

LEGAL PROTECTION FOR THE SUSTAINABILITY OF MSMEs DUE TO THE MEDAN CITY DRAINAGE PROJECT

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ABSTRACT

Drainage is a construction that becomes a medium for flowing water from one point to another which is considered very important to help the process of flowing water such as rainfall, so that puddles or flooding do not occur. In residential areas, drainage plays a role as a sanitation facility to avoid standing water which can disrupt environmental comfort and health, and functions to prevent flooding. One of the components of public infrastructure needed by the people of Medan City to achieve a safe, comfortable and healthy life. There is continuity of MSMEs due to the Medan City drainage project. MSMEs are regulated based on PP Number 7 of 2021 concerning Convenience, Protection, Empowerment of Cooperatives and MSMEs. Micro businesses are productive businesses owned by individuals or individual business entities that comply with the criteria set out in the law. Micro, Small and Medium Enterprises (MSMEs) play a significant role in Indonesia's economic development and are considered the main driver of the economy in a region. In 2009 there were around 22 thousand MSMEs in Medan City and that number continued to increase until 2015, the number reached around 300 thousand. The high growth of MSMEs is certainly very encouraging because it can also reduce the unemployment rate. based on Medan Mayor Regulation No. 9 of 2009 concerning the Prohibition of Building Buildings Above Drainage Channels. Legal protection is an effort to provide protection for human rights that are harmed by other parties, as well as providing protection to the community so that they can enjoy all the rights regulated by law. In other words, legal protection includes various actions that must be taken by law enforcement officials to provide a sense of security, both mentally and physically, from interference and threats from anywhere.

KEYWORDS Legal Protection, MSMEs, Drainage



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INTRODUCTION

Indonesia is a State of Law where in taking any action the Indonesian government must be based on applicable law. The existence of law in Indonesia is not merely a fulfillment of the status as a state of law, however, the law must uphold social justice and human rights. Thus, in implementing every regulation or public virtue is based on legal protection to every human being.

Legal protection can be interpreted as all government efforts to ensure legal certainty to provide protection to all people. Both people who are socially, politically and economically disadvantaged, as well as people who are in a strong position. Legal protection in Indonesia must be fair for everyone without discrimination. Thus, the legal protection discussed in this research focuses on the economic aspect, especially with the existence of MSMEs in business competition.

A region consists of several government administrative areas. This is why intergovernmental cooperation is needed, such as cooperation between several municipalities, which share common or mutually reinforcing development elements. A plan is a basic effort that is carried out systematically and continuously and that has a purpose. Implementation of planning is expected to run efficiently and effectively.

Without planning, the expected goals will not be maximally achieved and development will be inefficient. That is why an activity must be planned before it is implemented. In a more focused manner, it is stated that planning is an effort that involves entitled parties and affected communities who are consciously trying to solve problems faced in the present and future that are controlled gradually in the long term and carried out systematically, through a priority scale assessment.

One of the efforts to realize the objectives of regional planning is to build a planned effort in improving the welfare of the community, nation and state. Drainage development is a technical step to reduce the volume of excess water, including from rain, seepage, and irrigation that exceeds the needs in an area, drainage not only handles surface water but also regulates groundwater in accordance with the principle of drainage set as a disposal path. So when it rains, the water that flows on the surface is tried to be discharged as soon as possible so as not to cause puddles that can interfere with activities and can even cause losses, one of which is affected by the existence of drainage development is economic growth in MSMEs. Economic development is a must for a country. However, this level of prosperity must be increased and maintained. Economic development in developing countries generally emphasizes physical development, such as drainage development, toll road construction, building construction and so on. Therefore, drainage development can have an impact on the economy, one of which is increasing community MSMEs.

MSMEs are businesses or businesses in the supporting sector of the Indonesian economy related to culinary, fashion, and arts aspects that are present as a livelihood for the community to meet their needs. Based on Government Regulation Number 7 of 2021 concerning Ease, Protection, Empowerment of Cooperatives and MSMEs. The development of micro, small and medium

enterprises is not only on the expansion of employment and community welfare but can also stabilize the problem of local social inequality. MSMEs in Indonesia have long been recognized as a very important business sector, due to their various real roles in the economy (Manurung et al., 2022). Starting from its share in the formation of GDP of around 63.58%, its ability to absorb labor of 99.45% or the very large number of business units involved, which is around 99.84% of all existing business units.

Increasing MSMEs will have an impact through the development of national economic growth and it can also be seen that MSME players are very dominating in Indonesia (Sitompul, 2023). If this can be developed further, Indonesia can reduce the unemployment rate and more jobs will appear (Tanjaya et al., 2022).

The construction and improvement of drainage channels is one of the efforts made to minimize the occurrence of floods and puddles. The sustainability of the project greatly affects MSMEs, one of the recent MSME areas located on Jalan Perdana, North Sumatra Province, precisely in Medan City, has experienced a decrease in turnover due to the drainage project and some have even gone out of business (Manullang & Samosir, 2019). The government must ensure that the projects being carried out do not harm MSME actors. But in reality, many MSMEs are affected by infrastructure projects such as disruption of road access, air and dust pollution, and changes in traffic flow (Apriani & Said, 2022).

