

SANCTIONS ACCORDING TO INDONESIAN BUSINESS COMPETITION LAW POST JOB CREATION LAW: HAS IT REFLECTED THE LAW AS SOCIAL CONTROL?

Desi Apriani, Zulherman Idris, Nur Hidayat, Ulfa Salsabila, Bella Febria

1,2 @Facultu of Law Universitas Islam Riau

3 @Faculty of Law Universitas Islam Negeri Sultan Syarif Kasim

4 @ Student of Magister of Law Universitas Islam Riau

5 @ Student of Faculty of Law Universitas Islam Riau

Abstrack

After the job creation law, the provisions for sanctions for violations of the law on the prohibition of monopolistic practices and unfair business competition have changed significantly. The provisions for administrative fine sanctions, for example, have undergone significant changes. This change has attracted the attention of researchers who study from various aspects, including from the accounting aspect. In law, there is one of the famous theories, that law is a tool of social control in order to better people's behavior. Based on that, the author sees that this study is important to be carried out so that the researcher will produce ideal conclusions and recommendations for future business competition law reform. This research is a normative legal research with a legislative, conceptual, and theoretical approach. The results of the study show that sanctions according to the business competition law after the job creation law do not support the functioning of the business competition law to achieve positive changes among business actors according to the purpose of the law to prevent the occurrence of monopoly practices and unfair business competition. The author suggests that the provisions of the fine sanction be reviewed and reviewed in the reform of the business competition law in the future so that the business competition law is able to form behavior and culture that prioritizes healthy business competition so that it has high competitiveness in the era of globalization.

Keywords : sanction; indonesian business competition law; job creation law; law as a social control

1. INTRODUCTION

After the enactment of the Job Creation Law, the provisions for sanctions for violations of Law Number 5 of 1999 concerning the Prohibition of Monopoly Practices and Unfair Business Competition underwent very significant changes. Criminal sanctions for monopolistic practices and unfair business competition are abolished, and administrative fines as authorized by ICC (Business Competition Supervisory Commission) are changed to a minimum of 1 billion Rupiah and a maximum of 50 percent of the net profit obtained by business actors or 10 percent of the total sales of business actors during the period of violation as stipulated in Article 12 paragraph (1) of Government Regulation Number 44 of 2021 as a regulation Implementing the Prohibition of Monopoly Practices and Unfair Business Competition.

This change has attracted the attention of researchers by researching from various aspects. One of them is from the accounting aspect which views the provisions of administrative fine sanctions for violations of the prohibition of monopoly practices and business competition as ineffective, so that it can trigger business actors to take the same action in the future, because business actors who are sanctioned with fines do not feel losses after carrying out sanctions for monopolistic practices and/or unfair business competition carried out (Johan, 2022). The researcher himself has also previously studied changes in the provisions of administrative fine

sanctions, including the elimination of criminal sanctions for violations of the prohibition on monopoly practices and PUTS from historical and philosophical aspects, where based on the results of the research, this change is in line with the background and purpose of the Job Creation Law, which is to attract the interest of potential investors in Indonesia with non-burdensome legal arrangements.

On the other hand, as is generally known by scholars who study law, one of the basic purposes of law is as a mechanism of social control, namely to enforce the law so as to create stability in people's lives. Law functions as a mechanism of social control by upholding the circumstances that exist in society. Laws and regulations serve to uphold the current social structure and prevent major changes that can disrupt the distribution of authority or endanger people's lives (Rahman et al., 2025).

Based on this theory, of course, when viewed philosophically in the presence of the Law on the Prohibition of Monopoly Practices and Unfair Business Competition which regulates sanctions for violations committed by business actors, it is hoped that it can or can be a tool of advice or a means of renewal in society for the better. Sanctions according to the Law that prohibit monopoly practices and unfair business competition are certainly expected to change bad social values into good. In this context, it means, from the behavior of business activities that compete in an unhealthy way, to business behavior that upholds healthy competition so as to create market conditions that are full of creativity, innovation, good service, good quality, competitive prices and the community as consumers are offered with a variety of product choices. On the other hand, if it turns out that the current sanctions provisions are not able to control and bring changes in society for the better, then it means that the law is not able to be a tool to engineer society to the desired way, so that the amendment of the law is the solution. This is certainly inversely proportional if it turns out that the research produces the opposite conclusion. Based on that, the author sees that this study is important to be carried out so that the researcher will produce ideal conclusions and recommendations for future business competition law reform.

