

Supervision Strategy of the Business Competition Supervisory Commission on Anti-Competition Practices

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Abstract. *This study aims to examine the supervision strategy carried out by the Business Competition Supervisory Commission (ICC) against anti-competition practices that can harm the market and consumers. ICC has a very important role in maintaining healthy business competition through supervision, law enforcement, and policy recommendations. This study uses a qualitative approach with in-depth interview methods and document analysis related to the implementation of the business competition law. The results of the study show that ICC carries out supervision through a preventive, detective, and law enforcement approach. Preventive supervision is carried out through education to business actors, while detective supervision utilizes technology such as big data to detect anti-competitive practices. Although the law enforcement carried out by ICC has succeeded in cracking down on many violations, it is constrained by a deterrent effect that is still low due to the amount of sanctions that are not proportional to the profits obtained from these illegal practices. In addition, ICC also functions as a policy advisor to encourage the creation of regulations that support fair business competition. This research suggests the need to increase the capacity of technology and human resources, as well as revisions to the amount of sanctions so that they can be more effective in tackling anti-competitive practices in Indonesia.*

Keywords: *Business Competition Supervisory Commission, Supervision, Anti-Competition Practices, Law Enforcement, Business Competition, Economic Policy*

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INTRODUCTION

Healthy business competition is one of the important pillars in building a fair and sustainable economy (Putra et al., 2024). In the modern economic system, competition is the main catalyst for innovation, efficiency, and improvement in the quality of goods and services offered to consumers (Irawan, 2020). However, it is undeniable that anti-competitive practices often appear in the dynamics of the business world. This phenomenon can hinder economic growth, harm consumers, and create inequality in the business climate.

Anti-competitive practices usually appear in the form of monopolies, cartels, abuse of dominant positions, and tender conspiracies (Bruneckienė et al., 2015). This phenomenon creates a barrier for other business actors to compete fairly, thus threatening the sustainability of a competitive economy. In this context, supervision of anti-competition practices is an urgent need to ensure the creation of justice in the business world.

Indonesia, as a country with a growing economy, has great challenges in managing business competition. The role of the Business Competition Supervisory Commission (ICC) is very vital to

overcome various detrimental anti-competition practices (Tumangkar et al., 2024). As an institution tasked with supervising and enforcing business competition law, ICC has a mandate to ensure that every business actor conducts its business in accordance with the principles of fair competition.

Since its establishment in 2000 based on Law Number 5 of 1999 concerning the Prohibition of Monopoly Practices and Unfair Business Competition, ICC has been at the forefront of combating anti-competitive practices in Indonesia (Jabbar, 2023). ICC not only acts as a supervisor, but also as an institution that provides education and policy recommendations to the government related to business competition issues.

However, the challenges faced by ICC are not light. The complexity of the case, limited resources, and lack of awareness of the importance of healthy business competition among business actors are the main obstacles in carrying out supervisory duties (Burhanuddin, 2024). In addition, anti-competition practices that often involve collusion with certain parties make supervision more difficult.

To face these challenges, ICC needs to adopt an effective and sustainable supervision strategy (Hidayat, 2023). This strategy includes strengthening regulations, increasing the capacity of human resources, and using modern technology in detecting and preventing anti-competitive practices. In addition, cooperation with government agencies, the community, and the business community is an important key in creating better synergies. One of the strategic steps that ICC has taken is to encourage transparency in business processes through strict regulations (Satory, 2024). For example, ICC is active in providing policy recommendations to the government regarding the arrangement of government project tenders so that they are free from conspiracy practices.

In this way, ICC seeks to create a conducive business climate for small and medium business actors. In addition, ICC is also actively advocating to the public and business actors to increase awareness of the importance of healthy business competition (Wiranti et al., 2021). Through seminars, trainings, and public campaigns, ICC seeks to build a better understanding of the negative impact of anti-competitive practices on consumers and the economy as a whole. However, ICC's supervisory role cannot run optimally without strong legal support. Therefore, strengthening the regulatory framework is one of the main focuses in the supervision strategy (Sedarmayanti, 2012).

