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Justice Based Consumer Dispute Mediation in the Digital Economy

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ABSTRACT

The increasing complexity of consumer disputes arising from digital transactions in Indonesia has highlighted the need for dispute resolution mechanisms that ensure justice while providing accessible and effective legal protection. This study aims to analyze the implementation of the principle of justice in consumer dispute mediation at the Consumer Dispute Settlement Agency *(Badan Penyelesaian Sengketa Konsumen*—BPSK) Working Area I Banten and identify the institutional factors influencing mediation effectiveness. **The research employed** a qualitative design using an empirical juridical approach. Data were collected through semi-structured interviews, direct observations of mediation processes, and document analysis, followed by qualitative descriptive analysis supported by source and method triangulation. **The findings reveal** that mediation generally upholds the principles of equality, good faith, and deliberation, reflecting the effective implementation of procedural justice. However, substantive justice remains constrained by unequal bargaining power, variations in mediator competence, limited consumer legal literacy, and the increasing complexity of digital transactions. **The study concludes** that strengthening mediator capacity, improving consumer legal awareness, reinforcing institutional governance, and progressively adopting technology-supported dispute resolution mechanisms are essential to enhancing fairness, transparency, accountability, and the long-term sustainability of consumer dispute resolution in Indonesia. **These findings** provide practical guidance for policymakers and consumer dispute resolution institutions in developing more adaptive and digitally responsive mediation systems while contributing to the literature by integrating justice theory with digital governance perspectives to support future legal and institutional reforms.

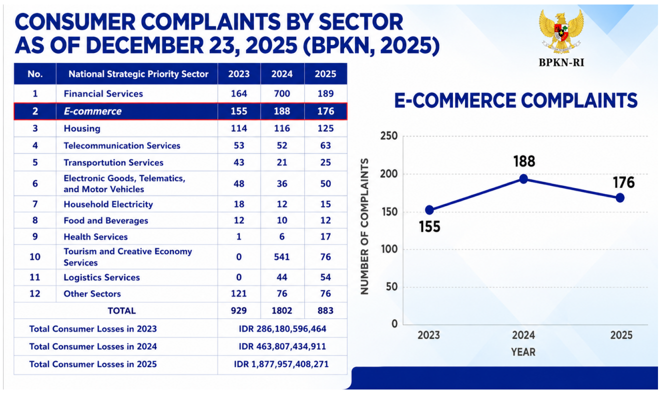
1. INTRODUCTION

Consumer dispute resolution has become an increasingly important component of legal protection systems in many jurisdictions, particularly as the rapid expansion of the digital economy transforms commercial relationships between consumers and business actors [1]. The widespread adoption of e-commerce, digital financial services, and online marketplaces has significantly increased the volume and complexity of consumer transactions while creating new forms of legal disputes involving information asymmetry, unequal bargaining power, and cross-platform accountability [2]. In Indonesia, this transformation has intensified the demand for accessible, efficient, and fair dispute resolution mechanisms capable of protecting consumer rights within an evolving digital governance framework. Consequently, consumer dispute resolution is no longer viewed solely as a matter of private law enforcement but also as an essential element of regulatory governance that strengthens public trust, promotes market integrity, and supports sustainable digital economic development [3]. The Consumer Dispute Settlement Agency *(Badan Penyelesaian Sengketa Konsumen—BPSK)*, established under Law Number 8 of 1999 concerning Consumer Protection, plays a strategic role in providing alternative dispute resolution through mediation, conciliation, and arbitration. Among these mechanisms, mediation is the most frequently used because it promotes deliberation, voluntary participation, and mutually agreed settlements while reducing the cost and duration of litigation [4]. Nevertheless, the growing complexity of consumer disputes arising from digital transactions presents institutional and regulatory challenges that extend beyond conventional mediation practices. These challenges underscore the importance of strengthening institutional capacity and ensuring that mediation mechanisms remain responsive to the evolving legal and technological landscape.

