

## Legal Reconstruction in Risk-Based Business Licensing Procedures for Indonesia's Economic Growth

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**Abstract.** *Economic development is the most important thing in the nation's progress because the community's welfare is one indicator of the success of the development. Therefore, one of the government's efforts in economic development is to prepare good legal instruments in the form of licensing regulations. Licensing is an instrument of government policy to control negative externalizations that social and economic activities may cause. Through Government Regulation No. 24 of 2018 concerning Electronically Integrated Business Licensing Services, all forms of business, including in the regions, must go through the OSS system. However, there are still many problems in its implementation. This paper describes the implementation of risk-based licensing through the OSS system in growing the Indonesian economy. In addition, this paper will describe the challenges, obstacles, and solutions to overcome these problems. The results showed that implementing risk-based licensing through the OSS system went well and received a positive response from the community, especially business actors. Online-based licensing management can reduce time, cost, and effort. Then to overcome these obstacles, the government continues to strive and improve, including monitoring, infrastructure development, mentoring, and enhancing human resources. Keywords: Economic Development; Economic Growth; Online Single Submission System; Risk-Based Business Licensing*

### 1. INTRODUCTION

Development is a human effort to direct social and cultural change by the objectives of the life of the nation and state, namely achieving the growth of civilization in social and cultural life based on the targets that have been implemented. Berger<sup>1</sup> argues that development is a problem people face today. A reality that exists, there is no life in a nation that does not face any issues at all, such as problems: hunger, disease, high mortality, ignorance, underdevelopment, need for housing, and the lack of availability of jobs. Thus, development is a problem for legal public policy which in this capacity is the government.<sup>2</sup> The government must make a series of policies that can solve all these problems through development policies. One of the development policies implemented by the government is to carry out economic development, which aims to improve the welfare of the community.<sup>3</sup> Economic development has only one goal, namely achieving the life of a nation that is physically and mentally prosperous. The

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<sup>1</sup> Berger, Peter L. *Faith and development: a global perspective*. Parktown: Centre for Development and Enterprise, 2008.

<sup>2</sup> Bourguignon, François. "World changes in inequality: An overview of facts, causes, consequences, and policies." *CESifo Economic Studies* 64, no. 3 (2018): 352.

<sup>3</sup> Allott, A. N. "Legal development and economic growth in Africa." In *Changing law in developing countries*. London: Routledge, 2021.

nation's welfare can not only be measured by the high income of the community and the state's income because the high income of the community must still be measured by the volume of equitable distribution of the results of economic development for the community as a whole in a just manner. To overcome the low income of the people, the government must prioritize the people's economic business or the people's economy by providing loan funds to the Small and Medium Enterprises (SMEs) sector and fostering and providing employment opportunities for people who have reached productive age. One of the government's efforts in economic development is to prepare good legal instruments in the form of licensing sector regulations.<sup>4</sup>

Licensing is an instrument of government policy to control negative externalities that social and economic activities may cause. Permits are also instruments for the legal protection of ownership or operation of activities. As an instrument for controlling permits, it requires clear rationality and is stated in the form of government policy as a reference.<sup>5</sup> Without rationality and clear policy design, licensing will lose its meaning as an instrument to defend the interests of cooperatives and small and medium enterprises, actions based on individual actions.<sup>6</sup> Licensing policies are designed to prevent market failures; therefore, licensing formulations must be prepared so that the government does not have to bear a loss caused by uncontrolled community economic activities. According to Atmosudirjo,<sup>7</sup> the permit (*verguning*) is a determination which is a dispensation rather than a prohibition by law. Details of the requirements, criteria that follow the prohibition, and so on must be fulfilled by the applicant to obtain a dispensation from the prohibition, accompanied by the stipulation of procedures or implementation instructions to the relevant state administration officials. The granting of permits can take the form of registration, determination of quotas, and permits to carry out a business which usually must be owned or obtained by a company organization or a person before the person concerned can carry out an activity or action. Permits are intended and meant to remove obstacles; prohibited things become permissible.<sup>8</sup>

