

REGULATION OF THE PROVINCE OF EAST JAVA  
NUMBER 1 OF 2024  
ON  
PROTECTION AND EMPOWERMENT  
OF COOPERATIVES AND SMALL ENTERPRISES

BY THE BLESSINGS OF ALMIGHTY GOD

GOVERNOR OF EAST JAVA,

- Considering :
- a. that to provide legal certainty for Business Actors in cooperatives and small enterprises, it is necessary to establish policies for the protection and empowerment of cooperatives and small enterprises to enhance productivity and competitiveness, as well as to build a people-centered economic foundation through market mechanisms that are professional, independent, environmentally conscious, and ensure business sustainability;
  - b. that the provisions in Regulation of the Province of East Java Number 4 of 2007 on Empowerment of Cooperatives and Micro, Small, and Medium Enterprises, as well as Regulation of the Province of East Java Number 6 of 2011 on Empowerment of Micro, Small, and Medium Enterprises, are no longer aligned with the development of legislation and the needs of the community in ensuring the Protection and Empowerment of cooperatives and small enterprises, so it is necessary to be replaced;

- c. that based on the considerations as referred to in point a and point b, it is necessary to issue a Regional Regulation on Protection and Empowerment of Cooperatives and Small Enterprises;

- Observing : 1. Article 18 section (6) of the 1945 Constitution of the Republic of Indonesia;
2. Law Number 25 of 1992 on Cooperatives (State Gazette of the Republic of Indonesia of 1992 Number 116, Supplement to the State Gazette of the Republic of Indonesia Number 3502) as amended several times, last by Law Number 4 of 2023 on Development and Strengthening of Financial Sector (State Gazette of the Republic of Indonesia of 2023 Number 4, Supplement to the State Gazette of the Republic of Indonesia Number 6845);
3. Law Number 20 of 2008 on Micro, Small, and Medium Enterprises (State Gazette of the Republic of Indonesia of 2008 Number 93, Supplement to the State Gazette of the Republic of Indonesia Number 4866), as amended by Law Number 6 of 2023 on Enactment of Government Regulation Number 2 of 2022 on Job Creation into Law (State Gazette of the Republic of Indonesia of 2023 Number 41, Supplement to the State Gazette of the Republic of Indonesia Number 6856);
4. Law Number 12 of 2011 on Legislation Making (State Gazette of the Republic of Indonesia of 2011 Number 82, Supplement to the State Gazette of the Republic of Indonesia Number 5234) as amended several times, last by Law Number 13 of 2022 on the Second Amendment to Law Number 12 of 2011 on Legislation (State Gazette of the Republic of Indonesia of 2022 Number 143, Supplement to the State Gazette of the Republic of Indonesia Number 6801);
5. Law Number 23 of 2014 on Local Governments (State Gazette of the Republic of Indonesia of 2014 Number 244, Supplement to the State Gazette of the Republic of Indonesia Number 5587) as amended several times,

last by Law Number 6 of 2023 on Enactment of Government Regulation in Lieu of Law Number 2 of 2022 on Job Creation into Law (State Gazette of the Republic of Indonesia of 2023 Number 41, Supplement to the State Gazette of the Republic of Indonesia Number 6856);

6. Law Number 6 of 2023 on Enactment of Government Regulation in Lieu of Law Number 2 of 2022 on Job Creation into Law (State Gazette of the Republic of Indonesia of 2023 Number 41, Supplement to the State Gazette of the Republic of Indonesia Number 6856);
7. Law Number 12 of 2023 on East Java Province (State Gazette of the Republic of Indonesia of 2023 Number 59, Supplement to the State Gazette of the Republic of Indonesia Number 6868);
8. Government Regulation Number 7 of 2021 on Facilitation, Protection, and Empowerment of Cooperatives and Micro, Small, and Medium Enterprises (State Gazette of the Republic of Indonesia of 2021 Number 17, Supplement to the State Gazette of the Republic of Indonesia Number 6619);
9. Regulation of the Minister of Cooperatives and Small and Medium Enterprises Number 3 of 2021 on Implementation of Government Regulation Number 7 of 2021 on Facilitation, Protection, and Empowerment of Cooperatives and Micro, Small, and Medium Enterprises (State Bulletin of the Republic of Indonesia of 2021 Number 641);

With the Joint Approval of  
THE PROVINCIAL HOUSE OF REPRESENTATIVES OF EAST JAVA  
and  
THE GOVERNOR OF EAST JAVA

HAS DECIDED:

To issue : REGIONAL REGULATION ON PROTECTION AND EMPOWERMENT OF COOPERATIVES AND SMALL ENTERPRISES.