As the *state of the art* of this paper, the author traces relevant studies as supporters and comparators so that it can be seen that this research is really important to be carried out because it has novelty and a high level of importance (urgency) in the context of the development of business competition law in Indonesia in the future. From the results of the research conducted by the author, there is still very little research on the provisions of sanctions for violations of the law prohibiting monopoly practices, especially after the job creation law, especially those that relate it to the function of law as social control. However, there are some relevant studies even though it examines the law as a tool of social control from other aspects. Even so, there is one study that examines the sanction of fines according to Law Number 5 of 1999 from the aspect of accounting economics which according to the author strongly supports the initial idea in examining the issue of the provision of the amount of sanctions according to Indonesian business competition law, especially regarding the provisions of administrative fines.

Some of the research includes: Research conducted by Suwinto Johan, entitled "*Administrative Sanctions for Financial Report Approach Fines for Unfair Business Competition*

Violations", which concluded that administrative sanctions in the form of fines will not harm business actors. Fines are imposed on a portion of the profits made in the market in question. Business actors continue to make profits. Sanctions or fines cannot be imposed on all violations of the prohibition of monopoly practices. With the imposition of fines with this accounting approach, business actors will be able to continue to do so. The profit earned after deducting the fine, may be equal to the profit without the violation or prior to the violation. According to him, business actors do not lose from these violations (Johan, 2022). Furthermore, research from Defril Hidayat & Hainadri entitled "*Law as a Tool of Social Engineering*", which states that the function of law as a means of renewal in society is to direct society in a better direction to create order in society (Hidayat & Hainadri, 2021). There is also research from Martha Eri Safira entitled "*Law is A Tool of Social Engineering in Handling Corruption Crimes in Indonesia Reviewed from Islamic Law and Legislation in Indonesia*", which states that the regulations contained in the Corruption Law can be a foothold and bind all elements of society, or are able to engineer society (*social engineering*), which ultimately becomes a guideline and control tool for the community against deviant behavior (Safira, 2017). Then research from Inneke Wahyu Agustin, entitled "*Comparison of Sharia Insurance Development in Indonesia and Malaysia (Analysis of the Flow of Historical Schools and Law as a Tool of Social Engineering)*", which explains that from the soul of the nation, in order for habits to apply comprehensively, the Sharia Insurance Law was born as a form of the state's role to provide legal certainty legally. Each law will definitely undergo an evolution because it departs from a rule as a status in society to a contract (Agustin, 2020). Mohammad Akmal Yahdika also examined the function of law as a tool of social control entitled "*Legal Paradigm as an Engineering Tool: Preventive or Repressive?*", which explained that basically in carrying out its function as an *engineering tool* in social life, the law will be preventive and repressive. These two traits cannot be eliminated or separated from each other because both preventive and repressive traits will function together in different scenarios. Preventive laws will function to prevent people from committing acts or behaviors that are contrary to the law that will result in riots or chaos by regulating what acts or behaviors are prohibited along with sanctions as a consequence if the regulation is violated. Meanwhile, the law will be repressive when there is a violation of the act or behavior that has been regulated. This coercive nature can take the form of sanctions that will be given to the perpetrators of violations. In addition, repressive laws can also be in the form of forcing the community to comply with these regulations, apart from their other nature, namely preventive which seeks to prevent chaos or riots in social life (Yahdika, 2023). There is also a study by Mr. Hafero Harahap entitled "*Law as a Tool of Social Engineering: A Critical Analysis of Job Creation Law in the Perspective of Roscoe Pound's Sociological Jurisprudence*" which conducted a case study highlighting the critical failure of the job creation law in the application of the theory in the field (Harahap, 2025). Finally, there is a research by Osgar Sahim Matompo & Wafda Pipit Izziana, entitled "*The Institution for the Application of Legal Sanctions of Monopoly Practices for Usaha Actors in Indonesia*", which concluded that the legal rules of monopoly practices from the aspect of legal structure, can be said to have not prevented monopoly practices and the provisions of sanctions (Matompo & Izziana, 2021).

