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PANCASILA AND MANAGEMENT OF MONOPOLISTIC COMPETITIVE MARKET IN THE STUDY OF THE NATIONAL CRIMINAL CODE NUMBER: 1 OF 2023 AND CHINESE FOREIGNERS

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ABSTRACT

In Indonesia, the National Criminal Code (KUHP) is based on the principles of Pancasila. This paper analyzes the legal and ethical frameworks guiding market practices in Indonesia, while examining the intersection of national legal standards and the influence of foreign participants in the economy. The research contributes to the understanding of how the integration of ideological values and legal regulations is integrated within the context of Indonesia's national Criminal Code Number 1 of 2023, particularly in relation to Chinese foreigners. This study provides insights into the legal, ethical, and economic practices guiding the management of monopolistic competitive markets in the study of the national criminal code number 1 in 2023 and China's foreign constitution. The analysis technique used is a qualitative approach that examines laws and regulations as reflections of Pancastila values, comparing them with Chinese foreign laws to understand how Pancasola principles can be applied to resolve monopoly cases. The study also examines whether the alignment of antitrust laws and economic democracy with Pancasilla leads to tangible improvements in market fairness and societal well-being. This research could provide insight into the practical implementation of ideologies in economic regulation and their impact on fostering a more equitable and transparent economic environment.

INTRODUCTION

Market structure is distorted on the number of sellers and buyers. A market consisting of many sellers with relatively homogenous goods is called a perfect competition (Etro, 2023; Kaplow, 2023; Karle et al., 2020). Meanwhile, markets consisting of many sellers and different goods (differentiated) is called monopolistic competition (Alhadeff, 2022; Bertoletti & Etro, 2022; Dinan et al., 2021). This market structure is being practiced as an economic driver in Indonesia in accordance with the people's economy ideals of Pancasila. The large number of sellers makes the market called a perfectly competitive market. Differentiation of the goods sold makes the market called a monopolistic competitive market. Differentiation provides an opportunity for sellers to sell their goods at different prices (price maker).

In 2023, the Business Competition Supervisory Commission (KPPU) investigated 300 cases, with 63.5% involving tender conspiracies. The KPPU imposed fines totaling IDR 71.28 billion, including in Case No. 15/KPPU-I/2022, where businesses selling packaged cooking oil were found guilty of market manipulation in a tightly concentrated oligopoly. Another significant case involved PT Sinar Ternak Sejahtera, a subsidiary of PT Charoen Pokphand Indonesia, which was fined IDR 10 billion and had its

business license revoked for violating partnership agreements with 117 plasmas under Article 35 of Law No. 20 of 2008, specifically in the chicken farming sector.

Monopoly competition, introduced by Chamberlin (1951), describes a market where sellers' actions do not significantly impact the market, and products have unique characteristics with perfect pricing and location, without substitution. The Anti-Monopoly Law defines unhealthy business competition as dishonest or illegal actions by businesses that hinder competition, cause societal harm, and violate legal standards (Adam, 2023; Djakaria, 2019; Pijoh et al., 2023). The law prohibits agreements related to oligopoly, price fixing, and cartels, among others, and outlines prohibited activities like monopolies and market control, as well as abuse of dominant positions. It also details the role of the Business Competition Supervisory Commission (KPPU), procedures for handling cases, and penalties for violations.

In cases like the tight oligopoly in bottled cooking oil and the termination of an employment agreement by PT Sinar Ternak Sejahtera, businesses face several legal risks. These include reputational damage, administrative fines, cancellation of agreements, and strict legal sanctions from the KPPU and the Commercial Court. Such enforcement aligns with the principles of a welfare state, as outlined by Pancasila, aiming to achieve social justice and address complex economic issues like poverty, unemployment, and inequality in Indonesia.

