

## PROTECTION MODEL ON MICRO BUSINESSES ACTIVITIES IN ORDER TO REPRESENT PEOPLE CENTERED ECONOMY

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### ABSTRACT

*Law Number 20 of 2008 concerning micro and middle businesses mandates that micro businesses activities are encouraged to partner with macro business activities, one of which is by franchise partnerships so that micro businesses become strong and independent businesses. This Law opened the faucet of trade liberalization because minimarkets were increasingly established in partnership with micro business activities, in which this opportunity was only enjoyed by some business activities who had capital strength while micro businesses who had limited capital remained micro businesses activities that are difficult to develop because the minimal capital side, there is also a legal vacuum at the regulatory level. There are no regulations that regulate the distance each minimarket so that gradually overtake micro businesses as grocery store owner. The stages of licensing procedures should be socialized through surroundings concern about the establishment of modern shop that region are not done by modern shop activities add to the suffering for micro business activities. The grocery stores in running a business so that the principle of people centered economy that upholds the alignments of micro business activities is not implemented. These problems make the writers do research using methods with a type of sociological juridical research that explores and analyzes problems in the field and collaborates the role of government with theories, consumers and business activities until organized a model of protection for micro business activities that aim is represent people centered economy which provide justice for all citizen of Indonesia.*

Key words: Protection, Business Activities, People Centered Economy

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### INTRODUCTION

Modernization has a big influence on the development of the business. Semarang City as the heart of the capital of Central Java Province has economic potential that can be said to be good enough. Increasing demands of the community for the fulfillment of all their increasing needs, it provides opportunities for business activities to open a business. In line with that, we know the term retail market. In principle, the retail market is a place of business in which there is a mechanism between retail traders and consumers of certain items in small quantities or units. According to its development, this market is divided into two parts. They are the modern retail market and traditional retail market (Hadi Hartono, 2007 p.11). The modern retail market consists of three, they are: minimarkets, supermarkets and hypermarkets (Article 1 number 12 Semarang City Regional Regulation Number 1 Year 2014 concerning of Modern Shop Arrangements). The traditional retail market consists of stalls and grocery traders (Article 1 number 10 Semarang City Regional Regulation Number 1 of 2014 concerning Modern Shop Arrangements).

Modern market developments such as minimarket, supermarket, and hypermarket have recently shifted the role of micro businesses. Micro businesses are small scale people centered economy that has a central role in the Indonesian economy. Indonesia is a country that has made people centered economy its economy system since the reformation of 1998. In implementing people centered economy, the communities are very important and vital part in its implementation because of communities hold the economy activities.

In its development, the existence of modern market is easily found in almost every region and it has begun to shift the existence of small businesses around the community that existed with minimum modal. In Semarang City, the arrangement of modern market has been regulated in Semarang City Regulation Number 1 of 2014 concerning modern market arrangement, Semarang Mayor Regulation No. 5 of 2013 concerning structuring modern minimarket in Semarang City, and Semarang Mayor Regulation No. 39 of 2014 concerning the implementation of Supermarket.

In Article 6 paragraph (1) of the regulation of Semarang city regional number 1 of 2014 concerning modern market arrangement states that "the number of modern market and the distance between modern market and traditional market or traditional retail store in Semarang City is arranged by Mayor Regulation".

In addition, in Article 5 paragraph (2) of the Mayor's Regulation of Semarang Number 5 of 2013 concerning the arrangement of modern minimarket in Semarang City states:

The establishment of modern minimarket should fulfill the following requirements:

- a. The distance location of the establishment of modern minimarket at least 500 meters from the traditional market;
- b. Minimarket may be located on any road network system including the environmental road network system in the residential service area.

In Article 5 of the Regulation of the Mayor of Semarang Number 39 of 2014 concerning the implementation of supermarket arrangement:

1. Minimarket location arrangement can be carried out on every road network system, including the environmental road network system in the regional environmental service area.
2. The distance arrangement of the establishment of minimarket as referred to paragraph 1 shall be determined closest in radius of 500 meters from traditional market.

Based on the previous study that is done by Rima (2018), from the regulation it can be seen that the establishment of modern minimarket must be 500 meters from the traditional market and can stand on any road network system. In that article it does not contain the rules regarding the distance between minimarkets which gives rise to a legal vacuum. The legal vacuum was made an opportunity for macro businesses to make a minimarket that was close to each other and still legal (not violating applicable regulations). If this condition is allowed, thousands and even millions of micro businesses in Semarang City will lose their livelihood (Rima Cornelia Putri, 2018 p. 4).

Legal protection for micro businesses is regulated in law number 20 of 2008 concerning about micro, small and middle businesses. The definition of micro business is productive business that owned by individuals or business entities in which it fulfill criteria. The criterions of micro business are the net worth almost fifty million rupiahs is not included land and business building, or it has most annual sales three hundred million rupiahs (Article 6 law number 20 of 2008).

