

Empowerment of PT. MSEs/Individual for Participating in Government Procurement of Goods and Services

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ABSTRACT

The obstacles faced by micro, small, and medium enterprises (MSMEs) in participating in public procurement even though they are legal entities are related to the system, culture, and human resources implementing public procurement. The first obstacle is Indonesia's rigid and inflexible public procurement system. The qualification requirements set by the government often do not match the capabilities of MSMEs. In addition, the lack of internet network access support in the regions makes it difficult for MSMEs to participate in the procurement of goods and services. The second obstacle is the culture of corruption, collusion, and nepotism (KKN) that is still inherent in the Indonesian bureaucracy. Goods and services procurement is one of the biggest contributors to corruption cases in Indonesia. The third barrier is the limited human resources, both in terms of numbers and competencies, owned by MSMEs. MSMEs often have inadequate quality of human resources, especially in terms of knowledge and skills in the field of goods and services procurement. The research method used is normative juridical with a statutory approach and conceptual approach. The purpose of this research is to find out what causes MSEs to be difficult to participate in the procurement of government

goods and services even though they are legal entities. This research is expected to contribute to the development and improvement of the public procurement system, so that in practice it can involve more micro, small, and medium enterprises, especially those that already have legality and meet technical requirements.

Keywords: *PT. MSEs/Individual; MSE; Procurement*

I. INTRODUCTION

Indonesia is one of the countries whose economy can survive when the Covid-19 pandemic hit globally. This is inseparable from the role of Micro and Small Enterprises or MSEs in moving the wheels of commerce. MSMEs have a very important role in the Indonesian economy. MSMEs absorb more than 97% of the workforce in Indonesia and contribute more than 60% to Indonesia's Gross Domestic Product (GDP). MSMEs also play an important role in maintaining economic and social stability in Indonesia.¹

When medium and large-scale companies had to close their business activities, MSEs helped the government in overcoming the negative impact of the pandemic on the economy. MSEs help increase local production by producing goods and services needed by the community, which can help reduce dependence on imports and encourage consumption of locally produced products and services.² Furthermore, MSEs play an important role in creating jobs and reducing unemployment, which has soared during the pandemic. MSEs also help maintain *cash flow* by adopting an online business culture with the use of digital platforms.³ MSEs also improve competitiveness by innovating and developing better and more efficient products and services, which

¹ Tarigan, Zainal N. A., et al. "Sustainability of Micro, Small and Medium Enterprises during the Pandemic: Government Policy Support." *Journal of BPPK (Financial Education and Training Agency)*, Vol. 15, No. 1, 2022, pp. 1-15, <https://doi.org/10.48108/jurnalbppk.v15i1.666>.

² *Ibid*, p. 3.

³ Raharja, Samun J. and Sari U. Natari. "MSE Business Development During the Pandemic Through Optimizing the Use and Management of Digital Media." *KUMAWULA: Journal of Community Service*, Vol. 4, No. 1, 2021, pp. 108-123, <https://doi.org/10.24198/kumawula.v4i1.32361>.

helps increase exports and competitiveness in national and global markets.⁴ MSEs are the backbone of the Indonesian economy.

However, MSEs also face various problems that hinder their development. Here are some of the problems faced by MSEs in Indonesia:⁵ (a) Access to capital. Access to capital is one of the main problems faced by MSMEs. MSMEs often find it difficult to obtain capital from formal financial institutions, such as banks. This is due to various factors, such as limited requirements and high costs. (b) Market access. MSMEs also face problems in accessing markets. MSMEs often find it difficult to penetrate large markets, such as modern markets. This is due to various factors, such as intense competition and high requirements. (c) Skills and knowledge. MSMEs also face problems in terms of skills and knowledge. MSMEs often have limited skills and knowledge in management, marketing, and technology. This can hinder MSMEs from developing and competing. (d) Regulation. MSMEs also face problems in terms of regulation. MSMEs often feel that existing regulations are too complicated and inflexible. This can hinder MSMEs from developing and innovating. (e) Competition from imported products. Competition from imported products is also one of the problems faced by MSMEs. Imported products often have lower prices and better quality. (f) Technology development. Technological developments are also one of the challenges faced by MSMEs. MSMEs must be able to adapt to technological developments in order to remain competitive.