As an ideology, Pancasila is normative and reaching out to concrete economic and social (including legal) issues such as: poverty and social injustice (Arifin & Shafira Yuniar, 2021; Baiza, 2023; Septyanun & Yuliani, 2020). Pancasila as an ideology or state philosophy is a concept that can have anthropological meanings as national identity or ontological meaning as national entity (Hadi, 1994). From this deductive concept, various other concepts related to the system of politics derived, for example: the democratic politics system of Pancasila, or with an economic system, for example the Pancasila economic system. However, because this draft definition is never clear, it never succeeds in becoming a conceptual guide to the truth. In other hand, it is more successful as an anti-concept because it is unable to demonstrate the basic essence of something (what is). It is more willing to show what is not the essence (what is not) (Hadi, 1994). Thus, it can be understood why the draft on the democratic politics system of Pancasila or the Pancasila economic system has never been clear. On the other hand, Pancasila can be clearly differentiated from other ideologies by stating the politics system, and the Pancasila economic system is not a capitalist system and not the socialist system either.

The implementation of regulations on business competition is a form of cooperation between the Indonesian government in the era of free trade, by reviewing juridical aspects. On the juridical aspect, business competition law, according to positive law, is the determination of appropriate legal concepts. According to criminal law, the provisions of Article 492 state that: every person who with the intention of benefiting himself or another person unlawfully, using a false name or false position, using deception or a series of false words, inciting someone to hand over an item, giving a debt, making a confession of debt, or writing off a receivable, shall be punished for fraud, with a maximum imprisonment of 4 (four) years or criminal fine mostly in the category V. This crime is called 'fraudulent competition.

The research aims to study Pancasila and management of monopolistic competitive market in the study of the national Criminal Code Number 1 of 2023 and Chinese foreigners. The research contributes to the understanding of how Pancasila principles and the management of monopolistic competitive markets are integrated within the context of Indonesia's national Criminal Code Number 1 of 2023, particularly in relation to Chinese foreigners. This study provides insights into the legal and ethical frameworks guiding market practices in Indonesia, while examining the intersection of national legal standards and the influence of foreign participants in the economy.

METHODS

The method of this research involves collecting and analyzing data from various sources, including books, magazines, and journals related to the research object. Key sources include literature on Pancasila, program guidelines related to the prohibition of monopolistic practices and unfair business competition, the 2023 Criminal Code, Law No. 5 of 1999, and KPPU Regulation No. 4 of 2010 on cartel guidelines. The analysis technique used is a qualitative approach that examines laws and regulations as reflections of Pancasila values, comparing them with Chinese foreign laws to understand how Pancasila principles can be applied to resolve monopoly cases.

RESULTS

Pancasila and Monopolistic Competitive Markets

Pancasila is working in a limited way at normative and abstract level, so it has not been able to reach the concrete problems such as: poverty and social injustice (economic and law), supporting the formulation of positive laws that accommodate the principles related to Pancasila as a guide for policy assessment. The pro-market policy is contrary to the values of Pancasila, namely unfair distribution of economic growth so that the market economy only benefits a few capital owners and impoverished majority inhabitant causing conflict regarding the principles of social justice emphasized in Pancasila. It contains general principles, so it cannot be used as a guide to resolve concrete problems such as social and economic problems. However, the standard linkage of Pancasila to a number of articles of the 1945 Constitution and several opinions of the founding fathers of the nation as well as the formulators of Pancasila includes the meaning of the principles of Pancasila so that it remains a reference for social practice, politics, law and economics.

Dhakidae (2006) supports the statement above that Pancasila is inseparable from the 1945 Constitution, so the considerations' interpretation of the articles must include the articles contained therein. The organic element of The 1945 Constitution states that the state plays a major role in regulating economic activities. That every value is in ideology of Indonesian nation must be used in carrying out economic activities, that is, the economic system must be run without ignoring religious and ethical values, upholding the principles of humanism, no exploitative, done together by upholding the family foundation, in line with values of democracy and freedom of expression. Management of economic resources must be used fairly for the welfare of the people. The main thing is to define in context the Pancasila economic system as conception values underlying competition law, which should be in accordance with the 1945 Constitution in Article 33 after amendment. Through this statement, the role of the state in economic activities is not used. Dhakidae calls this a shift from state decision to individual decision with free market support. Justice as a decision is regulated into a gimmick of dice justice game which is regulated by the invisible hand of the market. As a result, the small group differences of economics and politics oligarchy will be more and more involved in the field of democratic politics with highly profitable tricks (Dhakidae, 2006).

