Legal Protection for Micro, Small, and Medium Enterprises Against the Unilateral Authority of Digital Platforms in Realizing Legal Certainty

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Abstract

This research aims to analyze the issues of legal protection for Micro, Small, and Medium Enterprises (MSMEs) from the perspective of positive Indonesian law and to formulate a reconstruction of a legal harmonization model that can achieve legal certainty in the digital trade ecosystem. The research uses a normative legal method with a legislative approach and a conceptual approach thru analysis of the legal regime for MSMEs, Electronic System Trade (PMSE), contract law, consumer protection law, and business competition law. The research results indicate that legal protection for MSMEs is not yet effective due to the fragmentation of regulations, which results in a normative vacuum regarding the limits of authority of digital platforms as gatekeepers, algorithm transparency, accountability for digital decisions, protection against unbalanced standard clauses, and guaranties of procedural rights for MSMEs. This research offers a novelty in the form of a legal harmonization model reconstruction thru the integration of MSME law, electronic commerce law, contract law, and competition law into a coherent regulatory framework. The model is built on six fundamental principles: protection of MSMEs, freedom to operate, healthy business competition, legal certainty, algorithm transparency, and platform accountability, which are implemented thru a ban on unilateral account suspension, prior notice obligation, recognition of the right to be heard, independent internal review mechanisms, independent dispute resolution, and transparency in changes to terms and conditions and algorithms. This harmonization model is expected to strengthen legal certainty, achieve contractual justice, and create a more accountable and fair digital platform governance for MSMEs.

I. Introduction

Mining The transformation of the digital economy has fundamentally altered the patterns of trade in goods and services in Indonesia. The emergence of various digital platforms (digital marketplaces) has not only created greater transactional efficiency but has also shaped a new configuration of legal relationships among business actors, platform providers, and consumers. (Fay & Ciuriak, 2021). In this context, Micro, Small, and Medium Enterprises (MSMEs) are among the groups of business actors that benefit most significantly from digitalization, as they gain broader access to markets without being constrained by geographical boundaries or conventional distribution costs (Sulistyono et al., 2023). Data indicate that the digitalization of MSMEs has become one of the national strategies for strengthening national economic competitiveness while promoting innovation-driven economic growth. Nevertheless, MSMEs' dependence on digital platforms simultaneously gives rise to new legal issues, particularly an unequal bargaining position between digital platforms, as controllers of the ecosystem, and MSMEs, as users of platform services.

In practice, the legal relationship between digital platforms and MSMEs is established through electronic contracts in the form of standard-form contracts, in which nearly all contractual clauses are unilaterally drafted by platform operators (Krismat Hutagalung, Hasnati, 2021). This condition leaves MSMEs with little to no opportunity to negotiate the various terms imposed by digital platforms, including changes to product search algorithms, the determination of commission rates, payment suspension, account blocking, product removal, promotional restrictions, and unilateral termination of business relationships. Such measures are often taken on the basis of the platform's internal rules (terms of service), without adequate notice mechanisms, effective procedures for lodging objections, or external oversight to ensure the protection of MSMEs' interests (Van Uytsel & Uemura, 2021). As a result, the legal relationship, which was initially established on the basis of freedom of contract, has shifted toward a subordinate relationship, as digital platforms possess the authority to determine nearly all aspects of digital trading activities.

This phenomenon demonstrates that digital platforms no longer function merely as intermediaries in electronic transactions but have evolved into private actors exercising regulatory power (private regulatory power) (Ferri, 2021). Through control over data, algorithms, ranking systems, product recommendation mechanisms, and access to digital markets, platforms essentially perform functions resembling those of private regulators, capable of determining which business actors gain market visibility and which are excluded from digital competition. This power gives rise to a new form of economic dominance that cannot always be effectively addressed

through conventional trade law or classical contract law. Therefore, the issue of legal protection for MSMEs is no longer limited to contractual protection but also encompasses the regulation of abuse of dominant position, algorithmic transparency, accountability in platform governance, and guarantees of due process in digital decision-making.

Normatively, Indonesia has in fact established various legal instruments concerning the protection of MSMEs and the conduct of electronic commerce, including Law Number 20 of 2008 on Micro, Small, and Medium Enterprises, as amended by Law Number 6 of 2023 on the Stipulation of Government Regulation in Lieu of Law Number 2 of 2022 on Job Creation as Law; Law Number 7 of 2014 on Trade; Law Number 11 of 2008 on Electronic Information and Transactions, as subsequently amended; Government Regulation Number 80 of 2019 on Trading Through Electronic Systems; and Law Number 5 of 1999 on the Prohibition of Monopolistic Practices and Unfair Business Competition. In addition, the government has issued various regulations concerning the governance of electronic commerce and the protection of business actors within the digital ecosystem (Koos, 2022). Nevertheless, these regulatory frameworks remain sectoral in nature and have therefore been unable to provide comprehensive legal protection against unilateral actions by digital platforms. MSME law primarily focuses on business empowerment and development, electronic commerce law focuses on the conduct of electronic transactions, while competition law is directed toward monitoring market structures and anticompetitive conduct. These three legal regimes have not yet been integrated into a single normative framework capable of anticipating the growing economic power of digital platforms.

