

THE COMPARISON OF INDONESIAN AND AMERICAN CONSUMER PROTECTION LAWS WHAT AND HOW.docx

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THE COMPARISON OF INDONESIAN AND AMERICAN CONSUMER PROTECTION LAWS: WHAT AND HOW?

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Keywords:	<p><i>Introduction:</i> In this rapidly developing era of globalization, consumer protection has become an important global issue, with consumers having the right to receive adequate protection from the government and relevant legal institutions in various aspects such as product safety, service quality, and fair transactions.</p> <p><i>Purpose of The Research:</i> This research aims to analyze the comparison of consumer protection legal substances between Indonesia and the United States, as well as to identify the differences and similarities in the implementation of consumer protection laws in both countries.</p> <p><i>Method of Research:</i> This research employs normative legal research methods with a conceptual approach, analyzing primary, secondary, and tertiary legal materials through literature review, and applies descriptive-qualitative analysis to compare the substance and implementation of consumer protection laws in Indonesia and the United States.</p> <p><i>Result of Research:</i> Research findings show that consumer protection laws in Indonesia and the United States have significant differences that reflect each country's legal system. Indonesia relies on the Consumer Protection Act with a focus on basic consumer rights and non-litigation dispute resolution, while the US combines common law with federal and state laws, providing broader protection including data privacy and product safety. The implementation of laws in both countries also differs, with Indonesia prioritizing non-litigation mediation through BPSK (Consumer Dispute Settlement Body), while the US has a strong litigation system including class action mechanisms. Nevertheless, both countries face similar challenges in the digital era and equally emphasize the role of supervisory institutions to ensure effective law implementation.</p>	
Consumer Protection, Indonesia, United States, Comparative Law, Implementation.		

1. INTRODUCTION

In an era of rapidly growing globalization, consumer protection is becoming an increasingly important issue at the global level. Consumers, who play a central role in economic activities, deserve adequate protection from the government and relevant legal institutions. This protection covers various aspects, ranging from product safety, service quality, to fairness in transactions. In different countries, consumer protection is regulated under different legal frameworks, depending on each country's legal system, economic conditions and culture.¹ In this context, it is interesting to see how consumer protection is implemented in Indonesia and the United States, two countries with different legal backgrounds but significant roles in the global economy.

¹ Wiwik Sri Widiarty and Rudolf V. Saragih, *Hukum Perlindungan Konsumen Di Era Globalisasi* (Yogyakarta: Publika Global Media, 20244).

Indonesia as a developing country and the United States as a developed country have different approaches to protecting consumers. Indonesia adopts a mixed legal system that combines elements of customary law, Islamic law, and European law, particularly Dutch, due to its colonial heritage. Meanwhile, the United States follows a common law system based on precedents and court decisions, with additional regulation from federal and state laws. These differences in legal systems affect how consumer rights are protected in both countries.²

In Indonesia, consumer protection is specifically regulated through Law Number 8 Year 1999 on Consumer Protection (Consumer Protection Law). This law provides protection to consumers from harmful trade practices, such as misleading product information, provision of goods or services that do not meet standards, and violations of basic consumer rights. In practice, consumer protection in Indonesia still faces challenges, both in terms of law enforcement and consumer awareness itself.³ Many cases involving consumer rights violations go unresolved, either due to weak law enforcement or consumers' lack of understanding of their rights.

On the other hand, the United States has a more comprehensive consumer protection legal framework. The Federal Trade Commission (FTC), as the main federal agency responsible for consumer protection, has broad authority to enforce the law and protect consumers from unethical business practices. In addition, each state in the United States also has its own consumer protection laws, which reinforces the federal system. This decentralized approach allows for more flexible and speedy enforcement, although it sometimes results in differences in handling between states. The development of technology and the digital economy in the United States has also led to more sophisticated regulations to protect consumers, especially in online transactions and the use of personal data.⁴

One of the main differences between Indonesia and the United States in terms of consumer protection lies in the aspect of law enforcement. In Indonesia, although the Consumer Protection Law is quite comprehensive, implementation in the field is still often constrained. This is due to several factors, including limited resources, low legal awareness among consumers and businesses, and slow judicial processes. In addition, consumer dispute resolution in Indonesia tends to focus more on mediation and non-litigation efforts, despite the availability of judicial mechanisms. Institutions such as the Consumer Dispute Settlement Body (BPSK) play an important role in resolving consumer disputes out of court, but their effectiveness is often questioned due to various structural constraints.⁵

In contrast, in the United States, the litigation system is very strong in handling consumer protection cases. Aggrieved consumers have easier access to take their cases to court, both at the state and federal level. In addition, lawyers who specialize in consumer protection law are widely available, and courts often award significant damages to consumers who prevail in these cases. The existence of class actions is also an effective instrument in fighting for consumer rights in the United States. A class action lawsuit allows

² Jimly Asshiddiqie, *Hukum Tata Negara Dan Pilar-Pilar Demokrasi: Serpihan Pemikiran Hukum, Media Dan HAM* (Jakarta: Konstitusi Press, 2005).

