

## LEGAL HARMONIZATION OF E-COMMERCE TRANSACTIONS IN ORDER TO SUPPORT INDONESIA'S ECONOMIC DEVELOPMENT

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### ABSTRACT

Information and Communication Technology has become a necessity in this day and age, many people in Indonesia have utilized it in their daily lives. The dynamics of the economy cannot be separated from the development and progress of technology, infrastructure, productivity and innovation. Advances in science have an impact on technological progress. Disruptive innovation creates its own market that continues in the digital business sector (E-commerce). The development of technology is also accompanied by the development of ways to convey information in communication so that activities become faster by using the internet with social media applications. This research aims to find out the legal harmonization of e-commerce transactions in order to support Indonesia's economic development, to find out legal harmonization can be a solution in providing legal protection for parties in e-commerce transactions. The research method used is normative research with a legal approach and conceptual approach. The types of data include primary materials and secondary materials. The results of the research are, first, in global electronic exchange cannot be given only by one legal point of view, but by legal instruments, creating fair competition which directly or by implication benefits the meeting in global electronic exchange, second e-commerce transactions greatly benefit from the support of Indonesia's economic development when Indonesian law is harmonized. The state offers alternative regulatory models, such as: First, electronic transaction systems that operate either inside or outside the national jurisdiction of a State.

**Keywords:** *Legal Harmonization, E-Commerce Transactions, Economic Development*

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### INTRODUCTION

Despite the economic slowdown in Indonesia, the growth of *the e-commerce* industry is growing rapidly. In addition, the majority of *e-commerce businesses* in Indonesia are SMEs. As we probably know, the SME business is the strongest business even in the midst of a financial emergency. The *e-commerce* sector in Indonesia has such great potential, which cannot be overstated. Based on the findings of Ernst & Young's analysis, *online* businesses in Indonesia experienced an increase in sales value by 40% per year (Sitepu & Hasyim, 2018).

In Indonesia, there are around 71 million smartphone users and 93.4 million internet users. People in big cities are now using *e-commerce* as part of their lifestyle, in addition to finding information and chatting. *E-commerce* in Indonesia wants to continue to grow because of the shopping habits of tens of millions of middle-class Indonesians. According to Rudiantara, Minister of Communication and Information Technology, *Indonesia's e-commerce* will be worth \$30 billion in 2016, or Rp. 395 trillion. In 2020, it is estimated that this amount will increase to US \$ 130 billion, or Rp. 1.714 trillion (Parryadi, 2016).

New types of trading systems have emerged as a result of the rapid advancement of information technology. In Indonesia, *online* trading has grown in popularity over the past few years. Even online transactions that involve buying and selling utilize social media platforms like *Facebook* and mobile communication tools as marketing tools as a result of online commerce. This system allows business people to conduct business and commerce over the

internet and no longer rely on real traditional business enterprises. To achieve business goals, producers of the goods or services they produce increasingly rely on advances in science and technology (Prasetyo Budi Widagdo).

Various legal issues arise when electronic transactions are conducted, and many of these issues tend to harm the parties involved in international transactions. Buying and selling contracts in electronic buying and selling transactions are the same as traditional public buying and selling transactions. The difference is only in the media used. The Internet, or electronic media, is used in electronic transactions. Therefore, agreements or contracts are made online.

Offer and acceptance are included in online buying and selling contracts just like traditional contracts. Because every agreement begins with one party making an offer and the other party accepting it. In electronic exchanges, it matters who bears the bet if the following occurs: (1) deceptive, invalid, or altered messages; Furthermore (2) errors in correspondence due to intermediaries or innovation problems (e.g. server leisure and organizational problems). Despite the fact that the problems of error, integrity and fraud do not only occur in electronic media, but these technologies also create barriers that require new solutions (Margaretha Rosa Anjani and Budi Santoso, 2018; Muhammad Harun Sukarno, 2022)

Recognizing the true self-evidence of the parties to a transaction is very important in law when entering into an electronic contract. Pseudonyms are easy to use in electronic transactions. You can also send electronic messages, making them appear as if they come from someone else. When parties engage in an electronic transaction, there are two: 1) How can the transacting parties believe that the person being spoken to is the person in question? 2) Can an electronic contract bind the parties to a transaction conducted by an imitator who is not a real business actor? The parties of this electronic transaction will face various legal problems as a result of its characteristics (Muhammad Harun Sukarno, 2022).

### **Harmonization of Law**

Legal harmonization is a process of adjusting laws, regulations, judges' decisions, decisions made by the government, legal system, and legal principles with the aim of increasing legal unity, certainty, justice, equality, usefulness, and clarity without having to obscure or risk legal pluralism. According to the National Law Development Agency of the Ministry of Justice, the process of harmonization (harmonization/conformity/balance) of written law that refers to sociological, philosophical, cheap, and juridical values is spoken with legal harmonization. Based on the above, it can be concluded that the process of harmonization and harmonization of laws and regulations to achieve a legal goal is called the harmonization of laws and regulations (Hutabarat S., 2016).

