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The Implementation of the General Principles of Good Governance in the Determination of the Highest Retail Price of Cooking Oil Based on the Regulation of the Minister of Trade Number 18 of 2024

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ABSTRACT

This study focuses on examining the implementation of the General Principles of Good Governance (AUPB) while the author determines the Highest Retail Price (HET) of cooking oil as regulated by the Minister of Trade Regulation Number 18 of 2024. The regulation made by the Minister of Trade was made to ensure price stability, protect the consumer interests, and maintain overall fairness in the distribution of commodities. While using a normative juridical method, the author of this research analyzes between the regulatory policy and the principles of legality, the transparency process in the making of the regulations, accountability, and proportionality as outlined in administrative law. This study examines what the regulation reflects to uphold good governance, focusing on certain challenges that persist in its practical implementation, concerning coordination among government agencies and supervision of business actors. The focus in this writing suggests the need for institutional synergy to ensure that the determination of HET fully supports economic justice for society.

KEYWORDS

Good Governance; Highest Retail Price; Cooking Oil; Administrative Law; Trade Regulation



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INTRODUCTION

The essential price stability for commodities has become Indonesia's economic governance concerns over the past decade. Prices of cooking oil have triggered public disruption of household expenditure patterns, especially taken from low-income groups. The context is, the Indonesian government issued Minister of Trade Regulation No. 18 of 2024 concerning the Highest Retail Price (HET) for cooking oil to make a fair pricing for all income groups, focusing on protecting consumers, and making stability for market stability. Administrative instruments are grounded in the principles of good governance, while designed to maintain Indonesia's economic balance without violating the norms of the constitutional democracy.¹

From the several studies that have been explored by the intersection between administrative law and economic regulation, the state's authority is to intervene in market mechanisms and emphasize the price regulation that must comply with the principles of legality and accountability under public law. The transparency in pricing policies is to enhance the public trust and economic predictability, while showing that administrative integrity directly contributes to making consumer confidence.² Focusing on the implementation of the "*Asas Umum Pemerintahan yang Baik*" (AUPB), the author reveals the persistent challenges in maintaining the consistency between written law and administrative practice.³ Meanwhile, the correlation made between the rule of law and market regulation, already been used to argue that HET policies must balance equals to economic efficiency with distributive justice.

Post-pandemic price stabilization was measured in developing countries, and it's often struggle with enforcement gaps and require improved institutional coordination. The growing body of literature has not specifically analyzed the implementation of AUPB within the economic regulatory mechanisms, such as the HET policy under the Ministry of Trade. This study focuses on finding the gaps that gap by examining the Minister of Trade Regulation No. 18 of 2024 aligns with the principles of legality, transparency, accountability, proportionality, and fairness mandated by Law No. 30 of 2014 on Government Administration. The urgency of this research is the function of HET policy as both a tool for public consumer protection and a test for administrative accountability.

In a constitutional democracy, governance's acts should be legitimized for the implementation, need participation from all residents, and be measurable. By evaluating the AUPB in the context of HET policy, the market of the intervention respects the citizens' economic rights. This study theoretically contributes to Indonesia's constitutional economic law and practically to refining the administrative policymaking, and emphasizing the relevance of good governance principles in focus of achieving economic justice amid global market volatility. Price stability for essential commodities has become a critical concern in Indonesia's economic governance over the past decade.

¹ Ridwan H R, *Hukum Administrasi Negara*, 15th ed (Depok: PT. RajaGrafindo Persada, 2021).

² *Interview with Indra Raditya, S.H., Junior Legislative Drafting Expert*, by Indra Raditya (Jakarta, 2025).

³ Ernst Utrecht, *Pengantar hukum administrasi negara Indonesia* (Surabaya: Surabaya Pustaka Tinta Mas, 1986).



As the most significant issue in this area, the volatility of cooking oil prices has repeatedly triggered public unrest and disrupted household expenditure patterns among low-income communities. Cooking oil, as one of the basic needs of society, holds one of the most strategic roles not only in daily needs but also as a key for the living small to medium business sector. When its price increases uncontrollably, it will directly affect the inflation rates and purchasing power of the public. Recognizing these conditions, the government issued Minister of Trade Regulation No. 18 of 2024 concerning the determination of the Highest Retail Price (HET) for Cooking Oil.

Which is, it will serve as a regulatory measure to ensure price fairness, to protect consumers, and maintain the market.⁴ The HET regulation is represented as an administrative instrument and intended to balance the state intervention with the operation of a free market according to the norms of Indonesia's constitutional democracy. The HET needs establishments for cooking oil to demonstrate the government's dedication to maintaining a regulatory framework that upholds both economic efficiency. This policy reflects an effort to balance market stability and the protection of public interests. It will ensure that economic control measures are grounded in fairness and legitimacy.

As mandated by Law No. 30 of 2014 on Government Administration, administrative decisions must be based on the principles of legality, transparency, accountability, proportionality, and fairness for all communities. This governmental action implies that these actions must be based on a legitimate legal foundation to pursue the public interest and respect the rights of all affected parties. The HET legality regulation ensures that the Ministry of Trade acts within the limits of its statutory authority, and the accountability requires each stage of policy formulation to be open for public scrutiny. Meanwhile, the government's intervention demands have to be balanced, preventing exploitation in the market without imposing unnecessary burdens on producers and distributors.