³ Rizkita Dinar Anggraini and Sinarianda Kurnia Hartantien, "PERLINDUNGAN KONSUMEN ATAS HAK INFORMASI DALAM MELAKUKAN TRANSAKSI ONLINE," *Jurnal Hukum Dan Keadilan* 13, no. 1 (July 8, 2024): 104–12, <https://doi.org/10.55499/judiciary.v13i1.240>.

⁴ Lars Hornuf, Sonja Mangold, and Yayun Yang, "Data Protection Law in Germany, the United States, and China," 2023, 19–79, https://doi.org/10.1007/978-3-031-32064-4_3.

⁵ Yudha Hadian Nur and Dwi Wahyuniarti Prabowo, "PENERAPAN PRINSIP TANGGUNG JAWAB MUTLAK (STRICT LIABILITY) DALAM RANGKA PERLINDUNGAN KONSUMEN," *Buletin Ilmiah Litbang Perdagangan* 5, no. 2 (2011), <https://doi.org/https://doi.org/10.30908/bilp.v5i2.127>.

⁹ a group of consumers who have suffered similar losses to join a single case, which not only saves costs, but also increases consumers' chances of winning against a major corporation.⁶

However, despite the many advantages of consumer protection in the United States, there are challenges that cannot be ignored. A legal system that relies heavily on litigation often comes at a high cost, both financially and in terms of time. Many consumer protection cases in the United States take years to resolve, and the high legal costs often discourage consumers from pursuing legal proceedings, especially if the damages are minimal.⁷ This contrasts with Indonesia, where the consumer dispute resolution process tends to be simpler despite its limited effectiveness. ⁶

In the context of the development of the digital economy and e-commerce, both countries also face new challenges in consumer protection. In Indonesia, with the increasing number of internet users and online transactions, issues related to personal data security, fraud in transactions, and counterfeit products have emerged. The Indonesian government has attempted to respond to these challenges by issuing new regulations, such as the recently passed Government Regulation on Personal Data Protection.⁸ Nevertheless, the enforcement of these regulations still faces obstacles, mainly related to limited infrastructure and resources.

In the United States, similar challenges arise, but the approach is more structured. The FTC plays an important role in protecting consumers in online transactions, and regulations related to data security and consumer rights in digital transactions are continuously updated as technology evolves. Non-governmental organizations, such as Consumer Reports and the Better Business Bureau, also help raise consumer awareness and provide a platform for consumers to report violations of their rights.⁹

A comparative study between consumer protection law in Indonesia and the United States is important, as it can provide insight into how two countries with different legal systems deal with similar challenges in protecting consumers. From Indonesia's perspective, studying the United States' approach can be a reference for improving the consumer protection system, especially in terms of law enforcement and strengthening supervisory institutions. Meanwhile, from the perspective of the United States, studying Indonesia's experience in dealing with the challenges that arise in developing countries can provide a new perspective on the simplicity and accessibility of the law.¹⁰

Overall, a comparison of consumer protection laws in Indonesia and the United States shows fundamental differences in approach and implementation. Nonetheless, the end goal remains the same, which is to protect consumers from harmful trade practices and ensure that their rights are respected and enforced. With the increasing complexity of trade transactions, especially in the digital age, it is important for both countries to continuously update regulations and strengthen law enforcement to keep up with market dynamics and evolving consumer needs. This research is expected to contribute to a deeper understanding of consumer protection law in both countries, as well as provide practical recommendations for policymakers and relevant stakeholders.

⁶ Widiarty and Saragih, *Hukum Perlindungan Konsumen Di Era Globalisasi*.

⁷ Yudha Sri Wulandari, "Perlindungan Hukum Bagi Konsumen Terhadap Transaksi Jual Beli E-Commerce," *Ajudikasi : Jurnal Ilmu Hukum* 2, no. 2 (December 31, 2018): 199, <https://doi.org/10.30656/ajudikasi.v2i2.687>.