This research raises three main issues: the principles of legal protection for Micro, Small and Medium Enterprises (MSMEs), the impact of drainage project development on MSMEs around Medan City, and the efforts of the Medan City Government in addressing the impact. The purpose of this study is to understand the legal protection for MSMEs, the impact of drainage projects on the development of MSMEs, and the government's actions in addressing the impact (Ramadhana, 2023). The benefits of this research are expected to make theoretical contributions in legal literature and practical for MSMEs affected by drainage projects, as well as useful for the author in fulfilling study requirements and adding insight into legal protection.

Based on the above sequence, it is important to conduct a deeper study and pour it in the form of a legal thesis with the title: Legal Protection Against the Continuity of MSMEs Due to Drainage Projects in Medan City.

RESEARCH METHOD

Type and Nature of Research

The type of data used in this research is qualitative descriptive data. Qualitative descriptive data is a technique used to collect, process, analyze, and present data descriptively. Data can be presented in graphical form such as plots or diagrams and can also be in numerical form such as calculating the average or standard deviation. Qualitative descriptive analysis techniques are usually related to research related to social phenomena that cannot only be measured with numerical data.

This research is normative juridical research. Normative juridical research is a research that refers to the reality that is happening in society, which is then connected to legal theories, namely Legal Protection Theory.

Source of Legal Materials

The data source in this research is secondary data. Secondary data is data obtained from library research. More details of the data sources in this study can be described as follows:

a. Primary Legal Materials, namely legal materials that have their own binding force from laws and other related regulations. Binding materials, consisting of the Civil Code, Government Regulation No.7 of 2021 concerning Ease, Protection, Empowerment of Cooperatives and MSMEs.

b. Secondary Legal Materials Secondary Data Collection is a data collection technique carried out through data collection activities obtained from second sources. The author uses a way to obtain data. Secondary data collection as follows:

1. Literature Study

Data collection obtained from books, scientific works, and opinions of competent experts.

2. Documentation Study

Data collection techniques using records, documents in the research location Tertiary Legal Materials, namely materials that provide guidance and explanation of primary legal materials and secondary data, such as Cumulative Index, Internet Websites.

Data Collection Technique

The data collection tools used in this research are document studies and literature searches. Literature search is a literature search that is sourced from data collection derived from literature, lecture notes, laws and regulations, books, official documents, publications and research results. And also conducted by interviewing respondents.

Data Analysis

Data analysis according to Sugiyono (2018) is "A systematic process of collecting and compiling data from interviews, field notes, and documentation, by organizing data into categories, explaining in separate units, synthesizing, compiling patterns, selecting relevant information to study, and making conclusions so that they can be easily understood by oneself and others".

RESULT AND DISCUSSION

Principles of Legal Protection for Micro, Small and Medium Enterprises (MSMEs)

Principles of Legal Protection According to Pancasila & 1945 Constitution

The basic principle that underpins legal protection against government action is the principle of the rule of law. This principle relates to the recognition and protection of human rights, which are placed centrally in the rule of law and are connected to the main objectives of the country's legal system. Philipus M. Hadjon

formulated the principle of legal protection for the people of Indonesia by combining the ideology of Pancasila with the western conception of legal protection.

The concept of legal protection for the people stems from the recognition and protection of human rights, as well as principles such as *rechtsstaat* and the rule of law. In Indonesia, this concept is adopted using Pancasila as the ideology and philosophical foundation. Therefore, the principle of legal protection for the people of Indonesia is the recognition and protection of human dignity derived from Pancasila, as well as the principle of a rule of law based on the values of Pancasila. The principles of legal protection for the people of Indonesia are based on Pancasila as the basic ideology and philosophical foundation of the state.

The principles underlying legal protection for the people based on Pancasila are: a. Principles of protection Legal protection against government action rests on the concept of recognition and protection of human rights. Recognition of human dignity is based on the values of Pancasila which is the foundation of the state. In other words, Pancasila is the source of recognition of human dignity. This recognition shows respect for the human desire to live together with the aim of achieving common welfare.

The principle of the rule of law is the second principle underlying legal protection for the people against government action. Pancasila, as the basic state philosophy, and the principle of harmonious relations between the government and the people based on harmony remain the main elements. Pancasila is the foundation that leads to efforts to achieve harmony and balance in life. With the development of the MSME sector in Indonesia, Law No. 20/2008 on Micro, Small and Medium Enterprises (hereinafter referred to as the MSME Law) was passed on July 4, 2008, which is more complete than the old Law No. 9/1999, which defined only small businesses. In the consideration of this Law, it is said, a. That a just and prosperous society based on Pancasila and the 1945 Constitution of the Republic of Indonesia must be realized through the development of a national economy based on economic democracy; b. That in accordance with the mandate of the Decree of the People's Consultative Assembly of the Republic of Indonesia Number XVI/MPR-RI/1998 on Economic Politics in the framework of Economic Democracy, MSMEs need to be empowered as an integral part of the people's economy which has a strategic position, role, and potential to realize a national economic structure that is increasingly balanced, developed, and equitable; c. That the empowerment of MSMEs as referred to in letter b. must be realized through the development of a national economy based on economic democracy. That the empowerment of MSMEs as referred to in letter b, needs to be carried out thoroughly, optimally, and continuously through the development of a conducive climate, the provision of business opportunities, support, protection, and the widest possible business development, so as to improve the position, role, and potential of MSMEs in realizing economic growth, equitable distribution and increase in people's income, job creation, and poverty alleviation. The regulation of empowerment in MSMEs obliges the government to carry out or organize empowerment for MSMEs by referring to the principles of MSME empowerment stipulated in Article 4 of the MSME Law to realize the objectives specified in Article 5 of the MSME Law.

