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Artificial Intelligence, Legal Culture, and the Indonesian Formal Legal System: Negotiating Norms in The Regulation of Emerging Technologies

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ABSTRACT

This study explores the dynamic interaction between Indonesia's cultural norms and the formal legal system in governing artificial intelligence (AI). Although legal frameworks for AI in Indonesia remain fragmented, socio-cultural values particularly collective responsibility, moral harmony, and social ethics significantly influence how law is understood, implemented, and contested. Using a qualitative socio legal approach, this research examines how cultural patterns shape the perception of AI accountability, legal personhood, and state regulation. Field observations and interviews with legal experts, policymakers, and cultural practitioners reveal that Indonesia's legal response to AI is not only determined by statutory law but also embedded in the moral and ethical expectations of society. The study argues that Indonesia's approach reflects a pluralistic legal culture where modern legal rationality interacts with communal values rooted in tradition. This hybridity presents both opportunities and challenges for developing AI governance that is legally sound yet culturally resonant. The findings highlight the need for a culturally adaptive legal framework that bridges formal regulation with local wisdom, ensuring ethical, inclusive, and socially legitimate AI governance in Indonesia.

Keywords: Artificial Intelligence, Legal culture, Socio legal interaction, Cultural norms, Governance.

INTRODUCTION

Rapid technological changes today, especially in the use of information technology in every aspect of human life, have brought major changes in automation in various fields and driven innovation in the service sector, products, and the development of new applications, including in terms of facilitating, making efficient and accelerating everything related to human activities. The technology that is widely used in human activities is artificial intelligence (AI). Activities associated with human thinking, such as decision making, problem solving, learning, creation are additional definitions of artificial intelligence. Natural language processing, speech recognition, expert systems, and machine vision are some of the current applications of AI. Algorithms that can do the same things as people writing on computers are also used.(Castets-Renard 2020). In many industrial, trade, and technology sectors, AI is heavily involved, in addition AI also plays a role and provides significant impacts in other fields such as culture, art, literature, and music.(Kuzior, Sira, and Brożek 2023).

The presence of AI today is like two sides of a coin, on the one hand AI provides a beneficial contribution to human life, but on the other hand it is faced with the problem of complexity that intersects with the law, especially if it is associated with AI being utilized, developed, or monetized in the field of intellectual property by other parties. AI has now become a strategic issue in the world, including in Indonesia. AI systems work in the virtual world and in hardware at the software level in this field. The World Intellectual Property Organization (WIPO) 2019 technology trends report stated that currently more research on AI has been conducted since 2013. With a

better understanding of AI's adaptability and how it can be used, the various purposes for which it is used have increased.

The use of AI in Indonesia has recently increased and is projected to contribute 12 percent to the national GDP growth or US$366 in 2023.(PratiwiAgustini 2023). AI plays a bigger role and takes up more space in various development sectors, be it public services, health, education, and others. However, until now there has been no specific regulation/legal rule governing AI, including the ethics of its use, so there is a legal vacuum, although in 2020, the Indonesian government has released the Indonesian National Artificial Intelligence Strategy (Stranas AI), but Stranas AI is not a binding legal document, but only a national policy direction, and is not binding to be implemented(Muhammad Tan Abdul Rahman Haris 2022)The urgent matter is the availability of legal regulations on AI so that its use can be carried out responsibly while creating a good ecosystem for the development of AI technology. The importance of special regulations on AI, because the use of AI, has the potential to violate the Intellectual Property Rights (IPR) of others(Castets-Renard 2020)unconsciously or not. Intellectual Property is the result of human intellectual ability.(2023)which has the potential to provide economic contribution in its utilization(Permata et al. 2023). Steps to prevent it, there needs to be an effort to prohibit the use of AI that has the potential to violate IPR through the implementation of a code of ethics regulated in binding legal regulations. Therefore, the National Research and Innovation Agency (BRIN) is currently preparing special regulations in order to face the challenges that arise along with the development of AI, especially regarding concerns about potential IPR violations that may occur due to the use of AI.

The regulation of artificial intelligence (AI) is not merely a technical or legal question but a cultural one. As technology increasingly mediates human interaction, decision-making, and governance, societies must confront how their ethical and cultural foundations influence the law's response to technological change. In Indonesia, this challenge is particularly complex. The country's legal system a hybrid of civil law, customary law, and religious principles reflects a diverse cultural landscape in which formal norms and informal moralities coexist, often in tension. When the state introduces new regulatory mechanisms for AI, these mechanisms inevitably interact with deep-seated social values such as communal responsibility, harmony, and collective ethics.

AI governance thus becomes a site of negotiation between the state's formal legal apparatus and society's informal moral order. On the one hand, Indonesia's legal framework aspires to emulate international standards of AI regulation, emphasizing transparency, accountability, and individual responsibility. On the other hand, local cultural norms often emphasize collective rather than individual moral accountability a world view that resists the purely technical or utilitarian framing of law. This tension reveals a broader socio legal phenomenon: the interaction between cultural norms and the formal legal system in shaping the moral and institutional legitimacy of law.

