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Indonesia's Trade Policy In Responding To Free Trade In The Midst of Uncertain Conditions

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Abstract

Free trade widens the gap between developed and developing countries, according to the Global Food Security Index data, Indonesia is ranked fourth in ASEAN with a score of 60.2. Indonesia's score is still low compared to the global average of 62.2. It is necessary to emphasize the role of government in realizing laws and policies with the right budget allocation to encourage the performance of a more competitive business environment. This research answers the legal politics of free trade amid uncertain conditions in Southeast Asia and the Indonesian government's protection of business actors in free trade. By using socio-legal research methods based on an interdisciplinary approach, the author realizes that normative legal research is not sufficient to analyze global free trade policies as contained in the Global Food Security Index data, so socio-legal research is needed to explain the supremacy of law and the relationship between law or facts in society comprehensively. The results of this study answer that Indonesia as a member of the Association of Southeast Asian Nations (ASEAN) which has currently developed the ASEAN Free Trade Area (AFTA) policy seeks to reduce intra-regional tariffs between its members through the Common Effective Preferential Tariff (CEPT) Scheme. The World Trade Organization (WTO) is expected to bridge all the interests of countries in the world in the trade sector. Free trade legal protection for business people exists because of the legality of their business. One form of protection of the Indonesian government is the promulgation of various legal regulations governing

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economic activities, namely free trade, which aims to provide certainty, justice, and welfare for the community.

KEYWORDS: *Free trade, Business, Political Law, ASEAN*

Introduction

The monetary crisis for Indonesia has had a lot of impact and even resulted in globalization due to the current uncertain conditions, so to return to the healing of the global economy requires regulations from the International Trade Organization related to tariffs, in terms of aspects and international trade issues. Free trade has brought many changes in all fields in various countries including Indonesia. The effect of Free Trade is not entirely positive, but it also has a negative impact One of the positive effects of free trade is the influence of exporters and importers from Indonesia having easier access. Second is the opportunity to carry out various forms of cooperation with neighboring countries. While the negative impact is that the Indonesian state becomes dependent on other countries, there is competition between domestic products and foreign products and then if it loses competition, it causes decreased economic growth.[1]

Several previous studies have provided updates stating that the approach of interested parties in the WTO is to prioritize the principle of free trade and position the WTO Agreements as lex specialize in dealing with other international agreements whose objectives are not always parallel to the objectives of the WTO, Indonesia must continue to take advantage of opportunities that can contribute to developing International Economic Law and International Law in a more meaningful

[1] Yealta, "Implikasi Free Trade Zone Terhadap Pertumbuhan Ekonomi Indonesia (Suatu Kajian Bisnis Internasional Di Provinsi Kepulauan Riau) Pendahuluan Perekonomian Indonesia Saat Ini Sedang Mengalami Proses Perlambatan Dalam Pertumbuhannya Setelah Dalam Beberapa T."

sense general (Elly Erawaty, 2019). [2] Small and Medium Enterprises carry out various activities aimed at realizing product commercialization with several steps such as determining management decisions when conducting export operations. And by determining the products to be used as export products (Suhairi, Putri, Sepfiani, Laila, Melsa 2023).[3] The role of local governments is mainly to realize cooperative and SME laws through laws and regulations (perda) and policies with the right budget allocation that encourage the performance of a more competitive business environment.[4]

In conducting marketing globally, companies must analyze the indicators of the economic environment of this country as the target market for products sold by the company. Economic environment indicators include economic structure, economic growth, inflation and ethnic background interest rates, tax rates, exchange rates, consumer confidence and unemployment rates (Suhairi, Afdillah, Melati, Ayu 2023).[5] From the research mentioned above, there is an update in this article, namely about the Indonesian government's efforts to protect free trade and policies from free trade in Southeast Asia in uncertain conditions by including the policies of the ASEAN Economic Community (AEC) and the ASEAN Free Trade Area (AFTA) that support the writing of this research.[6]

Uncertain conditions occurred in Indonesia which affected the growth rate and included the condition of accelerating economic inflation which caused Indonesia to become a monetary crisis. Uncertain