Micro, small and middle business are business activities that are able to expand employment and provide economic services broadly to the communities, and take a role in the process of equity and increase income, encourage economy growth, and also create national stability. Besides that, micro, small and middle business are one of the main pillars of the national economy which must obtain the greatest opportunity, support, protection and development as wide as possible as a form of firm alignment with the people's economy business, without neglecting the role of macro business and Business Entities State Ownership (General Explanation of Law Number 20 of 2008 concerning micro, small and middle businesses)

Furthermore, in Article 5 letter a of Law Number 20 of 2008 concerning micro, small and middle businesses states that "the purpose of the establishment of micro, small and middle businesses: a. create the structure of a national economy that is balance, develop and fair". Fair means that micro businesses are the pillars of the people's economy in which it must be protected by the government in order to improve economic quality towards a prosperous life. Because of every community has the right to get a decent life and get the welfare of one of them through the economy. Because of the essence of law is a justice.

The efforts made by the government to develop micro, small and middle business are one of them by partnership regulated in Article 11 of Act Number 20 of 2008 concerning micro, small and medium businesses, is aimed for:

- a. Create partnership between micro, small and middle businesses;
- b. Create partnership between micro, small, middle and macro businesses;
- c. Encourage mutually beneficial relationships in the implementation of transactions between micro, small and middle businesses;
- d. Encourage mutually beneficial relationships in the implementation of transactions between micro, small, middle, and macro businesses;
- e. Develop collaboration to improve bargaining position of micro, small and middle businesses;
- f. Encourage the formation of market structures that guarantee the growth of fair business competition and protect consumers; and
- g. Prevent market domination and concentration by individuals or groups that are detrimental to micro, small and middle businesses;

Practically, the partnership effort is also considered burdensome for small businesses because they cannot afford to rent a stall. The issue of financial capital is a big problem for micro businesses. Financial capital limitations prevented them from expanding their business and improving product quality. This condition occurs because banks are reluctant to deal with micro businesses. Herman Melano (2011, p.5) stated that It is better to deal with one or two big businesses, dealing with micro businesses is considered troublesome because the transaction is small while the procedure is the same as one or two big businesses which is certainly more profitable.

In the real problem is the existence of modern stores that are increasing highly is also a barrier for micro businesses. The style and pattern of modern community that prefers modern stores with a modern, easy, clean, comfortable, practical management system

and has a complete choice of goods (Herman Melano, 2011 p. 3). It made micro businesses difficult to develop. So it is needed for safeguards in which micro businesses do not get worse and become the business of other parties. The aimed of this study to know the implementation of people centered economy in business activity of micro entrepreneurs, and to make protection model on micro businesses activities in order to represent people centered economy.

Based on the facts problems and opinions, the writer is interested in writing an article with the title “**Protection Model on Micro Businesses Activities in order to Represent People Centered Economy**”

## TYPES OF GST

### 1) Research Approach

This study uses a non doctrinal or juridical sociological approach. Law is conceptualized as a social institution that is in real terms associated with other social variables (Amiruddin and Zainal Asikin, 2003 p.133). This non doctrinal or juridical sociological approach suppresses research that aims to obtain legal knowledge empirically by come directly into its object in order to obtain information about the implementation of people centered economy in the practice of the business to protect micro business activities and protection model of micro business activities in order to represent people centered economy.

### 2) Sources of Data

The data sources used in this study are:

#### a. Primary Data Source

The primary data used by the writer s through field observations and case studies as the main data emerging ideas in this thesis and interviewing sources or informants who have the potential to provide relevant information in actual field conditions (Moleong, 2009 p. 3).

#### b. Secondary Data Sources

Secondary legal material that the writer uses in this study comes from library materials, which consist of:

1. Law Number 20 of 2008 concerning micro, small and middle businesses.
2. Regional Regulation Number 1 of 2014 concerning arrangement modern market
3. Regulation of the mayor of Semarang number 5 of 2013 concerning Arrangement of Modern Minimarket in the City of Semarang
4. Regulation of the Mayor of Semarang Number 39 of 2013 concerning the Implementation of the Arrangement of supermarket.
5. Related books on legal protection for micro business activities including journals, theses and legal theses

## RESULTS AND DISCUSSION

### 1. Implementation of people centered economy in the practice of the business for the protection of micro businesses.

People centered economy System is an economic system that refers to the mandate of the national constitution, so an ideal and constitutional foundation is a legal product that regulates related to the national economy life.