The fairness and transparency are complemented by these principles, requiring some equal treatment of the stakeholders, and it will open the dissemination of information on the legitimacy of state actions in the public sphere. Some of the studies that were recently used by the author have explored the administrative law and the economic regulation, so it used to underscore the need for its legality and some ethical standards that are used in the market governance.⁵ The highlighted scholars by the authority are made to intervene in the market mechanisms under the public law to ensure that the price control stands with the principles of legality and accountability. Meanwhile, research on public sector transparency demonstrates that transparent pricing policies enhance both public trust and economic predictability, proving that administrative integrity contributes directly to consumer confidence and long-term economic stability.

Including those focused on the implementation of AUPB in ministerial decrees, persistent challenges appear in maintaining the consistency between written law and actual governance results. In addition to comparative studies, the correlation

⁴ Andi Nova Bukit et al, 'Kenaikan Harga Minyak Goreng dalam Perspektif Hukum Persaingan Usaha dan Ekonomi' (2022) 7:1 J Justisia J Ilmu Hukum, Perundang-Undangan dan Pranata Sos 61–82.

⁵ Joseph E Stiglitz, *Economics of the Public Sector* (United States of America: W. W. Norton & Company, Inc., 2017).



between the rule of law and market regulation argues that the state's responsibility is in determining price ceilings. The Organisation for Economic Co-operation and Development further observed that post-pandemic price stabilization, it is often encounters significant enforcement gaps and requires institutional coordination to ensure effective market supervision. Despite these studies having specifically analyzed the juridical application of AUPB in the context of economic regulatory instruments such as the HET policy.

By the existing research that has focused on macroeconomic management or on administrative ethics in general, the good governance principles are leaving a gap in the analysis of concretely operationalized within Indonesia's trade regulatory framework. This study seeks to fulfill the gap by examining Minister of Trade Regulation No. 18 of 2024 that truly aligns with the principles of legality, transparency, accountability, proportionality, and fairness as mandated by Law No. 30 of 2014 on Government Administration. The urgency of this research is focusing on the dual function of the HET policy as both functions a tool of social protection and the other one is a test of administrative accountability. As a form of state intervention in the market, price regulation serves to stabilize the economy, and citizens have access to essential goods.

It also becomes a measure of how far the administrative law can be a guide for governance in ensuring fairness, responsiveness, and public legitimacy.⁶ In a constitutional democracy, every governmental action should be legitimized, participatory by all citizens, and measurable. By evaluating the implementation of AUPB, the HET policy provides a critical framework for assessing whether the government's market intervention that made respects citizens' economic rights while fulfilling its constitutional duty to promote social welfare. The significance from an academic point of view lies in its theoretical and practical contributions.

From the perspective of Indonesia's constitutional economic law, we can see if it is integrated by the study of the administrative governance that has important things to analyze the economic regulation. By the results, it's demonstrated that the economic management can't be separated from the normative framework of law, so it will make an administrative decision that will influence between its legal and moral accountability. If we see from a practical view, this research contributes to the improvement of policymaking by providing many insights to show how good governance principles can be systematically applied for enhancing the regulatory effectiveness. The important things that depend on price stabilization policies not only influence the market logic, but they will also influence more to the administrative integrity, institutional coordination, and procedural transparency.

The globalized nature of commodity markets always places pressure on domestic governments to manage the price volatility through policy interventions. However, without this adherence to good governance principles, all of the interventions risk becoming inconsistent, opaque, or even more counterproductive. If we see the perspective from the Minister of Trade Regulation No. 18 of 2024, this regulation serves as a crucial case study by examining how the administrative law functions as a limitation and as an enabler of the state authority. By focusing on good governance principles, 's regulatory framework of the government seeks to

⁶ Erman Radjagukguk, 'Peranan Hukum dalam Pembangunan Era Globalisasi' (1997) 2:6 J Huk.



institutionalize accountability and transparency in a way that will protect the public interest while maintaining investor confidence and market competitiveness.

In this discussion, we can emphasize that the implementation of good governance isn't only limited to procedural correctness, but it is also extended to substantive justice. Good governance principles also demand that the public administration, not only follow the law but also embody the ethical responsibility, to make sure if that decisions are reasonable, for the welfare of society. In the context of HET regulation, this means that the government should be evaluating all of the social and economic impacts of its policy and adapting the regulations that will be applied when the market dynamics come to shifting. From the administrative supervision mechanisms, it should be strengthened to detect the deviations early and to respond effectively, while the coordination among central and local authorities can be improved to make sure all of consistent enforcement nationwide.

The increasing role of technology in governance can present all of the opportunities and pose new challenges for implementing the good governance principles.⁷ The digitalization of administrative systems can facilitate the transparency value through real-time data access, and it will also require institutional integration. The effective market regulations in this modern era depend on how transparent the data sharing systems are and how good the digital monitoring mechanisms are. Indonesia's regulatory institutions, therefore, will evolve toward a model of adaptive governance, where the administrative decisions will be informed by accurate data, inclusive deliberation, and continuous public oversight.

For the conclusion, the background and the urgency of this study reflect the fundamental importance of integrating the administrative law principles into the economic policy. By analyzing the juridical implementation of good governance principles in the determination of HET for cooking oil, this research not only addresses a practical issue of price stability but also contributes to the theoretical development of good governance. This study aims to determine the Minister of Trade Regulation No. 18 of 2024 to fulfill the expectations of its legality, transparency, accountability, proportionality, and fairness for all people, and to assess implications to make Indonesia's broader be more effective and transparent. The findings are expected to provide constructive recommendations for strengthening the institutional and normative framework of administrative decision-making in Indonesia's trade sector, also to ensure that economic regulation remains firmly grounded in the rule of law and the public interest.

