

Industrial Law Innovation in The Implementation of Consumer Protection in Indonesia

Sarah Eva Lazuardina

Faculty of Law, Economic Law, University of Indonesia, email: sarlazuardina@gmail.com

ABSTRACT

Industrial law innovation is a crucial aspect of law implementation, especially in the context of consumer protection regulation. This article discusses the innovative efforts in the implementation of industrial law discovery laws in consumer protection regulation. Innovative approaches in industrial law aim to address challenges that arise along with changing social, economic and technological dynamics. Implementation of the invention of industrial law involves the establishment of policies that are progressive, adaptive, and responsive to evolving consumer needs. The method used in this research is normative legal research and will be analyzed qualitatively. The result of this research is industrial law innovation plays a crucial role in the implementation of industrial law discovery laws in consumer protection regulation. Through this innovative approach, the industrial law system can be more responsive to market dynamics, technological change, and the evolution of consumer needs. The importance of industrial law innovation is not only in formulating laws that are more responsive to market dynamics, technological changes, and the evolution of consumer needs in adaptive way, but also in applying industrial law enforcement methods that are effective in protecting consumer rights

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PRELIMINARY

In the era of globalization and rapid technological advancement, the challenges in protecting consumer rights and interests are increasingly complex. Consumer protection regulations are becoming increasingly important as an effort to maintain a balance between consumer needs and business interests. However, in the face of ever-changing market dynamics, the implementation of existing laws is often no longer relevant or sufficient to address emerging issues.¹

This is where the concept of industrial law innovation becomes very important. Industrial law innovation in this context includes the development of new industrial law

¹ Rini S. Sari and Andi M. Rusdi. (2024). Model of Legal Protection in E-commerce Transactions to Improve the Community Economy in Indonesia. *Jurnal Hukum Indonesia*. 3 (2), 87-95

methods, strategies and instruments that are able to respond effectively and efficiently to emerging challenges.² In consumer protection regulation, industrial law innovation can lead to the improvement of existing regulations, the establishment of more progressive policies, as well as the utilization of technology to improve industrial law enforcement mechanisms.³

As such, industrial law discovery becomes not only about enforcing existing regulations, but also about creating changes that are relevant to current social, economic, and technological conditions. Therefore, this background provides an understanding of the need for industrial law innovation in the implementation of industrial law discovery laws in consumer protection regulations to answer the complexity of problems that arise in the ever-evolving market dynamics.

This article discusses the innovative efforts in the implementation of industrial law discovery laws in consumer protection regulation. Innovative approaches in industrial law aim to address challenges that arise along with changing social, economic and technological dynamics. Implementation of the invention of industrial law involves the establishment of policies that are progressive, adaptive, and responsive to evolving consumer needs.

METHOD

The method of industrial law innovation in the implementation of industrial law discovery laws in consumer protection regulation involves a series of systematic and progressive steps. The method used in this research is normative legal research and will be analyzed qualitatively. The first step in this method is the identification of consumer problems and needs. This involves an in-depth analysis of market trends, consumer behavior patterns, and technological developments that may affect consumer protection.

Once the problems and needs have been identified, the next steps are research and mapping of existing regulations and evaluation of the successes and shortcomings in their implementation.⁴ Next, the team involved in industrial legal innovation will conduct a comparative study of best practices in other countries or in similar industries to gain insight into effective strategies in consumer protection.

Based on the results of the research and analysis, the third step is the formulation of innovative concepts in consumer protection regulation that include the improvement of existing laws or the establishment of new policies in accordance with the identified needs.⁵ Once the innovative concept is formulated, the next step is public consultation and active participation from various stakeholders, including consumers, businesses, and industrial law experts. Their participation will provide valuable input to improve and refine the innovative concept to better suit the needs and realities of the field.

Furthermore, after going through the consultation process, the innovative concept will be compiled into a draft law or policy which is then submitted to the legislature or government for approval.⁶ The final step in this method is the implementation and evaluation of the effectiveness of the new regulations that have been drafted. Regular monitoring is conducted to track progress in consumer protection and identify potential changes or further refinements needed.

