

Power Asymmetry in Credit Dispute Resolution and the Role of Notaries in Mediating Bank–Debtor Relations

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ABSTRACT

This study employs a qualitative socio-legal approach using a narrative literature review to examine power asymmetry in credit dispute resolution, focusing on the role of notaries in mediating bank–debtor relations. Existing studies have emphasized legal certainty and contractual arrangements, while limited attention has been given to power dynamics in negotiation and dispute resolution processes. Data were drawn from legal, economic, and institutional literature and analyzed thematically to identify patterns of power relations, intermediary roles, and dispute resolution mechanisms. The findings show that power asymmetry is structurally embedded through contractual dominance, information asymmetry, institutional legitimacy, and relational networks favoring banks. Within this structure, notaries occupy an ambivalent position as intermediaries, acting as mediators, facilitators, and, in some contexts, reproducers of power imbalance. Credit dispute resolution is therefore not a neutral legal process but a negotiation arena shaped by unequal access to resources, information, and authority. This study argues for a shift from a legal-formal perspective toward a power-centered analytical framework. By conceptualizing notaries as multifunctional intermediaries, the study contributes to socio-legal scholarship and offers practical insights for promoting fairness in credit systems and dispute resolution.

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1. Introduction

Studies on credit systems, the role of notaries, and the relationship between creditors and debtors have developed across legal, economic, and institutional studies. Existing literature consistently shows that credit relations are embedded within unequal power structures, particularly in modern banking systems where creditors possess stronger legal and institutional authority (Fathurahman et al., 2019; Najwan, 2024; Yuanitasari, 2017). Research on standard credit agreements demonstrates that banks, as creditors, hold dominant control over the content and structure of contracts, while debtors occupy subordinate positions with limited bargaining capacity (Fathurahman et al., 2019; Najwan, 2024). Such inequality is shaped not only by economic disparities but also by unequal access to information, legal mechanisms, and institutional legitimacy within financial systems (Banakar, 2024; Gelderblom et al., 2023; Toffano et al., 2019). Consequently, credit contracts often function not merely as legal agreements but also as instruments reproducing structural inequality and creditor dominance within financial relations (Canfield, 2026; Najwan, 2024; Yuanitasari, 2017). Furthermore, studies in legal scholarship indicate that the role of notaries in credit contracts is frequently ambiguous because, although notaries are normatively expected to remain neutral, they are often institutionally connected to creditors' interests in practice (Fathurahman et al., 2019; Najwan, 2024; Zahro, 2023). These conditions indicate that the modern credit system is not solely a legal or economic arrangement but also a field of power relations operating structurally among the actors involved (Banakar, 2024).

On the other hand, literature in economic history and financial systems demonstrates that credit systems are not always dominated exclusively by banks. Studies show that, in both historical and contemporary contexts, credit systems also involve alternative mechanisms such as notarial lending, social networks, and trust-based non-bank financing. In these systems, notaries function as intermediaries connecting creditors and debtors while providing legal legitimacy and transactional certainty (Fantacci & Lorenzini, 2024; Gelderblom et al., 2023). Furthermore, research indicates that, in certain historical periods, notaries played a central role in capital mobilization and credit distribution due to the limited penetration of banking institutions (Hoffman et al., 2015). These findings suggest that power within credit systems derives not only from economic resources but also from control over information networks and institutional legitimacy (Fischer, 2021). However, existing studies largely examine notaries from normative, historical, or institutional perspectives and have not specifically analysed how power asymmetry operates within negotiation and dispute resolution processes involving banks, debtors, and notaries.

From an institutional and legal perspective, the notary is theoretically positioned as an independent actor responsible for maintaining balance among the parties in legal transactions. Within the civil law tradition, notaries are understood as “multi-party counsellors” who ensure fairness and transparency in contractual

relations (Burke, 1976). However, empirical studies indicate that this normative role often shifts in practice because notaries operate within institutional structures shaped by creditor dominance (Najwan, 2024; Yuanitasari, 2017). In some cases, notaries are involved in practices that strengthen creditors' positions, including the use of covernotes and collateralization mechanisms favoring banks (Fathurahman et al., 2019; Zahro, 2023). Research in international contexts also shows that notaries may function as extensions of state regulatory systems, particularly in financial supervision and anti-money laundering mechanisms (Banakar, 2024). Such conditions indicate that the role of notaries extends beyond administrative and legal functions and is embedded within broader economic and political power structures. Consequently, notaries occupy an ambivalent position: normatively neutral, yet empirically involved in unequal power relations.

Advances in digital technology have further expanded the complexity of the notary's role within credit systems and economic transactions. Notary mechanisms in blockchain systems function as trusted intermediaries enabling validation and coordination within multi-party systems. In this context, notaries are no longer viewed merely as conventional legal actors but also as trust mechanisms within complex digital infrastructures (Chen et al., 2025).