METHOD

This research applies a normative juridical method, also known as the doctrinal legal research approach, which is it's focusing on examining some of legal norms, regulations, and doctrines that relevant to the implementation of the General Principles of Good Governance (AUPB) in the determination of the Highest Retail Price (HET) for cooking oil based on Minister of Trade Regulation No. 18 of 2024. The normative juridical approach is chosen by the author because this study focuses

⁷ Solechan, 'Asas-Asas Umum Pemerintahan yang Baik dalam Pelayanan Publik' (2019) 2:3 Adm Law Gov J 541-557, online: <<https://ejournal2.undip.ac.id/index.php/alj/article/view/6521>>.



on analyzing the legal aspects and administrative implications of governmental authority in regulating market mechanisms through price determination. This framework makes law understood as a set of norms and principles that will guide state actions. This method enables a structured exploration of the legal framework that underlies the HET regulation, while its conformity with administrative law principles is codified in Law No. 30 of 2014 on Government Administration.

By identifying between legal, administrative authority, and economic regulation, this research begins by focusing on how the Ministry of Trade exercises its delegated power and maintains market stability, and surely protects the public welfare. This study is examining whether the determination of HET for cooking oil, as a form of administrative decision, fulfills the elements of legality, proportionality, accountability, transparency, and fairness, the five fundamental principles of AUPB. These principles are important as analytical benchmarks and need to evaluate between the regulation that aligns with good governance standards and the constitutional mandate that requires government actions should serve the public interest by the rule of law. Adopting a normative juridical approach, this research seeks to construct a coherent interpretation of administrative law principles' function in the needs realm of trade regulation.

The object of this study is contained within the Minister of Trade Regulation No. 18 of 2024, the other relevant laws and regulations governing administrative decision-making, and the regulations of economic control. This research also explores the interaction between some legal texts, a sort of administrative doctrines, and governance practices. The author is aiming to determine how far the AUPB is implemented in the process of making HET regulation to the standards of legality and accountability in exercising its regulatory authority. To achieve this objective, this study focuses on how the systematic reviews the hierarchy of some applicable laws, ranging from the 1945 Constitution, Law No. 7 of 2014 on Trade, Law No. 30 of 2014 on Government Administration, and some other derivative regulations that were issued by the Ministry of Trade and related institutions.

These materials include some of the primary legal sources, including statutory regulations within laws, government regulations, and some ministerial decrees, and for the secondary sources, such as legal commentaries, textbooks, scholarly journals, academic papers, and previous research on administrative law, governance, and trade regulation. Furthermore, this research focuses on legal materials, including encyclopedias, legal dictionaries, and documentation obtained from official institutional websites or manually taken from the author, as complementary references to clarify, interpret, and contextualize the legal concepts and terminologies relevant to the subject matter. From all of these sources, it will be analyzed to establish an understanding of the normative and theoretical dimensions of administrative governance as applied to economic regulation. The collection of data while processing in this study employs some of the literature study and document analysis techniques.

By this step, it will include gathering and analyzing diverse sources such as legal documents, academic discussions, and official publications issued by key institutions, including the Ministry of Trade, the Ministry of Industry, and the Food Task Force (Satgas Pangan). From these materials, we can see how important it is to make an understanding movements of government policies and legal mechanisms



to be relevant to this research focus. The collected materials include ministerial regulations, policy papers, and reports concerning price stabilization and trade supervision. In addition, the scholarly articles are also from national and international journals that are examined to provide comparative perspectives on good governance practices in market regulation. The author also reviews some reports and publications from international institutions that contextualize Indonesia's administrative system within the broader global framework of how economic governance works. The analysis in this study focuses on a qualitative method, and the systematic of its interpretation and evaluation from the legal norms rather than on numerical or statistical measurement.

This qualitative approach enables some detailed understanding of the meaning, the purpose, and how consistency is the legal provisions. The analytical process makes an interpretation, systematization, and some doctrinal reasoning while examining how the statutory norms interact with each other within the administrative law system. The interpretation is carried out by applying how grammatical and systematic the methods of legal reasoning are to reveal from both the textual meaning and the legislative provisions that are relevant to the provisions. The systematization is used to organize some of the legal materials into coherent structures that will reveal the mutualism between the administrative authority, how market regulation works, and the practice of public accountability.

Furthermore, this study mentioned some comparative reasoning to identify the similarities and differences between how Indonesia's government approaches price regulation and international practices. These comparative elements allow the author to evaluate an evaluating of adequacy of Indonesia's administrative law framework by addressing some issues of market coordination and transparency. The doctrinal argumentation is used to make an assessment of whether the legal instruments and some administrative actions taken by the Ministry of Trade are consistent with the normative requirements of AUPB. By using the methods in combining these analytical tools, the author can produce a comprehensive juridical evaluation that will make more bridges between all the theories used in this research and from the practice in administrative governance.

The important thing from this research isn't including the perspective from quantitative economic analysis. The focus isn't on measuring the price changes, but the author is focusing on understanding how the legal construction and how is the work of the administrative mechanisms are involved in the making of the price regulation. For this methodological limitation, it lies in the study's primary objective is to examine the legal validity, looking at the procedural propriety, and how the normative implications of the HET policy within the framework of administrative law. Nonetheless, this study acknowledges that the empirical research could complement normative analysis for future studies by providing some data on the economic of social impact of regulatory interventions.

