

# Road Map E-Commerce as an Alternative Law Protection for Consumers in Era Trade Online

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**Abstract**—The purpose of this research is to discuss the development of digitalization of the economy in the face of the industrial revolution era 4.0. It which needs to be addressed intelligently so that it does not require consumers or do business through the transformation of consumer protection instruments into more contemporary ways. **Methodology:** This research involves sociological jurisdiction, that is, research that uses written legal instruments, as a complement to its practice in the field, using written data from the mass media. **Main Findings:** Presidential Regulation (Perpres) Number 74 of 2017. This Presidential Regulation regulates the Road Map of an Electronic-Based National Trading System (e-commerce road map). This Policy Package is expected to make Indonesia the country with the largest digital economy in Southeast Asia by 2020. **Application of this research:** Representing the State's duty to bring protection and legal certainty to consumers. Besides, legal protection consisting of laws is needed so that the state can provide simultaneous and approved legal protection to consumer rights in e-commerce transactions in the digital economy era.

**Keywords:** e-commerce roadmap, legal protection, online trading

## I. INTRODUCTION

The history of humanity cannot be separated from the history of the development of equipment, especially the development of technological equipment. Information technology has changed the way transactions and opens up new opportunities in conducting business transactions. The development of information technology has caused the world to be without limits and caused significant social change to take place so quickly. Information technology is now a double-edged sword because in, addition to contributing to the improvement of human welfare, progress and civilization, it is also an effective means of acting against the law [1]. In a time of increasingly integrated globalization (Global Communication Network) and the growing popularity of the internet as if making the world smaller, the development of technology and information in Indonesia also makes buying and selling transactions with conventional finals increasingly turn into electronic trading transactions using popular internet media with e-commerce or electronic trade contracts. E-commerce could deliver a significant benefit to businesses in developing countries by increasing their control over its place in the supply chain, thus improving its market efficiency [2].

The technologies designed to improve commercial transactions using the Internet have evolved as quickly. However, we have not yet achieved an ideal world of stainless and secure transactions utilizing the Internet, as unresolved privacy issues of the purchaser have impeded the further development of technologies [3].

Internet shopping is a phenomenon that is growing rapidly nowadays. A peep into the exponential growth of the main players in this industry indicates there is still a large reservoir of market potential for e-commerce [4]. The convenience of online shopping rendering it an emerging trend among consumers, especially Gen Y. The prevalence of online shopping has raised the interest of retailers to focus on this area. Therefore, this study was to determine the relationship between subjective norm, perceived usefulness, and online shopping behavior while mediated by purchase intention. E-commerce referred to the buying and selling of products, services, that through electronic networks. Online shopping was one of the most important activities of E-commerce. Online shopping activity was broadly defined, included finding online retailers and products, searching for product information, selecting payment options, communicating with other consumers, and purchasing products or services [5].

Electronic commerce, or e-commerce, is the buying and selling of goods and services on the Internet. Other than buying and selling, many people use the Internet as a source of information to compare prices or look at the latest products on offer before making a purchase online or at a traditional store. E-business is sometimes used as another term for the same process. More often, though, it is used to define a broader process of how the Internet is changing the way companies do business, of the way they relate to their customers and suppliers, and of the way they think about such functions as marketing and logistics. For the purpose of this study, e-commerce is taken to mean doing business electronically [6].

E-Commerce does provide extraordinary indulgence to consumers because consumers do not need to leave the house to shop; besides that, the choice of goods /services also varies with relatively lower prices. Many consumers have the freedom to determine the type and quality of goods /services according to their needs. It is said negative because these easy conditions can cause the position of consumers to be weaker than the position of business actors. The internet and e-

commerce are closely wrapped towards developed countries. But they can achieve tremendous benefits to developing countries if it is applicable as an ideal business purpose. Ecommerce is a revolution in business practices.

In the future, it is hoped that the world will become a global village so that national borders become borderless. While the global economy follows its logic. In the process, the world is utilized as well as an intensification of awareness of the world as a whole. However, the process of globalization that allows the free flow of information through the internet increased the traffic flow of goods and people internationally as well as membership in various world organizations potentially raises issues.

Ease of transactions in online networks will provide convenience and benefit consumers because it can be accessed across countries and many choices for consumers. But on the other hand, there will be an expansion of the imbalance (asymmetry) of information between consumers and producers to harm consumers. The government must protect the rights of consumers so that consumers always feel safe and profitable in making electronic transactions and continue to encourage consumers to prioritize the use of domestically made products.