Moreover, in some legal systems, notaries possess quasi-judicial authority in debt collection processes, enabling them to directly influence dispute outcomes (Mantovani, 2019). These findings suggest that notaries may play a highly strategic role in credit dispute resolution processes. Nevertheless, existing studies continue to focus primarily on technical, historical, or normative dimensions and rarely examine how notarial roles operate within broader structures of power asymmetry between creditors and debtors. Research on global financial systems also indicates that power within financial infrastructures is structural and institutional, particularly among actors controlling access to financial mechanisms and regulatory systems (Castellano, 2024; Toffano et al., 2019). Consequently, credit dispute resolution should not be understood as a neutral legal process, but as a negotiation arena shaped by unequal distributions of power (Schnell et al., 2024).

Based on the existing literature, the current state of the art demonstrates that credit systems involve complex interactions among actors occupying unequal positions of power, where banks generally hold dominant authority, debtors remain structurally weaker, and notaries function as intermediary actors. However, the literature remains fragmented because studies tend to examine legal, economic, institutional, and technological dimensions separately. Existing studies on notaries largely emphasize legal functions and institutional arrangements (Najwan, 2024; Zahro, 2023), while studies on credit systems focus primarily on financial mechanisms and contractual structures (Fantacci & Lorenzini, 2024; Gelderblom et al., 2023). As a result, limited attention has been given to how power asymmetry operates simultaneously within negotiation processes,

intermediary practices, and credit dispute resolution mechanisms (Fischer, 2021; Schnell et al., 2024). This gap indicates the absence of an integrated analytical framework connecting legal, economic, and power dimensions in understanding bank–debtor disputes.

Given this gap, this study examines how power asymmetries are formed within bank–debtor relations, how notaries function as intermediaries within these structures, and how power dynamics influence negotiation and dispute resolution processes. Entitled “Power Asymmetry in Credit Dispute Resolution: The Role of Notaries in Negotiating Bank–Debtor Relations,” this study integrates legal, economic, and power perspectives into a comprehensive analytical framework. Thus, this study contributes theoretically to the literature on notarial roles, credit systems, and power relations while also offering practical implications for promoting greater fairness in credit dispute resolution processes. Specifically, this study addresses three research questions: (1) what forms and mechanisms of power asymmetry exist within bank–debtor relations; (2) what roles and positions do notaries occupy within these power structures; and (3) how do power dynamics shape negotiation processes and dispute resolution outcomes within credit systems?

Power Asymmetry, Notarial Mediation, and Credit Dispute Resolution

The theoretical framework of this study is built on the understanding that the credit system is not merely a neutral economic or legal mechanism, but a social arena characterized by unequal power relations. In this context, the concept of power asymmetry serves as the starting point for analyzing how relationships between banks and debtors are structured and maintained. Studies on credit agreements demonstrate that banks hold dominant authority in determining contractual terms, while debtors occupy weaker bargaining positions with limited negotiation capacity (Najwan, 2024; Yuanitasari, 2017). This inequality is reinforced through control over information, legal mechanisms, and institutional legitimacy within financial systems (Banakar, 2024; Toffano et al., 2019). Consequently, power asymmetry in the credit system can be understood as a structural condition shaping negotiation processes, contractual relations, and dispute resolution outcomes.

Moreover, power asymmetry in this study is understood not only as a direct imbalance between banks and debtors, but also as a relational phenomenon embedded within broader institutional and informational networks. This perspective aligns with the concept of social fields, where power operates through institutional legitimacy, symbolic authority, and unequal access to resources rather than through direct coercion alone (Bourdieu, 1987; Banakar, 2024). Studies in economic history demonstrate that credit systems involve multiple actors, including notaries, social networks, and trust-based non-bank financing mechanisms (Fantacci & Lorenzini, 2024; Gelderblom et al., 2023). In this context, power derives not solely from economic resources but also from strategic

positions within institutional and informational structures. Furthermore, Hoffman et al. demonstrate that, in certain historical contexts, notaries occupied strategic positions in capital mobilization and credit distribution (Hoffman et al., 2015). Accordingly, power within credit systems should be understood as relational and distributed among interconnected actors rather than concentrated exclusively within formal banking institutions (Fischer, 2021).

Within this framework, the role of the notary becomes central in understanding how power is mediated and exercised within credit systems. Normatively, notaries are positioned as independent actors responsible for maintaining balance among parties in legal transactions. Within the civil law tradition, notaries are understood as “multi-party counselors” ensuring fairness and transparency in contractual relations (Burke, 1976). However, empirical studies indicate that this normative role often shifts in practice because notaries operate within institutional structures shaped by creditor dominance (Najwan, 2024; Yuanitasari, 2017). In some cases, notaries contribute to strengthening creditors’ positions through collateralization processes, contractual formalization, and the use of legal instruments such as covernotes favoring banks (Fathurahman et al., 2019; Zahro, 2023). These conditions indicate that notaries do not always function as neutral mediators, but may become actors reproducing structural inequalities within credit relations. Consequently, the role of notaries within credit systems is inherently ambivalent because they simultaneously possess the capacity to mediate and reinforce power asymmetries.