License, in a broad sense, encompasses various forms that can be categorized based on distinct objectives. Firstly, licenses often arise from the desire to exercise control or direction over specific activities. Secondly, they serve as permits aimed at preventing harm to the environment, commonly referred to as environmental permits. Thirdly, licenses may be granted with the intent to safeguard certain objects, such as permits to fly or permits to dismantle monuments. Another facet involves permissions designed to facilitate harmonious living in densely populated areas, allowing residents to share small items. Lastly, licenses may take the form of permissions granted under regulations like the *drank en horecawet*, where administrators are required to meet specified conditions, allowing them to guide and oversee selected individuals and activities. Each type of license serves a unique purpose, addressing diverse needs and

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<sup>4</sup> Purnawan, Amin, and Siti Ummu Adillah. "Regulation of the legality of micro, small and medium enterprises through the online single submission system to increase competitiveness." *Jurnal Pembaharuan Hukum Regulation of the Legality of Micro, Small* 7, no. 2 (2020): 14.

<sup>5</sup> Navisa, Fitria Dewi, Bambang Winarno, and Siti Hamidah. "External Legal Protection for Capital Investors from Political Risk." *Journal of Arts and Humanities* 8, no. 6 (2019): 98.

<sup>6</sup> Sutedi, Adrian. *Licensing Law in the Public Service Sector*. Jakarta: Sinar Grafika, 2011.

<sup>7</sup> Atmosudirjo, Pradjudi. *State Administrative Law*. Jakarta: Ghalia Indonesia, 2001.

<sup>8</sup> Morrison, Tiffany H., W. Neil Adger, Katrina Brown, Mangalika Hettiarachchi, Cindy Huchery, Maria C. Lemos, and Terry P. Hughes. "Political dynamics and governance of World Heritage ecosystems." *Nature Sustainability* 3, no. 11 (2020): 952.

concerns within regulatory frameworks.<sup>9</sup>

Along with the development of the digital-based era, licensing has also undergone a revolutionary evolution, with the establishment of an electronic licensing system to facilitate licensing arrangements. Therefore, the government issued an electronic-based licensing registration system called Online Single Submission (OSS). The government is trying to manage permits to integrate the OSS system electronically for licenses issued by the OSS Institution for and on behalf of the minister, head of the institution, governor, or regent/mayor to Business Actors through an integrated electronic system as regulated in Government Regulation No. 24 of 2018 concerning Electronically Integrated Business Licensing Services. With the issuance of Government Regulation No. 24 of 2018, all laws and regulations that are hierarchically lower than Government Regulations, such as residential Regulations, Ministerial Regulations, Institutional Regulations, Regional Regulations, and Regional Head Regulations, must follow and make adjustments to the OSS system. The OSS system is aimed at accelerating and increasing investment and doing business as well as facilitating business actors, both individuals and non-individuals.<sup>10</sup>

On February 21, 2021, the President set the implementation regulations for the Job Creation Law, which consists of 45 Government Regulations and 4 Presidential Regulations, which are expected to immediately have an impact on efforts to restore the national economy as well as become a momentum for the awakening of the Indonesian nation. One of the regulations on is in the case of the Establishment of a Limited Liability Company (*Perseroan Terbatas*/PT) which does not need a notary deed. Provisions regarding PT without a notarial deed are contained in Government Regulation No. 8 of 2021 concerning Company's Authorized Capital and Registration of Establishment. Changes and Dissolution of Companies that meet the criteria of MSEs. Thus, a PT can be established only by filling out an electronic (digital) statement of establishment form and does not require a notary deed. Several laws and regulations have been made to develop the economy in Indonesia. It aims to facilitate the community, especially business actors, in maximizing their business. However, how these laws and regulations work must always be considered and evaluated.<sup>11</sup>