CHAPTER I  
GENERAL PROVISIONS

Article 1

In this Regional Regulation:

1. Region means the Province of East Java.
2. Provincial Government means the Government of the Province of East Java.
3. Governor means the Governor of East Java.
4. Cooperatives and Small and Medium Enterprises Office, hereinafter referred to as the Office, means the Regional Government Agency of East Java Province that administers government affairs in the fields of cooperatives and small and medium enterprises.
5. Regency/Municipal Government means the Regency/Municipal Governments in East Java Province.
6. Cooperatives means a business entity consisting of individuals or legal entities, based on cooperative principles, and serves as a people's economic movement grounded in the principle of cooperation.
7. Small Enterprise means a productive economic venture that operates independently, conducted by individuals or business entities that are not subsidiaries or branches of a medium or large enterprises and meet the criteria for Small Enterprises as referred to in Government Regulation Number 7 of 2021 on Facilitation, Protection, and Empowerment of Cooperatives and Micro, Small, and Medium Enterprises.
8. Protection means efforts made by the Provincial Government, Business Actors, and the community in the form of policies and programs to protect Cooperatives and Small Enterprises from unfair business competition and the impact of local and national economic conditions.
9. Empowerment means efforts made by the Provincial Government and/or Regency/Municipal Governments,

the business world, and the community in synergy, in the form of fostering a climate and business development for Cooperatives and Small Enterprises.

10. Guidance means the efforts, actions, and activities carried out by the Provincial Government aimed at achieving the goals of Cooperatives and Small Enterprises.
11. Business Actor means any individual or business entity, either incorporated or not, established and domiciled in the Region or carrying out activities in the Region, whether independently or in collaboration, through agreements to conduct Cooperative and Small Enterprise activities in various people's economic sectors.
12. Assistance means the work performed by facilitators or mentors of Business Actors in various program activities.
13. Development means efforts made in the form of fostering a climate and business development for Cooperatives and Small Enterprises through the provision of facilities, mentoring, Assistance, and support to foster and improve the capacity and competitiveness of small enterprises.

## Article 2

The Protection and Empowerment of Cooperatives and Small Enterprises are carried out based on the following principles:

- a. productivity;
- b. effectiveness;
- c. efficiency;
- d. integration;
- e. sustainability;
- f. accountability;
- g. transparency;
- h. justice;
- i. legal certainty;
- j. environmental awareness;

- k. cooperation;
- l. togetherness;
- m. business independence; and
- n. local wisdom.

### Article 3

The Protection and Empowerment of Cooperatives and Small Enterprises in this Regional Regulation aims to:

- a. enhance the professionalism, independence, and capabilities of Cooperatives and Small Enterprises in the Region in carrying out their operations through their ability to collaborate and partner; and
- b. foster, empower, and develop Cooperatives and Small Enterprises to become resilient, professional, and independent economic actors in order to advance a people's economy based on cooperation and business partnerships.

### Article 4

The scope of this Regional Regulation includes:

- a. the authority of the Provincial Government;
- b. Protection and Empowerment of Cooperatives;
- c. Protection and Empowerment of Small Enterprises;
- d. Coordination Team for the Protection and Empowerment of Cooperatives and Small Enterprises;
- e. partnerships;
- f. public participation;
- g. reporting;
- h. guidance and supervision; and
- i. funding.

## CHAPTER II

### AUTHORITY OF THE PROVINCIAL GOVERNMENT

### Article 5

- (1) In carrying out the Protection and Empowerment of Cooperatives and Small Enterprises, the Provincial Government has the authority to:

- a. prepare and establish plans for the implementation of the Protection and Empowerment of Cooperatives with members across regencies/cities and Small Enterprises;
  - b. implement the Protection and Empowerment of Cooperatives with members across regencies/cities and Small Enterprises; and
  - c. conduct guidance and supervision of the implementation of the Protection and Empowerment of Cooperatives and Small Enterprises.
- (2) In addition to the authority as referred to in section (1), the Provincial Government also carries out:
- a. facilitation and/or support for the implementation of the Protection and Empowerment of Cooperatives with members within one (1) regency/city and micro enterprises in regencies/cities according to the financial capacity of the Region; and
  - b. coordination with the central government and the Regency/Municipal Government in the implementation of the Protection and Empowerment of Cooperatives, micro enterprises, and Small Enterprises in the Region.