Furthermore, in contemporary financial systems, notaries can also be understood as trusted intermediaries operating within complex governance and technological structures. Notary mechanisms in blockchain systems function as trust-based validation mechanisms enabling coordination among multiple actors. In such contexts, notaries act not only as legal actors but also as institutional mechanisms ensuring transactional legitimacy and informational credibility (Chen et al., 2025). Their intermediary position also grants them strategic authority in determining how information is distributed and how transactions are validated within institutional networks (Fischer, 2021). Moreover, in certain legal systems, notaries possess quasi-judicial authority in debt collection processes, enabling them to directly influence dispute outcomes (Mantovani, 2019). Consequently, the role of notaries cannot be separated from broader dimensions of institutional power and governance.

Within this theoretical framework, credit dispute resolution is understood as a negotiation process occurring within unequal distributions of economic, informational, and institutional power. Studies on institutional negotiation demonstrate that dispute resolution rarely occurs under neutral conditions because stronger actors possess greater access to legal resources, information, and strategic bargaining mechanisms (Schnell et al., 2024). In credit disputes, banks generally occupy stronger positions in determining negotiation outcomes, while

debtors often face structural limitations in defending their interests (Yuanitasari, 2017). Furthermore, studies on global financial systems indicate that actors controlling financial infrastructures possess significant influence over economic interactions and institutional decision-making processes (Castellano, 2024; Toffano et al., 2019). In this context, notaries may function either as mediators capable of reducing inequality or as institutional actors influenced by dominant power structures. Therefore, credit dispute resolution should be understood not as a neutral legal mechanism, but as a process shaped by complex power relations, institutional positioning, and strategic interactions among actors (Banakar, 2024; Schnell et al., 2024).

Based on the integration of these concepts, this study conceptualizes the credit system as an arena of interaction among power asymmetry, notarial mediation, and dispute resolution processes. Within this framework, power asymmetry constitutes the structural condition shaping bank–debtor relations, while notarial mediation represents the institutional mechanism through which those relations are negotiated and legitimized. Consequently, this framework enables a broader socio-legal understanding of how power operates within credit systems and how intermediary actors influence dispute resolution outcomes.

2. Methods

This study employs a qualitative socio-legal approach to examine the dynamics of power relations among banks, debtors, and notaries within the context of credit dispute resolution. Socio-legal research is appropriate because the issues examined are not limited to formal legal norms, but also involve institutional practices, social interactions, and power relations shaping the implementation of law in practice (Banakar, 2024; Creswell & Poth, 2018). In this context, the credit system is understood as a social and institutional arena characterized by unequal distributions of power, information, and legal authority (Yuanitasari, 2017). Therefore, the socio-legal approach enables the researcher to analyze how legal mechanisms such as credit agreements and dispute resolution processes operate within broader economic and institutional structures.

The research design of this study is a narrative literature review integrating multidisciplinary scholarship from legal studies, socio-legal research, institutional analysis, and financial systems literature. This design was selected to develop a conceptual and analytical understanding of how power asymmetries are formed and reproduced within credit systems, particularly through interactions among banks, debtors, and notaries. Unlike empirical field studies aimed at hypothesis testing, narrative literature reviews allow researchers to synthesize diverse perspectives and identify conceptual patterns across interdisciplinary discussions (Ferrari, 2015). Accordingly, this study integrates literature concerning credit contracts (Yuanitasari, 2017), notarial practices in banking agreements (Najwan, 2024), covernote mechanisms (Zahro, 2023), collateralization processes

(Fathurahman et al., 2019), and historical credit networks involving non-bank financial mechanisms (Fantacci & Lorenzini, 2024; Gelderblom et al., 2023).

The data sources consist of secondary data obtained from scientific journal articles, academic books, legal studies, and institutional publications relevant to power asymmetry, notarial mediation, and credit dispute resolution. The reviewed literature includes studies discussing notaries within legal systems (Burke, 1976), notaries as intermediaries in financial systems (Hoffman et al., 2015), digital trust mechanisms involving notarial functions (Chen et al., 2025), and institutional power within global financial systems (Castellano, 2024; Toffano et al., 2019). These sources were selected because they provide multidisciplinary perspectives necessary for understanding the interaction between legal mechanisms, institutional authority, and power relations within credit systems.

Data collection was conducted through a systematic literature review process involving identification, selection, classification, and synthesis of relevant literature. The literature search utilized several keywords, including “power asymmetry,” “credit dispute resolution,” “notarial mediation,” “bank–debtor relations,” “credit agreements,” and “institutional power.” The inclusion criteria consisted of: (1) peer-reviewed publications; (2) studies published primarily between 2015 and 2025; (3) literature discussing credit systems, dispute resolution, notarial practices, or institutional power; and (4) studies relevant to socio-legal and financial governance perspectives. The selected literature was subsequently categorized into several thematic areas, namely: legal and contractual structures, intermediary roles of notaries, institutional power relations, and dispute resolution mechanisms. Through this process, the study integrates diverse perspectives into a unified analytical framework.