The effectiveness of a law is determined by five factors, namely the law itself, law enforcement (the parties who form and implement it), infrastructure (which supports law enforcement, society (the environment in which the law applies or is applied), and culture.<sup>12</sup> The law is defined as the norm, whether in writing or not. Written legal norms are legal norms that are made or determined by government institutions, in this case, members of the House of Representatives (*Dewan Perwakilan Rakyat*/DPR), with the approval of the President as the head of government. At the same time, unwritten legal norms are legal norms that live and develop in people's lives. Allott<sup>13</sup> argues that

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<sup>9</sup> Rohaedi, Edi, Nandang Kusnadi, Teguh Setiadi, and Eka Ardianto Iskandar. "Optimization of Location Permit Application Services Through Online Single Submission System." *International Journal of Multicultural and Multireligious Understanding* 8, no. 12 (2021): 468.

<sup>10</sup> Hikmah Budhyatma, Erlangga, Achmad Nurmandi, Isnaini Muallidin, and Danang Kurniawan. "Application of Online Single Submission in Increasing Investment (Case Study in the Special Region of Yogyakarta)." In *International Conference on Human-Computer Interaction*. Cham: Springer International Publishing, 2022.

<sup>11</sup> Muawanah, Umi, Gellwynn Yusuf, Luky Adrianto, Jimmy Kalthar, Robert Pomeroy, Habibi Abdullah, and Toni Ruchimat. "Review of national laws and regulation in Indonesia in relation to an ecosystem approach to fisheries management." *Marine Policy* 91 (2018): 154.

<sup>12</sup> Soekanto, Soerjono, and Sri Mamudji. *Legal Research Normative a Brief Overview*. Jakarta: Raja Grafindo Persada, 2010.

<sup>13</sup> Allott, Antony. "The effectiveness of law." *Valparaiso University Law Review* 15 (1980): 230.

the effectiveness of the law is if its purpose and existence, and application can prevent unwanted actions that can eliminate chaos. Effective law, in general, can make what is designed can be realized. If there is a failure, then there may be an easy correction if there is a need to implement or apply the law in a different new atmosphere, and the law will be able to solve it.<sup>14</sup>

Anthony Allot<sup>15</sup> concept is that the effectiveness of the law is focused on its realization. Effective law, can make what is designed can be in social life. Thus, the factors that can affect the success of a program include; legal substance, structure, culture, and other facilities. Legal norms are said to be successful or effective if they are obeyed and implemented by the community and the law enforcement apparatus. The successful implementation of the law can exemplify this; for example, the community has carried out the obligation to pay the People's Business Credit (*Kredit Usaha Rakyat/KUR*) appropriately time, and none of the group members is in arrears on the payment. The factors that can affect the failure in the implementation of the law include vague or unclear legal norms, corrupt legal apparatus, or people who do not know or obey the law, and the facilities available to support the implementation of the law do not exist not enough.<sup>16</sup> This article describes the implementation of risk-based licensing through the OSS system in growing the community's economy. It describes the obstacles and solutions in applying risk-based licensing through the OSS system in growing the community's economy in Central Java Province. In addition, this article will discuss how these regulations and laws are implemented effectively for their formation.

## **2. PROCEDURES FOR IMPLEMENTING RISK-BASED BUSINESS LICENSING**

The government continues to innovate to improve the service system provided to the community. The Ombudsman's 2018 annual report confirms that one of the service areas that still needs improvement is the implementation of business licenses or business permits. This Ombudsman report is a community report data related to it. One of the innovations issued by the government is the issuance of the Online Single Submission (OSS) system.<sup>17</sup> Acceleration and improvement of investment and business, business licenses are issued by Ministries/Agencies and Regional Governments to start, implement, and develop businesses and/or activities. It needs to be reorganized to become a supporting factor and not vice versa as a factor hindering business development and/or business activities.

