



Legal Protection of UMKM in Digital Marketing Based on Law No 20 Of 2008 and Law No 8 of 1999

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ABSTRACT

The development of information and communication technology (ICT) has had a major impact in various fields, including in the business sector. One of the main influences is the shift towards a digital world that affects various sectors, including Micro, Small, and Medium Enterprises (MSMEs), in managing their markets through digitization. This digitalization process has made it easier for MSMEs to grow, develop, and market their products to international consumers. MSMEs play a very important role in the Indonesian economy, contributing greatly to gross domestic product (GDP), job creation, and income generation. Various digital platforms, such as social media, e-commerce, and websites, allow MSMEs to reach consumers around the world. However, this digital transformation also brings challenges for MSMEs, such as legal issues, data privacy, and potential misuse of information. Indonesian regulations, such as Law No. 20/2008 on Micro, Small, and Medium Enterprises (UMKM Law) and Law No. 8/1999 on Consumer Protection (Consumer Protection Law), emphasize the importance of the legal system for MSMEs in the face of digital developments. These laws provide guidelines for MSMEs to operate effectively in the ever-changing digital ecosystem.

INTRODUCTION

In the last two decades, the development of information and communication technology (ICT) has brought significant changes in various aspects of life, including the economic sector. One of the biggest impacts of this advancement is the digital transformation in the business world, which provides opportunities for various industries, including Micro, Small, and Medium Enterprises (MSMEs), to expand their market reach through digital marketing. Digitalization opens up vast opportunities for MSMEs to grow, compete, and introduce their products to consumers in the global market.

MSMEs play a crucial role in Indonesia's economy, contributing significantly to the Gross Domestic Product (GDP), employment absorption, and income distribution. According to data from the Ministry of Cooperatives and SMEs of the Republic of Indonesia, approximately 99% of businesses in Indonesia are MSMEs, contributing up to 60.51% of the national GDP and absorbing nearly 97% of the national workforce. Therefore, this sector holds a vital role in driving Indonesia's economic growth. However, despite their enormous potential, MSMEs often face various challenges in business development, particularly concerning limited market access, capital constraints, and a lack of skills in managing professional marketing strategies.

Digital marketing emerges as a solution that MSME entrepreneurs can utilize to overcome these challenges. Various digital platforms, such as social media (Facebook, Instagram, TikTok), e-commerce (Tokopedia, Bukalapak, Shopee), and other business websites and applications, offer opportunities for MSMEs to introduce their products more broadly and efficiently. The presence of digital marketing enables MSMEs to reach consumers in different regions, even globally, which was previously difficult through conventional marketing methods. Moreover, digital marketing offers advantages such as lower costs, ease of market analysis, and more measurable consumer access.

However, with the rapid growth of digital marketing, MSMEs also face several challenges related to legal protection for business operators, including rights over marketed products, protection of business data and information, and consumer rights as their target market. Various legal risks arise alongside the growth of digital marketing, ranging from copyright issues and personal data protection to potential fraud or misinformation that could harm consumers.

These challenges highlight the importance of an adequate legal protection system for MSMEs in conducting digital marketing activities. This legal protection aims to provide security for MSME entrepreneurs in managing their businesses in the digital world while ensuring consumer interests remain protected. In this context, two highly relevant laws that serve as the legal foundation for protecting MSMEs in Indonesia are Law No. 20 of 2008 concerning Micro, Small, and Medium Enterprises (MSME Law) and Law No. 8 of 1999 concerning Consumer Protection (Consumer Protection Law). These two laws provide a crucial legal basis to ensure that MSMEs can operate effectively amid the ever-evolving digital marketing landscape.

Law No. 20 of 2008 concerning Micro, Small, and Medium Enterprises (MSME Law) recognizes the vital role of MSMEs in Indonesia's economy and

provides various forms of protection and support for the development of micro, small, and medium enterprises. This law includes provisions on coaching, access to capital, and the provision of facilities that assist MSMEs in growing their businesses. In the context of digital marketing, the MSME Law also regulates protection for MSMEs facing challenges in competing in the global market and the importance of improving product quality and competitiveness.

