

## ANTITRUST POLICY AND PROTECTION OF UMKM: COOPERATION FOR ECONOMIC JUSTICE

**Muhammad Abdulloh Zakka Nabil Choir**

Faculty of Social and Political Sciences,  
University 17 August 1945 Surabaya,  
[zakkanabil218@gmail.com](mailto:zakkanabil218@gmail.com);

**Frederic Satria Rummy Angkasa**

Faculty of Social and Political Sciences,  
University 17 August 1945 Surabaya;

**Tertia Azzahra Firjatullah**

Faculty of Social and Political Sciences,  
University 17 August 1945 Surabaya;

**Allya Kurniawati**

Faculty of Social and Political Sciences,  
University 17 August 1945 Surabaya;

### ABSTRACT

This article examines the importance of antitrust policy and the protection of Micro, Small and Medium Enterprises (MSMEs) in creating economic justice in Indonesia. MSMEs serve as the main pillar of the national economy, contributing more than 60% to the Gross Domestic Product (GDP) and absorbing around 97% of the total workforce. However, MSMEs face various challenges, such as difficulties in accessing capital, technological limitations, and monopolistic practices by large companies that hinder their growth. The implementation of Law No. 5/1999 on the Prohibition of Monopolistic Practices and Law No. 20/2008 on MSMEs is essential to create a healthy competition climate and provide necessary protection for MSMEs. Cooperation between these two policies is expected to improve access to financing, technological support, and strict law enforcement against monopolistic practices. With this cooperation, MSMEs are expected to innovate, improve competitiveness, and make a greater contribution to inclusive and sustainable economic growth. This article emphasizes the need for collaboration between government and stakeholders to ensure that all businesses, both large and small, have a fair chance to thrive in the national economy.

**Keywords:** *Antitrust policy, protection of UMKM, cooperation for economic justice*

### A. INTRODUCTION

Micro, Small and Medium Enterprises (MSMEs) are productive economic sectors managed by the community with the aim of meeting life's needs. In the midst of globalization and rapid technological advances, the dynamics of the

global economy have changed significantly. One of the main challenges faced by many countries, including Indonesia, is the dominance of large companies that can lead to monopolistic practices. This practice not only threatens healthy competition, but also harms MSME players who are the main pillars of the national economy. MSMEs play a crucial role in creating jobs, increasing people's income, and promoting inclusive and sustainable economic growth. In general, MSMEs contribute to various aspects of the Indonesian economy, including as income contributors to the balance of payments, job providers, as well as community empowerment and the creation of new markets.

The role of MSMEs in the Indonesian economy can be measured through their contribution to the Gross Domestic Product (GDP). Data shows that MSMEs contribute more than 60% of Indonesia's GDP and absorb around 97% of the total workforce, making them the main drivers of the national economy.

The integration of these policies will not only protect MSMEs, but also encourage innovation and competitiveness in the market. With supportive policies in place, MSMEs can innovate, improve product quality, and expand their distribution networks. This will contribute to improving national competitiveness and creating a healthier business ecosystem.

This article will take an in-depth look at the importance of antitrust policy in the context of MSME protection, as well as how collaboration between the two can promote economic justice in Indonesia. Through a better understanding of this relationship, it is hoped that effective solutions can be found to support the growth of MSMEs and create a more equitable, sustainable and inclusive economic ecosystem for all levels of society. Thus, it is hoped that policies will not only focus on regulating the market, but also on empowering MSMEs as an integral part of national economic development.

## **B. METHOD**

In this study, a qualitative approach is used to explore and understand the relationship between antitrust policy and the protection of Micro, Small and Medium Enterprises (MSMEs) in Indonesia. The qualitative method was chosen because it allows researchers to gain an in-depth understanding of the experiences, perspectives, and challenges faced by MSME actors and other related parties in the context of existing policies.

## **C. DISCUSSION**

Micro, Small and Medium Enterprises (MSMEs) play a vital role in the Indonesian economy. They contribute more than 60% to the Gross Domestic Product (GDP) and absorb around 97% of the total workforce, making MSMEs the main pillar of the national economy. In addition, MSMEs also play a role in creating jobs, reducing poverty, and improving community welfare. Therefore, the protection and empowerment of MSMEs is crucial to achieving inclusive economic growth.

Despite their significant role, MSMEs in Indonesia face various challenges. One of the main challenges is the difficulty in accessing capital, where many MSMEs are unable to obtain adequate sources of financing. Financial institutions,

such as banks, often prefer to lend to larger companies that are considered more stable. In addition, MSMEs often lag behind in terms of technology and innovation, as limited resources make it difficult for them to invest in new technologies that can improve efficiency and competitiveness. Monopolistic practices by large companies are also an obstacle, where they utilize market power to dominate, making it difficult for MSMEs to compete.

Based on registration statistics from the Directorate General of IP, during the period 2016 to April 2018, non-MSME brand registrations dominated at 91.45%, while MSME brands only reached 8.55%. In fact, according to the view of World Intellectual Property Rights (WIPO), MSMEs have great potential to continue to grow and produce innovation and creativity.

Indonesia's antitrust policy, regulated in Law No. 5/1999, aims to create fair competition and protect businesses from monopolistic practices. This policy is crucial to ensure that MSMEs have an equal opportunity to compete in the market. On the other hand, Law No. 20/2008 on MSMEs provides a clear legal framework to protect and empower MSMEs, covering various aspects such as access to financing, training, and marketing support.

Cooperation between antitrust policy and MSME protection is essential to create economic justice. Some of the steps that can be taken to achieve this cooperation include improving access to financing, where the government can encourage financial institutions to provide better access for MSMEs, including low-interest loan programs and ease in the application process. In addition, support for technology and innovation also needs to be improved, where the government and relevant institutions can provide training and mentoring programs to improve the technological and innovation capabilities of MSMEs. Strict law enforcement against monopolistic practices and unfair competition should also be carried out to protect MSMEs from the dominance of large companies.

With the cooperation between antitrust policy and MSME protection, a fairer business climate is expected. MSMEs will have better opportunities to develop, innovate, and compete in the market. This will not only improve national competitiveness, but also contribute to inclusive and sustainable economic growth.

#### **D. CONCLUSION**

Anti-monopoly policies and the protection of Micro, Small and Medium Enterprises (MSMEs) play a crucial role in creating economic justice in Indonesia. MSMEs, as the main pillar of the national economy, contribute significantly to Gross Domestic Product (GDP) and employment. However, various challenges faced by MSMEs, such as difficulties in accessing capital, technological limitations, and monopolistic practices by large companies, hinder their potential to grow.

Effective implementation of antitrust policies, in accordance with Law No. 5/1999, is essential to create a climate of fair competition and provide equal opportunities for MSMEs. In addition, Law No. 20/2008 on MSMEs provides a legal framework that supports the protection and empowerment of MSMEs.

Cooperation between these two policies can improve access to financing, technological support, and strict law enforcement against monopolistic practices. With the cooperation between antitrust and MSME protection policies, MSMEs are expected to innovate, improve competitiveness, and contribute more to inclusive and sustainable economic growth. Therefore, it is crucial for the government and stakeholders to continue to strengthen this cooperation, so that all businesses, both large and small, can have a fair opportunity to develop and contribute to the national economy.

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