ICC continues to encourage the revision and renewal of relevant regulations to be more adaptive to the dynamics of the ever-evolving business world. In addition to regulatory and advocacy approaches, technology is one of the important tools in supervision. ICC has started utilizing big data and analytics to detect suspicious patterns in business transactions. With this technology, ICC can identify potential anti-competitive practices more quickly and accurately. International cooperation is also an important part of ICC's supervision strategy. In the era of globalization, anti-competition practices often involve cross-border business actors.

Therefore, ICC establishes relationships with competition supervisory agencies from various countries to share information and experience in handling complex cases (Priambodo 2024). Nevertheless, the success of ICC's supervision strategy is highly dependent on the support of all stakeholders. The government, business actors, academics, and the general public need to work together to create a healthy culture of business competition (Pujayanti, 2017). This collaboration will not only strengthen the role of ICC, but also ensure that the national economy can grow sustainably.

With the right strategy and adequate support, ICC can continue to carry out its role as a guardian of healthy business competition. The steps taken by ICC are not only important to overcome anti-competitive practices, but also to build public trust in a fair and transparent economic system. Through this study, it is hoped that more effective strategic steps can be identified for ICC in facing future business competition challenges (Nisa & Tamam, 2024). This is

important, considering that good supervision is the main foundation in realizing an inclusive and equitable economy (Purba, 2024).

METHODS

This study uses a qualitative approach to examine the supervision strategy carried out by the Business Competition Supervisory Commission (ICC) in dealing with anti-competitive practices. The qualitative approach was chosen because it allows for an in-depth exploration of social and institutional phenomena related to ICC's role and strategy, as well as to understand the complex dynamics involving regulations, business actors, and government policies.

Type of Research

This research is descriptive-analytical, with the aim of describing in detail ICC's supervision strategy and evaluating its effectiveness in preventing anti-competitive practices (Yusyanti, 2019). This approach will reveal various factors that affect the success and challenges faced by ICC in carrying out its duties.

Research Location

The research was conducted at ICC's headquarters in Jakarta, with the possibility of involving ICC branches in the regions to gain a broader perspective. In addition, the research also includes a review of policy implementation in several business sectors that ICC focuses on.

Data Source

Primary data were collected through in-depth interviews with ICC officials responsible for business competition supervision, business actors—including those involved in ICC-handled cases and those operating within supervised sectors—and academics or experts in business competition law to gain critical perspectives on ICC policies. Secondary data were obtained from official documents such as ICC's annual reports, Law Number 5 of 1999 and other related regulations, as well as relevant scientific articles, journals, books, and media coverage related to the research topic.

Data Collection Techniques

Data collection methods include semi-structured in-depth interviews, allowing flexibility to explore a broader range of information while ensuring that key questions regarding ICC's strategies are addressed. Observations are conducted to directly witness ICC's work processes, including case trials, seminars, and public or business actor education activities. Additionally, a documentation study is carried out by analyzing official documents, case reports, and ICC policies to gain insight into the supervision approach and evaluate its effectiveness based on empirical data (Shany, 2012).

Data Analysis Techniques

The data collected will be analyzed using thematic analysis techniques. The stages of analysis include (Saleh, 2017): (1) Data Reduction, Selecting and compiling data based on relevance to the focus of the research; (2) Categorization, Categorize data into key themes, such as surveillance strategies, challenges, and surveillance outcomes; (3) Data Interpretation, Interpreting data to identify patterns, relationships, and implications of ICC's strategies on anti-competitive practices; (4) Conclusion, Prepare conclusions from the research findings based on thematic analysis.

RESULTS AND DISCUSSION

Regulation of Business Competition Law as a Business Competition Supervisor

Legal arrangements related to business competition in Indonesia are specifically regulated in Law Number 5 of 1999 concerning the Prohibition of Monopoly Practices and Unfair Business Competition. This law aims to create a healthy business climate by preventing monopolistic practices, abuse of dominant positions, and conspiracies that are detrimental to competition. This

law provides a basis for ICC to act as a supervisory and law enforcement agency in the field of business competition. In addition, there are several implementing regulations such as the Commission Regulation (Perkom) which regulates procedures for supervision, investigation, and sanctioning. Based on the results of the document analysis, this regulation still faces obstacles in implementation, such as a lack of harmonization with other sectoral regulations.