[2] Erawaty et al., "United States Continues to Block New Appellate Body Members for the World Trade Organization, Risking the Collapse of the Appellate Process."
[3] Kasus et al., "Analisis Strategi Pemasaran Umkm Dalam Memasuki Pasar Luar Negeri."
[4] Slamet, Hussein, and Haryono, "Peluang Pasar Bebas MEA Dan ACFTA Bagi Koperasi – UMKM."
[5] Sinaga, A. N. A., Suhairi, S., Melati, M., & Pratiwi, A. I. (2023). Analisis Lingkungan Ekonomi Dalam Pemasaran Internasional. *Bussman Journal: Indonesian Journal of Business and Management*, *3*(1), 61-72.
[6] Azhalia, S. S., & Dermawan, W. (2024). PARTISIPASI UMKM INDONESIA DALAM ASEAN ONLINE SALE DAY (AOSD): SUATU KERANGKA ASEAN ECONOMIC COMMUNITY (AEC). *Jurnal Intelek Dan Cendikiawan Nusantara*, *1*(1), 309-316.

conditions here mean that something that cannot be predicted will happen or not in the future.[7] Including the climate temperature felt in each country which results in disruption of food security. Food security is ASEAN's top priority. However, food security in ASEAN cannot be said to be good enough, even though ASEAN is one of the largest food exporters in the world.

The World Bank writes that if there is a recession in September 2022 in 2023, the global economy will only grow 2.8% in 2022, then decline to 0.5% in 2023, and only begin to recover to 2% in 2024. The World Bank also predicts, that if a recession does occur, the impact will be felt more by developed countries than by developing countries. And it is estimated that advanced economies could contract by 0.6% in 2023, and grow only 1% in 2024. Meanwhile, developing country economies are predicted to continue to grow positively despite slowing down. Conditions such as geopolitical conflicts, surging commodity prices, and inflation waves cause the global economy to risk recession with uncertain conditions that occur today. Here are the data from Bank Indonesia on the economic recession:

Table 1: Comparison of Economic Recessions

No	Name	2022/percent	2023/percent	2024/percent
1	Global economy	2,8	0,5	2
2	Economies of developed countries	2,3	-0,6	1
3	Emerging economies	3,5	1,8	3,4

Source : World Bank.[8]

Based on data, the Ministry of Trade of the Republic of Indonesia announced that it has six short-term strategies to boost Indonesian business in the international arena. The context of world trade is not just trade wars and trade tensions. Many of the things that cause global trade create

[7] Dony, "Perlindungan Hukum Bagi Konsumen Jual Beli Online Atas Barang Tidak Sesuai."
[8] Mustika, Tbk, and Soedibyo, "Pendiri PT Mustika Ratu Tbk , Ibu DR . BRA . Mooryati Soedibyo , Seorang Putri Keraton , Cucu Dari Sri Susuhunan Paku Buwono X , Raja Keraton Surakarta Hadiningrat ."

situations that are usually protectionism. It can be tariff, it can also be non-tariff. [9]

The free market is in great demand because it provides many benefits for the perpetrators, which aims in addition to improving the country's economy also getting income or foreign exchange.[10] Free trade policy is a policy where the government does not discriminate against imports or exports in the marketing world.[11] Therefore, to protect business people, government policy efforts are needed to regulate this, including legal protection efforts in free trade both nationally and internationally. Looking back at the free trade agreements that have been made and agreed upon, basically, it also emphasizes the importance of productivity accompanied by the principles of equality, justice, and protection of human rights and the environment, but again when talking about reality, it might be worth reviewing the truth of the establishment of these principles.[12]

Uncertain conditions are not fully predictable whether or not they will occur either in Indonesia or in other countries in the future, but free trade continues to run with the aim of each country so as not to cause economic decline. There is a need for social security legal protection for people affected by free trade.[13] Palm oil production in Indonesia and Malaysia has declined, but Indonesia remains the largest rice exporter in ASEAN. ASEAN countries that export include Vietnam and Thailand. There are four indicators according to Global Food Security Index (GFSI) data, including, affordability, namely affordability, food price affordability, availability, quality, safety is nutritional quality, and sustainability and adaptation in 2022, the overall score of ASEAN countries is quite good.