The importance of AI regulation at the international level is evident from the steps taken by the European Union (EU) on December 8, 2023, where the EU reached a provisional agreement on AI regulation, making it the first major power in the world to have legislation governing the use of artificial intelligence. The agreement involves EU countries and members of the European Parliament. Europe has positioned itself as a pioneer in regulating AI, understanding its important role as a global standard-setter.

According to a McKinsey survey report entitled The State of AI in 2022, the industrial sector that uses AI the most is financial services, with 31% of them using the technology to improve the quality of their products and services. Of the 1,492 global survey respondents, in 2022, 50% of respondents had adopted AI in at least one of their business units. The number has more than doubled compared to 2017, when AI users only reached 20%(Adi Ahdiat 2023)Meanwhile, other industrial sectors that use AI for similar purposes account for less than 10%(MC Kinsey 2022), as seen in the graph below:

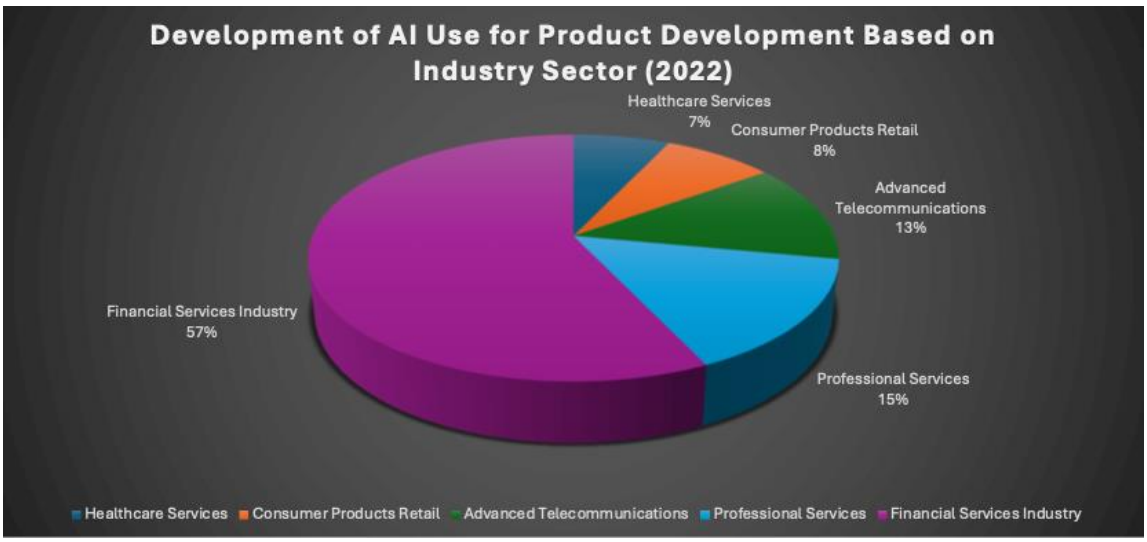

Figure 1. Proportion of AI Usage for Industrial Product Development in 2022
Source: McKinsey, The State of AI in 2022.

The use of AI for industry includes improving production and business services as well as automation of business operations, which of course will have an impact on production cost efficiency and optimization of business development. However, on the other hand, legal and regulatory issues are challenges in implementing AI in Indonesia, including ethical and social aspects that also need to be considered, to ensure that this technology is used responsibly and does not have a negative impact on society.

From the legal protection aspect, AI is a creative process created by humans.(Massadeh et al. 2024)from a system that uses algorithms to think like humans, so that this AI can be classified as an Intellectual Property (IP) object. On the other hand, AI can also perform actions like humans and carry out commands, even AI can solve problems quickly and accurately (9), so that AI's actions have also raised new concerns if later the actions "carried out" by AI actually lead to unlawful acts, which result in consequences for aspects of legal responsibility.
This paper is expected to answer certain research questions:

a. How do Indonesia's cultural norms and moral values influence the legal understanding of AI as an object of intellectual creation and innovation?
b. In what ways does Indonesia's legal culture shape the conception of liability and moral accountability for harms caused by AI systems?
c. How do Indonesia's emerging AI policies and regulations reflect the interaction between formal legal norms and ethical cultural principles in governing the use of AI?

By focusing on these questions, the article moves beyond doctrinal legal analysis and instead examines the pluralistic negotiation between formal law and cultural legitimacy. It seeks to show how Indonesia's unique blend of intellectual property law, customary law, and moral religious values gives rise to a hybrid governance model one that aspires to balance technological progress with cultural coherence and ethical integrity. With a deep understanding of this study, it can build a regulatory infrastructure that allows the development of AI technology without sacrificing human values, ethics, and justice. In addition, this study makes an important contribution in directing the development of AI technology according to the needs of society and legal principles.

