

# Consumer Protection in Higher Education: A Case Study at Polytechnic

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**Abstract**—Consumers are "King" is a paradigm that has been accepted by the general public for a long time. According to the law, consumer protection is defined as all efforts that guarantee legal certainty to provide protection for consumers. Historically, consumer protection has been implemented in the business, health, and other fields. However, the implementation of consumer protection in higher education, has yet to receive attention. In fact, it is rather neglected. This paper discusses the results of a research on consumer protection for students in Polytechnic. The study used qualitative and quantitative methods. It begins by identifying the aspects of consumer protection for students in Polytechnic that are ideally being provided by education providers. It's then followed by interviewing Polytechnic management, which is selected purposively. The identified aspects are used as framework to develop an on-line version questionnaire, which filled out by 464 students at Politeknik Negeri Bandung. The data obtained through questionnaires were tabulated and statistically processed, then analyzed. The results show that students' view consumer protection as very important to be provided and applied in Polytechnic. All aspects found in the study represent 8 national education standards, they are statistically proven to have a correlation with consumer protection.

**Keywords**—consumer, consumer protection, business, higher education

## I. INTRODUCTION

Consumers are "King" is a paradigm that is accepted and recognized by the general public for a long time, especially in the business field. Therefore, every consumer has the right to get the best quality assurance for the products/services that they obtain as regulated in the Republic of Indonesia Law Number 8 of 1999 concerning consumer protection. By law consumer protection is defined as all efforts that guarantee legal certainty to provide protection to consumers. Whereas personal consumers are defined as people who use goods and or services available in the community, both for the benefit of themselves, their families, other people and other living creatures and not for trading (Article 1 of Law 8/1999). The implementation of consumer protection in the fields of business and health and other fields has been implemented for a long time and has shown quite a number of benefits for improving community welfare [1,2]. How about the implementation of consumer protection in the field of education? This paper describes the results of a qualitative and quantitative study on consumer

protection in higher education with Politeknik Negeri Bandung as the case study. Normative rules including Indonesia national education standards are used as the core reference.

## II. METHODS

The study used qualitative and quantitative methods. It begins with a review of the literature to identify aspects of consumer protection for students in Polytechnic that are ideally provided by education providers. Normative rules including national education standards are used as a reference. Interview to Polytechnic management which is selected purposively was undertake to complement the information. Further, the identified aspects are used as material for developing questionnaires. Questionnaires that have been validated and tested for reliability are made in an on-line version. Students at Politeknik Negeri Bandung were invited to participate in filling out the on-line questionnaire. A total of 464 (four hundred and sixty-four) students have participated. The data obtained through questionnaire were tabulated and statistically processed, then analyzed. The results showed that the students' views consumer protection as very important to be provided and applied in Polytechnic. All aspects found represent 8 national education standards are statistically proven to have a correlation between one another.

## III. CONSUMER PROTECTION

### A. Theory of Consumer Protection

Historically, consumer protection has been implemented for a long time. This is indicated by the following three consumer protection theories:

- The Caveat Emptor Theory developed widely in the days of the Ancient Roman Empire. The theory is applied by the legal system in the United Kingdom and the United States of America (Common Law). Caveat Emptor comes from Latin terms which mean "let the buyer beware". According to the Oxford dictionary, Caveat Emptor is "a principle that the buyer is responsible for checking the quality and suitability of goods before a purchase is made". At this time consumer cannot do much after purchase defective goods sold by producers or business actors [3].

- Caveat Venditor Theory emerged at the end of the 19th century in courts in the United States [4]. The term Caveat Venditor comes from Latin which means "let the seller beware". In principle, the seller of goods must be responsible for providing information about the specifications of the goods to the buyer. This theory illustrates that sellers can also be fooled into the process of transactions on the market. Referring to the opinion of David G Owen [4] regarding product liability, the seller should be fully responsible if the goods sold are detrimental to consumers. As a result, the seller must be able to guarantee the quality of the items they sell.
- Paternalistic Theory. Paternalistic can generally be understood as a law that aims to change consumer behavior in order to improve consumer welfare. Paternalistic interventions can encourage or force consumers to make useful choices or avoid harm. This intervention is generally carried out by the government. Interventions are carried out so that the balance of rights and obligations between producers and consumers can be realized. Consumers are not obliged to realize their rights, if they are not willing to make it happen, but consumers have fulfilled the payment obligations that must be protected by the Consumer Protection Act. These law clearly contain provisions that guarantee the quality of goods and regulate the existence of insurance guarantees for consumers who consume goods that are not in accordance with the standards [5] that has been determined. Consumers must be far more aware that without such a legal design they will still be potentially disadvantaged, because producers or business actors tend to be arbitrary due to their superior position.

