Southeast Asian Journal of Global Legal Horizon
ISSN: xxxx-xxxx

Southeast Asian Journal of Global Legal Horizon

Volume: 01
Issue: 01
Year: 2023
Page: 17-22

Citation:
Astuti, P., & Santika, P. D. (2023). Implementation of Consumer Protection in Indonesia: The Role of the State, Business Actors, and Consumers. *Southeast Asian Journal of Global Legal Horizon, 1*(1), 17-22.

Article History:
Received: January 10, 2023
Revised: May 20, 2023
Accepted: June 18, 2023
Online since: June 30, 2023

Implementation of Consumer Protection in Indonesia: The Role of the State, Business Actors, and Consumers

Puji Astuti[1*], Prinastiti Dwi Santika[1]

[1] Universitas Negeri Yogyakarta, Yogyakarta, Indonesia

[*] *Corresponding author: Puji Astuti (pujiastuti345@gmail.com)*

Abstract

Consumer protection is a crucial component in creating a balanced relationship between consumers, businesses, and the state. Unequal bargaining power can place consumers more vulnerable to various forms of rights violations. This study aims to analyze the implementation of consumer protection in Indonesia through the roles of the state, businesses, and consumers and to identify barriers that influence its effective implementation. The study employed a normative juridical approach with a qualitative descriptive method through a review of regulations, previous research, scientific articles, and relevant literature. The analysis is based primarily on Law Number 8 of 1999 concerning Consumer Protection, which provides the legal foundation for regulating the rights and obligations of consumers and business actors. The findings indicate that the consumer protection regulatory framework provides a legal basis for fulfilling the rights and obligations of all parties. However, its implementation still faces challenges such as weak oversight, limited access to information, low compliance among some businesses, limited effectiveness of dispute resolution institutions, and suboptimal consumer awareness. Therefore, effective consumer protection requires synergy between regulation, oversight, business actor responsibility, and consumer participation.

Keywords
Business Actors; Consumer; Consumer Protection; Government; Regulations.

1. Introduction

Consumer protection is a crucial requirement in economic activity because the relationship between consumers and businesses is inherently not always balanced. Consumers generally find themselves in a weaker bargaining position when faced with businesses that possess greater organizational structure, capital, knowledge, and access to information. This situation can make it difficult for consumers to defend their interests if problems arise during transactions. Therefore, consumer protection is necessary to create a balanced relationship while ensuring that economic activity proceeds fairly. Rosmawati (2017) places consumer protection as a crucial part of guaranteeing consumer rights in their relationships with businesses.

In the Indonesian context, the state plays a crucial role in developing a consumer protection system. Its role is manifested not only through the establishment of laws and regulations, but also through policies, supervision, and the provision of institutions capable of addressing consumer issues. Law Number 8 of 1999 concerning Consumer Protection serves as the primary basis for regulating the relationship between consumers and businesses. This regulation is fundamentally aimed at providing protection and creating legal certainty for all parties. Aswar and Willem (2023) demonstrate that the implementation of the Consumer Protection Law plays a role in providing fair legal protection for consumers.

Even though a legal framework is in place, the existence of regulations does not automatically guarantee optimal consumer protection. Problems can arise during the implementation stage, particularly when oversight of business activities is not yet effective. The development of trade and the use of technology have also expanded the forms of transactions conducted by the public. This situation creates new challenges because consumers do not always have adequate information regarding the identity, quality, or credibility of business actors. Limited information can increase the risk of fraud and actions that harm consumers. This situation demonstrates that the effectiveness of protection is determined not only by the existence of regulations, but also by the ability of authorized institutions to carry out oversight and law enforcement.

Another issue relates to consumer dispute resolution mechanisms. When consumer rights are violated, easily accessible means are needed to obtain a resolution. The Consumer Dispute Resolution Agency (*Badan Penyelesaian Sengketa Konsumen*/BPSK) is one institution responsible for resolving disputes outside the courts. However, this institution still faces various challenges in its implementation. Dwirainaningsih (2018) discusses consumer dispute resolution through the BPSK, while Chrisdanty (2020) shows that consumer dispute resolution can be pursued through both court and non-litigation mechanisms. Therefore, the effectiveness of dispute resolution institutions is crucial in determining the extent to which consumer rights are truly upheld.

Consumer protection cannot be solely the responsibility of the government. Businesses are obligated to conduct their business activities in accordance with applicable regulations and respect consumer rights. In practice, some businesses still fail to fully fulfill these obligations. Violations can occur in various forms, including issues with product information, labeling, and business practices that have the potential to harm consumers. Herlina (2019) explains the importance of implementing administrative sanctions in consumer protection law as a tool to ensure compliance with applicable regulations.