Regarding the government's obligation to empower MSMEs, it is further regulated in Government Regulation No.7 of 2021, Article 2 mandates the government to carry out empowerment by providing guidance and providing facilities. The task of empowerment is carried out by the government through the Ministry of Cooperatives and Micro, Small and Medium Enterprises and is carried out in an integrated manner with other institutions, as explained in Article 94 of PP No.7 of 2021. By facilitating licensing, it indicates that the government has empowered MSME players. Apart from empowerment, facilitating licensing is a form of legal protection from the government for MSME actors. Legal protection must be carried out and given to MSME actors so that they can develop and compete strongly in the era of globalization and market openness.

Legal protection is regulated in Article 48 to Article 52 of PP No.7 of 2021. It is explained that both the central government and local governments are obliged to provide legal assistance and assistance services to MSME actors and free of charge, and legal assistance services include legal counseling, legal consultation, mediation, preparation of legal documents, and out-of-court assistance. But licensing is needed if MSME actors want to get legal assistance because Article 49 explains that one of the requirements for obtaining assistance is the existence of a business identification number (NIB).

Regarding the government's obligation to empower MSMEs, it is further regulated in Government Regulation No.7 of 2021, Article 2 mandates the government to carry out empowerment by providing guidance and providing facilities. The task of empowerment is carried out by the government through the Ministry of Cooperatives and Micro, Small and Medium Enterprises and is carried out in an integrated manner with other institutions, as explained in Article 94 of PP No.7/2021. The principles of protection in economic law, especially MSME activities, include:

- 1) Economic Principles in the 1945 Constitution, this was initiated by the 1945 Constitution which has become the foundation in the economy for the Indonesian people in order to achieve a target that is being aimed at the state, namely the community has a fair and prosperous life drive. There are 7 principles of economic principles according to Article 33 of the 1945 Constitution, namely the principle of balance, the principle of harmony and harmony, the principle of equality, the principle of jointly owned businesses, the principle of kinship, the principle of deliberation for consensus, the benefits of protection and also the guidance of weak parties.
- 2) The principle of protection of national interests is found in Article 33 paragraphs (2) and (3) of the 1945 Constitution which regulates state jurisdiction over branches of production that fulfill state interests. The control of power over the branch of production is based on efforts to protect the interests of the wider community. The principle of protecting national interests must not contradict the principle of freedom of contract. If this happens, it will not be different from the absence of freedom of contract given by the state even though it is done for the protection of the public interest because it will hamper business actors in running their business.

- 3) Protection Principles in International Law and Civil Law, except for the protection provided by the state through the rule of law to protect MSMEs nationally, legal protection from an international perspective must also be considered. This protection will have an effect or reputation on how foreign countries view Indonesian products, which of course will indirectly pay attention to the Indonesian State as well.

Purpose of Legal Protection for Micro, Small and Medium Enterprises

Legal protection is a must in a country. Every state formation always involves law to regulate the behavior of its citizens. In every country, there is an established relationship between the government and its citizens. Law is a compelling regulation, but not to force something on someone but to protect human interests (Soeroso, 2020).

Legal protection is a step or effort to protect people from arbitrary actions by authorities that are not in accordance with the law, with the aim of creating order and peace so as to enable humans to enjoy their dignity as human beings.

The purpose of legal protection is of course in addition to providing a sense of physical and mental security from a threat, as well as preventing terror or violence from any party based on the principles of the rule of law. The purpose of legal protection can be carried out so that legal actors or each party can trust each other and have good faith in each other, so that none of the rights of each party are violated by the other (Setiono, 2004).

Soetjipto Raharjo, a legal expert, argues that the principle of legal protection is to protect a person's interests by giving him certain powers to protect him from threats that will attack his interests. According to Philipus M. Hadjon, legal protection is preventive legal protection and repressive legal protection. Preventive legal protection aims to prevent disputes while repressive legal protection aims to resolve disputes. Meanwhile, according to Peter Mahmud Marzuki, legal protection is a legal certainty. Therefore, the parties to the dispute can be prevented from the arbitrariness of judgment (Khairandy, 2003).

So, the principles of balanced legal protection are legal principles or legal principles that are the basis for providing legal protection fairly (not one-sided) for the parties. This means that the parties are in the same position and position, so that the regulation of rights and obligations for the parties is not one-sided.