The limitation of this research is focusing on the administrative and legal dimensions of the HET regulation. This study does not attempt to evaluate the economic modeling but rather focuses on how to assess the alignment between legal norms that are used and policy execution. Within this limitation, this study offers an analysis of how the principles of good governance are implemented by ministerial regulations, highlighting the strengths of the principles and identifying the



weaknesses in current administrative practices. This limitation also reinforces the depth of legal reasoning and the author using it by allowing an interpretation of law as a normative guide rather than as a socio-economic tool.

These findings derived from this method are the result of a systematic and comprehensive interpretive examination of the existing laws, regulations, and some policy documents. From this process, this research provides insights into how legal principles are transformed into administrative procedures and how these procedures can reflect the values of accountability, transparency in practice, and fairness. The descriptive analysis of this research ensures that the conclusions are drawn not only from assumptions but from of structured interpretation that is grounded in statutory norms. The outcome from the analysis contributes to the theoretical development of administrative law in Indonesia and demonstrates how the AUPB functions as a normative mechanism for evaluating the legality and legitimacy of public policy.⁸

Finally, the approach from this research is to reflect the belief that the administrative law still serves as a discipline of legal reasoning and a tool of governance evaluation. By applying the normative juridical method, this study bridges the gap between legal doctrine and administrative reality. It shows how effective the governance about them creating the regulations, but it's also about ensuring that these regulations comply with some established legal principles and ethical standards. While this study is doctrinal, it carries practical significance by it's providing some recommendations to improve the administrative consistency, the institutional coordination, and transparency in the making of formulation of trade policies. In doing so, the essential role of administrative law is to be the guardian of good governance and the rule of law in Indonesia's economic regulation system.

RESULT & DISCUSSION

I. A Juridical Analysis of the Authority of the Ministry of Trade

The findings of this research indicate that the implementation of the General Principles of Good Governance is in the determination of the Highest Retail Price (HET) for cooking oil, as regulated by Minister of Trade Regulation No. 18 of 2024, which generally aligns with the principles of legality and accountability.⁹ The Ministry of Trade has exercised its administrative authority in accordance with Law No. 30 of 2014 on Government Administration, particularly Article 10, which it's codifies the AUPB principles into the positive law. This regulatory action demonstrates the government's commitment to maintaining price stability and ensuring public access to essential goods.¹⁰ However, the implementation of this process also reveals several weaknesses. Although the regulation was formulated under a lawful authority, the coordination among relevant institutions is also

⁸ Ira Shanty Dalimunthe, Aldri Frinaldi & Roberia, 'Peranan AAUPB (Azas-Asas Umum Pemerintahan yang Baik) dalam terwujudnya good governance' (2024) 2:12 Gudang J Multidisiplin Ilmu 687-696, online: <<https://gudangjurnal.com/index.php/gjmi/article/view/1192>>.

⁹ *Interview with Edward Halomoan Priyatna, S.H., Junior Expert Legislator*, by Edward Halomoan Priyatna (Jakarta, 2024).

¹⁰ A Maulana, 'Perkembangan Struktur Organisasi Kementerian Perdagangan RI: Kajian Historis 1945-2024' (2024) J Adm Publik.



important, such as the Ministry of Industry, the Food Task Force, and local governments, which will remain inconsistent.

This lack of synchronization has led to delays in enforcement and has the regional disparities in price compliance. From these findings correspond it is noted that the administrative fragmentation often undermines the regulatory effectiveness in Indonesia's trade sector. Moreover, the element of transparency was not optimally fulfilled during the process of making the policies.¹¹ The formulation of the HET policy is lacking in the participatory consultation from small to medium enterprises (SMEs) and consumer groups, which are directly affected by the price ceiling mechanism.

As observed, the transparency and participatory mechanisms are crucial to building public legitimacy in price regulation. In this case, the limited dissemination and unclear information about distribution margins can cause public confusion and make a decreased compliance among the business actors. From a legal standpoint, the HET determination has met the principle of legality, but in reality, it still faces some challenges in achieving proportionality and its fairness. The regulation is seeking something to protect the consumers from the excessive market prices while its preventing the producers from incurring losses. Proportionality in administrative regulation requires a balanced approach between the state of intervention and private economic rights.

In practice, the HET policy was occasionally disrupted by the supply chains when the production costs fluctuated significantly, which shows that the rigidity of administrative control may affect market flexibility. In summary, the government shows efforts to implement AUPB through this regulation by reflecting a positive step toward responsible governance, but necessitates improvement in transparency, coordination with included partnerships, and consistency of enforcement to determine if the ideals of good governance are important.¹² The juridical analysis of the authority of the Ministry of Trade of the Republic of Indonesia in determining the HET for cooking oil based on Minister of Trade Regulation No. 18 of 2024 that it's demonstrates how the authority is exercised within the framework of administrative law, and it was grounded by statutory delegation. The pursuant of Law No. 30 of 2014 is concerning Government Administration in every administrative decision that must be confirmed to the General Principles of Good Governance, encompassing the legality, accountability, transparency, and proportionality.

