

IMPROVING QUALITY STANDARDS THROUGH CONSUMER PROTECTION IN INDONESIA

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Abstract - *The paradigm that consumers use today in selecting goods or services is no longer price-oriented; it has become quality-oriented. The implementation of product standardization and certification, especially processed food products is important; not only for improving product's competitive edge, so that it can compete in national and international market, but also for the purpose of consumer protection. A state or government plays a major role in the implementation of regulations, particularly related to product responsibility and standardization of product quality, as well as the monitoring of the implementation. State intervention takes the form of updates in the system of providing evidence through consumer's protection law that regulates the process of providing evidence for verifying any allegation of violation of law performed by business owners. It has to provide maximum protection for the consumers. With many standardized products in the national and international markets, consumers will be protected in terms of security, safety, and health should they consume the product; the product itself will have great competitive advantages and bargaining power. It is a state's responsibility to improve the quality of food product by creating effective and efficient National Standardization System.*

Keywords: *consumer protection, food products, government responsibility, standardization of quality, and state*

INTRODUCTION

The advancement of science and technology has propelled inventions on goods and services industry, including food products. The products available on the market become more varied, which leads to strict business competition. In selecting goods or services, the consumers are no longer price-oriented, but have been more quality-oriented. This awareness on the part of the consumers requires the producers to offer their best quality products. Nowadays, the old paradigms that producers believe in; that high-quality standard will increase production cost, that quality assurance of products will decrease productivity, and that domestic consumers are not critical in terms of quality standard; have to be discarded (Miru and Yodo, 2014, p.70).

The fact that national and international markets have been wide open as a consequence of economic globalization should still ensure the improvement of public welfare and quality assurance; i.e. the number and safety of goods and services (including processed food products) that consumers receive in the market. As such, the products in Indonesian market; in this case the processed food products, should be improved in terms of their product quality and safety to compete with foreign products. The quality of food products includes food safety, nutritional content, and quality standard of raw materials. It is the primary factor to compete with foreign products nowadays, since the country cannot put tariff barrier or protection against products of other countries anymore. To ensure quality, product standardization and certification are needed. Product standardization is implemented to:

- Improve protection towards consumers, business actors, labor, and public, for the purpose of safety, security, health, and environment preservation;
- Help facilitating smooth commerce and trading activities; and
- Realize healthy competition in commerce industry (GRNS, 2000).

The purpose of certification is to provide written warranty from certification body, training institution, inspection agency, and laboratory to state that the goods, services, processes, and personnel have met the required standard and quality. Quality assurance, proven by certification, will increase consumers' trust (nationally and internationally) on the goods/services being delivered to them.

Producers who do not improve the quality and safety of their products will not be able to compete and will lose their consumers. The endeavor to improve and maintain product quality and safety requires the efforts and participation of all parties involved; including the government, business enterprises, and society. Product standardization and certification are needed to urge the producers to improve the quality and competitiveness of their products; to meet both domestic needs and export needs and to achieve healthy competition in the industry.

In implementing standardization, it turns out to that it is quite difficult for developing countries to keep up with the developed countries. For instance, when developing countries still struggle to fully implement ISO 9000 quality standard, new systems have emerged; i.e. ISO 14000 environmental quality standard and ISO 22000 food safety standard.

Despite all negative comments, product standardization and certification have certain positive effects. In addition to satisfying the competition needs in international market, they also provide assurance of quality and safety of products; which will provide consumers protection in national and international levels.

In Indonesia, to organize the network and activities of comprehensive and integrated standardization, the government creates a national standardization system that includes research and development of standardization, formulation of standard, implementation of standard, accreditation, certification, metrology, development and monitoring of standardization, cooperation, information and documentation, publication, education and training of standardization (GRNS, 2000).

In legal perspective, implementation of quality standard and/or issuance of quality certification for a product by standard certification agencies can be constructed as a binding agreement on the involved parties (business actors, consumers, and the agency issuing the certification), that the product has been acknowledged or has been certified as meeting certain (national/international) standard. Hence, there is a legal responsibility involved in it, called product liability. This legal responsibility and relationship not only involve producers (as the party who produces goods/services) and consumers (as the party who consume the product/end user), but also involve the agency or authorized body that issues the product quality standard or certificate. When a consumer consumes or use a standardized or certified product, but the product still harms the consumer, there is a legal matter of who is responsible for that; is it the producer or the agency that issues quality standard/certificate for that product?