Meanwhile, Law No. 8 of 1999 concerning Consumer Protection provides the legal basis for protecting consumer rights in business transactions, including digital transactions. This law grants consumers the right to receive clear and accurate information about the goods or services they purchase and protects them from unfair business practices, such as fraud or misleading information. In the context of digital marketing, the Consumer Protection Law provides a strong legal foundation for MSMEs to conduct transparent marketing in accordance with applicable standards while ensuring consumer protection from potential data misuse or products that do not match what was promised.

Although these two laws have been implemented, the enforcement of legal protection for MSMEs in digital marketing still faces various obstacles. One of the main challenges is the lack of understanding among MSME entrepreneurs regarding the importance of legal protection in the digital world. Many MSME players are not fully aware of the legal risks that may arise in digital marketing, such as the misuse of consumer personal data, copyright infringement, or promotional practices that do not comply with existing regulations. Additionally, the lack of socialization and education on how to optimally utilize these laws remains a pressing issue.

Another issue that needs to be addressed is the regulation of the ever-evolving digital space. The dynamic and rapidly changing nature of digital marketing requires regulatory responses that are more flexible and swift. This presents a significant challenge, as existing regulations are not entirely capable of keeping up with technological advancements and continuously evolving digital business models. Regulations that are too rigid or slow in responding to these changes can create legal uncertainty for MSMEs that want to utilize digital technology safely.

One of the steps that can be taken to address these challenges is to revise and update existing regulations, both those related to MSMEs and consumer protection, to make them more relevant to the conditions and needs of the digital market. Additionally, legal counseling and education on safe and legal digital marketing must also be enhanced, particularly for MSME entrepreneurs. This is essential to ensure that they not only understand effective digital marketing strategies but also recognize their legal rights and obligations, as well as those of consumers, in digital transactions.

The government also plays a crucial role in encouraging the digital capacity development of MSMEs. The government can provide training, technology access, and legal facilities for MSMEs so they can better leverage digital market opportunities. A deeper understanding of digital regulations and lawful marketing practices will create a healthier business climate, enhance

MSME competitiveness, and strengthen the relationship between business players and consumers.

In this study, the author will further examine legal protection for MSMEs in digital marketing based on Law No. 20 of 2008 concerning Micro, Small, and Medium Enterprises and Law No. 8 of 1999 concerning Consumer Protection. The main focus will be on how these two laws provide stronger legal guarantees for MSMEs in conducting digital marketing, as well as the challenges faced in implementing these laws. Additionally, this study will identify steps that need to be taken by the government, MSME entrepreneurs, and the community to improve legal understanding and awareness in digital marketing.

By understanding the legal protection provided by these two laws, it is expected that MSME entrepreneurs can maximize the use of digital marketing while safeguarding their rights as business actors and ensuring that consumers receive products and services that align with what was promised. Thus, efforts to advance MSMEs in Indonesia within the digital ecosystem can be achieved more optimally, creating an inclusive, sustainable, and fair digital economy.

LITERATURE REVIEW

A. Legal Protection

Law is a set of life guidelines, commands, and prohibitions that regulate order within a society and should be obeyed by its members, as violations of these guidelines may result in actions by the government or the ruling authority. Legal protection is an effort to provide a sense of security and justice for individuals or groups regarding their legally recognized rights so that these rights are not violated or misused by others.

To ensure balance in relationships among members of society, legal rules must be established based on the will and awareness of each individual in that society. Legal rules that regulate and compel members to comply with their provisions create balance in every social interaction. Every social relationship must align with applicable legal provisions and must not contradict existing regulations. Individuals who violate legal regulations will be subject to sanctions or penalties as a response to such violations.

B. Micro, Small and Medium Enterprises

Micro, Small, and Medium Enterprises (MSMEs) are types of businesses established based on individual initiatives within society. Many people assume that MSMEs only benefit a few parties. However, in reality, MSMEs play a crucial role in reducing unemployment rates in Indonesia. MSMEs absorb unemployed labor in Indonesia. Additionally, MSMEs significantly contribute to regional and national income.