In Government Procurement of Goods and Services (PBJP), MSEs are also still not maximally involved. Even though the government has issued various laws and regulations governing the involvement of MSEs in government procurement of goods and services.⁶ The following are some of the problems MSMEs face in participating in public procurement in Indonesia: (a) Complicated and inflexible regulations, public procurement regulations in Indonesia are complicated and inflexible. This makes it

⁴ Nurhidayah. "Opportunities and Challenges for MSEs in the Mass of the Covid-19 Pandemic." *MARTABE: Journal of Community Service*, Vol. 5, No. 2, 2022, pp. 695-698, <http://dx.doi.org/10.31604/jpm.v5i2.695-698>.

⁵ Suyadi, Syahdanur and S. Suryani. "Analysis of Micro, Small and Medium Enterprises (MSMEs) Development." *KIAT Economic Journal*, Vol. 29, No. 1, 2018, pp. 1-10.

⁶ Widyastomo, Rahmad P. "Market Opportunities for Small Businesses through Local Government Procurement of Goods and Services." *Jurnal Mimbar Administrasi UNTAG Semarang*, Vol. 20, No. 1, 2023, pp. 290-299.

difficult for MSMEs to understand and fulfill the requirements. (b) Limited availability of information, MSMEs often find it difficult to obtain information on public procurement. This makes it difficult for MSMEs to participate in tenders and win projects. (d) Limited capabilities and competencies, MSMEs often have limited capabilities and competencies to participate in public procurement. This makes it difficult for MSMEs to compete with large companies. (e) Fraudulent actions, fraudulent acts, such as bribery and corruption, are still common in government procurement. This makes MSMEs afraid to participate in tenders and win projects.

Most recently, the government issued Government Regulation Number 8 of 2021 concerning the Company's Authorized Capital as well as the Registration of Establishments, Changes, and Dissolution of Companies that Meet the Criteria for Micro and Small Enterprises often referred to as Limited Liability Companies for Individuals (PT. Individual), because its ownership may consist of only 1 (one) person, in contrast to the General Limited Liability Company (Regular) whose ownership consists of at least 2 (two) or more people. This regulation is present to answer the problems faced by MSEs related to legality

Presidential Regulation Number 12 of 2021 concerning Government Procurement of Goods and Services, article 26, states *"Procurement of Goods/Services through Providers is a way of obtaining goods/services provided by business actors"*, further in article 27 it says *"Business actors are individuals or business entities, both in the form of legal entities and not legal entities established and domiciled or conducting activities within the jurisdiction of the Republic of Indonesia, either alone or jointly through agreements organizing business activities in various fields of the economy."*

From the explanation above, it is clear that both individuals and PT.UMK can certainly participate in the procurement of government goods and services. But in reality, the practice of procurement of goods and services carried out by the government, especially the Commitment Making Officer (PPK) and Procurement Officer both within the scope of the Ministry/Institution/Regional Apparatus, has not accommodated their involvement. this according to the author is a "blurring of legal norms" a situation where the norm already exists but does not have a clear meaning or

the norm raises more than one meaning which makes the norm blurred or unclear, especially in the understanding of limited liability companies.

According to data from the Government Procurement Policy Institute (LKPP), MSEs only contribute around 10% to the total value of public procurement in Indonesia. This figure is still far from the government's target to increase the contribution of MSEs to 30% by 2024. A survey from BPS also stated that only around 15% of MSEs have participated in tenders for government procurement of goods and services. This figure shows that there are still many MSEs that have difficulty participating in government procurement of goods and services.