These principles function as guiding norms to prevent the abuse of authority and to promote administrative integrity within governmental practices. These principles serve as the normative foundation that ensures the government takes actions that remain lawful, fair, and oriented toward the public interest. After the findings from this research, it's indicate that the implementation of AUPB is in the determination of HET generally aligns with the principles of legality and accountability.¹³ According to Article 10 of Law No. 30 of 2014, the Ministry of Trade

¹¹ Regulation of the Minister of Trade of the Republic of Indonesia Number 26 of 2023 concerning Procedures for Formulating Legislation within the Ministry of Trade.

¹² Yusri Munaf, *Hukum Administrasi Negara* (Pekanbaru: Marpoyan Tujuh, 2016).

¹³ Ministry of Trade Regulation No. 18 of 2024 concerning Packaged Palm Cooking Oil and the Management of Cooking Oil for the People.



exercised its administrative authority, which codifies that the AUPB principles are made into the positive law. This regulatory action already demonstrated the government's commitment to maintaining actions for price stability and to ensuring public access to the essential goods, so it's a constitutional obligation under Article 33 of the 1945 Constitution to be the basis to manage resources for the greatest prosperity of the people.¹⁴

However, the process of making an implementation also reveals several institutional and procedural weaknesses. When the regulation was formulated under lawful authority, the coordination among all of the relevant institutions, such as the Ministry of Industry, the Food Task Force, and local governments, remains inconsistent.¹⁵ This lack of synchronization has led to delays in enforcement and some regional disparities in price compliance, which these things will undermine the effectiveness of the policy. These findings correspond to the view that administrative fragmentation will often weaken the regulatory coherence and make the capacity of the state to implement policies uniformly across regions.

The element of transparency was not optimally shown during the process of making the policy. The formulation of the HET policy has lacked participatory consultation from the small and medium enterprises (SMEs) and some consumer groups, which directly affects the price ceiling mechanism. As widely observed in administrative law scholarship, participatory mechanisms are crucial in building public legitimacy in controlling price regulation. The limited information and unclear explanation of distribution margins have caused public confusion, which will reduce market compliance and weaken the trust of regulators and all business actors.

From a legal standpoint, the determination of HET has fulfilled the legality, but still faces some challenges in practice in realizing the proportionality and its fairness. The regulation aims to protect consumers from the excessive market prices while it's preventing the producers from suffering big financial losses. Proportionality in administrative regulation, it's requires a balanced approach between state intervention and private economic rights. In practice, the HET policy is occasionally disrupted by the supply chains when the production costs are significantly higher, showing that the administrative control can destroy market flexibility and efficiency.

These challenges require a more adaptive regulatory system that will design and integrate the economic data, so the stakeholders can participate in the decision-making process. The government's effort is to implement the AUPB through HET regulation that will represent a progressive step toward responsible and accountable governance. Yet, the realization of good governance principles is not only for legal conformity, but it's also about administrative consistency and transparency. The author thinks that strengthening institutional coordination will lead to broader stakeholder involvement, and also improve regulatory responsiveness, which will make the market dynamics, so the essential measures will enhance the policy legitimacy and its effectiveness. Also, from this juridical

¹⁴ *Interview with Muh. Syafi'i Asmarullah, Senior Trade Analyst*, by Muh Syafi'i Asmarullah (Jakarta, 2025).

¹⁵ Draft Regulation of the Ministry of Trade on Inter-Island Trade Regulation of the Ministry of Trade Number 7 of 2022 on the Distribution and Supervision of Hazardous Materials.



analysis, it affirms that the Ministry of Trade has exercised the authority to be appropriately more under existing administrative law, and for the further refinement of the procedural mechanisms is necessary to make sure if that the future of its regulatory practices can truly embody the ideals of good governance and sustainable public administration.

II. Implementation of the Monitoring Mechanism for the Determination of the Highest Retail Price (HET)

The legal implications of implementing the AUPB in determining HET are twofold. First, it strengthens the administrative accountability by ensuring that every governmental act is based on the legal authority and the result of the public interest. Second, it underscores the binding of good governance principles as part of the administrative process in decision-making. Through the enforcement of AUPB, ministerial decisions get the legitimacy not only from the statutory mandate but also from the procedural justice.

This research has found that the Minister of Trade Regulation No. 18 of 2024 embodies several AUPB elements, such as legality, which derives the authority from the 1945 Constitution and related trade laws accountability, and through administrative supervision mechanisms, it balances the state's control the market autonomy.¹⁶ Nonetheless, the stage of implementation still encounters legal uncertainty, especially regarding sanctions, because its the absence of a clear dispute resolution framework. These findings can align the pointed out regulatory instruments in Indonesia so the governments can address the enforcement weaknesses due to procedural standards. The absence of accountability mechanisms also reduces the deterrent effect on violations and affects its policy's credibility.

Strengthening institutional coordination is establishing the administrative remedies for the disputes are necessary to uphold the AUPB consistently. When the results are compared to the global practices, the effectiveness of the price regulation depends not only on legal instruments but also on making transparent data sharing systems and digital monitoring too. Indonesia's experience with the HET policy reveals that the administrative law should evolve with technological governance to improve market responsiveness and, of course, to reduce the information asymmetry. Overall, the study can conclude the HET regulation, so the progressive measure can be aligned with the trade governance, with constitutional and administrative principles.