Restructuring of the service system is carried out, especially in Integrated Services. Restructuring is carried out on the service system and regulations to the business world's demands, technological developments, and global competition. It is considered that based on Article 25 paragraph (4) of Law No. 25 of 2007 concerning Investment, investment companies that will carry out business and/or activities are required to obtain a permit by the provisions of the legislation from the agency that has the authority unless specified otherwise in the law. Then in paragraph (5), it is regulated that the service for the permit to conduct the business and/or activity is carried out through One Stop Service (PTSP). PTSP services at the Central Government and

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<sup>14</sup> Afrizal, Dedy. "Pelaksanaan Prinsip-Prinsip Pelayanan Publik." *Jurnal Administrasi Publik dan Bisnis* 1, no. 1 (2019): 1-8.

<sup>15</sup> Allott, Antony. "The effectiveness of law." *Valparaiso University Law Review* 15 (1980): 230.

<sup>16</sup> Sugiarto, Fajar, and Erny Herlin Setyorini. "Online Single Submission in the Perspective of Economic Analysis of Law." *Indonesian Journal of Law and Economics Review* 2, no. 1 (2018): 21071.

<sup>17</sup> Praise, Hillary Abigail, Adrian E. Rompis, and R. Adi Nurzaman. "Risk-Based Licensing As Licensing Reform in Indonesia Based on Government Regulation Number 5 the Year 2021." *Jurnal Poros Hukum Padjadjaran* 3, no. 2 (2022): 211.

Regional Governments are refined to be more efficient and effective, serving, and ready to be modern.

One of the most significant is the provision of an Electronically Integrated Business Licensing Service. Through the OSS, the business actor registers and manages the issuance of Business Permits and the issuance of Commercial and/or Operational Permits in an integrated manner. Through the OSS, the Central Government and Regional Governments issue Business Permits submitted by Business Actors (Government Regulation No. 24 of 2018). Based on the considerations above, the government feels it is necessary to stipulate a Government Regulation concerning Electronically Integrated Business Licensing Services.<sup>18</sup> Based on this desire, Government Regulation No. 24 of 2018 concerning Electronic Integrated Business Licensing Services was issued which regulates the provisions regarding: a) Type, Applicant, and Issuer of Business Licensing; b) Implementation of Business Licensing; c) Sector Business Licensing Reform; d) OSS system; e) OSS Institution; f). OSS Funding; g) Incentives or Disincentives for implementing Business Licensing through OSS; h) Resolution of problems and obstacles to Business Licensing through OSS; and i) Penalty.<sup>19</sup>

Referring to the description above, it can be understood that the background of the issuance of OSS is to simplify the mechanism and procedures for managing business licenses which so far have overlapping authorities between one institution and another. In addition, the processing time for licensing is made more concise and efficient, thereby encouraging investors who want to invest in all regions in Indonesia. All business actors can use OSS, whether it is a business in the form of a business entity or an individual, be it micro, small, medium, or large businesses; individual business/business entity, both new and established before the operation of the OSS; as well as businesses with capital entirely originating from within the country, as well as a composition of foreign capital.<sup>20</sup>

The Online Single Submission (OSS) system proves its invaluable utility for business stakeholders by providing a range of significant benefits in the business licensing process. OSS simplifies the management of various business licenses, including basic requirements such as permits related to location, environment, and buildings, as well as business and operational permits at both central and regional levels, with mechanisms ensuring compliance with permit requirements. Additionally, OSS facilitates seamless connectivity for business actors, allowing them to interact with all stakeholders and obtain permits safely, quickly, and in real-time. The system also serves as a centralized platform for reporting and resolving licensing issues, providing a single space for businesses to efficiently address problems. Furthermore, OSS contributes to organizational efficiency by enabling businesses to store licensing data under an integrated business identity, typically identified by the Business Identification Number (*Nomor Induk Berusaha/NIB*). This integrated approach to storing licensing information supports an organized and coherent system, making it easier for

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<sup>18</sup> Ayuwati, Desi Ayuwati, and Gunarto Gunarto. "Permit Issues of Online Single Submission (OSS)." *Sultan Agung Notary Law Review* 2, no. 2 (2020): 138.