This research is different from similar studies related to government procurement of goods and services because the novelty of this research is to talk about Limited Liability Companies that meet the criteria of micro and small businesses and their participation in the procurement of goods and services which is a new thing in our legal system. The research method used is normative-empirical, which examines the implementation or implementation of positive legal provisions (legislation) factually in each specific legal event that occurs in society. The study aims to ascertain the results of the application of the law in accordance or not in accordance with the provisions of the legislation. The discussion of this research is focused on the legality of PT.UMK/Individuals and the challenges faced to be involved in the procurement of government goods and services.

II. DISCUSSION

Government procurement of goods and services is a very important activity in realizing development. Seen from various perspectives, Indonesia's progress cannot be separated from these activities.⁷ In the field of infrastructure and the economy, the development of physical facilities and infrastructure to support economic growth is realized through the mechanism of government procurement of goods and services. Government procurement of goods and services also serves to improve health facilities,

⁷ Arifin, Zainal and Ade Haryani. "Analysis of Goods and Services Procurement." *Epigram Journal*, Vol. 11, No. 2, 2018, pp. 38-48, <https://doi.org/10.32722/epi.v11i2>.

education, alleviate poverty and help overcome some social problems.⁸ Along with the development of regional autonomy, the government's need for governance has also increased. These government needs can be material and non-material. These needs are represented through the procurement process.

1. Scope of Goods and Services Procurement

According to H. Subagya, procurement is all activities and efforts to increase and meet the needs of goods and services based on applicable regulations by creating something that did not exist before. According to Suherman, government procurement activities are viewed from the perspective of Indonesian Law:⁹ (a) Government procurement of goods and services has a strategic meaning in protection and preference for domestic business actors, (b) Government procurement of goods and services is a significant sector in economic growth efforts, (c) A public procurement system that is able to apply the principles of good governance will encourage the efficiency and effectiveness of public spending as well as condition the behavior of the 3 pillars of government, private sector and society in the implementation of Good Governance, (d) That the scope of government procurement of goods and services covers various sectors in various aspects of national development.

Procurement of goods/services involves several parties, namely the Buyer or User and the Seller or Provider of Goods and Services. In procurement implementation, the user is the party who requests or assigns the provider to supply or make goods or carry out certain work. Users of goods and services can be an institution/organization and can also be individuals. Institutions include Government Agencies (Central Government, Provincial Government, Regency/City Government), Business Entities (BUMN, BUMD, Private), and community organizations. Individuals are individuals or people who need goods and services. From the existing understanding, it appears that there are two interested parties. The first party is a government agency, BUMN or private sector that holds a procurement offer for goods and services. The second party is

⁸ Hadiyati, Nur. "The Urgency of Regulating Goods and Services Procurement Through Law." *LKKP Procurement Journal*, Vol. 1, No. 1, 2018, pp. 1-9.

individuals or contractor companies that offer to fulfill the demand for goods and services.

Procurement of goods and services according to Presidential Regulation Number 12 of 2021 concerning Government Procurement of Goods/Services is "*the activity of Procurement of Goods/Services by Ministries/Institutions/Regional Apparatus financed by the APBN/APBD whose process is from the identification of needs, until the handover of work results.*" Article 3 of this presidential regulation states that the implementation of goods/services procurement is carried out through (a) Swakelola; and/or, (b) Selection of Goods/Services Provider.

Article 4 of this Regulation regulates the Procurement of Government Goods/Services including (a) Items; (b) Construction Work; (c) Consulting Services; and (d) Other Services.