Consequently, the effectiveness of mediation depends not only on procedural compliance but also on its ability to achieve substantive justice by ensuring equal protection for consumers and business actors [5]. Strengthening fair consumer dispute resolution is closely aligned with Sustainable Development Goal (SDG) 16, which emphasizes access to justice, accountable institutions, and effective governance. Within the context of digital governance, ensuring justice in consumer dispute mediation also strengthens public confidence in regulatory institutions responsible for protecting consumers in increasingly technology-driven markets [6]. Therefore, evaluating the implementation of justice principles in BPSK mediation has both national significance for improving consumer protection and broader relevance to contemporary discussions on legal governance and regulatory innovation in the digital economy. Despite the existence of a comprehensive legal framework governing consumer protection, the practical implementation of justice principles in BPSK mediation continues to face significant challenges [7]. Consumers often occupy weaker bargaining positions because of limited legal literacy, unequal access to information, and inadequate understanding of dispute resolution procedures. At the institutional level, a limited number of qualified mediators, variations in mediator competence, and the limited enforceability of certain mediation outcomes reduce the overall effectiveness of dispute resolution [8]. Furthermore, the rapid growth of digital commerce has introduced disputes involving online transactions, platform-based services, and electronic evidence, requiring mediation institutions to adapt their governance mechanisms to increasingly complex legal environments.

Previous studies have extensively examined consumer protection, mediation effectiveness, alternative dispute resolution, and the institutional role of BPSK. Existing research generally concludes that mediation provides an efficient mechanism for resolving consumer disputes while promoting consumer protection and access to justice [9]. However, most studies focus primarily on normative legal analysis or general institutional performance without comprehensively examining how the principle of justice is empirically implemented during mediation processes, particularly within regional BPSK institutions operating in the context of digital economic transformation. Moreover, limited attention has been devoted to explaining how institutional capacity, legal literacy, and regulatory governance collectively influence the realization of substantive justice in consumer dispute mediation [10]. This study addresses these limitations by investigating the implementation of justice principles in mediation practices at BPSK Working Area I Banten using an empirical juridical approach. Unlike previous studies that predominantly evaluate legal provisions or institutional functions, this research examines the interaction among procedural fairness, substantive justice, mediator performance, consumer legal awareness, and institutional governance to achieve equitable dispute resolution [11]. Furthermore, it extends existing discussions by relating the empirical findings to broader issues of digital governance, regulatory adaptation, and consumer dispute management within Indonesia's evolving digital economy. Accordingly, this study contributes not only to advancing consumer protection law and alternative dispute resolution scholarship but also to contemporary debates on technology governance and regulatory innovation in legal dispute resolution systems [12]. Based on these considerations, this study aims to analyze how the principle of justice is implemented during mediation at BPSK Working Area I Banten, identify the institutional and external factors influencing mediation effectiveness, and formulate policy recommendations to improve fairness, transparency, and accountability in consumer dispute resolution. The findings are expected to contribute theoretically by advancing the discourse on procedural and substantive justice in consumer dispute mediation. Practically, the study provides recommendations to strengthen mediator capacity, improve institutional governance, and support regulatory reforms in response to the challenges of the digital economy.

As illustrated in Figure 1, the number of consumer complaints in Indonesia has increased considerably



No.	National Strategic Priority Sector	2023	2024	2025
1	Financial Services	164	700	189
2	*E-commerce*	155	188	176
3	Housing	114	116	125
4	Telecommunication Services	53	52	63
5	Transportution Services	43	21	25
6	Electronic Goods, Telematics, and Motor Vehicles	48	36	50
7	Household Electricity	18	12	15
8	Food and Beverages	12	10	12
9	Health Services	1	6	17
10	Tourism and Creative Economy Services	0	541	76
11	Logistics Services	0	44	54
12	Other Sectors	121	76	76
TOTAL		929	1802	883
Total Consumer Losses in 2023		IDR 286,180,596,464		
Total Consumer Losses in 2024		IDR 463,807,434,911		
Total Consumer Losses in 2025		IDR 1,877,957,408,271		

Figure 1. Consumer Complaint Trends in Indonesia (2023–2025)

in recent years, reflecting the growing complexity of commercial activities within the digital economy. In 2024, the National Consumer Protection Agency recorded 1,733 complaints, representing a substantial increase compared with the previous year, while estimated consumer losses exceeded IDR 424 billion [13]. During the same period, the Ministry of Trade reported 3,682 complaints, of which more than 90% originated from e-commerce transactions. These statistics indicate that digital transformation has significantly expanded both the scale and complexity of consumer disputes, thereby reinforcing the need to strengthen institutions such as BPSK. Accordingly, enhancing mediation quality, institutional governance, and regulatory responsiveness has become increasingly important to ensure that consumer dispute resolution remains fair, efficient, and capable of addressing emerging challenges in the digital marketplace.