Moreover, there are products in the market that have not meet the quality standard or been certified. Who is responsible if the product harms consumer; the business actor or the government? In Indonesia, many products of home industry, especially the processed food products, have not been fully standardized or certified. These products get into the markets freely, almost without any control. Not all products use labeling (that serves to provide information to consumers regarding the composition of ingredients); let alone the requirement of product certification/standard.

Based on the data from the Drug and Food Control Agency, the cases of food poisoning in 2010-2016 experience an increase; both in occurrence and in the number of victims. Up to mid-2016, it is reported that there were 82 cases of Extraordinary Occurrence of food poisoning, in which 13.745 people were ill and 5.235 people died (BPKN, 2016).

Considering the description above, it is clear that product standardization and certification are important (particularly for processed food products), not only to improve competitive advantages but also to protect consumers. This is the foundation of the present study, which investigates the improvement of food products' quality standardization as part of the nation's responsibility to provide legal protection for consumers in Indonesia. Based on the background above, the present study aims:

- To discover and construct the role of the nation in providing legal protection for customers in Indonesia's product liability system.
- To find out and analyze the national standardization system as the nation's way to improve the quality of food products for increasing products' competitive advantages and for providing consumer protection.

RESEARCH METHODOLOGY

The study on the development of quality standardization of food products in Indonesia, as the nation's responsibility for providing legal protection for consumers, is a normative legal research (Soekanto and Mamudji, 2004); which is a study that refers to the existing legal regulations. This study is also a doctrinal research (Sunggono, 2007) because the researcher aims to discover the principles related to the topic being investigated.

To answer the research questions, the researcher gathers legal data through documents study (literature study), including primary legal data, secondary legal data, and tertiary legal data. It is performed by making inventory and identifying regulations, international conventions, legal documents, legal notes, academic writings, and literature in legal discipline consisting of books, articles, journals, and researchers related to the study. The gathered data are then processed. Data is analyzed using qualitative method, using interpretation technique. Legal data are interpreted and described based on existing norms and theories of law; so that deviation of decision or conclusion can be avoided. Conclusion is drawn using inductive reasoning; i.e. a systematic reasoning from specifics to generals; and deductive reasoning; i.e. a systematic reasoning from generals to specifics.

FINDINGS AND DISCUSSION

THE ROLE OF THE NATION IN PROVIDING LEGAL PROTECTION FOR CONSUMERS IN INDONESIA'S PRODUCT LIABILITY SYSTEM

Consumers are usually in a far weaker position than business enterprises (producers). Part of it is because producers have the power and the fund to create public opinion for a product, especially food products. Since consumers have weak bargaining position, they should be protected by the state or nation in which they live, through legal regulations (Barkatullah, 2011: p.105).

One of the purposes of Indonesian Government is to improve social welfare and prosperity based on social fairness and equality. According to Asshiddiqie (2010) this is the highest purpose of a nation, constitutionally; aside from upholding justice, order, and freedom or liberty; because it is a mandate of the constitution. Swasono (2007) refers to this as the characteristic of economy democracy of Indonesia, and Muhammad Hatta calls this system of economy as religious socialism; a system that prioritizes public interest or public welfare. In other words, the people are put in a substantial position.

The governance of a nation, Sumodiningrat (2009) argues, does not necessarily mean ownership. Rather, it means that the state should ensure the people that it has the ability and power to uphold its sovereignty and to protect public interest and economic welfare (Sumodiningrat, 2009). The rights of the nation to rule should be interpreted in the context of the implementation of the nation's rights and responsibilities as: 1) regulator, 2) planner, 3) implementer, and 4) supervisor of governance; so that the "rights to rule" are implemented well through a system of regulation, planning, and monitoring (Sumodiningrat, 2009).

Based on Article 33 of the 1945 Constitution of Indonesia, the nation has three responsibilities: responsibility in economy, responsibility in implementing Indonesia's system of economic democracy, and the realization of the objectives of economic democracy, i.e. to achieve social welfare and justice.