This evaluation will be the basis for a continuous cycle of industrial law innovation, in which consumer protection regulations are continuously updated and adapted to the times

² Gupta. (2020). *Industrial Law*. Agra: SBPD Publishing House. 62

³ Lalu Adhi Ada. (2020). Digitalisasi industri dan pengaruhnya terhadap ketenagakerjaan dan hubungan kerja di Indonesia. *Jurnal Kompilasi Hukum industri*, 5(2), 267-298.

⁴ Jonaedi Efendi dan Prasetyo Rijadi. (2022). *Metode Penelitian Hukum Normatif dan Empiris: Edisi Kedua*. Jakarta: Prenada Media, 24

⁵ Hari Sutra Disemadi. (2021). Fenomena Predatory Lending: Suatu Kajian Penyelenggaraan Bisnis Fintech P2P Lending selama Pandemi COVID-19 di Indonesia. *Pandecta Research Law Journal*, 16(1), 55-67

⁶ Dian M.A Nasution. (2018). Tinjauan Hukum industri Terhadap Layanan Transaksi Dan Transportasi Berbasis Aplikasi Online. *RESAM Jurnal Hukum industri*, 4(1), 17-30

and the needs of society. Thus, the method of industrial law innovation in the implementation of industrial law discovery laws in consumer protection regulation is a structured and dynamic process to achieve optimal consumer protection.

RESULT AND DISCUSSION

Integrate the concept of industrial law innovation into the industrial Law Inventions Act to more effectively address new technological developments and business practices that affect consumer protection.

Integrating the concept of industrial law innovation into the Industrial Law Discovery Act is an important step to ensure that industrial law can remain relevant and effective in addressing new technological developments and business practices that affect consumer protection. Consumer protection is becoming increasingly important in line with the growth and complexity of global markets, as well as the emergence of new technologies that enable unprecedented business practices.

The first step in integrating the concept of industry law innovation is to conduct an in-depth analysis of new technological developments and business practices that may affect consumer protection. This includes an in-depth understanding of how technologies such as artificial intelligence (AI, not AD), blockchain, internet of things (IoT), and others can affect the way businesses operate and how consumers interact with products and services.⁷

After conducting the analysis, the next step is to review the industry's existing Legal Discovery Laws, as well as consumer protection-related laws, to identify shortcomings and gaps in the existing regulations. This allows for adjustments or changes needed for the laws to accommodate changes in technology and business practices.

The process of integrating industry law innovations requires in-depth consultation with various stakeholders, including industry law experts, industry representatives, consumer organizations, and governments. This ensures that the proposed changes reflect the needs and perspectives of all parties involved.⁸

One of the key objectives of integrating the concept of innovation in industrial law is to create an adaptive industrial law framework, which is able to adjust quickly to changes in technology and business practices. This can be done by incorporating principles such as sunset clauses or referral clauses, which allow laws to be revised periodically in line with recent developments.⁹

The implementation of industrial law innovations also requires capacity building of industrial law institutions, including courts, industrial law enforcement agencies, and regulators. This includes training and education on technology-related industrial law issues and consumer protection, as well as the development of industrial law enforcement methods appropriate to the evolving digital environment.

Once industrial law changes have been implemented, it is important to conduct ongoing monitoring and evaluation of their effectiveness. This makes it possible to further adjust the law according to practical experience and further developments in technology and business practices.

The integration of the concept of industrial law innovation into the industrial Law Inventions Act is not only an important step to maintain the relevance and effectiveness of industrial law in the face of rapid changes in the business and technological environment, but also a commitment to strong and sustainable consumer protection.¹⁰

⁷ Noman tuboinam Waruwu. (2024). Implikasi Hukum Dari Penggunaan Teknologi IoT (Internet of Things) dalam Kehidupan Sehari-Hari di Indonesia. *Tugas Mahasiswa Hukum*. 1 (2), 1-14

⁸ Albertus S. Sudarwanto, et.al. (2019). *Hukum perindustrian Indonesia*. Jakarta: Thafa Media, 34

⁹ Muh. Ali Masnun. (2020). Menggagas Perlindungan Hukum Usaha Mikro Kecil Dan Menengah Atas Hak Desain Industri Di Indonesia. *Dialogia Iuridica*, 11(2), 16–24.