### CHAPTER III

#### PROTECTION AND EMPOWERMENT OF COOPERATIVES

##### Part One

##### Protection of Cooperatives

##### Article 6

- (1) The Provincial Government provides protection to Cooperatives by:
- a. determining economic activity sectors that can only be undertaken by Cooperatives;

- b. establishing areas or sectors in a region that have been successfully managed by Cooperatives to prevent other business entities from engaging in those activities; and
  - c. providing other forms of Protection in accordance with the needs and development of Cooperatives.
- (2) In addition to the protection as referred to in section (1), in certain conditions or emergency situations, the Provincial Government may carry out business recovery for Cooperatives in the form of:
- a. credit restructuring;
  - b. business reconstruction;
  - c. capital assistance; and/or
  - d. other forms of assistance.
- (3) Further provisions regarding other forms of protection and procedures for the protection of Cooperatives are regulated in a Governor Regulation.

## Part Two

### Empowerment of Cooperatives

#### Article 7

- (1) The Provincial Government empowers Cooperatives by fostering a business climate through the formulation of policies in at least the following aspects:
- a. institutional development;
  - b. production;
  - c. marketing;
  - d. finance; and
  - e. innovation and technology.
- (2) The policy in the institutional development aspect as referred to in section (1) point a aims to enhance at least:
- a. the business legality and institutional legality;
  - b. the quality of identity and participation of Cooperative members;



- c. the capacity and competency of human resources in management, supervision, and administration;
  - d. managerial ability and governance of Cooperatives; and
  - e. the capacity of Cooperative members to become Cooperative entrepreneurship through incubation.
- (3) The policy in the production aspect as referred to in section (1) point b aims to enhance at least:
- a. production techniques, processing methods, and management capabilities for Cooperatives;
  - b. facilitation or provision of support in acquiring facilities and infrastructure, production, processing, raw materials, and packaging for Cooperatives;
  - c. encouraging or facilitating the application of standards and certification in production and processing processes; and
  - d. enhancing the design and engineering capabilities for the products of Cooperative members.
- (4) The policy in the marketing aspect as referred to in section (1) point c aims to enhance at least:
- a. building loyalty among Cooperative members;
  - b. developing market potential beyond members for business Development and/or expanding the Cooperative's services to non-member communities in the real business sector;
  - c. Development of Cooperative business networks and promoting mutually beneficial partnerships between Cooperatives and other entities;
  - d. encouraging Cooperative products to obtain intellectual property rights to strengthen their competitiveness in both domestic and international markets;
  - e. curating Regional products that have franchise potential; and
  - f. facilitating the creation of supply chains.
- (5) The policy in the financial aspect as referred to in

section (1) point d aims to enhance at least:

- a. increasing member capital participation in Cooperatives through the accumulation of funds derived from:
  1. grants;
  2. equalization of member savings; and/or
  3. other legitimate and non-binding sources in accordance with the provisions of legislation.
- b. increasing access to financing from funding sources with specific amounts, interest rates or service fees, and deadlines from:
  1. members;
  2. non-members;
  3. other Cooperatives;
  4. banks and non-bank financial industries; and/or
  5. other legitimate and non-binding sources in accordance with the provisions of legislation.

(6) The policy in the innovation and technology aspect as referred to in section (1) point e aims to enhance at least:

- a. improving research and Development capabilities for Cooperative businesses, innovation, and digital transformation;
- b. encouraging improved innovation capabilities in Cooperatives to enhance work efficiency and competitiveness;
- c. promoting the use of technology in design and quality control;
- d. encouraging enhanced cooperation and technology transfer;
- e. providing incentives for Cooperatives that develop environmentally friendly technology; and
- f. Development of Cooperative entrepreneurship through incubation.

(7) In addition to the empowerment as referred to in section (1), the Provincial Government will empower

Cooperatives engaged in certain business sectors, including:

- a. marine and fisheries;
- b. waterway transport and ports;
- c. forestry;
- d. trade; and
- e. agriculture.

- (8) In implementing empowerment as referred to in section (1) and section (7), the Provincial Government may involve the business sector in accordance with their duties and functions as regulated in legislation.
- (9) Further provisions regarding the empowerment of Cooperatives are regulated in a Governor Regulation.