The absence of harmonization among these legal regimes creates legal uncertainty for MSMEs. In practice, actions such as account suspension, product delisting, changes to product search algorithms, and adjustments to service fees are often difficult to effectively challenge through existing legal mechanisms because each legal regime has a different regulatory scope. From the perspective of MSME law, such actions may potentially hinder the empowerment of small businesses. From the perspective of electronic commerce law, such actions concern the governance of electronic systems and digital contractual relationships. Meanwhile, from the perspective of competition law, such actions may be characterized as abuse of dominance or self-preferencing when carried out by platforms possessing significant market power (Varma, 2023). Fragmentation of these regulatory frameworks has resulted in legal protection for MSMEs that remains incapable of providing legal certainty as guaranteed by the principle of the rule of law.

The development of digital regulation in various countries demonstrates a

growing trend toward more comprehensive regulation of the power exercised by digital platforms. Various jurisdictions have begun developing ex ante regulatory approaches that require algorithmic transparency, prohibit discriminatory treatment of business actors, guarantee mechanisms for challenging platform decisions, and strengthen oversight of platforms holding dominant positions. These developments demonstrate that protecting business actors in the digital economy can no longer be achieved solely through a contractual law approach. Rather, it requires the integration of electronic commerce law, competition law, and MSME empowerment policies to establish a balance between digital innovation and the protection of business actors' rights.

A number of previous studies have examined the legal protection of MSMEs in electronic commerce, marketplace regulation, standard-form clauses in electronic contracts, and abuse of dominant positions by digital platforms. Other studies have explored the relationship between the digital economy and competition policy, including the urgency of supervising platforms that control digital markets. However, most of these studies continue to analyze the issues separately based on a particular legal regime. Studies on MSME law generally focus on empowerment and financing aspects, while research on electronic commerce law focuses more heavily on electronic transactions and consumer protection. Meanwhile, studies on competition law tend to emphasize anticompetitive conduct and digital market structures. To date, there remains very limited research integrating these three legal regimes as a unified system of legal protection for MSMEs facing the unilateral authority of digital platforms. This conceptual gap constitutes the research gap and demonstrates the need for a more integrative legal approach.

Based on these conditions, this study offers novelty in the form of developing a legal harmonization model between MSME law, electronic commerce law, and competition law as the foundation for establishing an integrated legal protection system against unilateral actions by digital platforms. The harmonization model is constructed through the integration of the principles of MSME empowerment, transparency and accountability in the conduct of electronic commerce, and fair competition principles, with the aim of producing a regulatory framework capable of establishing a balance of rights and obligations between digital platforms and MSMEs. This model is intended not only to reduce regulatory fragmentation but also to provide legal certainty through the synchronization of legal norms, institutional coordination, and the development of more effective dispute resolution mechanisms within the digital commerce ecosystem.

Based on the foregoing, this study aims to analyze the forms of legal protection currently afforded to MSMEs against the unilateral authority of digital platforms,

identify normative weaknesses in the existing regulatory framework, and formulate a legal harmonization model between MSME law, electronic commerce law, and competition law as a foundation for national legal reform. The resulting model is expected to establish legal certainty, strengthen the balance of the legal relationship between digital platforms and MSMEs, and simultaneously support the development of a fair, competitive, and sustainable digital economic ecosystem.

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2. Research Method

This study constitutes normative legal research oriented toward examining legal norms as a system governing the legal relationship between digital platforms and Micro, Small, and Medium Enterprises (MSMEs) in the conduct of electronic commerce. Normative legal research was selected because the issues examined concern the disharmony of regulations governing legal protection for MSMEs, which are dispersed across various legal regimes, namely MSME law, electronic commerce law, and competition law. Accordingly, the research is directed toward analyzing the consistency, synchronization, and adequacy of legal norms in providing legal certainty concerning the exercise of unilateral authority by digital platforms, while also formulating a legal harmonization model capable of integrating these three legal regimes into a comprehensive legal protection framework.

The research approaches employed consist of a statutory approach and a conceptual approach. The statutory approach is undertaken by systematically examining various laws and regulations concerning MSME protection, electronic commerce, electronic transactions, and competition law in order to identify regulatory consistency and disharmony in providing legal protection for MSMEs. The conceptual approach is used to examine various legal doctrines and theories concerning legal certainty, legal protection, the principle of proportionality, balance in contractual relationships, abuse of dominant position, platform governance, and the concept of digital economy regulation as a foundation for constructing an integrative legal framework.

