



Legal Awareness Among Small and Medium-Sized Food Business Owners Producing Melinjo Crackers Regarding the Possession of a Business Identification Number (NIB) in Blitar Regency

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Article	Abstract
Keywords: Business Actors; MSMEs; Legal Awareness; Business Identification Number (NIB).	<i>Micro, Small, and Medium Enterprises (MSMEs) contribute significantly to national economic development, particularly in strengthening the real sector and creating employment opportunities. Each year, the number of MSMEs continues to increase, including those in the food sector, which is rapidly growing across various regions. However, this growth is not accompanied by adequate legal awareness, as evidenced by the fact that many MSME actors in Blitar Regency still do not possess a Business Identification Number (NIB). In fact, ownership of an NIB is a legal obligation for MSMEs in accordance with Government Regulation No. 7 of 2021 concerning the Facilitation, Protection, and Empowerment of Cooperatives and Micro, Small, and Medium Enterprises. This study aims to analyze the legal awareness of MSME actors engaged in melinjo chip snack food processing regarding NIB ownership in Blitar Regency. The research employed an empirical juridical method. Data were collected through interviews, observations, and documentation, and were analyzed using a qualitative approach. The findings indicate that the legal awareness of these MSME actors is influenced by age, educational background, and social environment.</i>

INTRODUCTION

National development is a continuous process aimed at improving the quality of human resources and Indonesian society through the utilization of state capabilities and the advancement of science and technology. In its implementation, national development involves the active participation of the community as the primary subject, while the government is obliged to regulate, protect, and create stability and order to support national progress. Micro, Small, and Medium Enterprises (MSMEs) play a

strategic role in national development, particularly in supporting economic growth and equality. (Sarfiah et al., 2019)

Based on data from the Ministry of Cooperatives and SMEs, the number of MSMEs in 2022 reached 64.2 million and contributed 61.07% or 8,573.89 trillion rupiah to GDP. Reported by the Ministry of Cooperatives and SMEs in 2023, in 2022, the number of MSMEs in Indonesia reached 64 million MSMEs. Furthermore, from the number of MSMEs between 2022 and 2023, there are three provinces with the largest number of MSMEs in Indonesia. Some of these provinces are West Java, Central Java, and East Java. Based on data from the Central Statistics Agency of East Java Province in 2019, Blitar Regency ranked fifth with the largest number of food and beverage industries in 2019. One of the regencies in East Java province that has MSME potential in the food sector is Blitar Regency.

Blitar Regency Cooperatives and SMEs Office stated that by the end of 2023, Blitar Regency was recorded as having 34,675 MSMEs (Wardana, 2024) . There is a unique characteristic in Blitar Regency, specifically in Wates District. In one of its villages, there is a village nicknamed Kamping (Emping Village). "Emping Village" refers to an area or village known as a production center for melinjo chips. However, after researchers conducted pre-research with several business actors, there were several emping melinjo MSME business actors who did not yet have a business permit in the form of a Business Identification Number (hereinafter referred to as NIB).

When conducting a business, MSMEs are required to have a Business Identification Number (commonly referred to as NIB) (Sulistiyono et al., 2023) . NIB is an identification number used by business actors to conduct business activities according to their business field. NIB can also be used for Customs Access Rights, Importer Identification Number (API), and Company Registration Certificate (TDP). Business owners will be registered as participants in the social health and employment security program. One of the benefits of having a NIB for entrepreneurs/business actors is company legality, ease of obtaining documents, integrity processes, and ease of obtaining empowerment from the government, local governments, and other institutions (Filsafat & Rasa, 2023) . NIB ownership functions as a legal umbrella for business actors.