#### Article 8

In order to ensure the effectiveness of Cooperative Empowerment as referred to in Article 7, every Cooperative is required to:

- a. have business legality and/or institutional legality;
- b. conduct feasibility tests for the management and supervisory board of the Cooperative in accordance with the provisions of legislation;
- c. provide services only to members for Cooperatives in the savings and loan business sector; and/or
- d. fulfill other obligations for Cooperatives in accordance with the provisions of legislation.

### CHAPTER IV

#### PROTECTION AND EMPOWERMENT OF SMALL ENTERPRISES

##### Part One

##### Protection of Small Enterprises

#### Article 9

- (1) The Provincial Government provides protection for Small Enterprises through the provision of legal aid

and Assistance services to Small Business Actors free of charge.

- (2) Legal aid and Assistance services as referred to in section (1) are provided in the form of:
  - a. legal education;
  - b. legal consultations;
  - c. mediation;
  - d. preparation of legal documents; and/or
  - e. assistance outside the court.
- (3) In addition to the Protection as referred to in section (1), the Provincial Government:
  - a. actively provides Protection and security to maintain the competitiveness of Small Enterprise products in the domestic market; and
  - b. endeavors to recover Small Enterprises under certain emergency conditions in the form of:
    1. credit restructuring;
    2. business reconstruction;
    3. capital assistance; and/or
    4. other forms of assistance.
- (4) The business recovery as referred to in section (3) point b is prioritized for Small Enterprises affected by conditions aimed at restoring the community's economy.
- (5) Further provisions regarding the procedures for the protection of Small Enterprises are regulated by a Governor Regulation.

## Part Two

### Empowerment of Small Enterprises

#### Article 10

- (1) The Provincial Government conducts the empowerment of Small Enterprises through:
  - a. providing promotional and business Development spaces of at least 30% (thirty percent) of the total commercial area, shopping space, and/or

- strategic promotional spaces in public infrastructure managed by or assets of the Provincial Government;
- b. integrated management of Small Enterprises through cluster arrangement;
  - c. facilitation and assistance in utilizing financial bookkeeping/recording applications for Small Enterprises; and
  - d. encouraging Small Enterprise products to obtain intellectual property rights to enhance competitiveness in domestic and international markets.
- (2) In addition to the forms of empowerment as referred to in section (1), the Provincial Government allocates at least 40% (forty percent) of the total budget value for the procurement of goods/services for the procurement of goods/services from Cooperatives and Small Enterprises originating from domestically produced products as a part of the implementation of increasing the use of domestic products, provided they meet the technical requirements and specifications stated in the procurement documents in accordance with the provisions of legislation.
- (3) Further provisions regarding the forms and procedures for the empowerment of Small Enterprises are regulated by a Governor Regulation.

## CHAPTER V

### COORDINATION TEAM FOR THE PROTECTION AND EMPOWERMENT OF COOPERATIVES AND SMALL ENTERPRISES

#### Article 11

- (1) To optimize and ensure the effectiveness of the implementation of the Protection and Empowerment of Cooperatives and Small Enterprises, the Governor establishes a Coordination Team for the Protection and

Empowerment of Cooperatives and Small Enterprises.

- (2) The Coordination Team for the Protection and Empowerment of Cooperatives and Small Enterprises as referred to in section (1) consists of members from:
  - a. the Provincial Government;
  - b. the Regency/Municipal Governments; and
  - c. the community.
- (3) The Coordination Team for the Protection and Empowerment of Cooperatives and Small Enterprises as referred to in section (1) is established by a Governor Decision.

#### CHAPTER IV PARTNERSHIP

##### Article 12

- (1) The Provincial Government facilitates the establishment of partnerships between Cooperatives and Small Enterprises and the community.
- (2) The community as referred to in section (1) consists of:
  - a. individuals;
  - b. community groups;
  - c. community organizations;
  - d. educational institutions; and/or
  - e. the business and industrial sectors.
- (3) The facilitation as referred to in section (1) is carried out through:
  - a. the provision of data on Cooperative and Small Enterprise actors ready to engage in partnerships;
  - b. the development of partnership pilot projects;
  - c. policy support; and
  - d. coordination in policy and program development, implementation, monitoring, evaluation, and general control over partnership activities.
- (4) Partnership facilitation as referred to in section (1) and section (3) is implemented in accordance with the provisions of legislation.