Understanding the ideas of the founding fathers of the nation, Yudi Latif believes that the Pancasila state is a state that is active in seeking the welfare of its citizens while protecting the interests of individuals (private). From the start, the nation's founders wanted to put an economic and justice system in balanced ideal point between the role of the state (social) and the role of the individual (private), rights and obligations, renewal between politics and civil rights and economic rights (Latif, 2011). When expounding the principles of social justice, Soekarno stated that the Indonesian people are not just pursuing democratization in the field of politics (which is stated in the fourth principle of Pancasila) but also economic democratization (fifth principle). By developing equality in the economic field, Soekarno hoped that there would be no more poverty in Indonesia. To achieve the lofty hope of creating equality in the economic field, Soekarno did not believe in liberal state which is based on individualism-capitalism because Indonesia has had a bad experience of political oppression and economic impoverishment brought about by colonialism which was nothing but an extension of the individualism-capitalism. According to him, the principles of social justice are our greatest protest to the basics of individualism.

The Anti-Monopoly Law was created to limit the market control of dominant economic actors who leverage their position for profit, often leading to unfair business competition. The law addresses the increasing concentration of market power, driven by the growth of large industries with access to significant natural and human resources, which facilitates monopolistic and oligopolistic structures. These industries often engage in diversification and resource exploitation, further entrenching their market dominance. The Anti-Monopoly Law serves as a legal tool to dismantle such groups, curbing behaviors that harm consumer welfare.

Pancasila economic goals

Business competition aligned with Pancasila values aims to enhance the welfare of all people through an economic democracy that ensures equal opportunities and economic equity for all citizens, as outlined in Article 33 paragraph (4) of the amended 1945 Constitution. Healthy business competition should protect the interests of both producers and consumers, promoting fair resource allocation and prioritizing local products, in line with principles of fairness and law enforcement.

Types of Unfair Business Competition

Unfair business competition includes cartels, closed agreements, mergers, and monopolies. A cartel is an agreement between business actors to control production and prices, maximizing their profits while harming society by restricting competition. This practice is illegal in many countries as it can transform market structures into monopolistic ones, dividing marketing areas and setting quotas on goods or services. Closed agreements, or exclusive dealing, create vertical obstacles by limiting the sale of certain brand items through agreements between producers or importers and retailers, leading to monopolistic market structures. Mergers, where two or more business actors combine into one entity, can result in horizontal or vertical integration, further concentrating market power and pushing the market toward monopolistic structures. Monopolies occur when one producer or seller controls the market, characterized by a lack of competition and significant barriers to entry.

Legal regulations address unfair business competition through various policies, such as trade, investment, tax, and price regulations. For instance, Law Number 5 of 1999 concerning monopoly regulation categorizes rules into two types: "rule of reason" and "per se illegal." The "rule of reason" allows certain business practices, like agreements or dominant positions, to be evaluated based on evidence before determining legality, whereas "per se illegal" practices are explicitly prohibited with no room for justification. The Business Competition Supervisory Commission (KPPU) works with government ministries and regional authorities to enforce these regulations, ensuring fair competition and supporting the national economic recovery in line with the aspirations of the Indonesian people.