The legal materials used in this study consist of primary, secondary, and tertiary legal materials. Primary legal materials include the 1945 Constitution of the Republic of Indonesia, Law Number 20 of 2008 on Micro, Small, and Medium Enterprises, as amended by Law Number 6 of 2023; Law Number 7 of 2014 on Trade; Law Number 11 of 2008 on Electronic Information and Transactions, as subsequently amended; Government Regulation Number 80 of 2019 on Trading Through Electronic Systems; Law Number 5 of 1999 on the Prohibition of Monopolistic

Practices and Unfair Business Competition; as well as various implementing regulations relating to digital commerce and MSME protection. In addition, this study also employs international legal instruments and comparative regulations concerning digital platform governance as comparative materials in formulating the legal harmonization model.

2. Results and Discussion

A. Problems of Legal Protection for MSMEs Against the Unilateral Authority of Digital Platforms from the Perspective of Indonesian Positive Law

Digital transformation has essentially given rise to a new paradigm known as the platform economy, an economic model that positions digital platforms as the primary infrastructure connecting various market participants through the use of information technology, cloud computing, artificial intelligence, and large-scale data analytics (Sulistyowati et al., 2025). Within this system, economic value is no longer generated solely through ownership of physical assets but increasingly through control over user networks, data, algorithms, and the ability to regulate the flow of information. Consequently, the legal relationship between MSMEs and digital platforms has undergone significant transformation. MSMEs no longer merely engage in sales transactions with consumers but must first comply with a set of terms and conditions unilaterally established by platform operators (Hapsari et al., 2022). The continuity of MSMEs' business activities is therefore highly dependent on the platform's internal policies, ranging from the registration process, product categorization, search ranking systems, promotional mechanisms, and the determination of service fees to dispute resolution mechanisms.

The changing nature of this legal relationship demonstrates that digital platforms have acquired a significantly more dominant position than the business actors utilizing their services. Such dominance arises not merely from technological ownership but also from control over digital infrastructure, which serves as the primary gateway to the market. From the perspective of digital economic law, this condition places platforms in the role of gatekeepers, namely entities with the authority to determine which business actors gain access to digital markets, how products are presented to consumers, and under what circumstances such access may be restricted or even terminated (Azzery, 2022). The concept of the gatekeeper

illustrates that economic power in the digital era is no longer measured solely by control over capital or productive assets, but also by the ability to control access to information, transaction flows, and user behavior within a digital ecosystem.

Digital platforms have the ability to establish various policies that directly affect the continuity of MSMEs' business activities (Disantara et al., 2023). Through search algorithms, platforms can determine which products appear on the first page, are recommended to consumers, or receive access to specific promotional features (Abraha, 2023). Conversely, unilateral changes to algorithms may result in reduced store visibility, a decline in visitor traffic, and a decrease in transaction volume, even when the business actor has not committed any wrongdoing (Kurniawan, Samsithawrati, Disantara, & Nutakor, 2025). In practice, policies concerning algorithmic changes are often implemented without adequate notice, without explanations regarding the parameters employed, and without effective mechanisms for business actors to lodge objections. As a result, MSMEs face legal uncertainty because the success or failure of their business activities is no longer determined solely by product quality or compliance with legal requirements, but also by internal platform decisions that are not always transparent.

In addition to controlling market access, digital platforms also have the authority to determine commission rates, administrative fees, logistics service fees, promotional terms, and mechanisms for managing ratings and reviews, all of which directly affect the competitiveness of MSMEs. These policies are generally set out in terms and conditions drafted unilaterally as standard-form contracts. In such circumstances, MSMEs are effectively faced with the choice of accepting all of these terms on a "take-it-or-leave-it" basis or being denied access to the digital market altogether. This configuration of the legal relationship demonstrates a shift away from the principle of freedom of contract toward a more subordinate legal relationship, in which one party possesses substantially greater power to determine the content, performance, and termination of the contractual relationship.

This phenomenon demonstrates that digital platforms have, in essence, assumed functions resembling those of private regulators. Through internal policies, community standards, content moderation systems, and automated algorithms, platforms establish norms that must be complied with by all business actors without undergoing the legislative processes ordinarily associated with the enactment of laws and regulations. In practice, decisions concerning account suspension, product delisting, restrictions on promotional access, and store

termination are often made on the basis of internal platform assessments without transparent procedures or review mechanisms that safeguard business actors' rights to present a defense. This situation demonstrates the transfer of certain regulatory functions from the state to private entities that exercise substantial economic influence over the continuity of business activities.