⁸ Rosianna Evanesa Sihombing and Made Gede Subha Karma Resen, "Perlindungan Konsumen Dalam E-Commerce Di Indonesia (Hambatan Penerapan Regulasi Antara Penerapan Dan Pengawasan)," *Aliansi: Jurnal Hukum, Pendidikan Dan Sosial Humaniora* 1, no. 6 (2024), <https://doi.org/https://doi.org/10.62383/aliansi.v1i6.539>.

⁹ Siti Rosmayati, "Tantangan Hukum Dan Peran Pemerintah Dalam Pembangunan E-Commerce," *Koalisi: Cooperative Journal* 3, no. 1 (2023), <https://doi.org/https://doi.org/10.32670/koalisi.v3i1.3641>.

¹⁰ Fahreza Rizki et al., "Upaya Peningkatan Perlindungan Hukum Merek Di Indonesia: Studi Perbandingan Hukum Indonesia Dan Amerika Serikat," *Jurnal Pendidikan Sosiologi Dan Hukum* 1, no. 2 (2023).

Based on the background explanation above, the author is interested in conducting research entitled "Comparison of Indonesian and American Consumer Protection Law: What and How?". The formulation of the problem in this research is as follows:

1. How does the substance of consumer protection law compare between Indonesia and the United States?
2. What are the differences and similarities in the implementation of consumer protection law in Indonesia and the United States?

2. METHOD

In this research, the research method used is normative legal research. Normative or doctrinal legal research is research that examines and analyzes the law from the perspective of written legal norms or rules. This research focuses on the study of applicable laws and regulations, legal doctrine, and legal literature related to consumer protection in Indonesia and the United States. Normative legal research will describe and compare the substance of consumer protection law in the two countries to find similarities, differences, and advantages of each legal system.

This research uses a conceptual approach. This approach is carried out by analyzing the basic concepts underlying consumer protection law, both in Indonesia and in the United States. In the conceptual approach, theories of consumer protection law as well as general principles of consumer protection, such as basic consumer rights, producer responsibility, and government obligations, will be examined in depth. Through this approach, the research will explore the conceptual differences between Indonesia's civil law-based legal system and the United States' common law-based legal system in terms of consumer protection.

The sources of legal materials used in this research consist of primary, secondary, and tertiary legal materials.

- Primary legal materials include laws and regulations related to consumer protection in Indonesia and the United States, such as Law Number 8 Year 1999 on Consumer Protection in Indonesia and the Consumer Protection Act in the United States. In addition, relevant court decisions will also be used as primary legal materials, particularly those related to consumer protection cases.
- Secondary legal materials include scientific documents, journals, books, and previous research results that discuss consumer protection, both in general and in the context of comparative law between Indonesia and the United States. Legal doctrine from experts as well as literature discussing consumer protection law theory will also be used.
- Tertiary legal materials in the form of legal dictionaries, encyclopedias, and indexes used to explain or support the understanding of the concepts discussed in the study.

The data collection technique in this research is conducted through library research. All necessary data and legal materials will be obtained by tracing laws and regulations, legal doctrines, court decisions, and scientific literature available both in print and online. This literature study is important to explore legal sources related to consumer protection in Indonesia and the United States, as well as to understand the context of legal comparison between the two countries.

After the legal materials are collected, the data analysis technique used in this research is descriptive-qualitative analysis. The data that has been collected is analyzed by describing, comparing, and interpreting regulations, doctrines, and court decisions related to consumer protection in Indonesia and the United States. This analysis aims to find legal

patterns underlying consumer protection in both countries, so that differences and similarities can be identified from the normative law aspect. The results of this analysis are expected to provide an in-depth understanding of how each country implements the principles of consumer protection in their legal systems and offer recommendations for improvements to Indonesia's consumer protection system.

By using normative legal research methods, conceptual approaches, and qualitative analysis techniques, this research aims to provide a clear and detailed picture of the comparison of consumer protection law between Indonesia and the United States, both in terms of principles, mechanisms, and the effectiveness of its enforcement.

3. RESULTS AND DISCUSSION

3.1. Comparison of the Substance of Consumer Protection Law Between Indonesia and the United States

Consumer protection is a human right recognized in many countries, including Indonesia and the United States, which aims to protect the basic rights of consumers and ensure fairness in trade. While both countries recognize the importance of consumer protection, the substance of the laws governing consumer protection in the two countries has some fundamental differences, due to differences in legal systems, history, and culture. Indonesia adopts a civil law-based legal system, while the United States relies on common law as its legal basis.¹¹ These differences impact how consumer rights are protected, how the law is applied, and how the government and legal institutions play a role in enforcing consumer protection.