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[9] Afidah and Irawan, "PERLINDUNGAN KONSUMEN TERKAIT PEREDARAN PRODUK IMPOR TANPA LABEL HALAL DI INDONESIA."
[10] Wicaksana Prakasa and Supriyono, "Pendampingan Hukum UMKM Berbasis E-Commerce Di Desa Jarak, Kec.Wonosalam, Jombang."
[11] Rinaldy, E., Ikhlas, D., & Utama, A. (2021). *Perdagangan Internasional: Konsep dan Aplikasi*. Bumi Aksara.
[12] Dariah and Unisba, "Atih Rohaeti Dariah. SE., M.Si., Adalah Dosen Tetap Fakultas Ekonomi Unisba."
[13] Pamungkas and Hariri, "Tanggung Jawab Negara Dalam Pemenuhan Jaminan Sosial Persepektif Welfare State."

Table 2: Global Food Security Index (GFSI)

Country	Value
Laos	53.1
Kamboja	55.7
Myanmar	57.6
Filipina	59.3
Thailad	60.1
Indonesia	60.2
Vietnam	67.9
Malaysia	69.9
Singapura	7,1

Source : CNBC Indonesia.14

The data above shows that Indonesia is ranked fourth in ASEAN with a score of 60.2. Indonesia's country score is lower than the global average of 62.2 and still below the Asia Pacific average of 63.4. Indonesia is ranked 63rd out of 113 countries.[15] Indonesia as the holder of the 2023 ASEAN Chairmanship also makes the issue of food security with climate temperature conditions and community economic shocks which are one of the uncertain conditions whether these conditions continue to occur or not for the future. This cannot be predicted because food security and conditions in each country are different.

Free trade also widens the gap between developed and developing countries, with consequences in their lives. This has been a discussion for a long time until the end of the Second World War. Indonesia is a developing country because it is still in the process of development and has a high population level. In developed countries, Indonesia is ranked 34 out of 64 countries listed in the World Competitiveness Ranking 2023.[16] Third-world debt, unbalanced trade balances, poor living conditions for workers and the environment, and lack of consumer protection are some of the symptoms in countries disappearing in free trade. Based on the background description

[14] Ariani, Pertanian, and 2023, "Kinerja Ketahanan Pangan Indonesia: Pembelajaran Dari Penilaian Dengan Kriteria Global Dan Nasional."
[15] Ariani, M., & Suryana, A. (2023). Kinerja Ketahanan Pangan Indonesia: Pembelajaran dari Penilaian dengan Kriteria Global dan Nasional. *Analisis Kebijakan Pertanian*, *21*(1), 1-20.
[16] Hariri, "REKONSTRUKSI IDEOLOGI PANCASILA SEBAGAI SISTEM EKONOMI DALAM PERSPEKTIF WELFARE STATE."

above, this study is focused on two formulations, namely; 1). What is the politics of free trade law amid uncertain conditions in Southeast Asia?; 2). Efforts to protect the Indonesian government against business people in free trade?

Method

In this study, the author uses socio-legal research using the type of socio-legal research. Where to examine from various scientific points of view regarding the creation of laws and the implementation of legal policies comprehensively.[17] This research uses an interdisciplinary approach, covering various sciences such as sociology of law, legal anthropology, legal history, psychology, law, judicial political science studies, comparative science, cultural communities, and legal history.[18] And various primary data such as laws and regulations, legal theories and expert opinions. So using sociolegal research methods is very important to explain the relationship between law and society, the relationship between how law works in society.

The importance of socio-legal research with an interdisciplinary approach, the author knows that normative legal research is not enough to discuss free trade policies, so it is necessary that socio-legal research is very important to explain the relationship between law and community facts comprehensively.[19] This approach goes into the depths of legal theory by starting from a point of view from a social science point of view. By doing it to find solutions to legal problems from various legal points of view, both social and social.