From the perspective of Indonesian positive law, these developments have not yet been fully accompanied by the establishment of a regulatory framework capable of responding to changes in the structure of power within the digital economy. Various regulations concerning MSMEs, electronic commerce, consumer protection, and competition law continue to be formulated based on assumptions of conventional legal relationships in which the parties are positioned as relatively equal. Consequently, the distinctive characteristics of legal relationships within the platform economy have not been adequately regulated, particularly with regard to the limits of platform authority as gatekeepers, transparency obligations in digital decision-making, and guarantees of procedural protection for MSMEs when subjected to administrative measures by platforms. This regulatory vacuum causes the legal relationship between MSMEs and digital platforms to be determined predominantly by private policies rather than public legal norms, thereby further narrowing the scope of legal protection available to MSMEs.

The issue becomes increasingly complex when platforms employ automated decision-making systems to detect alleged violations (Ranerup & Henriksen, 2022). The use of artificial intelligence does indeed enhance the efficiency of monitoring millions of transactions conducted daily; however, such systems are not entirely free from errors. Algorithms may generate false positives, whereby an action is identified as a violation when it is not, or, conversely, fail to detect an actual violation. In electronic commerce, such errors may result in product removal, fund freezes, service restrictions, or seller account suspension. For MSMEs that rely on a single digital platform for a substantial portion of their revenue, such administrative actions may lead to the cessation of business activities, loss of customers, declining business reputation, and significant economic losses.

From the perspective of Indonesian positive law, this condition reveals a gap between the development of digital technology and the available legal protection instruments. Regulations concerning electronic commerce do impose obligations on electronic system operators to operate reliable, secure, and accountable systems. However, these provisions do not explicitly regulate algorithmic transparency

obligations, accountability standards for automated decision-making, or the right of business actors to obtain an explanation (right to explanation) regarding digital decisions that adversely affect their interests. Consequently, platforms retain broad discretion in managing algorithms, while mechanisms for controlling the exercise of such authority remain relatively limited.

A similar condition can be observed in the regulation of contractual relationships between platforms and MSMEs. Most terms and conditions grant platforms the authority to modify algorithms, update service policies, remove products, or terminate user access based on the company's internal considerations. Such clauses are generally formulated in broad terms, providing platforms with considerable flexibility to undertake various actions without first obtaining the consent of business actors. Although such actions are formally based on contractual provisions, the legal relationship established in substance demonstrates a concentration of power that is not adequately balanced by accountability mechanisms. Such a condition is inconsistent with the principle of balance in contract law, which requires proportionality between the rights and obligations of the parties.

The use of standard-form contracts is by no means a new concept in contract law. Such instruments have developed as a means of achieving transactional efficiency in business relationships involving very large numbers of users. However, within the digital economy, standard-form contracts have undergone a significant expansion in function. Contracts no longer merely regulate the rights and obligations of the parties but have also become instruments for controlling economic behavior, granting platforms extensive authority to govern transactions, determine promotional mechanisms, establish service fees, modify search algorithms, restrict accounts, and unilaterally remove business actors' stores. Accordingly, standard-form contracts have evolved into instruments that legitimize the exercise of private authority by digital platforms over MSMEs.

From the perspective of contract law, the validity of contracts is grounded in the principle of freedom of contract, as reflected in Article 1338 of the Indonesian Civil Code (Kitab Undang-Undang Hukum Perdata/KUH Perdata), which grants the parties the freedom to determine the content of their agreement provided that it does not contravene statutory law, public order, or morality (Sudjana, 2022). This principle is based on the assumption that the parties are in an equal position, such that the agreement reached represents the free will of each party. However, this

assumption has become increasingly difficult to sustain in the relationship between MSMEs and digital platforms. The consent given by MSMEs to standard-form contracts is more a consequence of their economic need to obtain access to the market than the result of genuinely free negotiation. Therefore, formal consent to a platform's terms and conditions does not necessarily reflect substantive equality in the formation of the contract.

This condition gives rise to the phenomenon of inequality of bargaining power, namely a situation in which one party possesses a substantially greater ability to determine the content, performance, and termination of the legal relationship than the other party (Huarcaya & Quispe, 2024). Within the digital platform ecosystem, such inequality stems from several factors. First, platforms control the digital infrastructure that serves as the primary gateway to the market, resulting in a high degree of MSME dependence on platform services. Second, platforms control data, algorithms, and market information that are not available to business actors, thereby creating information asymmetry. Third, platforms possess substantially greater economic, technological, and legal resources than the majority of MSMEs. Fourth, the high concentration of users on particular platforms means that switching to alternative platforms is not always a realistic option for business actors, as doing so may result in the loss of customer bases that have been built over many years.