The principle of legal protection against government action is rooted in the recognition and protection of human rights. In the Western tradition, this concept leads to the limitation of the obligations of society and government and the regulation of the protection of human rights. Basically, the state has an interest in paying attention to what is needed or required by its citizens or business actors in order to carry out economic activities competitively. The state plays a role in creating the right tool, as well as controlling and carrying out its function to inform and socialize the policies needed by the community in relation to the competitive business world. The state has an interest in regulating economic life based on an anti-monopoly economic pattern by upholding the principle of fair business competition. The MSME sector is of concern to the government because it has an important contribution to national economic development.

Its ability to survive the economic crisis is proof that the MSME sector is part of a strong industry. The success of development is shown by added value, employment opportunities and equitable distribution of business opportunities, so that industry is increasingly effective as the main driver of development. Currently, MSMEs are an economic phenomenon in their own right when there is an increase in food and fuel prices so that many large businesses experience difficulties in their business. MSMEs are able to maintain their businesses amid the economic crisis. The role of MSMEs is also often associated with government efforts to reduce unemployment, fight poverty and equalize income. Therefore, MSME development policies in Indonesia are often considered as job-creating policies.

Implementation of Legal Protection Principles According to the 1945 Constitution

The Job Creation Law is also strengthened by the issuance of implementation guidelines such as Government Regulation Number 7 of 2021. This Government Regulation discusses the Ease, Protection, and Empowerment of Cooperatives and Micro, Small, and Medium Enterprises. Based on this regulation, both central and regional governments are obliged to provide facility services and assist MSME players legally without any fees. Legal assistance for MSMEs is in the form of legal counseling and consultation, dispute resolution processes (mediation), and out-of-court assistance. However, licensing is needed if MSME actors want to get legal assistance because Article 49 explains that one of the requirements for obtaining assistance is the existence of a business identification number (NIB).

Of course, to obtain an NIB, you must go through the business licensing stage. Article 50 explains that the government is obliged to provide financial assistance if MSME actors request legal assistance from other parties such as lawyers, legal aid institutions, and universities. If using legal assistance with other parties, MSME actors can get legal assistance in the form of legal consultation, mediation, preparation of legal documents, and assistance outside and inside the court. Regarding licensing, it is listed in Law Number 11 of 2020 Article 91. Specified in this article, it explains that MSMEs can register online or attach a letter of commerce from the Identity Card (KTP) and RT so that MSME business actors can obtain a Business Registration Number from an electronic business license. The business registration number is the main valid license for all business activities. In addition, Article 92 is governed by Article 92 of the Taxation Law by the tax administration of MSMEs. Similarly, the various types of legal guarantees stipulated in the PP are also explained in Article 51 which clarifies that MSMEs will get legal assistance and assistance. The central and local governments will at least identify legal issues for MSMEs, provide news to MSMEs on the structure and strategy to obtain legitimate guidance administration, and subsidize the implementation of legal programs and facilities. In view of this, the legal protection of MSMEs should be regulated by Law No. 11 of 2020 on Job Creation and Decree No. 7 of 2021 on the Guidance, Protection, and Strengthening of Cooperatives, which MSMEs do right. If the central and local governments are more interested in financing, it is easier to grant licenses and provide goods/services to MSMEs. Law No. 11/2020 provides a breath of fresh air for MSMEs, whereas the previous Law

No. 20/2008 on MSMEs did not provide comprehensive legal protection to MSMEs. In order for MSMEs to struggle, develop, and advance in the era of globalization and market openness, legal protection is needed. This legal protection is important considering that MSMEs have a vital role, namely MSMEs are one of the pillars of economic development that is directly supervised and fostered by the government, MSMEs have great potential to develop and advance properly so that they can be prepared to enter and compete in the global economic arena.

Considering that Indonesia is the country with the first rank as the country with the largest E-commerce growth in the world, KPPU should pay more attention in overseeing digital-based industries in order to prevent things called unfair business competition such as digital monopoly, predatory pricing, lock-in, and hidden collusion that can have adverse effects on the Indonesian economy, especially on the conventional MSME industry (Wiya, 2021). The current legal protection for MSMEs affected by infrastructure development is not specific and specialized, so there is no legal certainty for MSMEs that suffer losses.

Impact of Drainage Project Development on Micro, Small and Medium Enterprises (MSMEs) Around Medan City Area

In this section the author will elaborate on the results of research that refers to the problems that are the subject matter and objectives of this study, namely how the impact of drainage project development on micro, small and medium enterprises (MSMEs) around the Medan City area. The author has conducted random interviews, where the respondents are MSMEs on Jalan Perdana, the respondents in this study were 30 MSMEs that were still operating, because when conducting interviews with MSMEs the author saw that some MSMEs had closed or were not operating due to the drainage project.

Drainage development is a construction that becomes a medium for draining water from one point to another which is considered very important to help the process of draining water such as rainfall, so that inundation or flooding does not occur. Drainage development realizes the formation of a better and optimal regional use system, minimizing damage to soil structures due to the construction of buildings, houses and roads. Protect nature and the environment for the better, especially for soil quality, water quality and air quality. Drainage development can have a negative impact if it does not pay attention to various aspects, both in terms of society and the environment. This negative impact will hamper the growth of some parties, so that more or less will affect the overall development. The following is the impact that drainage projects have on the sustainability of Micro, Small and Medium Enterprises.

