The Principle Of Balance In Partnership Relationships Between Micro, Small, And Medium Enterprises (Msmes) And Modern Stores From The Perspective Of Fair Business Competition

Rezmia Febrina [(1)] Krisnadi Nasution [(2)] Rosalinda Elsina [(3)] Fahmi [(4)]

[1,4] Faculty of Law, Lancang Kuning University, Jl. Yos Sudarso Km 8 Pekanbaru
[2,3] Faculty of Law, 17 Agustus University, Jl. Jalan Semolowaru No. 45, Surabaya, Jawa Timur
[1]febrinarezmia@gmail.com [2]krisnadinasution2017@gmail.com [3]rosalindael@untag-sby.ac.id
[4]fahmi@unilak.ac.id

Article Info

Dates:
Accepted: 3-08-2025
Revised: 8-09-2025
Published: 21-5-2026

Keywords: *Priciples, Partneship, MSMEs, Modern Store .*

Abstract

The expansion of modern retail stores is characterized by targeting almost all zones or regions, including areas adjacent to or within the area of traditional markets and MSMEs. This is despite Law Number 20 of 2008 concerning MSMEs, Minister of Trade Regulation Number 18 of 2022 concerning Amendments to Ministerial Regulation Number 23 of 2021 concerning Guidelines for the Development, Arrangement, and Guidance of Shopping Centers and Modern Stores, and Pekanbaru City Regulation Number 9 of 2014 concerning the Management of Traditional Markets, Shopping Centers, and Modern Stores, which regulate partnerships between MSMEs and modern retail stores. The research in this dissertation uses normative legal research. The urgency of regulating partnership relationships between Micro, Small, and Medium Enterprises (MSMEs) and Modern stores from the perspective of fair business competition is crucial to create a healthy, equal, and sustainable business ecosystem. The imbalance in bargaining power between MSMEs and Modern stores often leads to business practices that are detrimental to MSMEs, such as unilateral contracts, unreasonable cost burdens, and late payments. With strengthened regulations, effective supervision, and affirmative policy support, partnerships between MSMEs and Modern stores can become a strategic instrument to encourage fair and equitable national economic growth. The concept of regulating partnership relations between Micro, Small, and Medium Enterprises (MSMEs) and Modern stores in the perspective of fair business competition emphasizes the importance of equal bargaining positions, clarity of rights and obligations, protection against potential unfair business practices based on the principle of justice in order to create fair, healthy, and sustainable business competition in Indonesia.

I. Introduction (12pt Bold)

The presence of modern stores has created fierce competition with MSMEs, traditional markets, and grocery stores, particularly in several retail cities, including Pekanbaru. However, no matter how hard-working and resourced MSMEs are, they cannot compete with the resources of modern retail stores.

These modern retail stores are also commonly known as franchises. David J. Kaufmann defines a franchise as a form or system of marketing and distribution in which a small, independent business, known as the franchisee, is guaranteed the right to market goods and services from another party, known as the franchisor, according to a specified agreement. The franchisee pays a fee, while the franchisee provides support.

Meanwhile, according to the Indonesian National Encyclopedia (ENI), franchising is defined as:

A form of manufacturing or sales cooperation between the franchisee and the franchisee based on a contract and royalty payments. This collaboration involves granting a license or right to use a name or brand, idea, process, formula, or tool by the franchisee to the purchaser (franchisee) and providing technical support in the form of management, training, promotion, and so on. The purchaser (franchisee) pays for this right to use along with royalties, which are generally a percentage of sales.

Article 1, number 1 of Minister of Trade Regulation No. 71 of 2019 explains that a franchise is a special right held by an individual or business entity to a business system with distinctive business characteristics for marketing goods and/or services that have proven successful and can be utilized and/or used by other parties under a franchise agreement. In Pekanbaru, there are 384 business owners who hold Modern Store Business Permits (IUTM) from the Pekanbaru City Department of Trade and Industry (DPP). Among them

are 168 Indomaret retailers, 167 Modern Store retailers, and 3 Planet Modern retailers.