As a consequence of this inequality, MSMEs are vulnerable to various unilateral actions by platforms. In practice, platforms may modify their terms and conditions at any time, increase commission rates, alter promotional mechanisms, modify search algorithms, restrict product reach, withhold sales proceeds, or suspend seller accounts based on internal company policies. Although such actions are formally grounded in contracts accepted by users, substantive concerns arise regarding the balance of rights and obligations between the parties. The extensive authority vested in platforms is not adequately accompanied by obligations to provide sufficient explanations, opportunities for defense (right to be heard), or independent and effective appeal mechanisms for affected MSMEs.

This inequality of bargaining power demonstrates that the principle of freedom of contract can no longer be understood in absolute terms within the context of the digital economy. The development of modern contract law has shifted its focus from formal freedom toward contractual fairness, an approach that evaluates contracts not merely on the basis of the existence of consent but also on the

substantive balance of the parties' rights and obligations. In this context, the existence of a standard-form contract does not automatically violate the law; however, clauses granting one party extensive authority without corresponding protective mechanisms for the other party must be critically assessed based on the principles of good faith, proportionality, and balance. Accordingly, clauses granting platforms the right to modify service terms, impose sanctions, or unilaterally terminate contractual relationships without clear procedures may potentially constitute an abuse of a dominant position within the contractual relationship.

This perspective becomes increasingly important because the relationship between digital platforms and MSMEs is no longer merely a private relationship but also involves a public interest dimension. For most MSMEs, maintaining a presence on a marketplace is not merely a marketing strategy but has become a primary means of generating income. Unilateral account closure or store removal not only terminates the contractual relationship but may also eliminate access to consumers, disrupt distribution channels, damage business reputation, and cause significant economic losses. Thus, platform decisions may have consequences resembling those of administrative decisions because they directly affect the continuity of MSMEs' business activities.

From the perspective of legal protection, this condition demonstrates an imbalance between the economic power of platforms and the protection of MSMEs' rights. Although various provisions of contract law provide the parties with freedom to determine the content of their agreements, Indonesian positive law does not yet specifically regulate the limits of platform authority in formulating standard-form clauses concerning policy changes, the use of algorithms, account suspension, or termination of services for business actors. Consequently, legal protection for MSMEs remains heavily dependent on general interpretations of the principles of good faith, fairness, and contractual balance, which do not yet provide clear operational standards within the context of digital commerce.

The use of standard-form contracts in the relationship between MSMEs and digital platforms has therefore produced a legal configuration characterized by a structural inequality of bargaining power (Haerani, 2021). The freedom of contract, which was initially intended to guarantee the autonomy of the parties, has instead become a means of legitimizing the authority of platform operators to establish various unilateral powers through non-negotiable standard-form clauses. This

condition demonstrates that the fundamental issue does not lie in the existence of standard-form contracts itself, but rather in the absence of normative safeguards that limit the use of unilateral clauses by digital platforms. Therefore, legal protection for MSMEs requires an approach that focuses not only on the validity of contracts but also on controlling the abuse of dominant positions through regulations that ensure contractual balance, transparency, and accountability in the legal relationship between MSMEs and digital platforms. This finding leads to a discussion of the disharmony among the legal regimes governing MSMEs, electronic commerce, contract law, consumer protection law, and competition law, which has resulted in suboptimal legal protection for MSMEs within the digital economic ecosystem.

The problems of legal protection for MSMEs in their relationships with digital platforms essentially stem not only from unequal bargaining power or the use of standard-form contracts but also from the lack of integration among the various legal regimes governing digital commerce in Indonesia. Indonesia's positive legal system continues to regulate the relationship between MSMEs and digital platforms sectorally through various legislative instruments with different regulatory orientations. Consequently, legal protection for MSMEs has not yet been established within an integrated normative framework, resulting in regulatory disharmony, overlapping authorities, and normative gaps concerning various unilateral actions undertaken by digital platform operators.

The first form of disharmony can be observed in the relationship between the MSME legal regime and the Electronic Commerce (Perdagangan Melalui Sistem Elektronik/PMSE) regime. Regulations concerning MSMEs are primarily oriented toward enhancing competitiveness, empowerment, access to financing, facilitating business licensing, and expanding market access for business actors. This orientation positions the state as a facilitator of national economic growth through strengthening MSME capacity. Conversely, the PMSE regime focuses more heavily on the operation of electronic systems, transaction security, data protection, and digital commerce governance. Consequently, the legal relationship between digital platforms and MSMEs has not yet become the specific subject of regulation. There are no explicit provisions governing the limits of platform authority to modify terms of service, downgrade product rankings, delist products, suspend seller accounts, or unilaterally terminate contractual relationships.