## CHAPTER VII PUBLIC PARTICIPATION

### Article 13

- (1) The public may actively participate in the Protection and Empowerment of Cooperatives and Small Enterprises in the Region.
- (2) The public participation as referred to in section (1) is carried out through:
  - a. providing suggestions or recommendations to the Provincial Government in the formulation of policies, implementation, monitoring, and evaluation of the Protection and Empowerment of Cooperatives and Small Enterprises in the Region;
  - b. supporting Cooperative and Small Enterprise efforts through financing and human resource development;
  - c. building partnerships with Cooperatives and Small Enterprises to support the Protection and Empowerment of Cooperatives and Small Enterprises in the Region;
  - d. assisting in disseminating or promoting the products or business activities of Cooperatives and Small Enterprises; and/or
  - e. other forms of participation in accordance with the provisions of legislation.
- (3) Further provisions regarding the procedures for public participation are regulated in a Governor Regulation.

## CHAPTER VIII REPORTING

### Article 14

- (1) Cooperatives that conduct savings and loan activities, as well as savings and loan and sharia financing businesses with membership areas spanning multiple regencies/cities, are obligated to submit periodic

reports to the Provincial Government through the relevant Office at least every 3 (three) months or as needed.

- (2) The reports as referred to in section (1) are submitted electronically and/or non-electronically in accordance with the provisions of legislation.
- (3) Cooperatives that fail to fulfill their obligation to submit periodic reports are subject to administrative sanctions in accordance with the provisions of legislation.

#### Article 15

- (1) Every regional apparatus within the Provincial Government submits reports on the implementation of the Protection and Empowerment of Small Enterprises within their respective jurisdictions to the Governor through the relevant Office as needed.
- (2) The reports as referred to in section (1) may be requested by the Coordination Team for the Protection and Empowerment of Cooperatives and Small Enterprises.

#### Article 16

- (1) The Regency/Municipal Governments submit reports on the Protection and Empowerment of Cooperatives and Micro Enterprises in their regions to the Provincial Government through the relevant Office as needed.
- (2) The reports as referred to in section (1) are submitted electronically and/or non-electronically.
- (3) The non-electronic submissions as referred to in section (2) may be conducted through the Coordination Team for the Protection and Empowerment of Cooperatives and Small Enterprises.



CHAPTER IX  
GUIDANCE AND SUPERVISION

Part One  
Guidance

Article 17

- (1) The Provincial Government provides Guidance for Cooperatives and Small Enterprises in the Region.
- (2) The Guidance as referred to in section (1) is carried out in the following aspects:
  - a. institutional aspects;
  - b. marketing;
  - c. financial management;
  - d. production improvement; and
  - e. innovation and technology improvement.
- (3) The Guidance as referred to in section (1) can be carried out in the following forms:
  - a. counseling/dissemination;
  - b. consultation;
  - c. education and training;
  - d. facilitation and Assistance; and
  - e. other forms of Guidance aimed at increasing the professionalism and productivity of Cooperatives and Small Enterprises.

Article 18

- (1) The counseling/dissemination as referred to in Article 17 section (3) point a is carried out to provide understanding regarding cooperatives and Small Enterprises.
- (2) The counseling/dissemination as referred to in section (1) is carried out based on needs, considering the financial capacity of the Region.

Article 19

- (1) The consultation as referred to in Article 17 section (3) point b is carried out when a Cooperative is making changes to:

- a. the articles of association;
  - b. merger, consolidation, and/or dissolution;
  - c. business licensing for Cooperatives; and/or
  - d. other forms of consultation.
- (2) In addition to the types of consultation as referred to in section (1), consultations can be carried out for Cooperatives and Small Enterprises in the following aspects:
- a. financing;
  - b. production;
  - c. marketing; and
  - d. legal matters.
- (3) Cooperatives and Small Enterprises can request for the consultations as referred to in section (1) and section (2) from the relevant Office upon their request.

#### Article 20

- (1) The education and training as referred to in Article 17 section (3) point c are carried out to improve the quality and capacity of human resources in Cooperatives and Small Enterprises.
- (2) The subjects of education and training as referred to in section (1) may include:
- a. the fundamentals of cooperatives or Small Enterprises;
  - b. improving production results;
  - c. financial management;
  - d. financing and capitalization;
  - e. marketing and business Development based on technology and information; and
  - f. other education and training as needed.