2. PROBLEM FORMULATION

From several studies and studies conducted by the previous researchers, it can be seen that these studies have not specifically raised the issue of changing the sanctions provisions in the Law on the Prohibition of Monopoly Practices and Unfair Business Competition after the Job Creation Law, nor have anyone specifically studied it from the perspective of the functioning of the law as a tool of social control. In addition, the author has also not found a research that specifically uses historical, philosophical and conceptual approaches to analyze changes in sanctions provisions, including from the aspect of legal theory in order to recommend a more ideal concept towards Indonesian business competition law which is aspired to prevent the occurrence of monopoly practices and unfair business competition in order to achieve welfare for all people. That is what the author will do so that according to the authors, this research is very important and has a high level of novelty as a contribution to the reform of business competition laws in the future. Based on this background, the author intends to research or conduct an in-depth study (analysis) of sanctions for violations of Law Number 5 of 1999 with the following problem formulation:

1. What are the Amendments to the Sanctions Provisions for violations of the Prohibition of Monopoly Practices and Unfair Business Practices after the Job Creation Law?
2. Have the sanctions for violating the prohibition of monopoly practices and unfair business competition after the Job Creation Law reflected the functioning of the law as a tool of social control?

3. RESEARCH METHODS

This research is a legal study on the analysis of sanctions for violations of the Law on the Prohibition of Monopoly Practices and PUTS from the theoretical aspect of the functioning of the law as a tool of social control. Therefore, this research is a "*normative juridical*" research also known as normative legal research. This is because what is being studied are legal materials (Ibrahim, 2010). The approach method used is a legislative approach and a conceptual and theoretical approach to analyze sanctions under the law prohibiting monopoly practices and unfair business competition, especially after the promulgation of the Job Creation Law. This research is descriptive and analytical, namely by providing as detailed and detailed data as possible about the rules, circumstances or symptoms related to the problem and the purpose of the research in order to help in strengthening old theories or in the framework of compiling new theories, in this case more relevant concepts related to sanctions according to the law prohibiting monopoly practices and unfair business competition, So that the law of business competition is really able to be a control tool for business actors in competing. In this legal research, the data used by the author is secondary data consisting of primary legal materials in the form of laws and regulations and secondary legal materials in the form of literature and other relevant documents.

4. DISCUSSION

A. Changes in Sanctions Provisions According to Indonesian Business Competition Law After the Job Creation Law

Basically, there are various changes in the provisions/formulation of sanctions for violations of the prohibition of monopoly practices and unfair business competition after the Job Creation law. However, in this article, the author focuses on highlighting 2 changes, namely fulfilling the sanctions, fines and criminal sanctions, as further described by the author below:

1) Changes to the Provisions of Administrative Fine Sanctions

The provisions of administrative sanctions as the authority of ICC for violations of the prohibition of monopolistic practices and unfair business competition are regulated in Article 47 of Law Number 5 of 1999. One of the administrative sanctions under the authority of ICC is fines. Furthermore, based on Article 47 paragraph 2 letter g of Law Number 5 of 1999 Pre-Law on Job Creation, it can be identified that the amount of fines that must be paid by business actors who are proven to have violated the law of business competition, which is a minimum of Rp.1,000,000,000.00 (one billion rupiah) and a maximum of Rp.25,000,000,000.00 (two five billion rupiah). Then further regarding the payment of this fine, it is regulated in Article 13 of Government Regulation No. 44 of 2021 which stipulates that, all administrative sanctions in the form of fines listed in the Commission's decision (and have obtained permanent and binding legal force) are included as state receivables. That way, all funds collected from the implementation of sanctions (in the form of fines) must be deposited into the state treasury as state revenue instead of taxes. If the relevant business actors do not carry out their obligations, the Commission may coordinate with the authorized government agencies in the field of state receivables affairs and/or law enforcement in accordance with the provisions of laws and regulations.

Furthermore, after the Job Creation Law, the provisions related to the amount of fine sanctions for violators of the business competition law have changed, which is a minimum of Rp. 1,000,000,000.00 (one billion rupiah) without determining the maximum amount. As for the maximum amount of fine sanctions, it is not regulated by Article 47 (concerning administrative sanctions) according to Law Number 5 of 1999 after the Job Creation Law. However, if the implementing rules of Law Number 5 of 1999 Post the Job Creation Law, namely Government Regulation Number 44 of 2021, are identified (precisely Article 12 letters a and b), then the imposition of fines for these sanctions is carried out with two basic provisions. The two basic provisions are *first*, based on a maximum calculation of 50% of the net profit obtained by business actors in the relevant market during the period of violation of business competition law. *Second*, based on a maximum of 10% of total sales in the relevant market during the period of violation of the provisions of the competition law. As previously explained in the introduction, the limitation of fine sanctions is considered by several circles such as the economic accounting community to not have a deterrent effect for business actors who commit violations in carrying out sanctions that are considered light. Then, in the provisions, there are several assessments to be able to determine the amount of the basic fine in accordance with Article 14 of Government Regulation No. 44 of 2021 which is seen based on several things, namely the negative impact caused by violations

committed by business actors, the duration of time the violation occurs, mitigating factors, aggravating factors and/or, the ability of business actors to pay fines.

