OSS institution post-registration. However, this regulation was later replaced by Government Regulation No. 5 of 2021. The emergence of Copyright Law No. 11 of 2020 on job creation brought about simplification in licensing procedures across diverse sectors, including investment. The simplification encompassed a novel element: risk indicators for each business sector.

As the job creation law came into effect, two types of licenses surfaced: foundational business licensing requisites and risk-oriented business licenses. The Online Single Submission (OSS) or electronically integrated business license, granted by the OSS Institution on behalf of governmental and administrative authorities, is facilitated through an integrated electronic system, as defined in Government Regulation No. 24 of 2018 related to electronically integrated business licensing services. The primary objective of the OSS framework is to expedite and enhance investment
opportunities while streamlining procedures for both individual and corporate actors.

The issuance of Government Regulation No. 24 of 2018 set the tone for legal alignment, mandating that all regulations subordinate to government regulations, including presidential, ministerial, institutional, and regional decrees, conform to the OSS framework. The central purpose of the OSS remains twofold: fostering investment acceleration and promoting ease of business operations for individuals and entities alike. This encompasses facilitating the registration and licensing processes for activities such as environmental and building permits.

The Community Development Program in Kalianyar Village was conducted at the village hall, with a total of 10 MSME participants and representatives from the Kalianyar Village BUMDES (Village-Owned Business Entity). MSME owners in Kalianyar Village offer a diverse range of development products, as Kalianyar Village itself is situated within the Ijen Geopark area, abundant in natural resources. This abundance of natural resources influences the variety of business types and products produced by MSME owners.

Based on the observations, the main challenge in the business activities of MSME owners is related to legality, one of which is the BIN. This was conveyed by a representative of the BUMDES, who stated that this challenge still remains unresolved due to the limited knowledge of MSME owners regarding technological advancements and business licensing. This community development activity is divided into several sessions: the opening of the activity, presentation and socialization regarding the Business Identification Number (BIN), and direct practice in creating the BIN for attending MSMEs.

1. Opening of the Program

The series of community development events was inaugurated by a representative from Kalianyar village, attended by all relevant and involved parties in the community development activity, as well as all community development participants.

2. Socialization of the Business Identification Number (BIN)
The socialization comprises materials that introduce the implementation rules of the BIN, followed by an explanation of the benefits and advantages gained from having BIN, the reasons why MSME owners need to possess a BIN the step-by-step of BIN creation, and the requirements for BIN registration. The material explanation is conducted using two methods: verbal explanation and distributing pamphlets containing detailed information about BIN creation.

![Socialization of the Business Identification Number (BIN)](image)

Picture 1. Socialization of the Business Identification Number (BIN)

3. Direct Practice and Assistance in Creating the Business Identification Number (BIN)
Participants of the BIN socialization in Kalianyar Village are asked to bring their ID cards, product samples, and mobile phones. The Community Development team then guides the participants through the steps of creating a BIN on the platform, and the MSME owners follow the step-by-step BIN creation process as explained by the team. The creation process begins with the following steps:
Picture 2. OSS Website [www.oss.go.id](http://www.oss.go.id)

- Visit the official OSS website at www.oss.go.id.
- Next, click the Register button for new registrants.
- Then complete the data in the registration form, fill in the captcha, and click the Submit button.
- Open the registered email for account activation, and click the activation button.
- Open the email again to obtain the username and password sent by OSS.
- Then complete the account registration form, which includes business scale, data verification, password, and business owner profile.
- On the top of the menu, click the 'Business Licensing' menu, and then click 'New Application'.
- Complete Business owners Data.
- Complete Business Field Data.
- Complete Detailed Business Field Data.
- Complete Product/Service Data.
- Carefully review all data.
- Check and complete the approval documents (KBLI/Specific Business Area).
- Understand and check the Self-Declaration statement.
- Check the Draft Business Licensing.
• BIN document is issued and can be saved/printed.

Picture 3. Direct Practice and Assistance in Creating BIN

Picture 4. Pamphlet Step-by-step creating BIN

4. Completion of Participant Satisfaction Index Rate Survey Form

The participant satisfaction survey form consists of several questions posed and evaluated based on numerical scores. This form aims to determine the extent of satisfaction among participants who attended the community development and the BIN creation socialization activities. The following are the results of the participant satisfaction survey:

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Table 1: Satisfaction Rate of MSME Business Owners

The participant satisfaction data from the socialization indicates an average score of 4.3, concluding that participants are satisfied with the conducted activities. The assessment highlights that the aspect of clarity of information provided by the personnel regarding the activity received an average score of 4.8 (satisfied). The personnel who delivered the content were well-prepared, starting from literature study to field mapping. The delivery method also involved two-way discussions, assisting participants in creating BIN. The timeliness aspect scored the lowest at 3.9 (moderately satisfied), attributed to delays caused by technical issues with video support tools. Participant satisfaction is also supported by the local village apparatus, providing facilities, resources, and arrangements for the socialization program.

5. Closing of the program

The closing is conducted by performing an evaluation and checking to ensure the issuance of participants BINs. Subsequently, documentation is carried out between the community development team and participants of the BIN creation socialization.
Conclusion

This community development program was successfully executed. The BIN (Business Identification Number) socialization among local Micro, Small, and Medium Enterprises (MSMEs) was well-received and effectively delivered. MSMEs in Kalianyar Village faced challenges regarding business legality. Through the BIN socialization, MSME owners gained an understanding of the importance of business legality. They directly registered their business to receive BINs, with the guidance of the team through Online Single Submission (OSS) website. The participant satisfaction survey yielded a commendable average score of 4.3, indicating that participants ‘satisfied’ with the BIN socialization and BIN registration process for Kalianyar Village MSME owners.

Reference


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