2. Types of Goods and Services Procurement

Procurement of goods and services is essentially an effort by the user to obtain or realize the goods and services he wants, using certain methods and processes in order to reach an agreement on price, time, and other agreements.¹⁰ Presidential Regulation Number 12 of 2021 also states that the types of goods and services procurement carried out to determine providers of goods and services can be categorized as follows: (a) E-purchasing, carried out for Goods/Construction Works/Other Services that are already listed in the electronic catalog or Online Store. (b) Direct Procurement, carried out for Goods/Construction Work/Other Services with a maximum value of Rp. 200.000.000 (two hundred million rupiah). (c) Direct Appointment, implemented for Goods /Construction Works/Other Services in certain circumstances. (d) Criteria for Goods/Construction Works/Other Services for certain circumstances as referred to in paragraph (4) include:

(a) Organizing the preparation of sudden activities to follow up on international commitments attended by the President/Vice President. (b) Goods/services that are confidential for the benefit of the State include intelligence, witness protection, security

¹⁰ Reginasti, Utami. "Review of Government Procurement of Goods/Services through the Electronic Goods/Services Procurement System." *LKKP Procurement Journal*, Vol. 1, No. 1, 2018, pp. 27-35.

for the President and Vice President, Former President and Former Vice President and their families, and state guests at the level of the head of state/head of government, or other goods/services that are confidential in accordance with the provisions of laws and regulations. (c) The construction of a building that is a unified construction system and a single responsibility for the risk of building failure which as a whole cannot be planned/calculated in advance. (d) Goods/Construction Works/Other Services that can only be provided by 1 (one) capable Business Actor. (e) Procurement and distribution of superior seeds including rice, corn, and soybean seeds, as well as fertilizers including Urea, NPK, and ZA to farmers in order to ensure the availability of seeds and fertilizers appropriately and quickly for the implementation of increased food security. (f) Works of infrastructure, facilities, and public utilities in the housing environment for Low-Income Communities are carried out by the developer concerned. (g) Goods/Construction Works/Other Services that are specific and can only be carried out by the patent holder, or the party who has received permission from the patent holder, or the party who won the tender to obtain permission from the government. (h) Goods/Construction Works/Other Services that after re-tendering failed. (i) Selection of providers to continue procurement of Goods/Construction Works/Other Services in the event of termination of the Contract. (j) Fast Tender, carried out in the event that the Business Actor has been qualified. Provider Performance Information System. (k) Tender, carried out in the event that the service provider selection method cannot be used.

Presidential Regulation Number 12 of 2021 concerning Government Procurement of Goods/Services, article 65 explains how the participation of micro and small businesses to carry out development in terms of their involvement in the procurement of goods and services carried out by the government. For this reason, Presidential Regulation Number 12 of 2021 does not stand alone in handling the involvement of micro and small enterprises in the procurement of goods and services in Indonesia, but is also supported by other regulations, such as Law Number 5 of 1999 concerning Prohibition of Monopolistic Practices and Unfair Business Competition, Law Number 31 of 1999 concerning Eradication of Corruption.

3. Definition of Limited Liability Company (PT)

According to Zaeni Asyhadie, a Limited Liability Company is a legal form of business, which was originally known as *Naamloze Vennootschap* (NV). The term "limited" in a Limited Liability Company is aimed at the responsibility of shareholders which is only limited to the nominal value of all shares owned. According to Abdulkadir Muhammad, the term "company" refers to the way of determining the capital, which is divided into shares, and the term "limited" refers to the limit of responsibility of shareholders, which is limited to the nominal amount of shares owned. Ali Rido also argues that a Limited Liability Company is a form of company that organizes companies, established by a joint legal action by several people, with certain capital divided into shares, whose members can own one or more shares and are limited in responsibility to the number of shares they own.¹¹

Law No. 40/2007 on Limited Liability Companies, article 1 (one) states that a Limited Liability Company is a legal entity that is an alliance of capital, established based on an agreement, conducting business activities with authorized capital which is entirely divided into shares and fulfills the requirements set forth in the Limited Liability Company Law and its implementing regulations. Based on the definition stated above, as a legal entity company, the company fulfills the elements described below:¹²