Decrease in Micro, Small and Medium Enterprises (MSMEs) Revenue

Before the drainage project, most of the shops had a fairly varied income. However, when the drainage construction took place, there was a significant decline caused by various things. The causes of the decline in income are:

1. Access to Business.

Dredging or partial road closures for drainage projects can reduce accessibility to MSME businesses. This can result in a decrease in the number of customers or visitors who would normally come to their business.

2. Traffic Flow Diversion

The change in traffic flow caused by the drainage project resulted in a reduction in the number of visitors or customers to the MSME business area. The reduction in the number of customers directly impacts their income.

3. Operational Challenges

During drainage construction, road closures disrupted the daily operations of MSMEs, resulting in a slowdown in business productivity.

4. Parking Lot Reduction

The dredging and reduction of parking areas around MSME businesses for drainage projects can make it difficult for visitors to park.

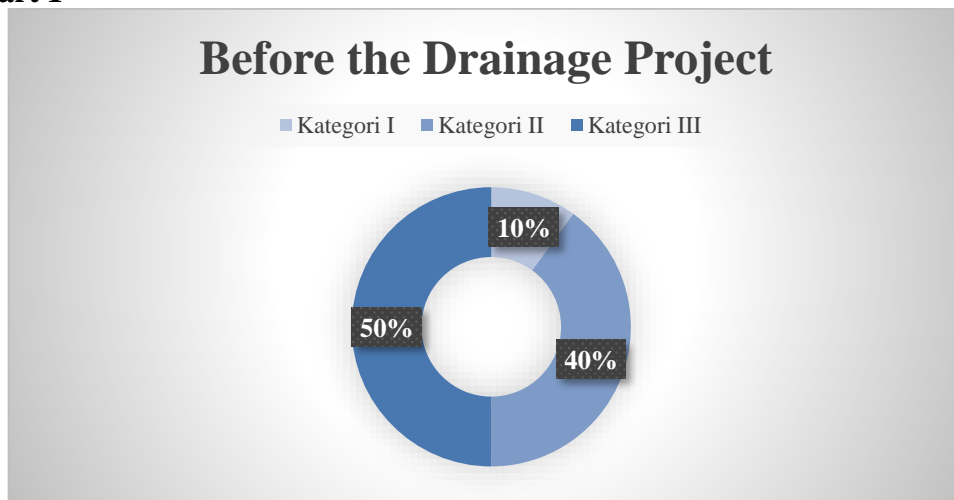
5. Duration of Drainage Project

Drainage projects take a long time to complete, MSMEs will experience a prolonged decline in revenue which results in disruption of cash flow and financial stability of MSMEs in the longer term.

The income factor will be carried out by looking at the income of MSMEs in Jalan Perdana, Medan City. The income assessment consists of 3 categories, namely:

1. Category I has an income of IDR 40,000,000 to IDR 30,000,000.
2. Category II has an income of Rp.29,000,000 to Rp.20,000,000.
3. Category III has an income of Rp.19,000,000 to Rp.0

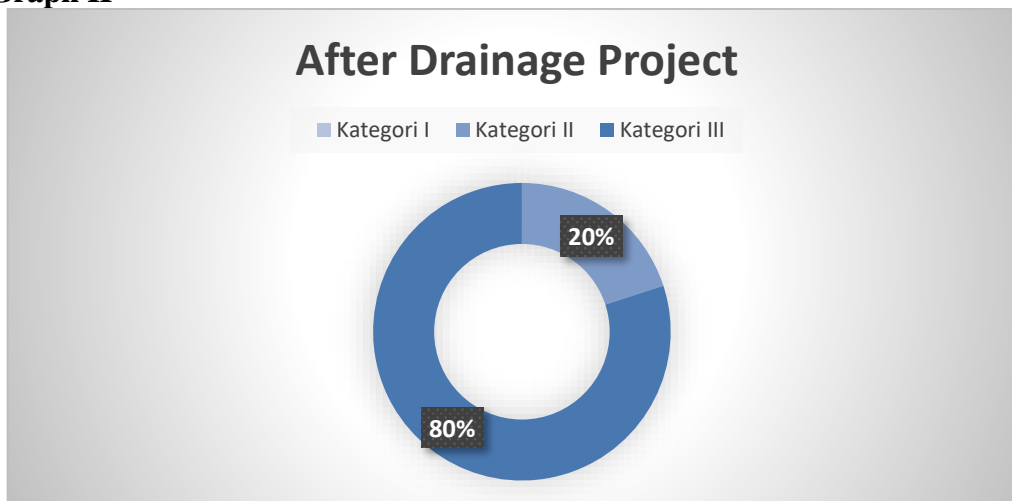
Chart 1



From graph 1, it can be seen that the income of 30 MSMEs on Jalan Perdana before the drainage project, namely:

