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Antitrust and Unfair Competition

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ABSTRACT

This study aims to get to know more about Antimonopoly and Unfair Competition, The current busyness of business activities does not escape the presence of rivals. Competition can encourage people to break the law in pursuit of maximum profit. Even so, they engage in an unfair form of competition. This unhealthy business competition harms society as a whole. Competition is fierce in today's business operations throughout Indonesia and other countries. Although the regulation of unfair competition based on Article 1365 of the Civil Code concerning acts contrary to the law and Article 382 bis of the Criminal Code before Law No. 5 was passed in 1999, the provision no longer applies. With the rapid development of the business sector in Indonesia, both the industrial and service sectors are becoming increasingly competitive. This is something that should be seen as a good thing, as it will spur entrepreneurs in this field to work harder than ever to provide customers with the best products and services. This article examines the factors that influence antitrust and unfair business competition, including globalization, competition, business owners, and a literature review on strategic management. The findings of this article's literature review are: First, the effect of economic globalization on antitrust and unfair business competition; two, the impact of unfair business competition; and third, the influence of business owners on antitrust and unfair competition.

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INTRODUCTION

Today's business owners face stiff competition in every aspect of the industry. It's a race to the bottom, and sometimes it means breaking the law to come out on top. Even so, they engage in an unfair form of competition. Unfair business competition will harm the needs of the community. Business activities in Indonesia and other countries are now marked by fierce competition. Although the regulation of unfair competition based on Article 1365 of the Civil Code concerning acts contrary to the law and Article 382 bis of the Criminal Code before Law No. 5 was passed in 1999, the provision no longer applies. Those who engage in dishonest competition with a maximum imprisonment of one year and four months or a maximum fine of three billion five hundred million rupiahs are threatened with a maximum imprisonment of two years and four months and a maximum fine of one million, two hundred million Indonesian rupiahs.

It can be said that the business world cannot stand alone. Many sides from various other worlds come into play, either directly or indirectly, in the business world. In some cases, this interconnectedness fails to give the business world the attention it deserves, forces businesses to compromise and conform to pre-existing norms, and, in other cases, increases the importance of the business world to the detriment of existing

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regulations. The meaningless "creation" of noise cannot be compared with the rapid development of the business world. A business that grows too large and complex to ignore obvious red flags is unlikely to succeed in the long run. Therefore, the law is now empowered to answer all the ups and downs of business life that highlight it as a phenomenon or social reality, not to be said to have stagnated along with the growth of business and the business world. This means that the role of law is becoming increasingly important in overcoming problems in the business world such as monopolies and unhealthy business practices.

Waters defined the globalization of different ocean regions. He claimed that globalization is a social process in which geographical boundaries have little effect on social and cultural conditions and that this process eventually penetrates the mind of the individual.

The meaning of this definition is almost identical to what Giddens meant. Where trade, travel, tourism, culture, information, and interaction have become so widespread that national boundaries have become blurred, globalization is a mutually beneficial presence between nations.

Experts have defined globalization as the process by which individuals, groups, societies, and nations interact with each other, depend on each other, and influence each other across national borders. Tomlinson defines globalization as the reduction of time and mileage for various daily activities, both physically (such as air travel) and metaphorically (such as information gathering and imaging through electronic media).

"The rapid growth of interdependence and relations in the world of trade and finance," as defined by Lyman, is the general definition of globalization. However he believed that globalization was not limited to the phenomenon of widespread trade and financial flows; Rather it is driven by technological prowess that facilitates monetary shifts, and that includes developments such as international communication. The expansion of the Internet is another. Space and time in social relations are solidified as a result of globalization, and world awareness of this capacity has emerged as a result. This process can be explained colloquially as "the world shrinks". In addition, globalization can be understood as the expansion and development of cross-border economic activities. This is seen in the movement of goods, data, services, capital, and labor as a result of trade and investment.

Although the depiction of globalization can be clearly explained, the concept of globalization receives relatively little attention compared to other sources in the theory of globalization. According to Ferguson, discussions about the concept of globalization are much less frequent than discussions about capitalist ideology. However, Bordieu and Wacquant argue that the concept of globalization has the power to bury imperialism in cultural atomism or economic fatalism, and can also create transnational bonds that emerge as universal necessities.

Despite the importance of knowing how competition works and the implications of economic policy, it is surprising that there is very little theoretical work on this topic. The level of competition does not affect advertising costs, according to the research of Jensen and Meckling (1976). Company managers, not their owners, are the ones who enjoy the benefits of their position. Therefore, monopoly owners have the same incentives as competitive business owners to reduce agency costs, and both groups of employers must provide the same incentive structure constantly.