¹⁰ Nuzul Rahmayani. (2018). Tinjauan Hukum Perlindungan Konsumen Terkait Pengawasan Perusahaan Berbasis Financial Technology di Indonesia. *Pagaruyuang Law Journal*. 2 (1), 24-41

Industrial law and practical barriers to implementing industrial law innovations in consumer protection regulation, especially those related to rapid changes in industry and technology

Implementing industrial law innovations in consumer protection regulation is a complex challenge, especially given the rapid changes in industry and technology. There are several industry law and practical barriers that can impede this process, and an in-depth understanding of these issues is important to develop an effective approach.

One of the key barriers is the limitations in existing industry laws. At times, existing regulations may not be flexible enough to accommodate new developments in technology or business practices. This could be due to the inability of existing industrial law to respond quickly to new innovations, or due to a lack of understanding of the industrial law implications of such developments.

Industrial law processes are often slow and cumbersome, which can be an obstacle to implementing the industrial law innovations needed to address rapid changes in industry and technology.¹¹ The creation and implementation of new laws takes a long time, while changes in technology and business practices can happen quickly, leaving gaps in consumer protection.

To make effective regulations, governments and regulatory bodies need to understand new technologies and how they affect consumer protection. However, technologies such as artificial intelligence or blockchain are often complex and difficult for non-specialists to understand, which can hinder governments' ability to respond adequately.¹²

The implementation of industrial law innovations requires sufficient resources, both in terms of trained personnel and finances. However, these resources are often limited, especially in countries with limited budgets or in underfunded institutions. Rapid changes in technology and business practices can create industry legal uncertainty, where current regulations may not be sufficiently clear or relevant for newly emerging cases. This uncertainty can stifle innovation and investment in certain sectors, and make it difficult for consumers to understand their rights and obligations.

When consumer protection regulation crosses jurisdictional boundaries, for example in the case of cross-border e-commerce or global digital platforms, inter-jurisdictional incompatibility can be an obstacle to implementing industry legal innovations.¹³ International coordination and regulatory harmonization may be required to overcome this obstacle.

Effective consumer protection must also take into account disparities in technology access among consumers. Some groups may not have equal access to technology or may not have sufficient understanding of how to use the technology.¹⁴ This can make it difficult to implement legal innovations in technology-dependent industries.

Overcoming these barriers requires a comprehensive and collaborative approach between government, industrial law institutions, industry, and civil society. This includes increasing investment in industrial law capacity, accelerating industrial law processes, facilitating interstakeholder dialog, and adopting an approach that is more adaptive and responsive to changes in industry and technology.

Regulatory and supervisory mechanisms that can be improved to support the implementation of industrial law innovations in the industrial Law Discovery Act, thereby ensuring more effective consumer protection

¹¹ Melisa S. Hotana. (2018). Industri E-Commerce Dalam Menciptakan Pasar Yang Kompetitif Berdasarkan Hukum Persaingan Usaha. *Jurnal Hukum Bisnis Bonum Commune*, 1(1), 28-38

¹² Kumel Rasheed, et.al. (2024). *AI in Material Science: Industry 4.0 and Construction*. USA: CRC Press, 23

¹³ Dilshad Shaik and Poojasree. (2021). Consumer Protection in E-Commerce: A Legal and Compliance Framework in the Digital Market. *Social Science, Education and Humanities Research*, 549, 18-23

¹⁴ UNCDF. 2020. The role of consumer protection in the digital economy. Cited April 23, 2024, from <https://policyaccelerator.uncdf.org/all/brief-consumer-protection-digital-economy>

To support the implementation of industrial law innovations in the industrial Law of Inventions Act, as well as ensure more effective consumer protection, strong and adaptive regulatory and supervisory mechanisms are needed.¹⁵ A strong and independent regulatory body is essential to oversee the implementation and enforcement of the law. It should have sufficient authority and resources to crack down on violations of industry laws, advise on necessary policy changes, and provide guidance to stakeholders.

