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# Product Standardization through SNI as A Form of Consumer Protection in Indonesia

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#### Article Info

## Abstract

# **Keywords:**

Product Standardization; SNI; Consumer Protection; Indonesia

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Business relationships formed between consumers and business actors allow disputes to arise as a result of damage or defects and losses. This research will examine issues regarding the regulation of consumer legal protection of Indonesia National Standard or Standar Nasional Indonesia (SNI) compulsory products in Indonesia. The research method used is a normative legal research method. This study aimed that legal protection for consumers can be created by the existence of regulations related to SNI obligations. Some arrangements that provide preventive protection to the interests of consumers, include Law No. 20 of 2014 concerning Standardization and Conformity Assessment and Law No. 8 of 1999 concerning Consumer Protection as an effort to protect the law for consumers. The law also protects consumers after an event has occurred against violations committed by business actors with acts of civil lawsuits, criminal suits, lawsuits using the Consumer Protection Act, as well as the imposition of sanctions on business actors.

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# INTRODUCTION

Globalization and free trade supported by advanced technology, telecommunications, and information technology have been equipped with space for the flow of goods and/or services to visit the borders of a country's territory (Disemadi & Roisah 2019). Indonesia, development, development, development, towards, development, economics, industry, trade economics (Ningsih & Disemadi 2019). This progress considers a large number of problems that exist in the country, especially regarding the safety of consumers in industry and trade that have produced various types of goods and/or services that can produce (Astina & Sulistyowati 2016).

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The needs and desires of each consumer are different, but all consumers do the same thing, namely buying goods and/or services. This similarity has implications for all consumers having the same interests (Herjanto 2005). Customers who are concerned with the market that govern the principles, regulations and good faith of all who are not involved with the good, consumers, and the government. Consumers obtain goods and/or services that are approved and approved by the company (Brotosusilo 2017).

This phenomenon results in an imbalance between consumers and businesses. Consumers are in a weak position used as an object of business activity to obtain the maximum profit by the business actor. Many sales practices in Indonesia are detrimental to consumers by manipulating prices, promoting price reductions, placing products, selling goods that do not meet mandatory standards, manipulating scales and dangerous foods that can harm consumers.

Consumers have limited ability to collect and process the information on the goods and/or services they consume, so consumers have limitations in assessing quality goods that meet the mandatory standards of the government and products that are not qualified and are not safe for consumers. The factor of consumer weakness is the level of consumer awareness of their lower rights and without knowing their obligations as consumers. This is caused by low education for consumers. Consumers as users of goods and/or services have several rights and obligations which are both interrelated as regulated in Article 4 and 5 of the Consumer Protection Law No. 8 of 1999. Business operators also have rights and obligations stipulated in Articles 6 and 7 of the Law Consumer Protection No. 8 of 1999. The rights and obligations of consumers, as well as business actors, can create a good relationship so that consumers can take advantage of goods and/or services without any deception in the quality of traded goods and/or services.

Article 8 paragraph (1) letter a of Law No. 8 of 1999 concerning Consumer Protection only states that business actors are prohibited from producing and/or trading goods and/or services that do not meet or are not in accordance with required standards and statutory provisions, whereas what standards and conditions are intended, how is the application and the enactment of these standards is not clearly and completely described in their arrangements for the protection of consumers. This can cause consumers to feel their interests and rights are not optimally protected (Yusri 2019).

Such conditions led to Law No. 20 of 2014 concerning Standardization and Conformity Assessment as a legal norm that functions as a mechanism for conducting socialization and as a mechanism for social control, including controlling conflicts of interest that occur or integrating interests in society must be able to function as well as possible. Law No. 20 of 2014 concerning Standardization and

Conformity Assessment is a derivation of Law No. 8 of 1999 concerning Protection of Consumers must be able to clearly regulate the forms of consumer protection through the application and application of products that have mandatory Indonesia National Standards or Standar Nasional Indonesia (SNI), so as not to cause joints on consumer protection arrangements. Article 20 number 2 of Law no. 20 of 2014 concerning Standardization and Conformity Assessment states that the application of SNI can be carried out voluntarily or enforced compulsorily. Consumer protection in the form of SNI is formed in its management obligation. The enforcement of SNI is obliged to be limited and certain only to products related to the interests of safety, security, health, or preservation of environmental functions.