This argument suggests that the best incentive structure depends on the location of the firm (however it can be defined) (, 2007). The idea that competition produces new information that is not available in monopolized industries is the starting point for a large amount of literature.

The application of relative performance evaluation has been analyzed by Holmstrom (1982) and Nalebuff and Stiglitz (1983). Increased competition generates additional data that can be used to mitigate ethical concerns as the number of firms operating in the market increases and as the correlation between factors affecting firm costs increases. The effect on managerial initiatives remains unclear, although the owner's salary will rise if he can use this information. Depending on the underlying probability distribution, production costs at lower output levels may be lower than at higher output levels, where managers may be encouraged to reduce man-hours. Furthermore, relative performance evaluation requires that managerial compensation is directly related to performance relative to co-workers (Schmidt, 1997).

According to Marbun (2003), this is an attempt by two or more companies to win business by offering the most favorable terms and conditions. Organizations and groups engage in competition when they try to win customers, market share, survey responses, or resources. Competition is carried out to win the hearts of customers.

Entrepreneurs work hard to provide attractive products and services from all angles: price, quality, and customer service. The combination of the three factors mentioned above is necessary to win the hearts and minds of customers in competitive situations, and it can be obtained through innovation, proper technology development, and managerial prowess in allocating company resources to achieve those goals. It is rare for business owners to rely solely on their resources when serving specific clients. Organizational competition from various rivals. To win and maintain customer loyalty, it is necessary to identify, monitor, and reward the competition well. If there is a competitive process among business owners, each will work to their advantage to win customer loyalty and increase sales.

The following information is provided by Bachelor of Economics students who are members of ISEI: a. Investors are those who run businesses that supply funds for things like banking, leasing, pawnshops, loan sharks, and more. B. Manufacturers, or manufacturers, of goods and services from raw materials (such as food, textiles, and building supplies) and other components. Business owners of this category can range from those involved in agriculture (such as farmers and ranchers) to those in the construction industry (homemakers and developers) to those in finance (banks and other financial institutions) to those working in the pharmaceutical and healthcare industries (drug manufacturers and distributors). Distributors are business people who sell or provide these products and services to the general public. Business owners in this category include restaurants, shops, supermarkets, hospitals, cruise companies, event planners, and transportation companies (road, sea, and air). Law Number 8 of 1999 concerning Consumer Protection (UUPK) defines consumers as "everyone who uses goods and/or services available in the community, whether for their interests, family, others or weekly".

Based on the above background, the author is interested in discussing more deeply the study of "ANTITRUST AND UNFAIR COMPETITION"

RESEARCH METHOD

This article is written using a qualitative research approach based on a review of relevant literature. Review the book in the context of specific theories discussed in the field of Strategic Management. Along with that, you should analyze reputable and non-reputable articles.

RESULTS OF DISCUSSION

The influence or relationship of Business Competition on antitrust and Unfair Business Competition

The first type of unfair business competition, known as cartels or horizontal boycotts, occurs when two or more businesses agree to coordinate the production and sale of their goods and services to increase their profits.

The purpose of monopoly is to maximize profits for the owners of the company, so it is not surprising that many countries prohibit monopolies to protect society from the resulting losses. Since cartels have the potential to create monopolistic market structures, this is exactly what happened. Similarly, quotas on the sale of goods or restrictions on the provision of services can be a form of cartel. Cartels form easily when economic conditions are favorable, but fall apart when the economy is in decline. When traded goods are mass-produced goods of uniform quality that can be easily replaced with similar goods while maintaining an established market architecture, the development of cartels becomes easier. The second form of unfair business competition is an exclusive dealing agreement, which is a contract between a producer or importer and a distributor stating that the distributor is only authorized to sell goods with a certain brand (generally oil) from a particular producer or importer. In this case, Wholesalers are prohibited from selling any brand goods beyond those specified by the manufacturer and importer concerned. The termination of contracts can harm society and lead to monopolistic business practices. The third type of business competition is mergers. A merger is the union of two or more businesses into a single entity.

If the owner of the merged company does not want the merger to proceed, the process can be changed to an acquisition. When two or more businesses of the same type merge, it is known as horizontal integration, whereas when two businesses become suppliers of another business, it is called vertical integration. Monopoly is the result of unfair business competition. Economists define a monopoly market as one in which there is only one producer or seller. In contrast, the common understanding of monopoly is that a single producer or vendor has monopoly power if they can corner the market for the goods or services they sell. So, in essence, what is meant by "monopoly" is a state in which one party can control the market. There is only one manufacturer or retailer, (2) no other manufacturer makes a product that can adequately replace the product made by the monopoly creator, and (3) there is some sort of barrier to entry, whether it is natural, technological, or legal.