Cooperation between regulatory bodies in different sectors and jurisdictions also needed to enhance supervisory effectiveness. This includes information exchange, coordination of industry enforcement actions, and joint rulemaking to address cross-sector and cross-jurisdictional challenges. In other way, the use of Technology for Surveillance such as data analytics, artificial intelligence, and blockchain can be used to improve the efficiency and accuracy of surveillance. For example, data analytics can help in detecting suspicious behavior patterns or violations of industry laws, while blockchain technology can be used to create a transparent and immutable trail of business activities.¹⁶

Empowering consumers with sufficient information and tools to protect themselves is an important part of effective consumer protection regulation. This could involve educating consumers about their rights and obligations, providing easier access to product and service information, and providing a platform for consumer complaints and feedback. Development of stringent industry standards and certification of products or services also can help ensure that the products and services offered meet industry legal requirements and established quality standards. Independent oversight bodies can be entrusted to conduct audits and verification of compliance with these standards.

In addition, Independent external auditors and routine checks of companies and organizations can help identify violations of industry laws and business practices that harm consumers.¹⁷ These audits should be conducted regularly and based on transparent and objective methodologies. In this case, media and civil society organizations can play an important role in monitoring and reporting industry law violations and building public awareness about consumer rights. They can provide a platform to express consumer concerns and grievances, and champion necessary policy changes.

By strengthening these regulatory and supervisory mechanisms, it is hoped that the implementation of industrial law innovations in the industrial Legal Inventions Act can become more effective in protecting consumers from harmful business practices and rapid changes in industry technology.

Ensure a balance between the need for flexibility in industrial law to respond to innovation and the need for certainty in consumer protection regulation, and how to handle conflicts.

Ensuring a balance between the need for flexibility in industrial law to respond to innovation and the need for industrial law certainty in consumer protection regulation is a complex challenge, especially in a changing business environment.¹⁸ Conflicts between flexibility and certainty in industrial law can arise when rapid changes in technology or business practices require industrial law to adapt quickly, but at the same time, consumers and businesses need certainty in the rules that apply.

Creating clear general principles in consumer protection industry law can help create a framework that remains relevant but flexible enough to respond to innovation. These principles could include fairness, sustainability, transparency and corporate social responsibility. Using sunset clauses or reference clauses in laws can also help deal with

¹⁵OECD. 2019. Challenges to Consumer Policy in The Digital Age. Cited April 23, 2024, From <https://www.oecd.org/sti/consumer/challenges-to-consumer-policy-in-the-digital-age.pdf>

¹⁶ Hermanus Smidt and Osdan Jokonya. (2021). The challenge of privacy and security when using technology to track people in times of COVID-19 pandemic. *Procedia Computer Science*, 181, 1018-1026

¹⁷ Juan Carlos Izaguirre. (2020). *Making Consumer Protection Regul Ation More Customer-Centric*. Washington DC: CGA Press, 33

¹⁸ Li Yong. 2021. Why industrial development matters now more than ever before. Cited April 24, 2024, From <https://iap.unido.org/articles/why-industrial-development-matters-now-more-ever>

uncertainties that may arise due to rapid changes in industry or technology.¹⁹ These clauses allow laws to be automatically updated or revised after a certain period of time, or refer to regularly updated standards or guidelines.

Involving civil society, industry, academia and various other stakeholders in the law-making process can help ensure that the needs and concerns of all parties are well represented. This can help produce rules that are more balanced and have broad support while adopting a risk-based approach to regulation will be helpful in determining where flexibility is more important than industry legal certainty, and vice versa. For example, regulation can be more flexible in cases where the risks to consumers or the general public are low, but more stringent in cases where such risks are high.

Conducting continuous monitoring and evaluation of regulatory implementation is key to finding the right balance between industry flexibility and legal certainty.²⁰ This allows regulators to respond to market and technological changes, while ensuring that consumer protection objectives are still met. Using clear industry law principles such as proportionality, non-discrimination, and certainty can help in balancing flexibility and certainty in regulation. It provides strong guidance for policymakers in developing appropriate rules.