Table 1. Main Regulations on Business Competition in Indonesia

Regulation	Main Contents	Purpose
Law No. 5 of 1999	Prohibition of monopoly and unfair business competition	Creating fair competition
Perkom ICC No. 1 of 2019	Procedures for handling cases	Ensuring the legal process runs transparently
Government Regulation No. 57 of 2010	Mergers and consolidations of companies	Preventing unfair market dominance

The business competition law in Indonesia, which is regulated in Law Number 5 of 1999, provides a normative basis for ICC to carry out its supervisory and law enforcement functions. Based on the theory of economic law, law functions to create a competitive market structure so that economic efficiency is achieved (Posner & Fan, 2001). In this context, Law No. 5 of 1999 is designed to prohibit behaviors that undermine competition, such as monopolies, cartels, and abuse of dominant positions. Previous research by (Muhlizi, 2017) said that competition regulations in Indonesia still have challenges in implementation, especially due to the lack of synchronization with other sectoral policies. The results of this study support these findings, where interviews with ICC revealed that certain sectors, such as energy and telecommunications, still experience a gap between sectoral policies and the principle of business competition.

Forms of Supervision Carried out by the Business Competition Supervisory Commission

ICC implements various forms of supervision to prevent and crack down on unfair business competition practices. Based on interviews and document studies, these forms of supervision include:

Preventive Supervision

Through advocacy, ICC provides education to business actors and the public about the importance of healthy competition. This program is carried out through seminars, training, and socialization.

Detective Supervision

ICC uses data and information to detect potential violations, including through community reports and direct investigations. Technologies such as big data analytics are also starting to be used to identify suspicious patterns.

Law Enforcement

In case of violations, ICC held a case hearing to take action against business actors who were proven to have violated competition law. This process includes investigations, hearings, and the imposition of administrative sanctions.

Table 2. Form of ICC Supervision

Forms of Supervision	Description	Example of Implementation
Preventive Supervision	Education to the public and business actors	Seminars and training
Detective Surveillance	Data investigation and analysis	Investigation of government project tenders
Law Enforcement	Case hearing and sanctioning Case	Cartel conspiracy case

ICC carries out three main forms of supervision: preventive, detective, and law enforcement. Based on economic regulation theory, preventive supervision through education and advocacy is an important effort to reduce information asymmetry between business actors and regulators (Stigler, 1971). The results of the study show that ICC's advocacy programs, such as seminars and training, have increased the awareness of business actors on the importance of healthy competition. However, its effectiveness is still limited due to the lack of participation from the small and medium enterprises (SMEs) sector. In the aspect of detective surveillance, the use of technology such as big data analytics to detect patterns of anti-competitive practices is an innovative step.

This is in line with research by (Saputri & Zulkarnain, 2024) which emphasizes the importance of technology in improving the accuracy of supervision. However, interviews with ICC staff revealed that the limited human resources skilled in technology are an obstacle in the maximum implementation of this strategy. Law enforcement, as a form of reactive supervision, plays an important role in cracking down on violations that have occurred. Previous study by (Amalia, 2019) shows that the sanctions given by ICC often have not had a deterrent effect because the amount of fines is relatively small compared to the profits obtained from anti-competitive practices. The study found something similar, where large business actors prefer to pay fines rather than change their business practices.

The Role of the Business Competition Supervisory Commission in Supervising Unfair Business Competition

ICC plays a strategic role in ensuring that business competition runs in a healthy manner. This role includes three main aspects:

As a Supervisor

ICC monitors the activities of business actors to ensure that there is no monopoly or other fraudulent practices. Supervision is carried out periodically, especially in strategic sectors such as telecommunications, energy, and food.

As a law enforcer

ICC acts as a quasi-judicial institution with the authority to investigate, hear, and render verdicts on violations of competition law. Data shows that ICC has handled more than 300 cases since its establishment, with the majority of cases related to tender conspiracies and price cartels.