However, this realization from the good governance is not only about the regulatory compliance, but also about its continuous evaluation, the institutional integrity, and participation from the public in policy-making. These elements are crucial to ensuring that the public administration is operated in harmony with the principles of justice, transparency, and the rule of law. Implementation of the Supervision Mechanism on the Determination of the Highest Retail Price (HET) for Cooking Oil by the Ministry of Trade of the Republic of Indonesia The implementation of the supervision mechanism in the determination of the Highest Retail Price (HET) for cooking oil by the Ministry of Trade of the Republic of

¹⁶ Raditya, *supra* note 2.



Indonesia represents one of the essential components of administrative governance within the framework of good governance. From the Minister of Trade Regulation No. 18 of 2024, we can see iff the HET regulation not only aims to control market prices but also to maintain a fair distribution for essential goods while it's also protecting the consumers and producers simultaneously.

From the context of administrative law, the enforcement of such a policy should be accompanied by more effective and more accountable supervision of the mechanism. This happens because in the practice of public administration, the authority must be exercised according to the good governance principles, which will serve as both its moral and its legal foundation for government actions. From the supervision of HET implementation, it isn't only focusing on its technical monitoring of the market prices but also focusing on the legal manifestation of administrative accountability and institutional responsibility. The legal implications of implementing the good governance principles in determining the value of HET are twofold.

First, by strengthening the administrative accountability, it will provide a perspective on whether every governmental act is based on the legal authority and will always be oriented toward the public interest. As a central administrative institution, the Ministry of Trade acts under the mandate of Law No. 30 of 2014 on Government Administration, which requires that every administrative act meet the standards of its source of legality, transparency, and proportionality. By anchoring the authority in statutory law, the Ministry makes sure that the decision in the process will be legitimate and justifiable under the principles of its legality. The second point is that the enforcement of good governance will underscore the binding nature of the good governance principles, as it will be an integral part of the administrative decision-making.

Through the principles of good governance, the ministerial decisions can gain the legitimacy not only from it's existence of the formal legal mandates but also from the compliance with ethical and procedural justice. Enhancing the credibility of public administration will satisfy the eyes of the public. The research findings also reveal whether the Minister of Trade Regulation No. 18 of 2024 can embody several key elements of good governance, such as from its legality perspective, accountability, and proportionality. The legality value is also reflected in how the regulation is founded on the 1945 Constitution, and it was related by the trade laws, providing a strong normative basis for the governance authority to intervene while making the price determination. Accountability is manifested by the administrative supervision mechanisms that will be established under the Ministry of Trade, and also designed for each policy decision that can be reviewed and corrected when it's necessary.¹⁷

Proportionality is realized through the efforts in balancing the state control with the market autonomy, where the regulation is attempting to protect the consumers without unfairly burdening the producers. Despite this, this supervision mechanism will encounter some fundamental challenges that will hinder its full effectiveness. As one of the most critical weaknesses that has been identified, the persistence of legal uncertainty is regarding the sanctions and the enforcement of

¹⁷ Asmarullah, *supra* note 14.



its procedural rules. Although the regulation authorizes the Ministry of Trade implementation, it remains ambiguous in defining the degree of administrative sanctions that will be imposed on business entities while they breach the HET regulations. This normative gap can potentially weaken the effectiveness of enforcement and the legal certainty for regulated parties. Also in this lack of clarity can create ambiguity in the implementation, so it will make it difficult for supervisory agencies to act decisively when violations occur.

The absence from this structured dispute resolution makes the framework's ability to it's ability of affect parties to seek legal remedies, which will undermine the principle of legal protection that is guaranteed under the administrative law. These findings can be aligned with the legal scholars who will make many regulatory instruments in Indonesia suffer from the weak enforcement mechanisms and the procedural standards. The absence of concrete accountability provisions can reduce the effect of the law and increase the public trust, so the government has the ability to ensure compliance. The weakness in this coordination among the regulatory and enforcement agencies can make it more complicated in the supervision process.

The Ministry of Trade, the Ministry of Industry, the Food Task Force, and local government institutions can share a degree of responsibility in overseeing the distribution and pricing of cooking oil to ensure market stability and make the consumer feel protected. However, these institutions often operate in isolation, while the result in overlapping duties and some inconsistent enforcement. This administrative fragmentation decreases the efficiency and causes more implementation across different regions. For example, regional monitoring teams often came with a lack of data regarding distribution quotas and retail compliance, which will lead to delayed responses when the price distortions occur.

This situation reflects that the challenges in Indonesia's public administration are the lack of integrated governance and data synchronization from central and local authorities. Without coordination and a good digital monitoring system, the effectiveness of the HET supervision remains limited. Another issue relates to the lack of transparency and less public participation in the process of supervision. The HET policy was formulated through internal ministerial deliberations, with minimal consultation from the stakeholders, such as small and medium enterprises, distributors, and consumer protection organizations.

As a result of the policy design, it doesn't fully reflect the practical realities of the market, especially in areas where the distribution costs more and logistical challenges are much harder than before. The transparency in monitoring is weak, as the public has limited access to finding the real-time data on HET compliance and price real-time reporting. In the absence of open information channels, public oversight comes in a harder way, and the opportunity to detect the irregularities is reduced. In this condition, governance runs counter to one of the core principles of good governance that transparency and participation by the public are indispensable to ensuring legitimacy and preventing the abuse of administrative power.