The data analysis technique employed in this study is thematic analysis, which aims to identify, classify, and interpret recurring themes emerging from the reviewed literature (Braun & Clarke, 2021). The analysis focuses on three major themes: (1) power asymmetry within bank–debtor relations; (2) the role of notaries as intermediaries within credit systems; and (3) power dynamics within negotiation and dispute resolution processes. Thematic analysis was conducted by examining how each study conceptualizes power relations, institutional positioning, and intermediary practices, as well as how these themes intersect across legal and financial contexts. This approach enables the researcher to identify conceptual gaps in existing literature and to construct a more integrated socio-legal understanding of credit dispute resolution.

To ensure validity and credibility, this study employs source triangulation through the comparison and integration of literature from different disciplinary perspectives, including law, socio-legal studies, institutional analysis, and financial history. In addition, each source was critically evaluated based on its theoretical orientation, methodological approach, and relevance to the research focus. This

strategy allows the study to minimize interpretive bias while producing a more balanced and comprehensive analysis of power relations within credit systems.

By integrating socio-legal approaches, narrative literature review, and thematic analysis, this methodology provides a comprehensive framework for understanding how power asymmetries are formed and reproduced within credit systems and how notaries mediate these relations in dispute resolution contexts. Consequently, this methodological approach contributes to developing a broader analytical understanding of institutional power, intermediary roles, and negotiation processes within contemporary credit systems.

3. Results and Discussion

The results and discussion section present the results of the thematic analysis conducted on multidisciplinary literature concerning credit systems, notarial mediation, and power relations within dispute resolution processes. The analysis identifies recurring patterns demonstrating that power asymmetry in credit systems operates through interconnected legal, informational, institutional, and relational mechanisms. These findings indicate that inequality within bank-debtor relations is not incidental, but structurally embedded within contractual arrangements, institutional authority, and intermediary practices. Accordingly, this section discusses three major themes emerging from the analysis: (1) forms and mechanisms of power asymmetry in bank-debtor relations, (2) the role and position of notaries within power structures, and (3) power dynamics in credit dispute resolution processes.

3.1 Forms and Mechanisms of Power Asymmetry in Bank-Debtor Relationships

The thematic analysis of literature on credit agreements, banking systems, and institutional power demonstrates that power asymmetry in bank-debtor relations is primarily manifested through unbalanced contractual structures. The reviewed studies consistently show that banks, as creditors, possess dominant authority in determining the content, form, and legal consequences of credit agreements, while debtors have limited bargaining capacity within contractual negotiations (Fathurahman et al., 2019; Najwan, 2024; Yuanitasari, 2017). In standard credit agreements, debtors largely function as recipients of predetermined contractual terms rather than equal negotiating parties. This indicates that credit relations are inherently hierarchical rather than reciprocal. Furthermore, such dominance is reflected not only in formal contractual structures but also in the allocation of risks, obligations, penalties, collateral arrangements, and default mechanisms favoring creditors (Canfield, 2026; Yuanitasari, 2017). Consequently, contractual dominance emerges as the first major mechanism through which power asymmetry is reproduced within credit systems.

In addition to contractual dominance, the analysis identifies information asymmetry as a second major mechanism shaping unequal relations between banks and debtors. Banks possess greater access to legal, financial, and credit-risk information, while debtors often lack adequate understanding of the legal and economic implications of contractual agreements. This condition creates dependence on interpretations and explanations provided by banks and intermediary actors, including notaries. In this context, information functions not merely as knowledge, but as a strategic resource reinforcing institutional power. Studies on historical and modern financial systems demonstrate that access to information significantly determines actors' positions within credit networks and negotiation processes (Gelderblom et al., 2023; Hoffman et al., 2015; Toffano et al., 2019). Consequently, the unequal distribution of knowledge strengthens banks' bargaining positions during both contractual formation and dispute resolution.

The analysis further indicates that power asymmetry is reinforced through institutional legitimacy and structural authority embedded within financial systems. Banks operate not only as economic actors, but also as institutions supported by legal frameworks, regulatory systems, and financial governance structures. Research on global financial infrastructures demonstrates that actors controlling institutional mechanisms possess significant authority in shaping economic interactions and dispute outcomes (Castellano, 2024; Toffano et al., 2019). As a result, debtors occupy positions that are not only economically weaker but also institutionally disadvantaged. Legal mechanisms within credit systems tend to prioritize financial stability and creditor certainty, indirectly strengthening banks' positions in dispute processes. These findings suggest that power asymmetry within credit systems is systemic because it is embedded within institutional arrangements and governance structures rather than limited to individual contractual relations.

Furthermore, the thematic analysis demonstrates that relational networks and intermediary structures also reinforce unequal power relations within credit systems. The literature consistently shows that credit systems involve interconnected actors, including banks, notaries, social networks, and alternative trust-based financial mechanisms (Fantacci & Lorenzini, 2024; Gelderblom et al., 2023). Within these networks, actors possessing broader institutional connections and informational access occupy stronger positions. Banks generally maintain stronger institutional networks through connections with regulatory bodies, legal systems, and financial infrastructures, while debtors remain relatively isolated from these structures. Consequently, relational networks become additional mechanisms reproducing institutional inequality. Moreover, intermediary actors such as notaries do not always reduce these imbalances because their institutional positions may also be influenced by creditor-oriented structures and professional dependencies (Fischer, 2021).