METHODOLOGY

This research employs a qualitative socio-legal approach to examine the interaction between Indonesia's cultural norms and the formal legal system in governing artificial intelligence (AI). The socio-legal method enables the analysis of law not merely as a set of written rules, but as a living institution that reflects and interacts with the moral and social values of society.with a conceptual approach. The approach with a conceptual form is based on the views and doctrines of various experts who have experienced developments in legal science.(Mahmud Marzuki and History 2017). This research is qualitative, namely a method of describing conditions in the field based on facts, data and various existing documents.(Rijal Fadli 2021). Data collection techniques using primary data obtained from field research (Field Study) consisting of observation, in-depth interviews and supported by secondary data, namely the Civil Code, jurisprudence, books related to the topic of this article, articles from other parties' research results and supplemented by conducting interviews with experts in the field of Intellectual Property Rights and Artificial Intelligence. While the sources are determined purposively, namely:

a. Head of the Ministry of Communication and Information of the Republic of Indonesia;

b. Head of the Directorate General of Intellectual Property, Ministry of Law and Human Rights of the Republic of Indonesia;

This research is a descriptive research, where the research object is described based on the research results in detail, systematically and comprehensively.(Friday's Prayer 2013). Conclusions are developed using deduction or syllogism. This way of thinking is based on existing scientific principles (major premise) and connecting them to known facts (minor premise) to draw a conclusion.

Data analysis followed the Miles and Huberman (1994) qualitative model data condensation, data display, and conclusion drawing. Thematic coding was applied to identify patterns of cultural legal interaction, especially regarding three main themes:

1. Interpretations of AI as intellectual creations influenced by local values of creativity and ownership;
2. Cultural perceptions of moral obligations and responsibilities shaped by collective ethics and religious morality; and
3. Translation of ethical norms into formal policy frameworks that bridge global AI principles with local moral expectations.

This approach provides an integrated understanding of how Indonesian legal culture not only constrains but also enriches formal legal governance of AI. This approach provides an integrated understanding of how Indonesia's legal culture not only constrains but also enriches the formal legal governance of AI.

RESULTS

Cultural Interpretation of AI as an Object of Intellectual Creation

The literature understanding of artificial intelligence and its various applications mainly focuses on its relationship with IPR law. Several studies usually examine the elements of artificial intelligence within the existing IPR law framework to protect it. The global IPR framework has explained the relationship between law and artificial intelligence, where intelligence refers to the ability of machines to imitate cognitive functions such as the ability to solve problems and the ability to learn.(Vedapradha, Hariharan, and Shivakami 2019), therefore, the legal framework used to protect AI from an IPR perspective must consider various aspects and areas in international efforts so that the most appropriate legal protection system can provide legal safety net protection. As science and technology develop, our perspective on wealth has also changed. Currently, the legal system classifies assets into three categories, first, most people recognize personal property rights in tangible personal property, called "tangibles". Second, wealth comes from real assets such as land and buildings, and the third is wealth called intellectual property and intangibles(Alfons Human Resources Development Agency for Law and Human Rights Ministry of Law and Human Rights of the Republic of Indonesia Jl Raya Gandul and Barat Indonesia 2017). Regarding intellectual property, such property rights are recognized worldwide in the form of copyrights, patents, trademarks, trade secrets, integrated circuit layouts, plant varieties, and other products of ideas.(Gultom and Sos 2023).

AI is a turning point for civilization towards the modern technological world, simply put AI is the creation of a computer-based system that is as intelligent as humans. AI has produced some great works over the past decade, such as computer programs, graphic and animated works, books, and so on. Given AI's ability to produce creative works, questions arise regarding the ownership of these creative works, if AI is creative, can the technology have intellectual property? This depends on the authenticity of the AI product, the subject of AI copyright law, and the person who created or is responsible for the AI product is still controversial in terms of its legal status.

AI technology can create works of art and even products, so it has the potential to impact the intellectual property protection model for these works. Currently, there are no international instruments or laws in Indonesia that specifically regulate the existence of AI, so it can cause legal uncertainty. There are legal insights and interpretations to protect AI in the concept of unique intellectual property. Basically, AI can actually create phenomenal and unique masterpieces that can be compared to human intellectual works, but the results of these works do not come from human abilities or creativity as in the concept of Intellectual Property Rights, but are the ability of AI to produce these intellectual works.

The existence of AI proves that humans will be able to create something similar to human thinking itself, which will become more sophisticated over time. In addition, with the presence of AI, humans do not need special skills and the AI system can directly present works in the form of text, images, music, and others. The works produced by AI can be said to be a work that is equated with intellectual work produced by human intellectual abilities, only what is still debated is whether the intellectual work can be protected by IPR where the creator of the work is protected by law or considered a rights holder. Of course, this needs to be distinguished between humans themselves and AI, where humans are legal subjects, while AI is not a legal subject, because it is not human, even though it is equated with humans. Because the concept of recognition of an IPR is based on the