#### Article 21

The facilitation and Assistance as referred to in Article 17 section (3) point d may include facilitation and Assistance for:

- a. obtaining business legality;

- b. obtaining ease and access to capital;
- c. registering and acquiring intellectual property rights;  
and/or
- d. improving institutional capacity.

Part Two  
Supervision

Article 22

- (1) In order to ensure the orderly and professional implementation of the Protection and Empowerment of Cooperatives and Small Enterprises in accordance with the provisions of legislation, the Provincial Government is authorized to supervise the implementation of the Protection and Empowerment of Cooperatives and Small Enterprises in the Region.
- (2) The supervision as referred to in section (1) may be carried out in the form of:
  - a. field inspections;
  - b. summoning Business Actors in Cooperatives and/or Small Enterprises suspected of committing violations;
  - c. inspection of institutional and business legality documents;
  - d. coordination with the Regency/Municipal Government for supervision purposes; and
  - e. other forms of supervision in accordance with the provisions of legislation.
- (3) The supervision authority by the Provincial Government as referred to in section (1) and section (2) may be carried out by:
  - a. functional supervisory officers of Cooperatives or non-functional officers within the Cooperative supervision task force for Cooperatives; and
  - b. the Coordination Team for the Protection and Empowerment of Cooperatives and Small Enterprises for supervising Small Enterprises.

#### Article 23

Further provisions regarding guidance and supervision as referred to in Article 17 to Article 22 are regulated in a Governor Regulation.

### CHAPTER X

#### FUNDING

#### Article 24

The funding for the implementation of the Protection and Empowerment of Cooperatives and Small Enterprises in the Region comes from:

- a. the Local Budget; and
- b. other legitimate and non-binding financing sources in accordance with the provisions of legislation.

### CHAPTER XI

#### CLOSING PROVISIONS

#### Article 25

At the time this Regional Regulation comes into force:

- a. Regulation of the Province of East Java Number 4 of 2007 on Empowerment of Cooperatives, Micro, Small, and Medium Enterprises (Regional Gazette of the Province of East Java of 2007 Number 3 Series E); and
  - b. Regulation of the Province of East Java Number 6 of 2011 on Empowerment of Micro, Small, and Medium Enterprises (Regional Gazette of the Province of East Java of 2011 Number 6 Series D),
- are repealed and declared ineffective.

#### Article 26

- (1) The Governor Regulation as the implementation of this Regional Regulation must be issued no later than 3 (three) months after this Regional Regulation is promulgated.

- (2) The relevant Office is responsible for proposing the substantive material for the Governor Regulation as referred to in section (1).
- (3) The substantive material as referred to in section (2) is submitted to the Legal Bureau of the Regional Secretariat for drafting into the Governor Regulation.

#### Article 27

This Regional Regulation comes into force on the date of its promulgation.

In order every person may know hereof, it is ordered to promulgate this Regional Regulation by its placement in the Regional Gazette of the Province of East Java.

Issued in Surabaya  
on 14 May 2024

GOVERNOR OF EAST JAVA,

signed

ADHY KARYONO

Promulgated in Surabaya  
on 14 May 2024

ACTING REGIONAL SECRETARY  
OF THE PROVINCE OF EAST JAVA,

signed

BOBBY SOEMIARSONO

REGIONAL GAZETTE OF THE PROVINCE OF EAST JAVA OF 2024 NUMBER 1  
SERIES D

Jakarta, 26 May 2025

Has been translated as an Official Translation  
on behalf of the Minister of Law  
of the Republic of Indonesia

DIRECTOR GENERAL OF LEGISLATION,



ELUCIDATION OF  
REGULATION OF THE PROVINCE OF EAST JAVA NUMBER 1 OF 2024  
ON  
PROTECTION AND EMPOWERMENT OF COOPERATIVES AND SMALL  
ENTERPRISES

I. GENERAL

The existence of Cooperatives and Small Enterprises is one form of people's economy. In the era of Regional Autonomy, Cooperatives and Small Enterprises represent a potential that must be explored and developed because they can absorb a large number of workers and improve the welfare of society, as the goal of regional development. This situation is also experienced by the East Java Provincial Government, with the industrial and service potential it has, to encourage the improvement of the Protection and Empowerment of Cooperatives and Small Enterprises. Therefore, the management of Cooperatives and Small Enterprises involves not only capital and accessibility but also broader policies aimed at facilitating the growth and development of Cooperatives and Small Enterprises in the Region.