According to available data, MSMEs make a substantial contribution to Gross Domestic Product (GDP), employment absorption, and income distribution. Based on data from the Ministry of Cooperatives and SMEs of the Republic of Indonesia, approximately 99% of businesses in Indonesia are MSMEs, which contribute up to 60.51% of the national GDP and absorb more than 97% of the national workforce. Therefore, this sector plays a vital role in driving Indonesia's economic growth. However, despite their great potential,

MSMEs often face various challenges in business development, particularly regarding limited market access, lack of capital, and minimal skills in professional marketing management.

The definition of Micro, Small, and Medium Enterprises (MSMEs) was first regulated in Law No. 9 of 1999. However, as times became more dynamic, its regulations were updated through Law No. 20 of 2008, particularly in Article 1. In this latest regulation, the definition of MSMEs is as follows:

1. Micro Enterprises are productive businesses owned by individuals and/or individual business entities that meet the criteria for Micro Enterprises as stipulated in this law.
2. Small Enterprises are independent productive economic businesses carried out by individuals or business entities that are neither subsidiaries nor branches of companies owned, controlled, or directly or indirectly part of Medium or Large Enterprises that meet the criteria for Small Enterprises as referred to in this law.
3. Medium Enterprises are independent productive economic businesses carried out by individuals or business entities that are neither subsidiaries nor branches of companies owned, controlled, or directly or indirectly part of Small or Large Enterprises, with net assets or annual sales as regulated in this law.
4. Large Enterprises are productive economic businesses conducted by business entities with net assets or annual sales larger than those of Medium Enterprises, including state-owned, private, joint ventures, and foreign businesses engaged in economic activities in Indonesia.
5. The Business Sector includes Micro, Small, Medium, and Large Enterprises that conduct economic activities and are domiciled in Indonesia.

According to the 1945 Constitution, reinforced by MPR Decree No. XVI/MPR-RI/1998 on Economic Policy in the Context of Economic Democracy, Micro, Small, and Medium Enterprises need to be empowered as an integral part of the people's economy, holding a strategic position, role, and potential to create a more balanced, developing, and just national economic structure.

C. Digital Marketing

Digital marketing has become one of the essential channels for MSMEs to expand their markets. With advancements in information and communication technology, MSMEs can now access global markets at a lower cost through digital platforms such as social media, e-commerce, and corporate websites. Digital marketing offers MSMEs greater opportunities to introduce their products to consumers in various regions without geographical limitations (Rachmawati, 2021).

However, digital marketing also presents unique challenges for MSMEs. In the online world filled with information, MSMEs must address consumer trust issues, digital fraud, and highly intense competition. Therefore, clear legal protection for MSMEs in digital marketing is essential to ensure they can operate

fairly and safely. Consumers should also feel protected from businesses or individuals intending to deceive them. Law No. 8 of 1999 on Consumer Protection (Law No. 8 of 1999) is one of the fundamental legal frameworks protecting consumers in digital transactions. The provisions in this law grant consumers rights such as the right to accurate information, the right to choose goods/services, and the right to receive fair and honest treatment from business actors, including MSMEs. In digital marketing, consumer protection is crucial because transactions occur through platforms that consumers cannot physically access.

On the other hand, Law No. 20 of 2008 provides legal protection for MSMEs, including in digital marketing. One of the protection efforts is facilitating MSMEs in gaining access to digital markets and training related to digital marketing. The government also provides various incentives to support MSMEs in adopting technology and effectively utilizing digital platforms (Muis, 2019). However, this protection is not yet fully optimal, as many MSMEs still lack complete understanding of their rights and obligations in the digital world and the legal risks that may arise.