The expansion of modern retail stores is characterized by targeting almost all zones or areas, including areas adjacent to or entering the area of traditional markets and MSMEs. Whereas in Law number 20 of 2008 concerning MSMEs. Minister of Trade Regulation No. 18 of 2022 concerning Amendments to Minister of Trade Regulation No. 23 of 2021 concerning Guidelines for the Development, Arrangement, and Guidance of Shopping Centers and Modern Stores as well as Pekanbaru City Regulation No. 9 of 2014 concerning the Management of Traditional Markets, Shopping Centers and Modern Stores regulates partnerships between MSMEs and Modern retail stores, as stated in Article 1 Paragraph (8) of the Minister of Trade Regulation that partnerships are cooperation in business relationships, both directly and indirectly, based on the principles of mutual need, trust, strengthening and benefit involving MSMEs with retail businesses.

In the provisions of Article 7 of the Minister of Trade Regulation No. 23 of 2021 concerning Amendments to the Minister of Trade Regulation No. 23 of 2021 concerning Guidelines for the Development, Arrangement, and Guidance of Shopping Centers and Modern Stores, it explains about partnerships.

Partnerships in developing MSMEs in shopping centers and modern stores can be conducted through trade and/or franchise schemes.

a. Partnerships under the general trade scheme as referred to in paragraph (1) can be conducted in the following forms:
b. Sales collaboration
c. Provision of business locations Provision of supplies

In paragraph (4), the provision of business locations as referred to in

paragraph (2) letter b is carried out in the form of providing business space within shopping centers to MSMEs. Meanwhile, in Pekanbaru City Regional Regulation No. 9 of 2014, Article 42 paragraph (4) states:

"Partnerships with a general trading pattern as referred to in paragraph (1) may be carried out in the form of marketing cooperation, provision of business locations, or acceptance of supplies from Suppliers to Modern Stores, conducted openly.

And Article 46 states:

(1) Business actors may establish a maximum of 100 (one hundred) Modern Store outlets owned and managed by themselves (company-owned outlets).

(2) If a business actor already has 100 (one hundred) Modern Store outlets and plans to add more, they are required to enter into a partnership as referred to in Article 42.

Article 42 does not specifically explain marketing cooperation and provision of business locations. Furthermore, the absence of Article 46 hinders the development of MSMEs, especially zoning regulations. The layout of modern retail stores in Pekanbaru City is not explained in detail, resulting in many MSMEs being unable to compete and ultimately going out of business.

The most challenging obstacles faced by small business owners (MSMEs) concern capital, financial management, marketing access, and multi-business focus. Business opportunities for MSMEs have recently become increasingly limited, as activities that MSMEs could undertake are being taken over by retail businesses. Retail businesses, with their strong capital and management, have successfully penetrated business networks from upstream to downstream, making it difficult for small businesses to develop and

often face obstacles in running their businesses. Meanwhile, the Antimonopoly Law has not been effective enough in maintaining healthy competition. Another challenge encountered is the difficulty of establishing partnerships between MSMEs and modern retail stores. Numerous technical requirements tend to hinder MSMEs from partnering with modern retail stores, even though the simple concept of a partnership between the two is generally one where the modern retail store helps market MSME products in its outlets and provides MSMEs with a marketing space in front of the modern retail store as a sales point. However, this is also very difficult to implement.

Partnerships between business actors are an integral part of business activities. In an economic democracy, a climate of healthy competition is absolutely essential to create and maintain, while an unhealthy competitive atmosphere must be avoided. Healthy competition is aimed at increasing business competitiveness through increased company efficiency and productivity, new product development, and export market expansion. Unhealthy competition, on the other hand, includes competition aimed at eliminating competitors through unfair means, monopolizing a business sector to gain excessive profits, and closing opportunities for new competitors through various means.

Problem Formulation

1. The urgency of regulating partnerships between micro, small, and medium enterprises (MSMEs) and modern stores from the perspective of fair business competition.

2. The concept of regulating partnerships between micro, small, and medium enterprises (MSMEs) and modern stores from the perspective of fair business competition.