Democracy Economics in Law no. 5 of 1999

Laura Amico, Senior Editor of Harvard Business Review, emphasizes that democratic economic thinking historically focused on collective ownership and public participation in economic decisions, aligning with individual economic rights. This concept is supported by Law No. 5 of 1999, which is grounded in Article 33 of the 1945 Constitution and TAP MPR No. XVI/MPR/1998. These legal frameworks advocate for an economy that prioritizes people's prosperity through the equitable management of natural and human resources, ensuring equal opportunities across small, medium, and large-scale enterprises. Economic democracy aims to prevent the accumulation of assets and economic concentration among business actors, particularly in monopolistic and oligopolistic markets, to reduce social inequality. The law emphasizes creating a healthy, effective, and efficient business climate that supports fair competition, ensuring no undue economic concentration on specific business actors.

The purpose of Law No. 5 of 1999 is to prevent economic centralization by controlling market dominance, where one or more business actors can dictate prices of goods and services. This law aligns with the principles of economic democracy and business competition law by aiming to avoid concentration of economic power. The relationship between Economic Democracy, Business Competition Law, and Antitrust Law supports national development and public welfare by influencing the distribution of economic resources and maintaining democratic stability. Daron Acemoglu and James Robinson highlight that wealth distribution affects the quality of democracy, with experience in democratic governance reinforcing democratic values. An effective antitrust regime prevents economic power concentration, ensuring competitive market structures and influencing the transition to democracy by addressing the political and economic incentives of elites.

Law No. 5 of 1999, which addresses monopoly, is categorized as competition law and emphasizes the need for a "competition culture" for its effectiveness. This includes delegating powers to law enforcement agencies for investigating complaints, resolving disputes, and imposing sanctions. Effective competition law ensures efficient management of economic resources in competitive market structures, providing benefits such as new products at competitive prices. Policies aim to maintain competition stability, protect victims of anti-competitive practices, and offer financial compensation. However, competition law varies by country due to political, economic, and social differences, and in Indonesia, it is influenced by Pancasila values. Effective law enforcement requires a separation of political power, impartial justice, rule of law, active media, civil society involvement, and robust economic regulatory reforms.

Business agreements not in accordance with Pancasila economics

Business strategies that do not reflect the economic spirit of Pancasila are predatory conduct, exclusive dealing and closed agreements, territorial division, and the monopoly with the help of foreign

companies. However, the practice of boycotting occurs when requests are made to business actors to the products different from the sales of competitor's product.

Monopoly and Fraudulent Acts

According to Article 1 point (1) of the Anti-Monopoly Law, a monopoly is defined as control over the production or marketing of goods and services by a single business actor or group of actors. While having a monopoly in itself is not illegal, it becomes problematic when it leads to unhealthy competition in the market. For instance, if a new business actor introduces a product and becomes a market leader, this is not inherently illegal. However, if the market practices result in unfair competition or are carried out in an unjust manner, this constitutes a violation of competition law.

Article 1 number 6 of the Anti-Monopoly Law defines unhealthy business competition as activities carried out dishonestly, illegally, or in a way that obstructs fair competition. Such practices include dishonest conduct and legal violations that hinder competition, but they are not categorized as criminal cases. The Business Competition Supervisory Commission (KPPU) is tasked with addressing market distortions and ensuring fair competition by intervening when necessary to restore market balance.

Fraudulent Act

Fraudulent acts, or cheating, can occur in various forms during the production or distribution of goods, such as in the case of packaged cooking oil with a tight oligopoly described in case No. 15/KPPU-I/2022. These acts are subject to subjective proof and can be addressed under Consumer Law, particularly Article 492 of the Criminal Code and Article 1365 of the Civil Code. Article 492 defines business competition carried out fraudulently as dishonest conduct rather than mere market control, and such actions can lead to imprisonment or fines if they cause harm to producers or consumers.

Under Article 1365 of the Civil Code, any act that results in harm to another party obligates the wrongdoer to compensate for the damage. Unfair business competition resulting from fraudulent practices distorts the market by creating barriers to entry for new competitors and impacting existing market players. The Criminal Code imposes penalties for such prohibitive actions, emphasizing the need for fair competition and accountability in the marketplace.