original aspect, which means it is an intellectual work from the personal abilities of a legal subject. This personality means that in order to be recognized as a created being, the creator must have a personality that is only possessed by humans. Based on this definition, works created with AI will not meet the concept of originality. AI works are not only created by humans, but also modified by machines by combining past works, thus reducing the originality of the work, which reflects the nature and personality of its creator. Here AI often raises questions about its legal standing. Related to this problem, it can be analyzed against the case that has recently been widely discussed, namely the Landmark Decisions against court decisions on AI and Patents. Recently the world was shocked by Dr. Thaller's application in several cross-jurisdictional courts in several countries, requesting that the court request his artificial AI named DABUS (Device for Autonomous Bootstrapping of United Sentiences) as the inventor/patent inventor. Dr. Thaller said that AI as a machine is not only an object of patent, but can be recognized as a patent inventor (inventor), meaning that the AI he created is considered a new living creature. This case has been examined in several cross-country courts such as the Supreme Court of England, the Supreme Court of the United States, Australia, the Court of the European Union, New Zealand, and Korea and it was decided that all courts rejected the granting of DABUS as a partial patent inventor, on the grounds that DABUS is not human and does not meet the requirements as an inventor. Under the 1977 Patent Act, machines or AI are not human and cannot file patents. These decisions are referred to as Landmark Decisions, which are decisions where a judge applies a significant new legal principle or concept.(Ahmad M Ramli 2023)

Inorder to analyze this case sharply, a legal theory is needed, one of which is the Legal Subject Theory. The legal subject theory is a theory that explains who are the people or organizations in a legal system that can have legal rights and responsibilities. This theory recognizes that legal entities can be individuals, groups, legal entities, or even inanimate objects such as vehicles or land. Legal subjects and their rights are determined solely by positive law, not by the assumption that legal subjects actually exist, therefore legal subjects and corporations are fictitious, whose existence is determined by a legal rule, so that it can be said that legal subjects are given provisions as bearers of rights and obligations and are recognized by positive law with their legal status.(M. Manullang 2021). According to this theory, obligations arise after rights are established, where basically every individual wants freedom, but rights are subjective and specific to individuals because obligations are based on positive law and in practice everyone must be bound at all times. In the context of Indonesian law, AI is not considered a legal subject.

The legal status of artificial intelligence itself in Indonesia is not specifically regulated in the current laws, but AI may be treated like a legal entity and may be subject to legal liability in some cases. First, AI can be considered a legal entity, meaning that AI can have the same legal rights and obligations as businesses and individuals, AI can enter into contracts as a legal entity and be legally responsible for its actions. Second, AI can be regulated by laws that regulate matters related to technology, laws that may apply to AI include Law Number 11 of 2008 concerning Information and Electronic Transactions (ITE) and Laws related to IPR. These two laws are the legal basis for regulating the use of technology and intellectual property rights. In conclusion, if we talk about the legal status of AI, because in Indonesian law AI has not been constructed as a legal subject, such as a legal entity that is constructed as a legal subject by legal regulations in Indonesia, AI cannot be said to be a legal subject, until legal regulations regulate otherwise. Third, AI may have legal liability if AI does something that is detrimental to others, such as violating copyright or privacy, so that it can be subject to legal action. However, the question that often arises is: Who is responsible for the actions of AI, whether the creator of AI, the user of AI, or the AI itself. In some cases, AI may be held accountable depending on the role or function it performs, but clear, concrete, and technical regulations are still needed on how AI can be held legally accountable.

In the Indonesian legal context, artificial intelligence (AI) has not been formally recognized as an autonomous subject or legal entity capable of holding rights or responsibilities. However, culturally, the public perception of AI extends beyond a mechanical tool; rather, it is viewed as an extension of human creativity, a reflection of the intellectual and moral capacity of its creators. This understanding aligns with the Indonesian worldview, which places creativity (creativity, feeling, intention) within a moral framework of collective responsibility and ethical balance.

Field interviews with the Directorate General of Intellectual Property of the Ministry of Law and Human Rights of the Republic of Indonesia revealed that when discussing the ownership of AI-generated works, both legal practitioners and cultural experts emphasize moral authority over mechanical production. In other words, while AI can produce new outputs, its moral and cultural authority remains tied to the humans or communities that maintain and program it. This contrasts with debates in the West that focus on "machine authorship" or "autonomous creation." From a doctrinal perspective, Indonesia's current Intellectual Property Law, particularly Law No. 28 of 2014 on Copyright, implicitly excludes AI as an independent creator. However, from a socio-cultural perspective, this exclusion is in line with the broader cultural belief that creative works are fundamentally human and moral in nature. Thus, even without explicit regulation, Indonesian legal culture already contains cultural barriers to treating AI as an independent creator. The alignment between formal exclusion and cultural ethics demonstrates a natural harmony between lex scripta and lex culturae.

In general, the legal status of AI in Indonesia requires clearer and more detailed regulations, however, as the issues of legal status and other technical issues become more important, AI may be regulated by existing laws and may give rise to legal responsibilities. In short, it can be said that in general, the legal status of artificial intelligence is still a complex and controversial topic, as outlined above, the challenges and debates surrounding AI include legal liability, intellectual property rights, privacy and security, discrimination and bias, and necessary regulations and standards. As technology becomes more sophisticated and complex, ensuring that AI is used properly and responsibly requires a number of collaborations, including government, industry or the private sector, legal and technology experts, and broader stakeholder involvement, therefore, more intensive discussion and cooperation on the legal status of AI is needed so that the use of AI technology can provide the greatest benefits to humans and the environment.