The second form of disharmony arises from the relationship between contract

law as regulated under the Indonesian Civil Code (Kitab Undang-Undang Hukum Perdata/KUH Perdata) and the characteristics of legal relationships within the digital economy. The Indonesian Civil Code is based on a classical paradigm that positions the parties as legal subjects possessing freedom and equality in negotiating the contents of an agreement. This principle is reflected in the principles of freedom of contract, consensualism, and pacta sunt servanda. However, the assumption of equality between the parties becomes less relevant when applied to relationships between MSMEs and digital platforms, which are characterized by standard-form contracts and economic dependence on platforms. The Indonesian Civil Code does not provide adequate parameters for determining when a standard-form clause may constitute an abuse of a dominant position within a digital contractual relationship. Consequently, various clauses granting platforms extensive authority continue to receive formal legitimacy through the principle of freedom of contract, even though they substantively create an imbalance in the parties' rights and obligations.

Another form of disharmony can be observed in relation to the consumer protection legal regime. Consumer protection regulations are essentially intended to protect parties who use goods or services for personal, family, or household purposes. In contrast, in the relationship between MSMEs and digital platforms, MSMEs act as business actors utilizing platform services for their commercial activities. This legal position means that MSMEs cannot always rely on consumer protection instruments when harmed by platform policies. In other words, MSMEs occupy an intermediate legal position: as business actors, they do not fall within the category of consumers, yet as users of platform services, they remain in a position that requires protection against unilateral clauses and the abuse of the economic power of platform operators. This normative gap in status causes various forms of harm suffered by MSMEs to frequently lack effective legal protection mechanisms.

An equally important issue also arises within the competition law regime. Competition law instruments are designed to prevent monopolistic practices, abuse of dominant positions, and unfair business competition. However, the concept of dominant position under Indonesian competition law continues to be largely constructed around traditional indicators, such as market share, control over production, or the ability to control prices. In the digital economy, market power is no longer measured solely through these indicators but also through control over data, algorithms, network effects, and the ability to control access to consumers. Consequently, various platform practices that economically restrict MSMEs'

opportunities to compete—such as algorithmic changes, manipulation of recommendation systems, promotional discrimination, or restrictions on access to certain features—cannot always be readily classified as violations of competition law.

The disharmony among these legal regimes ultimately gives rise to a normative gap that constitutes a fundamental problem in the legal protection of MSMEs. First, there are no explicit provisions requiring platforms to apply the principle of transparency in the use of algorithms that affect product visibility and market access for business actors. Second, there is no legal obligation requiring platforms to provide clear reasons for digital administrative decisions such as account suspension, delisting, service restrictions, or account termination. Third, there are no specific regulations guaranteeing MSMEs the right to prior notice, an opportunity to present a defense (right to be heard), and an independent appeal mechanism before unilateral platform decisions take effect. Fourth, there are no legal standards governing the proportionality of digital sanctions, allowing platforms considerable discretion to determine the nature and severity of sanctions based on their own internal policies. Fifth, there is no institutional coordination mechanism integrating the authorities of ministries responsible for MSMEs, trade, electronic systems, and competition in supervising digital platforms.

From the perspective of the theory of legal certainty, these conditions demonstrate that Indonesia's positive law has not yet been able to provide clear normative guidance concerning the limits of digital platforms' authority over MSMEs. A fundamental characteristic of legal certainty is the need for clear delineation and guarantees of consistency regarding the substance of a legal norm (Kurniawan, Samsithawrati, Disantara, Nutakor, et al., 2025). The absence of clear legal norms causes dispute resolution to depend more heavily on the interpretation of private contracts drafted by platforms than on binding public legal standards. Consequently, the legal relationship between platforms and MSMEs increasingly develops through mechanisms of private ordering, namely governance established through internal corporate policies rather than state regulation that ensures a balance of interests between the parties. This phenomenon has the potential to undermine the function of law as an instrument for protecting parties who are economically in a weaker position (Kurniawan, Samsithawrati, Disantara, Thuong, et al., 2025).

Based on the foregoing discussion, it can be concluded that the fundamental problem does not lie in the absence of regulations governing MSMEs, electronic commerce, consumer protection, contract law, or competition law individually, but

rather in the lack of harmonization among these legal regimes. Each regime regulates specific aspects of digital economic activities, yet they have not formed a comprehensive legal protection system capable of regulating the unilateral authority exercised by digital platforms over MSMEs. These normative findings demonstrate that the root of the legal protection problem lies not merely in weaknesses in implementation but also in regulatory fragmentation that creates normative gaps in the legal relationship between digital platforms and MSMEs. Therefore, legal reform cannot be achieved merely through partial amendments to a single statute but requires a legal harmonization model that integrates the legal regimes governing MSMEs, electronic commerce, contract law, consumer protection, and competition into a unified protection framework oriented toward legal certainty, contractual balance, and digital platform accountability