METHODOLOGY

Legal research is a scientific activity conducted by following specific methods, systematics, and reasoning to study and analyze one or more legal phenomena. According to Nawawi (2020), normative legal research must consider the legal developments occurring in society, particularly through the utilization of secondary legal sources such as academic journals and legal articles discussing current legal issues. Therefore, an in-depth analysis of legislation, legal theories, and legal data collection from prominent legal scholars and experienced practitioners in the field is required.

In this study, the author employs the normative legal research method, which focuses on examining norms, rules, and legal provisions applicable within a specific legal system. According to Soerjono Soekanto and Sri Mamudji, normative legal research utilizes literature and secondary data. Meanwhile, Peter Mahmud Marzuki states that normative legal research is the initial step in gathering doctrines, principles, and relevant legal provisions to address current and future legal issues.

A. Research Object

The focus of this research includes: A. Regulations Governing Legal Protection for MSMEs in Digital Marketing: Law No. 20 of 2008 on Micro, Small, and Medium Enterprises (MSME Law). B. Law No. 8 of 1999 on Consumer Protection (Consumer Protection Law). C. Legal Impacts and Challenges in Digital Marketing for MSMEs.

B. Data and Data Sources

Data sources in this research include:

1. **Primary Legal Materials:** A. Law No. 20 of 2008 on Micro, Small, and Medium Enterprises (MSME Law). B. Law No. 8 of 1999 on Consumer Protection (Consumer Protection Law).

2. **Secondary Legal Materials:** Secondary legal materials support and reinforce primary legal materials by providing explanations and deeper analysis. These consist of: A. Books, scientific journals, articles, research reports, theses, and dissertations discussing legal protection for MSMEs in the digital world and consumer protection laws in digital transactions. B. Publications related to e-commerce developments and the impact of regulations on MSMEs in Indonesia.
3. **Tertiary Legal Materials:** Tertiary legal materials serve as supplementary references providing additional guidance or explanations for primary and secondary legal materials. Examples include legal dictionaries and the Indonesian language dictionary.

C. Data Collection

Will be collected using the following techniques:

1. **Documentation study**, which involves gathering and reviewing relevant legislation, including both primary (laws and government regulations) and secondary sources (books, articles, journals, and reports).
2. **Literature review**, which examines legal theories, consumer protection doctrines, economic law theories, and legal cases related to MSME protection in digital marketing found in academic publications.

D. Data Analysis

Data analysis in this research will be conducted through:

1. Analyzing the provisions in Law No. 20 of 2008 and Law No. 8 of 1999 to identify the relevance and application of legal provisions in the context of digital marketing.
2. Comparing existing legal provisions with practical legal applications in the field and evaluating the implementation of legal protection in other countries to provide a broader perspective.
3. Assessing the effectiveness of current regulations and policies in providing optimal protection for MSMEs and offering policy recommendations to enhance legal protection for MSMEs in the digital market.

RESULTS AND DISCUSSION

1. What is the role of the government in enhancing legal protection for MSMEs in digital marketing according to applicable legal provisions?

According to the 1945 Constitution, reinforced by MPR Decree No. XVI/MPR-RI/1998 on Economic Policy in the Context of Economic Democracy, Micro, Small, and Medium Enterprises (MSMEs) are considered the backbone of the national economy and must be given priority opportunities, protection, and maximum development support as a form of affirmative action for small economic enterprises. This is further regulated in Law No. 9 of 1995 on Small Enterprises, which was later updated by Law No. 20 of 2008 on Micro, Small, and Medium Enterprises.

MSMEs in Indonesia constitute the largest business sector and have proven resilient in facing various economic crises. It is expected that MSMEs will develop to penetrate international markets rather than being limited to domestic markets. Encouraging MSMEs to compete in the global market will positively impact national economic growth, including increasing employment absorption and foreign exchange earnings. Therefore, it is essential to continuously support and strengthen MSMEs' capabilities to compete globally.