[17] Akmaliya, Prakasa, and Zulhuda, "Anti-Dumping Committee's Strategy to Confront Dumping Practices: Indonesian Law and International Law Perspective."
[18] Tiara Yahya Deramayati1 and 1, "Peradilan In Absentia Dalam Tindak Pidana Korupsi Dan Hak Pembelaan Terdakwa Dalam Perspektif HAM."
[19] Prakasa, "Ecocide Crimes & Omnibus Law: Review of International Law and Its Implications on Indonesia Law."

Result and Discussions

The Politics of Free Trade Law Amidst Uncertain Conditions in Southeast Asia

Uncertainty in a country is a situation characterized by uncertainty, instability, or tension that affects social, political, economic, or security conditions in the country. Unstable conditions in a country will adversely affect the economy, welfare, and peace of society Some factors that can cause uncertainty include: 1). Economic shocks such as crises, recessions, inflation, or price fluctuations; 2). Social conflicts, such as protests, demonstrations, riots, or violence between groups; 3). Security threats, such as terrorism, war, natural disasters, or pandemics; 4). Economic inequality, such as income inequality, concentration of wealth, or labor markets.[20] These factors cause uncertainty in a country to occur, both in Indonesia and in other countries. Therefore, it is necessary to make efforts to overcome or prevent the situation under uncertain conditions. Such as improving the quality of human resources, especially in the fields of education, skills, and health. Promoting inclusive, sustainable, and equitable economic growth. Maintain political and legal stability, respect human rights and democracy. And lastly, strengthen cooperation and solidarity between countries, both territorially and globally.[21]

The term free trade is synonymous with the existence of trade relations between types of countries. Therefore, the government must protect domestic local industries. Free trade in Southeast Asia is driven by a variety of factors, such as poverty, political instability, market demand, and lack of law enforcement. International trade is needed to provide demands on the country's economic conditions with better goals, with competition between countries against business actors in it is expected to

[20] Blandina, Noor Fitrian, and Septiyani, "Strategi Menghindarkan Indonesia Dari Ancaman Resesi Ekonomi Di Masa Pandemi."
[21] Malihah, "Tantangan Dalam Upaya Mengatasi Dampak Perubahan Iklim Dan Mendukung Pembangunan Ekonomi Berkelanjutan: Sebuah Tinjauan."

create justice in international relations.[22] Global free trade is an international trading system that is not restricted by tariff and non-tariff barriers imposed by individual national governments. No taxes and quotas on imports and exports as well as no other non-tariff barriers such as licensing and bureaucracy that can hinder trade is one of the characteristics of global free trade aimed at increasing prosperity, efficiency, and cooperation between countries in the world.

The legal principles governing international trade transactions refer to the legal principles of international treaties or contracts agreed by the parties, and international trade conventions (international agreements) or trade agreements. International business transactions are part of the study of private international law, where the rules of private international law determine whether international commercial contracts should be protected by national or foreign law. The State of Indonesia is a member of the World Trade Organization (WTO) and is also one of the founding countries of the WTO where an international trade regime is expected to bridge all state interests in the world in the trade sector through mutually agreed provisions. The unstable state of the world economy has also affected international trade, as well as export growth, has slowed in many countries. With the existence of the World Trade Organization (WTO) can provide a beneficial role and benefits in all countries.[23]

In 2015, AFTA became the ASEAN Economic Community (AEC) which is a more comprehensive and integrated free market trading system. The ASEAN Economic Community includes not only goods but also investment, services, capital, and labor. The ASEAN Economic Community (AEC) is expected to bring benefits to ASEAN member countries such as economic growth, product diversification, improved welfare, and increased

[22] Rizal, F., & Mukaromah, H. (2021). Filantropi Islam Solusi Atas Masalah Kemiskinan Akibat Pandemi Covid-19. *Al-Manhaj: Jurnal Hukum Dan Pranata Sosial Islam*, *3*(1), 35-66.
[23] Oktaviano and Waluyo, "Peran World Trade Organization (WTO) Dalam Menyelesaikan Sengketa Perdagangan Daging Sapi Antara Amerika-Indonesia Tahun 2012-2016."

cooperation.[24] But trade in Southeast Asia also faces various challenges and problems, such as global competition, development inequality, environmental protection, and cross-border crime. In this case, ASEAN has an important role not only in paying attention to political security but also pay more attention to the welfare of the community which is included in the pillar of the Economy or Economic Community.[25] It is necessary to have policies, declarations, and conventions to regulate each country with the aim of preventing challenges in free trade.