Furthermore, Collaboration between regulators, industry and civil society can help address the conflict between flexibility and certainty in industrial law.²¹ By involving all stakeholders in the process of formulating policies and enforcing industrial laws, a more comprehensive and balanced solution can be achieved. Regulators need to have adequate capacity to understand and respond to changes in industry and technology. This includes regular training for regulatory staff on the latest developments in industry law, technology and business practices, so that they can make informed and timely decisions.

Once regulations are in place, it is important to have an effective post-implementation oversight framework. This involves regularly monitoring the implementation of the rules, evaluating their impact on businesses and consumers, and making adjustments as needed. Regulators should be open to feedback from various parties, including consumers, companies, and industry legal experts. Receiving input on the effectiveness and need for changes in regulation can help improve the legal certainty of the industry while still allowing for the flexibility needed to respond to innovation.

In addressing the conflict between flexibility and certainty of industrial law, it is important to maintain a commitment to fundamental industrial law principles, such as fairness, freedom, and certainty. This will help ensure that regulations are proportionate, fair and predictable. Consumer protection regulations should be periodically reviewed and revised to ensure that they remain relevant and effective in the face of changes in technology and business practices. This review should include an evaluation of the industry's need for flexibility and legal certainty.

By implementing these strategies, regulators can strike the right balance between flexibility in industry law to respond to innovation and industry legal certainty in consumer protection regulation. This will support a healthy and sustainable business ecosystem while protecting consumers from harmful practices.²² By considering and implementing these strategies, regulators can create an industry legal framework that can respond quickly to innovation while still providing sufficient certainty for consumers and businesses. This will

¹⁹ Antonios Kouroutakis. (2020). The Virtues of Sunset Clauses in Relation to Constitutional Authority, *Statute Law Review*, 41 (1), 16–31

²⁰ OECD. 2020. Best practice principles for regulatory impact analysis. Cited April 24, 2024, From <https://www.oecd-ilibrary.org/sites/663f08d9-en/index.html?itemId=/content/component/663f08d9-en>

²¹ Agnes Batory and Svensson. (2020). Regulating Collaboration: The Legal Framework of Collaborative Governance in Ten European Countries. *International Journal of Public Administration*, 43(9), 780–789

²² Abdul Ghaffar, et.al. (2023). A sustainable Retailer's journey to sustainable practices: Prioritizing the customer and the planet. *Journal of Retailing and Consumer Services*. 74, 33-58

allow consumer protection regulation to remain relevant and effective in the face of evolving challenges in the global business environment.

CLOSING

From the above discussion, it can be concluded that industrial law innovation plays a crucial role in the implementation of industrial law discovery laws in consumer protection regulation. Through this innovative approach, the industrial law system can be more responsive to market dynamics, technological change, and the evolution of consumer needs. The importance of industrial law innovation is not only in formulating laws that are more responsive to market dynamics, technological changes, and the evolution of consumer needs in adaptive way, but also in applying industrial law enforcement methods that are effective in protecting consumer rights.

Concrete steps in industrial law innovation involve problem identification, in-depth research, and policy formation that involves the active participation of various stakeholders. Thus, consumer protection regulations can be better designed and better take into account the interests of all parties involved, thereby creating a fair and sustainable business environment. In addition, industrial law innovation also includes the utilization of information technology to improve accessibility, transparency, and efficiency in industrial law enforcement. With online platforms for consumer reporting and dispute resolution, and better monitoring of business practices that harm consumers, consumer protection can be significantly enhanced.

Harmonization of consumer protection regulations between countries is also important in facing cross-border challenges in the era of globalization. Through international cooperation, consistent and comprehensive regulations can be implemented to improve consumer protection globally. Thus, industrial law innovation in the implementation of industrial law discovery laws in consumer protection regulations is not only a theoretical concept, but also a concrete step to maintain justice, safety, and consumer welfare in an ever-evolving and changing era. Therefore, continuous efforts in developing and implementing industrial law innovation in consumer protection must continue to be encouraged so that consumers can feel the benefits in real terms in their daily lives.

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