Concerning the responsibilities of the nation, the fourth paragraph of the Preamble of the 1945 Constitution clearly states that:

“... The Government of Indonesia shall protect all the people of Indonesia and all the independence and the land that have been struggled for, and to improve public welfare, to educate the life of the nation, and to participate in the establishment of world order based on perpetual peace and social justice...”

Based on these responsibilities, it can be said that Indonesia implements the concept of welfare state (Krisdaskti, 1998). It is also reflected in Articles 23, 27, 31 and 34 of the 1945 Constitution, which stipulate the nation's responsibilities to manage any resources for the purpose of public welfare. According to Kaisiepo (2006) considering the aspiration embedded in Article 33 of the 1945 Constitution, which in turn is used as the constitutional foundation of Indonesian economy, the most suitable model of nation to realize that aspiration is welfare state model.

Theoretically, in a welfare state, the government is required to play a responsive role in managing and organizing its national economy, in order to ensure the availability of basic services of welfare to a certain extent for its citizens. According to Andersen (2010) a nation can be said to be a welfare state if it implements the values of social citizenship, full democracy, modern industrial relation systems, and the rights to education and the expansion of modern mass education system; and if the production and distribution of wealth are not given to the market completely.

The three key policies that a welfare state should implement are Keynesian macro-economy policy, the policy of creating jobs with high buying power of the people, and social security programs. Giddens (1998) argues that, in order to answer the changes and transformations in the world's economy, these three principles should be accompanied by the principles of equality, protection for the weak, freedom (autonomy), rights and responsibilities, participative authority, and solidarity in pluralism (Giddens, 1998).

The concept of welfare state becomes popular in the 20th century. According to (Manan, 2006) welfare state is a nation in which the government serves not only as the keeper of peace and order of society but also as the primary party responsible to realize social fairness, social welfare, and public prosperity. Economic intervention of the state (government), which is the characteristic of welfare state, aims to realize public welfare and social justice for all citizens of Indonesia.

Regarding food products, it is expected that if the products available in the market have met the required quality standard, it will provide security, safety, and health assurance for the consumers, and will be able to compete in national and international markets. It will promote the growth and development of national economy.

Products in general can be interpreted as intangible goods. However, in terms of product reliability, products are not only intangible goods; they also include the intangible goods (Phillips, 2008).

Product liability is a legal responsibility of an individual or institution that produce a product (producer, manufacturer) or of an individual or institution that works in the process to produce a product (processor, assembler) or of an individual or institution that sells or distributes the product (seller, distributor). Product liability is a legal instrument intended to provide protection for consumer's rights; particularly for the rights of safety and health, and the rights to suffer losses (Barkatullah, 2009).

In Indonesia, there is no law or regulations that specifically regulate product liability. The foundations or the principles of regulations dealing with product liability in Indonesia still refer to Civil Law and Consumer Protection Law. The foundation and principles are the laws that concerns with legal subjects and legal objects in an agreement; legal responsibilities/liabilities in a legal contract; et cetera.

Law, in economic perspective, serves to regulate and empower business actors to produce their products in an appropriate way that meets the standard and quality requirement, protects small businesses, maintains

healthy competition, and provides protection for consumers. This is the purpose of implementing product liability and quality standardization.

The concepts and regulations that deal with product liability implemented in Indonesia are general; referring to laws in the Book of Civil Law. These laws regulate the legal relationship of a contract, legal responsibilities in tort/civil affairs, legal responsibilities should there is a breach of contract, legal responsibilities for actions against the law, legal responsibilities in trading relationship, legal responsibilities on hidden default products, legal responsibilities of providing evidence, et cetera. More specific product liabilities are regulated in sectorial laws.

In addition to the general responsibilities regulated in civil law, a principle of product liability is also implemented in the legal relationship between producers and consumers. Product liability is a legal responsibility of an individual or institution that produce a product (producer, manufacturer) or of an individual or institution that works in the process to produce a product (processor, assembler) or of an individual or institution that sells or distributes the product (seller, distributor) (Saefullah, 2008).

In its development, the regulations on product liability contain the strict liability principle. This principle regulates that any individual/consumer who believes that he suffers losses due to a danger or defect in products can demand for compensation without having to prove whether or not there is an element of producer's fault.