1. Category I is 10% or as many as 3 MSMEs
2. Category II is 40% or as many as 12 MSMEs
3. Category III is 50% or as many as 15 MSMEs

Graph II



From graph II, it can be seen that the income of 30 shops around Jalan Perdana after the drainage project is:

1. Category I is 0% or none
2. Category II is 20% or as many as 6 MSMEs
3. Category III is 80% or as many as 24 MSMEs

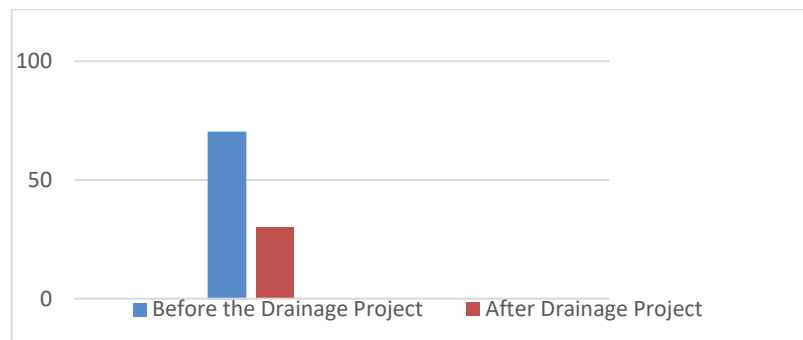
Based on the graph above, it can be concluded that the drainage project greatly affects the sustainability of MSMEs on Jalan Perdana. The significant decrease in revenue shows the negative impact of the drainage project on MSMEs, especially in terms of accessibility, diversion of traffic flow, operational disruption, reduction of parking lots, and long project duration.

Wanita (2015: 250) the development of Micro, Small and Medium Enterprises can be seen from the aspect of income from sales (turnover), the addition of the type or amount of merchandise/products, and the use of labor in the activities of Micro, Small and Medium Enterprises (Wanita, 2015).

Labor Reduction

Labor refers to individuals who have the ability to do work with the aim of producing goods or services, both to meet personal and community needs. The ongoing drainage project on Jl.Perdana has had a significant impact on the income of micro, small and medium enterprises (MSMEs). This decrease in income not only affects business continuity but also has an impact on reducing the number of workers.

Graph III



From graph III, it can be seen that the number of workers from 30 MSMEs at the time before the drainage project was 70 workers while during the drainage project, there was a reduction in workers to 30 people. There was a significant reduction in the drainage project of 57%. The impact of the drainage construction was felt by the reduction of workers. Increased unemployment not only affects individuals who lose their jobs but also impacts the local economy, reducing purchasing power and hampering economic growth in certain areas.

Sustainability of Micro, Small and Medium Enterprises (MSMEs)

The drainage project on Medan City's prime road has significantly impacted Micro, Small and Medium Enterprises (MSMEs) operating in the vicinity of the drainage project. The main impacts are decreased income due to operational disruptions, limited accessibility to business locations, and road closures and traffic diversions. Noting article 13 paragraph (1) part A of Law No. 20 of 2008 which reads, "determining the allocation of business premises which includes providing locations in markets, shopping spaces, industrial center locations, community agricultural locations, community mining locations, reasonable locations for street vendors, and other locations". Where the government in the drainage project must consider the interests of MSMEs, because the Jl. Perdana area is a shop space. Despite facing tough challenges, there are MSMEs that manage to survive by relying on the remaining customers, but there are also MSMEs that have to close their businesses because they are unable to survive for a long time without adequate income. one of the things that is very important for the protection of bondholders from a legal aspect is information disclosure (E. F. Pakpahan et al., 2019).

Regulations regarding legal protection of MSMEs due to drainage projects have not been explicitly regulated. However, there are regulations related to drainage projects as a basis for MSME actors to ask for government assistance to maintain their business, namely, based on Article 48 of Government Regulation No. 7 of 2021 concerning Protection, Ease, and Empowerment of Cooperatives and Micro, Small and Medium Enterprises, "The Central Government and Regional Governments are required to provide legal assistance and assistance services to Micro and Small Business actors." With this article, business actors can ask the government for legal assistance related to the impact felt due to the drainage project.

Article 139 Letter (a) and (b) of Government Regulation No. 22 of 2020 concerning construction services, (a) "accessing information and information related to Construction activities that have an impact on the interests of the community", (b) making complaints, lawsuits, and efforts to obtain compensation or compensation for the impacts caused by Construction Services activities. This means that MSME actors who are also the public should be able to access and obtain information about ongoing projects and their impacts. Government Regulation No. 19 of 2021 concerning Land Acquisition states the same thing, found in Article 29 paragraph (2), "Public Consultation as referred to in paragraph (1) is carried out by involving the Eligible party, the Goods Manager, the Goods user and the affected community."

And in article 139 letter (b) which reads, "making complaints, lawsuits, and efforts to obtain compensation or compensation for the impacts caused by Construction Services activities", which allows MSME actors to make complaints and request compensation or compensation. Complaints as referred to in Article 139 letter (b) are submitted by the public to the Minister, Governor, Regent / Mayor according to their authority. Some of these efforts are a form of legal protection for MSMEs to maintain the sustainability of MSMEs affected by the Drainage Project.