B. Reconstruction of a Legal Harmonization Model for MSME Protection Against the Unilateral Authority of Digital Platforms Based on Legal Certainty

The problem of legal protection for Micro, Small, and Medium Enterprises (MSMEs) within the digital platform ecosystem is not solely caused by the economic dominance of platform operators or the use of standard-form contracts but also by regulatory fragmentation, which causes various legal regimes to operate partially without adequate integration (Sunanda et al., 2025). This condition indicates that the sectoral regulatory approach, which has thus far served as the basis for the development of digital commerce regulations in Indonesia, is no longer adequate to address the complexity of legal relationships emerging within the platform-based economy (Afifi et al., 2025). Therefore, a paradigm shift is required from sectoral regulation toward regulatory harmonization capable of integrating various legal regimes into a coherent, adaptive, and legal-certainty-oriented framework of legal protection.

Regulatory fragmentation also results in overlapping or unclear institutional authority among agencies responsible for supervisory functions (Purwanto et al., 2024). The ministry responsible for MSMEs focuses on capacity development and business empowerment, the ministry responsible for trade oversees electronic commerce activities, the ministry responsible for electronic systems is responsible for the operation of digital infrastructure, while the competition authority has the authority to assess monopolistic practices or abuse of dominant positions. This division of authority reflects institutional specialization; however, it also creates coordination challenges when a platform's conduct involves interconnected legal

dimensions. The absence of a clear coordination mechanism renders legal protection for MSMEs ineffective, as each institution acts primarily within the scope of its respective authority.

From the perspective of legal harmonization theory, this condition demonstrates the need for horizontal synchronization among laws and regulations. Horizontal harmonization refers to the process of aligning legal norms of equal hierarchical status to prevent conflicts, duplication, and regulatory gaps (Dharma et al., 2025). Unlike vertical harmonization, which emphasizes consistency between lower-level regulations and higher-level regulations, horizontal harmonization aims to establish substantive coherence among various laws governing overlapping legal subjects. In the context of protecting MSMEs against the unilateral authority of digital platforms, horizontal harmonization has become an urgent necessity because the legal relationships that have developed can no longer be clearly categorized into civil law, administrative law, or competition law. Rather, all of these legal regimes must be understood as components of a single digital economic legal system that complement one another.

The urgency of harmonization becomes even more pronounced when considered in relation to the principle of the rule of law (rechtsstaat), which requires certainty, consistency, and coherence in the formulation and application of law (Disantara et al., 2025). Legal certainty does not merely mean the existence of regulations governing a particular matter; it also requires that the applicable legal norms do not conflict with one another and are capable of providing clear guidance to legal subjects (Mulyono et al., 2025). In the context of digital platforms, legal certainty for MSMEs cannot be achieved when the protection of their rights is dispersed across various legal regimes that lack systematic interconnection. Instead, legal certainty can only be realized when all such legal instruments are structured in an integrated manner, enabling them to establish clear limits on the discretionary authority of digital platforms while simultaneously guaranteeing the procedural rights of business actors.

Regulatory harmonization is also necessary as a response to changes in the nature of power within the digital economy. In the era of conventional commerce, the state was the primary actor responsible for establishing rules governing relationships among business actors (Samsithawrati et al., 2025). However, in the platform-based economy, some regulatory functions have shifted to platform operators through terms and conditions, algorithms, community policies, and automated moderation mechanisms. This phenomenon demonstrates the emergence of private regulation, namely regulation established by private entities that nevertheless has extensive binding effects on business actors. If the state fails to

harmonize regulations to control this form of private power, the legal relationship between platforms and MSMEs will increasingly be dominated by internal corporate rules that do not necessarily reflect the principles of justice, proportionality, or legal certainty.

Regulatory harmonization cannot be achieved merely through the alignment of norms across sectors; it must also be built upon a set of legal principles that serve as the foundation for both the formulation and implementation of regulations. These principles function as a normative framework connecting various legal regimes so as to produce a protection system that is consistent, adaptive, and responsive to the dynamics of the digital economy. In the context of the relationship between Micro, Small, and Medium Enterprises (MSMEs) and digital platforms, the legal harmonization model proposed in this study is based on six fundamental principles: MSME protection, freedom of enterprise, fair competition, legal certainty, algorithmic transparency, and platform accountability. The integration of these six principles is intended to shift the regulatory orientation from a sectoral approach toward digital legal governance centered on balancing the rights and obligations of all actors within the electronic commerce ecosystem.