However, this principle is not implemented in the Civil Law system of Indonesia. Indonesia's legal system implements a system of legal responsibilities based on the claim of criminal or law-breaking actions or tort law based on fault liability; in which the plaintiff/victim (consumer) has to prove there is fault liability in the part of the defendant (producer) with the implementation of Consumer Protection Law (UUPK, 2000), however, the obligation to prove or disprove fault liability becomes a responsibility of the business actors (defendant), as regulated in Article 22 and 28 of the constitution.

In addition to liabilities in the case of damage or loss that consumers suffer due to consuming the products that business actors (producers) produce, business actors are also obligated to operate their production well. It means that the products they produce should meet the qualification of standards and quality set by the government.

Regarding this, Indonesia has formulated and implemented its National System of Standardization. This system is implemented to support production capacity and productivity of the nation, particularly in the development of domestic and foreign trading, improvement of product quality and competitiveness, development of product standardization and consumer protection. The legal instruments issued to implement product standardization are Law No. 102/2000 on National Standardization and International Standard adopted into the National Standard, including SNI 19-9001:2001 on Quality Management System (Requirements), revised into SNI 19-9001:2008; SNI 19-9004:2002 on Quality Management System (Guidelines for Performance Improvement); SNI 19-19011:2005 on Guidelines for Quality and/or Environmental Management System Auditing; SNI ISO/IEC 17021:2008 on Compliance (Requirements of Audit and Management System Certification Institution); and SNI ISO 22000:2009 on Food Safety Management System.

In the effort to optimize the implementation of product liability and product quality standardization, the government performs its function of supervision and monitoring. Supervision and monitoring are intended to ensure that the policy or regulation is implemented appropriately. In the concept of quality management, this practice is known as Plan Do Check Action.

Based on the description above, it is clear that the government plays big role in the development of national economy, through both the implementation and monitoring of regulations, particularly those related with product liability and product quality standardization. The government does not let the mechanism of the market take control of these two aspects. This is intended to achieve equilibrium between the interests of business actors and the consumers in order to realize public welfare.

NATIONAL SYSTEM OF STANDARDIZATION AS THE NATION'S MEANS TO IMPROVE THE QUALITY OF FOOD PRODUCTS IN ORDER TO BUILD COMPETITIVE ADVANTAGES AND CONSUMER PROTECTION

Standardization, as one of the supporting elements of national development, plays an important role in optimizing the utilization of resources and all development endeavors. The infrastructures of standardization also serve to support a nation's production capacity and productivity, particularly in the development of domestic and foreign trading, improvement of product quality and competitiveness, development of product standardization and consumer protection. Therefore, as the national development grows, a series of implementation and improvement of national standardization programs and activities is needed; formulated in an integrated and comprehensive national system of standardization.

Standard implementation is an activity of applying SNI (Indonesian National Standard) in all regions of Indonesia. SNI implementation is closely related with standard implementation, accreditation, certification, and metrology. SNI is essentially a voluntary standard, which means that its implementation is voluntary. However, several standards in SNI; particularly those that deal with safety, security, health, and natural preservation of environment or that are based on certain considerations are obligatory. These standards are called obligatory SNI, and technical institutions are obligated to implement them in their activities (GRNS, 2000).

Standard implementation is intended to realize quality assurance of goods, services, processes, systems, and/or personnel in order to build the trust of the consumers and other interested parties that an organization, individual, and goods and/or services provided have met the required standard of quality. Standard implementation also serves to ensure an increase in productivity, usefulness and utility of products, and protection towards consumers, labor, and general public in terms of product safety, security, and health, as well as the preservation of environment. Standards are implemented voluntarily; out of necessity rather than obligation.

Standard implementation requires technical and institutional infrastructures, including SNI, KAN, certification institutions, inspection agencies, laboratories, as well as human resources and regulations that conform to international laws. In the case that there is no international law regulating certain specific matter, regulations that refer to national/regional laws, or other nation's law, may be formulated and implemented.

The accreditation system provides assurance that the accredited institution has met all requirements to act as certification agency, inspection institution, training institution, or laboratory, and provides assurance on the validity of the result of evaluation and test. Regular evaluation by the stakeholders of standardization is needed to maintain the consistency of the SNI implementation. The result of the evaluation can be recommended to the National Standardization Agency as an input to be considered in formulating or perfecting the national standardization policy and its supporting regulations. Standard implementation includes the application of standard and evaluation of conformity.

