# Legal Aspects of Consumer Protection and the Prohibition of Monopolistic Practices from the Perspective of Producer-Consumer Relationships in Indonesia

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#### Abstract

The producer-consumer relationship is basically a relationship that is dependent, meaning that producers cannot independently produce goods without thinking about how to market them. Likewise, on the other hand, consumers cannot just assume that because they have money, they are free to make choices, in this case what does it mean that there is money if there are no goods. So it is necessary to balance the relationship between producers and consumers. The principle of partnership between producers and consumers absolutely needs each other and as a consequence, each of them has rights and obligations based on law. The research objective was to determine how the legal aspects of consumer protection and the prohibition of monopolistic practices from the perspective of producer-consumer relations in Indonesia. The research method used is normative juridical research. The result of the research is that the legal aspects of consumer protection from the perspective of the relationship between producers and consumers in Indonesia, in this case the legal aspect of the relationship between producers and consumers lies in the partnership relationship between producers and consumers. Law Number 8 of 1999 concerning Consumer Protection is seen as a system of legal protection for consumers. Consumer protection is needed in the field of economic activity, especially in the production and distribution of goods or services. The legal aspect of the prohibition of monopolistic practices from the perspective of producer-consumer relations in Indonesia, in this case Law Number 5 of 1999 concerning the Prohibition of Monopolistic Practices and Unfair Business Competition, defines monopoly as control over the production and or marketing of goods and or the use of certain services by one business actor or a group of business actors. The impact of this monopolistic practice is the existence of unfair competition which is detrimental to the public interest (consumers).

**Keywords:** Legal Aspects, Consumer Protection, Prohibition of Monopolistic Practices, Producer-Consumer Relations, Indonesia.

# 1. Background Problem.

Consumers are foreign translations, consumer English, and Dutch consumers. Literally defined as "a person or company that buys certain goods or uses certain services", or "something or someone who uses a supply or an amount of money". Based on the above understanding, it can be seen that there is a distinction between consumers as natural persons or natural persons and consumers as companies or legal entities. This distinction is important to distinguish whether the consumer uses the goods for himself or for commercial purposes (sold, produced again).

Consumers are generally defined as the last users of products delivered to them by entrepreneurs<sup>2</sup>, that is, everyone who gets goods to be used and not to be traded or resold.<sup>3</sup>

3496

<sup>&</sup>lt;sup>1</sup> Abdul Halim Barkatulah, Consumer Protection Law (Theoretical Study and Thought Development), Nusa Media, Bandung, 2008, p. 7.

<sup>&</sup>lt;sup>2</sup> Mariam Darus Badrulzaman, 1986, Protection of Consumers in terms of Contract Standards, Paper at the Symposium on Legal Aspects of Consumer Protection, BPHN-Binacipta, Jakarta, p. 57.

According to Article 1 number 2 of Law Number 8 Year 1999 concerning Consumer Protection, that: "Consumers are every person using goods and / or services available in society, whether for the interests of themselves, their families, other people, or other living beings and not. to be traded ".

Article 1 point 3 of Law Number 8 of 1999 concerning Consumer Protection, the term producer is not sufficient, but uses another term which has more or less the same meaning, namely business actors which are defined as follows. legal or non-legal entity established and domiciled or carry out activities within the jurisdiction of the Republic of Indonesia, either individually or collectively through an agreement to organize business activities in various economic fields.

In this definition, this includes companies (corporations) in all forms and fields of business, such as state-owned enterprises, cooperatives and private companies, whether in the form of manufacturers, importers, retailers, distributors, and others. As an organizer of business activities, a business actor is the party who must be responsible for negative consequences in the form of losses caused by his business to third parties, namely consumers, as well as a producer. Producers / business actors will seek the maximum profit in accordance with economic principles.

That related to the understanding of consumers and producers / business actors as mentioned above, how are the legal aspects of consumer protection and the prohibition of monopolistic practices from the perspective of producer-consumer relations in Indonesia. Based on the description of the background of the problem above, the authors of this study attempt to analyze the research title Legal aspects of consumer protection and the prohibition of monopolistic practices from the perspective of producer-consumer relations in Indonesia.

#### 2. Problem Formulation.

What are the legal aspects of consumer protection and the prohibition of monopolistic practices from the perspective of producer-consumer relations in Indonesia?

# 3. Research Methods.

This research uses a normative juridical legal research type, which studies and analyzes legal materials and issues based on statutory regulations. This research was conducted to solve legal problems that arise while the results to be achieved are a prescription of what should be done.<sup>4</sup> In this case research on the legal aspects of consumer protection and the prohibition of monopolistic practices from the perspective of producer-consumer relations in Indonesia.

# 4. Research Results.

The producer-consumer relationship is basically a dependent relationship,<sup>5</sup> meaning that producers cannot independently produce goods without thinking about how to market them (a priori). Likewise, on the other hand, consumers cannot just assume that because they have money, they are free to make choices. What is the meaning of money if there are no goods. Therefore, it is necessary to balance the relationship between producers and consumers. The principle of partnership between producers and consumers absolutely needs each other and as a consequence, each has rights and obligations.