With comparative analysis, the global best practices underscore that effective price regulation requires more than legal authority because it is driven by technological integration and continuous institutional evaluation. The Organisation for Economic Co-operation and Development (OECD) emphasizes that modern



governance systems rely on transparent data sharing platforms and digital monitoring tools to ensure price stability and policy responsiveness.¹⁸ Indonesia's governance experience with HET regulation highlights the necessity of adopting some similar technological frameworks, such as integrated electronic reporting systems that will allow real-time monitoring of the market conditions, so the public can get transparency. By focusing on digital tools, the Ministry of Trade can enhance coordination with some regional offices and reduce information asymmetry between the government institutions and all market actors.

These innovations will not only strengthen the administrative supervision but will also improve the policy adaptability in responding to the dynamic market changes. By these findings, the implementation of the HET supervision should be understandable as a legal and institutional process. Legally, it will reflect the government's duty by exercising its administrative authority with responsibility and in conformity with the AUPB. It will require more continuous reform and address the structural and procedural inefficiencies.

By strengthening the institutional coordination, it will ensure the consistent enforcement and data accuracy. By establishing a clear set of administrative remedies, it will empower both government officials and private entities to resolve their disputes fairly and reinforce legal certainty. From the introduction of the participatory mechanisms, it will provide a platform to make an inclusive decision and will be better in trusting the government regulation. From the supervision of HET implementation, it also has more implications for Indonesia's administrative governance.

If we can see generally, it represents a test case for how the public administration can be balanced by the state of interventions with the source of market freedom, while it upholds the constitutional principles of social justice. By the Ministry of Trade's role, the HET policy can demonstrate whether the potential of administrative law can be an instrument for achieving a satisfying economic equity. This potential can be realized by the government, so their actions will be committed to the values of transparency, accountability, and procedural integrity. The consistent application of AUPB will not only ensure that the regulatory measures remain legitimate, but also will reinforce its credibility of the state as a guardian of the public welfare.

This study concludes that the supervision of the mechanism for the determination of HET under Minister of Trade Regulation No. 18 of 2024 is a good progress in evolving the framework. It reflects the government's intention by institutionalizing the principles of good governance in this economic regulation, while it is confronting the persistent challenges of coordination, enforcement, and public engagement. To advance this policy, Indonesia's governance must continue to develop adaptive legal instruments and modern oversight systems that will be aligned with both national law and global governance standards.

The realization of good governance will not only require compliance with administrative procedures, but it will also cultivate the institutional integrity, transparency, and participation of the public in policymaking. Such elements that are indispensable for maintaining a system of public administration will uphold

¹⁸ Sedarmayanti, *Good Governance (Kepemerintahan yang baik) dan Good Corporate Governance (Tata Kelola Perusahaan Yang Baik)* (Bandung: Mandar Maju, 2012).



justice, promote administrative efficiency, and ensure respect from the public for the rule of law. Collectively, these principles embody the aims of a democratic legal state, where governance is exercised responsibly within the boundaries of its legality.

CONCLUSION

This study concludes whether the implementation of the General Principles of Good Governance (AUPB) in determining the Highest Retail Price (HET) of cooking oil under Minister of Trade Regulation No. 18 of 2024 reflects the principles of legality and accountability as mandated by Law No. 30 of 2014 on Government Administration. This regulation, already demonstrated by the government's legal and moral commitment, is to maintain price stability and ensure public welfare, which can be achieved through fair market intervention. However, this research also finds that the realization of good governance within the HET policy remains incomplete. The principles of transparency to the public and participation from the public were not implemented as targeted during the policy formulation, while the international agency coordination is in the enforcement, which remains inconsistent. These institutional weaknesses show that the procedural implementation effectiveness focuses on ensuring equitable market access and compliance among business actors. To strengthen the governance's administrative accountability, the Ministry of Trade recommended that a clearer coordination framework be made with the relevant agencies, and to enhance data transparency through a centralized monitoring system that is easily accessible to the public. Through this process, the HET should be included in the participatory consultations with some key stakeholders, which will include the producers, the distributors, and consumer advocacy groups, to ensure that the policy will reflect both economic realities and stay on social justice principles. In this study, the principles of good governance should not only serve as an abstract legal ideal but also as operational standards to serve the public administration. The future policy formulation must integrate the AUPB as a measurable and more evaluative mechanism to ensure that the governmental actions in economic regulation can uphold the constitutional values, human rights, and's rule of law.

By strengthening these principles, it will improve the regulatory credibility, promote market fairness, and enhance the public trust in administrative governance. This study concludes that the implementation of the AUPB in determining the HET of cooking oil under Minister of Trade Regulation No. 18 of 2024 will be reflected by the principles of legality, accountability, and proportionality, as the in Law No. 30 of 2014 on Government Administration. These principles can serve as the normative foundation for administrative decision-making and can ensure that every governmental action will be exercised in accordance with the rule of law and with due regard to fairness for enhancing the public interest. The legal framework will provide the Ministry of Trade with the administrative authority to regulate the market mechanisms, while it will uphold its constitutional duty to protect consumer welfare and maintain economic stability. The HET regulation, therefore, will represent the government's legal and moral commitment to intervening in the market in a consistent the values of good governance. This analysis reveals whether the principle of legality has been fulfilled



in the results of this regulation. The Ministry of Trade possesses a clear statutory authority under the national law to set the price ceilings for essential commodities, and particularly during periods of volatility and scarcity. The procedural aspects of this regulation-making making such as drafting, review, and promulgation, have been followed by the administrative standards that were established by the government.

