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HARMONIZATION OF INVESTMENT-FRIENDLY POLICIES AND MSME PROTECTION IN TEGAL REGENCY

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ABSTRACT

In an effort to improve the welfare of its community, the Government of Tegal Regency formulates policies in a deliberate and well-planned manner. One of its strategic initiatives is to encourage investors to invest in the regency through Law Number 6 of 2023 concerning Job Creation and Law Number 1 of 2022 concerning Central and Regional Fiscal Relations (1). At the same time, local governments are obligated to provide protection for Micro, Small, and Medium Enterprises (MSMEs). Accordingly, the role of the local government is to foster an investment-friendly environment while simultaneously ensuring the protection of MSMEs. This study employs normative juridical, empirical, and philosophical approaches. It adopts a constructivist paradigm, operationalized through a relativist perspective. The Government of Tegal Regency has fostered an investment-friendly climate by accelerating the simplification of risk-based business licensing through the Online Single Submission (OSS) system administered by the Ministry of Investment and Downstream Industry/Indonesia Investment Coordinating Board (BKPM RI). This policy has been reinforced through revisions to spatial planning regulations and the provision of integrated public services that streamline bureaucratic procedures, enabling regional investment realization to reach billions and even trillions of rupiah.
Keywords: Policy and Law, Investment-Friendly Environment, MSME Protection

INTRODUCTION

In an effort to improve public welfare, the Government of Tegal Regency has formulated well-planned and carefully considered policies. One of its key strategies is to attract investors to invest in the region through the implementation of Law Number 6 of 2023 on Job Creation and Law Number 1 of 2022 on Fiscal Relations between the Central Government and Regional Governments (1). Supported by the central government's enactment of the Job Creation Law (2), regional governments are required to harmonize their policies with the national regulatory framework. The ultimate objective is to establish policies that facilitate business activities by providing fiscal incentive programs, including tax and levy reductions, for investors establishing factories or business operations capable of generating employment opportunities for the residents of Tegal Regency (3). However, while promoting investment, the Government of Tegal Regency also recognizes the importance of safeguarding the role of Micro, Small, and Medium Enterprises (MSMEs). Approximately 98,000 MSMEs operate within the regency, making a substantial contribution to the local economy. These enterprises encompass a wide range of sectors, including culinary businesses, metal and iron industries, batik handicrafts, and various