If a product has been standardized/certified, especially with mandatory standardization, then the product truly provides a guarantee of the quality and safety of the product concerned. In other words, products that have been given mandatory standards based on these laws must be interpreted as a guarantee of certainty and protection to consumers (Rusli 2012). However, in practice, there are still many business actors who act not in accordance with the provisions of mandatory SNI standards that have been set. Negligence is certainly an impact on consumers. In achieving the objectives outlined above, problems relating to consumer protection can occur in economic life between businesses and consumers (Pande 2017). Even though SNI is compulsorily applied by the government through its regulations on products that have an impact on safety, security, health, and environmental preservation, there have been contacting and friction related to consumer rights. This could be due to consumers having a weak position compared to business actors.

Based on the description above, this study aimed to protect the law for consumers in legislation in Indonesia. Contribution of this research is to help bridge the interests of consumers and producers by setting product standards. Consumer can get legal certainty on the quality of the products they choose by looking SNI logo.

#### **METHOD**

The research method used in this study is the normative or normative legal research method. This method uses a statutory approach and a conceptual approach (Diba, Disemadi, & Prananingtyas 2019). In this research method, the data used is secondary data in the form of legal material that has permanent legal force, books, and journals related to the Indonesian National Standard (SNI) as an effort to protect consumers. Data collection techniques using literature study techniques with data collection tools carried out with the study of documents. Data analysis was performed using qualitative data analysis methods.

#### RESULTS AND DISCUSSION

# Consumer Legal Protection of SNI Products in Indonesian

Industrialization and globalization, on the one hand, have a positive impact on the availability of many choices of goods and/or services for the community, both from within and outside the country. However, on the one hand, it can have a negative impact because of the many goods and services of low quality that are widely circulating in the community. Such conditions eventually led to consumer protection movements in parts of the world including in Indonesia (Triasih, Heryanti,& Kridasaksana 2017). That is, consumer protection focuses on problems related to legal protection provided to consumers. Consumer protection is a term used to describe the legal protection given to consumers in an effort to meet their needs from things that can harm consumers themselves. In Indonesia, the legal basis governing consumer protection is contained in Law No. 8 of 1999 concerning Consumer Protection. According to Article 1, Number 1 of Law No. 8 of 1999 concerning Consumer Protection explains that consumer protection is all efforts that guarantee legal certainty to provide protection to consumers.

Due to the weak position of the consumer, he must be protected by law. From the considerations or considerations contained in Law No.8 of 1999 concerning Consumer Protection, it can be concluded that thoughts about the need for consumer protection in Indonesia can be formulated as follows (Sidabalok, 2014): 1). The protection of consumers also means the protection of all Indonesian citizens as mandated in the national development objectives stated in the Preamble to the 1945 Constitution; 2). The implementation of national development requires healthy and quality human beings who are obtained through the provision of good and sufficient needs. Therefore, consumers need to be protected to get those good and sufficient needs; 3). Capital in the implementation of national development comes from the community. Therefore, consumer societies need to be encouraged to consume rationally and be protected from the possibility of property losses as a result of the fraudulent behavior of business actors; 4). The development of technology, especially manufacturing technology has a negative impact in the form of the possibility of the presence of products that are not safe for consumers. This negative impact can spread when the behavior of business actors/producers in using technology is not responsible. Therefore, the consumer community needs to be protected from the possibility of negative impacts; 5). The tendency to achieve high profits economically coupled with intense competition in trying to encourage some business actors to act fraudulently and dishonestly, which ultimately hurt consumers. Therefore, consumers need to be protected from the possibility of losses as a result of such fraudulent behavior; and 6). Consumer society needs to be empowered through consumer education, especially the inculcation of awareness of the rights and obligations as a consumer. The same thing applies to business actors so that

business actors always pay attention to the interests of consumers seriously by carrying out their obligations properly.

Consumer protection is an effort that guarantees legal certainty to provide consumer protection (Pande 2017). The purpose of consumer protection is to increase awareness, ability, and independence of consumers to protect themselves, uplift the dignity of consumers by avoiding negative access to the use of goods and/or services, increase consumer empowerment in choosing, determining and claiming rights. Indonesian National Standard (SNI) constitutes a form of formal recognition standard for the application of certain product quality standards, the purpose of which is to provide guarantees to consumers that the products that have been granted SNI approval are products that have met the specified quality standards and are products that are fit for consumption, the objectives outlined above can be concluded that SNI is a means or form of consumer protection (Setyoyati 2014).