The implementation of SNI is voluntary in nature; based on the need of business actors in order to receive acknowledgement on their quality assurance. Therefore, the activities and products that do not comply with SNI regulations are not forbidden. Accreditation and certification of SNI implementation are more of an acknowledgement that the products have met the specification of SNI. Since the implementation is voluntary, SNI certification is not regulated in any law; however, the agency that certified the products (issuing SNI certificate) is obligated to perform surveillance on the implementation of SNI certificate. The Center of Standard Implementation System of BSN (National Standard Institution) may evaluate voluntary SNI implementation by monitoring the products with SNI certificate in the market. The result of the evaluation will be useful information for the Center of Standard Formulation of BSN, technical institutions, product certification agencies, and KAN on the SNI compliance of the products.

Concerning the standards that deal with safety, security, health, and environmental preservation, technical institutions are obligated to implement SNI. This is called obligatory SNI. The technical institutions are

also obligated to implement SNI standards that are not related with safety, security, health, and environmental preservation matters; based on certain considerations.

Obligatory SNI has to comply with the same regulations as voluntary SNI, both for domestic and imported products/services. Obligatory SNI implementation is regulated by decrees of the head of the technical institution. Obligatory SNI implementation needs to be supported by market monitoring; both pre-marketing monitoring to ensure that the business activity or products have met the obligatory SNI standard and post-marketing monitoring to monitor and correct any activity or product that has not met the SNI standard. While the compliance evaluation of voluntary SNI is in the form of acknowledgement, the compliance evaluation of obligatory SNI is one of the requirements that serve as a part of pre-marketing monitoring.

Existing instruments of regulation related with product standardization are not in constitutional level. The regulations that are used as reference and foundation of product quality standardization implementation include Government Regulation (Law) No. 102/2000 on National Standardization and Law No. 28/2004 on Security, Quality, and Nutrition of Food Products.

The regulations and technical guidelines of product quality standardization referred to in Indonesia's National Standard (SNI) are adapted from the international quality standards. Concerning the regulations that regulate product standardization, food security, and food quality, the substance of regulations in Law No. 102/2000 and Law No. 28/2004 is outlined in the following section.

In addition to legal responsibilities in the case of damage or loss of consumers due to consuming the products produced by the producers, the business actors (producers) are also responsible for good production. It means that the products they produce should meet the quality standards and qualification set in the regulations. Failure to do so will result in legal consequences that the producers must deal with, including compensation for user (consumer). In the case that the product causes safety, security, and/or health problems to the consumer or that the producers whose products are certified with SNI but not complied with the regulations, the business actors (producers) are forbidden to distribute and produce the products (GRNS, 2000). Should the producers keep producing and/or distributing the defect products, they will get administrative and/or legal sanctions. Administrative sanction may be the withdrawal or removal of product certification and rights to use SNI logo, or the withdrawal or removal of business permit and the products from the market. Legal sanction is based on the existing legal regulations and law.

Standard (SNI) implementation on a product is voluntary, based on the business actors' need to get acknowledgment of quality assurance of their products, so that the products can compete in national and international markets. Therefore, the activities and products that do not comply with SNI regulations are not forbidden. Accreditation and certification of SNI implementation are more of an acknowledgement that the products have met the specification of SNI. Since the implementation is voluntary, SNI certification is not regulated in any law; however, the agency that certified the products (issuing SNI certificate) is obligated to perform surveillance on the implementation of SNI certificate. The Center of Standard Implementation System of BSN (National Standard Institution) may evaluate voluntary SNI implementation by monitoring the products with SNI certificate in the market. The result of the evaluation will be useful information for the Center of Standard Formulation of BSN, technical institutions, product certification agencies, and KAN on the SNI compliance of the products.

Concerning the standards that deal with safety, security, health and environmental preservation, technical institutions are obligated to implement SNI. This is called obligatory SNI. The technical institutions are also obligated to implement SNI standards that are not related with safety, security, health, and environmental preservation matters; based on certain considerations.