If you pay attention to the things mentioned above, several factors can cause unhealthy business competition. These include (1) poor trade regulation, (2) government grants from monopoly power, (3) insufficient investment, (4) excessive taxation, and (5) price fixing.

There are two groups of characteristics in Indonesian law regarding monopoly regulation: (1) provisions that are rule-of-reason, and (2) that are illegality first. One interpretation of the "rule of reason" is that business owners are not automatically barred from engaging in certain practices (such as making deals, engaging in activities, or putting themselves in positions of power). However, violations of the provisions containing the rule of reason still require proof, and such evidence must be provided by an investigating committee appointed by the Competition and Consumer Commission (KPPU) in this case. Related provisions form a clear group, evidenced by the text of related provisions in related regulations.

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However, what is meant by "illegal" (or "violation" or "infringement") is the business practice of the owner of the company that is strictly prohibited, leaving no room for redress.

The influence or relationship of Business Actors on antitrust and Unfair Business Competition.

The study's findings suggest that monopolistic practices and competition between businesses can coexist; This is because monopolies can take a "natural" form, i.e. small businesses can grow into large businesses that are also capable of operating on a global scale. Only small industries in Indonesia still operate conventionally and traditionally, and they are not too aggressive in pursuing market access, both in terms of obtaining access to capital and marketing their products. Therefore, it is recommended that the Indonesian government work tirelessly to improve the country's economic infrastructure so that entrepreneurs and business owners can compete in a healthy, fair environment, and the country's bureaucratic system is managed with greater competence while providing training. and enter the business world for those whose capital is more limited.

Healthy business competition is a necessary but not sufficient condition for implementing a market economy. As a result, laws prohibiting monopolistic business practices and unethical forms of competition became imperative to maintain a dominant position in the market. This law will provide businesses and entrepreneurs with clear and strong guidelines for conducting economic and business operations. One form of competition between business owners is a race to corner the market and attract as many customers as possible.

To be honest, a competitive environment is ideally positive in many ways. Even so, competition can function well according to its intended purpose if harmful actions are avoided. The issue of economic structure, the actions of national business leaders in favor or against competition, and national business policies have always been at the core of the phenomenon of national competition. The most persuasive economic perspective in the first edition; the economic perspective related to the economic motives of the action in question is persuasive in the second; economic perspectives related to the intended action are persuasive in the third; and the legal perspective is persuasive in the fourth.

Therefore, economic and legal perspectives need to be considered when discussing business competition issues. Monopoly, as a form of market dominance over a particular product, can generate enormous profits for its owner, but it can also disrupt the economy as a whole and undermine the underlying mechanism, the greater power they accumulate over the market for that product. Since the market mechanism is no longer in effect, monopolizing firms or firms can price a product as they see fit. Often, monopolized products meet basic needs. They tend to be able to reap the full benefits of their efforts. The people "have no other choice but to buy the monopoly product concerned" (Ahmad Yani and Gunawan Widjaja, 1999: 3).

According to Raha, "If allowed to continue unattended by UULPM &; PUTS, the actions of business owners in engaging in the practices of the aforementioned market forces will greatly hamper not only consumers but also the ability of other business owners to participate in the same market" (Raha, 2011: 1-2). Raha explained, that concerning Article 19 of the UULPM and PUTS on market control, business owners are prohibited from carrying out any activities, alone or together with other business owners, which can lead to monopoly or unfair competition. "

As stated in the General Explanation of UULPM &; PUTS and reaffirmed in Article 3 of the aforementioned Law, the Law carries the foundation towards economic democracy based on Pancasila and the 1945 Constitution." Crystallization consists of maintaining a balance between the needs of business owners and the needs of the wider community to achieve the following goals: 1. Safeguarding the needs of the community and increasing economic efficiency while protecting consumers. 2. Creating a productive business environment by encouraging the health of business competition and ensuring equal opportunities for all workers 3. Avoid unfair business competition and monopolistic practices among business actors 4. "Creating efficiency and effectiveness in business administration to increase national economic efficiency" as one of the efforts to improve people's welfare (Munir Fuady: 2003: 2).

CONCLUSION

1. Business Competition (X2) affects Antimonopoly and unfair business competition (Y).
2. Business Actors (X3) affect Antimonopoly and unfair business competition (Y).

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