

## Business Irregularities of Oyster Chicken Meatball Stalls in Bantul, Yogyakarta

Sabda Dian Nurani Siahaan<sup>1\*</sup>, Azalia Kartika Rudyani<sup>2</sup>, Insania Asyifa Hasibuan<sup>3</sup>, Melda Siburian<sup>4</sup>, Devi Intan Sitompul<sup>5</sup>, Riandi Paskah Wijaya Sagala<sup>6</sup>

Universitas Negeri Medan

**Corresponding Author:** Sabda Dian Nurani Siahaan [sabda@unimed.ac.id](mailto:sabda@unimed.ac.id)

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### ABSTRACT

It harms the seller or buyer either financially or in other areas. Deviant business activities in this study relate to business practices that do not comply with these rules. The method used in this research is a qualitative or quasi-experimental method. The author uses this method because there is limited time to directly review this matter appropriately and effectively. In this study, we, the authors, invite readers to know and understand how MSMEs in Indonesia, especially meatball stalls in the city of Bantul, Yogyakarta, carry out fraudulent business actions, causing losses to the health of the people who consume them.

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## **INTRODUCTION**

Every business actor in Indonesia must be in a situation of fair and reasonable business competition, so as not to cause the concentration of economic power in certain business actors. In principle, in the business world, efforts to obtain as much profit as possible are reasonable behavior, as long as such behavior does not lead to monopolistic practices and unfair business competition. Business practice is something natural that at least practices economic principles and the tendency for unfair business competition to occur can occur along with the course of the business itself. In this regard, the presence of business competition law needs to be guided by business actors in Indonesia. Violations there are threats of punishment for business actors. In the process of proving the violation, the Business Competition Supervisory Commission (KPPU) uses the element of proof per se illegal, which is simply proving the existence of the act, and rule of reason proof, which in addition to questioning the existence of the act also sees the impact caused. In the era of world trade that is now increasingly globalized, characterized by increasingly smooth trade relations between countries from various nations, it is undeniable that it will have an impact on business practices, including sharp competition that even leads to unfair competition. Such unfair competition can spur business actors to create unfair business practices.

Third, businesses produce goods that can have a serious impact on the environment, such as hazardous waste for health. MSME meatball stalls in the city of Bantul, Yogyakarta are meatball stalls that were established in 2010 run by MHS (51) and AHR (50) who sell meatballs made from tainted chicken. (51) and AHR (50) who sell meatballs made from tainted chicken. Their case harmed the people who consumed the meatballs. This case is interesting because on the one hand, the meatball production activity initially used fresh chicken, but due to the increase in the price of chicken in the market, it was difficult for the perpetrators to buy and manage the chicken, so they ended up selling meatballs made from tiren chicken.

## **LITERATURE REVIEW**

### *Definition and Scope of Consumer Protection*

When we use the term consumer, we usually focus on the consumer's role as a buyer. In another sense, consumers can also be defined as users. From this it can be concluded that everyone who utilizes or uses goods, services, and natural materials in this world to sustain their lives is called a consumer. In economic development and the role of technology and consumers is growing, the motto "buyer is "King". But mostly for a developed country as Indonesia, you can also see that on the other hand the number of consumers is growing and their needs are growing, On the other hand, the income level is still very low, so he still cannot be in a decisive role as a driver of development and a stabilizer in price control. In general, these people are passive consumers, that is, they just accept what is presented by producers. This attitude of acceptance also occurs as a result of industrial development that affects the environment. The poverty of consumer protection law and the low level of knowledge of most Indonesians are barriers to adequate protection for consumers. Therefore,

the best shortcut is for consumers to protect themselves and this can be achieved if consumers are aware of their rights. President John F. Kennedy put forward four consumer rights, namely: (1) The right to security and safety; (2) The right to be informed; and (3) The right to a fair price.

#### *Per Se Illegal and Role of Reason Approach*

The Law on Business Competition defines monopoly as the control over the production and or marketing of certain goods or services by one business actor or a group of business actors. Monopolistic practice is the concentration of economic power by one or more business actors that results in control over the production and or marketing of certain goods or services so as to cause unfair business competition and may harm the public interest. Unfair business competition is competition among business actors in carrying out production and or marketing activities of goods or services that is conducted dishonestly or unlawfully or impedes business competition.

## **METHODOLOGY**

In this study, the method used is a qualitative method or experimental method in collecting data and samples on the topics discussed in this study. This was done by the author because there was a schedule mismatch between research and Business Regulation courses. This study uses the Web or books as a discussion in this study.

## **RESULT AND DISCUSSION**

### ***1. Characteristics of Fraudulent Business Practices***

The scope of fraudulent business practices as described in the previous section includes food products, beverages and medicines that contain certain ingredients that are harmful to the health and lives of consumers; the provision of information on a product that is not in accordance with reality; unfair competition among producers that can be detrimental to consumers, society and the country as a whole; and misleading advertisements. The characteristics and consequences of these fraudulent business practices will be analyzed below.

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#### *a. Products that endanger one's health or life*

The toxic biscuit case that occurred in Tangerang a few years ago can be used as a concrete example. In this case, the facts were clear that the death of the four children was caused by eating biscuits that were declared to contain poison by laboratory tests. The defendant's actions

were carried out by first purchasing raw materials and a mixture of raw materials for the manufacture of Marie Super biscuits, including ammonium bicarbonate and sodium bicarbonate. Then, the biscuits produced by CV Gabisco were marketed by the defendant in the Tangerang District area, where the parents of the four victims purchased Marie Super. As a result, when the biscuits were eaten, the victims died because Marie Super contained nitrite anion (N<sub>2</sub>) which is harmful to human life. The above problem relates to a violation of one of the consumer rights, namely the right to safety and security of the goods consumed.

