

# Realizing Fair Business Competition Law through the Implementation of 21 Characters of Tauhid

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## Abstract

**Background** - Business competition law, designed to promote fair competition and prevent monopolistic practices, plays a critical role in maintaining a balanced and competitive market economy. In Indonesia, the enforcement of business competition law, primarily under the Law No. 5 of 1999 on the Prohibition of Monopolistic Practices and Unfair Business Competition, has been instrumental in regulating market dynamics, ensuring consumer welfare, and fostering innovation. However, despite these legal frameworks, challenges remain in effectively addressing issues such as oligopolistic tendencies, market manipulation, and barriers to entry for smaller businesses. The concept of 21 Characters of Tauhid or Monotheism (which draws upon core Islamic values such as justice, fairness, transparency, and the welfare of society) has emerged as a potential guiding principle for shaping a more ethical and equitable business competition system. These values could complement and enhance existing legal frameworks, promoting a competition environment based on justice and fairness in line with Sharia principles. Recent research highlights a gap between the formal regulatory frameworks of business competition law and the practical application of ethical and societal values in shaping market behavior. This article aims to explore how integrating these ethical principles can strengthen business competition law and contribute to a fairer and more just marketplace.

**Purpose** - This study aims to: 1. Analyze the intersection of business competition law and ethical principles, particularly the 21 Characters of Tauhid, in realizing fair business competition. 2. Assess the alignment of current policies with principles of fairness, justice, and transparency, inspired by monotheistic values. 3. Explore the practical implications of integrating Sharia-inspired values into the enforcement of business competition law. 4. Propose recommendations for policy improvements that encourage ethical business conduct in line with both legal and societal values.

**methodology** - The study adopts a normative legal research methodology, which includes an analysis of statutory provisions, regulatory frameworks, and case law relevant to business competition law in Indonesia. Key legal sources include: 1. Law No. 5 of 1999 on the Prohibition of Monopolistic Practices and Unfair Business Competition. 2. Presidential Regulation No. 44 of 2020 on the Competition Supervisory Commission (KPPU) and its role in enforcing competition rules. 3. The Indonesian Consumer Protection Law (Law No. 8 of 1999), which governs market fairness and consumer welfare. 4. Islamic Sharia principles and Fatwas from the National Sharia Board (DSN-MUI) that provide insight into the ethical basis for business practices. Through doctrinal research, this study examines the theoretical underpinnings of both business competition law and the ethical foundations drawn from the 21 Characters of Tauhid, alongside a review of international best practices in the integration of ethics and law.

**Findings** - The findings of this study reveal several critical insights into the integration of the 21 Characters of Tauhid into Indonesia's business competition law. One key observation is the ethical gaps in the existing competition framework. While the law, particularly Law No. 5 of 1999, effectively regulates monopolies and unfair trade practices, it lacks a focus on ethical business practices and justice—core components of the 21 Characters of Tauhid. Issues such as social responsibility, equitable wealth distribution, and fair treatment of smaller businesses, which are vital to ensuring a just competition environment, are not adequately addressed in the current legislation. The study also highlights how monotheistic principles can be effectively applied to business practices. The 21 Characters of Tauhid emphasize values like justice (adl), fairness (ihsan), transparency (wafa), and accountability (hisab), all of which can guide businesses to adopt ethical practices that align with the broader goals of competition law. For instance, fostering transparency in pricing and business operations and ensuring equal access to market resources and opportunities can prevent monopolistic behaviors that harm both consumers and smaller businesses. By integrating these principles into everyday business practices, companies can create a more ethical and competitive market environment. Based on these insights, the study proposes several policy recommendations to incorporate Sharia-inspired ethical principles into business competition law. First, it suggests strengthening the role of the Competition Supervisory Commission (KPPU) in monitoring and enforcing ethical business practices, alongside legal measures to prohibit monopolistic behaviors. The study also advocates for encouraging corporate social responsibility (CSR) as part of the competition evaluation process, promoting public-private partnerships that create equitable business opportunities, especially for small and medium-sized enterprises (SMEs), and expanding consumer education on the importance of ethical business practices in promoting a fair and just market. However, the study acknowledges several challenges in implementing these changes. One of the key issues is the absence of a clear framework for incorporating ethical values into the legal enforcement process. Additionally, businesses may resist the integration of these values, perceiving them as an added economic cost. Overcoming these barriers will require careful coordination between policymakers, legal authorities, and business leaders to ensure that ethical principles are meaningfully embedded within the competition law enforcement process.

**Originality** - This study contributes a novel perspective on business competition law by exploring the potential integration of ethical principles drawn from the 21 Characters of Tauhid. While previous research has focused on the legal and economic aspects of competition law, this article introduces an interdisciplinary approach that combines legal, economic, and ethical considerations. By bridging Islamic ethics and modern business law, the study provides actionable recommendations for policymakers, business leaders, and legal practitioners seeking to create a more just and ethical business environment in Indonesia. The findings offer valuable insights into how Indonesia can leverage its unique cultural and religious values to promote fair competition and sustainable economic growth.

**Keywords:** Business Law, Competition, Consumer, Supervisory, Tauhid

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