Policies on the Protection and Empowerment of Cooperatives and Small Enterprises in the Region are outlined in Regulation of the Province of East Java Number 4 of 2007 on Empowerment of Cooperatives and Micro, Small, and Medium Enterprises, which was later separated into regulations concerning the Empowerment of Micro, Small, and Medium Enterprises through the issuance of Regulation of the Province of East Java Number 6 of 2011 on Empowerment of Micro, Small, and Medium Enterprises. However, following the enforcement of Law Number 6 of 2023 on Enactment of Government Regulation in Lieu of Law Number 2 of 2022 on Job Creation into Law, Government

Regulation Number 7 of 2021 on Ease, Protection, and Empowerment of Cooperatives and Micro, Small, and Medium Enterprises, and Regulation of the Minister of Cooperatives and Small and Medium Enterprises Number 3 of 2021 on Implementation of Government Regulation Number 7 of 2021, both of these regional regulations are no longer in line with legal developments and public needs due to several reasons as follows:

1. the empowerment policy for Cooperatives has not regulated the 5 (five) aspects of empowerment, which include institutional development, production, marketing, finance, and innovation and technology aspects;
2. the policy on the Empowerment of Small Enterprises has not accommodated regulations regarding the provision of space and promotion in specific locations of certain sizes and regulations on integrated management as well as the involvement of Small Enterprises in government procurement of goods/services;
3. Protection efforts for Cooperatives and Small Enterprises in the Region have not been regulated;
4. the Empowerment regulations for Cooperatives and Small Enterprises in the Region have not involved cross-sectoral regional apparatus for the development of Cooperatives and Small Enterprises; and
5. there has been no regulation explicitly stating the role of the Office as the coordinator for the Protection and Empowerment of Cooperatives and Small Enterprises in the Region.

Based on the explanation of these various issues, adjustments need to be made to Regulation of the Province of East Java Number 4 of 2007 on Empowerment of Cooperatives and Micro, Small, and Medium Enterprises and Regulation of the Province of East Java Number 6 of 2011 on Empowerment of Micro, Small, and Medium Enterprises. Therefore, in accordance with point 237 of Annex II of Law Number 12 of 2011 on Legislation Making, it is necessary to establish a new regional regulation to repeal and replace Regulation of the Province of East Java Number 4 of 2007 and Regulation of the Province of East Java Number 6 of 2011 because the essence and content of these regulations have changed more than 50% (fifty percent), requiring alignment with higher-level legislation.



## II. ARTICLE BY ARTICLE

### Article 1

Sufficiently clear.

### Article 2

#### Point a

The term “principle of productivity” means the Protection and Empowerment of Cooperatives and Small Enterprises in the Region being organized to increase production with minimal resources to achieve optimal results.

#### Point b

The term “principle of effectiveness” means the organization of Protection and Empowerment of Cooperatives and Small Enterprises being in line with the needs and able to provide the greatest benefit in accordance with the established objectives.

#### Point c

The term “principle of efficiency” means the organization of Protection and Empowerment of Cooperatives and Small Enterprises being carried out with the use of limited resources to achieve the established objectives in the shortest time possible and in an accountable manner.

#### Point d

The term “principle of integration” means the organization of Protection and Empowerment of Cooperatives and Small Enterprises being carried out through coordination to avoid overlap.

#### Point e

The term “principle of sustainability” means the organization of Protection and Empowerment of Cooperatives and Small Enterprises being planned with efforts to ensure the ongoing process of development through continuous Protection and Empowerment of Small Enterprises, thereby creating a resilient and independent economy.

#### Point f

The term “principle of accountability” means the organization

of Protection and Empowerment of Cooperatives and Small Enterprises achieving the objectives, whether physical, financial, or beneficial, in line with the principles of Empowerment.

Point g

The term “principle of transparency” means the organization of Protection and Empowerment of Cooperatives and Small Enterprises being conducted openly, especially for the Cooperatives and Small Enterprises that are protected and empowered, as well as other parties in general.

Point h

The term “principle of justice” means the organization of Protection and Empowerment of Cooperatives and Small Enterprises providing equal treatment for all prospective Cooperatives and Small Enterprises to be protected and empowered, and not directed at providing advantages to any specific party by any means or foundation.