Monopolistic Competitive Market, Chinese Foreign Constitution and the National Criminal Code

Legal Subjects

In the Criminal Code it is determined that the subject of criminal law is a person. This can be seen from the content of the articles in the Criminal Code which are always preceded by the words... "whoever". The doctrine of the old criminal law only recognizes the subject of criminal law is a person because the principles of criminal law say *soceitas delenquere non potest* (society cannot be delinquent). This means that the group/organization is not a legal subject (Soemitro, 1998). Thus, the Indonesian Criminal Code still adheres thata case can only be done by humans while legal entities are influenced by Von Savigny's thinking well-known as fiction theory not recognized in criminal law (Sianturi, 1996).

In Law number: 7 of 1955, the subject of criminal law is expanded. Apart from people, it also includes legal entities, companies, associations and foundations. Everything shows a corporation (Welling, 1992). This is the first law that was put in place by corporations as a subject of criminal law. The Criminal Code states explicitly that corporations could become the subject of criminal law. The Criminal Code states corporations can be held responsible for committing criminal acts. Both laws and the Criminal Code imply that those who can commit crimes and those who can be held accountable are individuals and/legal entities. Therefore, corporation is recognized as a subject of criminal law which is limited only to statutory regulations out of the Criminal Code. Meanwhile, in the Criminal Code, corporation as a subject of criminal law until recently has not been recognized as stated above.

In further developments, corporations absolutely must be the subject of criminal law considering the development of increasingly sophisticated economic crimes. Making it happen, corporation as a subject of criminal law is carried out through stages (Rahardjo, 1980). The first stage is marked by the efforts in order that the natures of the cases from corporations are limited to individuals. When a criminal act occurs in a corporation environment, the criminal act is deemed to have been committed by the management of the corporation. In this stage, the pressure point is on the load of corporation. In this level, the emphasis is on assigning manager's duties to managers. The second stage appeared after the end of the first world war that introduced the doctrine that criminal acts can be committed by

corporations provided that the responsibility falls on the management. In the third stage, the possibility of prosecution begins to open corporations and demand accountability according to criminal law.

According to Article 15 of the Economic Crimes Law and related provisions, a corporation can be held liable for economic crimes if the offense is committed by individuals acting within the corporation's environment, meaning they are in an employment relationship with the entity. This relationship is defined as a legal link between employer and employee, where the actions taken within the corporation's context are considered. Consequently, when an economic crime occurs within a corporation, the corporation itself is legally accountable, particularly the individuals who give orders or hold leadership positions within the company.

Classification of Crimes and Offenses

The Criminal Code classifies offenses into crimes and violations based on both qualitative and quantitative factors, with crimes typically arising from legal cases and violations from law cases. Crimes generally involve more severe penalties compared to violations, which have milder penalties. Law Number 7 of 1955 further categorizes economic offenses into three groups: the first includes intentional economic crimes and unintentional violations; the second encompasses crimes outlined in specific articles; and the third specifies that an economic act is classified as a crime if intentional, or a violation if unintentional, unless otherwise stated.

Expansion of the Applicability of Criminal Law

The definition of applicability expansion here is the expansion of applicable (special) laws beyond the borders of a country as specified in the Criminal Code. Thus, the (special) law stipulates that expansion applies, not only limited to the territorial areas of Indonesia, but even abroad. This means that UU TPPE (the Economic Criminal Law) will prosecute and try people who commit economic crimes abroad, and those who are involved/participate in them can be brought to the Indonesian Courts using (special) laws, even if the person concerned participated in committing the act abroad.

The provisions of Article 22 of the Law (No. 5 of 1999) expand Article 4 to 1, 2, 3 and 4 of the Criminal Code. It means it contains the consequence that the Criminal Code can reach the perpetrator whether citizens of any country outside the territory of Indonesia. The legal interests of society and individuals can only be protected based on the principles of territorial, basic passive nationality and basic active nationality.