Legal politics means that legal policy is a policy that determines the direction and enforcement of law in order to achieve the goals of the state. Legal policy in free trade in Southeast Asia is a field related to the process of developing, implementing, and evaluating legal regulations governing trade between countries in the Southeast Asian region. Free trade law policies in Southeast Asia are influenced by various factors, such as national interests, regional cooperation, global dynamics, and challenges facing member countries. An example of a free trade law policy in Southeast Asia is the ASEAN Free Trade Agreement (AFTA) which is a free trade agreement signed by ASEAN member countries to increase competitiveness, attract investment, and create regional markets for the people of Southeast Asia.

AFTA abolishes or reduces import duties and non-tariff barriers on imported goods from other ASEAN countries. Free trade law policies in Southeast Asia have both positive and negative impacts on its member countries. The positive impacts include increased economic growth, efficient resource allocation, consumer welfare, and cooperation and integration between countries. Negative impacts such as increasing development inequality, global competition, the risk of economic crisis, and environmental threats.[26] Free trade law policy in ASEAN is based on several

[24] Septiawan, "Analisis Potensi Ekspor Indonesia Terhadap Negara Asean Dengan Pemanfaatan Perjanjian Masyarakat Ekonomi Asean (Mea)."
[25] Khairi, "UPAYA ASEAN DALAM MENANGANI MASALAH PERDAGANGAN MANUSIA DI ASIA TENGGARA ASEAN'S."
[26] Ibrahim, H. R., & Halkam, H. (2021). Perdagangan Internasional & Strategi Pengendalian Impor. *Lembaga Penerbitan Universitas Nasional (LPU-UNAS)*.

principles, namely; 1). Respect the independence, sovereignty, equality, territorial integrity, and national identity of all ASEAN member states; 2). Shared commitment and shared responsibility to promote peace, security, and prosperity in the region; 3). Prioritizing discussion and consensus in decision-making and resolving differences of opinion; 4). Respect cultural, linguistic, and religious diversity among ASEAN member states; 5). Encourage mutually beneficial and complementary cooperation in areas such as economy, society, culture, technology, and the environment.[27]

ASEAN's free trade policy has several objectives, including: 1). Making ASEAN a competitive manufacturing hub in the global market by utilizing comparative advantages and resource diversity; 2). Attract foreign investment by creating a favorable business environment and providing incentives to investors; 3). Creating a regional market for the ASEAN community by providing a wide selection of quality and affordable goods and services; 4). Increase cooperation and integration among ASEAN countries by strengthening political, social, and cultural ties through trade.[28]

The ASEAN Economic Community (AEC), aims to create an integrated market and production base by facilitating the movement of goods, services, investment, money, and skilled labor. Furthermore, by implementing a common policy framework, such as standardization and collaborative cooperation in various fields, the AEC tries to create an environment that supports global development, the business/economic environment, and the region encourages innovation. MEA also aims to improve transportation networks and other infrastructure.[29] In addition, the AEC's desire for economic growth targets through creative measures to

[27] Julina, S. (2022). FUNGSI KOMUNIKASI INTERNASIONAL BAGI ASEAN-CHINA DALAM ACFTA DITINJAU DARI PENDEKATAN KEKUATAN EKONOMI (ECONOMIC POWER). *Jurnal Citra*, *8*(2).
[28] Mahanani, "Diktat Bahan Ajar Bisnis Internasional."
[29] Sridadi, A. R., Iman Prihandono, S. H., MH, L. M., Faizal Kurniawan, S. H., MH, L. M., Abrianto, B. O., ... & SE, M. (2021). *Kebijakan Ketenagakerjaan dalam Skema Negara-Negara ASEAN+ 3*. Airlangga University Press.

help small and medium enterprises will be adapted to the region and the world. Another consideration in the AEC is the capacity-building initiatives of new ASEAN members ensuring their integration into the AEC. ASEAN can finally join the global economy through economic contacts with foreigners.