Legal and Moral Dimensions of Liability in AI Governance

In Indonesia, the use of artificial intelligence technology has begun in several fields, for example, the Ministry of Communication and Information of the Republic of Indonesia has launched an anti hoax chatbot to prevent the spread of hoaxes in society. There is also a facial recognition platform developed by Nodeflux that matches the uploaded face with the E-KTP photo data managed by the Population and Population Registration Service, and there is also one developed by Gadjah Mada University, namely GeNose, a Covid detection tool using an artificial intelligence system.

The existence of various types of artificial intelligence can potentially cause errors, which can cause harm to the victim. For example, medical activities involving AI technology and causing harm to patients due to misdiagnosis, reading and analyzing clinical data, or making wrong decisions will certainly have an impact on patient safety.(Prasetyo and Prananingrum 2022). Unfortunately, the Indonesian legal system does not yet have clear regulations that can provide legal protection for victims who suffer losses due to errors in AI's actions. According to civil law (KUHPerdata), losses can arise due to default or unlawful acts (PMH). Default can occur due to failure to implement the agreed performance between the parties(Gita Anggreina Kamagi 2018). Unlike breach of contract, liability in unlawful acts is different from Article 1365 of the Civil Code. Unlawful acts regulated in Article 1365 of the Civil Code consist of the following elements:(Gita Anggreina Kamagi 2018)

a. The existence of an act;
b. The act is against the law;
c. There was an error on the part of the perpetrator;
d. There is a loss on the part of the victim; and
e. There is a causal relationship between the act and the loss.

Currently, unlawful acts have undergone development through jurisprudence both in Indonesia and in the Netherlands, namely by expanding the meaning of legal acts so that they not only violate the law, but also violate the rules of common sense and morality that have been internalized by society.

For losses caused by a person's actions, legal responsibility can be held against him, on condition that the unlawful act is carried out by a legal subject, namely an individual or a legal entity, where both are holders of rights and obligations that have been determined by law. This is in accordance with the provisions stipulated in Article 1367 of the Civil Code which states that a person is responsible for all losses caused by people or goods under his control. This can cause problems when autonomous technology that resembles human intelligence, such as AI, can cause losses. AI has an autonomous nature and is assumed to be able to act independently without relying on humans.(Totschnig 2020).

Research by Ryan Abbott and Alex Saatchi, which questions the legal status of artificial intelligence, argues that holding AI accountable is unjustified as it would lead to a fundamental change in the concept of law.(Abbott and Sarch 2019). The same thing is stated in Shakuntla Sangam's research which states that AI is not a legal subject, so it cannot be held legally responsible for actions that cause losses.(Shakuntala Sangam 2020)Further research conducted by Shabrina Fadia Ghazmi in a journal manuscript revealed that artificial intelligence is considered an employee who carries out tasks ordered by the company, therefore, the responsibility for artificial intelligence lies with the organizer or party who uses the artificial intelligence.(Sabrina Fadiah Ghazmi 2021)From these studies, there is a state of the art in order to analyze the forms of AI responsibility for the actions it does, resulting in losses for other parties. This analysis is based on the provisions of Article 1367 of the Civil Code, where AI is not considered a legal subject, but is considered as 'goods'. According to Article 1367 of the Civil Code, if an item causes a loss, then the responsibility lies with the supervisor or the party who organizes it.

In general, people define AI as a robot that can act automatically. However, not all robots are based on AI. Technologists define artificial intelligence as a collection of algorithms created by humans that can produce results without explicit instructions. AI is about computing machines that can perform tasks like humans, and sometimes with better results.(Wijaya 2013). Artificial intelligence aims to make machines more intelligent, so intelligence is a property that allows machines to function accurately.(Nilsson 2010). Artificial Intelligence works with Big Data

that has been processed. The processed data is captured and stored in artificial intelligence as knowledge for decision making, the data is then trained programmatically to make decisions. The decisions and results made by AI are similar to those managed and produced by the human brain.("Interview with Lecturer of Law and Technology, Esa Unggul University" 2024). The output which is the final goal of an AI system is designed from the beginning of the development of the AI system. These goals are programmed based on data created at the initial stage. AI cannot achieve goals other than those assigned to it, if forced to provide output other than programmed data, then the AI will potentially have a very high error rate.(Totschnig 2020). In other words, artificial intelligence cannot change behavior other than what has been programmed by humans. The autonomous nature of artificial intelligence is biased because it cannot act outside the program embedded in it.

Article 1365 of the Civil Code contains provisions regarding unlawful acts. This article also stipulates that compensation must be paid for acts that violate the law and cause harm to others. Article 1365 of the Civil Code only applies to losses caused by the negligence of the legal subject itself. It is not appropriate if AI must be held responsible, because AI is not a legally recognized legal subject. AI cannot bear any rights and obligations because its nature depends on humans. AI cannot take legal action on its own. Until now in Indonesia there has been no regulation that provides legitimacy to AI which is considered a legal subject. Therefore, AI that causes losses is not included in Article 1365 of the Civil Code, because artificial intelligence is not a legal subject that is responsible. Responsibility can be imposed not only for losses that it causes directly, but also for losses caused by the actions of people under its authority or things under its supervision. Responsibility for wrongdoing arising from the actions of relatives or property or pets under its supervision is called absolute responsibility, or better known as absolute responsibility(Munir Fuady 2018). Based on the explanation of the elements of Article 1367 of the Civil Code, it can be said that if AI causes losses, then the form of civil liability is Article 1367 of the Civil Code, because AI is considered an intangible object, then the owner of AI who controls it may be responsible for losses caused by the AI.