2. Research Method

The research in this dissertation uses normative legal research. Suratman and Philips Dillah said that normative legal research is also called doctrinal legal research or library research or document study, because it is aimed at written regulations or other legal materials. The term doctrinal legal research can also be called normative legal research or can also be called normative juridical research, namely research that focuses on studying the rules or norms contained in positive law. Research in legal science is research at the level of legal dogmatics (Reachtsdogmatiek). Mochtar Kusumaatmadja and Koesnoe call it positive legal science, Philip Hadjon calls it dogmatic legal science, H. Ph. Visser 't Hooft calls it practical legal science.

2. Results and Discussion

A. The Urgency of Regulations in Partnership Relations between Micro, Small and Medium Enterprises (MSMEs) and Modern Stores from the Perspective of Fair Business Competition

One of the state's responsibilities, as stated in the preamble to the 1945 Constitution of the Republic of Indonesia in the fourth paragraph, is to advance the general welfare. Therefore, the state is required to play an active role in promoting the realization of general welfare for all Indonesian people through economic empowerment based on a people's economy. One way to achieve this is by encouraging the growth and development of Micro, Small, and Medium Enterprises (MSMEs).

Micro, Small, and Medium Enterprises (MSMEs) are pillars of economic democracy

based on a people's economy. Economic democracy, as the foundation for building the nation's economic activities, is clearly stated in Article 33 Paragraph (4) of the 1945 Constitution of the Republic of Indonesia, which states:

a. The national economy is organized based on economic democracy with the principles of togetherness, efficiency with justice, sustainability, environmental awareness, independence, and by maintaining a balance between progress and national economic unity.
b. Literally, economic democracy, as outlined in Article 33 of the 1945 Constitution of the Republic of Indonesia, aims not only to develop a controlled market economic mechanism dedicated to the welfare of society, but also to encourage private initiative in economic activities while maintaining a balance between private and social interests in economic management through control instruments as a form of government intervention to maintain healthy and fair competition.
c. Article 33 lays out the basis of economic democracy: production is carried out by all, for all, under the leadership or supervision of community members. The prosperity of society is prioritized, not the prosperity of individuals. Therefore, the economy is structured as a joint effort based on the principle of kinship.

The considerations in letter b of the Anti-Monopoly Law state:

"Democracy in the economic sector requires equal opportunities for every citizen to participate in the production and marketing of goods and/or services, in a healthy, effective, and efficient business climate, thereby encouraging economic growth and the functioning of a fair market economy:

a. The economy is based on economic democracy, prosperity for all. Therefore, sectors of production that are important to the state and that affect the livelihoods of many must be controlled by the state. Otherwise, the reins of production will fall into the hands of powerful individuals and the people they oppress. Only companies that do not affect the livelihoods of many may be in the hands of individuals. Land, water, and the natural resources contained therein are the foundations of the people's prosperity. Therefore, they must be controlled by the state and utilized for the welfare of the people. This principle implies the understanding that economic activity in Indonesia is of all, by all, and for all, even under the ownership of members of society.
b. Economic democracy is closely linked to the concept of popular sovereignty in the economic sector. The concept of popular sovereignty in the economic sector embodies the notion that supreme power rests with the people, encompassing not only politics but also the economy. MSMEs are a manifestation of popular sovereignty in the economic sector itself, as MSMEs have traditionally carried out production and distribution independently.

The principle of economic democracy is essentially derived from the concept of the welfare state. According to Briggs in Johnny Ibrahim, the role of the state in the welfare state concept is "to modify the play of market forces." The need for control and restrictions on the operation of these market forces is to address negative elements that are undesirable as outcomes or consequences of the operation of these market forces. According to Goodin in his book The Welfare State, state intervention in regulating the market is described as "a public intervention in the private market economy." The goal is

to promote public welfare and maximize social welfare, thereby minimizing the impact of market failure on society caused by so-called "moral hazard" and misallocation of resources.