The Ideal Foundation of the people economy centered economy system is the values of Pancasila as the Indonesian nation's value system to create the five precepts in every economic activity. The economic wheel is not only driven by economic and social stimuli, but also by ethics and morals based on the god. Economic exploitation is not justified because it conflicts with just and civilized Humanity, so economic activity must be directed towards achieving national equity. Economic nationalism developed based on Indonesian unity. Economic democracy as the manifestation of democracy guided by the inner wisdom in the unanimity arising out deliberations amongst representatives. The purpose of economic development is to improve the welfare and prosperity of the people in an equitable manner as an embodiment of social justice for the whole of the people of Indonesia (Mubyarto: 1987)

This research focuses on the widespread problems of the establishment of modern market which impact micro business activities around Minimarket so that the existence of micro businesses (Grocery Stores and etc) is threatened by its existence.

Small business actor is individual company or individual company organizations. Organization of individual company is a business entity by one person. An entrepreneur who runs the company (Riswan, 2014 p.21). In terms of capital only one person is owned which allows it became micro business.

#### 1.1 Licensing of Establishment of Minimarket

In Semarang City Regulation Number 1 of 2014 concerning modern store arrangement, Semarang Mayor Regulation Number 5 of 2013 concerning arrangement modern minimarket Stores in Semarang City and its implementation are regulated in Semarang Mayor Regulation Number 39 of 2014 concerning implementation of supermarket stores arrangement. The rules relating to zoning or distance are in the Semarang Mayor Regulation Number 5 of 2013 concerning the arrangement of modern minimarket in Semarang City in Article 5 paragraph (2) mention:

The establishment of a modern minimarket should fulfill the following requirements:

- a. The distance location of the establishment of modern minimarket at least 500 meters from the traditional market;
- b. Minimarket may be located on any road network system including the environmental road network system in the residential service area.

In Article 5 of the Regulation of the Mayor of Semarang Number 39 of 2014 concerning the implementation of supermarket:

1. Minimarket location arrangement can be carried out on every road network system, including the environmental road network system in the regional environmental service area.
2. The distance arrangement of the establishment of minimarket as referred to paragraph 1 shall be determined closest in radius of 500 meters from traditional market.

From the two Semarang Mayor Regulations, it can be seen that the establishment of a minimarket must be 500 meters from the traditional market and can stand on any road network system. In the article does not contain rules regarding the distance between minimarkets, this raises the assumption that the minimarket can stand anywhere as long as it is 500 meters from the traditional market even though there is a minimarket that has been established and is less than 200 meters away. The lack of clarity in the contents of the article makes legal uncertainty. Basically a law must have material that reflects the principles of protection, humanity, nationality, kinship, mediocrity, *bhinneka tunggal ika*, justice, equality of positions in law and government, law and order, and or balance, harmony, and alignment (Article 6 paragraph (1) of Law Number 12 of 2011 concerning Establishment of Legislation Regulations). The explanation of Article 6 paragraph (1) letter i concerning the principle of order and legal certainty is as follows:

What is meant by "the principle of order and legal certainty" is that each content material of the laws and regulations must be able to create order in the community through guaranteeing legal certainty.

In Article 5 paragraph (2) of the Mayor of Semarang Regulation Number 5 of 2013 concerning the arrangement of modern minimarket in Semarang City and Article 5 of the Mayor Regulation of Semarang Number 39 of 2014 concerning the implementation of supermarkets arrangement does not contain the principle of law and certainty. Because it does not contain rules regarding the distance between minimarkets which give rise to disorder in business activities in setting up a minimarket business and have a negative impact on grocery store traders.

The provisions of Article 6 paragraph (1) of the Mayor's Regulation of Semarang Number 39 Year 2014 have been arranged as follows:

(1) The establishment of a minimarket should pay attention to:

- a. Population density;
- b. Development of new settlements;
- c. Regional accessibility (traffic flow);
- d. The existence of the traditional market and stalls in the surrounding area is smaller than the minimarket.

Implicitly the contents of the article also provide a protection for the grocery store. However, the implementation of the regulation has not been as expected, there are still many minimarkets standing opposite the smaller stall of the minimarkets. The absence of strict sanctions if the business activities violate the contents of Article 6 paragraph (1) is used as an opportunity to disobey it.

Licensing for the establishment of minimarket has been regulated in various laws and regulations. Starting from the Presidential regulation to the technical regulation such as the Mayor's Regulation. In Semarang City, the establishment of minimarkets was also regulated in Regional Regulations and Mayor Regulations they are Semarang city regulation number 1 of 2014 concerning modern market arrangement, Semarang mayor regulation number 5 of 2013 concerning modern minimarket arrangement in Semarang City and Semarang Mayor Regulation number 39 year 2014 concerning the implementation of supermarket arrangement.

Semarang City regulation number 1 of 2014 concerning modern shop arrangements also regulates licensing in Chapter VII as stated in Article 23 which states as follows: Business activities who will conduct business in the field of modern shops, must have IUTM as legality.