On the other hand, consumers also have a role in creating effective protection. Consumers are not only positioned as recipients of protection, but also have a responsibility to understand their rights and obligations and to utilize legal mechanisms when experiencing losses. Low awareness of consumer rights can lead to various forms of violations going unreported or unresolved. Therefore, consumer protection is ideally built through a mutually supportive relationship between the state, businesses, and consumers.

These issues demonstrate a gap between legal norms and the implementation of consumer protection. Regulations provide a legal basis, but their effectiveness is still influenced by oversight, business compliance, the capacity of dispute resolution institutions, and consumer awareness. Research on the role of the Consumer Protection and Consumer Protection Agency (BPSK) also shows that dispute resolution mechanisms play a crucial role in upholding consumer rights when disputes arise (Mahardika & Syaputra, 2020; Pratama, 2018). Based on this description, this study aims to answer two research questions. First, how is consumer protection implemented in Indonesia through the roles of the state, businesses, and consumers? Second, what are the obstacles that affect the effectiveness of consumer protection implementation in Indonesia? These two questions serve as a basis for analyzing the alignment between the legal framework and the implementation of consumer protection and identifying aspects that still need strengthening.

2. Methods

This research employs a normative juridical method, placing the norms and principles of consumer protection law as the primary basis for analyzing the problem. Data were obtained through a review of previous research, scientific journal articles, and various literature related to the implementation of consumer protection in Indonesia. These materials were then studied and described to gain an understanding of the implementation of consumer protection and the roles of each party involved. The approach used is descriptive qualitative, namely by describing and outlining the problem based on information found from literature sources. The research stages are carried out through several processes, starting with observing consumer protection issues, identifying and compiling relevant previous research results, and then reviewing these materials based on the principles and principles of consumer protection law. The analysis was conducted by linking findings from various literature with provisions and principles related to consumer protection. The analysis focused on three main elements related to the implementation of consumer protection: the state, businesses, and consumers. Through this approach, this study seeks to provide an overview of how these three elements carry out their roles and identify various issues that may impact the effectiveness of consumer protection in Indonesia.

3. Results and Discussion

3.1. Concept and Implementation of Consumer Protection in Indonesia

The study's findings indicate that consumer protection in Indonesia is a legal mechanism aimed at creating a balanced relationship between consumers and businesses, particularly because consumers generally have less information regarding the quality, safety, benefits, price, and risks of products, while businesses have greater control over information (Rosmawati, 2017). Law Number 8 of 1999 concerning Consumer Protection serves as the primary foundation for implementing consumer protection by regulating the rights and obligations of consumers and businesses. Its implementation involves three interconnected elements: the state, which provides regulations and oversight; businesses, which are required to respect consumer rights; and consumers, who must understand and exercise their rights responsibly.

The existence of dispute resolution institutions, particularly the Consumer Dispute Resolution Agency (BPSK), also forms an important part of the system because consumers require accessible mechanisms to defend their rights. Studies show that BPSK can provide an alternative means of resolving disputes outside the courts (Dwirainaningsih, 2018; Chrisdanty, 2020). Thus, consumer protection cannot depend only on the existence of regulations, but also on the implementation of norms, oversight, dispute resolution capacity, business compliance, and consumer awareness.

3.2. The Role of the State in Implementing Consumer Protection

The research findings indicate that the state has a central role through the formulation of regulations, policies, supervision, and the development of dispute resolution mechanisms. The Consumer Protection Law provides the basis for establishing a balanced relationship between consumers and businesses, but the existence of regulations does not automatically ensure effective implementation because gaps remain between normative provisions and practice. Problems include limited access to information about business actors, ineffective product supervision, and limited coordination between institutions. BPSK is an important instrument for resolving disputes outside the courts, but its effectiveness is still influenced by obstacles concerning authority, resources, coordination, and public access (Harahap, 2018; Zufriani, 2018; Mahardika & Syaputra, 2020; Chrisdanty, 2020). Therefore, strengthening the state's role requires both prevention and enforcement through clear regulations, information transparency, education, supervision, and the application of administrative sanctions when violations occur (Herlina, 2019).

Business actors and consumers also have a direct role in determining the effectiveness of consumer protection. Business actors are required to conduct their activities responsibly and respect consumer rights, but violations may still occur through incomplete product information, improper labeling, and practices that do not comply with legal and safety requirements. Such conditions demonstrate a gap between legal obligations and business practices. At the same time, consumers must understand their rights and obligations, examine product information, assess the credibility of business actors, retain transaction evidence, and use complaint or dispute resolution mechanisms when losses occur. BPSK can assist consumers in resolving disputes, including through conciliation, while the proper application of legal aspects remains necessary to protect the rights of the parties (Pratama, 2018; Zufriani, 2018; Ganesha et al., 2022).