#### *B. Consumer Protection Law in Indonesia*

The realization of paternalistic theory in Indonesia can be seen from the consideration of the government issuing Law number 8 of 1999 concerning consumer protection. In point b it is stated that: *"The development of the national economy in the era of globalization must be able to support the growth of the business world so as to produce a variety of goods and / or services that have technological content that can improve the welfare of many people and at the same time obtain certainty of goods and / or services obtained from trade without causing consumer losses"*. While the considerations in point d which are focused on the consumers of goods/services stated: *"that to increase the dignity of consumers, it is necessary to increase the awareness, knowledge, concern, ability and independence of consumers to protect themselves and develop the attitude of responsible business people"*. Even the government regulates the rights and obligations of both parties at the technical level.

#### **IV. HIGHER EDUCATION AND CONSUMER PROTECTION**

Higher education has a very important role in supporting the improvement of the national economy, especially because universities are the producers of competent human resources. To ensure the quality of learning held by universities in Indonesia, the Ministry of Research, Technology and Higher Education pass the regulation

number 44 in year 2015 concerning National Standards of Education which issued a minimum standard for higher education, namely: a) graduate competency standard; b) learning content standard; c) learning process standard; d) learning assessment standard; e) lecturer and education staff standards; f) learning facilities and infrastructure standard; g) learning management standards; and h) learning financing standards. Accountability of meeting these standards is monitored, evaluated and assessed periodically by the government in accordance with the applicable rules. Nevertheless, the focus tends to fulfill the obligations of higher education institutions to the government as funders. Universities that are considered to have fulfilled the academic and administrative aspects of the eight education standards are considered feasible, usually evidenced by granting recognition of accredited A, B or C. The question to be raised is "will the accredited tertiary institutions, for example category A, automatically provide and implement customer protection for their students?"

In the developed countries' universities such as Europe, America, Australia and New Zealand, and in Africa customer protection have been applied for a long time [6-9]. On the contrary, consumers protection for students in universities tends to be a topic that is not yet popular in Indonesia. This can be seen from the lack of scientific articles and books that discuss consumer protection related to educational services organized by universities. However, at present the attention to the need for customer protection for students is increasing in line with the changing view of society towards education, especially higher education. Provision of education, including higher education, in the beginning was seen as a social service. The view was change into "economic potential" for supporting the nation. Therefore, funding for pursuing education was share between the provider and the users of the services. Two things play as the trigger. First, changes in view about the importance of higher education. It impacts in increasing number of registrants in tertiary education, while the available place is limited. Secondly, funding provided by the government for supporting tertiary education is limited. Consequently, some of the funds for the provision of education in higher education are charged to students [10]. Therefore, consumer protection for students in higher education becomes increasingly important, especially to convince students and parents that the targeted competencies of graduates can be achieved through the learning process and the support of learning resources and infrastructure provided by the relevant universities. At least at a minimum level. CME [11] explains that aspects covered by legal protection in universities are minimum standards that must be fulfilled by education providers for their students. Universities view that compliance with the Consumer Protection Act will have reputational benefits throughout the sector. Lim and Hyatt [8], Isaacson [12] agreed that "..... of such academic protection afforded to tertiary students and considered the fine balance between strengthening and reinforcing those rigging without compromising the essential academic freedom of the institutions".

A. Position of Consumer Protection in Educational Process

Adapting the Higher Education Consumer Compliance Team approach in United Kingdom [13], five stages within the flow of educational process at Politeknik Negeri Bandung were identified as the position that need support for consumer protection.