In Indonesia, consumer protection is specifically regulated in Law Number 8 Year 1999 on Consumer Protection (Consumer Protection Law). This law was created with the aim of providing legal protection to consumers from various harmful practices, including fraud, dishonesty, and insecurity of products or services offered by producers or businesses. The Consumer Protection Law also seeks to ensure that consumers can enjoy their rights, such as the right to clear information, the right to security, as well as the right to compensation in the event of a violation.¹²

The Consumer Protection Law covers several important aspects related to consumer protection:

- Consumer Rights: Consumers in Indonesia have the right to obtain comfort, security, and safety in using goods and/or services. In addition, consumers have the right to obtain correct, clear, and honest information about the condition and guarantee of goods and/or services.
- Obligations of Business Actors: Business actors are obliged to guarantee the quality of the goods and/or services they sell in accordance with predetermined standards and must not mislead consumers through false advertising or information. Business actors are also responsible if the goods or services provided harm consumers.
- Dispute Resolution: If there is a violation of consumer rights, consumers can file a complaint through the Consumer Dispute Settlement Body (BPSK), a non-litigation institution tasked with resolving consumer disputes through mediation, arbitration, or conciliation.

¹¹ Hilary Hogan, "The Origins and Development of Article 16 of the Charter of Fundamental Rights," *European Law Open* 2, no. 4 (December 25, 2023): 753–83, <https://doi.org/10.1017/elo.2023.53>.

¹² Wahid Yaurwarin, "Perlindungan Hukum Terhadap Konsumen Pembeli Makanan Berbuka Puasa Yang Mengandung Bahan Pengawet Dan Bahan Pemanis Buatan (Kajian UU No. 8 Tahun 1999)," *PUBLIC POLICY (Jurnal Aplikasi Kebijakan Publik & Bisnis)* 1, no. 1 (February 15, 2020): 35–46, <https://doi.org/10.51135/PublicPolicy.v1.i1.p35-46>.

One of the hallmarks of Indonesia's Consumer Protection Law is its comprehensive protection of consumers, including regulations on advertising, promotion, and liability of businesses. However, although this law is quite comprehensive, its implementation in the field often encounters obstacles. Enforcement of consumer protection laws is still hampered by low public awareness of their rights as consumers, lack of adequate institutional support, and weaknesses in consumer dispute resolution mechanisms.¹³ In addition to the Consumer Protection Law, several other regulations are also relevant, such as Government Regulation No. 58/2001 on the Guidance and Supervision of the Implementation of Consumer Protection and Law No. 7/2014 on Trade, which further regulates the obligations of business actors in the trade of goods and services.¹⁴

Meanwhile, in the United States, consumer protection law is based on a combination of common law and various statutory laws that apply at the federal and state levels. One of the main laws governing consumer protection in the United States is the Federal Trade Commission Act (1914), which established the Federal Trade Commission (FTC). The FTC is a federal agency that has broad authority to enforce consumer protection laws and prevent fraudulent, deceptive, or unfair business practices.¹⁵

Some important aspects of the consumer protection system in the United States include:

- Consumer Rights: Like in Indonesia, consumers in the United States also have the right to obtain products and services that are safe and in line with what is promised by businesses. These rights are guaranteed by federal and state laws, and supported by various agencies that have the responsibility to enforce the laws on the ground.¹⁶
- Manufacturer's Liability: The United States has strict regulations regarding manufacturers' liability for defective products. The Consumer Product Safety Act (1972) authorizes the Consumer Product Safety Commission (CPSC) to oversee dangerous products and ensure safety standards are met. If a product is found to be defective and causes harm to consumers, the manufacturer may be subject to huge damages through the courts.¹⁷
- Dispute Resolution: In the United States, consumer disputes are mostly resolved through litigation. Aggrieved consumers can file a lawsuit in court, and the class action mechanism allows a group of consumers to file a joint lawsuit against businesses that violate consumer rights. Class actions are often used in major cases involving mass harm, such as defective product recalls or financial services fraud.¹⁸

The United States also has various other federal laws that protect consumers, such as the Consumer Credit Protection Act (1968) which protects consumers from unfair debt

¹³ Theresia Louize Pesulima, Jenny Kristiana Matuankotta, and Sarah Selfina Kuahaty, "Perlindungan Konsumen Terhadap Peredaran Produk Kesehatan Ilegal Di Era Pandemi Covid-19 Di Kota Ambon," *Jurnal SASI* 27, no. 2 (2021).