In the context of dispute resolution, power asymmetry becomes increasingly visible through control over negotiation processes and dispute outcomes. Banks possess greater economic resources, legal expertise, institutional legitimacy, and strategic bargaining capacity, enabling them to shape negotiation processes in ways that favor creditor interests (Jung et al., 2023; Yuanitasari, 2017). Debtors, conversely, often occupy defensive positions with limited capacity to challenge institutional authority or negotiate on equal terms. In certain legal systems, notaries also possess quasi-judicial authority capable of directly influencing dispute outcomes (Mantovani, 2019). However, such authority does not always function to create balance because intermediary actors may also operate within existing institutional power structures. Consequently, dispute resolution processes should not be understood as neutral legal arenas, but as spaces where structural inequalities are reproduced and negotiated.

Taken together, the findings indicate that power asymmetry within credit systems operates through four interconnected dimensions: (1) contractual dominance, (2) information asymmetry, (3) institutional legitimacy, and (4) relational networks. These dimensions interact and reinforce one another, producing systemic inequalities within bank–debtor relations. Accordingly, power asymmetry in credit systems should be understood not as an isolated contractual issue, but as the product of broader interactions among legal, institutional, economic, and relational structures. The analysis further demonstrates that unequal power relations persist not only during contractual formation but also throughout negotiation and dispute resolution processes.

Table 1 : Dimensions of Power Asymmetry in Credit Systems

Dimension	Key Characteristics	Mechanism of Power	Impact on Debtors	Supporting Literature
Contractual Dominance	Banks determine contractual terms and obligations	Control over agreement structure and legal clauses	Limited bargaining position and unequal obligations	(Fathurahman et al., 2019; Najwan, 2024; Yuanitasari, 2017).
Information Asymmetry	Unequal access to financial and legal information	Control over interpretation, knowledge, and risk information	Dependence on creditor explanations and weak negotiation capacity	(Gelderblom et al., 2023; Hoffman et al., 2015; Toffano et al., 2019).
Institutional Legitimacy	Banks supported by regulatory and legal systems	Institutional authority and governance structures	Structural disadvantage in dispute processes	(Castellano, 2024; Toffano et al., 2019).
Relational	Unequal access	Connections	Isolation from	(Fantacci &

Networks to institutional with financial, broader Lorenzini,
and social legal, and institutional 2024; Fischer,
networks regulatory support 2021).
actors

Source: Author's thematic analysis and synthesis of reviewed literature (2026)

3.2 The Role and Position of Notaries in the Structure of Power Relations

The thematic analysis of literature concerning notarial practices, institutional power, and credit systems demonstrates that the position of notaries within bank-debtor relations cannot be understood merely as neutral legal actors, but as intermediaries operating within a complex “field of power” shaped by institutional authority, legal legitimacy, and economic interests (Bourdieu, 1987; Banakar, 2024). The reviewed studies indicate that notaries occupy strategic positions between creditors and debtors because they possess legal authority to formalize agreements, validate transactions, and mediate contractual relations. Normatively, notaries are expected to maintain balance among parties in legal transactions and function as “multi-party counselors” ensuring fairness and transparency within contractual relationships (Burke, 1976). However, empirical studies demonstrate that notaries frequently operate within institutional environments dominated by creditors, particularly banks, thereby limiting their practical independence (Najwan, 2024; Yuanitasari, 2017). These findings suggest that notaries occupy an ambivalent position situated between normative neutrality and structural domination. Consequently, the role of notaries must be understood within broader power relations rather than solely through formal legal frameworks.

Furthermore, the analysis indicates that notaries possess the potential to function as mediators capable of reducing power imbalances between banks and debtors. Through their legal authority, notaries may explain contractual contents, ensure mutual understanding among parties, and provide legal clarification for weaker actors within credit agreements (Burke, 1976; Yuanitasari, 2017). In this capacity, notaries can intervene in contractual processes to encourage greater procedural fairness and transparency. Contemporary studies also conceptualize notaries as trusted intermediaries responsible for ensuring transactional legitimacy and coordinating interactions among actors within complex institutional systems (Chen et al., 2025; Fischer, 2021). Under such conditions, notaries may serve as corrective mechanisms mitigating structural inequalities within credit relations. Nevertheless, the findings demonstrate that this mediating role is highly dependent on institutional independence and the notary’s capacity to negotiate pressures exerted by dominant financial actors. Consequently, the effectiveness of notaries as mediators is shaped not only by legal norms, but also by institutional conditions and power configurations surrounding them.