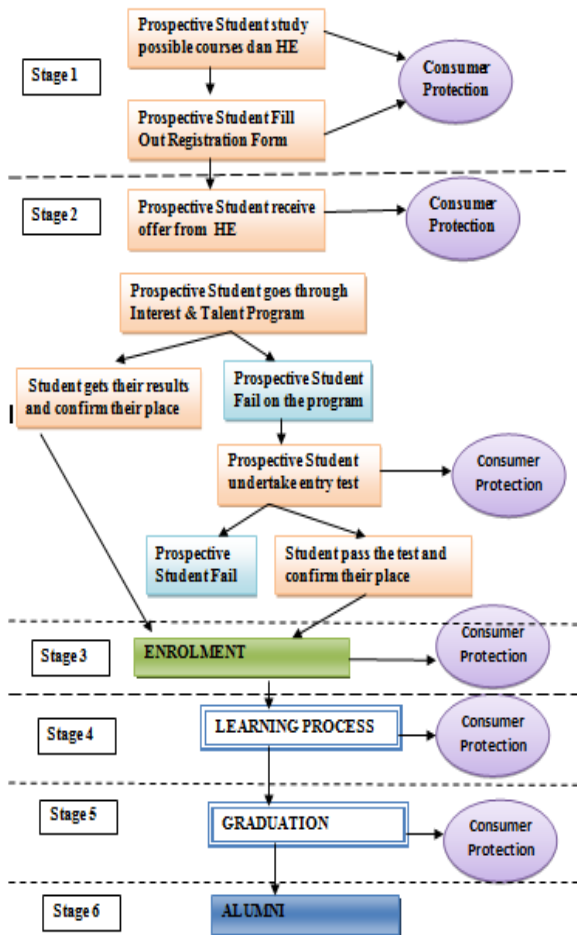


Fig. 1. Position of consumer protection in education process [11,14].

Figure 1 shows the scope of legal protection in the flow of the educational process at Politeknik Negeri Bandung. Basically there are 5 (five) main stages in the education process in higher education.

1) *Stage 1: Consideration and Application* - is the stage for prospective students to consider what and where they will go for their education which is then followed by registering at the respective university. At this stage it is necessary to ensure that Politeknik Negeri Bandung (Polban) as a vocational higher education provides sufficient information needed by prospective students to make judgments and choice of the provided study programmes.

- **In this first stage**, where prospective students search for and learn what and where they are going to study, the information provided by Polban can be included through: Polban web site, prospectus, and other media

which will be helpful for students to help them make decisions. Information that is missing, unclear and less accurate can influence the decision of prospective students. Thus in this first phase it is very important to provide relevant, clear, accurate and easily accessible information.

- Based on the results of observation and interview, it is very important for prospective students to have complete information about the study program and the cost of education. Additional information on the potential for obtaining funding support from relevant parties is also considered important by students.

2) *Stage 2: Offer* - is the stage of the prospective student determining to accept or reject the place offered by the university. At this stage it is necessary to ensure that Polban has provided sufficient information needed by prospective students. It is very important to ensure that the information provided can be accessed easily by prospective students. This obligation is inherent throughout the relationship between Polban and the students. At this stage the implementation of consumer protection law could begun. Currently the information was delivered through offer letters, web sites, leaflets, and brochures.

3) *Stage 3: Enrolment* - is a stage for students to enroll in higher education institutions. When students enroll in a particular study program, the time span between the selection process and the admissions process may be quite long. Based on the legal protection point of view, the information offered before registration and the creation of an education contract are part of the contents of the contract material. Universities that carry out new student registrations on campus where the parties immediately make an agreement on education services, then this contract can be considered as a local contract. For this reason, it is necessary to be convinced that all the necessary information has been provided and that the information provided is clearly understood by prospective students.

4) *Stage 4: Learning Process* - is the stage of students taking the learning process according to the stipulated time period. This stage is carried out after the education contract between universities and students has been completed and signed. Based on the civil law, the signed contract is valid as a law for the parties who made it. In this fourth stage, university usually issue rules related to the implementation of the academic field. These published and binding rules need to be ascertained clearly understood by students and are fair to all interested parties. In this case it is very important to check that there is no use of potentially unfair terms. It should be realized that students tend to be in a relatively weaker position compared to universities. Consider that in Polban students are not allow to switch study programs if the study programs they follow are not in line with their expectations or they are disappointed with their learning experience. Therefore it is very important to ensure that the substance of the rules made

is fair and not confusing to all parties. Currently most higher education providers in Indonesia tend to focus in stage 4 in order to ensure that all 8 national education standards set by the government can be applied at this stage.

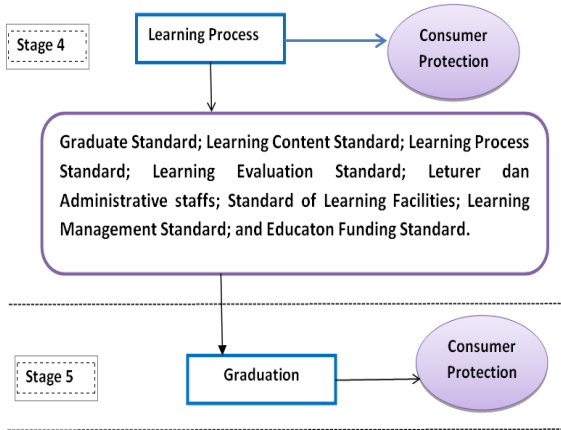


Fig. 2. Position of consumer protection in the learning process [14].