Furthermore, this study directly contributes to achieving Sustainable Development Goal (SDG) 16, particularly Target 16.3 on ensuring equal access to justice and Target 16.6 on developing effective, accountable, and transparent institutions [14]. By examining the implementation of justice principles in consumer dispute mediation at BPSK Working Area I Banten, this research provides empirical evidence to strengthen institutional governance, improve consumer access to fair and effective dispute resolution, and enhance the capacity of mediation institutions to respond to the challenges of the digital economy [15]. Accordingly, the findings are expected to support ongoing legal and regulatory reforms aimed at promoting more inclusive, transparent, and sustainable consumer protection systems in Indonesia.

2. LITERATURE REVIEW

2.1. Consumer Protection and the Principle of Justice

Consumer protection constitutes a fundamental element of modern legal systems because it seeks to establish a fair balance between the rights and obligations of consumers and business actors. In Indonesia, this objective is embodied in Law Number 8 of 1999 concerning Consumer Protection, which recognizes consumers' rights to safety, accurate information, fair treatment, and effective legal remedies [16]. Beyond safeguarding economic interests, consumer protection also promotes legal certainty, strengthens public trust, and supports sustainable market governance. Consequently, it has become an essential component of legal governance in the digital economy, where technological innovation continuously reshapes commercial transactions and legal relationships. Within the framework of consumer protection law, the principle of justice serves as the normative foundation for every dispute resolution mechanism [17]. Justice should not be interpreted merely as compliance with procedural requirements; rather, it should also encompass substantive fairness by considering the actual circumstances, bargaining positions, and legal capacities of the disputing parties. Contemporary legal scholarship distinguishes procedural justice, which emphasizes equal participation, transparency, and due process, from substantive justice, which focuses on equitable outcomes that restore the balance disrupted by violations of consumer rights [18]. Furthermore, the theories of distributive and corrective justice suggest that dispute resolution mechanisms should ensure the proportional allocation of rights while providing appropriate remedies for losses suffered by disadvantaged parties. Collectively, these theoretical perspectives provide a robust analytical framework for evaluating whether mediation outcomes genuinely reflect fairness rather than merely satisfying procedural requirements.

2.2. Mediation and Consumer Dispute Resolution through BPSK

Alternative Dispute Resolution (ADR) has become an increasingly important mechanism for resolving consumer disputes because it provides procedures that are generally faster, less costly, and more flexible than conventional litigation [19]. Among the various ADR mechanisms, mediation is widely recognized for promoting dialogue, voluntary participation, and mutually acceptable settlements while preserving relationships among disputing parties. Unlike adjudicative approaches, mediation facilitates consensus through negotiations guided by an impartial mediator, making it particularly suitable for consumer disputes in which fairness and accessibility are essential [20]. In Indonesia, the Consumer Dispute Settlement Agency BPSK plays a strategic institutional role by providing mediation, conciliation, and arbitration as alternative mechanisms for consumer dispute resolution.

Table 1. Comparison of Consumer Dispute Resolution Mechanisms through BPSK

Mechanism	**Decision Basis**	**Main Characteristics**
Mediation	Mutual agreement	Facilitates negotiation through a neutral mediator and emphasizes voluntary consensus and cooperative problem solving.
Conciliation	Mutual agreement	The conciliator may actively propose settlement options while encouraging agreement between the parties.
Arbitration	Binding decision	The arbitrator issues a legally binding decision based on the evidence and applicable legal provisions.

Table 1 summarizes the three consumer dispute resolution mechanisms available through BPSK. Although mediation, conciliation, and arbitration share the common objective of resolving disputes outside the court system, they differ in their procedures and decision-making processes [21]. Mediation emphasizes voluntary negotiation and mutually agreed settlements, making it particularly suitable for consumer disputes that require flexibility, accessibility, and the preservation of relationships among the parties. Consequently, mediation has become the primary focus of this study because it provides the greatest opportunity to evaluate the implementation of procedural and substantive justice in consumer dispute resolution.