As MSMEs evolve, they face various challenges requiring legal protection. The government plays a crucial role in strengthening legal protection for MSMEs, particularly in the context of digital marketing, as stipulated in Law No. 20 of 2008 on MSMEs. This law provides a solid legal foundation for protecting and empowering MSMEs, with the government responsible for creating a supportive business climate. One of the main obstacles MSMEs face is the low level of digital knowledge and literacy. According to data from the Ministry of Cooperatives and SMEs, around 35% of MSMEs in Indonesia have not yet maximized the use of digital technology in their business activities. This indicates that despite the vast potential of digital marketing, many MSMEs still lag in terms of access and technological skills.

The government has launched various digital marketing training programs to enhance MSME operators' skills and knowledge. These programs aim to help them utilize e-commerce platforms and social media more efficiently for marketing their products. Moreover, the availability of adequate digital infrastructure is a crucial factor for MSMEs to access technology more easily. Although internet usage in Indonesia is expanding, there remains an access disparity in some regions, particularly outside Java Island, which hinders MSMEs' competitiveness in the digital market.

Another challenge is the low quality of products and limited access to financing. Without adequate financial support, many MSMEs struggle to invest in technology and training required to adapt to market changes. Therefore, collaboration between the government, technology companies, and educational institutions is essential to creating an ecosystem that supports MSME advancement in the digital era.

One key strategy is market control, which is a crucial requirement for increasing MSME competitiveness. MSMEs must be prepared to face global competition from various types of enterprises, which drive market integration across countries with fewer barriers in the competitive landscape. Although MSMEs operate on a smaller scale and are more vulnerable than large companies, they need sufficient opportunities, support, and legal protection.

To realize the principles outlined in Law No. 20 of 2008, the government has issued several complementary regulations, including Minister of Trade Regulation No. 31 of 2023. This regulation plays a vital role in providing comprehensive protection for MSMEs in the digital economy era, covering product legality and personal data protection. In general, Minister of Trade Regulation No. 31 of 2023 governs business licensing, advertising, guidance, and supervision of business actors in electronic commerce (PMSE). This regulation

significantly impacts sellers and buyers, offering opportunities to optimize their business operations while safeguarding consumer rights.

Overall, these regulatory measures aim to enhance MSME competitiveness, protect domestic markets, and ensure fair competition in the digital landscape:

1. **Definition of PMSE Business Model:** Regulates marketplaces and social commerce to facilitate guidance and supervision. A marketplace is an electronic platform for merchants offering goods/services. Social commerce is a social media with features that facilitate the offering of goods/services.
 2. **Minimum Price:** Establishes a minimum price of US\$100 per unit for foreign-made finished goods sold to Indonesia through cross-border e-commerce.
 3. **Positive List:** A list of foreign-made goods that are permitted to enter Indonesia directly via e-commerce.
 4. **Foreign Merchant Requirements:** Requires merchants to prove the legality of their business, comply with SNI standards and halal certification, display Indonesian-language labels, and provide information about the origin of goods.
 5. **Producer Ban:** Marketplaces and social commerce platforms are prohibited from acting as producers of goods.
 6. **Data Control:** PMSE and its affiliates are prohibited from misusing the user data they control.
2. **How is the implementation and supervision of MSMEs (Micro, Small, and Medium Enterprises) in digital marketing conducted in accordance with existing legal provisions, both from Law No. 20 of 2008 and Law No. 8 of 1999?**

In today's digital era, digital marketing has become one of the main strategies for MSMEs to enhance competitiveness and expand market reach. According to data from the Ministry of Cooperatives and SMEs, MSMEs contribute approximately 60.51% to Indonesia's Gross Domestic Product (GDP) and employ more than 97% of the workforce. Therefore, the development of MSMEs through digital marketing is vital for national economic growth. The implementation of Digital Marketing based on Law No. 20 of 2008 includes:

1. **Business Legality**

One of the initial steps MSME actors must take is to ensure their business has clear legality. According to Law No. 20 of 2008, MSME actors are required to have a Business Identification Number (NIB) which can be obtained through the Online Single Submission (OSS) system. This NIB is important as the legal identity of the business and facilitates access to various public services.