In addition to the incriminating factors above, there are also factors that can mitigate business actors in paying fine sanctions as stated in Article 15 of Government Regulation Number 44 of 2021, namely business actors will be given relief if they carry out activities that show efforts to comply with the principles of healthy business competition which include codes of ethics, training, counseling, socialization, and the like. Business actors will also be given relief if they voluntarily stop all anti-competitive behavior since the case arises. Then the business actor will be given relief if the person concerned has never committed the same or similar violation related to the prohibition of monopoly practices and unfair business competition as regulated in the law.

Furthermore, according to the government regulation, if business actors are proven not to have committed violations on an intentional basis, the relevant business actors will get relief from the payment of fine sanctions. Furthermore, if the impact of the violation committed by the business actor is not so significant on competition and the business actor is also not the initiator of the violation, then the relevant business actor will also get relief from the payment of fine sanctions. Meanwhile, the factors that incriminate business actors in paying fine sanctions have been regulated in Article 16 of Government Regulation Number 44 of 2021, namely first, business actors have violated the same or similar provisions as stipulated in the business competition law for a period of time, less than 8 years based on the decision (which has permanent legal force); Second, business actors are initiators in related violations. Whether or not business actors are able to pay fines can be seen based on the company's financial condition, which if imposed a certain level of fine, will result in the company not being able to operate. This has been regulated in Article 17 of Government Regulation No. 44 of 2021.

2) Changes to Criminal Sanctions Provisions

The provisions stipulated in Article 48 and Article 49 of Law Number 5 of 1999, after the Job Creation Law underwent significant changes. In general, Article 48 and Article 49 of Law Number 5 of 1999 Pre-Law on Job Creation, regulate criminal threats for business actors who violate the provisions of the competition law, both principal and additional crimes. Previously (pre-law on job creation), the Law on the Prohibition of Monopoly Practices and Unfair Business Competition threatened criminal sanctions for violating business actors with heavier fines than administrative fines (which can be replaced with imprisonment) as stipulated in Article 48 of Law Number 5 of 1999. Even more severe, even violators can be sanctioned in the form of revocation of business licenses as additional criminal sanctions as stipulated in Article 49. The author can explain that indeed the sanction of *pidan aini* is not the main sanction for the violation of Law Number 5 of 1999. The transition to criminal justice can occur if business actors do not heed the decision of ICC as an administrative institution.

However, the provisions of criminal threats in Article 48 of Law Number 5 of 1999 Post the Job Creation Law only regulate the principal criminal threat for violations of Article 41 paragraph (3), namely related to the obligation of business actors and other parties in fulfilling ICC's summons to provide information or submit documents as evidence that reads "violation of the provisions of Article 41 of this Law, shall be punished with a fine of up to Rp. 5,000,000,000.00

or imprisonment for a maximum of 1 year in lieu of a fine". Meanwhile, the main criminal provisions of Article 48 paragraphs (1) and (2) and additional criminal provisions have been deleted along with the deletion of Article 49 of Law Number 5 of 1999 after the Job Creation Law. It can be further explained that business actors who are proven to have committed acts that result in monopolistic practices and unfair business competition cannot be imposed criminal sanctions after the job creation law. Of course, the elimination of criminal provisions, both principal and additional crimes, needs to be further studied by observers of competition law. What will be the impact, what problems will arise, whether the removal is effective and so on.

B. CHANGES IN SANCTIONS ACCORDING TO INDONESIA'S COMPETITION LAW AFTER THE JOB CREATION LAW DO NOT SUPPORT THE FUNCTIONING OF THE LAW AS A TOOL OF SOCIAL CONTROL

Speaking of law as a tool of social control, we will start with the theory put forward by Roscoe Pound. Roscoe Pound was the first jurist to analyze jurisprudence and the methodology of the social sciences. Pound stated that the law is the most important institution in carrying out social control. Thus, the law serves as a tool to regulate and manage society. Regulating and managing society will lead to reforms, changes in the structure of society and determination of a pattern of thinking according to the law that leads to development so as to create a culture of law-abiding towards prosperity. This will result in legal progress, so that an atmosphere that can be categorized as a civilized society will be achieved. (Lathif, 2017). Furthermore, it can be explained that the use of the law as a means of social control can mean that the law controls people's behavior, meaning that the law functions to provide limits on the behavior of community members who are considered deviant from the rule of law (Lubis, 2022). In another sentence, it can be explained that the function of law as a means of social control is that the law is intended as a control of community behavior which is a previously planned process with the aim of advocating, inviting, instructing and even forcing community members to comply with the applicable legal rules (Afifah, 2024).