Previous studies have shown that mediation effectiveness largely depends on mediator competence, neutrality, transparency, good faith, and the willingness of both parties to participate constructively. Nevertheless, empirical evidence consistently indicates that consumers often occupy weaker bargaining positions because of limited legal knowledge, unequal access to information, and economic disparities [22]. These structural inequalities frequently influence mediation outcomes and may hinder the realization of substantive justice. Furthermore, institutional constraints, including inconsistent mediator competence and the limited enforceability of certain BPSK decisions, continue to pose significant challenges to strengthening public confidence and enhancing the effectiveness of consumer dispute resolution.

2.3. Digital Governance and Consumer Dispute Resolution

The rapid expansion of the digital economy has fundamentally transformed consumer transactions, creating increasingly complex legal relationships involving e-commerce platforms, financial technology (fintech), digital payment systems, and other technology based services [23]. Although digital transformation has improved market accessibility and economic efficiency, it has also generated new forms of consumer disputes involving electronic contracts, cross-border transactions, digital evidence, and platform accountability. These developments require legal institutions to adapt existing dispute resolution mechanisms to ensure consumer protection remains effective in technology-driven environments. Recent scholarship increasingly recognizes digital governance as an essential framework for regulating legal relationships within the digital economy [24]. It encompasses the development of legal, institutional, and technological arrangements that promote accountability, transparency, fairness, and regulatory effectiveness in digital environments. Within this framework, Online Dispute Resolution (ODR) has emerged as an innovative extension of traditional mediation by integrating digital technologies into dispute resolution processes [25]. Although Indonesia has established BPSK as an institutional mechanism for resolving consumer disputes, the adoption of digital governance principles and technology-supported mediation remains relatively limited. Therefore, strengthening institutional capacity, promoting regulatory innovation, enhancing digital legal literacy, and expanding technology-assisted mediation are key priorities for improving consumer protection while advancing Sustainable Development Goal (SDG) 16 on access to justice and strong institutions.

2.4. Research Gap and Conceptual Framework

Existing literature has made significant contributions to understanding consumer protection law, mediation effectiveness, alternative dispute resolution, and the institutional role of BPSK. Previous research generally recognizes mediation as an efficient and accessible mechanism for resolving consumer disputes while promoting legal protection and access to justice [26]. However, most studies primarily emphasize normative legal analysis, institutional functions, or general assessments of mediation effectiveness. Comparatively little empirical research has investigated how the principle of justice is implemented in mediation practices within regional BPSK institutions, particularly in response to the contemporary challenges posed by digital governance and the digital economy [27]. However, the existing literature rarely integrates procedural justice, substantive justice, institutional governance, and digital regulatory perspectives into a unified analytical framework. Consequently, the relationships among mediator competence, consumer legal literacy, institutional capacity, and regulatory adaptation have not been comprehensively explored [28]. This theoretical and empirical gap limits a comprehensive understanding of how justice principles are translated into practical mediation outcomes in increasingly complex consumer dispute environments. As digital consumer transactions continue to expand, dispute resolution institutions are expected to balance legal certainty, procedural efficiency, and substantive fairness within increasingly complex regulatory environments. Understanding how justice principles operate in actual mediation practices is therefore essential for identifying institutional strengths and weaknesses that may influence dispute resolution outcomes. Moreover, empirical evidence from regional mediation institutions remains limited despite the growing importance of consumer protection in Indonesia's digital economy. Addressing these issues provides a stronger foundation for developing evidence-based policies that improve institutional effectiveness and strengthen consumer trust in alternative dispute resolution mechanisms. To address these limitations, this study empirically examines the implementation of justice principles in mediation practices at BPSK Working Area I Banten [29]. It adopts an integrated conceptual framework combining consumer protection law, theories of procedural and substantive justice, alternative dispute resolution, and digital governance. By linking empirical findings with contemporary perspectives on legal governance and regulatory innovation, this study contributes to the advancement of consumer protection scholarship while providing practical recommendations to strengthen mediator competence, improve institutional governance, enhance consumer legal literacy, and promote more transparent, accountable, and technology-responsive consumer dispute resolution systems.