<sup>19</sup> Wicaksono, Raden Mas Try Ananto Djoko. "Tinjauan Keadilan, Kepastian Hukum, Dan Kemanfaatan Dalam Penerapan Peraturan Pemerintah Nomor 24 Tahun 2018 Tentang Pelayanan Berusaha Terintegrasi Secara Elektronik." *Jurnal Supremasi* (2021): 17.

<sup>20</sup> Mayasari, Ima. "Online Single Submission Policy in The Framework of The Acceleration and Enhancement of Capital and Business." In *Proceeding 2nd International Conference on Administrative Science, Policy, and Governance Studies*, 2018.

businesses to manage their licensing requirements. The implementation of OSS brings about a more efficient, transparent, and user-friendly licensing framework for business entities.

To be able to use OSS, a business entity must first take care of ratifying the deed of establishment or amendment of the deed online in General Legal Administration (*Administrasi Hukum Umum/AHU*). Especially for public companies, regional public companies, other legal entities owned by the state, public broadcasting institutions, or public service bodies use the legal basis for formation, government or local regulations.<sup>21</sup> The Business Entity then registers in the OSS system by entering the Population Identification Number (*Nomor Induk Kependudukan/NIK*) of the Person in Charge of the Business Entity or the President Director or some other information on the available Registration Form. The licensing process is carried out by other parties such as Legal Consultants and Notaries, the data entered into the Registration Form is the data of the Person in Charge of the Business Entity/Company. Especially for Business Entities/Companies, it is recommended to use company email for account activation. The OSS system will send 2 (two) emails to the Business Entity to register and verify the OSS account. The verification email contains a temporary user ID and password that can be used to log in to the OSS system.

NIB serves as the identity of the Business Actor, which the OSS Institution issues after the Business Actor registers. NIB also applies as: Company Registration Certificate (*Tanda Daftar Perusahaan/TDP*), Importer Identification Number (*Angka Pengenal Importir/API*) (if the business actor will carry out import activities), and customs access, if business actors will carry out export and/or import activities.<sup>22</sup> NIB is a prerequisite for business actors seeking to navigate the business licensing process through the OSS, applicable to both new enterprises and those established before OSS's implementation. During NIB registration, businesses are required to acquire additional registration documents. These include obtaining an entity or Individual Taxpayer Identification Number (*Nomor Pokok Wajib Pajak/NPWP*) if the business actor does not already possess one. Additionally, businesses need to secure the Letter of Approval for the Plan to Use Foreign Workers (*Rencana Penggunaan Tenaga Kerja Asing/RPTKA*), furnish proof of Social Security Administrator (*Badan Penyelenggara Jaminan Sosial/BPJS*) Employment and Health BPJS membership registration, and provide notification of eligibility to obtain fiscal facilities. Furthermore, specific sectors, such as trade, may require additional documents like Business Permits, exemplified by Business License (*Surat Izin Usaha Perdagangan/SIUP*). This comprehensive registration process ensures that business actors fulfill all necessary prerequisites, promoting compliance and facilitating a smoother licensing procedure through the OSS platform.

Regarding the existence of OSS, which President Joko Widodo views as a breakthrough step, the President also explained that: the launch of a risk-based OSS is a very significant reform in licensing. OSS is an online licensing service that is integrated, integrated with a risk-based licensing paradigm. In this application, the type of permission will be adjusted according to the level of risk. The high risk of business

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<sup>21</sup> Najicha, Fatma Ulfatun, Lego Karjoko, and Chendi Seta Kartika. "Implementation of Licensing Services in the Perspective of State Administrative Law in Indonesia." *Baltic Journal of Law & Politics* 15, no. 3 (2022): 230.