## II. METHODOLOGY

This research is a sociological jurisdiction. That is, research that uses written legal instruments, as a compliment, also includes practice in the field using written data from the mass media.

## III. PROBLEM AND DISCUSSION

The consumer protection movement exists because of many problems as a result of the position of the community (consumers) and the aggressiveness of producers (corporations) in carrying out activities and offering their products, without regard to quality, ethics and corporate responsibility which often only benefits themselves and causes losses on the part of consumers, which sometimes is not only material loss, physical disability but also concerns the human soul [7].

The development of e-commerce transactions is inseparable from the rate of internet growth because e-commerce is possible to exit through the internet network. The rapid growth of internet users is a reality that makes the internet an effective medium for businesses to introduce and sell goods or services to prospective consumers throughout the world. E-commerce is a modern business model that does not physically present business people and does not use original signatures. The presence of e-commerce allows the creation of healthy competition between small, medium and large businesses in capturing market sales. The e-commerce industry will be a leader with popularity in the electronic business world in the upcoming years. The e-commerce revolution has fundamentally changed the business of transactions by giving new opportunities and breaking borders easily.

In e-commerce transactions, business transactions have been created that are very practical without paper (paperless), and sellers and buyers cannot meet directly (face to face) in conducting transactions, so it can be said that e-commerce is a

new economic driver in the field of technology. The term commerce is viewed as transactions conducted by business partners. Electronic commerce is an emerging concept that describes the process of buying and selling or exchanging products, services, and information via computer networks including the internet [8].

Besides the advantages, of course, there are negative aspects of this development related to security issues in dealing with e-commerce media. There are many forms of fraud that tend to harm consumers and cause various legal problems in conducting e-commerce transactions. Almost the same as buying and selling contracts in general, the online sale and purchase contract also consists of offers and receipts. Because an agreement will always start with an offer by one party and acceptance by the other party [9]. Because of the need for legal instruments that can be applied, either in the form of laws, new regulations or legal norms that tailored to the needs of this media [10].

One of the agencies responsible for protecting consumers is the Ministry of Trade through the Directorate General of Consumer Protection and Discipline of Commerce (PKTN), which has conducted various consumer protection efforts through consumer empowerment. Empowerment is intended to realize smart consumers who will be seen from the Consumer Empowerment Index (IKK). This index is a perspective of consumer awareness, understanding, and capability that is measured through three stages of purchasing decisions, namely before purchase, at the time of purchase, and after purchase. Because the characteristics of Indonesian consumers are still choosing and focusing on cheap products and imported products and are not yet fully brave and conscious to ask for their rights as consumers, this can be seen from the still low IKK value, which only reached 33.70 in 2017 from a scale of 100 [11].

The e-Commerce road map is expected to be able to encourage the creation, innovation, and invention of new economic activities among the younger generation. The government is targeting that Indonesia will have 1,000 technopreneurs in 2019. For this reason, the e-Commerce road map policy will prioritize and protect national interests, especially SMEs and startups. The eight important aspects that will regulated in the Perpres on e-Commerce Roadmap include:

- Funding in the form of KUR for platform developers, grants for accompanying business incubators, startups, USO funds for digital MSMEs and e-commerce platform startups, angel capital, seed capital, crowdfunding, and opening a negative investment list (DNI).
- Taxation in the form of tax reduction for local investors who invest in startups, simplifying permits, or procedures for startups with income below Rp. 4.8 billion per year, and equality of tax treatment for e-Commerce entrepreneurs.
- Consumer protection through government regulations on trade transactions through electronic systems, regulatory harmony, and payment systems through e-

Commerce, and the gradual development of national payment gateways.

- Education and human resources through e-Commerce awareness campaigns, national incubator programs, e-Commerce curriculums, and e-Commerce education for consumers and law enforcement consumers.
- Logistics through the use of national logistics systems, strengthening local and national couriers, developing MSME data transfer, developing logistics from villages to cities.
- Communication infrastructure through the development of broadband networks.
- Cybersecurity, by compiling a national supervision system model in e-Commerce transactions, public awareness about cyberspace, preparation of SOPs related to consumer data storage, and certification of consumer data security.
- The formation of implementation management by monitoring and evaluating the implementation of the e-Commerce road map [12].