(a) Is a legal entity. Business forms that are legal entities are Limited Liability Company, Foundation, and Cooperative. Meanwhile, business forms that are not legal entities are as follows: Individual Business, Firm, *Commanditaire Vennootschap* (CV), and Civil Partnership (*Maatschap*). The basic difference between a legal entity business entity and a non legal entity business entity is that in a legal entity business entity, there is a separation of assets and a legal separation of responsibilities between the owner of the legal entity business entity and the legal entity itself. (b) Established by Agreement. A Limited Liability Company must be established based on an agreement, so a Limited Liability Company must be established by at least 2 (two) parties made in a deed of establishment at a notary public. (c) Conducting Business Activities. The function of establishing a Limited Liability Company is to conduct business activities. In

¹¹ Pangestu, M. Teguh and Nurul Aulia. "Limited Liability Company Law and its Development in Indonesia." *Business Law Review*, Vol. 1, No. 3, 2018, pp. 21-38.

¹² Sinaga, Niru Anita. "Basic Matters of Limited Liability Company Establishment in Indonesia." *Dirgantara Law Scientific Journal*, Vol. 8, No. 2, 2018, pp. 11-19, <https://doi.org/10.35968/jh.v8i2.253>.

establishing a Limited Liability Company, the Articles of Association of the Limited Liability Company must be drawn up in which the purpose, objectives, and business activities to be carried out by the Limited Liability Company are written. (d) Has Authorized Capital Entirely Divided into Shares. One of the characteristics of a Limited Liability Company is that the capital contained therein is divided into shares. A Party wishing to establish a Limited Liability Company must set aside part of its wealth to become the wealth/assets of the Limited Liability Company. The wealth set aside by the owner becomes the capital of the Limited Liability Company which is expressed in the form of shares issued by the Limited Liability Company. (e) Must Meet the Requirements Stipulated in the Law. Law No. 40/2007 is currently the legal basis governing Limited Liability Companies.

In accordance with Article 1 points 26 and 27 of presidential regulation number 12 of 2021 concerning government procurement of goods and services, it is clearly stated that those who can become service providers are business actors, either individuals or business entities. Limited liability companies are of course included as criteria in service providers for government procurement of goods and services because they are business entities in legal form.

The subject of discussion in this study is a limited liability company with a micro and small business classification in accordance with government regulation number 8 of 2021 or what is colloquially known as an individual company.

4. Definition of Limited Liability Company Classification of Micro and Small Enterprises or Individual Company

PT. MSEs or Individual is a form of Limited Liability Company in which all of the shares are owned by one person or individual. In this case, the sole owner acts as the sole shareholder and also the sole director who is responsible for all decisions and operations of the company. PT. MSEs or PT. Pribadi is generally chosen by individuals

who want to run their own business or venture but still want to separate personal wealth from their business assets.¹³

According to Article 1, Government Regulation No. 8 of 2021 Concerning the Company's Authorized Capital and Registration of Establishment, Change, and Dissolution of Companies that Meet the Criteria for Micro and Small Enterprises, a Limited Liability Company, hereinafter referred to as a Company, is a legal entity that is a capital alliance, organized based on an agreement, conducting business activities with authorized capital that is entirely divided into shares or an individual legal entity that meets the criteria for micro and small enterprises as stipulated in laws and regulations concerning micro and small enterprises.

PT. MSEs or Individual is a business entity in the form of a legal entity that meets the classification of small and micro businesses according to Law Number 20 of 2008 concerning Micro, Small and Medium Enterprises. Article 6 paragraph (1) states that the Micro Business Criteria are as follows: (a) Have a net worth of at most Rp50,000,000.00 (fifty million rupiah) excluding land and building of the place of business. (b) Has annual sales revenue of at most Rp300,000,000.00 (three hundred million rupiah). And, in paragraph (2) it is also explained that the Small Business Criteria are as follows. (c) Having a net worth of more than Rp50,000,000.00 (fifty million rupiah) up to a maximum of Rp500,000,000.00 (five hundred million rupiah) excluding land and building of the place of business. (d) Having annual sales revenue of more than Rp300,000,000.00 (three hundred million rupiah) up to a maximum of Rp2,500,000,000.00 (two billion five hundred million rupiah).