Standardization is a technical regulatory instrument that can protect the interests of optimizing overall savings by taking into account functional conditions and security requirements. Standardization functions to help bridge the interests of consumers and producers by setting product standards. Standardization is related to the security and safety of consumers, namely the feasibility of a product to be used or consumed (Triasih, Heryanti, & Kridasaksana 2017).

Standardization as a first step can reduce the circulation of goods that are not quality in the domestic market, especially those related to health, security, safety, and preservation of environmental functions while preventing the entry of low-quality imported goods that distribute domestically because of low prices (Madia & Atmadja 2019). Standardization to protect the safety of products as well as goods entering the domestic market, the government made various efforts, one of which was the implementation of the Indonesian National Standardization (SNI) (Sari 2016).

Welfare State Theory said: "The state is obliged to protect its citizens". In terms of protection to its citizens, it is in the form of the application of SNI. Enforcement of SNI is applied so that businesses in Indonesia standardize their products by National Standardization regulations (Ciptawan 2019). This means that the application of mandatory SNI to products related to the safety, health and security of the community has the aim of protecting the community to create prosperity for the community itself. Society in this case is called the consumer (Garingging 2014).

The Indonesian National Standard (abbreviated SNI) is the only standard that applies nationally in Indonesia (Kamal & Nawiswari 2019). SNI was formulated by the Technical Committee (formerly referred to as the Technical Committee) and determined by BSN. For SNI to obtain broad acceptance among stakeholders, the

SNI is formulated by fulfilling the "WTO Code of good practice", namely: a). Openness, open for all interested stakeholders to participate in developing SNI; b). Transparency, transparent so that all interested stakeholders can follow the development of SNI starting from the programming and formulation stages to the stipulation stage. And can easily obtain all information related to the development of SNI; c). Consensus and impartiality, being impartial and consensus so that all stakeholders can channel their interests and are treated fairly; d). Effectiveness and relevance, effective and relevant to facilitate trade because it pays attention to market needs and does not conflict with applicable laws and regulations; e). Coherence, coherent with the development of international standards so that our country's market development is not isolated from the development of global markets and facilitates international trade; and f). Development dimension, the dimension of development is to pay attention to the public interest and national interest in increasing the competitiveness of the national economy (Badan Standarisasi Nasional 2010).

Legal protection to consumers for products that do not meet SNI is regulated in Article 8 paragraph (1) letter a of Law No. 8 of 1999 concerning Consumer Protection which regulates the prohibition that business actors are prohibited from producing and/or trading goods and/or services that do not meet or do not meet the required standards and the provisions of the legislation. The regulation is also emphasized in Article 9 paragraph (1) letter a of Law No. 8 of 1999 concerning Consumer Protection, namely "that businesses are prohibited from offering, producing, advertising goods and/or services incorrectly, and/or as if the goods have met and/or have discounts, special prices, certain quality standards, certain styles or modes, certain characteristics, certain history or uses". SNI guarantees consumers to get good goods on the market according to their standards. Thus, the existence of SNI gives more certainty to legal protection to consumers. That was caused by the existence of SNI regulated in Law No. 20 of 2014 concerning Standardization and Conformity Assessment is a real implementation of Article 8 paragraph (1) letter a of Law No. 8 of 1999 concerning Consumer Protection. Article 1 number 1 of Law Number 20 Year 2014 concerning Standardization and Conformity Assessment provides the understanding that what is meant by standardization is "the process of planning, formulating, establishing, enforcing, maintaining and maintaining standards which are carried out in an orderly manner and cooperation with all Stakeholders".

The standardization and conformity assessment process is the process of planning, formulating, establishing, implementing, enforcing, maintaining, and supervising Standards that are carried out in an orderly manner and in collaboration with all stakeholders where activities will be carried out to assess that goods, services, systems, processes, or personal has fulfilled the reference requirements (Article 1 No.