All of the regulations governing administrative requirements that must be fulfill and the procedures for licensing the establishment of a minimarket, there are several differences which essentially are complementary. In accordance with what was stated by Mr. Sigit Heri Pratama as Staff for the implementation of licensing services II DPM-PTS which states that:

"All these rules are apply and used to complement each other, but the weaknesses are the differences between one rule to the other rules such as in Perwal No. 5 In 2013 there was a name for minutes of dissemination but in other rules there was no. The number of rules with different contents actually confuses us. Not to mention, in 2017 the regional regulation concerning HO has been revoked, so the conditions regarding HO are also removed"

From the statement above, it can be concluded that there are many regulations and lack of harmonization between regulations regarding the establishment of minimarkets have a positive and negative impact. The positive impact is one regulation complements each other. The negative impact is the regulation is confusing because of many rules and there are some differences between

regulations. Sigit Heri Pratama stated that regarding of information dissemination was citizen approval report on the establishment of a minimarket accompanied by residents' signatures and was known by the heads of RT, RW and district. In reality, based on research, not all residents received information on the establishment of minimarket. According to Sigit Heri Pratama, the lack of technical team personnel in the field and short time was the main obstacle faced by DPM-PTSP in checking the location of the establishment of minimarkets which resulted in not being able to check in detail.

This was also conveyed by local residents who live around the establishment of modern shops.

No.	Question	Informant 1 Mrs. Sari	Informant 2 Mr. Giarto	Informant 3 Mr. Heru	Informant 4 Mr. Bambang	Informant 5 Mrs. Herawati
1	How long have you been lived in here?	12 years	25 years	18 years	11 years	11 years
2	Do you know that a minimarket would be established near the house?	I don't. I know, when it started construction, I knew that it will be establish a minimarket	I don't know. I hear from my neighbors	I don't know	I don't know. I know when construction begins.	I know from people.
3	Do you ever get socialization on the establishment of a minimarket?	Never	I never get something about that.	No, I don't	I seldom in my house	No, I don't

Based on the table it showed that the community surroundings establishment of minimarkets didn't know or didn't get socialize about the establishment in that region. Whereas socialization activities to local surroundings before the establishment of minimarket in that area is one of the conditions in the establishment of a minimarket, the existence of an official report on socialization as stipulated in the mayor's regulation No. 5 Of 2013.

Figure 1: IUTM Standard Operating Procedure which must be fulfilled in the establishment of a modern store. If it is not fulfilled, the permission to establish a modern store cannot be fill out.

 <p><b>PEMERINTAH KOTA SEMARANG</b> <b>DINAS PENANAMAN MODAL DAN</b> <b>PELAYANAN TERPADU SATU PINTU</b> <b>KOTA SEMARANG</b></p>	Nomor SOP	P-DPMPTSP/II/011		
	Status Dokumen			
	Induk	<input type="checkbox"/>	Salinan No.	<input type="checkbox"/>
	Nomor/Tanggal Revisi	1	31 Agustus 2017	
<b>BIDANG PENYELENGGARAAN</b> <b>LAYANAN PERIZINAN II</b>		Tanggal Pengesahan	31 Agustus 2017	
		Judul SOP	IZIN USAHA TOKO MODERN (IUTM)	
Tujuan		Ruang Lingkup		
Prosedur ini merupakan panduan setiap personil yang terlibat dalam memberikan pelayanan masyarakat dan bagi warga Kota Semarang pada saat mencari Izin Usaha Toko Modern		Prosedur ini diterapkan untuk semua kegiatan yang terkait dengan Izin Usaha Toko Modern di Wilayah Pemerintah Kota Semarang.		
Referensi		Kualifikasi Pelaksana		
1	Undang-Undang Nomor 7 Tahun 2014 tentang Perdagangan.	1	Memahami peraturan Izin Usaha Toko Modern	
2	Peraturan Presiden Nomor 112 Tahun 2007 Penataan Dan Pembinaan Pasar Tradisional, Pusat Perbelanjaan dan Toko Modern	2	Memahami Tugas dan Fungsi Bidang Penyelenggaraan Layanan Perizinan II	
3	Peraturan Menteri Perdagangan Nomor 53/M-DAG/PER/12/2008 tentang Penataan Dan Pembinaan Pasar Tradisional, Pusat Perbelanjaan Dan Toko Modern	3	Memahami Mekanisme Izin Usaha Toko Modern.	
4	Peraturan Daerah Kota Semarang Nomor 1 Tahun 2014 tentang Penataan Toko Modern.	4	Memiliki Kemampuan Pengolahan Data .	
5	Peraturan Walikota Semarang Nomor 39 Tahun 2014 tentang Pelaksanaan Penataan Toko Swalayan.			
6	Keputusan Walikota Semarang Nomor 510/9/2016 tentang Penetapan Kuota Toko Swalayan Minimarket.			
7	Peraturan Daerah Kota Semarang Nomor 14 Tahun 2016 tentang Pembentukan dan Susunan Perangkat Daerah Kota Semarang			
8	Peraturan Walikota Semarang Nomor 78 Tahun 2016 tentang Kedudukan, Susunan Organisasi, Tugas Dan Fungsi serta Tata Kerja Dinas Penanaman Modal dan Pelayanan Terpadu Satu Pintu Kota Semarang.			
9	Peraturan Walikota Semarang Nomor 137 Tahun 2016 tentang Pelimpahan Kewenangan Penandatanganan Perizinan dan Non Perizinan Kepada Kepala Dinas Penanaman Modal dan Pelayanan Terpadu Satu Pintu Kota Semarang.			
7	SMM ISO 9001:2015	Keterkaitan		
		1. SOP Izin Teknis		
		Peralatan/perengkapan		
		1. Aplikasi Perizinan. 3. Jaringan Internet 2. Komputer dan Printer. 4. Alat Tulis Kantor.		
		Pencatatan dan Pendataan		
Peringatan		Disimpan dalam media elektronik dan manual.		
Apabila Persyaratan tidak lengkap dan tidak benar maka permohonan tidak dapat diproses dan dikembalikan kepada pemohon				
Apabila Izin usaha toko modern tidak diproses maka data status kepemilikan toko modern tidak terdaftar dalam buku pendaftaran perijinan dan pemilik toko modern tidak dapat menjalankan usahanya.				
Uraian Prosedur				
1 Terlampir (Diagram Alur Izin Usaha Toko Modern).				
2				
3				
4				