PT. MSEs or Individual has differences with the General Limited Liability Company (PT Regular), some of these differences include: (a) Public PTs are established with a minimum of two or more shareholders, while MSE/Individual PTs only have a single shareholder. (b) Public PTs are governed by a board of directors and a board of directors, while MSE/Personal PTs have only a single director who is responsible for all company decisions and operations. (c) Public PTs and MSEs can both obtain capital through the sale of shares. However, Public PTs can also obtain

¹³ Yuliana, et al. "Establishment of Individual Limited Liability Company and Legal Responsibility of Shareholders Based on the Job Creation Law." *Journal of Notarius*, Vol. 14, No. 2, 2021, pp. 725-738, <https://doi.org/10.14710/nts.v14i2.43800>.

capital by applying for bonds, while MSE/Individual PTs cannot apply for bonds (securities). (d) Public PTs are regulated by law while MSE/Individual PTs are regulated by Government Regulation. (e) Public PTs that have gone public or made a public offering of shares in the capital market are obliged to submit information to the public. Meanwhile, PT. MSEs/Individuals do not have an obligation to submit information to the public unless regulated by laws and regulations. (f) Public PTs provide legal protection to their owners because the legal liability between the legal entity and the owner/manager is separate. Whereas in PT. MSEs/Individual, the owner has full legal responsibility because it is not separate from the legal entity.

5. Empowerment of Limited Liability Companies Classified as Micro and Small Enterprises or Individual Companies in the Procurement of Government Goods and Services

The results of research and analysis conducted by the team found that the empowerment of PT.MSEs/Individuals participating in the procurement of goods and services still experience obstacles, namely in terms of systems, culture, and human resources implementing the procurement of goods and services. MSEs/Individuals participating in the procurement of goods and services still experience obstacles, namely in terms of systems, culture, and human resources implementing the procurement of goods and services. This result is also obtained from the author's experience as a provider of small-scale goods and services and often provides consultation for MSEs in participating in the implementation of government goods and services.

The first obstacle concerns the government's barjas procurement management system. The public procurement system in Indonesia is also quite rigid and inflexible. This makes it difficult for MSEs to adapt it to their needs. For example, the qualification requirements set by the government often do not match the capabilities of MSEs. Furthermore, the lack of internet network access support in the regions makes it difficult for MSEs to participate in the procurement of goods and services. Later on, the application of the E-Catalog system (electronic catalog) with the E-Purchasing system still creates unhealthy/unbalanced competition between large companies and MSE

actors.¹⁴ To be able to participate in the e-catalog issued by the Government Goods and Services Procurement Policy Agency (LKPP), there are a number of rules that are considered to make it difficult for MSEs. As a result, it causes domination by large business actors. In Article 13 letter (f) of the Government Procurement Policy Agency Regulation No. 11/2018 concerning Electronic Catalogs, which states that "*the provider is in the form of an individual business entity, then the provider is the principal producer or the closest supply chain from the principal producer*". This means that only principal producers and main distributors can be included as providers of goods in the system. In addition, the national nature of the catalog means that MSEs in the regions, especially those that are not principal producers and main distributors, cannot be included in the e-catalog.

The second obstacle concerns the culture of KKN (Corruption, Collusion and Nepotism) that is still inherent in our country's bureaucracy. Procurement of goods and services is one of the biggest contributors to corruption cases in Indonesia. No less than 277 cases or 21 percent of corruption in the goods and services procurement sector have been handled by the Corruption Eradication Commission (KPK) from 2004 until 2022.¹⁵ The obstacles to the culture of KKN in the implementation of goods and services also include audits that have not been carried out optimally, the ecosystem for preventing corruption in the procurement of goods and services is still not formed, and the encouragement of certain interests to get projects from providers and other parties.