*b. Providing Incorrect Information on a Product*

Informative information on goods and services is correct and good information about each product, both regarding origin, safety or quality standards, composition, nutritional value, size, measure, scale, general and/or technical requirements, and so on. Producers are prohibited from making false and misleading statements about the products they sell. The prohibition against dishonest practices mentioned above is intended so that in conducting business activities entrepreneurs realize that the management of economic activities is for the common good. Entrepreneurs whose products are consumed widely will get a large profit and thus will be encouraged to increase investment and expand their business fields. With the expansion of business fields, employment opportunities also open up more widely, which in turn will increase people's income so that it can ultimately improve people's living standards.

*c. Misleading Ads*

Two types of advertisements that can be categorized as harmful to consumers are misleading and untrue. Misleading occurs when consumers are irrationally influenced by the advertisement and Untrue occurs when the advertisement provides information that is not true. The negative impact of this deviant behavior in advertising is the emergence of consumption patterns that are not in accordance with reality, fraudulent competition, and goods that are not in accordance with advertisements, for example, where the quality, efficacy or usefulness of the advertised goods does not match reality.

## **2. Prohibited Activities • Monopoly**

Business Actors are prohibited from exercising control over the production and or marketing of goods and or services that may result in monopolistic practices and or unfair competition in the business. Business actors should be suspected or deemed to exercise control over the production and or marketing of goods or services as referred to in the following points: (1) there is no substitute for the goods or services concerned, (2) other business actors cannot enter into business competition for the same goods and services,

(3) one business actor or one business group controls more than 50% of the market share of a certain type of goods or services.

*a. Monopsony*

A business actor is prohibited from controlling the receipt of supply or becoming the sole purchaser of goods and services in the relevant market that may result in monopolistic practices and/or unfair competition. Monopsony in business is not prohibited as long as it does not result in monopolistic practices and/or unfair competition.

*b. Market Control*

Business actors are prohibited from conducting one or several activities, either alone or in conjunction with other business actors, which may result in monopolistic practices or unfair competition in the form of: (1) refusing or obstructing certain business actors to conduct the same business activities in the relevant market, (2) obstructing consumers or customers of its competitors from conducting business relations with other business actors, (3) restricting the circulation or sale of goods or services in the relevant market.

### **3. Business Action Case of Meatball Stall in Bantul, Yogyakarta**

The case of selling tainted chicken meatballs in the city of Bantul, Yogyakarta has now been revealed that residents found this married couple grinding chicken in an unnatural condition. The residents then reported the suspicion to the Pleret police station. The police, together with the Bantul health department and the Bantul trade department, visited the husband and wife's house on Friday (1/21/2022). After inspection, the results at the location found meatballs made from tainted chicken that had been produced. The police also found 18 plastics containing 15 small meatballs, nine plastics containing 5 medium meatballs, and three plastics containing 12 large meatballs. In addition, two freezers, a meatball dough machine, scales, buckets, and a generator for production in the event of a blackout. To the police, MHS and AHR admitted to distributing the meatballs since 2015 in three markets in Yogyakarta with a net income of Rp 500,000 per day. MHS admitted that he consumes 15 to 20 tainted chickens a day. The meat is then made into meatball dough. "The mixture uses benzoate, baking soda too," he said. The perpetrator AHR, apologized to buyers who had already consumed his meatballs. "I apologize to the people who have been harmed by my actions," he said. The meatballs were sold to three major markets in Yogyakarta City, namely Demangan Market, Kranggan Market, and Giwangan Market. They sold the meatballs to Yogyakarta City because there was no market for the meatballs.

## **CONCLUSIONS AND RECOMMENDATIONS**

Legal protection of consumers in Indonesia is very weak. The poor consumer protection law and the low knowledge of most Indonesians are barriers to adequate protection for consumers. Consumer rights, which are recognized by the UN and also accepted by Indonesia, have not yet found an

adequate place in the Indonesian legal system. The weaknesses of consumers are often exploited by dishonest economic actors (producers or traders) to make profits for themselves. Consumer goods are presented in various misleading ways. Cases that occur in the community prove this. These cases include food, beverage and medicine products that are harmful to health or life, product labeling that does not match reality, unfair competition, or misleading advertisements. One way to anticipate fraudulent business practices is through legal channels. In general, the laws relating to this issue are civil law, criminal law and administrative law. The extent to which these regulations can be relied upon to protect consumer interests is described below. First, civil law, which generally relates to agreements, damages and defaults. These provisions are only general in nature so they are not easy to apply to specific cases relating to fraudulent business practices by producers. Second, criminal law, which generally relates to selling, offering and distributing goods that are harmful to health or life, fraudulent competition, deceiving consumers and falsification of products. From the discussion above, it can be concluded that the seller of tiren chicken meatballs, which has been established since 2010, has harmed the health of the people who consume it. So that the married couple MHS (51) and AHR (50) are charged with Article 204 paragraph (1) of the Criminal Code or Article 62 paragraph (1) of Law Number 8 of 1999 concerning consumer protection or Law Number 12 of 2012 concerning food amending Law Number 7 of 1996 concerning food. They face up to 15 years in prison.

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