3. RESEARCH METHOD

3.1. Research Design

This study adopted a qualitative research design using an empirical juridical approach to examine the implementation of the principle of justice in consumer dispute mediation at the Consumer Dispute Settlement Agency (BPSK) Working Area I Banten [30]. A qualitative design was selected because it enables an in-depth understanding of legal and social phenomena, particularly the experiences and interactions of consumers, business actors, and mediators during the mediation process. The empirical juridical approach integrates normative legal analysis with empirical investigation to evaluate how legal principles are applied in actual dispute resolution practices [31]. The normative component focuses on analyzing legal instruments, including Law Number 8 of 1999 concerning Consumer Protection, regulations governing BPSK, and relevant scholarly literature on consumer protection, justice principles, mediation, alternative dispute resolution, and digital governance [32]. In contrast, the empirical component examines the implementation of these legal principles during mediation proceedings at BPSK Working Area I Banten, with particular attention to mediator competence, consumer legal literacy, bargaining power, and institutional capacity [33]. The integration of normative and empirical analyses provides a comprehensive assessment of procedural and substantive justice while supporting evidence-based recommendations to improve consumer dispute resolution in Indonesia. The overall research design adopted in this study is presented in Figure 2.

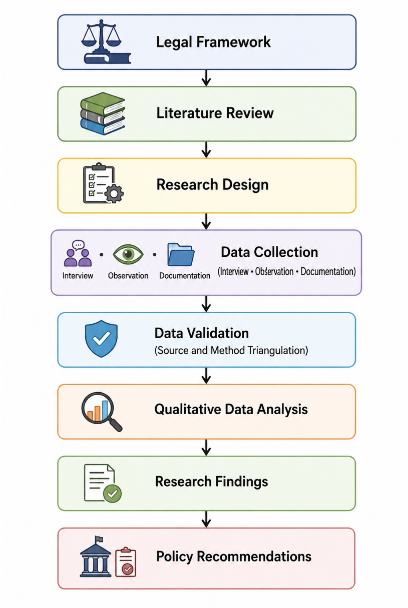


Figure 2. Research Design of the Study

Figure 2 illustrates the overall research workflow adopted in this study. The process begins with a review of the relevant legal framework and previous literature, followed by the development of the research design. Empirical data are then collected through interviews, observations, and document analysis [34]. These complementary data collection methods enable the researcher to capture both legal and practical perspectives on the implementation of justice principles in consumer dispute mediation. Integrating multiple sources of evidence also facilitates a more comprehensive understanding of mediation practices and institutional dynamics at BPSK. Furthermore, the sequential workflow ensures that each stage of the research process systematically informs the subsequent stage, thereby improving the coherence and rigor of the overall study. To ensure the credibility of the findings, source and method triangulation is employed before conducting qualitative data analysis. Finally, the findings are interpreted using relevant legal theories to formulate policy recommendations aimed at improving consumer dispute mediation and strengthening institutional governance at BPSK.

3.2. Research Participants and Data Collection

Primary data were collected from individuals directly involved in consumer dispute mediation at BPSK Working *Area I Banten.* The participants comprised mediators, consumers, and business actors selected through purposive sampling based on their relevant knowledge and practical experience in mediation processes [35]. The selection criteria included direct involvement in mediation, experience in handling consumer dispute cases, and willingness to provide comprehensive information on the implementation of justice principles. Purposive sampling was considered appropriate because the study required participants with firsthand knowledge of mediation practices and institutional procedures within BPSK. This sampling strategy enabled the researcher to obtain detailed, context-specific information regarding the application of procedural and substantive justice during mediation sessions. The inclusion of multiple stakeholder groups also facilitated comparisons among different perspectives, thereby enriching the empirical findings and reducing the risk of one-sided interpretations. Furthermore, selecting participants with diverse roles in the mediation process strengthened the credibility of the data by capturing interactions among consumers, business actors, and mediators from complementary viewpoints. Consequently, the participant selection process supported the objective of providing a comprehensive understanding of justice implementation in consumer dispute mediation within the context of Indonesia's rapidly evolving digital economy. This approach also ensured that the empirical evidence reflected actual mediation practices and institutional realities, thereby enhancing the validity and practical relevance of the study's conclusions.