Acts, Attempts, and Assisting Violations

The Criminal Code outlines the criteria for attempting a crime in Article 53 paragraph (1) and Article 17 paragraph (1), which include the perpetrator's intention, the beginning of the criminal act, and the fact that the act is not completed solely due to the perpetrator's will. Article 19 specifies exceptions where the act is not completed by the perpetrator's own free will or when the perpetrator intentionally prevents the result, though this does not apply if the act has caused losses or constitutes a separate offense.

Furthermore, according to Articles 17 and 18 of the Criminal Code, attempts are only punishable for crimes, not for violations. In the context of Law Number 5 of 1999, attempts to commit violations are treated similarly to actual crimes and may result in administrative sanctions, particularly for cartel activities. This law aligns the treatment of attempts with that of completed crimes in terms of legal consequences.

In Absentia Justice

In absentia justice refers to conducting a trial when the defendant is not present, despite having been summoned. According to the Criminal Procedure Code, court proceedings must generally occur in the defendant's presence, as specified in Article 196 paragraph (1), which upholds the principle of due process. This principle ensures that the defendant's rights are protected and that criminal proceedings adhere to legal standards.

Law Number 5 of 1999 also addresses in absentia trials, but differs from Article 132 of the Criminal Code, which allows for dismissal of charges in cases of unintentional or negligent criminal acts. Under Article 196 paragraph (1) of the Criminal Procedure Code, trials require the defendant's presence. Articles 47, 48, and 49 of Law No. 5 of 1999 allow for administrative and basic penalties for business

actors found guilty by the commission, defining business actors as individuals or entities engaged in economic activities within Indonesia.

Criminal sanctions

This is different from the Criminal Code which only recognizes the criminal sanctions as stated in Article 64 of the Criminal Code which are in the form of crimes: basic criminal penalties; additional criminal penalties; and criminal penalties that are specific to certain criminal acts that are determined in the Law. Then, Law Number: 5 of 1999 determines business actors, both companies and entrepreneurs, who are found to have violated the regulations contained in Law No. 5 of 1999, and the criminal sanctions that can be imposed are in the form of administration sanctions and the criminal sanctions which include basic and additional penalties.

Articles 47 - 49 of Law Number 5 of 1999 determine the main criminal decisions and additional criminal penalties which include administrative basic and additional sanctions such as administrative sanctions. 1. KPPU can impose sanctions administratively against the business actors who violate the provisions of Law Number 5 of 1999; 2. determination of cancellation of the agreement contained in articles 4 to article 16; 3. orders the business actor to stop vertical integration; 4. orders to business actors to stop the activities that are proven to give rise to monopoly practices or causes unfair business competition and/or harm to society; 5. orders to business actors to stop abuse of dominant position; 6. determination of the cancellation of the merger or consolidation of business entities and takeover of shares as intended in Article 28; 7. determination of the payment compensation; 8. imposition of fine at a minimum of IDR 1,000,000,000.00 and a maximum of IDR 25,000,000,000.00.

Basic criminal sanctions

1. violation of the provisions of Articles 4 to Article 13, Article 15, Article 16 of Law no. 5 of 1999 and Article 4, Article 5, Article 6, Article 7, Article 8, Article 9, Article 10, Article 11, Article 12, Article 13, Article 15, and Article 16 of Law no. 11 of 2020 concerning *Ciptaker* (Job Creation) are the subjects to criminal penalties at the minimum of IDR 1,000,000,000 and the maximum of IDR 25,000,000,000; 2. a violation that violates the Provisions of Article 48 paragraph (3); violation of the provisions of Article 41 is punishable by criminal law fine at the minimunm of IDR 1,000,000,000 (one billion rupiahs) and the maximum of IDR 5,000,000,000 (five billion rupiahs), or the substitute of imprisonment for a maximum of 3 (three) months; The provisions of Article 48 of Law no. 5 of 1999 was amended by Article 118 of the *Ciptaker* Law. The violation of the provisions of Article 41 is punishable by a criminal fine at the maximum of IDR 5,000,000,000,- (five billion rupiahs), or a maximum imprisonment of 1 (one) year as a substitute for a criminal fine. 3. The violation of Article 492 of the Criminal Code is punishable by criminal law fine in the category V at IDR 500,000,000 (five hundred million rupiahs). Because the provisions of Article 49 of Law 5/1999 were deleted, additional penalties are now not applied.