Obligatory SNI has to comply with the same regulations as voluntary SNI, both for domestic and imported products/services. The standard compliance of imported goods and services is indicated by a certificate issued by certification agency or laboratory accredited by the National Accreditation Committee or by certification agency or laboratory of the importing country, acknowledged by the National Accreditation

Committee. The acknowledgement of National Accreditation Committee given to certification institution, inspection agency, training institution, or laboratory of the importing country is based on the (bilateral or multilateral) agreements of mutual acknowledgment. In the case that the imported products or services are not certified, the head of technical institutions may appoint any certification institution or laboratory, both domestic or foreign, that has been accredited and acknowledged by National Accreditation Committee to certify the imported products/services. The implementation of obligatory SNI on a product should consider:

- The availability of supporting infrastructure for the implementation of obligatory SNI, such as certification institutions, inspection agency, and accredited laboratory;
- Transition period, to allow the business actors and/or service provider to make required adjustments;
- The implementation of obligatory SNI is performed by issuance of technical regulation by government institution that has authority to regulate the activities of production and distribution of products (regulator). In this case, the activities and products that do not meet SNI requirements are forbidden or illegal. Obligatory SNI needs to be implemented carefully to prevent the following effects: (a) restriction on healthy competition; (b) impeding innovation; and (c) hindering the development of small and medium enterprises. The best way to do so is by limiting the implementation of obligatory SNI only for the activities and products with high level of risk. In other words, not all products are made obligatory to meet the national standard of quality. But, if it is so, how can we provide assurance that the product, which is not standardized, will not harm consumer? Without standardization, the products are out of the surveillance field of the National Accreditation Committee and the National Standardization Agency. Although a separate body with authority to monitor food and drugs exists; i.e. the National Agency of Drugs and Food Control (BPOM); the product liability system for unstandardized products is different from that for standardized (certified) products.

Obligatory SNI implementation needs to be supported by market monitoring; both pre-marketing monitoring to ensure that the business activity or products have met the obligatory SNI standard and post-marketing monitoring to monitor and correct any activity or product that has not met the SNI standard. While the compliance evaluation of voluntary SNI is in the form of acknowledgement, the compliance evaluation of obligatory SNI is one of the requirements that must be met by all concerned parties. As such, compliance evaluation serves as a part of pre-marketing monitoring performed by the regulators.

Considering that the technical regulations related with obligatory SNI also apply for imported products, the members of WTO, including Indonesia, has agreed on the Agreement on Technical Barrier to Trade (TBT) and the Agreement on Sanitary and Phyto Sanitary Measures (SPS) to avoid any hampering in international trading. This effort will be effective if each nation implements Good Regulatory Practices (GRP) in its obligatory standards.

Food producers whose products are regulated with obligatory SNI should comply with national standards. Therefore, there are two main responsibilities that the processed-food producers should implement:

Firstly, they are responsible to implement SNI on their processed food products. As previously stated, for food products that are related with public safety, security, and health are obligated to meet Indonesia's National Standard. Failure to comply with this regulation will cause the products to be banned from further distribution and production. If the producers insist on keep producing and marketing their defect products, the producers will be subjected to administrative and/or legal sanctions. Administrative sanction may be the withdrawal or removal of product certification and rights to use SNI logo (performed by product certification institution), or the withdrawal or removal of business permit and the products from the market (performed by authorized agency or Regional Government). Legal sanction is based on the existing legal regulations and law. It means that the SNI-obligated processed food products should meet the technical specification or parameters of Indonesia's National Standard.

Secondly, they are responsible towards the consumers for the processed food products that are produced, marketed, and certified as meeting the standards. Any processed food with SNI logo in the market is assumed to have met the required technical and quality specification. It means that the product is safe, secure, and healthy to be consumed. If it is not so, in the sense that the certified and SNI-labeled food products cause loss or damage in terms of safety and/or health for consumers, the consumers may charge the producers legally and the producers should be responsible for consumers' loss.

The responsibility (product liability) means that the business actors or producers compensate the loss of the consumers by returning them to the previous state. Regarding product liability to the institution that provided certification or SNI label, the producers should explain why the certified product causes loss on the part of the consumers. Should the following evaluation prove that the product does not comply with the required standard, the institution can withdraw production permit from the company and require the producers to remove all products from the market. If it is proven that there is criminal aspect in the matter, it will be processed in accordance with the existing law and regulations.