Table 2 summarizes the participant categories and the corresponding sources of empirical data. By involving multiple stakeholder groups, including mediators, consumers, and business actors, this study captures

Table 2. Research Participants and Sources of Data

Participant Category	Selection Criteria	Data Collection Method
BPSK Mediators	Experience in conducting consumer dispute mediation	Interview
Consumers	Individuals filing consumer disputes	Interview
Business Actors	Parties involved in consumer dispute mediation	Interview
Mediation Activities	Observation of ongoing mediation processes	Observation
Official Documents	Consumer dispute case files and mediation decisions	Document Analysis

diverse perspectives on the implementation of justice principles [36]. Documentary evidence and direct observations complement the interview data, thereby enhancing the comprehensiveness and credibility of the empirical analysis. Data were collected using three complementary techniques. First, semi-structured interviews were conducted to explore participants' perceptions of fairness, justice, and mediation effectiveness. Second, direct observations were conducted to examine communication patterns and negotiation dynamics throughout the mediation process [37]. Third, document analysis was performed by reviewing mediation reports, legal documents, and official decisions to support and validate the empirical findings.

3.3. Data Analysis and Research Validity

The collected data were analyzed using qualitative descriptive analysis based on the interactive model of data reduction, data display, and conclusion drawing. Data reduction involved selecting information relevant to the research objectives, whereas data display facilitated the systematic interpretation of the findings [38]. Conclusions were then drawn by integrating the empirical evidence with theories of consumer protection, procedural justice, substantive justice, and alternative dispute resolution. To enhance the credibility and reliability of the study, source and method triangulation was employed by comparing information obtained through interviews, observations, and document analysis [39]. Ethical principles were maintained throughout the research process by protecting participants' confidentiality, obtaining informed consent, and ensuring that all collected information was used exclusively for academic purposes.

Table 3. Research Instruments and Validation Techniques

Research Component	Technique	Purpose
Interviews	Semi-structured interviews	Explore participants' experiences and perceptions
Observation	Non-participant observation	Examine mediation practices directly
Document Analysis	Official documents and case files	Verify empirical findings
Source Triangulation	Comparison across participant groups	Enhance data credibility
Method Triangulation	Comparison of interview, observation, and document analysis	Ensure research validity

Table 3 summarizes the research instruments and validation techniques employed in this study. The combination of multiple data collection methods and triangulation enhances the credibility, consistency, and trustworthiness of the qualitative findings while minimizing potential researcher bias [40]. Consequently, the study's conclusions are supported by multiple sources of empirical evidence.

3.4. Analytical Framework

The analytical framework integrates empirical findings with relevant legal theories and governance perspectives. The implementation of justice principles is evaluated through the dimensions of procedural and substantive justice, whereas mediation effectiveness is assessed using consumer protection law and alternative dispute resolution theory [41]. In addition, the findings are interpreted from the perspectives of digital governance and regulatory effectiveness to evaluate whether existing institutional mechanisms remain capable of addressing the increasing complexity of consumer disputes in the digital economy. By integrating empirical evidence with contemporary theories of legal governance, the framework enables the study to move beyond descriptive explanation toward deeper analytical interpretation [42]. Consequently, it contributes to a better understanding of how institutional capacity, mediator competence, legal literacy, and regulatory adaptation collectively influence the realization of justice in consumer dispute mediation. Furthermore, it provides evidence-based recommendations to enhance consumer protection and strengthen the institutional governance of BPSK in Indonesia.

4. RESULTS AND DISCUSSION

4.1. Implementation of Justice Principles in Consumer Dispute Mediation

The findings indicate that the implementation of justice principles in mediation at BPSK Working Area I Banten generally adheres to the principles of equality, good faith, and deliberation. Throughout the mediation process, consumers and business actors are provided with equal opportunities to present their arguments and negotiate mutually acceptable settlements under the supervision of neutral mediators [43]. These practices demonstrate that procedural justice is implemented in accordance with the provisions of consumer protection law. Nevertheless, achieving substantive justice remains a significant challenge. Although mediation procedures are conducted fairly, consumers often have lower legal literacy and weaker bargaining power than business actors, which may affect the fairness of negotiated outcomes [44]. Consequently, some settlement agreements represent practical compromises rather than fully restoring consumer rights. These findings indicate that the realization of justice depends not only on fair procedures but also on institutional mechanisms capable of reducing structural inequalities among the disputing parties. Overall, mediation at BPSK effectively fulfills its procedural function [45]. However, further improvements in mediator competence, consumer legal literacy, and institutional capacity remain necessary to strengthen substantive justice and enhance the overall effectiveness of consumer dispute resolution.