The principle of MSME protection provides an orientation toward safeguarding business actors in weaker positions; the principle of freedom of enterprise guarantees innovation and the development of the digital economy; the principle of fair competition prevents the abuse of market power; the principle of legal certainty ensures clear rules and procedures; the principle of algorithmic transparency guarantees openness in the use of digital technologies; while the principle of platform accountability ensures that every exercise of authority can be legally accounted for (Yulya Ammi Hapsari et al., 2024). By integrating all of these principles, the legal harmonization model proposed in this study not only aligns the existing legal regimes but also establishes a new paradigm of legal protection that positions digital platforms as subjects bearing legal responsibilities commensurate with the extent of their power.

Based on this analysis, it can be affirmed that regulatory harmonization cannot be achieved merely through textual amendments to various laws and regulations. Harmonization must be realized through the establishment of common legal principles that serve as references for all legal regimes governing the relationship between MSMEs and digital platforms. Accordingly, legal protection for MSMEs would no longer be fragmented but would develop into a coherent and integrated system capable of ensuring a balance between digital innovation, economic efficiency, and the protection of business actors' rights. The integration of

these principles subsequently provides the conceptual foundation for formulating new norms governing the limits of digital platform authority, procedural protection mechanisms, and independent dispute resolution as the core elements of the legal harmonization model proposed in this study.

Based on these conditions, this study proposes a reconstruction of legal protection norms that does not merely add new provisions to a particular legal regime but instead establishes a legal harmonization model integrating MSME law, electronic commerce law, contract law, and competition law into an interconnected regulatory framework. This reconstruction is based on the premise that the authority exercised by digital platforms should be regarded as authority carrying public-law implications because every decision made by a platform has the potential to affect market access, business continuity, and the economic rights of thousands or even millions of MSMEs. Therefore, the exercise of such authority must be subject to the principles of legality, proportionality, transparency, accountability, and due process, as commonly applied in good governance. The proposed normative reconstruction comprises six interconnected procedural protection instruments: (i) prohibition of account suspension or service termination without an objective and measurable legal basis; (ii) an obligation to provide prior notice before implementing measures that adversely affect MSMEs; (iii) recognition of the right to be heard as part of the guarantee of due process of law; (iv) establishment of an independent and transparent internal review mechanism with clear review standards; (v) provision of an independent dispute resolution mechanism outside the platform's internal system as a form of external oversight over the exercise of platform authority; and (vi) an obligation to provide transparency regarding any changes to terms and conditions, including changes to algorithms and policies that affect the rights and obligations of MSMEs.

These six norms constitute an inseparable whole. A prohibition on unilateral action will lose its effectiveness if it is not accompanied by a prior-notice obligation; notice will not provide adequate protection without the right to present a defense; the right to present a defense requires an objective internal review mechanism; while the outcome of an internal review must remain subject to examination through an independent dispute resolution mechanism. Ultimately, the entire process must be supported by transparency regarding changes to terms and conditions so that MSMEs have legal certainty concerning the standards of conduct they are required to comply with. Thus, the model developed in this study regulates not only the substance of platform authority but also establishes a system of procedural legal protection ensuring that every platform action is carried out fairly, proportionately, and accountably

D. Conclusion

The problems of legal protection for MSMEs against the unilateral authority of digital platforms from the perspective of Indonesian positive law stem not only from the unequal bargaining position between MSMEs and digital platforms but also from the absence of harmonization among the legal regimes governing MSMEs, Electronic Commerce (Perdagangan Melalui Sistem Elektronik/PMSE), contract law, consumer protection law, and competition law. This regulatory fragmentation has resulted in normative gaps concerning the limits of platform authority as gatekeepers, algorithmic transparency, accountability for digital decisions, protection against unfair standard-form clauses, and guarantees of procedural rights for MSMEs. Consequently, legal relationships are governed predominantly by private platform policies rather than public legal standards that guarantee legal certainty, contractual balance, and effective protection for MSMEs. The reconstruction of a legal harmonization model for protecting MSMEs against the unilateral authority of digital platforms must be achieved by integrating the various previously fragmented legal regimes into a coherent, adaptive, and legal-certainty-oriented regulatory framework. The harmonization model is founded upon six fundamental principles: MSME protection, freedom of enterprise, fair competition, legal certainty, algorithmic transparency, and platform accountability, which are subsequently translated into operational norms governing the exercise of digital platform authority. The normative reconstruction encompasses the prohibition of unilateral account suspension, the obligation to provide prior notice, recognition of the right to be heard, an independent internal review mechanism, independent dispute resolution, and transparency regarding changes to terms and conditions and algorithms. Accordingly, the proposed model not only addresses regulatory fragmentation but also establishes a system of procedural protection that ensures a balance of rights and obligations between MSMEs and digital platforms, thereby promoting legal certainty, contractual justice, and accountability within the digital commerce ecosystem

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