The third obstacle concerns human resources (HR) related to understanding the science of law and applicable laws and regulations. Limited human resources, both in terms of number and competence. This makes it difficult for MSEs to participate in government procurement of goods and services, which often requires a high number of competent human resources.¹⁶ MSEs often have inadequate quality of human resources, especially in terms of knowledge and skills in the field of goods and services

¹⁴ Iqbal, Muhammad. "The Effect of E-Catalog Implementation in Government Procurement of Goods and Services on MSMEs." *Journal of USM Law Review*, Vol. 3, No. 1, 2020, pp. 77-97, <http://dx.doi.org/10.26623/julr.v3i1.2204>.

¹⁵ Indrawan, Jerry and Anwar Ilmar. "Corruption in the Procurement of Goods and Services in Local Government." *Transformative Journal*, Vol. 6, No. 2, 2020, pp. 127-147, <https://doi.org/10.21776/ub.transformative.2020.006.02.1>.

¹⁶ Fauzi, Muhammad. "Government Legal Policy in Increasing the Participation of MSMEs in Government Procurement of Goods/Services." *Journal of Law and Business*, Vol. 8, No. 2, 2020, pp. 34-52.

procurement. This makes it difficult for MSEs to understand and fulfill government procurement requirements. In addition, there is no adequate training and assistance to MSEs in the field of goods and services procurement. This makes it difficult for MSEs to improve the quality of their human resources.

Later on, there are still many working group teams (pokja), commitment-making officials (PPK), and procurement officials who do not understand the concept of PT. MSEs/Individuals and some do not even know about this. So that PT.UMK/Individuals who are in fact MSE actors find it difficult to participate in the procurement of goods and services. Service users (government) still understand the concept of a limited liability company in accordance with Law Number 40 of 2007 which is considered to have large capital and work on work packages with a large value as well. So that when MSE actors with PT.UMK/Individual try to take part in the work package of goods and services on a small scale, but they are immediately not passed.¹⁷

The recommendations that can be given from the results of this study are first, for the government to be able to improve the system and regulation of goods and services procurement to be more favorable and more accessible to MSE actors. Second, the government, in this case the Ministry of Law and Human Rights (Kemenkuham) and the Government Goods and Services Procurement Policy Agency (LKPP) must continue to conduct socialization and training to service user operators, both commitment-making officials, procurement officials or working groups in each Ministry/Institution/Regional Government related to laws and regulations relating to government procurement of goods and services, especially the socialization of "government regulation number 8 of 2021 concerning the authorized capital of the company as well as registration of establishment, change and dissolution of companies that meet the criteria of micro and small businesses" so that all parties, both service users and service providers, have the same perception of the legal concept of PT. MSE/Individual and the legal rules that govern it.

¹⁷ Tampanatu, Steady and Jessy Warongan. "Analysis of Inhibiting Factors in the Procurement of Goods and Services." Vol. 9, No. 2, 2018, pp. 78-81, <https://doi.org/10.35800/jjs.v9i2.20735>.

III. CONCLUSION

The objectives of this study are different from similar studies related to government procurement of goods and services because it aims to find out normatively and empirically the obstacles faced by micro and small businesses even regarding Limited Liability Companies that meet the criteria of micro and small businesses and their participation in the procurement of goods and services which is a new thing in our legal system. PT.UMK/Individual is a good breakthrough for the government to empower and increase the competitiveness of MSE actors so that they can gain access to banks, investors, and the government including their participation in the procurement of government goods and services. However, MSE actors who create or own PT.UMK/Individual still experience obstacles to being involved in the procurement of government goods and services. The obstacles referred to include the system, culture, and human resources in the procurement of government goods and services itself. Improving systems and regulations as well as implementing consistent socialization and training are expected to help increase the involvement of PT.UMK/Individuals who are MSE actors in the procurement of government goods and services.

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