¹⁴ Abd Aziz, "Tugas Dan Wewenang Badan Pengawas Obat Dan Makanan (BPOM) Dalam Rangka Perlindungan Konsumen," *Al-Qanun: Jurnal Pemikiran Dan Pembaharuan Hukum Islam* 23, no. 1 (June 19, 2020): 193–214, <https://doi.org/10.15642/alqanun.2020.23.1.193-214>.

¹⁵ Surahman, *REKONSTRUKSI PENEGAKAN HUKUM TERHADAP PERKARA KARTEL DALAM HUKUM PERSAINGAN USAHA INDONESIA BERBASIS NILAI KEADILAN*. (Semarang: Universitas Islam Sultan Agung, 2022).

¹⁶ Heldya Natalia Simanullang, "Perlindungan Hukum Terhadap Konsumen Dalam Transaksi E-Commerce," *Melayunesia Law* 1, no. 1 (2017).

¹⁷ Masrukhin, *REKONSTRUKSI REGULASI TANGGUNG JAWAB PELAKU USAHA DALAM RANGKA MEWUJUDAKAN PERLINDUNGAN KONSUMEN YANG BERBASIS NILAI KEADILAN* (Semarang: Universitas Islam Sultan Agung, 2023).

¹⁸ Febry Chrisdanty, "PENYELESAIAN SENGKETA KONSUMEN MELALUI PENGADILAN DAN NON LITIGASI OLEH BADAN PENYELESAIAN SENGKETA KONSUMEN (BPSK)," *Jurnal Magister Hukum Perspektif* 11, no. 2 (January 28, 2021): 52–62, <https://doi.org/10.37303/magister.v1i2.9>.

10 collection practices, and the Fair Credit Reporting Act (1970) which protects consumers in the provision of their credit information.

The main differences in consumer protection between Indonesia and the United States can be seen in the way each country regulates consumer rights and the responsibilities of businesses. In Indonesia, consumer rights are more focused on the right to clear information, the right to security, and the right to redress. The Consumer Protection Law provides protection to consumers from defective goods or services, but enforcement of these rights often relies on mediation and non-litigation dispute resolution.¹⁹

15 In the United States, consumer rights also cover broader aspects, such as the protection of privacy rights in the use of personal data and the right to obtain protection from dangerous products. On the other hand, the strong litigation system in the United States allows consumers to sue producers or businesses more aggressively, especially through class action mechanisms. This significant difference reflects the strong position of consumers in the United States in fighting for their rights, especially in cases involving large losses.²⁰

Enforcement of consumer protection laws in Indonesia and the United States also has notable differences. In Indonesia, enforcement is often administrative through institutions such as the Consumer Dispute Settlement Body (BPSK). Aggrieved consumers can file a complaint with BPSK, which will then conduct mediation or arbitration to resolve the dispute. However, BPSK's effectiveness is often questioned due to its limited resources and authority.²¹

In the United States, enforcement is more rigorously enforced through litigation in the courts. Consumers can take their cases directly to court, both at the federal and state level. In addition, the Federal Trade Commission (FTC) plays an important role in overseeing business practices that violate consumer rights. The FTC has the authority to impose fines and sanctions on businesses found to be in violation, as well as order the withdrawal of products from the market if the products are deemed harmful.²²

With the rapid development of the digital economy and online commerce, both Indonesia and the United States are facing new challenges in consumer protection. In Indonesia, the main problems faced are the lack of supervision of online transactions and the lack of clear regulations regarding the protection of personal data. The Indonesian government has issued several related regulations, such as Government Regulation No. 71/2019 on the Implementation of Electronic Systems and Transactions, which regulates security in online transactions, but enforcement is still not maximized.²³

In the United States, regulations related to consumer protection in the digital age are more mature. The FTC and CPSC have developed various rules to protect consumers from online fraud, misuse of personal data, and defective digital products. In addition, the United

¹⁹ Widya Fitri Adilia, "PERSYARATAN E-COMMERCE MERUGIKAN KONSUMEN PADA TRANSAKSI BARANG ELEKTRONIK DI MARKETPLACE [E-COMMERCE REQUIREMENTS HARMING CONSUMERS IN ELECTRONIC GOODS TRANSACTIONS IN THE MARKETPLACE]," *Lex Prospicit* 1, no. 1 (May 25, 2023): 70, <https://doi.org/10.19166/lp.v1i1.6680>.