The Relation of China's Foreign Constitution with Monopolistic Competitive Markets

Business actors, including individuals and entities, have the right to seek civil damages against cartel members for harm caused by cartel activities under Article 60 of the Anti-Monopoly Law (AML), with the plaintiff bearing the burden of proof. In 2022, the Shanghai Huaming Power Equipment Manufacturing vs. Wuhan Taipu Transformer Switchgear case exemplified this process, where compensation was paid after the SPC handled three civil cases related to cartels. The difficulty in claiming civil compensation led to a provision allowing individual customers to seek public interest litigation through the Prosecutor's Office for cartel conduct.

On November 18, 2022, the SPC published a draft provision on civil monopoly dispute trials, which has not yet been adopted. This draft addresses issues such as the lack of additional evidence for cartel cases and shifting the burden of proof for cartel market definition to law enforcement. The draft also aims to enhance administrative and private enforcement relations. The Criminal Code includes conspiracy as a criminal act, imposing penalties for bid-rigging and fraud, but AML's criminal liability regulations, as detailed in Article 67 of the AML amendment, are not fully aligned with the Criminal Code's provisions on criminal acts and their enforcement.

Monopolistic Market, National Criminal Code and Pancasila

The fourth principle of the Indonesian economy emphasizes a people-centered approach, leveraging both individual and collective strengths to foster economic, political, and social democracy.

This approach aims to ensure social justice and advance the general welfare of Indonesians while participating in global economic relations based on independence, eternal peace, and social justice. Indonesian economic policies are formalized through laws designed to guide and enforce compliance among economic actors and development implementers, ensuring adherence to these foundational principles.

Objectives of Criminal Law Reform in the National Criminal Code

Codification is a form of law made in writing in which the maker provides a form of jurisdiction or the formulation of principles made in writing as an operating standard for the application of the provisions in codification. Hence, the main purpose of codification is systematization and standardization from the development of existing society through a law book.

Muladi states that the concept of codification based on several criteria; the criminal act is a separate crime from previous violations in administration law and not related to the procedures of administration as well as criminal threats of more than one year. This means that the National Criminal Code will continue to allow special administrative criminal offenses to be out of the National Criminal Code. The National Criminal Code is also a compilation criminal law from various laws and regulations spread across Indonesia. Simply inserting almost all criminal acts out of the Criminal Code into the National Criminal Code, without an in-depth study of each of these criminal acts, it will cause the National Criminal Code to lose direction, and its main objectives will not be achieved.

Internal Economic Crimes in the Systematics of the National Criminal Code

Based on the systematics of the National Criminal Code, economic crimes are not specifically regulated in a separate chapter. However, there are several chapters and articles that can be related to economic criminal acts or minimally related to economic crimes both in the narrow and broad sense. These articles relate to corporation accountability (Articles 45 to 50), environmental crimes (Article 607 paragraph (2)), forgery of seals, stamps, state seal, and brand (Articles 382-390), criminal acts of fraud (Articles 492-510), and criminal acts against trust in running a business (Articles 511-520).