By taking into account various existing regulations, MSMEs around Jalan Perdana have a strong legal basis to seek protection and assistance from the government regarding the negative impacts of the drainage project. Through the utilization of legal aid services, access to project-related information, as well as the right to file complaints and compensation, it is expected that MSME players can continue to maintain and continue their business despite facing challenges from this infrastructure project. Collaborative efforts between the government and MSME players are needed to ensure the sustainability of small and medium enterprises to improve the local economy.

Medan City Government's Efforts towards MSMEs Affected by Drainage Projects

The Role of Regional Autonomy in Infrastructure Development

Besides its status as a Metropolitan city, Medan is also labeled as the third largest city in Indonesia in terms of economic activity, trade and population dynamics as well. Implementation of the drainage development program carried out by the Medan City Development Office. So one of the programs carried out is to improve integration and cross-regional cooperation in the development of road infrastructure, bridges, drainage and water resources. Development is a social process that involves broad participation from the community, aims to improve social and material progress, including improving justice, freedom, and quality of life among the people of Medan City, for the majority of the people of Medan City through a greater control that they gain over their environment as well as some development of physical facilities which are defined as tools or facilities that can be felt directly by the community such as:

1. Transportation infrastructure, namely: roads, bridges and others.
2. Marketing infrastructure viz: buildings, markets.
3. Social infrastructure viz: school buildings, houses, places of worship.

4. Production infrastructure such as waterways.

The existence of drainage channels is actually an environmental disaster adaptation strategy. High rainfall and the conditions and characteristics of the region should be anticipated through the provision of adequate drainage channels and integrated as a whole in an urban drainage system. Law No.22/1948 focuses on the arrangement of democratic local government. Then it was replaced by Law No. 22 of 1999 (after the fall of the new order regime - the reform era), which then gave birth to MPR Decree No. XV / MPR / 1998 concerning the implementation of regional autonomy; regulation, distribution, and utilization of national resources, which is fair, and the balance of central and regional finances within the framework of the Unitary State of the Republic of Indonesia. It was only since 2000 that the implementation of regional autonomy began to be realized in stages. After the implementation of regional autonomy, financial balance in accordance with Law No. 25 of 1999 provides an opportunity for regions to get 70% of the results of the management of their own natural resources to be utilized for the advancement of their own regions. Then this regional autonomy was updated according to Law No.32 of 2004, which was later replaced by Law No. 23 of 2014.

Compensation and Relocation Policy

The government has also prepared various other programs to support MSMEs, such as interest subsidies. The government places funds with partner commercial banks to support the expansion of working capital loans and credit restructuring for MSMEs, as well as for MSME working capital loans, the Banpres Produktif Usaha Mikro (BPUM) program, and cash assistance for small traders (PKL). In the regional economic development that is now being promoted by the government, with the main objective of improving community welfare, the development of local MSMEs in accordance with their potential is very important.

MSMEs have a strategic position in regional economic development. Because what we know is that building drainage or widening it until the loss of water catchment areas will not solve the problem if it is not addressed optimally. As a result, the area covered by the pavement is getting wider and will cause waterlogging and even flooding. Some MSME communities in Medan City have suffered various losses due to drainage projects that hamper economic growth. In this case, the loss is in the form of land and income achievement. There are several areas of Medan City that are idle due to drainage projects so that MSME traders or communities ask for compensation from the Medan City OPD to use the budget in accordance with the stipulated contract.

This can be seen in the drainage project on Jl.Perdana in Medan City. MSMEs affected by the construction generally do not get compensation, because the existing rules are very difficult for MSMEs to get compensation. If the compensation from the government is not in accordance with the stipulated contract budget, this can be said to be an Unlawful Act (PMH) which is regulated in article 1365 of the Civil Code (Lubis, 2013).

The people of Medan City, especially the MSME community, ask the government to immediately complete the drainage project, the deadline for the work period, the building specifications must be in accordance with what has been

determined. So it is not only physical losses that are obtained if the work is not done on time. The rules regarding the organization of drainage systems are contained in the Regulation of the Minister of Public Works of the Republic of Indonesia Number 12/PRT/M/2014 on the Implementation of Urban Drainage Systems and are followed by all regions in Indonesia. The regulation explains in detail how to manage, make, and how the city government organizes the drainage system.

Medan City continues to improve infrastructure from January to July 20, 2023 along 16,621 meters of drainage. Drainage planning cannot be separated from land use, drainage system master plan and socio-cultural conditions of the community. There is also a relocation policy to ensure that infrastructure development does not harm MSMEs. Identify location data collection that conducts field surveys to identify all MSMEs within a drainage project area. GIS (Geographic Information System) technology can be used to map the location of affected MSMEs. The government can also provide alternative land or temporary buildings that suit business needs, ensuring that the new location is easily accessible to customers and public transportation, the availability of supporting facilities such as electricity, water, internet access at the relocation site, as well as the provision of adequate parking and accessibility. Provide local tax exemptions or deferrals for affected MSMEs during the relocation and adjustment period. With a comprehensive compensation and relocation policy, this policy also shows the government's commitment in supporting the sustainability and growth of MSMEs amid infrastructure development.