No	Urutan Prosedur	Back Office					Front Office			Mata Baku			Keterangan	
		Kepala Bidang	Kasi Penerbitan	Tim Penerbitan	Kasi Penetapan	Tim Penetapan	Kasi Verifikasi dan Validasi	Tim Verifikasi dan Validasi	Persyaratan / Kelengkapan	Waktu	Output			
1	Menerima, memeriksa formulir dan berkas permohonan serta memaraf lembar checklist											10 menit	lembar check list	
2	Memverifikasi berkas permohonan											25 menit	lembar checklist	Petugas pendaftar menyerahkan tanda terima pendaftaran kepada pemohon dan memaraf lembar kendali
3	Mendaftar identitas pemohon, mencetak lembar kendali dan tanda terima pendaftaran											15 menit	lembar kendali dan tanda terima	
4	Memeriksa hasil verifikasi dan memaraf lembar kendali dan lembar check list											10 menit	berkas permohonan, lembar ceklist dan lembar kendali	
5	Menerbitkan surat undangan											60 menit	data perusahaan	Persyaratan konsep surat s/d konfirmasi ke pemohon
6	Melaksanakan rapat koordinasi											60 menit	persetujuan data permohonan komputer, checklist, formulir, lembar kendali, berkas permohonan	
7	Melaksanakan peninjauan lapangan untuk melakukan pemeliharaan usaha											60 menit	daftar hadir, surat undangan, checklist, formulir, surat kendali, berkas permohonan dan Berita Acara	
8	Mengentri data permohonan dan memaraf lembar kendali											120 menit	data permohonan, notulen dan Berita Acara	Pembiayaan lapangan dilaksanakan sesuai dga kebijakannya.
9	Memeriksa entry data permohonan dan memaraf lembar kendali											30 menit	daftar hadir, surat undangan, data permohonan, checklist, berkas permohonan dan Berita Acara	
10	Menyusun dan mencetak konsep Surat Izin											15 menit	komputer, checklist, formulir, lembar kendali, berkas permohonan dan Berita Acara	
11	Memeriksa konsep Surat Izin dan memaraf lembar kendali dan konsep Izin Usaha Toko Modern											30 menit	konsep Izin Usaha Toko Modern	
12	Menyetujui konsep Surat Izin dan memaraf konsep Izin Usaha Toko Modern dan lembar kendali											15 menit	konsep Izin Usaha Toko Modern	
13	Memasdagang dan mengesahkan Izin Usaha Toko Modern											15 menit	Izin	
14	Mengembangkan dan mengupload Izin Usaha Toko Modern											15 menit	Isin	
15	Mendistribusikan Izin Usaha Toko Modern.											10 menit	Izin	

Figure 2  
Modern Shop Business Permit Procedure which must go through several stages until the modern store has legality

## 1.2. Supervision of the Establishment of Minimarkets

Based on interview result with Mrs. Andriana as head of section for business development at Semarang city trade office, information was obtained as follows:

Regarding the supervision carried out by the trade office on the establishment of the minimarket, Mrs. Andriana said that