The concept of AFTA in free trade has two principles of international economic law policy, namely the National Treatment Policy which requires a country to give equal treatment to goods, services, or capital owned by foreign companies or foreign nationals who conduct a free trade within the territory of the country with goods, services and capital owned by its own citizens. Most Favoured Nation (MFN) policy which means that a country must give equal treatment in the implementation of import and export policies unconditionally (non-discrimination). The existence of policies in the AFTA concept will have an impact on economic actors, therefore it is necessary to make both policies, regulations, and declarations in all countries in ASEAN in line with the AFTA concept of free trade.[30] With that, countries in the Asian region can take policies in free trade in accordance with their countries' conditions with the aim of utilizing the existence of AFTA for national and international interests.

Indonesian Government Protection of Business People in Free Trade

Business people as economic subjects are individuals or commercial organizations that carry out activities in a particular field. Every individual or legal entity, whether incorporated or unincorporated, established and domiciled, or carrying out business in the jurisdiction of the Republic of Indonesia, either individually or jointly, through agreements, carries out various commercial activities in the economic sector. Economic actors must

[30] Khairi, "UPAYA ASEAN DALAM MENANGANI MASALAH PERDAGANGAN MANUSIA DI ASIA TENGGARA ASEAN'S."

develop appropriate strategies to compete globally. The definition of a business entity regulated in Article 1 Paragraph 3 of the Law protects consumers, especially traders, both individuals and legal entities both in the form of legal entities and non-legal entities with legal status, individuals and residing or running their business.[31]

Legal protection for business entities arises due to the legitimacy of business activities. Business legality is a standard that must be respected by business entities. Micro, small, and medium enterprises (MSMEs) must meet these requirements to compete in the free market era. This requirement poses a problem because many business entities do not have commercial legal status.[32] The obstacles vary such as lack of funds to deal with legal problems, difficulties in writing letters, lack of knowledge, and others. Therefore, the current government must educate them to understand such constraints. Legal protection can be guaranteed from small things, especially in the form of counseling on legal protection for economic actors, starting with visits to certain groups of economic actors or economic entities and training on procedures for obtaining Small and Micro Business Licenses (IUMK), then still enjoying legitimate business benefits related to the Law on the Protection of MSME Business Actors.[33]

The dynamics of the free trade market present the challenge of the existence of the state in representing the role of government, the main challenge is a commercial policy that responds to these developments both to domestic and foreign trade. On the other hand, there are two laws related to trade activities that were born before the trade law itself, Law Number I of 1999 concerning Consumer Protection from Law Number 5 of 1999 concerning the Prohibition of Monopoly Practices from Unfair Business Competition is a legal instrument that regulates the subject of trade, namely

[31] Lembaga, Pengadaan, and Jasa, "Jdih.Lkpp.Go.Id."
[32] Kosasih, J. I., & SH, M. (2021). *Akses Perkreditan dan Ragam Fasilitas Kredit dalam Perjanjian Kredit Bank*. Sinar Grafika (Bumi Aksara).
[33] Supriyo, Latifah, and Isnawati, "Pendampingan Legalitas Usaha Perlindungan Hukum Bagi UMKM Di Mitra PCM Gunung Anyar Surabaya Hingga Penerbitan Nomor Induk Berusaha (NIB)."

consumers and producers. The problem is that the aspects regulated in the two laws are only a small part of the trade aspect. Issues of licensing, recording, customs control, and distribution to market zoning do not have sufficient rules to build legally protected trading activities. [34]