²⁰ Ardhiana Hidayah and Marsitiningih Marsitiningih, "Aspek Hukum Perlindungan Data Konsumen E-Commerce," *Kosmik Hukum* 20, no. 1 (August 19, 2020): 56, <https://doi.org/10.30595/kosmikhukum.v20i1.8251>.

²¹ Diah Wahyulina, "PENEGAKAN HUKUM SENGKETA KONSUMEN OLEH BPSK UNTUK PENCEGAHAN PELANGGARAN HAK KONSUMEN," *Et-Tijarie: Jurnal Hukum Dan Bisnis Syariah* 5, no. 2 (December 4, 2018), <https://doi.org/10.21107/ete.v5i2.4587>.

²² Ulfa Habibah et al., "ANALISIS PERLINDUNGAN KONSUMEN DALAM TRANSAKSI E-COMMERCE DI KAB. KUNINGAN," *Letterlijk* 1, no. 1 (2024).

²³ Irsan Rahman et al., "Hukum Perlindungan Konsumen Di Era E-Commerce: Menavigasi Tantangan Perlindungan Konsumen Dalam Lingkungan Perdagangan Digital," *Jurnal Hukum Dan HAM Wara Sains* 2, no. 08 (August 31, 2023): 704–12, <https://doi.org/10.58812/jhhws.v2i08.605>.

States also has specific laws such as the Children's Online Privacy Protection Act (COPPA) which protects children from exploitation on the internet.²⁴

Overall, a comparison between consumer protection laws in Indonesia and the United States shows that while both have the same goal of protecting consumers from unfair practices, differences in legal systems and culture affect the way each country regulates and enforces consumer protection. Indonesia has fairly comprehensive laws to protect consumers, but still faces challenges in terms of enforcement and public awareness. On the other hand, the United States has a stronger consumer protection system with stricter enforcement and litigation mechanisms that support consumers in fighting for their rights. Challenges in the digital age are also a major concern for both countries, and require increased regulation and better oversight to protect consumers online.

3.2. Differences and Similarities in the Implementation of Consumer Protection Law in Indonesia and the United States

Consumer protection is an important part of maintaining a balanced relationship between producers and consumers, which aims to protect the rights of consumers and provide assurance that the goods and services they obtain are in accordance with the expected safety and quality standards. In the context of consumer protection law, Indonesia and the United States have different legal systems, but both adhere to the basic principles of consumer protection.²⁵ To understand the differences and similarities in the implementation of consumer protection laws in these two countries, it is important to discuss the legal framework, enforcement mechanisms, and challenges faced in protecting consumer rights in each country.

Differences in the Implementation of Consumer Protection Law

1. Legal System and Enforcement Structure

One of the fundamental differences in the implementation of consumer protection law in Indonesia and the United States is the legal system adopted. Indonesia adheres to a civil law legal system that prioritizes written laws and regulations as the main source of law. Meanwhile, the United States uses a common law system, where court decisions (precedents) play an important role in the development of law.²⁶

In Indonesia, consumer protection law is specifically regulated in Law Number 8 Year 1999 on Consumer Protection (Consumer Protection Law). This law sets out the rights and obligations of consumers and businesses, and regulates the mechanism for resolving consumer disputes either through mediation, conciliation, arbitration, or litigation in court. In this system, the law has a central role as the main guide in protecting consumers, and law enforcement is carried out through institutions such as the Consumer Dispute Settlement Body (BPSK) and the district court.²⁷

In contrast, the United States has a more complex and decentralized legal system. Consumer protection is regulated at both the federal and state levels. At the federal level, the Federal Trade Commission Act is a law that authorizes the Federal Trade Commission (FTC) to protect consumers from unfair and deceptive business practices. At the state level,

²⁴ Nanin Koeswidi Astuti and Robertus Nugroho Perwiro Atmojo, "PERLINDUNGAN KONSUMEN ATAS RISIKO KEAMANAN INFORMASI DALAM TRANSAKSI E-COMMERCE," *Honeste Vivere* 32, no. 2 (July 28, 2022): 98–107, <https://doi.org/10.55809/hv.v32i2.135>.

²⁵ Yaurwarin, "Perlindungan Hukum Terhadap Konsumen Pembeli Makanan Berbuka Puasa Yang Mengandung Bahan Pengawet Dan Bahan Pemanis Buatan (Kajian UU No. 8 Tahun 1999)."