5) Stage 5: Graduation - is the stage where students are declared successful in completing their education as evidenced by the submission of a Diploma.

6) Stage 6: Alumni - is an increasing stage of collaboration between universities and alumni in supporting education process at stage 4.

**B. Result of Correlation Test**

A questionnaire was developed based on the position of consumer protection in the learning process (stage 4). 466 students from Politeknik Negeri Bandung (Polban) have participated in filled out the questionnaire. Data processing results showed correlation between students information access provided by Polban and 12 core variables in the learning process as shown in figure 3.

|    |                     | X2     | X3     | X4     | X5     | X6     | X7     | X8     | X9     | X10    | X11    | X12    | X13    |
|----|---------------------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|
| X1 | Pearson Correlation | .388** | .209** | .295** | .169** | .258** | .297** | .368** | .333** | .237** | .246** | .185** | .266** |
|    | Sig. (2-tailed)     | .000   | .000   | .000   | .000   | .000   | .000   | .000   | .000   | .000   | .000   | .000   | .000   |
|    | N                   | 466    | 466    | 466    | 466    | 466    | 466    | 466    | 466    | 466    | 466    | 466    | 466    |

\*\* Correlation is significant at the 0.01 level (2-tailed).

Fig. 3. Result of correlation test.

Figure 3 shows that there is a significant correlation at the 0.01 significance level between the availability of access to information and Curriculum Development (X2). The correlation value is 0.388 (\*\*), and Sig. (2-tailed) is 0,000 <0.05. Whereas between the availability of information access with Opportunity to Improve Mark (X3) there is a significant correlation at the 0.01 significance level with a correlation value of 0.209 (\*\*), and Sig. (2-tailed) is 0.000 <0.05. And between the availability of access to information and Access to know Mark (X4) there is a significant correlation at the 0.01 significance level with a correlation value of 0.295 (\*\*), and Sig. (2-tailed) is 0.000 <0.05.

While between the availability of access to information and the Openness on marking system (X5) there is a significant correlation at the 0.01 level of significance with a correlation value of 0.169 (\*\*), and Sig. (2-tailed) is 0.000 <0.05. And between the availability of access to information with Access to syllabi (X6) there is a significant correlation at the 0.01 significance level with a correlation value of 0.258 (\*\*), and Sig. (2-tailed) is 0.000 <0.05.

Further, between the availability of access to information and the Lab Schedule (X7) there is a significant correlation at the 0.01 significance level with a correlation value of 0.297 (\*\*), and Sig. (2-tailed) is 0,000 <0.05. And between the availability of access to information and Professional Lecture (X8) there is a significant correlation at the 0.01 significance level with a correlation value of 0.368 (\*\*), and Sig. (2-tailed) is 0,000 <0.05.

And between the availability of access to information and Multimedia Facility (X9) there is a significant correlation at the 0.01 significance level with a correlation value of 0.333 (\*\*), and Sig. (2-tailed) is 0.000 <0.05. And between the availability of access to information and the Wifi Facility (X10) there is a significant correlation at the 0.01 level of significance with a correlation value of 0.237 (\*\*), and Sig. (2-tailed) is 0.000 <0.05. And between the availability of access to information and Access to Library (X11) there is a significant correlation at the 0.01 level of significance with a correlation value of 0.246 (\*\*), and Sig. (2-tailed) is 0.000 <0.05.

And between the availability of access to information and Transparency on Funding (X12) there is a significant correlation at the 0.01 level of significance with a correlation value of 0.185 (\*\*), and Sig. (2-tailed) is 0.000 <0.05. And between the availability of access to information and Access to academic information (X13) there is a significant correlation at the 0.01 significance level with a correlation value of 0.266 (\*\*), and Sig. (2-tailed) is 0.000 <0.05.

**V. CONCLUSION**

There are a certain types of information that need to be covered by education provider to prove the implementation of consumer protection include: (a) core information on education programs; (b) education costs, and (c) overall education process.

Student are aware of their right as consumer in the education process. However, student can not protect their consumer right without the availability of formal policies and mechanism which need to be provided by education provider.

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