The Republic of Indonesia has stipulated Government Regulation Number 7 of 2021 concerning Facilitation, Protection, and Empowerment of Cooperatives and Micro, Small, and Medium Enterprises in Article 37 paragraph (1) which states "Micro, Small, and Medium Enterprises in carrying out their business activities must have a Business License." Based on this article, it can be seen that MSMEs must have a Business License in carrying out their business activities. Then in Article 8 paragraph (1) of Law Number 6 of 2023 concerning the Stipulation of Government Regulation in Lieu of Law Number 2 of 2022 concerning Job Creation to Become Law states:

- (1) "Business licensing for low-risk business activities as referred to in Article 7 paragraph (7) letter a is in the form of providing a business identification number which constitutes the legality for carrying out business activities."
- (2) The Business Identification Number as referred to in paragraph (1) is proof of registration/signup of a Business Actor to carry out business activities and as an identity for the Business Actor in carrying out its business activities."

In the description above, the business permit intended for MSMEs is in the form of a Business Identification Number (hereinafter referred to as NIB) which is used as legality in carrying out business activities, and also functions as proof that the MSME has been registered and as an identity for MSME actors. (Soimah & Imelda, 2023) .

Table 1
Observations of MSME Business Actors of Processed Melinjo Chips
in Blitar Regency

No.	Informant Name	Name of MSME (Company Form)	NIB Ownership	
			There is	There isn't any
1.	Mrs. Ka tinem			√
2.	Mother Ka temah			√
3.	Mrs. Su Tami			√

Source: Processed by Researchers

In this study, it examines the MSME business actors in Wates Village who sell processed food because Wates Village is known as the center for processed melinjo chips, but there are still many MSME actors who have not registered their businesses so they do not have a NIB which violates legal provisions. so it can be seen that there is a gap between MSME business actors regarding the legality of the business that must be owned in carrying out business activities. Based on the description above, the researcher intends to conduct a legal writing research entitled "Legal Awareness of

MSME Business Actors of Processed Food Snacks of Melinjo Emping Regarding Ownership of Business Identification Number (NIB) in Blitar Regency". In this study, the problems analyzed are formulated, namely how is the legal awareness of MSME business actors of processed food snacks of melinjo emping in Blitar Regency regarding ownership of Business Identification Number (NIB) and what are the factors that inhibit the legal awareness of MSME business actors processed melinjo emping snack food in Blitar Regency related to ownership of a Business Identification Number (NIB).

This study describes the legal awareness of MSMEs in processed melinjo snack food related to the ownership of a Business Identification Number (NIB) in Blitar Regency. In a previous study conducted by Meivi Kartika Sari in 2019 from Surabaya State University, the researcher discussed the Legal Awareness of MSMEs in relation to the ownership of Halal Certificates for processed food products in Gresik Regency. There are several differences with this study, namely that the study discussed the ownership of Halal Certification, the study was conducted in Gresik Regency and involved efforts from the Gresik Regency Cooperatives and SMEs Office. Previous research was further studied by Tiara Indah Safitri in 2019 from the University of Lampung, the researcher discussed the legal awareness of business actors in the labeling of processed food products (a study on banana chips business actors in Bandar Lampung). There are several differences with this study, namely that the study discussed the labeling of processed food products, the study was conducted in Lampung and involved efforts from the POM Agency.

This study discusses the legal awareness of MSME business actors in processed melinjo emping snacks regarding the ownership of a Business Identification Number (NIB). This study was conducted in Blitar Regency and involved informants from the Blitar Regency Investment and One-Stop Integrated Service Office. The purpose of this study is to analyze the legal awareness of MSME business actors in processed melinjo emping snacks in Blitar Regency regarding the ownership of a Business Identification Number (NIB) and the factors that inhibit the legal awareness of MSME business actors. processed melinjo emping snack food in Blitar Regency related to ownership of a Business Identification Number (NIB).

METHOD

This study is an empirical legal research conducted at two locations: Wates Village, Wates Subdistrict, Blitar Regency, and the Blitar Regency One-Stop Integrated Investment and Service Agency. The data used— —consists of primary data (interviews) and secondary data, which includes primary, secondary, and tertiary legal materials. Data collection techniques include interviews, observation, and documentation. The informants in this study were small and medium-sized enterprises (SMEs) producing melinjo crackers and Mr. Ferry Fawzie Nur Maghfy, A.Md., A.Pkt. Data processing techniques included data reduction, data presentation, and data verification. Data analysis employed a qualitative approach, and the validity of the data used by the researcher in this study was tested through triangulation.