Overall, Roscoe Pound's Law as a Tool of Social Engineering theory provides a new perspective on how law should be understood and applied in a social context. Law is not just a tool of control or enforcement of power, but it is also a means to achieve positive change in society. By focusing attention on the balance of interests as well as collaboration between various social institutions, this theory offers a more comprehensive approach to understanding the functions and roles of law in everyday life. This is especially relevant in today's modern era, where social change is happening rapidly and the complexity of social problems is increasing (Al Alawi, 2024). Thus, it can be further elaborated that the law must function as a tool for positive social change, protect the interests of society, and ensure the equitable enforcement of justice. If law enforcers can pay attention to how the function of law as a tool of social control should work in the prevention, enforcement and discovery of the law, then it will certainly be effective in realizing the law in the midst of a just society. It can be further explained, the law as a tool of social control, meaning that the law functions to supervise people's behavior. Therefore, legal institutions are themselves institutions that act as agents of social control in a concrete way (Sudjana, 2021).

In more detail, it can be understood that law as social control, social *engineering* and social *welfare* play an active role as something that can determine human behavior that deviates from the rule of law. So that the law can provide sanctions or actions against the violator. What is expected from the law is the functioning of the legal function. With the proper functioning of the legal function, law enforcement is very possible. The existence of law as a social engineering reflects the function of law as a means of coercion that protects citizens from all forms of threats and harmful acts (Ashadi, 2014). This is in line with what was written by Imelda Martinelli et al, that the formation of laws must be in the interest of the state in safeguarding the interests of the community (Martinelli, 2023).

According to one of Indonesia's business competition law experts, business competition law is a set of rules that govern all aspects of business competition, including everything that is allowed to be done and everything that is not allowed to be done by business actors when running their business (Hermansyah, 2008). The National Law which is the legal basis related to business competition activities is regulated by Law Number 5 of 1999 concerning the Prohibition of Monopoly Practices and Unfair Business Competition. Furthermore, Law Number 5 of 1999 concerning the Prohibition of Monopoly Practices and Unfair Business Competition as a means of control for the community should play a role in maintaining the public interest by preventing the occurrence of monopoly practices and/or unfair business competition carried out by business actors. Meanwhile, when viewed from the point of view of the functioning of the law as a tool of social control, Law Number 5 of 1999 concerning the Prohibition of Monopoly Practices and Unfair Business Competition, is present to be able to increase the effectiveness and efficiency of the national economy by creating a conducive business climate through the regulation of healthy business competition and creating effective and efficient conditions for business actors when carrying out a business activity (Devi Meyliana, 2013). In other words, the law of competition aims to provide equal opportunities for every citizen to participate in the production and marketing process (goods and/or services), in the hope of encouraging economic growth and the reasonable functioning of the market economy.

The author can further explain that the hope for the functioning of the business competition law in Indonesia (in this case Law Number 5 of 1999) as a tool to change and control business actors towards ideal conditions, is clearly stated in the purpose of the law as stipulated in Article 3 of Law Number 5 of 1999. The author can detail that there are 5 objectives of the law prohibiting monopoly practices and unfair business competition in Indonesia, namely: *First*, to maintain the public interest and increase national economic efficiency as one of the efforts to improve the welfare of the people. *Second*, creating a conducive business climate through healthy business competition arrangements so as to ensure the certainty of equal business opportunities for large business actors, medium business actors, and small business actors. *Third*, prevent monopolistic practices and/or unfair business competition caused by business actors. *Fourth*, the creation of effectiveness and efficiency in business activities.

From the purpose of the above law, it can be understood that the law prohibiting monopoly practices and PUTS in Indonesia is expected to be a control tool to ensure business opportunities

for every business actor (both large, medium and small) by preventing the occurrence of monopoly practices and unfair business competition so that the public interest can be maintained and the welfare of the people can be improved. It is clear that Law Number 5 of 1999 is a tool to control and engineer the behavior of business actors far from behaviors that result in monopoly practices (economic concentration) and business competition behavior that is full of tricks (PUTS). It is interesting to study here is the relationship between sanctions for violations of the law and the hope that the goals of the law will be achieved so that the law really becomes a tool of social control or social engineering in the expected direction, namely the welfare of the people.