2. **Compliance with Marketing Regulations**

MSME actors must also comply with regulations related to digital marketing, including the Information and Electronic Transactions Law (ITE Law) and the Consumer Protection Law (Law No. 8 of 1999). The ITE

Law regulates electronic transactions and personal data protection, while the Consumer Protection Law requires business actors to provide clear and accurate information regarding the products offered. For example, MSMEs must ensure that the product descriptions on e-commerce platforms are accurate and not misleading.

3. **Use of Digital Platforms**

MSMEs can utilize various digital platforms for marketing, such as social media (Instagram, Facebook), marketplaces (Tokopedia, Bukalapak), and official websites. Using these platforms allows MSMEs to reach a wider audience at a lower cost compared to conventional marketing.

Along with the implementation of digital marketing in micro, small, and medium enterprises, government supervision is also necessary, including:

1. **Monitoring and Evaluation**

The government needs to monitor and evaluate the digital marketing practices of MSME actors. This can be done through:

- **Regulatory Socialization:** The government must actively socialize the applicable regulations to MSME actors so they understand their rights and obligations.
- **Training and Assistance:** Training programs to enhance digital literacy among MSME actors are crucial. These programs can cover digital marketing tools, social media management, and consumer protection awareness.

2. **Law Enforcement**

The government must also enforce the law against violations committed by MSME actors in digital marketing. This includes actions against fraud or misleading information. Strong law enforcement will create a deterrent effect for business actors and enhance consumer trust.

There are several challenges in the implementation and supervision of this, such as:

1. **Low Legal Literacy**

One of the biggest challenges is the low level of legal literacy among MSME actors. Many of them do not fully understand the regulations in place, which increases the risk of making mistakes in their marketing practices.

2. **Limited Access to Technology**

Although technology is becoming more accessible, there are still gaps in technology access in various regions, especially in rural areas. This hinders MSMEs' ability to fully capitalize on digital marketing opportunities.

3. **Operational Costs**

For many MSMEs, the cost of implementing a digital marketing strategy can be an additional burden. Therefore, financial support from the government or financial institutions is necessary to help them invest in technology and training.

To address the challenges mentioned above, the following solutions can be implemented to improve the application and supervision of MSMEs in digital marketing:

1. **Multi-Stakeholder Collaboration**

Collaboration between the government, the private sector, educational institutions, and non-governmental organizations (NGOs) is essential in creating an ecosystem that supports MSMEs' growth in the digital era. For example, technology companies can provide free or low-cost platforms to help MSMEs market their products online.

2. **Simplification of Licensing Processes**

The government needs to simplify the licensing process for MSMEs so that they can more easily obtain business legality. The OSS system is a good initial step, but there needs to be improvements in socialization and technical support for business actors.

3. **Incentive Programs**

The government can provide incentives for MSMEs that comply with regulations in digital marketing, such as tax reductions or access to special funding programs.

The application and supervision of MSMEs in digital marketing must be carried out integrally, taking into account the legal aspects of Law No. 20 of 2008 and other regulations, such as the ITE Law and the Consumer Protection Law. With a good understanding of the regulations and government support, MSMEs can maximize their opportunities in the digital market while protecting consumer rights. Collaborative efforts between the government and other related parties are essential to creating an ecosystem that supports MSMEs' growth in the digital era.

Conversely, the application and supervision of micro, small, and medium enterprises (MSMEs) in digital marketing in Indonesia is based on Law No. 8 of 1999 concerning Consumer Protection. In this context, MSMEs must understand and apply the consumer protection principles regulated in this law in order to operate effectively and sustainably in the digital market.

Digital marketing has become one of the main strategies for MSMEs to enhance competitiveness and expand market reach. In today's information technology era, many MSMEs have turned to digital marketing through e-commerce platforms and social media. However, to conduct marketing effectively, MSME actors need to understand the regulations governing their activities, including the rights and obligations of consumers.