Some efforts that can be made by the Indonesian government to combat free trade are to first improve the quality of human resource management (HR). First, increasing human resources in a team, organization, and even a company has a huge impact on improving the quality of human resource management, which can be done through several ways, including training, education, coaching, and recruitment related to free trade. The second effort is infrastructure improvement. In the context of free trade, infrastructure improvement is in the public interest and is aimed at supporting economic activity. The third effort, strengthening the MSME sector, essentially involves economic actors who develop the businesses they develop, including small businesses. The fourth effort is to reform government institutions. In this case, the government plays an important role in every part of the community's economy, for example in free trade. The government should make improvements in several aspects of the economy, especially those related to institutions in the economic sector that carry out trade and can encourage human resources to create a clean environment.[35]

The role of the Indonesian government in the business world includes, as a producer, the government produces goods and services needed by the community through State-Owned Enterprises (SOEs) operating in various sectors such as infrastructure, energy, agriculture, and industry, As consumers, the government purchases and uses goods and services from other commercial entities, both domestic and foreign, to carry out government and productive activities. As a distributor, the government distributes goods and services to the community either directly or indirectly

[34] Theodoridis and Kraemer, "Sinergi Dan Inovasi Memperkuat Ketahanan Dan Kebangkitan Menuju Indonesia Maju."
[35] Artharini, "Perlindungan Bagi Umkm Terhadap Persaingan Usaha Tidak Sehat."

through government programs such as social assistance, school operational assistance, subsidies, and others. As a regulatory body, the government promulgates laws, regulations, and policies governing economic activities, such as business competition, consumer protection, business licenses, import taxes, exchange rates, and others.[36]

The existence of this free trade era requires cooperation between countries to create a system that protects consumers and regulates business entities in order to hold healthy and honest business competition. To fulfill this, teaching, training, and socialization are needed to develop the independence of each consumer in buying the goods or services he needs. Therefore, parties involved in consumer education and training include governments, consumer protection organizations, consumers, and economic actors. The complex relationship between consumers and producers as economic subjects essentially makes producers and consumers have a weaker legal position than economic subjects because they are often more disadvantaged. Therefore, the state guarantees legal protection to consumers as well regulated in Consumer Protection Law Number 8 of 1999. Access to transactions in the era of globalization and free trade by all means is very open, where the era of globalization is very large.[37]

Economic actors facing the free market in Indonesia are entrepreneurs engaged in various fields such as industry, trade, services, and other fields. Business entities must be able to compete with other state business entities that have advantages in quality, price, and service. Economic actors must also be able to take advantage of opportunities offered by the free market, such as broader market access, regional cooperation, and technology transfer.[38] Some efforts that entrepreneurs can make when facing the free market in Indonesia include: 1). Improve the

[36] Kementerian BUMN, "Laporan Tahunan BUMN: Penguatan BUMN Sinergi Membangun Negeri."
[37] Anggono, "Urgensi Penguatan Ketentuan Hukum Perlindungan Konsumen Pasca Diterapkan Sistem Perdagangan Bebas Di Indonesia."
[38] Syukri and Sunrawali, "Digital Marketing Dalam Pengembangan Usaha Mikro, Kecil, Dan Menengah."

quality of products and services provided, pay attention to quality, health and environmental standards applicable in the destination country, and monitor changes in consumer trends and tastes; 2). Reduce production and distribution costs by implementing efficiency and innovation in production processes, the use of information and communication technology, and optimization of available logistics infrastructure; 3). Diversifying products and services, creating unique and creative products and services that are different from competitors, and meeting diverse consumer needs and preferences; 4). Carry out effective promotion and marketing, using social media, internet, and digital marketing, and fostering good relations with consumers, partners, and other stakeholders; 5). Cooperate and associate with other business entities at home and abroad to share information, experience, resources, and capital as well as increase competitiveness and market access.[39]

One form of protection of the Indonesian government for business actors is the promulgation of various legal regulations governing economic activities, such as business competition, consumer protection, business licensing, import taxes, exchange rates, and so on. This legal regulation aims to provide certainty, fairness, and welfare for business entities, both large, medium, and small. This legal regulation also aims to prevent monopolistic practices, unfair commercial competition, fraud, and losses to economic entities and consumers. In addition, the Indonesian government provides legal protection to economic actors by providing support, facilities and incentives to micro, small and medium enterprises (UMKM).