There are two interesting matters to consider:

a. Article formulation pattern: There are several patterns for formulating articles that can be mapped in the following National Criminal Code:
    1. Many articles are the repetitions of the Criminal Code, such as the articles regarding fraud, forgery and hoarding of goods with the addition or reduction of elements and/or length of punishment and type of punishment.
    2. Several articles are new articles that are not known in the Criminal Code but have been regulated in laws and regulations out of the Criminal Code. Environmental crimes are one example.
b. Selection of criminal acts: The second is the insertion of several economic crime regulations which were previously regulated in the statutory regulations out of the Criminal Code, such as criminal offenses against brands, patent, criminal acts against the environment, criminal acts against banking activities, criminal acts against consumer, etc., into the National Criminal Code. On the one hand, recognition of the inclusion of specific criminal offenses in the Criminal Code provides a signal on the codification of criminal law reform. However, on the other hand, the inclusion of economic crimes in certain chapters of the Criminal Code, such as fraudulent acts, creates new problems,; simplification of excessive economic crimes.

The National Criminal Code and Pancasila

The National Criminal Code (KUHP) contains many values in line with the unique character of the Indonesian nation and are also able to guarantee the principle of legal justice for all levels of society. In Law no. 1 of 2023, there are three basic things for making: the first is due to Pancasila as the basis of the National Criminal Code; the second is related to adjustments to criminal law with national politics; thirdly, there is a balance of regulation and is able to accommodate individual interests.

The role of Pancasila as the highest source and source of legal order implies that the making of law or other legal products must be based on Pancasila because Pancasila has three values in law making. First, as the basic values, they are the principles that are accepted as argument and more or less absolutely. The basic values of Pancasila are divinity, humanity, unity, values of citizenship and values

of justice. Second, the instrumental values are the general implementation of basic values, in particular, in the form of legal norms which further is crystalized in statutory regulations. Third, the practical values are the values actually implemented in reality which comes from basic and instrumental values. Therefore, the practical values actually become the touchstone of basic and instrumental values that really live in Indonesian society. Those three values, then, are established into legal norms. Concretization of these three values is important because the making of law that is developed can be integrated and harmonized with national, regional and global interests. Thus, the making of law will always be based on the values of Pancasila as a guiding star and direct the positive law in Indonesia which will apply in the future.

By adhering to Pancasila as the highest sources of law and legal order, basic values instrumental values, and practical values; as well as the realization of divine values, human values, unity values, people's values and social justice values, it shows the strong position of Pancasila. To make the articles of the law that will be regulated to have ideals, will and a sense of Pancasila, it requires legal politics to be the catalyst of Pancasila idealization because with legal politics, the noble values of the Pancasila principles can be explained or later explained as the implementation of blood, spirit and breath of Pancasila in the laws that will be regulated so that the new laws become an integral part and the regulation does not contradict with the positive spirit of Pancasila. This means that the newly formed law will be in line and in line with the will and purity of good or positive intentions from Pancasila. The values have existed and are present in the lives of the Indonesian people and nation since ancient times so that legal politics can embody the values of Pancasila inward the legal products that it makes because legal politics is a state policy regarding law. What kind of state policy towards law to aspire to (*ius constituendum*) with the current legal system, what strategies and methods considered most appropriate to achieve these goals, the right time to change and how the changes should be carried out, and whether standard and established pattern can be formulated that will be able to help decide on the process of selecting goals and the ways that can achieve these goals through basic legal politics as the main framework.

CONCLUSION

Pancasila is a foundation for Indonesian social, political, legal, and economic practices, focusing on the welfare of the people. It aligns with antitrust laws and economic growth, promoting general welfare and enhancing societal well-being. The National Criminal Code (KUHP) regulates and sanctions monopolistic practices, such as fraudulent acts, in line with Pancasila's ideals. This legal framework ensures economic development aligns with Pancasila's values and guarantees legal justice for all. The synergy between ideological principles and legal regulations aims to create a fair and just economic environment in Indonesia. Future research should explore how integrating Pancasila principles into economic policies and legal frameworks impacts practical business practices and market outcomes. Analyzing the effectiveness of the National Criminal Code's sanctions on monopolistic and fraudulent practices could provide insights into the practical implementation of ideological values in economic regulation and their impact on fostering a more equitable and transparent economic environment.

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