4.2. Effectiveness of Consumer Dispute Mediation

The effectiveness of mediation was evaluated based on the dispute resolution outcomes observed during this study [46]. The results indicate that mediation remains an effective alternative to litigation for resolving consumer disputes.

Table 4. Outcomes of Consumer Dispute Mediation at BPSK Working Area I Banten

Mediation Outcome	Percentage
Full Agreement	60%
Partial Agreement	25%
No Agreement	15%

Table 4 summarizes the outcomes of consumer dispute mediation at BPSK Working Area I Banten. Most disputes (60%) were resolved through full agreements, demonstrating the effectiveness of mediation in facilitating mutually acceptable settlements. Nevertheless, the proportions of partial agreements (25%) and unresolved cases (15%) indicate that institutional and legal challenges continue to affect dispute resolution outcomes [47]. Although the settlement rate is relatively high, mediation effectiveness should not be evaluated solely on the basis of the number of agreements achieved. The quality of the agreements, the protection of consumer rights, and the realization of substantive justice are equally important indicators of successful dispute resolution. Therefore, strengthening institutional capacity, enhancing mediator competence, and improving consumer legal literacy are essential to further enhance both the effectiveness and fairness of consumer dispute mediation.

4.3. Institutional Challenges in Achieving Substantive Justice

The study identifies several institutional factors that influence the realization of justice during consumer dispute mediation. Consumers generally occupy weaker bargaining positions because of limited legal literacy and unequal access to information, whereas variations in mediator competence influence the quality of negotiations and dispute resolution outcomes [48]. In addition, the implementation of mediation agreements depends largely on the voluntary compliance of business actors, which may reduce the effective enforcement of agreed settlements.

Table 5. Factors Affecting Consumer Dispute Mediation

Factor	**Impact**
Unequal Bargaining Position	Reduces substantive justice
Mediator Competence	Influences mediation quality
Consumer Legal Literacy	Affects negotiation capacity
Institutional Authority	Supports legal certainty
Digital Transaction Complexity	Increases dispute complexity

Table 5 summarizes the principal institutional and external factors influencing mediation effectiveness. The findings indicate that procedural fairness alone is insufficient to achieve substantive justice without adequate institutional capacity, enhanced consumer legal literacy, and effective regulatory support [49]. Accordingly, strengthening institutional capacity should prioritize continuous mediator training, expanded consumer legal education, and improved coordination among relevant authorities. These measures are expected to enhance mediation quality, reinforce legal certainty, and improve the overall effectiveness and fairness of consumer dispute resolution.

4.4. Digital Governance and Regulatory Implications

The rapid expansion of the digital economy has increased the complexity of consumer disputes involving e-commerce platforms, digital payment systems, electronic contracts, and digital evidence. These developments require mediation institutions to adapt their governance mechanisms to ensure that dispute resolution remains effective, transparent, and accessible in technology-driven environments [50]. From a digital governance perspective, BPSK should strengthen its institutional capacity by improving case management systems, expanding electronic documentation, and adopting technology-supported mediation services. These initiatives are expected to enhance transparency, accountability, and accessibility while supporting Sustainable Development Goal (SDG) 16 on access to justice and strong institutions. The findings further indicate that regulatory innovation should complement legal reform to ensure that consumer dispute resolution remains responsive to technological advancements and the evolving digital economy. Accordingly, strengthening digital governance frameworks and institutional readiness is essential to improving the effectiveness, fairness, and long-term sustainability of consumer dispute mediation in Indonesia.