As the author has described in the previous sub-chapter, Law Number 5 of 1999 after the enactment of the Job Creation Law has undergone changes (especially those discussed here related to changes in administrative fine sanctions and the elimination of criminal sanctions). Although the maximum limit of administrative fines is not specified in the amendment of Article 47 after the Job Creation Law, based on Government Regulation Number 44 of 2021, the maximum limit on the imposition of fines is determined based on the net profit obtained or turnover obtained during the occurrence of the violation. If the benchmark used is net profit during the occurrence of the violation, then the maximum fine that can be imposed is only 50 percent of the net profit. If the benchmark is turnover or overall sales during the occurrence of the violation, then the maximum fine that can be imposed is 10 percent of the total sales proceeds. This is what a researcher analyzed from a financial accounting approach that is seen as not having a significant impact on violating business actors (Johan, 2022).

Ideally, economic sanctions, in this case fines, are the burden of suffering imposed on violators of norms (in this case the law prohibiting monopoly practices and unfair business competition) in the form of reducing property in the form of confiscation and fines, paying compensation (Setiadi et al., 2010). According to the author, if the amount of fines set by the authorized institution (in this case ICC) as a sanction for violations of the law prohibiting monopoly practices and PUTS turns out that the business actor's financial accounting will not be harmed, of course, the sanctions provisions followed by the imposition and execution of the payment of fines to the state will not have a meaningful effect on business actors. This will certainly not prevent the same business actors (violators who have implemented sanctions) from repeating acts that result in monopoly practices and unfair business competition in the future. Although in the provisions for the imposition of fine sanctions, there are aggravating things such as the repetition of acts, but still the maximum limit of fines that can be determined by ICC is only 50 percent of the net profit and 10 percent of the total sales value.

If it is associated with the function of law as a tool for social engineering, which in this case (the field of business competition) concretely it is hoped that Indonesia's business competition law will have an impact on the prevention of monopolistic practices and unfair business competition, then of course the hope of achieving the goal of law as social control is difficult to achieve. Ideally, the threat of sanctions according to business competition law must certainly be able to prevent a business actor from committing a violation. Likewise, in the event of a violation, the sanction that has been fulfilled should prevent the violator from repeating the act in the future. That way the

functioning of the law as *social control* can really be felt. This is in line with what Ida Bagus Sudarma Putra stated that has a basis, social control is a social institution that plays a role in controlling the behavior of community members so that social life remains in a balanced state. However, the effectiveness of the role of social control will depend largely on the effectiveness of the sanction force imposed on violators and on potential violators. Sanctions are a form of suffering, heavy burden losses that are deliberately created by social institutions to force members of society to obey existing norms (Putra, 2018).

Furthermore, the author in this case also wants to discuss the elimination of criminal sanctions for violations of the prohibition of monopoly practices and unfair business competition after the job creation law. As previously explained, after the job creation law was enacted, all forms of violations of the law prohibiting monopoly practices and PUTS were no longer threatened with criminal sanctions as previously they were threatened with criminal sanctions (although data shows that since ICC has been on duty, not a single business competition case has been criminally resolved). Data related to the absence of cases that have not been forwarded to investigators for criminal processing, the author obtained from the PPID of ICC in 2023. However, normatively the elimination of criminal sanctions is also seen by the author as not in line with the purpose of the law, especially in order to prevent the occurrence of monopoly practices and unfair business competition. According to the author, the prevention of the occurrence of an act (evil) is closely related to the threat of sanctions for violating a rule. This means that if the threat of sanctions for the occurrence of monopoly practices and unfair business competition is seen as heavy by business actors, of course, preventively it can prevent business actors from committing all forms of prohibited acts. That way, the goal of the law to be able to prevent the occurrence of monopoly practices and unfair business competition can be achieved. In theory, basically sanctions are used as a tool of power that seeks to enforce the law and the effort is aimed at minimizing losses caused by law violators (Prasastiningsih, 2020). This is where the function of law as a tool of social control can be seen and felt. This is what is called that the Law is a tool of social control and a means to achieve positive change in society. Furthermore, it can be said that law as a tool of social control means that it is something that can determine human behavior. This behavior can be defined as something that deviates from the rule of law. As a result, the law can impose sanctions or actions against the violator (Orlando, 2023). Of course, the sanctions referred to here are sanctions that are able to prevent the perpetrator from repeating his actions in the next period.