On the other hand, the reviewed literature demonstrates that notaries more frequently function as facilitators within credit systems. In this role, notaries

primarily assist the administrative and legal formalization of credit transactions without substantially intervening in unequal power relations between creditors and debtors (Fathurahman et al., 2019; Najwan, 2024). Their functions include drafting deeds, validating collateral agreements, and fulfilling procedural requirements necessary for banking transactions. Additionally, the use of legal instruments such as covernotes illustrates how notarial practices often facilitate creditor interests despite the potential legal risks attached to such mechanisms (Zahro, 2023). Within this framework, notaries operate according to institutional efficiency and transactional continuity rather than substantive redistribution of power. Although facilitatory roles may appear procedurally neutral, the analysis indicates that facilitating structurally unequal arrangements indirectly contributes to the reproduction of institutional inequality. Therefore, the role of facilitator cannot be regarded as fully neutral because it remains embedded within broader power dynamics operating in credit systems.

Moreover, the thematic analysis reveals that, under certain institutional conditions, notaries may also function as reproducers of power asymmetry by actively or passively reinforcing creditor dominance. This occurs when notaries not only comply with creditor interests but also participate in practices strengthening banks' strategic positions, including drafting one-sided contractual clauses and formalizing legal mechanisms favoring creditors (Fathurahman et al., 2019; Zahro, 2023). In some legal systems, notaries also possess quasi-judicial authority in debt collection processes, enabling them to directly influence dispute outcomes affecting weaker parties (Mantovani, 2019). Within broader financial governance structures, notaries may further function as extensions of institutional and regulatory authority overseeing economic activities (Banakar, 2024). Consequently, notaries cannot be viewed solely as mediators or facilitators, but also as actors capable of reproducing institutional inequality within credit relations. These findings indicate that the presence of notaries does not automatically guarantee fairness because intermediary authority itself may become part of unequal institutional structures.

Furthermore, the analysis indicates that the position of notaries within credit relations is strongly influenced by network structures and access to information within financial systems. Studies on historical and contemporary credit networks demonstrate that notaries possess strategic access to legal and transactional information enabling them to influence relations between creditors and debtors (Gelderblom et al., 2023; Hoffman et al., 2015). However, access to such information does not necessarily create balance because notaries are simultaneously embedded within institutional relationships involving banks as primary clients and dominant financial actors. Consequently, notarial practices are shaped not only by formal legal obligations but also by social, economic, and institutional dependencies surrounding their professional position (Banakar, 2024; Fischer, 2021). These conditions demonstrate that notaries may function

differently across contexts—as mediators, facilitators, or reproducers of power—depending on how they position themselves within institutional networks and power structures. Therefore, understanding the role of notaries requires attention to relational networks and institutional positioning rather than solely to normative legal functions.

Taken together, the findings indicate that the role of notaries within credit systems is multidimensional and contextual, encompassing three interconnected functions: mediator, facilitator, and reproducer of power. These functions are not mutually exclusive because they may emerge simultaneously depending on institutional arrangements, professional dependencies, and broader power structures. Consequently, notaries should be understood not as static legal actors, but as dynamic intermediaries operating within complex socio-legal and institutional fields. These findings further suggest that understanding notarial practices requires an analytical approach integrating legal, institutional, economic, and power perspectives. Accordingly, this study contributes to the literature by reconceptualizing notaries as strategic intermediary actors operating within asymmetric power relations rather than merely as neutral legal professionals.

Table 2. Typology of Notary Roles in Credit Power Relations

Notary Role	Main Characteristics	Position within Power Relations	Impact on Credit Relations	Supporting Literature
Mediator	Explains contracts, ensures procedural fairness, facilitates mutual understanding	Balancing actor between creditors and debtors	Reduces informational and procedural inequality	(Burke, 1976; Chen et al., 2025).
Facilitator	Formalizes agreements, drafts deeds, fulfills administrative requirements	Operates within institutional efficiency structures	Maintains transactional continuity without altering unequal structures	(Fathurahman et al., 2019; Najwan, 2024; Zahro, 2023).
Reproducer of Power	Reinforces creditor interests through legal formalization and	Embedded within dominant financial and legal structures	Reproduces institutional and contractual inequality	(Banakar, 2024; Fischer, 2021; Mantovani, 2019).

institutional
authority

Source: Author's thematic analysis and synthesis of reviewed literature (2026)

3.3 Power Dynamics in Credit Negotiations and Dispute Resolution

The thematic analysis of literature on credit systems, institutional power, and dispute resolution demonstrates that credit negotiation and dispute resolution processes do not occur under neutral conditions, but are strongly shaped by unequal distributions of economic, legal, and institutional power. The reviewed studies indicate that power asymmetry established during contractual formation persists and intensifies during dispute resolution processes, particularly through contractual dominance, information asymmetry, and institutional legitimacy favoring banks (Najwan, 2024; Yuanitasari, 2017). Banks possess strategic advantages derived from economic resources, legal expertise, institutional authority, and experience in managing credit risks, while debtors frequently occupy weaker bargaining positions with limited negotiation capacity. Consequently, dispute resolution processes should be understood not as equal legal arenas, but as spaces where structural inequalities are reproduced and renegotiated. These findings suggest that the outcomes of dispute resolution are significantly influenced by how power operates throughout each stage of negotiation.