Policy of Medan City Government

Starting from the construction of drainage, there have been many problems caused by the construction of these drainages, from dredging soil that takes up the shoulder of the road, which adds to congestion and a lot of ash when it is hot and muddy when it rains. Making it difficult for MSMEs to run their businesses and businesses so that they can make MSMEs suffer losses.

When the drainage project is completed, the dredged soil is left without being transported by the drainage construction workers, which adds to the ugliness and problems and leads to public unrest around the failed drainage project in Medan City. Since 2016 to 2017, the Medan City Government has spent trillions of rupiah for infrastructure improvement. Especially for drainage projects, in 2016 the Public Works (PU) Office of Medan City spent more than Rp 220 billion. While in 2017 the Public Works Office allocated a budget of more than Rp 313 billion. Drainage normalization is part of the flood management that Medan residents have been facing. However, the improvement of drainage channels seems unconceived (Hariansyah, 2018).

The Medan City Government has taken various measures to assist Micro, Small and Medium Enterprises (MSMEs) affected by the drainage project. Some of the measures taken by the government include: Socialization and Communication to MSME owners about the drainage project plan and schedule so that they can prepare themselves and set their business strategies during the construction period. Temporary Relocation where the government provides temporary locations for MSMEs that are severely affected by the drainage project, this aims to ensure that

they continue to run their businesses even though their original business premises are being affected. Financial Assistance Through relevant agencies, the government can provide financial assistance or subsidies to MSMEs that experience a significant decrease in income due to drainage projects, such assistance can be in the form of soft loans, grants, or cash transfers. Promotion and Marketing, the government supports the promotion of affected MSMEs through various media which aims to keep the exposure and sales of MSMEs stable (Ramadhana, 2023). And also Tax Intensive, for MSMEs that experience a decrease in turnover, the government provides tax relief or incentives during the drainage project period with the aim of easing the financial burden on MSMEs. Strengthening Cooperation with the Private Sector, to provide additional support for MSMEs, such as CSR (Corporate Social Responsibility) programs that can help in financial or non-financial forms. And Monitoring Evaluation, where the government continues to monitor the impact of drainage projects on MSMEs and conducts periodic evaluations in order to adjust policies and assistance according to the needs in the field. These efforts are expected to provide sufficient protection and support for MSMEs in Medan City affected by drainage projects, ensure their business continuity, and maintain regional economic stability.

The local government should pay attention to the impacts of infrastructure development in this case MSMEs. The government must provide compensation and afterwards revive the affected MSMEs. And the existing regulations should be in favor of the community, so that it is clearer to issue regulations to get compensation. Ideally, the settlement can be made by deliberation between the implementer and the affected MSMEs by calculating losses and developing strategies to revive the affected MSMEs. One of the efforts made is to apply the sponge city principle in overcoming water problems.

This principle aims to provide access to clean water, proper sanitation, protection of water sources from pollution, and reduction of flood risk. An integrated approach to clean water management involving water use, rainfall runoff control, and wastewater treatment to improve resource efficiency without polluting the environment (Adnan et al., 2023): Crime prevention efforts are essentially a unity and an integral part of community protection efforts (social defense plan or community protection) and efforts to achieve social welfare. The Presidential Regulation states that a contract is an agreement in written form between the Commitment Making Official/PPK at the Ministry/Institution/Regional Work Unit/Institution and the Service Provider or Self-Management Implementer (K. Pakpahan et al., 2023).

According to Agus Yudha Hernoko, in the perspective of the Civil Code, the term agreement has the same meaning as the term contract. MSME development is one of the government's efforts as the ruler to increase investment and create jobs (Brahmana et al., 2015). These efforts are contained in Law No. 11 of 2020 concerning Job Creation and Government Regulation No. 7 of 2021 concerning Development, Protection and Strengthening of Small Cooperatives and Enterprises. The concept of a fair legal protection mechanism to ensure the inequality of the free market economic system that creates a gap between large entrepreneurs and small entrepreneurs, especially MSMEs.

CONCLUSION

Based on the results of data analysis, this study concludes that the government and drainage projects in Medan City do not apply the principles of adequate legal protection for MSMEs. The lack of socialization, absence of proper compensation, and ineffective dispute resolution procedures indicate injustice and legal uncertainty. The drainage project negatively impacted MSMEs' mobility, livelihoods and income, with many seeing a decrease in visitors and a reduction in workers. No compensation or assistance from the government, as well as a lack of education on legal protection for MSMEs, exacerbated the situation, even causing some MSMEs to go out of business. Medan City government efforts to support affected MSMEs include communication, financial support, training, temporary facilities, promotion, safety, evaluation, and cooperation with third parties. To improve legal protection and support the continuity of MSMEs, it is recommended that the government conduct counseling, improve communication and transparency, provide fair compensation, and provide temporary locations and financial support for affected MSMEs.

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