1. One important principle of partnership is that both parties must continually improve the quality of goods or services and the efficiency, cost, or price of said goods/services. This way, companies can survive in increasingly fierce global competition. Resilience in competition allows companies to survive and continuously develop in the quality and price of goods, which is in the interests of both parties.
2. The People's Economic System refers to the values of Pancasila as the Indonesian nation's value system, whose goal is to realize social justice for all Indonesian people. One of its intrinsic elements is the Pancasila Economy, whose basic values are as follows:
   a. Divinity, where "the wheels of the nation's economic activity are driven by economic, social, and moral stimuli."
   b. Humanity, namely: "social equality, namely the strong will of citizens to realize social equality, not allowing the occurrence and development of economic inequality and social disparities."**Kepentingan Nasional (Nasionalisme Ekonomi)**, di mana "nasionalisme ekonomi; bahwa dalam era globalisasi makin jelas adanya urgensi terwujudnya perekonomian nasional yang kuat, tangguh, dan mandiri".
3. **The Interests of the People (Economic Democracy): "Economic democracy is based on the people and family; cooperatives and cooperative businesses inspire the**

economic behavior of individuals and communities."

Legal Regulation Substance that can encourage business opportunities for MSMEs through the existence of modern stores.

1. Restrictions on Market Access for Modern Stores

As explained on the previous page, the distance between Modern Retail Stores and Traditional Markets and MSMEs has economic consequences for consumer preferences and the sustainability of Traditional Markets and MSMEs. Some consumers who were MSME customers before the Modern Retail Stores operated eventually switched to Modern Retail Stores, resulting in reduced income or revenue for these MSMEs, including MSMEs whose products are also partly sourced from MSMEs. The law must be present to balance the market between Modern Retail Stores and Traditional Markets and MSMEs by regulating the distance between Modern Retail Stores and Traditional Markets and MSMEs within a certain radius. The Minister of Trade Regulation has provided guidelines regarding this distance, requiring that local governments, in determining the number and distance, must consider: a). Population density and growth rates in each region according to the latest Central Statistics Agency (BPS) census data; b). Local economic potential; f). Local community lifestyle patterns. This is crucial for creating market balance and fairness in the distribution of goods and consumption culture between MSME markets and modern retail stores. This aligns with John Rawls's view that a people-centered justice enforcement program must address two principles of justice: first, providing equal rights and opportunities to the broadest basic freedoms, as broad as the same freedoms for everyone. Second, managing existing socioeconomic disparities to provide reciprocal benefits. Therefore, the principle of difference demands that the basic structure of society

be regulated in such a way that gaps in prospects for accessing key aspects of welfare, income, and authority are allocated to the benefit of the least fortunate. This means that social justice must be fought for in two ways: first, correcting and improving the conditions of inequality experienced by the vulnerable by establishing empowering social, economic, and political institutions. Second, every regulation must position itself as a guide for developing policies to correct the injustices experienced by the vulnerable. Based on data from the Ministry of Cooperatives, Small and Medium Enterprises (KUKM) in 2018, the number of MSMEs was 64.2 million, or 99.99% of the total number of business actors in Indonesia. Two years earlier, in 2016, there were 61.7 million MSMEs in Indonesia. The number continues to increase, in 2017, the number of MSMEs reached 62.9 million and in 2018, the number of MSMEs reached 64.2 million. It is predicted that in 2019, 2020, and 2021, the number will continue to increase. The workforce absorption capacity of MSMEs is 117 million workers, or 97% of the workforce absorption capacity of the business world. Meanwhile, the contribution of MSMEs to the national economy (GDP) retail is 61.1%, and the remaining 38.9% is contributed by retail business actors, which number only 5,550 retail or 0.01% of the total number of business actors. These MSMEs are dominated by micro business actors, which number 98.68% with a workforce absorption capacity of around 89%. Meanwhile, the contribution of micro businesses to GDP is only around 37.8%.

Balance is needed to achieve fairness in the competition between MSMEs and retail stores, including:

1. Fairness in Market Access:

a. MSMEs must have equal opportunities to enter markets dominated by modern stores.

b. Modern stores need to provide space for MSME products to be marketed, thus creating healthy competition.

2. Transparency in Cooperation:

a. Information regarding the terms and conditions of cooperation must be clearly communicated.

b. Modern stores must be transparent about pricing and promotional policies that may affect MSMEs.