The application of the law based on Law No. 8 of 1999 includes:

1. **Consumer Rights**

Law No. 8 of 1999 guarantees consumers' rights, such as the right to receive accurate, clear, and honest information about the products offered. MSME actors must ensure that all information conveyed through advertisements or product descriptions on digital platforms is accurate

and not misleading. For example, if a product has halal certification or certain health claims, such information must be accountable.

2. **Obligations of Business Actors**

MSME actors also have the obligation to provide guarantees regarding the quality of the products sold. If the products received by consumers do not match the order or have defects, the business actor must provide compensation or return the goods as regulated in Article 23 of Law No. 8 of 1999. This is crucial for building consumer trust in the products offered by MSMEs.

3. **Protection of Personal Data**

In digital marketing, the protection of personal data is also an important issue. MSME actors must comply with regulations regarding the collection and use of consumer data. They must ensure that the data obtained from consumers is used for the purposes agreed upon and not misused.

Along with the implementation of digital marketing in micro, small, and medium enterprises, government supervision is also necessary based on Law No. 8 of 1999, including:

1. **Monitoring and Evaluation**

The government through relevant agencies, such as the Ministry of Cooperatives and SMEs, needs to monitor the digital marketing practices of MSME actors. This includes evaluating the compliance of business actors with their legal obligations and consumer protection. Regular socialization regarding consumer rights and business actors' obligations should also be conducted to increase MSME actors' awareness.

2. **Law Enforcement**

Law enforcement is an important aspect of ensuring MSME actors' compliance with Law No. 8 of 1999. If violations occur, such as fraud or misleading information, the government must take firm action to protect consumers and maintain market integrity.

In implementing and supervising this, there are many challenges faced, including:

1. **Low Legal Literacy**

One of the biggest challenges is the low legal literacy among MSME actors. Many of them do not fully understand the applicable regulations, which puts them at risk of making mistakes in their marketing practices. Therefore, legal education for MSME actors is essential so that they can run their businesses legally.

2. **Limited Access to Technology**

Although technology is becoming increasingly accessible, there are still gaps in technology accessibility across various regions, especially in rural areas. This hampers the ability of MSMEs to fully take advantage of digital marketing opportunities.

Solutions to Improve the Implementation and Supervision

1. Mentoring Program

The government can launch mentoring programs for MSME actors to understand regulations and the implementation of digital marketing in accordance with legal provisions. This program can include training on digital literacy and legal obligations in business.

2. Simplification of Licensing Processes

The government needs to simplify licensing processes for MSMEs to make it easier for them to obtain business legitimacy and understand applicable regulations.

Overall, the implementation and supervision of MSMEs in digital marketing must be conducted while considering the legal provisions of Law No. 8 of 1999 concerning Consumer Protection. With a proper understanding of regulations and support from the government, MSME actors can optimally utilize digital market opportunities while protecting consumer rights. Collaborative efforts between the government and relevant parties are crucial in creating an ecosystem that supports the growth of MSMEs in this digital era.

CONCLUSION AND RECOMMENDATION

The government plays a crucial role in enhancing legal protection for Micro, Small, and Medium Enterprises (MSMEs) in the digital marketing world in Indonesia. MSMEs, contributing about 60% to Indonesia's GDP and absorbing more than 97% of the workforce, have enormous potential to increase their contribution to the national economy, particularly through optimal use of digital technology. Therefore, the government must maximize its efforts in supporting the development of MSMEs through digital marketing, ensuring they can compete fairly in the global market.

The government plays a role in protecting MSMEs through various aspects, such as regulations, training, infrastructure development, and simplifying licensing processes. Law No. 20 of 2008 concerning MSMEs serves as the legal basis for supporting MSMEs, including in legal protection related to digital marketing. Regulations such as Minister of Trade Regulation No. 31 of 2023 provide more detailed provisions for businesses in e-commerce, covering product legality, personal data protection, and simplified business licensing for domestic MSMEs. These regulations also support local business actors' ease in participating in digital trade while enhancing oversight of foreign traders operating in the Indonesian market.