RESULTS AND DISCUSSION

1. Legal Awareness of MSME Business Actors in Processed Food Snacks, Emping Melinjo, regarding Ownership of Business Identification Numbers (NIB) in Blitar Regency

Legal awareness is essentially a form of awareness that develops independently within an individual, without any external pressure or coercion. This awareness reflects the individual's ingrained values regarding applicable law and the law idealized by society (Dicky Eko Prasetyo Adam Ilyas Felix Ferdin Bakker, 2021). To measure the level of legal awareness, several established indicators are used as benchmarks. These indicators include (Zuliah et al., 2021) :

- 1) Legal knowledge , namely the extent to which an individual understands what behavior is regulated by law, both what is prohibited and what is permitted.
- 2) Legal understanding , namely information that a person has regarding the content, objectives and benefits of statutory regulations.
- 3) Legal attitude , in the form of an individual's tendency to accept or reject a legal rule based on considerations regarding its benefits or lack of benefits for life.
- 4) Legal behavior , which reflects the extent to which legal rules are enforced and complied with by society in everyday practice.

a. Legal Knowledge of MSME Business Actors in Processed Food Snacks, Emping Melinjo, regarding Ownership of Business Identification Numbers (NIB) in Blitar Regency

Based on the results of research through interviews conducted with 3 MSME business actors of processed food products of melinjo emping snacks who trade their products in Blitar Regency, it is known that legal knowledge is the first indicator that can show that MSME business actors of processed food products of melinjo emping snacks do not know the legal regulations that MSME business actors of processed food products of melinjo emping snacks are required to register their business so that they have a NIB.

Although the impact of not having a Business Identification Number (NIB) by business actors has not been directly felt by all consumers, this has implications for the unclear legality of products circulating in the community , especially in the processed food sector (Sulistyowati, Eny, Muh. Ali Masnun, 2025). For consumers, the absence of an NIB on the products they purchase can create uncertainty regarding the origin of the business , the legal responsibility of the business actor , and product safety guarantee .

b. Legal Understanding of MSME Business Actors in Processed Food Snacks, Emping Melinjo, regarding Ownership of Business Identification Numbers (NIB) in Blitar Regency

Legal understanding in this study refers to the extent to which MSMEs in processed food processing melinjo chips understand the purpose and benefits of having a Business Identification Number (NIB). The first indicator of legal understanding is the understanding of MSMEs in processed food processing melinjo chips regarding the purpose of having a NIB. Based on the results of the study, it was found that the three MSMEs did not have an adequate understanding of this matter. This lack of understanding indicates a low level of legal understanding among business actors regarding the urgency of business legality through having a NIB.

The NIB serves as an official business identification document, replacing several administrative documents such as the Company Registration Certificate (TDP), Importer Identification Number (API), and customs clearance. The primary purpose of the NIB is to simplify the business legalization process through the OSS system, allowing MSMEs to operate their businesses legally and registered (Tabuk & Banjar, 2023).

The second indicator of legal understanding concerns the understanding of MSMEs in processed food products, especially melinjo chips, regarding the benefits of having a NIB. The research revealed that the three MSMEs lacked adequate understanding of this issue. This lack of understanding demonstrates the low level of legal understanding among business actors regarding the urgency of securing a NIB for their business.