²⁶ Florentina Dwi Astuti, *Sistem Hukum Indonesia* (Malang: PT. Literasi Nusantara Abadi Grup, 2023).

²⁷ Edy Purwito, "KONSEP PERLINDUNGAN HUKUM KONSUMEN DAN TANGGUNG JAWAB HUKUM PELAKU USAHA TERHADAP PRODUK GULA PASIR KADALUARSA DI KOTA SURABAYA," *Jurnal Magister Ilmu Hukum* 13, no. 1 (June 30, 2023): 109–29, <https://doi.org/10.56943/dekrit.v13n1.152>.

each state has its own consumer protection laws, which allows for variations in enforcement across states. In addition, court decisions in the common law system play an important role in expanding or narrowing the scope of consumer protection.²⁸

2. Enforcement and Dispute Resolution Mechanism

⁶ In Indonesia, consumer dispute resolution tends to favor a non-litigation approach. The Consumer Dispute Settlement Body (BPSK) was established to settle disputes between consumers and business actors out of court. BPSK functions as an institution that facilitates mediation, conciliation, and arbitration. If no agreement is reached, consumers can bring their case to the district court to be resolved through the litigation process. In addition, the Indonesian Consumers Foundation (YLKI) as a non-profit organization also plays a role in helping consumers fight for their rights.²⁹

Meanwhile, in the United States, consumers have greater access to resolving disputes through the courts. One important feature of the American legal system is the class action mechanism, where a group of consumers with similar complaints can consolidate their claims into one case. Class action lawsuits are often used to sue large corporations suspected of systematically violating consumer rights. In addition, the FTC and state agencies have the authority to bring charges against companies that engage in business practices that deceive or harm consumers.³⁰

3. Business Responsibility and Government Supervision

The responsibilities of businesses towards consumers also differ between Indonesia and the United States. In Indonesia, the Consumer Protection Law stipulates the responsibility of business actors to provide true, clear, and honest information about the goods and/or services offered, and guarantee the quality of the products sold. Businesses are also required to provide compensation or replacement if consumers are harmed by products or services that are not in accordance with the law.³¹

In the United States, in addition to similar responsibilities, there are stricter standards regarding product safety, especially for products that could potentially jeopardize the health and safety of consumers. The Consumer Product Safety Commission (CPSC) is the federal agency in charge of overseeing product safety and can order the recall of products that do not meet safety standards. Product recalls are one of the most important instruments used in the United States to protect consumers from dangerous products.³²

Similarities in the Implementation of Consumer Protection Law

1. Basic Principles of Consumer Protection

Despite differences in legal systems and enforcement mechanisms, these two countries adhere to similar basic principles in consumer protection. These principles include:

- The right to obtain correct and honest information about goods and/or services.
- The right to obtain safe goods/services, which do not endanger the health and safety of consumers.

²⁸ Kurnia Togar, *STATE ACTION DOCTRINE DALAM HUKUM PERSAINGAN USAHA* (Depok: Universitas Indonesia, 2011).

²⁹ Chrisdanty, "PENYELESAIAN SENGKETA KONSUMEN MELALUI PENGADILAN DAN NON LITIGASI OLEH BADAN PENYELESAIAN SENGKETA KONSUMEN (BPSK)."

³⁰ Ariel C. Avgar et al., "A Fragmented and Heavily Privatized Dispute Resolution System: The United States," *Industrial Relations Journal* 54, no. 4–5 (July 11, 2023): 304–20, <https://doi.org/10.1111/irj.12409>.

³¹ Yulia Susantri, "PERLINDUNGAN TERHADAP HAK-HAK KONSUMEN DALAM PERSPEKTIF HAK ASASI MANUSIA," *CONSTITUO: Journal of State and Political Law Research* 1, no. 1 (July 8, 2022), <https://doi.org/10.47498/constituo.v1i1.1210>.

³² Marian Moser Jones and Isidore Daniel Benrubi, "Poison Politics: A Contentious History of Consumer Protection Against Dangerous Household Chemicals in the United States," *American Journal of Public Health* 103, no. 5 (May 2013): 801–12, <https://doi.org/10.2105/AJPH.2012.301066>.

- The right to compensation if the goods/services received are not in accordance with the agreement or have production defects.
- The right to choose goods/services without pressure or coercion from business actors.