Although existing regulations are quite comprehensive, MSMEs still face several challenges, such as low digital literacy, limited access to technology, and suboptimal product quality. According to the Ministry of Cooperatives and MSMEs, around 35% of MSMEs in Indonesia have not maximized the use of digital technology in their operations. Therefore, the government runs training programs to improve digital skills for MSME actors, especially in utilizing e-commerce platforms and social media. Additionally, adequate digital

infrastructure development is vital so that MSMEs across Indonesia, especially those outside Java, can have equal access in the digital market competition.

Besides technical issues, access to capital is also a primary obstacle for MSMEs in investing in the technology and training they need. Therefore, the government must provide financial support through financing programs or incentives that encourage MSMEs to enhance their competitiveness in the digital world.

The government also has an obligation to ensure that MSMEs comply with regulations in digital marketing, both in terms of business legality and conformity with the ITE Law and Consumer Protection Law. MSMEs' digital marketing must adhere to existing provisions, such as using social media or e-commerce platforms, which must comply with electronic transaction regulations and personal data protection. Regarding product promotion, MSMEs must ensure that the information provided to consumers is accurate, clear, and non-deceptive, in accordance with the Consumer Protection Law (Law No. 8 of 1999). If MSMEs make claims about a product, such as halal certification or certain quality, they must be able to substantiate these claims.

Government oversight of MSMEs' digital marketing is essential to maintain consumer trust and create a healthy business climate. The government, through the Ministry of Cooperatives and MSMEs and other relevant agencies, needs to continuously socialize existing regulations and ensure that MSME actors understand their rights and obligations. Training programs that include understanding legal regulations and using digital technology must be conducted so that MSMEs can optimize digital marketing while complying with applicable laws. Furthermore, strict law enforcement against violations by MSME actors in digital marketing is crucial to maintain market integrity and consumer trust.

However, in the implementation and supervision, various challenges must be addressed, such as low legal and technological literacy among MSME actors, limited access to technology in some areas, and high operational costs to implement digital marketing. Therefore, the government needs to collaborate with various parties, such as technology companies, educational institutions, and the private sector, to create an ecosystem that supports MSMEs in utilizing the digital market.

Collaboration among various parties is crucial to overcoming the existing challenges. The government can work with technology companies to provide easily accessible and low-cost digital marketing platforms for MSMEs. Additionally, educational institutions can play a role in improving digital and legal literacy through training and mentoring programs. This collaboration is expected to reduce the existing gaps and help MSMEs effectively leverage digital marketing opportunities.

Simplifying licensing processes is also very important so that MSMEs can more easily obtain their business legitimacy. The implementation of the Online Single Submission (OSS) system is a positive step, but there needs to be an improvement in socialization and technical support so that the licensing process for MSMEs becomes even easier. Moreover, the government could also provide incentives for MSMEs that comply with digital marketing regulations, such as

tax reductions or access to special funding, allowing them to focus more on business development and competing in the digital market.

Overall, the implementation and supervision of digital marketing for MSMEs must be conducted in an integrated manner, considering the legal provisions in effect, including Law No. 20 of 2008 concerning MSMEs, Law No. 8 of 1999 concerning Consumer Protection, and the ITE Law. With a deep understanding of regulations and full government support, MSMEs can fully exploit digital market potential, enhance their competitiveness, and maintain consumer trust. Therefore, collaboration between the government, private sector, educational institutions, and society is essential to create an ecosystem that supports MSMEs' growth in this digital era.

ADVANCED RESEARCH

Every study has limitations, whether in terms of time, scope, or depth of analysis. In this study, the author discusses legal protection for MSMEs in digital marketing based on Law No. 20 of 2008 and Law No. 8 of 1999, so there are still many aspects that have not been comprehensively examined. Therefore, the researcher hopes that future studies can broaden the scope of the discussion, including a more in-depth analysis of the challenges and legal solutions in the rapid development of digital technology, exploring factors that have not been revealed in this study, and providing more applicable policy recommendations for MSMEs and related parties. This is expected to make a greater contribution to the development of knowledge and solutions to existing problems.

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