The purpose of legal harmonization is to avoid and eliminate legal inconsistencies. This matter is tried through legal findings, legal reasoning, and the presentation of logical and sound legal arguments to avoid legal conflicts. All efforts are made entirely to affirm the will of regulation, the will of citizens as well as the moral will. This matter is tried to estimate the existence of factors that have the potential to cause legal conflicts (Abdul Halim Barkatullah, 2016).

### **E-Commerce**

E-commerce is an online channel that can be accessed via PC. Used by business people to carry out their business activities and by consumers to obtain data using computer push, which begins with providing information services to consumers to help them make decisions. E-commerce is the process of buying, selling, and marketing objects and services through electronic systems such as the Internet, radio, and television (Eri Yanti Nasution et al., 2020).

Therefore, it can be concluded that e-commerce is a dynamic collection of technologies, applications, and business processes that connect businesses and consumers, and certain communities, where large-scale exchange of objects between retailers and consumers. Various commodities of electronic facilities, and the process of shipping objects from retailers through transportation from one region to another to consumers, benefit both parties (Tetanoe Bernada, 2017).

### **Economic Development**

In essence, economic growth is referred to as economic development. In the long run, economic development is a process of increasing per capita output. The following three aspects are emphasized: process, output per capita, and long-run Economic development is a process, not a one-time event. In this section, we examine the dynamic aspects of economics, especially their evolution over time. Turnover or growth itself is the main focus.

Financial improvement has wider importance as well considering the turnover for the monetary development of citizens as a whole. The process by which a country's long-run real per capita income increases along with improvements in its institutional framework is usually referred to as economic development.

The idea of economic development is a process of growth that takes the form of a long-term increase of a country (for example) or company (for example) into many goods that support economic development and are adjusted to needs. Economic development is no different from this development. The monetary increase is a process of increasing total wages and per capita wages taking into account population growth accompanied by major changes in the financial construction of a country and the transportation of payment for the number of inhabitants in a country. We can examine the factors that can affect economic development to see how it develops.

### **METHOD**

This research is normative legal research is a process to find legal rules, legal principles, and legal doctrines to answer the legal issues faced (Peter Mahmud Marzuki, 2010). Based on the subject of study and the type of problem that exists, this study will use normative research, namely research conducted by examining library materials or secondary data, consisting of primary legal materials, secondary legal materials, and tertiary legal materials. These legal materials are compiled systematically, reviewed, and then drawn a conclusion in relation to the problem under study (Soerjono Soekanto, 2008).

The approach method used is structural (macro) using qualitative analysis to see how the law works so that weaknesses can also be known in its application. Soetandyo's view of law is just a function in society, which therefore results in a difference between what is normed and what in fact appears in the nomos (Soetandyo Wignjosobroto, 2013).

This research prioritizes researching, analyzing and reviewing secondary data related to legal aspects of consumer protection that conduct e-commerce transactions, then analyzed with laws and regulations related to the object of research, in order to obtain various written materials needed and related to the problem under study.

All material obtained and collected will be analyzed using qualitative analysis, namely by describing or explaining existing theories with material obtained from data and literature studies from various sources, preceded by coding and editing data, then interpreting which is giving meaning to the analysis, explaining patterns or categories looking for relationships between various concepts. This qualitative method was used because this study did not use a measured or stated concept.

## **RESULTS AND DISCUSSION**

### **Legal Harmonization of E-Commerce Transactions in order to Support Indonesia's Economic Development**

Parties to international transactions are replaced by electronic transactions. Electronic business transactions break down barriers and give international transacts greater access to goods and services at lower prices thanks to the internet. Parties carrying out international transactions have an advantage in *online* transactions, especially in the purchase of goods and services, because of the tight trade competition. The bargaining position of the parties in international electronic transactions has not improved with the convenience of online shopping with its various facilities and mechanisms of electronic transactions. This can be seen from the many signs that parties who transact internationally in electronic transactions "real-space" lose their rights to protection and security, thus harming parties who transact internationally online (especially in the internet space). For example, if the destination address of the business actor is not clear or the objects or services provided on the basis of the standard. Parties to international transactions generally suffer more when they are conducted online than when they are conducted in "real space" (Hutabarat, 2016).

Contractual relationships occur between business actors and parties to cross-border electronic transactions in international transactions. By integrating a PC-based data system network with a network-based communication system and telecommunications services (telecommunications-based), which is further facilitated by the existence of a network, until electronic transactions are more focused on the scope of transactions that are tried electronically globally on the internet (Hutabarat, 2016).

In purchasing or leasing services *online*, parties who conduct international electronic transactions do not interact directly with business actors. In international transactions, this can increase the possibility of goods not arriving, damaged, or no service, including forms of fraud against the parties. Parties to an international electronic transaction cannot inspect goods as they would in the "real world" once they have been purchased online from the electronic transaction marketplace and shipped. Therefore, it is absolutely necessary to have true and accurate information about parties conducting international transactions and business actors in electronic transactions (Sukarno, 2018).