These results show that the regulatory framework is not only arbitrary but rather a product of a legal rationality that is guided by administrative law. The principle of accountability is reflected by the existence of its internal and external supervisory mechanisms that will enable the evaluation of this policy implementation. The regulation itself can stipulate the monitoring and reporting duties that are expected to ensure transparency and corrective measures when irregularities occur. This will align the government's responsibility to manage the public resources in a way to promotes economic justice and public welfare. This research also identifies whether the realization of good governance within the HET policy remains incomplete. The principle of transparency is one of the core elements of AUPB that wasn't optimally implemented during the formulation of the regulation. The policymaking process was centralized within the Ministry of Trade without sufficient participation from the external stakeholders, such as producers, distributors, consumer associations, and some regional authorities. As a result, the policy has lacked a comprehensive socio-economic input from those directly affected by the regulation.

The limited dissemination of policy drafts and insufficient public communication are related to the rationale behind price ceilings, which also reduced the public understanding and public compliance. This shortcoming demonstrates that transparency isn't only about making the information available but also about ensuring that information is accessible, understandable, and responsive to the public's needs. The weakness in international agency coordination contributes to the implementation challenges. The enforcement of HET policy involves multiple institutions, such as the Ministry of Industry, the Food Task Force, and the local governments, which will hold overlapping responsibilities in regulating the supply chains and monitoring the retail prices. The absence of this integrated coordination framework has resulted in fragmented supervision, inconsistent enforcement, and some regional disparities in compliance. In several regions, the implementation of HET has faced delays due to poor data synchronization between their central and local agencies. This fragmentation undermines the principle of efficiency and contradicts its collaborative governance under the AUPB. A centralized monitoring system would have allowed the government to respond promptly to the market fluctuations and prevent speculative behavior by the business actors.

From a substantive perspective, this study finds that the principle of proportionality is also an essential element of AUPB that has been partially achieved. The HET policy aims to balance two conflicting interests: the first one is to protect the consumers from excessive prices, and the second one is an obligation to ensure that producers and distributors remain economically viable. While the intention behind the balance is commendable, the realization in practice has been proven difficult. When the production costs increased due to external factors such as global crude palm oil price fluctuations, the fixed HET level sometimes became



economically unsustainable for the producers. This will create temporary supply shortages in certain areas and will be highlighted by the rigidity of the policy design. In such conditions, the administrative control needs to be maintained; its affordability, excessive rigidity may distort the market mechanisms and discourage private sector participation. The proportionality in regulatory design must be flexible, data-driven, and more adaptive to the economic realities. This study also observes if legal certainty and administrative clarity are the critical components of good governance that will require further enhancement.

Although Minister of Trade Regulation No. 18 of 2024 contains general provisions on the enforcement, it lacks detailed guidelines on administrative sanctions and dispute resolution. By the absence of these explicit procedures, it will be difficult to handle violations such as non-compliance by business actors or some regional deviations that will be reduced by the deterrent effect of the regulation and weaken the institutional accountability. By strengthening these procedural mechanisms, it would enhance both the credibility and the enforceability of the regulation. Establishing the administrative remedies is for the affected parties, as well as the mechanisms for appeal and review, which would be reinforced by the constitution that will guarantee the fairness and justice of administrative actions. In these findings, this study also recommends that the Ministry of Trade develop a clearer and more integrated coordination framework with the relevant ministries, agencies, and some regional authorities. This framework should prioritize data transparency among the institutions to improve the efficiency in doing supervision. After a centralized digital monitoring system that records the real-time data on production, distribution, and retail prices could be an instrument of the HET policy, it remains to be responsive and more equitable. Furthermore, this process of policy formulation should be adopted to a participatory approach, incorporating structured consultations with the producers, distributors, consumer advocacy groups, and other relevant stakeholders.

This participatory mechanism not only enhances the transparency but also strengthens the legitimacy of administrative decisions, and aligns them with the principles of inclusiveness also accountability in the AUPB. This research also underscores the general principles of Good Governance that should not be abstract or more declarative ideals within the administrative law, but should be operationalized as important measurable standards for the public administration. The application of AUPB should be integrated into every stage of the policy formulation, implementation, and evaluation to ensure that the state actions will consistently uphold constitutional values, human rights, and the rule of law. The future of the regulatory frameworks in the trade sector should incorporate systematic performance indicators that are based on AUPB to evaluate the effectiveness, fairness, and transparency of government interventions. This will make a continuous improvement and institutional learning, so that the governance will evolve in response to a changing social and economic context. The implications of this study extend to the specific case of cooking oil pricing. The highlight of the broader challenge that faced by Indonesia's governance faces in consolidating the principles of good governance is across all factors of the public administration. An administrative law should serve as a living framework that will harmonize between the government authority with citizens' rights, and for the market dynamics. By



focusing on the value of AUPB as the core evaluative criterion in the making of the policy, the government can strengthen the institutional integrity and build public trust in its regulatory functions.

The consistency between legal mandates and ethical governance will not only improve the policy outcomes but also make sure if the state's commitment to justice, transparency, and public accountability. The conclusion of this research suggests that the HET regulation can represent a positive and necessary instrument of state intervention, and the success results depends on the continuous refinement of its administrative mechanisms. Strengthening coordination, enhancing transparency for the citizen, and institutionalizing participatory governance are not included in the optional improvements but are also essential requirements for realizing the ideals of good governance in practice. The true measure of the regulation's effectiveness is applicable not only by its ability to stabilize prices but also by its capacity to exemplify into lawful, fair, and accountable administration according to Indonesia's constitutional mandate and the democratic values.

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