In both Indonesia and the United States, consumers are protected from unfair business practices, such as fraud, misleading information, and defective or dangerous goods. Regulations in both countries emphasize the importance of businesses' responsibility to ensure that the products and services they offer meet established standards.

2. Strengthening the Role of Supervisory Institutions

Both countries also place an important role on watchdog institutions to ensure the implementation of consumer protection laws. In Indonesia, in addition to the Consumer Dispute Settlement Body (BPSK), the government also supports the role of the Indonesian Consumers Foundation (YLKI) in voicing consumer rights and providing advocacy to consumers in disputes with businesses. YLKI acts as a non-governmental organization that focuses on the defense of consumer rights, often working with the government and the public to resolve problems faced by consumers.

In the United States, the Federal Trade Commission (FTC) plays a very active role in overseeing the market and enforcing rules related to consumer protection. The FTC has the authority to investigate, prosecute, and stop business practices that are deemed harmful to consumers. At the state level, state prosecutors' offices also have specialized units that handle consumer protection cases. This collaboration between federal and state agencies creates a broader and more effective oversight system.

3. Consumer Protection in the Digital Era

The development of technology and the digital economy has changed the dynamics of trade and increased challenges in consumer protection. In this digital era, both Indonesia and the United States face similar issues, such as fraud in online transactions, misuse of personal data, and counterfeit products.

In Indonesia, the government has responded to this challenge by enacting Government Regulation No. 80/2019 on Trading Through Electronic Systems and Law No. 27/2022 on Personal Data Protection. Both regulations are designed to provide better protection for consumers in online transactions and prevent the misuse of personal data by irresponsible parties.

Meanwhile, in the United States, the FTC actively oversees e-commerce practices and issues regulations related to consumer personal data security. The FTC also has the authority to take action against companies that violate consumer rights in online transactions. In addition, laws such as the Children's Online Privacy Protection Act (COPPA) provide special protection for children in online activities.

Challenges in the Implementation of Consumer Protection Law

¹ Despite adequate regulations, both Indonesia and the United States face challenges in implementing consumer protection laws. In Indonesia, the main challenge is the lack of consumer awareness of their rights, as well as weak law enforcement in some areas. Limited resources and infrastructure also often hamper the process of effectively resolving consumer disputes.

In the United States, although the consumer protection law enforcement system is more advanced, high litigation costs and often lengthy processes can be an obstacle for consumers, especially for those with low incomes. Meanwhile, the rapid development of technology and innovation in the digital economy also creates new challenges in protecting consumers from harmful business practices.

¹ In comparing consumer protection law between Indonesia and the United States, there are significant differences in terms of legal systems, enforcement mechanisms, and business liability. The civil law system in Indonesia gives a central role to written laws and dispute resolution through BPSK, while common law in the United States allows court decisions to be the main source of consumer protection law development, supported by a strong class action mechanism. However, both countries share basic consumer protection principles, such as the right to truthful information, product safety, and redress. Both also face similar challenges in protecting consumers in the digital age. By continuing to strengthen regulation, supervision, and consumer awareness, both Indonesia and the United States can more effectively protect consumer rights in the future.

CONCLUSION

The substance of consumer protection law in Indonesia and the United States has some fundamental differences that reflect each country's legal system, history, and culture. Indonesia relies on Law No. 8/1999 on Consumer Protection as the main foundation, focusing on consumers' rights to clear information, safety, and redress, as well as dispute resolution through non-litigation mediation such as BPSK. Meanwhile, the United States combines common law with various federal and state laws, such as the Federal Trade Commission Act, which provides broader protections including data privacy and product safety. Enforcement in the US is more rigorous through the litigation system, including class action mechanisms, with the Federal Trade Commission (FTC) playing an important role in oversight and enforcement. While both countries face new challenges in the digital age, the US has more mature regulations addressing issues such as data protection and security of online transactions.

⁵ The implementation of consumer protection law in Indonesia and the United States has some important differences and similarities. The main difference lies in the legal system used, where Indonesia adheres to civil law with a focus on written laws such as the Consumer Protection Law, while the US uses common law which relies more on court precedents. Dispute resolution mechanisms also differ, with Indonesia favoring a non-litigation approach through BPSK, while the US has a strong litigation system including class action mechanisms. However, both countries have similarities in the basic principles of consumer protection, such as the right to correct information, product safety, and redress. Both also face similar challenges in the digital era, including personal data protection and online transaction security, and both emphasize the role of watchdog agencies such as YLKI in Indonesia and the FTC in the US to ensure effective implementation of consumer protection laws.

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