1 and Article 1 No. 2 of Law No. 20 of 2014). That is, based on Article 3 of Law No. 20 of 2004 mentions the process of standardization and evaluation of goods, services, systems, processes, or personal aims to: 1). Improving quality assurance, production efficiency, national competitiveness, fair and transparent business competition in trade, business certainty, and the ability of business actors, as well as the ability of technological innovation; 2). Improving protection for consumers, business people, workers, and other communities, as well as the state, both in terms of safety, security, health, and preservation of environmental functions; and 3). Increase certainty, smoothness, and efficiency of trade transactions of goods and/or services in the country and abroad.

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Legal protection for consumers can be created by the existence of regulations (laws) that govern and agreements (contracts) produced between business actors and consumers (Disemadi & Prananingtyas 2019). About products that do not meet SNI obligations, several forms of legal protection can be provided to consumers. Preventive legal protection (prevents people from being harmed) and repressive (ensuring the law protects after irregularities occur) (Sari 2016).

#### a. Preventive Protection

The obligation to fulfill SNI is an effort to avoid consumers being harmed and feel their rights are protected. This is regulated in Article 7 letter d of the Consumer Protection Law No. 8 of 1999 concerning Consumer Protection which states that business actors must guarantee the quality of goods and/or services produced and/or traded based on the provisions of the applicable quality standards of goods and/or services.

Then there are regulations regarding SNI. Regulation is an effort to protect the interests of consumers (Garingging 2014). Through regulation, the state sets standards of behavior that must be applied. Some arrangements that provide preventive protection to the interests of consumers, include Law No. 20 of 2014 concerning Standardization and Conformity Assessment and Law No. 8 of 1999 concerning Consumer Protection as an effort to protect the law for consumers.

In addition, there needs to be supervision. Supervision is carried out by government agencies regarding the products in circulation. Regulation on supervision of the enactment of Mandatory SNI as a form of consumer law protection is regulated in Regulation of the Minister of Industry of the Republic of Indonesia No. 4 of 2018 concerning Procedures for Obligatory Supervision of Industrial Standardization of Industry. The regulation is carried out with the aim of increasing compliance with the fulfillment of the provisions of the Indonesian National Standards that are enforced compulsorily (Turisno 2012).

# b. Repressive Protection

The law also protects consumers after an event has occurred against violations committed by business actors against consumers who are harmed caused by-products that do not meet SNI obligations (Ciptawan 2019). The actions that can be taken by consumers such as 1). Civil action. Lawsuit by referring to Article 1365 of the Civil Code in which a business actor who in conducting his business commits an act against the law and causes loss to other parties, in this case, consumers, is responsible for compensating losses in the form of refunds of money or goods and/or services that have a value in accordance with the loss suffered by consumers; 2). Criminal Lawsuit. Consumers can also make criminal lawsuits by referring to criminal provisions relating to the fulfillment of SNI obligations stipulated in Article 62 paragraph (1), paragraph (2) and paragraph (3) of Law No. 8 of 1999 concerning Consumer Protection, Article 113 and Article 114 of Law No. 7 of 2014 concerning Trade, Article 56 of Law No. 3 of 2014 concerning the Guarantee of Halal Products, and Article 196 of Law No. 36 of 2009 concerning Health; 3). Lawsuit using the Consumer Protection Law is related to consumer disputes regulated in Article 45, Article 46, Article 47 and Article 48; and 4). The imposition of sanctions on business actors. If in the Supervision Report it is stated that the product and/or business activity in the factory does not meet the SNI requirements.

## **CONCLUSION**

Standardization is a technical regulatory instrument that can protect the interests of optimizing overall savings by taking into account functional conditions and security requirements. Standardization functions to help bridge the interests of consumers and producers by setting product standards. Standardization is related to the security and safety of consumers, namely the feasibility of a product to be used or consumed. Legal protection for consumers can be created by the existence of regulations related to SNI obligations, several forms of legal protection can be given to consumers. The legal protection is preventive and repressive. Some arrangements that provide preventive protection to the interests of consumers, include Law No. 20 of 2014 concerning Standardization and Conformity Assessment and Law No. 8 of 1999 concerning Consumer Protection as an effort to protect the law for consumers. The law also protects consumers after an event has occurred against violations committed by business actors against consumers who are harmed caused by-products that do not meet SNI obligations. The actions that can be taken by consumers such as civil lawsuits, criminal lawsuits, lawsuits using the Consumer Protection Act, as well as the imposition of sanctions on business actors.

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