<sup>22</sup> Bismar, Willi Otra, Soerya Respationo, Erniyanti Erniyanti, Fadlan Fadlan, Ramlan Ramlan, and Parameshwara Parameshwara. "Analysis of licensing law on business services based on the Online Single Submission (OSS) system." *Annals of Justice and Humanity* 2, no. 1 (2022): 5.

licensing is in the form of a permit, the medium risk of a business license is in the form of a standard certificate, and the low risk of a business license is in the form of a registration NIB from OSS. Licensing between SMEs and large businesses is not the same. It will make the climate of ease of doing business in Indonesia better. Risk-based OSS services are not meant to castrate local authority but provide service standards for all levels of government that issue permits both at the central and regional levels so that their responsibilities are clearer and the services are more synergistic.<sup>23</sup> Business actors, irrespective of size, share a common aspiration for services that are easy, fast, and uncomplicated. Recognizing the potential impact on the national and regional economy, the government, along with Ministers and Regional Heads, encourages entrepreneurs and investors, both domestic and foreign, as well as SMEs and large enterprises, to maximize the use of OSS services. This concerted effort aims to boost investment volumes and create extensive employment opportunities, underscoring the pivotal role of streamlined processes in fostering economic growth and development.

The government is resolute in eliminating difficulties and bribery in entrepreneurship, advocating for open and transparent processes to facilitate entrepreneurs. Striving for clean governance, officials engaging in misconduct must be held accountable. The emphasis on reforming licensing services aims to enhance the business environment for micro, small, and medium enterprises, foster new entrepreneurs, expedite the formalization of the informal sector, and, crucially, generate maximum employment opportunities. The background of the existence of OSS is nothing but to facilitate a conducive business climate for the community, provide efficient and effective services in granting business licenses to domestic and abroad investors, and provide legal certainty. For granting permission free from illegal levies, which is the estuary of all climate reform efforts that lead to improving the community's economy. Especially in post-pandemic era, it is hoped that the existence of OSS will further encourage business actors to start production to produce products that can be marketed in the market. In a multiplier manner, the existence of OSS will indirectly increase employment, from being unemployed to having a job, improving the community's economy.

### **3. OBSTACLES AND SOLUTIONS TO IMPLEMENTING RISK-BASED BUSINESS LICENSING**

The implementation of Online Single Submission (OSS), as stipulated in Government Regulation No. 24 of 2018, should significantly improve Indonesia's business registration process. However, implementing this program still has challenges due to inadequate infrastructure in several districts and cities in Indonesia, including Central Java Province, and challenges from aligning procedures and regulations with central and local governments. In addition, the government must also consider removing procedures not required to obtain a Business License (*Surat Izin Usaha Perdagangan/SIUP*).<sup>24,25</sup> Electronic licensing services through the OSS system at the

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<sup>23</sup> Isyuniandri, Dzaky. "Edukasi Kepengurusan Perizinan Berusaha Berbasis Resiko Melalui Sistem Online Single Submission (OSS)." *Sasambo: Jurnal Abdimas (Journal of Community Service)* 4, no. 4 (2022): 525.

<sup>24</sup> Freddy, Imelda Magdalena, and Novani Karina Saputri. *Elevating Indonesia's Performance in Ease of Doing Business Index (Policy Reforms to Improve the 'Starting a Business' Indicator)*. Jakarta: Center for Indonesia Policy Studies, 2018.

<sup>25</sup> Sakbir, Sakbir, and Sukiman Idrus. "Service of Trading Business License (SIUP) through Online Single Submission (OSS) System at the Department of Investment and One Door Integrated Services (DPMPSTP) Gorontalo Regency." *Journal of Management and Administration Provision* 1, no. 2 (2021): 17.

Central Java Province Investment and Integrated Services Agency began to be fully implemented after issuing a circular letter from the Minister of Home Affairs to the Investment Coordinating Board. OSS system itself has been fully implemented since January 2, 2019. To follow up on the Circular issued by the Minister of Home Affairs, the Central Java Province Investment and Integrated Services Office held an outreach to the public, especially to business actors, both micro, small, medium, and macro, both through electronic media and other media. Therefore, all the public and business actors immediately know that information about the OSS system.