The question of who bears responsibility for harm caused by AI systems exposes the deep interaction between Indonesia's legal rationality and its moral–cultural foundations. While legal discourse tends to focus on fault, negligence, or causation, public and policymaker narratives often frame responsibility as a collective moral obligation. For example, when algorithmic systems cause social harm—such as misinformation, discrimination, or privacy violations—the dominant public sentiment is not merely to "find who is guilty" but to ask "who failed to guard the moral intention of technology." This reflects the Indonesian ethical principle of collective accountability rooted in communal life and religious morality.

In practice, this collective moral consciousness can both complement and complicate the legal process. On one hand, it strengthens public trust and reinforces ethical boundaries for developers and policymakers. On the other hand, it may blur the line of legal liability, as moral blame is diffused among institutions, designers, and even society at large. Hence, Indonesia's legal culture encourages a moral-proportional approach to liability where responsibility is assessed not only through formal criteria but also through the moral context, intention and social consequences.

This hybrid model contrasts with the Western notion of strict liability or product liability in AI governance. Rather than imposing punitive measures, Indonesian regulators tend to emphasize restorative and preventive justice, encouraging public education, ethical compliance, and institutional responsibility over punishment. Such an approach mirrors the national philosophy of *Pancasila*, which harmonizes justice with humanity and moral compassion.

Policy and Ethical Frameworks: Bridging Formal Law and Cultural Morality

Artificial intelligence (AI) has become a hot topic in recent years, especially since the introduction of various AI-based platforms such as chatboxes, search engines, m-banking, virtual assistants, GPS, online translators, and so on, where AI technology can help complete various tasks by optimizing routine tasks to be easier and more practical, analyzing data accurately in order to formulate effective business strategies that are responsive to market changes, even in the health sector, the use of AI has full capacity in conducting medical analysis, identification and being able to do.

This development raises hopes that AI can develop better in this digital era. However, like other technological developments, the development of AI has a two-sided impact like a knife blade, on the one hand there are advantages, but on the other hand there are weaknesses or shortcomings. If the advantages of utilizing AI technology have been discussed quite a lot, the discussion of the weaknesses of AI is also important to study and analyze, such as, for example, the use of irresponsible AI-based chatbots can lead to plagiarism, the use of audio and video in AI-based applications can also lead to misleading information (hoaxes), in addition, the use of AI in the medical world today has become a great opportunity to be able to analyze medical data, identify patterns, and help doctors make quick and accurate decisions, but on the other hand, accountability for patient losses due to medical malpractice due to the use of AI still requires a serious approach along with complex problems,(Supriyadi

and Asih 2021)in other words, the harm caused by unethical use of AI can be very unpredictable, therefore, strong regulation of AI is important.

The third research question explores how new AI guidelines in Indonesia demonstrate the connection between official rules and societal morals and beliefs. Indonesia lacks a specific, all-encompassing AI law. Instead, AI is managed through various existing laws related to digital commerce, data security, and ownership of ideas. Nevertheless, within this system, government officials are starting to develop moral principles that are consistent with Indonesian cultural and religious standards.

For instance, the proposed AI ethics guidelines from the government's communication and information agency (2024) prioritize values such as reliability, community welfare, and impartiality. These values are not direct copies of international values like "openness" or "responsibility," but instead are reinterpretations based on Indonesian cultural values. Therefore, policy wording serves as a method for cultural adaptation, where universal AI standards are modified to fit local ethical expressions. Additionally, discussions surrounding AI regulation are increasingly referencing the notion of ethical behavior, mirroring the wider constitutional principle of a "just and humane society." This concept connects legal regulation to cultural ethics, implying that technology should be not just effective or legal, but also ethical informed by empathy, fairness, and moral limitations.

Additionally, discussions about AI regulation frequently employ the idea of ethical governance, mirroring the wider constitutional principle of "equitable and humane society." This idea connects legal regulation to cultural ethics, implying that technology should be not just effective or legal, but also ethical influenced by empathy, equity, and moral self control. In general, AI regulations in Indonesia are found in existing laws or regulations, although the portion of the regulations is very small and general in nature. Such as the Law on Information and Electronic Transactions which has been revised several times, and was last revised by Law Number 1 of 2024 concerning the Second Amendment to Law Number 11 of 2008 concerning Information and Electronic Transactions, hereinafter referred to as the ITE Law along with its derivative regulations, namely the implementing regulations concerning the Implementation of Electronic Systems and Transactions (PSTE). Although it has not specifically regulated AI, this legal instrument can be used to prosecute perpetrators who commit violations in the field of information technology, for example with the article on defamation committed by someone through electronic media, then they can be threatened with sanctions that have been stipulated in the ITE Law and its derivative regulations. There is also Law Number 27 of 2022 concerning Personal Data Protection, considering that AI is included in the field of computer science, then in its meaning it is stated that development by providing input to the model in the form of data and carrying out tasks based on existing data that is carried out and provided, where the data provided can be in the form of imitation and/or original data. AI is at high risk of using specific personal data.