Law as a tool of social control means that it is something that can determine human behavior. Regulating behavior here means that the community does not commit deviant acts by threatening and imposing sanctions on the actions of the law violator (L. Diab, 2014). Ideally, norms should be established and maintained through the provision of sanctions as a tool for the mechanism of social control processes in various developments of society to achieve order (Dewi et al., 2023). In the context of the business world, of course, business competition law is expected to be a means of positive change for every business actor in carrying out his business activities. Before the existence of the law on business competition, all forms of fraud were seen as ordinary (the

important thing is to make a profit), but after the presence of the law on business competition, all forms of fraud (monopoly practices and PUTS) can be prevented as a form of legal functioning as social engineering. More ideally, of course, it is hoped that with the presence of business competition law, a culture and behavior of business actors will be realized that prioritize healthy competition by prioritizing creation, innovation and improving services to consumers. On the other hand, if the law of business competition is not able to function as a tool of social control, then of course the world of business competition will still be colored by trickery in order to achieve the profits of one business actor or one group of business actors. This is where it is important to ensure consistency between articles in the legal drafting process of a law and regulation, as stated based on the results of the research of Normaliyanti et al., that one of the weaknesses in the process of drafting laws and regulations in Indonesia is the inconsistency between articles in one law and regulation (Normaliyanti et al, 2025)

5. CONCLUSION

Law is a tool of social control towards positive societal change (changing society for the better) by controlling people's behavior. In the context of business competition law, of course, the law is expected to function to control business competition behavior both preventively and reproducively so that it is able to change unhealthy business competition behavior and culture towards healthy business competition behavior and culture (by prioritizing creation and innovation). However, the elimination of criminal sanctions and the maximum limitation of fines after the job creation law are seen as not supporting the functioning of the law as a tool of social control. The author sees that with the provisions of sanctions according to Indonesian business competition law today which can be said to be "light" as discussed above, of course they will be used by irresponsible business actors so that the law is only a justification to achieve financial profits. Although the lawmakers are based on the operational reasons of the company that should not be disturbed by the sanction of fines, and perhaps for employment reasons to prevent unemployment, but in terms of the purpose and meaning of the presence of the law of business competition, it is considered that it is not in line, and does not reflect the law as a tool of social control. Apart from that, it is necessary to conduct studies from various points of view (perspectives by experts in business competition law and experts from other fields of science, so that a truly ideal concept is obtained in the context of the development of business competition law in the future so that in the end the goal of prosperity for all people can really be achieved.

Bibliography

Book

Devi Meyliana, *Business Competition Law "A Study of the Concept of Proof of Price Fixing Agreements in Business Competition"*, (Malang: Setara Press, 2013).

Dyajeng Ayu Musdalifah et al., *Dehumanization of the Excessive Application of Criminal Law (Overspanning van het Strafrecht) Based on Social Engineering Theory*, Book Chapter of *Law and Politics in Various Perspectives Volume 3*. Year 2023

Elly M., Setiadi, et al. "Introduction to the Sociology of Understanding the Facts and Symptoms of Social Problems: Theory, Application, and Solution", Kencana Prenada Media Group, Jakarta, 2011.

Hermasyah. *The Basics of Business Competition in Indonesia*. Kencana, Jakarta, 2008.

Johnny Ibrahim, *Theory and Methodology of Normative Legal Research*, Bayu Media Publishing, Surabaya, 2005.

Journal

Arif Fahmi Lubis, "The Function of Law as a Means of Social Control of the Community in the Context of Realizing National Resilience" *Waradin Community Service Journal* Vol.2, No.3, September 2022, hal 44-50.

Ashadi L. Diab, "The role of law as social control, social engineering and social welfare", *Al Adl Journal*, Volume 7, Number 2, 2014.

Defril Hidayat & Hainadri, "Law as a Tool of Social Engineering". *DATIN LAW JOURNAL* Volume. 2 Number 1, February -July 2021.

Fatma Afifah & Sri Warjiyati. "Purpose, Function and Legal Position", *Wijaya Putra Journal of Law*, Vol. 2 No. 2, September 2024.

Galih Orlando, "Law as Social Control and Social Engineering (A Study of Law Number 16 of 2019 concerning Amendments to Law Number 1 of 1974 concerning Marriage)", *Tarbiyah Bil Qalam, Journal of Ahama Education and Science*, Vol.VII.Edition I January – December 2023.