Furthermore, the analysis demonstrates that control over information and negotiation strategies constitutes one of the primary mechanisms shaping power relations in dispute resolution. Banks possess more comprehensive information regarding debtors' financial conditions, contractual obligations, and legal consequences, enabling them to direct negotiations toward outcomes favoring creditor interests (Hoffman et al., 2015; Schnell et al., 2024). Debtors, conversely, often lack adequate legal and financial understanding, leading them to accept creditor-driven solutions without substantial bargaining capacity. In this context, information functions not merely as communication, but as a strategic instrument of institutional power. Additionally, banks may utilize economic pressures, including threats of collateral foreclosure, legal enforcement, or future credit restrictions, to strengthen their negotiating positions (Castellano, 2024). Consequently, negotiation dynamics within credit disputes are strongly influenced by how information, institutional authority, and economic resources are mobilized by dominant actors.

In addition to informational control, the analysis indicates that institutional and legal structures significantly shape dispute resolution outcomes. Financial and legal systems are generally designed to maintain credit certainty and institutional stability, conditions that indirectly strengthen creditor positions during dispute processes (Banakar, 2024; Toffano et al., 2019). Research on global financial governance further demonstrates that actors controlling financial infrastructures

possess substantial authority in determining economic interactions and institutional outcomes (Toffano et al., 2019). Consequently, dispute resolution is influenced not only by interactions between individual actors, but also by broader institutional structures regulating those relationships. Under these conditions, debtors experience disadvantages that are simultaneously economic, legal, and institutional. As a result, dispute outcomes frequently reflect pre-existing structural inequalities favoring stronger institutional actors.

Within this framework, the role of notaries becomes crucial in shaping negotiation processes and dispute outcomes. As intermediary actors, notaries occupy strategic positions in mediating communication, drafting agreements, and legitimizing negotiation outcomes. Under ideal conditions, notaries may function as mediators capable of promoting procedural fairness by explaining contractual implications, clarifying legal rights, and ensuring that debtors understand the consequences of negotiated agreements (Burke, 1976; Yuanitasari, 2017). This role aligns with the normative conception of notaries as guardians of substantive justice within legal transactions. However, the analysis indicates that such mediating functions do not always operate effectively in practice. In many cases, notaries function primarily as facilitators of institutional processes without substantially altering unequal power structures, and under certain conditions may even reinforce creditor dominance through legal formalization practices (Fathurahman et al., 2019; Zahro, 2023). These findings demonstrate that the role of notaries in dispute resolution is highly dependent on institutional independence and positioning within broader power structures.

Furthermore, the reviewed literature demonstrates that in some legal systems notaries possess quasi-judicial authority enabling them to directly influence dispute outcomes. In certain jurisdictions, notaries may participate in debt collection and enforcement processes, thereby occupying highly strategic positions within dispute resolution mechanisms (Mantovani, 2019). Additionally, within broader financial governance systems, notaries may function as extensions of regulatory authority overseeing contractual and economic activities (Banakar, 2024). These conditions indicate that notaries do not merely mediate disputes passively, but may also exercise institutional authority affecting the direction and outcome of negotiations. Consequently, the role of notaries in dispute resolution cannot be separated from broader institutional power relations operating within financial systems.

The analysis also demonstrates that relational networks significantly influence power dynamics in dispute resolution processes. Studies on financial and historical credit systems indicate that actors' positions within institutional networks determine their access to resources, information, and legal support (Fantacci & Lorenzini, 2024; Gelderblom et al., 2023). Banks occupy stronger positions because they are connected to broader financial, regulatory, and institutional infrastructures, while debtors generally remain outside these

networks. Notaries, as intermediary actors embedded within these institutional structures, possess positions capable of influencing interactions between creditors and debtors. However, because banks frequently constitute the primary clients within credit transactions, notaries often operate within networks more closely aligned with creditor interests (Fischer, 2021). Consequently, relational networks become additional mechanisms shaping negotiation processes and dispute outcomes within credit systems.

Taken together, the findings indicate that power dynamics in credit dispute resolution operate through four interconnected mechanisms: (1) control over information and negotiation strategies, (2) dominance within institutional and legal structures, (3) relational network positioning, and (4) intermediary authority exercised by notaries. These mechanisms interact and reinforce one another, shaping how disputes are negotiated and resolved. Accordingly, dispute resolution within credit systems should not be understood as a neutral legal process, but as an arena where power relations are continuously negotiated and reproduced. These findings further suggest that improving fairness in credit dispute resolution requires not only legal reform, but also broader institutional changes addressing unequal distributions of power within financial systems. Therefore, this study contributes to the socio-legal literature by demonstrating how intermediary actors, institutional structures, and relational power collectively influence dispute resolution outcomes.