Overall, the implementation of consumer protection in Indonesia is influenced by the interaction between the state, business actors, and consumers. The state remains responsible for regulation, supervision, enforcement, and dispute resolution, while business actors must comply with consumer protection provisions and consumers must actively understand and defend their rights. The findings show that the main obstacles to effective implementation are weak oversight, limited information transparency, business non-compliance, limitations in dispute resolution institutions, and low consumer awareness. Therefore, the effectiveness of consumer protection depends on synergy between regulation, supervision, business compliance, and consumer participation so that the protection provided by law can be realized in practice and create fairer trade relations.

4. Conclusion

Based on the results of the study, consumer protection in Indonesia has a clear legal basis through Law Number 8 of 1999 concerning Consumer Protection (*Undang-Undang Perlindungan Konsumen*/UUPK). Consumer protection is intended not only to guarantee consumer rights but also to establish a fair and balanced relationship among consumers, business actors, and the state. Consumers need security and legal certainty, business actors require clear rules, while the state is responsible for regulation, supervision, and dispute resolution. The government has strengthened consumer protection through the UUPK and various sectoral regulations. Nevertheless, implementation still faces challenges, including limited transparency of business information, product supervision, inter-agency coordination, and the effectiveness of dispute resolution institutions. The Consumer Dispute Settlement Agency (BPSK) plays an important role in out-of-court dispute resolution, although its authority and performance still encounter obstacles. Thus, regulatory and institutional frameworks alone do not guarantee optimal consumer protection.

Business compliance also remains a concern, particularly regarding product repackaging and incomplete labeling. This demonstrates a gap between normative obligations and actual business practices, highlighting the need to improve business awareness and compliance. Consumers likewise have an important role by understanding their rights, examining product information, assessing business credibility, and using complaint and dispute resolution mechanisms. Therefore, effective consumer protection depends on the integration of regulation, supervision, business compliance, and consumer awareness. Strengthening law enforcement and fostering synergy among the state, business actors, and consumers are essential to achieving fair, effective, and legally certain consumer protection.

References

Journal:

Aswar, A., & Willem, R. (2023). Implementation of Consumer Protection Law Number 8 of 1999 in Providing Fair Legal Protection for Consumers. Alauddin Law Development Journal, 5(1), 11-23.

Chrisdanty, F. (2020). Consumer dispute resolution through courts and non-litigation by the Consumer Dispute Resolution Agency (BPSK). Perspective Master of Law Journal, 11(2), 52-62.

Dwirainaningsih, Y. (2018). Analysis of Consumer Dispute Resolution Through the Consumer Dispute Resolution Agency (BPSK). Pekalongan City Research and Development Journal, 15.

Ganesha, F., Busroh, FF, Khairo, F., Utoyo, M., & Fikri, H. (2022). Legal Analysis of Consumer Dispute Resolution at the Consumer Dispute Resolution Agency (Case Study of the Lubuklinggau City BPSK Decision Number: 002/P. Arbitration/BPSK-Llg/Iv/2021). Lex Stricta: Journal of Legal Studies, 1(2), 91-102.

Harahap, P. (2018). Obstacles to the Consumer Protection Dispute Resolution Process Have Not Been Able to Run Effectively (Case Study of BPSK Tangerang Regency). Scientific Journal of Law, 15(2), 181-193.

Herlina, N. (2019). Application of administrative sanctions in consumer protection law. Galuh Justisi Scientific Journal, 7(2), 190-203.

Mahardika, I., & Syaputra, M. (2020). The Role of the Consumer Dispute Resolution Agency (Bpsk) in Resolving Consumer Disputes Outside the Court (Study at the Bpsk in Mataram City) (Doctoral Dissertation, Universitas_Muhammadiyah_Mataram).

Pratama, R. (2018). The Role of the Consumer Dispute Resolution Agency (BPSK) in Upholding Consumer Rights (Study at the BPSK of Central Lampung Regency).
Rosmawati, SH (2017). Principles of consumer protection law. Kencana.
Zufriani, F. (2018). Efforts to Maintain Consumer Rights Through Consumer Dispute Resolution by Conciliation at the Medan City Consumer Dispute Resolution Agency (BPSK) (Doctoral dissertation, University of North Sumatra).

Laws and Regulations:

Law Number 8 of 1999 concerning Consumer Protection.

Acknowledgment
We gratefully acknowledge the contributions of individuals who supported the completion of this article.

Funding Information
This research did not receive any funding.

Conflict of Interest Statement
The authors declare that there is no conflict of interest.

Ethical Approval and Originality Statement
Ethical approval was obtained for this study. The manuscript represents original work and has not been previously published, nor is it under consideration by another journal.

Data Disclosure Statement
The data that support the findings of this study are available from the corresponding author upon reasonable request.