This includes free support for UMKM, tax incentives, ease and certainty of obtaining business licenses, and halal certification. These facilities include credit facilities, banking facilities, infrastructure, technology facilities and market facilities. These incentives include tax incentives, non-tax incentives, investment incentives, and export

[39] Universitas Bina Sarana Informatika, *Buku Ini Diterbitkan Atas Kerjasama Dengan Universitas Bina Sarana Informatika*.

incentives. This legal protection is expected to increase the capacity, productivity, and competitiveness of UMKM in the domestic and international markets. The Indonesian government provides legal protection to economic actors by providing support, facilities and incentives to micro, small and medium enterprises (UMKM). The support includes free support for UMKM, tax breaks, ease and certainty of obtaining business licenses, and halal certification. These facilities include credit facilities, banking facilities, infrastructure, technology facilities, and market facilities. These incentives include tax incentives, non-tax incentives, investment incentives, and export incentives. This legal protection is expected to increase the capacity, productivity, and competitiveness of UMKM in the domestic and international markets.[40] One way for consumers to understand their right to legal certainty and protection as consumers is to focus on education and awareness-raising led by the government in accordance with the regulations of the Consumer Protection Law (UUPK). With the existence of UUPK Number 8 of 1999, it is expected to guarantee that Indonesian consumer protection must be provided by all parties, both the government, the public and consumer protection organizations, and trade globalization can be aligned with economic actors.[41]

Indonesia is ranked fourth in ASEAN with a score of 60.2. Indonesia has a lower score than the global average with an index of 62.2, and is still below the Asia Pacific average with an index of 63.4. Indonesia is ranked 63rd out of 113 countries. Therefore, it is necessary to make strategic efforts to increase the value of the Global Food Security Index in a country, including efforts to strengthen the main pillars of the Global Food Security Index such as Affordability, Availability, Food Quality and Safety, Natural Resources Security and Climate Security. Further efforts are by strengthening the role of the private sector and society, strengthening

[40] Komite Nasional Ekonomi Keuangan Syariah (KNEKS), "UMKM Halal Dan Ketahanan Ekonomi Indonesia."
[41] Afidah and Anang Dony Irawan, "Perlindungan Konsum. Terkait Peredaran Prod. Impor Tanpa Label Halal Di Indones."

policies and regulations, efforts to increase research and innovation, and expanding international cooperation. Increasing the value of GFSI requires strong commitment and cooperation from various parties. With strategic and targeted measures, Indonesia can achieve better food security and improve the quality of life of the people.[42]

Conclusion

Every country needs to implement free trade in a more comprehensive AFTA concept which contains international economic legal principles or policies. Using the Most Favoured Nation (MFN) Policy means that a country must provide equal treatment in the implementation of unconditional import and export policies (non-discrimination). And the National Treatment Policy requires a country to give equal treatment to goods, services, or capital owned by foreign companies or foreign citizens who conduct a free trade within the territory of the country with goods, services, and capital owned by its own citizens. Indonesia is a member of the World Trade Organization (WTO) and is also one of the founding countries of the WTO, whereas an international trade regime is expected to be able to bridge the interests of all countries in the world in the trade sector through mutually agreed provisions.

Legal protection efforts for business entities or business people arise due to the legality of business activities. One form of the Indonesian government's protection of free trade is the promulgation of various legal regulations that regulate economic activities, such as business competition, consumer protection, business licensing, import taxes, exchange rates, and so on which aim to prevent monopolistic practices, unfair commercial competition, fraud and losses to economic entities and consumers. There

[42] Maulana, A., & Suryana, Y. (2024). Perkembangan Integrasi Digital Untuk Mendorong Digitalisasi Ekonomi di Kawasan Asean. *Journal of Economics and Regional Science*, *4*(1), 1-23.

are several efforts to improve Indonesia's index score, namely by strengthening the main pillar of the Global Food Security Index (GFSI) value, strengthening the role of the private sector and the community, strengthening policies and regulations, increasing research and innovation, and expanding international cooperation.

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