4.5. Discussion and Policy Implications

The findings demonstrate that mediation at BPSK Working Area I Banten is relatively effective in resolving consumer disputes while promoting access to justice. Nevertheless, the gap between procedural and substantive justice indicates that further institutional improvements are required. The realization of justice should be evaluated not only by the achievement of settlement agreements but also by the extent to which the mediation process protects consumer rights and addresses unequal bargaining power among the disputing parties. This study contributes to the consumer protection literature by integrating justice theory with institutional and digital governance perspectives. The findings further suggest that the effectiveness of mediation depends not only on procedural compliance but also on mediator competence, consumer legal literacy, institutional capacity, and regulatory adaptation. These factors collectively determine the ability of mediation to deliver fair, transparent, and sustainable dispute resolution. From a policy perspective, strengthening mediator capacity through continuous professional training, expanding consumer legal education, improving coordination among relevant institutions, and progressively adopting technology-assisted mediation should become strategic priorities. Collectively, these measures are expected to enhance the effectiveness, fairness, transparency, and long-term sustainability of consumer dispute resolution in Indonesia.

5. MANAGERIAL IMPLEMENTATION

The findings of this study provide important managerial implications for the Consumer Dispute Settlement Agency, government institutions, and other stakeholders involved in consumer protection. BPSK should strengthen mediator competence through continuous professional training in consumer protection law, mediation techniques, digital transactions, and electronic evidence management. Consumer legal literacy should also be enhanced through public education and collaboration with academic institutions and consumer protection organizations. In addition, BPSK should accelerate digital governance by adopting electronic case management systems, online complaint systems, and technology-assisted mediation services to improve transparency, efficiency, and accessibility. Policymakers should further strengthen coordination among BPSK, the Ministry of Trade, consumer protection agencies, and digital platform regulators to improve mediation implementation and regulatory oversight. Collectively, these measures are expected to enhance the fairness, efficiency, transparency, and long-term sustainability of consumer dispute resolution while strengthening public trust in consumer protection institutions.

6. CONCLUSION

This study concludes that the implementation of the principle of justice in consumer dispute mediation at the Consumer Dispute Settlement Agency Working Area I Banten generally adheres to the fundamental principles of mediation, including equality, good faith, and deliberation. The findings demonstrate that mediation remains an effective alternative dispute resolution mechanism by providing consumers and business actors with an accessible, efficient, and non-litigation process for resolving disputes. Although procedural justice is effectively implemented, the realization of substantive justice remains constrained by unequal bargaining power, limited consumer legal literacy, variations in mediator competence, and institutional limitations, indicating that fair procedures alone are insufficient to ensure equitable outcomes.

This study contributes to the literature by integrating perspectives from consumer protection law, justice theory, and digital governance to evaluate the implementation of justice in consumer dispute mediation. The findings indicate that effective mediation depends not only on procedural compliance but also on institutional capacity, regulatory adaptation, and consumer empowerment. Accordingly, strengthening mediator competence through continuous professional training, expanding consumer legal literacy initiatives, improving institutional coordination, and adopting technology-supported mediation systems are essential strategies for enhancing fairness, transparency, accountability, and the long-term sustainability of consumer dispute resolution in Indonesia.

This study is limited to mediation practices at BPSK Working Area I Banten; therefore, the findings may not fully represent the implementation of consumer dispute mediation across other regions of Indonesia. Future research is encouraged to include a broader range of BPSK institutions and examine the implementation of digital dispute resolution mechanisms, particularly Online Dispute Resolution (ODR), to evaluate their effectiveness in addressing the evolving challenges of the digital economy. Such research is expected to support the development of a more adaptive, inclusive, and sustainable consumer protection system while strengthening access to justice, institutional governance, and regulatory effectiveness in Indonesia.

7. DECLARATIONS

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7.2. Author Contributions

Conceptualization: JB; Methodology: MP; Software: AA; Validation: DA, JB and MP; Formal Analysis: AA and DA; Investigation: JB; Resources: MP; Data Curation: AA and DA; Writing Original Draft

Preparation: JB and MP; Writing Review and Editing: AA, DA and JB; Visualization: MP; All authors, JB, MP, AA and DA, have read and agreed to the published version of the manuscript.

7.3. Data Availability Statement

The data presented in this study are available on request from the corresponding author.

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7.5. Institutional Review Board Statement

Not applicable.

7.6. Informed Consent Statement

Not applicable.

7.7. Declaration of Competing Interest

The authors declare that they have no known competing financial interests or personal relationships that could have appeared to influence the work reported in this paper.

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