A Business Identification Number (NIB) is a form of legality granted by the state to business actors as proof that their business activities are legally valid and recorded in the risk-based business licensing system. The benefits of having a NIB include legal certainty and protection for MSMEs (Tabuk & Banjar, 2023), access to business permits and government facilities such as commercial or operational permits, and access to various government programs, training, and business mentoring (Helmi, 2024).

c. Legal Attitude of MSME Business Actors of Processed Snack Foods, Emping Melinjo, Regarding Ownership of Business Identification Numbers (NIB) in Blitar Regency

The legal stance of MSME business actors in processed melinjo emping snack food on the first indicator regarding the obligation of MSME business actors regarding their obligation to have a NIB shows that the three MSME business actors agree that MSME business actors are required to have a NIB. Furthermore, the second indicator regarding the regulations related to the obligations of MSME business actors regarding their obligation to have a NIB shows that the three

MSME business actors agree that there are regulations that require MSME business actors to have a NIB. The attitude of agreement from business actors regarding the obligation to have a NIB, even though it is not followed by an understanding of its contents, objectives, or benefits, shows that their legal awareness is still normative and not yet substantive. This is important for local governments to pay attention to so that the legal socialization approach does not only touch on the formal level, but also includes understanding and ongoing development.

d. Legal Behavior of MSME Business Actors of Processed Food Snacks, Emping Melinjo, Regarding Ownership of Business Identification Numbers (NIB) in Blitar Regency

The legal behavior of MSMEs in processed melinjo emping snack food businesses, based on observations conducted by researchers, revealed that 3 out of 3 MSMEs in processed melinjo emping snack food businesses do not have a NIB. This indicates that the legal behavior of business actors regarding administrative obligations in the form of business permits has not been optimally formed.

The NIB not only serves as formal legality for business activities, but also provides various administrative conveniences, opportunities for access to government development and funding programs, and increases consumer confidence in the products produced (Puspitasari & Widodo, 2024). Business actors' lack of understanding of the urgency of NIB ownership reflects a lack of legal awareness and behavior that should underlie compliance with business licensing norms.

2. Factors Inhibiting Legal Awareness of MSMEs in Processed Food Businesses of Emping Melinjo Snacks Regarding Ownership of Business Identification Numbers (NIB) in Blitar Regency

Several other factors that hinder legal awareness among MSME business actors are:

a) Age

MSMEs in the older age group generally experience difficulties in accepting new legal information or regulations, such as the requirement to have a Business Identification Number (NIB). Older age often contributes to a lower level of openness to the modern legal system (Prof. Dr. Satjipto Rahardjo, 2021). This aligns with findings that legal awareness is correlated with adaptability, which generally declines with age (Opeska, 2021).

b) Education

Low levels of education are a major obstacle to increasing legal awareness (Prof. Dr. Satjipto Rahardjo, 2014). Individuals with a basic education

background tend to have limited understanding of legal terms and concepts, resulting in minimal knowledge of the importance of business legality (Opeska, 2021) .

c) Environment

The social environment plays a crucial role in shaping the mindset and legal behavior of communities, including MSMEs. In the context of the processed melinjo emping snack MSME in Blitar Regency, most entrepreneurs live in environments with traditional business patterns and are unfamiliar with formal business practices. Their social norms tend to tolerate or even ignore the importance of business legality. This results in low environmental incentives to comply with legal regulations, as there is no compelling social pressure to fulfill these administrative obligations (Hani Handayani, 2024)

CONCLUSION

Based on the results of research conducted by researchers related to the legal awareness of MSMEs in processed food products of emping melinjo snacks regarding the ownership of NIB in Blitar Regency, it can be concluded that the legal awareness of MSMEs in processed food products of emping melinjo snacks in Blitar Regency related to the ownership of NIB is relatively low. Factors that influence the legal awareness of MSMEs in processed food products of emping melinjo snacks in Blitar Regency related to the ownership of NIB are age, educational background, and social environment. Suggestions from researchers for MSMEs in processed food products of emping melinjo snacks in Blitar Regency, to be proactive in seeking information, participating in socialization, and trying to register their businesses independently or through mentoring. For the Blitar Regency Investment and One-Stop Integrated Services Office, it is hoped that it can expand the reach of socialization and mentoring programs to MSMEs, especially regarding the obligation to have NIB, especially to remote areas or villages that still have minimal access to information and technology.

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