Under this consideration, Indonesia implements National Standardization System as one of the government policies that are responsive to ensure the availability of basic welfare services to certain extent to the citizen; particularly regarding consumers' safety, security, and health in consuming products available in the market. Indonesia needs a national standard with better quality to comply with international requirements, to facilitate the achievement of its strategic goals; including the increase of export of Indonesian goods and/or services, improvement of Indonesian goods/services' competitive advantages over imported goods/services, the improvement of national efficiency, and the implementation of programs in economic and other sectors. It needs a National Standardization System; i.e. a network of integrated, national- and global-oriented standardization facilities and activities.

The development of international economy towards borderless state has encouraged many nations to form trading blocks in order to protect and secure their trading interests. The increased interdependency among nations and the interrelation of regional and international problems, many trading/commerce blocks emerge; such as AFTA (ASEAN Free Trade Area), APEC (Asia Pacific Economic Cooperation), EU (European Union), NAFTA (North American Free Trade Agreement), et cetera. The tendency of trading liberalization is characterized by the changes towards agreed terms of trade; the policies related with trading, such as subsidized input, import tariff, export tax, quota, and others, will gradually be removed.

To protect and secure domestic interests from imported products, many nations use non-tariff instruments, including standard implementation and compliance evaluation. Hence, the role of standard and compliance assessment nowadays is greater in international commerce. It is indicated by the increase in standardization activities and compliance assessment in the regional or international commerce blocks, such as ACCSQ (ASEAN Consultative Committee for Standards and Quality), APEC-SCSC (Standards and Conformance Sub-Committee), and ASEM-TFAP-on SCA (Asian European Meeting-Trade Facilitation Action Plan on Standards and Conformity Assessment).

Indonesia has signed several agreements with organizations and trading blocks to implement liberalization of commerce, including with WTO, AFTA, APEC, and ASEM. These agreements require Indonesia to implement international trading liberalization. It means that the trading policies of Indonesia that contain the elements of restriction/protection should be gradually removed or adjusted. This also encourage the increased role of standardization in Indonesia.

The role of standardization in national economy also experiences significant improvement; for instance, the implementation of Law No. 8/1999 on Consumer Protection specifically stating that business actors are prohibited from producing and/or trading goods/services that do not meet the required standard; the issuance of Law No. 102/2000 on National Standardization; the active participation of Indonesia in regional and international standardization such as ISO (International Organization for Standardization), IEC (International Electrotechnical Commission), CAC (Codex Alimentarius Commission), ILAC

(International Laboratory Accreditation Cooperation), APLAC (Asia Pacific Laboratory Accreditation Cooperation), et cetera.

On the other hand, public awareness on product quality and standards is still relatively low. There are some problems that need to be solved immediately; including the insufficient number of national standards that may promote products of industry, the inadequate or inefficient regulations that promote the implementation of standard, and other matters needed to facilitate trading and to ensure the quality of domestic products. Considering the importance of standardization in the present and the future to improve products' competitiveness and consumer's protection, as well as to contribute towards national development, a system is needed as the basis to formulate future policies and programs of national standardization development, which will be able to solve problems and difficulties mentioned above.

A challenge that Indonesia will face in the future is the globalization, which requires tight competition in the market. Therefore, Indonesia needs to strengthen its economic foundation, focusing on competitive advantages. There are two factors affecting this: efficiency and productivity.

To improve efficiency and productivity, a standardized infrastructure and compliance assessment may be developed to promote national development in the competitive environment of globalization.

CONCLUSION

The implementation of products' quality standardization will contribute greatly towards national development. With good quality standardization, production sector will operate well and the products it generates will be absorbed by the market. When this happens, the growth and development of national economy will automatically occur (particularly in production sector). With many products in the market meet the standards (both national and international), the consumers will be protected, in terms of their safety, security, and health when consume the products. In addition, the product itself will have high bargaining power and competitive advantages.

As a form of national responsibilities for improving the quality of food products, an effective and efficient National Standardization System is expected to produce: (1) adequate Indonesian National Standard which complies with international standards for the purpose of internal quality assurance and commerce agreements; (2) standard implementation system that can promote efficiency and productivity in production sector, ensure consumers' protection in health, security, safety, and environment preservation; (3) competitive advantages of Indonesia's products in global market; (4) information of standardization that business, government, and consumers need in order to facilitate domestic and international commerce; and (5) the growth and development of healthy, credible, and competitive certification institutions, laboratory, and inspection agencies.

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