Point i

The term “principle of legal certainty” means the organization of Protection and Empowerment of Cooperatives and Small Enterprises being carried out in accordance with the law and legislation to provide legal certainty to all Business Actors in Cooperatives and Small Enterprises, as well as the general public.

Point j

The term “principle of environmental awareness” means the organization of Protection and Empowerment of Cooperatives and Small Enterprises paying attention to and prioritizing the protection and preservation of the environment.

Point k

The term “principle of cooperation” means the organization of Protection and Empowerment of Cooperatives and Small Enterprises being based on the national economy, which is organized based on economic democracy with the principles of togetherness, efficient justice, sustainability, environmental awareness, independence, balanced progress, and national economic unity for the welfare of all the people of Indonesia.

Point l

The term “principle of togetherness” means the organization of Protection and Empowerment of Cooperatives and Small Enterprises being carried out by encouraging the participation of all Business Actors in Cooperatives and Small Enterprises as well as the Business World to jointly contribute to activities aimed at realizing the welfare of the people.

Point m

The term “principle of business independence” means the organization of Protection and Empowerment of Cooperatives and Small Enterprises being carried out while maintaining and prioritizing the independence and internal resource potential as well as the ability of Cooperatives and Small Enterprises to carry out their activities while standing on their own feet.

Point n

The term “principle of local wisdom” means the organization of Protection and Empowerment of Cooperatives and Small Enterprises paying attention to the specific conditions and characteristics of the Region in accordance with the local wisdom of the local community.

Article 3

Sufficiently clear.

Article 4

Sufficiently clear.

Article 5

Sufficiently clear.

Article 6

Section (1)

Sufficiently clear.

Section (2)

The term "certain conditions" means special conditions such as economic and monetary crises, national policies that cause

a decrease in the financial capacity of the public and/or Cooperatives, and other similar conditions.

The term "emergency situations" means natural disasters, non-natural disasters, and social disasters such as floods, earthquakes, epidemics, riots, and others that have been designated as national emergencies in accordance with the provisions of legislation.

Point a

Included in credit restructuring are relaxation and rescheduling of credit.

Point b

Business reconstruction includes providing assistance in the form of grants for production facilities.

Point c

Capital assistance includes capital assistance provided in the form of grants, loans, or financing.

Point d

Other forms of assistance include giving priority to Cooperatives registered as traders in traditional markets who have experienced disasters such as fires, natural disasters, or social conflicts, to obtain stores, kiosks, stalls, and/or tents at affordable usage prices.

Section (3)

Sufficiently clear.

Article 7

Section (1)

The term "business climate" means the condition that the Provincial Government strives to create to empower cooperatives and small enterprises synergistically through the establishment of various legislation and policies in various aspects of economic life so that Cooperatives and small enterprises receive support, certainty, opportunities, protection, and the broadest business support.

Section (2)

Sufficiently clear.

Section (3)

Sufficiently clear.

Section (4)

Sufficiently clear.

Section (5)

Sufficiently clear.

Section (6)

Sufficiently clear.

Section (7)

Sufficiently clear.

Section (8)

Sufficiently clear.

Section (9)

Sufficiently clear.

Article 8

Sufficiently clear.

Article 9

Sufficiently clear.

Article 10

Sufficiently clear.

Article 11

Sufficiently clear.

Article 12

Sufficiently clear.

Article 13

Sufficiently clear.

Article 14

Sufficiently clear.

Article 15

Sufficiently clear.

Article 16

Sufficiently clear.

Article 17

Section (1)

The term "Guidance for Cooperatives and Small Enterprises in the Region" means guidance by the Provincial Government for all Cooperatives and Small Enterprises in the region in accordance with the duties and authorities as regulated in Law Number 23 of 2014 on Local Governments and other relevant legislation.

Section (2)

Sufficiently clear.

Section (3)

Sufficiently clear.

Article 18

Sufficiently clear.

Article 19

Sufficiently clear.

Article 20

Sufficiently clear.

Article 21

Sufficiently clear.

Article 22

Sufficiently clear.

Article 23

Sufficiently clear.

Article 24

Sufficiently clear.

Article 25

Sufficiently clear.

Article 26

Sufficiently clear.

Article 27

Sufficiently clear.

SUPPLEMENT TO THE REGIONAL GAZETTE OF THE PROVINCE OF EAST  
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