"In the establishment of minimarkets, the issue of permits is not all of our authority DPM-PTSP, we only joined the team to check the location, but from obtaining permits and the issuance of IUTM, it was their affair. After the establishment of supervision of the minimarket we have guidance and supervision, supervision through monitoring and evaluation and conducting guidance in the form of socialization and training. Our supervision is done directly as unconditional and indirect with the reporting of the business activities. "

While related to the supervision carried out by the Department of Trade on business competition between minimarkets and grocery stores, the informant stated that:

"Supervision that we do such as checking products, halal or not, expired or not. In form of compete we have not do yet, because our TUPOKSI in 2017 we used to join the City Disperindag. In the future the supervision will be added. There is no complaint regarding the issue of unfair competition so far. "

Sources of Information were also obtained based on interviews with Staff in Licensing Service II DPM-PTSP (Semarang City One-Stop Services and Integrated Services) Mr. Sigit Heri Pratama. Regarding the licensing for the establishment of modern stores that are close to micro business activity (for example grocery stores), he said that:

"The existence of the grocery store was lacking, in checking the location we see whether it has fulfilled the requirements for the 500 m traditional market or not. For the problem of grocery store too, we only has 5 working days, lack of people so we can't check up to detail where store is. This problem should be solved by area guard because he knows well. He should be able to cover things like that. However, some of them do not know about the IUTM rules, even though the minutes of the socialization must be attached and that is required in the IUTM. News of the socialization was from prospective business to socialize for local residents that minimarket will be establish"

Based on the interviews result with Department of Trade, Semarang City One-Stop Integrated Services and Investment Services have not conducted supervision regarding business competition between minimarkets and grocery stores.

## 1.3. Condition of Small Business Activities

Based on interviews result and supporting documents, the writer analyzed that the writer did not find a regulation about the distance between modern market and small business activities, news of socialization as one of the mandatory requirements in the establishment of modern stores, in which the purpose was the residents know that would be establish modern store, and also they do not know the issuance of Modern Store Business Permit (IUTM) is carried out without through a predetermined procedure. With the issuance of a Modern Store Business Permit (IUTM) by the Investment Service and One-Stop Integrated Service, Modern Stores can operate in a given area.

The more modern store business permits issued by the Investment and Integrated One-Stop Service, the more establishments of modern stores. It caused micro businesses anxieties they are small store around modern store. This anxiety can be seen from the interviews result with micro business activities.

The first interview was conducted with micro business activities named Mrs. Mardi. The results show that the existence of modern stores around micro business stores has a negative influence on their income.

"It can be seen that it is quiet, income will decrease. Most of children buy some snacks, men buy cigarettes. It is rarely who want to buy groceries"

Regarding the decrease income, Ms. Mardi answered

"It can be up to one hundred and fifty thousand rupiahs to two hundred thousand rupiahs per day. I could get three hundred thousand rupiahs to four hundred thousand rupiahs per day but now it just one hundred thousand rupiah to one hundred and fifty thousand rupiahs. Sometimes it is quiet enough, I get fifty thousand rupiahs"

Regarding the business carried out by micro business activities in following the development of business competition, it is answered by Mrs. Mardi

"Yes, I want the product to be added, the shop will be enlarged, but the capital financial is not enough, I want do this, it won't work. Just the items are neatly arranged, being friendly to the buyers"

The writer also conducted interviews with other micro business activities named Mrs. Reni. Mrs. Reni stated the same thing as what was said by Mrs. Mardi.

Regarding the influence of the minimarket presence around the micro-scale business shop towards the income, Mrs. Reni replied:

"It get side-effect the income getting go down"

Mrs. Reni's income also decrease, the estimated decline in store income for small businesses was delivered by Mrs. Reni

"It can be one hundred thousand to two hundred thousand per day"

Regarding the business carried out in following the development of business competition, it is answered by Mrs. Reni

"Yes, the items is sold are new items, so the buyers are not disappointed, being friendly through the buyers"

From the interviews result with small business activities, it was shown that the decrease in income faced by businesses activities with the presence of modern shops around them. This income decrease has an effect on the existence of small-scale business owner as people centered economy activities.

People centered economy is an economic system adopted by the Indonesian Nation. It should be carried out by the activities of people centered economy in the lower level so that they are able to exist in business competition by being given protection and opportunities from the government.

#### 1.4. Implementation of the Principles of People Centered Economy

Legal protection for micro businesses is actually regulated in Law Number 20 of 2008 concerning micro, small and middle businesses. Micro, small and middle business are business activities that are able to expand employment and provide economic services broadly to the community, and can play a role in the process of equity and income generation, encourage economic growth, and take a role in creating national stability. In addition, micro, small and medium businesses are one of the main pillars of the national economy which must getting the greatest opportunity, support, protection and development as wide as possible as a form of firm alignment with the people's economic business groups, without neglecting the role of macro businesses and business entities state ownership (general explanation of Law Number 20 of 2008 concerning micro, small and middle businesses).