In the use of personal data for AI systems, the processing of personal data for the development of AI is permitted if it meets all the requirements in question, for example for handling criminal acts, public security, and improving environmental quality, with the note that the personal data will be immediately deleted when it has been used. The Personal Data Protection Law regulates administrative sanctions in the form of written warnings, temporary suspension of personal data processing, deletion or destruction of personal data, and/or a maximum fine of 2% per year as stipulated in Article 57 of the Personal Data Protection Law.

In addition to the above laws, the Ministry of Communication and Information has also issued ethical guidelines for the use of AI for economic actors, as stated in the Circular Letter of the Minister of Communication and Information Number 9 of 2023 concerning the Ethics of Artificial Intelligence. There are 9 (nine) ethical values that need to be considered, including inclusion, humanity, security, democracy, transparency, trust and accountability, personal data protection, environmental development and sustainability, and intellectual property rights. This document only serves as a guide and is published by the Ministry of Communication and Information (Kemenkominfo), but although it is not a law, it can be used as a technical guideline in implementing the use of AI technology and can be used as a basic reference for the direction of the formation of legal instruments on AI in the future. In Indonesia, general regulations for the use of AI in the banking world are also regulated in legal regulations. The Financial Services Authority is also trying to regulate the use of AI in collaboration with other industry associations, namely AFSI, AFPI and ALUDI, which have assigned the Indonesian Financial Technology Association (AFTECH) to prepare and implement a code of ethics for responsible and trusted artificial intelligence (AI) in the financial technology industry, which was launched in early December 2023.

There are several fundamental questions raised by various parties regarding the regulations above, how big is the role of these regulations in regulating AI. What is no longer debatable is that currently there are many challenges, obstacles, and barriers in terms of the use and utilization of AI technology in various aspects of human life, both in the form of public services and as a tool to assist human work, so that due to the complexity of the problems that have emerged today regarding AI, the regulations governing AI are quite urgent to be made immediately, in fact what is being debated is how AI should be regulated, in order to ensure the use of AI safely and ethically. Even in several countries, they have specifically made regulations to regulate and limit the use of AI technology in order to minimize the risk of violations in the use of AI technology in various fields. These countries

include the European Union, America, China, and so on. The Indonesian government can see the regulations from various countries which can be used as input in the formation of special regulations regarding AI. More specifically, the regulations in various countries are described in the following table:(Alfian Akbar Gozali 2023),(Andika Hendra Mustaqim 2023)

Table 2. AI Regulation Map in Several Countries.

Country	Year	Name of Regulation/Authority Body	The Regulated Approach
European Union	2023	EU AI Act	Consumer protection from malicious AI applications
United States of America	2022	Blueprint for an AI Bill of Rights	Regulations to ensure that AI does not have a negative impact on society
United States of America	2023	Artificial Intelligence Risk Management Framework (AI RMF 1.0)	Regulation to ensure transparency in AI development
English	2023	AI Regulation: A Pro-Innovation Approach	Control of new AI technology capable of creating content automatically
New Zealand	2023	Office of the Privacy Commissioner	Guidelines on the use of AI capable of automatically generating content
Canada	2022	Artificial Intelligence and Data Act (AIDA)	Consumer protection from malicious AI applications
Japan	2019	Artificial Intelligence Strategy Council	Principles regarding the Use of AI that centers human interests
China	2023	Cyberspace Administration of China (CAC)	Guidelines for research, development and use of AI in the public and private sectors.
Australia	2023	AI Regulation	Limiting the negative impact on industry in utilizing AI
France	2024	CNIL	chatGPT ban due to alleged privacy rule violations
Italy	2023	Italian Data Protection Authority	Evaluation of chatGPT usage and its review

The formation of AI regulations in Indonesia faces various challenges that are not only technical in nature, but also include dimensions of ethics, privacy, security, and social impact.(Law Review Aditya Kurniawijaya and Yudityastri 2021). The development of AI technology is a milestone in the evolution of technology that brings new possibilities and fundamental changes to interacting with the digital world.(Kusumawardani 2019). While advances in AI bring incredible innovation, they also bring many legal challenges that must be taken seriously. Some of the challenges faced include: harmonization of privacy regulations and AI development; transparency and accountability; ethics and professional codes of conduct; the legal standing of AI; and system security. In addition, according to Tom Wheeler (Tom Wheeler 2023), there are three main challenges in AI regulation, the first challenge is to adjust regulation to the extraordinary speed of AI development, which requires agile regulation to prevent negative impacts related to data protection, market concentration, user manipulation, and the spread of disinformation, the second is to determine which components need to be regulated where the complexity of this technology must be taken into account and distinguish between the various risks and potential uses, and the third challenge is to figure out who will regulate the regulation and how the regulation will be enforced. This raises the question of who should create regulatory guidelines for AI and how they should be implemented.