Table 3. Mechanisms Shaping Power in Credit Dispute Resolution

Mechanism	Key Characteristics	Source of Power	Impact on Debtors	Supporting Literature
Information Control	Unequal access to legal and financial information	Knowledge, interpretation, and risk assessment	Weak bargaining position and dependency on creditor interpretations	(Hoffman et al., 2015; Jung et al., 2023).
Institutional and Legal Dominance	Legal systems prioritize credit stability and creditor certainty	Regulatory authority and institutional legitimacy	Structural disadvantage in dispute processes	(Banakar, 2024; Toffano et al., 2019).
Relational Networks	Unequal institutional and financial connections	Access to broader institutional support systems	Isolation from legal and financial resources	(Fantacci & Lorenzini, 2024; Gelderblom et al., 2023).
Intermediary Authority	Notaries validate and	Legal legitimacy and	Potential mediation or	(Fischer, 2021;

Notaries	formalize dispute outcomes	procedural authority	reinforcement inequality	of Mantovani, 2019).
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Source: Author's thematic analysis and synthesis of reviewed literature (2026)

This study is limited by its reliance on secondary data through a narrative literature review, which may not fully capture empirical variations in specific legal practices and institutional contexts. Future research is encouraged to incorporate empirical approaches, such as interviews, case studies, or ethnographic observations, to further examine how power asymmetry and notarial practices operate in concrete dispute resolution settings.

4. Conclusion and Recommendations

This study suggests that the credit system is not merely a neutral legal and economic mechanism, but an arena characterized by structurally embedded power asymmetry. Such asymmetry is reproduced through contractual dominance, information inequality, institutional legitimacy, and relational structures favoring banks, thereby positioning debtors in structurally weaker positions throughout contractual formation and dispute resolution processes.

Within this structure, notaries occupy a strategic intermediary position within the relationship between banks and debtors. Although normatively expected to function as independent and neutral actors, in practice notaries operate in multiple roles—as mediators, facilitators, and, in certain contexts, reproducers of power asymmetry. These findings indicate that the role of notaries is not inherently neutral, but is shaped by broader institutional arrangements and power relations operating within credit systems.

Furthermore, this study indicates that credit dispute resolution should not be understood as a fully neutral legal process, but as a negotiation arena influenced by unequal distributions of resources, information, and institutional authority. In this context, notaries play an important role in shaping dispute resolution processes, either by mitigating or reinforcing existing power imbalances depending on their institutional position and professional practice.

Overall, this study contributes to the literature by integrating legal, economic, socio-legal, and power perspectives into a unified analytical framework and by reconceptualizing notaries as multifunctional intermediaries operating within asymmetric credit relations. These findings emphasize the importance of adopting a power-centered approach in understanding credit systems, intermediary practices, and dispute resolution mechanisms within contemporary financial systems.

This study contributes theoretically by extending socio-legal perspectives on institutional power and intermediary actors, particularly those associated with Pierre Bourdieu's concept of the juridical field and relational power within

institutional structures. The study develops an integrated analytical framework linking power asymmetry, notarial mediation, and credit dispute resolution, demonstrating that legal, economic, and institutional dimensions operate interactively within credit systems rather than as separate domains. In this regard, the study contributes to socio-legal scholarship by showing how institutional legitimacy, informational control, and relational networks collectively shape power relations within contractual and dispute resolution processes.

Furthermore, this study reconceptualizes notaries not merely as normative legal actors, but as strategic intermediary actors operating within asymmetric power relations. By introducing the concept of the multifunctional intermediary, this study positions notaries as actors capable of functioning simultaneously as mediators, facilitators, and reproducers of power depending on institutional contexts and relational positioning. This conceptualization extends existing discussions on intermediary governance and institutional mediation by demonstrating that intermediary actors do not operate outside power structures, but are embedded within and influenced by broader socio-legal and institutional dynamics.

More broadly, this framework contributes to the literature on governance, socio-legal studies, and institutional interaction by offering a power-centered perspective for analyzing intermediary roles in contexts characterized by unequal distributions of authority, resources, and information.

This study highlights that achieving a more equitable credit system requires not only formal legal reform but also attention to power distribution in practice. Strengthening the role of notaries as independent mediators—through improved professional standards, ethical enforcement, and effective oversight—is essential to reducing imbalances between banks and borrowers. Enhancing borrowers' legal and financial literacy is also crucial to support more balanced negotiations.

In addition, policymakers and financial institutions should design more balanced regulatory frameworks and inclusive dispute resolution mechanisms, particularly by strengthening protections for weaker parties. These implications are relevant for legal practitioners, notaries, and policymakers in promoting a fairer and more sustainable credit system.

5. Declarations

5.1. Ethical Considerations

Not applicable. This study is based exclusively on secondary data obtained from published literature, academic books, and institutional documents. It does not involve human participants, personal data, interviews, surveys, experiments, or any form of direct data collection requiring ethical approval.

5.2. Use of Artificial Intelligence (AI)

The authors declare that the generative artificial intelligence (AI) tool was used in a limited capacity to support literature mapping, language refinement, and improvement of academic writing clarity during manuscript preparation. The AI tool was not used for study design, data collection, data analysis, data interpretation, generation of findings, or formulation of conclusions. All

intellectual content, arguments, interpretations, and final decisions remain the sole responsibility of the author.

5.3. Conflict of Interest

The authors declare no conflicts of interest.

5.4. Funding

This research did not receive any financial support.

5.5. Data Availability Statement

No primary data were generated or analyzed in this study. All materials used in this research were obtained from publicly available academic literature and published sources cited in the reference list.

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