The e-Commerce road map is felt to be very important for the e-Commerce industry in Indonesia because the government is targeting the value of the e-Commerce business valuation to reach the US \$ 130 billion or equivalent to Rp 1,710.5 trillion in 2020. In the 2017 E-Commerce road map 2019 so that consumers are protected by the government to regulate trade transactions through the electronic system and provide education for the entire electronic ecosystem-based trading, namely by drafting regulation of trade transactions through the electronic system, developing payment gateways and building consumer confidence [13].

The rights in the UUPK are the elaboration of Articles characterized by the welfare state, namely Article 27 paragraph (2) which reads: "Every citizen has the right to work and a decent living for humanity" and Article 33 of the 1945 Constitution, namely:

"(1) The economy structured as a joint venture based on family principles; (2) Production branches which are important for the state and which control the livelihoods of the public is controlled by the state; (3) The earth and water and the natural resources contained therein shall be controlled by the state and used for the greatest prosperity of the people. The law that impacts society, which inevitably has to be dealt with by legal experts.5 Various problems that arise as a result of information technology and must be faced by the law should have been quite clear and predictable.

Article 4 of the UUPK stipulates 9 (nine) consumer rights in Indonesia, namely [14]:

- The right to comfort, security and safety in consuming goods and services;
- The right to choose goods and / services and obtain goods and services following

- The exchange rate and conditions and guarantees promised;
- The right to correct, clear and honest information about the conditions and guarantees of goods and services;
- The right to be heard opinions and complaints on goods and services used;
- The right to properly advocate consumer protection;
- The right to consumer guidance and education;
- The right to be treated or served properly and honestly and not discriminatory;
- The right to receive compensation, compensation, and replacement, if the goods and services received do not comply with the agreement or are not as intended;
- Rights regulated in other statutory provisions.

With the presence of Presidential Regulation (Perpres) No. 74 of 2017 concerning the Road Map of the Electronic-Based National Trading System (e-commerce road map is proof of the seriousness of the government in making digital economic regulations will be able to stimulate this sector to grow and develop rapidly in line with expectations. What is clear, the digital economy will create concerns about the conventional industry that has long been poor [15].

But in reality there are still five factors that influence the weak protection of consumers, the first is the weak regulation that protects consumers due to the absence of a law on e-Commerce, the second is the lack of good faith from e-commerce producers and application providers in transactions, the third is unprotected consumer personal data, the fourth is many standard agreements that are inserted by providers that are difficult to understand and harm consumers, the fifth is the aspect of consumer empowerment and literacy that is still at a low level. With a score of 34.17, consumer empowerment in Indonesia is only at the level of "understanding". The score indicates that Indonesian consumers have not dared to make complaints /complaints.

The Indonesian Consumers Foundation (YLKI) urges the government to do five things. 1. Review the standard agreements contained in the electronic transactions of all operators. Articles that are detrimental to consumers must cancel; 2. Encouraging the resolution of consumer disputes online; 3. Encouraging and accelerating the birth of the Law on the Protection and Confidentiality of Personal Data; 4. Encourage the Ministry of Trade to accelerate the achievement of the RPP on Electronic Shopping; 5. They are educating and empowering consumers [16].

Legal protection by the state to consumers who have a weak bargaining position feels very urgent. In trade transactions on the internet where the traffic between business and consumer relations is increasingly close and open, state intervention, inter-state cooperation, and international cooperation are urgently needed, namely to regulate the pattern of business, consumer relations, and the legal protection system for consumers [17].

Without the protection and legal certainty for consumers, Indonesia will only become an arena for selling goods and services that are of no quality, which is more worrying, the welfare of the people they aspire to be more difficult to realize. Therefore, it expected that the e-Commerce road map could become one of the legal efforts to protect consumers in the era of the digital economy so that it can realize Indonesia as the largest digital economy in Southeast Asia by 2020.

#### IV. CONCLUSIONS AND SUGGESTION

An e-Commerce road map issued by the government also needs to be made with a law that regulates strongly and definitely. The roadmap does not only take the form of a Perpres on e-commerce but is encouraged by making a more detailed Digital Economy Law. The legal protection in the form of the law becomes very important so that Indonesia can also prepare the devices, connectivity and human resources. With the e-Commerce Act as legal protection, it expected that the attractiveness of investment in the digital economy would be more secure. Adequate and strong regulations will be able to make big plans more prospective and sustainable so that Indonesia will be ready to face the era of the digital economy.

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