**Legal Harmonization can be a Solution in Providing Legal Protection for Parties in E-Commerce Transactions.**

In international electronic transactions, states can act as intermediaries between parties by: 1) removing restrictions imposed by law and regulating transactions; (2) facilitate the regulation of legal protection measures attempted by business actors for parties carrying out international transactions (*self-regulation*); and third, the parties themselves in international electronic transactions. The country's standing here includes national as well as international measures. That is, there is a need for regulations in the field of legal protection for parties to international transactions, and aspects of international law through international agreements or legal harmonization, in order to provide legal certainty in terms of national legal aspects in carrying out transactions (Sukarno, 2018).

A global approach to legal protection for parties carrying out international electronic transactions as part of the legal framework is needed because of the international nature attached to digital networks and PC technology, which includes electronic markets. The expertise of each country or jurisdiction to regulate legal protection for parties carrying out international transactions in the context of electronic transactions is hampered by the global network environment. Through international consultation and cooperation, the legal protection cases of the parties to this international transaction can be discussed effectively (Sukarno, 2018).

There is a requirement for consistency in providing legitimate security to the parties in international exchanges in various countries. States offer alternative regulatory models, including First, electronic transaction systems operating either within or outside a country's national jurisdiction are examples of legal harmonization. Despite this, meetings to global exchanges related to electronic exchanges are still limited by its public regulations.

Harmonization of law is an absolute solution in this arrangement because it acts as a vehicle to improve a set of provisions whose basic principles are derived from the national law of each country. As a result, no nation wants to be sure that it has run out of control of the lives of its citizens. Such a model of harmonization does not want to ignore the laws of individual countries; rather it wants to include the bottom principles which are then enforced by consensus and principles for the benefit of all parties (Palar, 2017).

If the parties of international electronic transactions are not satisfied with the objects purchased from business actors and have proof of themselves that are easily confidential online, it will be a challenge for international electronic transaction parties to receive refunds and find solutions from business actors to the problem. Parties to international transactions are running out of faith in the online world as a result of this problem (Damuri, 2015).

Electronic transactions can have advantages, but they also have disadvantages and risks. The risks that interfere with the confidence of the parties in international transactions are created by the characteristics that make electronic transactions profitable. "Beyond the reach of state jurisdiction, resulting in an increase in unfair marketing practices, insecure products, insecure payment methods, and loss of personal privacy," allowing businesses to use them. Parties to international transactions must reduce or eliminate their security risks in order for international electronic markets to advance and grow (Palar, 2017).

The state is expected to pay attention in this regard, considering that the purpose of the state is to maintain order. State legal politics refers to the state's focus on laws that protect parties to

international transactions. In most cases, the factors of actuality and urgency determine the significance of the regulation of legal protection of a country for the parties to international transactions.

A government originates in the formulation of conditions that are again and want to grow towards the "fate" of citizens, the parties to international transactions must enforce legal protection for parties in international transactions in accordance with their actuality. Typically, this factor is taken into account by: 1) The level of development of each country; 2) Growth of technology as well as industry; 3) Policy and development philosophies that use state intervention to protect the rights of parties in international transactions through the provision of legal protection in the form of laws and regulations. Regarding the weak negotiating posture of meetings on global exchanges, it must be protected by regulation. This is due to one of the nature of the law and its purpose is to protect the public. Legitimate security for local areas must be recognized as legitimate certainty which is the right of meeting in global exchanges (Kairupan, 2019).

Adequate legal protection needs to be provided to them due to the fact that the parties conducting international transactions are usually individuals who are in this weak position and important role. Policies that provide legal protection to parties involved in international transactions want to urge the confidence of parties in international transactions so as to expand their participation and business.

If it is difficult to achieve participation and cooperation between countries, this regulatory model based on international standardization can be an alternative. Without direct state involvement, this regulatory model makes the quality and quantity of business actors the main parameters. Adapting to this medium, the country is obliged to revise laws and regulations on the legal protection of parties in international transactions. By thinking about the various regulations used in different countries and the suggestions made by international organizations. To extend the legal protection afforded to parties to international transactions "real space" to parties to *online international transactions* (Kairupan, 2019).

## **CONCLUSION**

Security by states in global electronic exchanges cannot be provided by one legal point of view, but by legal instruments, creating fair competition that directly or by implication benefits meetings in global electronic exchanges. From a legal point of view, the future schedule that can be tried to strengthen the bargaining position of the parties in international electronic transactions is to establish a legal protection framework for the parties to ensure their rights are protected.

*E-commerce* transactions benefit greatly from the support of Indonesia's economic development when Indonesian laws are harmonized. States offer alternative regulatory models, such as First, electronic transaction systems operating either within or outside a country's national jurisdiction are examples of legal harmonization. Despite this, meetings to global exchanges related to electronic exchanges are still limited by its public regulations. Legitimate harmonization is the right answer to create a set of rules whose fundamental standards start from the public law of each country. As a result, no nation will believe that it has lost control of the lives of its citizens. Such a harmonization model does not want to ignore the laws of

individual countries; rather, it wants to include the lower principles which are then enforced by consensus and principles for the benefit of all parties.

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