From the interview results, and the existing documents show that there are arrangements that regulate the procedures for the establishment of modern stores that are not implemented in the field. The licensing requirements for the establishment of a modern store must include a report on the dissemination of modern stores to the surrounding community, but in practice the surrounding community members do not receive such information from modern shop owners. In addition to not implementing the procedure for establishing a modern store by the owners, the distance regulation also does not indicate the protection of small businesses because there is no regulation on the distance between modern stores and grocery stores. Supervision of business competition between minimarkets and grocery stores is also not carried out by the Department of Trade and the Investment and One-Stop Licensing Service because it is not included in the field of supervision.

This is contrary to the principles of people centered economy in which the principle of people centered economy regulates economic access which must have alignments to the community so that the economic opportunities that exist must be given to the community. This is different from the capitalist economic system in which the stronger capital financial of macro business, then the small businesses would be buried. The law of small businesses states that micro, small and middle businesses are one of the main pillars of the national economy which must getting greatest opportunity, support, protection and development as widely as possible as a form of firm alignment to the people's economic business groups, without ignoring the role of micro businesses and state owned enterprises.

It shows that the principle of people centered economy in the practice of the business has not been implemented so the protection of micro businesses is not maximized.

## 2. Protection model for micro business activities in the context of the representation of people centered economy

2.1. The design of protection model is by synergizing various aspects. They are government aspect, consumer aspect and micro business activities.

### a. Government Aspects

According government aspect, government as regulator. In this case central and regional governments must make implementing regulations that have alignments with micro business activities implicitly in article 5 letter A of Law No. 20 of 2008 states that the empowering goal of micro, small and middle business is to create balanced, developed, and fair national economic structure. In this case the government should create fair economy.

Article 7 paragraph (1) Law No. 20 of 2008 also confirmed that the government and regional governments fostered a business climate by establishing legislation and policies covering those aspects:

- a. funding;
- b. facilities and infrastructure;
- c. business information;
- d. partnership;
- e. business licensing;
- f. business opportunity;
- g. trade promotion; and
- h. institutional support.

The Central Government makes regulations regarding the limit market groups to control the market. Law Number 20 of 2008 concerning micro, small and middle businesses regulates that macro business activities are encouraged to collaborate with small business activities with a franchise system partnership pattern. The purpose of this law is good, to develop small businesses to be able to become strong and independent business actors, but the arrangement of partnership patterns provides opportunity for businesses activities with large capital financial to dominate the market due to widespread establishment of modern stores and grocery store or conventional store (small or micro business activities) will be buried.

The results of the study found that there was no regulation of the distance between modern stores, in which has not regulating the distance yet, this could potentially kill small or micro businesses (grocery stores). So in the hope of regional government make regional regulations related to arrangement of distance between modern stores because up to now the regulation is just regulating the distance between modern stores and traditional markets (Semarang Mayor Regulation No. 5 of 2013 and Semarang Mayor Regulation No. 39 of 2014).

In addition to regulating the distance between modern stores, the procedure for granting permits in the establishment of modern stores must be disciplined and tightened. From the results of the study there are procedures that are not carried out in accordance with the regulations, such as is not being notified of the establishment modern store to the surrounding community even though the requirements for the establishment of modern stores are regulated in Semarang Mayor Regulation No. 5 of 2013, requirements and procedures for establishing a minimarket (IUTM) permit found in Article 7 letter g:

"For new minimarkets, it is mandatory to attach a minutes of dissemination to the surrounding community in distance of 50 meters."

Practically there are discrepancies with regulations. There are some people who live around the establishment of modern store that do not get notification or socialization in the context of the establishment of modern stores, even though the mechanism of notification or socialization to the surrounding community is a procedure that must be passed. This is very important because it will have an impact on the sustainability and existence of small businesses around the location of the establishment of modern stores.

#### **b. Consumer Aspects**

From the consumer aspect where consumers must be able to understand that shopping in small business which is close to the residence is a tangible manifestation that consumers take a role in creating economic growth that is pro to the small people.