This government regulation describes services online OSS system, which integrates local government and central government in business licensing. The OSS system is also provided in the regions, not only for licensing but also for monitoring the system. Therefore, it is not surprising if there are sanctions given to Governors and Regents or Mayors who do not implement the OSS system. This is stated in Article 100 of Government Regulation Number 24 of 2018 concerning Electronically Integrated Business Licensing Services, which explains that there will be sanctions for Regional Heads who do not provide services for fulfilling business permit commitments or commercial permits through the OSS system to investors who have met the requirements.

Maintenance of the OSS system currently experiences many obstacles, one of which is Human Resources in Central Java Province which tends to be middle to lower class. The government is facing various obstacles to implementing the OSS system in Central Java Province in 2016. The current problems with existing networks, servers, or software are still not good because they are often down when accessed massively.<sup>26</sup> In addition, infrastructure problems such as the Semarang City Investment and Integrated Services Office building are currently being rehabilitated. The building will be rehabilitated more modern according to the service model. Other efforts that have been carried out are continuous socialization regarding the OSS system to many business actors and assistance by the Investment and Integrated Services Office to business actors who apply for licensing arrangements, as well as strengthening the ease of doing business at the regional level.

Another effort is the reform of business licensing regulations. The central government and regional governments must evaluate all legal grounds for implementing the current business licensing process because, in Government Regulation 24 of 2018 concerning Electronically Integrated Business Licensing Services, there are no provisions governing Integrated Services in each region. Because there are no there are provisions that regulate it confuses its implementation, considering that the One Stop Service (*Pelayanan Terpadu Satu Pintu*/PTSP) is an institution appointed by Article 25 paragraph (4) and paragraph (5) of Law No. 25 of 2007 concerning Investment. Judging from the Implementing Competence, several factors supporting the OSS system were created to increase investment and accelerate business licensing.

There are almost no problems regarding Implementing Competencies in the OSS system because the agency can only apply to the center and does not have the authority to place officers. The Central Java Provincial Government is trying to overcome them by making various breakthroughs so that the licensing process with the OSS system is truly implemented, and the community can be served well so that people can easily manage the licensing process which in the end can grow the economy of the community, especially micro-enterprises. Efforts are being made to

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<sup>26</sup> Inggarwati, Melodia Puji, Olivia Celia, and Berliana Dwi Arthanti. "Online single submission for cyber defense and security in Indonesia." *Lex Scientia Law Review* 4, no. 1 (2020): 87.

grow and provide online networks, conduct coaching and training, and monitor officers and the business world.

#### 4. CONCLUSION

Risk-based licensing through the Online Single Submission (OSS) system in growing the community's economy makes public services more important for the government's success, especially regarding licensing. One of the impacts or benefits of risk-based licensing through the OSS system is the ease and reduction of bureaucracy so that it can speed up the process for business actors, especially microeconomic enterprises, which is very helpful. Government Regulation no. 24 of 2018 concerning Electronically Integrated Business Licensing Services is expected to accelerate and increase investment (as well as try and make it easier for Business Actors, both individuals and non-individuals).

On the other hand, the obstacles related to implementing risk-based licensing through the OSS system include the network (server or software) often experiencing disruptions, both in terms of the service process. Human resources in mastering technology, both from the Investment Service and Integrated Services, have not been maximized in mastering technology, especially the community in the licensing process through the OSS system. Then instructors or inadequate equipment need to be adapted to existing developments and models so that service becomes more excellent.

To overcome these various obstacles, the government must always monitor, for example, making modifications and repairing networks and devices to improve them. Conducting coaching and training for employees and socializing with the public regarding licensing through the OSS system. The government is expected to continue and always be able to provide public services for business actors so that business actors can develop. The government is expected to always be able to assist so that the difficulties faced by the community can be answered.

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