As a Policy Advisor

ICC provides recommendations to the government to issue policies that support healthy business competition. An example of a successful recommendation is the revision of government procurement rules for goods and services to reduce the risk of collusion.

Table 3. ICC's Role in Supervising Unfair Business Competition

Role	Main Activities	Result
Supervisor	Monitor business activities	Early detection of violations
Law Enforcement	Investigating and hearing cases	Sanctioning violations
Policy Advisor	Providing policy recommendations to the government	Policies that support healthy competition

With a comprehensive supervision strategy, ICC has shown real efforts in creating a healthy business climate in Indonesia. However, this study also found that there are still significant challenges that need to be overcome, such as limited resources and low levels of compliance of business actors with competition law. Therefore, synergy between ICC, the government, and the community is urgently needed to realize a better business competition system. ICC has three main roles: as a supervisor, law enforcer, and policy advisor. In the theory of supervisory institutions, institutions such as ICC function to balance market forces and protect consumer interests (North, 1990). ICC's role as a supervisor can be seen in their efforts to monitor strategic sectors, such as

food and infrastructure, which are vulnerable to monopolistic practices. As a law enforcer, ICC has handled various important cases, such as tender conspiracies and price cartels.

These findings support research by (Sitompul & Yusuf, 2024) who mentioned that the role of ICC in handling cartel cases in the food sector has succeeded in reducing prices that were previously controlled by dominant business actors. However, this study also reveals that legal processes often take a long time due to the many administrative and litigation obstacles. As a policy advisor, ICC provides recommendations to the government to create regulations that support healthy competition. Previous research by (Permata, 2024) shows that ICC's recommendations regarding the procurement of government goods and services have succeeded in reducing the risk of collusion in the tender process. This study confirms that the role of ICC's policy advisors is very strategic, but it often receives less attention from policymakers due to low awareness of the importance of healthy business competition.

CONCLUSION

Based on the results of the research and discussions that have been carried out, it can be concluded that the supervision of the Business Competition Supervisory Commission (ICC) on anti-competition practices in Indonesia has been carried out through a systematic and law-based approach. ICC, as an institution tasked with supervising and enforcing business competition law, has a strategic role in creating a healthy and competitive business climate. The regulation of business competition law, especially Law Number 5 of 1999, is the main basis for ICC in carrying out its duties. These regulations are designed to prevent monopolistic practices, cartels, and abuse of dominant positions. However, this study identifies implementation challenges, especially related to harmonization between these laws and sectoral policies that often have different goals. In practice, ICC carries out supervision through preventive, detective, and law enforcement approaches. Preventive supervision involving education and advocacy has contributed positively to increasing the awareness of business actors on the importance of healthy competition, although the participation of small business actors still needs to be increased. Detective approaches that are starting to utilize technology such as big data show great potential, but their effectiveness is still limited by human resource constraints and technological infrastructure. On the other hand, law enforcement carried out by ICC, although it has successfully handled many important cases, faces challenges related to the low deterrent effect due to the amount of sanctions that are not significant compared to the profits of violations. As an institution with supervision, law enforcement, and policy advisory functions, ICC plays a very important role in encouraging the creation of healthy business competition. In its capacity as a supervisor, ICC monitors strategic sectors that are vulnerable to anti-competitive practices. As a law enforcer, ICC has handled many violations with a structured mechanism. On the other hand, as a policy advisor, ICC provides recommendations to the government to create regulations that support fair business competition, although the implementation of these recommendations still requires more attention from policymakers.

SUGGESTION

Overall, ICC has shown concrete steps in carrying out its duties as a business competition supervisor in Indonesia. However, long-term success in creating healthy business competition requires support from various parties, including the government, business actors, and the public. Increasing regulatory harmonization, strengthening technological and human resource capacity, and providing a stronger deterrent effect through sanctions revision can be important steps to increase the effectiveness of supervision in the future. With closer collaboration between stakeholders, it is hoped that ICC can be more optimal in maintaining a healthy and fair business climate.

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