The legal aspects of consumer protection and the prohibition of monopolistic practices from the perspective of producer-consumer relations in Indonesia are based on Law Number 8 of 1999 concerning Consumer Protection, Law Number 5 of 1999 concerning Prohibition of Monopoly Practices and Unfair Business Competition.

The legal aspect of consumer protection from the perspective of producer-consumer relations in Indonesia, in this case the legal aspect of the relationship between producers and consumers, lies in the

<sup>&</sup>lt;sup>3</sup> Az. Nasution, 1994, Advertising and Consumers (Overview of Law and Consumer Protection, in Indonesian Management and Entrepreneurs) Number 3 Years. XXIII, LPM FE-UI, Jakarta, p. 23.

<sup>&</sup>lt;sup>4</sup> Peter Mahmud Marzuki, 2005, Legal research, Prenada Media, Jakarta, p. 7

<sup>&</sup>lt;sup>5</sup> Sri Redjeki, 1991, The Role of Consumer Organizations as Mediators of Consumer Interests, Paper from Faculty of Law UGM, Yogyakarta, p. 1.

partnership relationship between producers and consumers, the principle of increasing awareness, knowledge, concern, ability and independence of consumers to protect themselves and develop attitudes. responsible business actors so that consumer protection is realized which leads to efforts that ensure legal certainty for consumers. Law Number 8 of 1999 concerning Consumer Protection is seen as a system of legal protection for consumers. As a legal area, Law Number 8 of 1999 concerning Consumer Protection is very much needed in the field of economic activity, especially in the field of production and distribution of goods or services.

The legal aspect of the prohibition of monopolistic practices from the perspective of producer-consumer relations in Indonesia, in this case Law Number 5 of 1999 concerning the Prohibition of Monopolistic Practices and Unfair Business Competition, defines monopoly as control over the production and or marketing of goods and or the use of certain services by one business actor or a group of business actors. The impact of this monopolistic practice is the existence of unfair competition which is detrimental to the public interest (consumers).

If the monopoly is given to companies that are not oriented towards consumer interests, in the end consumers will be dictated to consume the goods or services without being able to do anything else. In such circumstances, business actors can unilaterally manipulate the quality of goods and the selling price. Law Number 5 of 1999 concerning Prohibition of Monopolistic Practices and Unfair Business Competition in Indonesia, stipulates that business actors are prohibited from entering into agreements with business competitors to set prices for goods and or services that must be paid by consumers or customers in the relevant market.

One of the obligations of producers is to provide products that are safe, meet product standards and do not endanger consumers. If the product produced by the producer is unsafe and harms consumers, then the producer must be responsible. The responsibility referred to here is the responsibility of the product, namely the responsibility of the producer for the products it produces.

The responsibility for products originating from the Dutch language "producten aansprakelijkheid", 6 in principle, the products produced by the producers, which then reach the consumers' hands, the consumers as the end users of a product do not know the process of making the product, so that in real terms the consumer's position seems to be - only accept and do not know how these goods are produced. This means that consumers cannot clarify the production process of these goods, even though if something negative happens to be related to a particular product, the consumer will be the first to accept the risk.

As a legal consequence of the prohibition given by the Law on Consumer Protection Number 8 of 1999, and the civil nature of the legal relationship between business actors and consumers, for the sake of law, every violation committed by business actors that harms consumers gives rights to consumers who the aggrieved party is to hold the business actor responsible for his loss, as well as to demand compensation for losses suffered by consumers.<sup>7</sup>

The right to compensation is intended to restore a condition that has become damaged (unbalanced) due to the use of goods or services that do not meet consumer expectations. This right is closely related to the use of products that have harmed consumers, both in the form of material losses and related losses from (illness, disability, and even death) consumers. To realize this right, of course, must go through certain procedures, both those that are settled amicably (outside the court) or those that are settled through the courts.

#### 5. Conclusion.

<sup>6</sup> M. Ali Mansyur, 2007, Law Enforcement on Producers' Liability in the Formation of Consumer Protection, Genta Press, Jakarta, p. 2.

3498

<sup>&</sup>lt;sup>7</sup> Gunawan Wijaya dan Ahmad Yani, 2003, Hukum Tentang Perlindungan Konsumen, PT Gramedia Pustaka Utama, Jakarta, hlm. 59.

The legal aspect of consumer protection from the perspective of producer-consumer relations in Indonesia, in this case the legal aspect of the relationship between producers and consumers, lies in the partnership relationship between producers and consumers, the principle of increasing awareness, knowledge, concern, ability and independence of consumers to protect themselves and develop attitudes. responsible business actors so that consumer protection is realized which leads to efforts that ensure legal certainty for consumers. Law Number 8 of 1999 concerning Consumer Protection is seen as a system of legal protection for consumers. As a legal area, Law Number 8 of 1999 concerning Consumer Protection is very much needed in the field of economic activity, especially in the field of production and distribution of goods or services.

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