Ida Bagus Sudarma Putra, "Social Control: Nature and Sanctions as a Means of Social Control", *VYAVAHARA DUTA* Volume XIII, No.1, March 2018.
<file:///Users/desiapriani/Downloads/529-1009-1-PB.pdf>

Imelda Martinelli et al., *The Urgency of Regulating and Protecting Rights of Privacy for Artificial Intelligence in Legal Views as Social Engineering*, *Tana Mana Journal*, Vol. 4, No. 2, December 2023, <https://ojs.staialfurqan.ac.id/jtm/>

Inneke Wahyu Agustin, "Comparison of the Development of Sharia Insurance in Indonesia and Malaysia (Analysis of the Flow of History and *Law as a Tool of Social Engineering*)", *Journal of Sharia and Law* Vol. 5, Number 1, 2020 ISSN: 2527-8169 (P); 2527-8150 (E)

Martha Eri Safira "*Law is A Tool of Social Engineering* in Handling Corruption Crimes in Indonesia Reviewed from Islamic Law and Legislation in Indonesia", *Journal of Codification*, Volume 11 No. 1 of 2017.

- Mohammad Akmal Yahdika, "Legal Paradigm as *an Engineering Tool*: Preventive or Repressive?", *Journal of Res Justitia: Journal of Legal Science*, Volume 3, Number 2, July 2023
- Moh Nauval Karim Al Alawi, *The Implementation of Law Theory is a Tool of Social Engineering: The Constitutional Court as an Instrument of Social Control in the Indonesian Legal System*, *Indonesian Journal of Law and Justice*, Volume 2, Number 2, Year 2024
- Nazla Arliva Rahman et al., *Legal Practices and Challenges as a Tool of Social Control*, *Scientific Journal of Wahana Pendidikan* Volume 11, Number 1A, 2025.
- Nazarudin Lathif, "Legal Theory as a Means/Tool to Renew or Engineer Society", *Pakuan Law Review*, Volume 3, Number 1, January-June 2017, <https://journal.unpak.ac.id/index.php/palar/article/viewFile/402/328>
- Normaliyanti et al., "*Legal drafting*: the challenges of bridging theory and practice in regulatory formation in Indonesia", *Indonesian Journal of Islamic Jurisprudence, Economic and Legal Theory*, Volume 3, Number 2, Year 2025.
- Osgar sahim Matompo & Wafda Pipit Izziana, "Institution for the Application of Legal Sanctions for Monopoly Practices for Usada Perpetrators in Indonesia", *Justiciabelen Jurnal Hukum*, Volume 4, Number 1, year 2021, (<https://journal.umg.ac.id/index.php/justiciabelen/article/view/2769/1699>)
- Suci Prasastiningsih, et al., "The Authority of the State to Provide Sanctions to Foster Legal Obedience", *Lex Lata, Scientific Journal of Law*, Volume 2 Number 1, March 2020. <http://journal.fh.unsri.ac.id/index.php/LexS>
- Sudjana, "Patent Protection in the Perspective of Legal Functions as Social Control and Social Engineering", *Dialogia Iuridica: Journal of Business and Investment Law*, Volume 13 Number 1, November 2021. <https://journal.maranatha.edu/index.php/dialogia/article/view/3757/2011>
- Suwinto Johan, "Administrative Sanctions for Financial Statement Approach Fines for Violations of Unfair Business Competition", *Journal of Legal Issues*, Volume 51, Number 1, January 2022. <https://ejournal.undip.ac.id/index.php/mmh/article/view/40122>
- Tuan Hafero Harahap. "Law as a Tool of Social Engineering: A Critical Analysis of the Job Creation Law in the Perspective of Sociological Jurisprudence Roscoe Pound, *JURNAL Abdul Haris: Journal of Administrative Sciences*, Volume 3 of 2025. https://d1wqtxts1xzle7.cloudfront.net/125183744/HUKUM_SEBAGAI_ALAT_REKAYAS

Yumita Dewi et al. The Relationship of Values, Norms and Sanctions, Al Karim Journal: Journal of Education, Psychology and Islamic Studies, Vol 8, Number 2, 2023.
<https://jurnal.staiyaptip.ac.id/index.php/alkarim/article/view/244>

Laws and Regulations

Law Number 5 of 1999 concerning the Prohibition of Monopoly Practices and Unfair Business Competition.

Law Number 6 of 2023 concerning Job Creation.

Government Regulation Number 44 of 2021 concerning the Implementation of the Prohibition of Monopoly Practices and Unfair Business Competition.

Other Resources

Information and Documentation Management Officer (PPID) of the Business Competition Supervisory Commission (ICC), sent on August 1, 2023

.