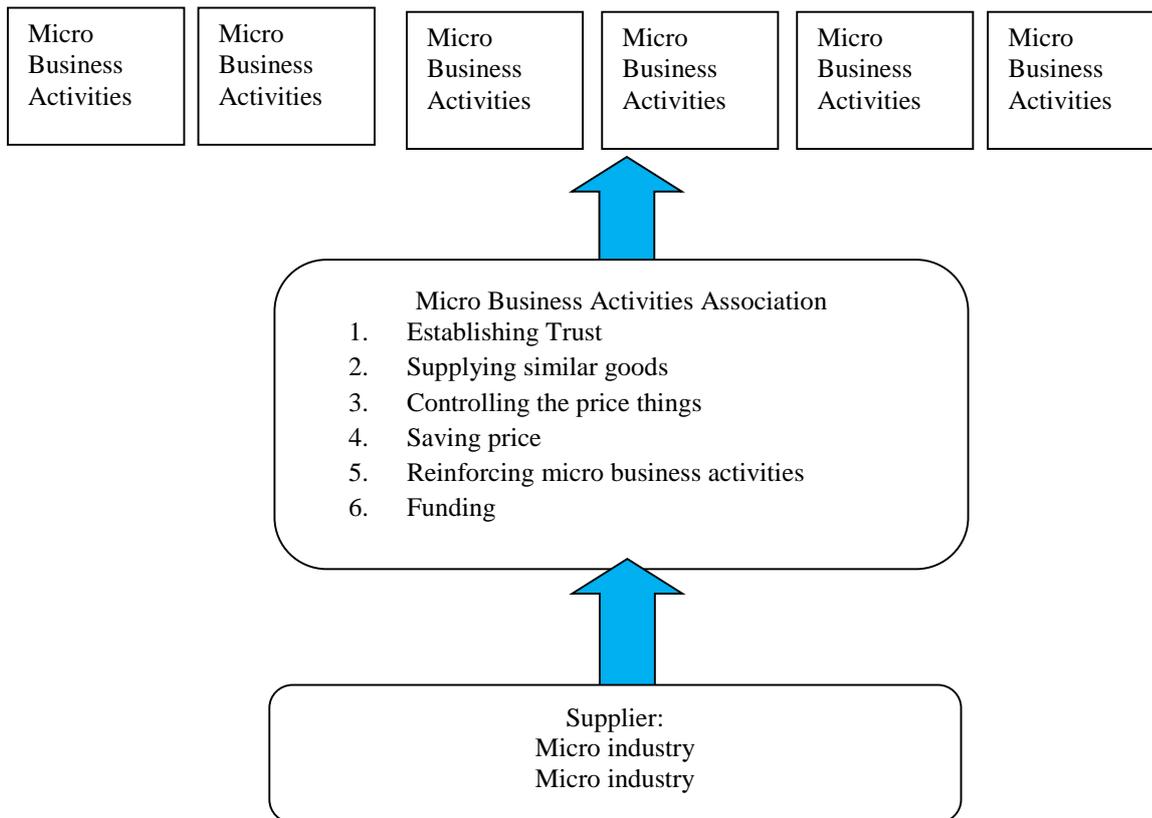
#### **c. Business Activities Aspect**

From the aspect of micro and small business activities must try to make themselves available to compete so that the sustainability of their business can be maintained. The protection model for micro or small business activities in the context of the represent of people centered economy is by establishing micro or small business associations.

### **2.2. Protection Model of Small or Micro Business Activities in order to Represent People Centered Economy**

From the three aspects, the government, consumers and business activities indicate a weakness in the implementation of protection for small business activities to represent people centered economy. The government as the regulator does not have a regulation that is able to provide maximally opportunities to small businesses. Consumers do not have awareness regarding the alignments to small business activities and their impact. Consumers should be able to understand that shopping in small business which is close to their residence is a tangible manifestation that consumers take a role creating pro-economic growth for the small people, micro or small businesses who have limitations to compete micro business activities. The model designed by the writer whose hopes can make small or micro business activities develop and be able to compete with macro business activities by forming associations based on shared vision and mission.

The protection model is illustrated in the chart below.



The purpose of formation association:

1. Establishment of trust for the community as consumers towards the existence of micro or small business activities.
2. Supply similar goods
3. Price control. This control can be done because of members association
4. Savings in transport costs. This can be done because of the delivery of goods in large parties. This happens because there are goods orders carried out by small business activities together so that shipping costs from producers or distributors are more efficient.
5. Sharing capital knowledge between small businesses activities.

## CONCLUSION

Based on the research it can be concluded that:

1. The principle of people centered economy in practice of businesses has not been implemented so the protection for micro business activities is not maximized
2. The protection model for micro businesses activities in representation of people centered economy should be collaborate with three aspects, they are government as the regulator, micro business activities and consumers. Businesses activities aspect should be able to do various things:
  - a. Establishing trust of the community,
  - b. Controlling price
  - c. Supplying similar goods
  - d. Savings transport costs (shipping of goods in big parties)
  - e. Sharing knowledge between micro activities

Consumer aspect in which consumers should be able to understand that shopping in small business close to their residence is a tangible manifestation that consumers take a role in representing economic growth that is pro underground economy. Government aspects in which the government makes regulations that have alignments with small business activities.

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