3. Support and Mentoring:

a. Modern stores can provide training and support to MSMEs to improve product quality and business management.

b. This mentoring program can help MSMEs adapt to changing market demands.

4. Joint Innovation:

a. Collaboration between MSMEs and modern stores can encourage product innovation that is more relevant to consumer needs.

b. Modern stores can collaborate with MSMEs in developing attractive new products.

5. Joint Marketing:

a. Modern stores can help market MSME products through joint promotional campaigns.

b. An integrated marketing strategy can increase the visibility of MSME products in the market.

6. Business Ethics:

a. Partnerships must be based on the principles of good business ethics, including mutual respect and appreciation for each party's contributions.

b. Fair business practices will strengthen trust between MSMEs and modern stores.

7. Supportive Regulations:

a. The government needs to issue regulations that support this partnership, including protection for MSMEs from detrimental practices.

b. Fair policies will create a better business climate for all market players.

B. The Concept of Regulation in Partnership Relations between Micro, Small and Medium Enterprises (MSMEs) and Modern Stores from the Perspective of Fair Business Competition

According to Herlien Budiono, the criterion of balance lies in achieving social propriety (sociale geindheid) or a balance of immaterial propriety (immaterial le geindheid), which is a goal that serves as a foundation for justification. The cooperative and MSME sectors often receive attention in Indonesian economic policy. The government ensures that national economic development is based on a people-based economy. This development of the people-based economy is guided by policies oriented toward small entrepreneurs, in the form of state assistance facilities, particularly protection from unfair business competition, education, training, business and technology information, capital, and business locations.

1) To achieve this goal of empowering small businesses, the government has the following duties and roles:
    a. Fostering a conducive business climate for small businesses through the establishment of laws and regulations and policies on funding, competition, infrastructure, information, partnerships, business licensing, and protection;

b. Fostering and developing small businesses in collaboration with the business community and the community, particularly in the areas of production and processing, marketing, human resources, and technology.
c. Providing financing for the empowerment of small businesses, in collaboration with the business community and the community, in the form of bank credit, loans from non-bank financial institutions, venture capital, loans from a portion of state-owned enterprise profits, grants, and other types of financing.

2) Facilitating partnerships between small businesses and medium-sized enterprises and retailers through the following patterns: nucleus-plasma, subcontracting, general trading, franchising, agency, and other forms of partnership.
3) Assigning the Minister in charge of small businesses to coordinate and control the empowerment of small businesses;
4) Implementing criminal and administrative sanctions against medium-sized enterprises and retailers that harm small business empowerment.
5) MSMEs are considered to play a vital role and are key players in the Indonesian economy. Therefore, the direction of cooperative and MSME development policies will essentially be closely linked to the concept of institutional strengthening and increasing the capacity or capabilities of cooperatives and MSMEs themselves. Some of the strategic values of small businesses for the development of the national economy are:

a. There are indications that many specific products produced by the real sector are actually used by medium-sized industries and retailers due to more economical margins;
b. They represent an equalizing concentration of economic power within society;
c. The legal procedures for establishing MSMEs are very simple;
d. MSMEs are generally more likely to survive because in their business sector, they are often pioneers of new products with no competitors.
e. Business diversification is always open because the MSME market is still large and can be explored through the creativity of MSME actors.
f. They require relatively little investment, do not require highly educated workers, and other production facilities are relatively inexpensive.

Partnership strategies also aim to foster a sense of social responsibility among entrepreneurs in uplifting the lives of the people. Economically, the concept of partnership emerged to address the dynamics and intense competition in business, both nationally and globally. In this context, partnership is more accurately defined as a business strategy undertaken by two or more parties over a specific period of time to achieve mutual benefit based on the principle of mutual benefit.

Partnerships are a natural human need as social beings. They are not solely based on business considerations, but are conducted based on the principles of fairness, mutual need, mutual assistance, and mutual benefit. Partnerships also encompass the meaning of sustainable development and fostering.