To address these challenges, innovative and responsive regulatory institutions are needed. Effective oversight should focus on mitigating risks without stifling investment and innovation. An important step is also the development of standards of conduct (codes of ethics) that can be enforced by new institutions. With these challenges in mind, AI regulation can play a critical role in protecting the public interest, minimizing negative impacts, and creating an innovative and safe environment.

The study indicates that Indonesia's official AI policy framework uses a mixed governance system. This system incorporates cultural values to give ethical context to legal standards. By doing so, it avoids a purely technical approach, making sure AI governance is accepted from a social and ethical standpoint. Nevertheless, this also creates difficulties: cultural variations may delay the development of specific regulations, and ethical debates may sometimes take priority over practical implementation.

Paraphrasing Development: Towards a Culturally Acceptable AI Legal Framework

Overall, the research indicates that Indonesia's legal framework for AI, including issues of protection, accountability, and ethical oversight, develops through an ongoing interaction between legal rules and societal values. The official legal system establishes procedural correctness, while cultural principles offer moral justification. This constant exchange leads to a situation where legal validity is perpetually judged against established moral standards and community beliefs, effectively creating a system of "cultural constitutionalism."

This interaction illustrates that AI governance in Indonesia is neither purely positivist nor purely moralistic it is contextual and hybrid. Legal norms evolve through moral negotiation, while cultural ethics gain institutional recognition through codification. The implication is that the effectiveness of AI regulation in Indonesia will depend not only on technical or doctrinal sophistication but on its capacity to resonate with the nation's living moral order.

Table 3. Interaction between Law and Culture in Indonesian AI Governance.

Aspect	Formal Legal View	Cultural/Moral View	Interaction Outcome
AI as Intellectual Creation	Defined by human authorship under Copyright Law	Creativity as moral–human act (no machine autonomy)	Cultural alignment reinforces human-centered authorship
Liability for AI Actions	Determined by fault or negligence	Responsibility shared based on intention and collective ethics	Hybrid accountabilitylegal and moral
Ethical Governance and Policy	Based on transparency, accountability, safety	Based on *amanah*, *rukun*, *beradab*, *tanggung jawab sosial*	Ethical localization of global AI norms

The case of Indonesia shows that effective AI governance must integrate moral legitimacy with legal certainty. Formal regulations without moral resonance risk alienation; moral discourse without institutional foundations risks inconsistency. Therefore, Indonesia's challenge lies in designing a governance model that institutionalizes ethics without losing legal clarity. This requires the creation of participatory legislation that involves cultural experts, religious institutions, and community leaders ensuring that the AI legal framework reflects the nation's pluralistic moral identity while remaining compliant with international standards.

FINDINGS

Here are three key findings, first, cultural beliefs influence how AI is legally considered a form of intellectual work. Second, Indonesian cultural views see creativity as a fundamentally human and moral quality. As a result, AI created works are acknowledged only when linked to human moral guidance, not to the AI's independent capabilities. This viewpoint strengthens the idea that Indonesian intellectual property law is based on human activity. And Third, responsibility for AI's actions combines moral and legal considerations. While legal rules emphasize cause and lack of care, cultural ethics add ideas of balance and community responsibility. This results in a system where responsibility is both legal and ethical, which helps maintain social acceptance while avoiding overly strict legal interpretations.

Finally, the creation of AI policy involves adapting ethical standards to the local context. Indonesian policymakers interpret universal AI principles like openness and impartiality using local ethical concepts: trust, fairness, and civilized behavior. This adaptation ensures that AI governance is culturally relevant, ethically sound, and socially acceptable.

CONCLUSION

The way artificial intelligence (AI) is managed in Indonesia highlights that the validity of laws is linked to the moral and societal values that support them. The official legal system, based on established legal guidelines and shaped by international regulatory examples, offers the necessary structure and predictability to control new technologies. However, the moral validity of these legal rules relies on their capacity to correspond with the ethical and societal principles that characterize Indonesian society.

This research indicates that the connection between societal customs and formal law creates a combined form of legal reasoning, where legal correctness and ethics exist together in a communicative relationship. AI is not just a legal or technological problem but also a societal one; its control is discussed within Indonesia's diverse legal system, which combines traditional law, religious ethics, and modern laws. This diversity leads to a management approach that values ethical purpose, shared responsibility, and social agreement as much as it values openness, progress, and legal clarity.

Collectively, these findings confirm that law in Indonesia is culturally interpreted rather than simply applied. Cultural norms are not barriers to modernization; rather, they serve as the framework for contextual legal growth. They provide the moral language through which legal norms gain significance and public acceptance. Theoretically, this study supports the concept of cultural constitutionalism, which holds that the enduring power of legislation stems from its alignment with the nation's moral and cultural order. Practically, it implies that successful AI

governance in Indonesia will be contingent on incorporating ethical norms into regulation design. Policies must be inclusive, dialogue-based, and responsive to moral diversity.

Finally, Indonesia's experience demonstrates that the future of AI governance in multiple society lies in reconciling law and culture, rather than choosing between the two. The state's problem is to institutionalize ethics without moralizing the law, and to codify fairness without losing cultural complexity. Only by taking such a balanced approach can Indonesia establish a culturally respectable, legally consistent, and ethically viable AI legal order.

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