Conclusion

The urgency of regulating partnership relations between Micro, Small, and Medium

Enterprises (MSMEs) and Modern stores in the perspective of fair business competition is very important to be realized in order to create a healthy, equal, and sustainable business ecosystem. The imbalance in bargaining power between MSMEs and Modern stores often gives rise to business practices that are detrimental to MSMEs, such as unilateral contracts, unreasonable cost burdens, and late payments. With strengthening regulations, effective supervision, and affirmative policy support, partnerships between MSMEs and Modern stores can be a strategic instrument to encourage fair and equitable national economic growth. The concept of regulating partnership relations between Micro, Small, and Medium Enterprises (MSMEs) and Modern stores in the perspective of fair business competition emphasizes the importance of equal bargaining power, clarity of rights and obligations, protection against potential unfair business practices based on the principle of justice in order to create fair, healthy, and sustainable business competition in Indonesia.

Refrences

Syaiful Bahri. 2023. 'Ideologi Ekonomi Kerakyatan Mohammad Hatta (Jalan Tengah Teori Merkantilisme Liberalisme Dan Marxisme)', *Jurnal Masyarakat Dan Desa*, 3.2

Ravi Ramasary. 2020. 'Ravi Ramasary, A. M. (2020).', *Exploring Logistics Strategy in Malaysian SMEs Performance. International Journal of Supply Chain Management*

Susanto, Persaingan Usaha Tidak Sehat di Indonesia Menurut Hukum Ekonomi Islam dan Undang-Undang Nomor 5 Tahun 1999 Tentang Larangan Monopoli dan Persaingan Usaha Tidak Sehat, Journal of Islamic Economics, Finance and Banking E-ISSN: 2598-0955, Vol.3 No.2, November 2019

Tri Joko Utomo, PERSAINGAN BISNIS RITEL: TRADISIONAL VS MODERN (The Competition of Retail Business: traditional vs Modern Ekonomi Vol. 6 No. 1, Juni 2011

Anrihal Rona Fajari, Anita Afriana. 2018. '"Penggunaan Economic Evidence Sebagai Alat Bukti Oleh Komisi Pengawas Persaingan Usaha"', *Jurnal Bina Mulia Hukum*, 2.2

Yasmin Nurzahrah, et.al. "Tinjauan Yuridis Terhadap Pendirian Perusahaan Ritel Berjejaring terhadap Waralaba Indomaret dan Alfamart di Kota Padang" Humantech Jurnal Ilmiah Multi Disiplin Indonesia, Vol. 2, No. 5, Maret 2023, hlm 1-1

Fachri Yasin. 2022. *Petani, Usaha Kecil Dan Koperasi Berwawasan Ekonomi Kerakyatan* (Pekanbaru: Unri Press)

Soekanto Soerjono dan Sri mamudji, *Penelitian Hukum Normatif* (Jakarta: RajaGrafindo Persada, 2004).

Asep Bambang Hermanto, "Politik Hukum Dalam Demokrasi Ekonomi Indonesia", Jurnal SELISIK - Volume 4, Nomor 7, Desember 2018.

Helza Nova Lita, "Penerapan Prinsip-Prinsip Demokrasi Ekonomi Konstitusi Menurut Undang-Undang 1945 Terhadap Pelaksanaan Perjanjian Internasional Terkait Bidang Perdagangan, Investasi, Dan Utang," https://www.researchgate.net/publication/343206992_Penerapan_Prinsip-Prinsip_Demokrasi_Ekonomi_Konstitusi_menurut_Undang-Undang_1945_terhadap_Pelaksanaan_Perjanjian_Internasional_terkait_bidang_Perdaga ngan_Investasi_dan_Utang/link/5f1c06b1299bf1720d627, n.d., https://www.researchgate.net/publication/343206992_Penerapan_Prinsip-

Prinsip_Demokrasi_Ekonomi_Konstitusi_menurut_Undang-Undang_1945_terhadap_Pelaksanaan_Perjanjian_Internasional_terkait_bidang_Perdaga ngan_Investasi_dan_Utang/link/5f1c06b1299bf1720d627.

Asep Bambang Hermanto, "Politik Hukum Dalam Demokrasi Ekonomi Indonesia," *Jurnal SELISIK* 4, no. 7 (2018).