

## Artificial Intelligence Regulation and Political Ethics: An Analysis of Indonesia's Position in AI Governance

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**Abstract** *The rapid development of artificial intelligence (AI) technology is having far reaching impacts on global economic, social, and political aspects. However, the absence of universal ethical standards and regulatory gaps between developed and developing countries has posed serious challenges to fair and inclusive AI governance. Indonesia, as the largest democracy in Southeast Asia, faces a dilemma: responding to AI opportunities while ensuring ethical sustainability and digital sovereignty. This research aims to analyze Indonesia's normative and practical position in the dynamics of global AI governance, with a focus on the regulatory dimension, political ethics, and participation in multilateral forums, including the G20, UNESCO, and ASEAN. A qualitative approach was employed, utilizing methods of public policy analysis, official document studies (including the Personal Data Protection Bill and the National AI Strategy), and interviews with technology experts and digital diplomats. The results indicate that Indonesia is still in the early stages of developing a comprehensive AI regulatory framework. However, it has demonstrated its commitment through the strengthening of its data privacy policy and national AI strategy. However, the absence of AI specific laws and the lack of active engagement in global ethical governance frameworks are significant obstacles in strengthening Indonesia's position as a normative actor at the international level.*

**Keywords:** *AI regulation, digital policy, global governance, Indonesia's position, technology diplomacy, technology ethics*

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### 1. Introduction

The rapid global expansion of artificial intelligence (AI) has outpaced the development of ethical and legal frameworks, exposing a critical normative gap, particularly in developing democracies such as Indonesia. While advanced economies have begun to codify principles of algorithmic fairness and AI ethics, Indonesia is still in the early stages of defining regulatory boundaries and assigning political responsibility for AI use. The development of artificial intelligence (AI) in the era of Industry 4.0 has brought about significant transformations in various sectors, including the economy, public services, and national defense. However, these rapid developments also pose significant ethical dilemmas and legal lacunae. Indonesia, as a democratic country and a member of the G20, faces significant challenges in formulating regulations that are adaptive while still upholding ethical values (Wahyu & Fahririn, 2024; Subagyo et al., 2024; Sitabuana et al., 2024).

Indonesia lacks a specific legal framework that explicitly regulates the governance of AI. This regulatory unpreparedness could lead to AI abuse, algorithmic discrimination, and data privacy violations. On the other hand, global pushes such as the EU AI Act and UNESCO AI Ethics Recommendation require developing countries like Indonesia to respond normatively (Pratama, 2024; Irawan, 2024; Komarudin et al., 2024).

This study operationalizes the theory of political ethics, particularly the concept of algorithmic justice, as an evaluative lens to analyze Indonesia's AI governance. Algorithmic justice refers to the fairness, transparency, and accountability inherent in algorithm based decision making systems. This research uses these principles to assess whether Indonesia's current and proposed AI policies ensure equitable outcomes, prevent discrimination, and uphold democratic values. From a digital governance perspective, the study also evaluates institutional coordination, legal frameworks, and Indonesia's participation in global norm setting as indicators of ethical digital leadership. These theoretical constructs are applied in document analysis and expert interviews to map the normative gaps and strengths in Indonesia's AI regulatory landscape.

The theory of political ethics and digital governance serves as the primary framework for this research, particularly about the principles of algorithmic justice and technological accountability. According to Subagyo et al. (2024), AI governance must consider local ethical dimensions, such as the principles of Pancasila and social justice. According to Kominfo, 74% of public institutions lack ethical guidelines for utilizing AI technology (Simanjuntak et al., 2024; Kamila, 2025; Elvira, 2023).

**Table 1.** AI Regulatory Readiness in Southeast Asia (2024)

| Country   | AI Specific Regulation | AI Ethics Strategy | Global Engagement |
|-----------|------------------------|--------------------|-------------------|
| Singapore | ☑                      | ☑                  | ☑                 |
| Malaysia  | ✗                      | ☑                  | ☑                 |
| Indonesia | ✗                      | ✗                  | ✗                 |
| Thailand  | ☑                      | ✗                  | ☑                 |

*Source: Simanjuntak et al., 2024; Astuti & Nasman, 2024; Hakim & Firman, 2024*

Several studies have examined the legal and technological aspects of the AI sector in specific areas, including healthcare (Gunadi et al., 2024), justice (Kamila, 2025), and the public sector (Wijayanto, 2025). However, most of these studies have

not addressed Indonesia's strategic position in the global map of AI governance and digital ethics across countries.

No studies have specifically examined Indonesia's normative and political position on AI governance issues in global forums, such as the G20, UNESCO, or ASEAN. In addition, not many studies have integrated domestic policy analysis and global comparisons in the context of local and universal value based AI regulation (Pramesti, 2025; Judijanto et al., 2024; Wintara & Fitriani, 2025).

This research presents a hybrid approach that combines national public policy analysis with Indonesia's participation in global AI governance. This approach is examined from the perspectives of political ethics, digital democracy, and technological sovereignty. Unlike narrow legal studies, this article bridges regulatory issues with technology diplomacy (Hartati, 2025; Hakim & Firman, 2024; Pratama, 2024).

With the increasing regulation of AI in developed countries, such as the European Union, the pressure on developing countries, including Indonesia, to adopt commensurate policies is also increasing. Regulatory gaps may hinder Indonesia's participation in cross border technology cooperation and impact its bargaining position in digital trade (Syafiq, 2024; Amrozi & MT, 2024; Ramadian et al., 2024).

Political ethics in the context of AI include issues of fairness, transparency, and the responsibility of algorithm based decision making. In the Indonesian context, this is important because the absence of explicit norms can lead to bias in digital bureaucratic systems or misuse of citizens' data (Astuti & Nasman, 2024; Hakim, 2024; Pramesti, 2025).

This research aims to: (1) analyze the readiness of AI regulations in Indonesia from legal and ethical aspects; (2) evaluate Indonesia's normative position in global AI governance; and (3) examine opportunities to strengthen Indonesia's diplomatic position through an AI ethical framework based on the values of Pancasila and social justice.

## 2. Method

### Type of Research

This research employs a descriptive qualitative approach, incorporating policy analysis and normative ethics methods. It was chosen to evaluate the extent to which Indonesia's AI policy aligns with the principles of political ethics and its role in global AI governance. This research also adopts the normative policy analysis framework and digital governance theory as conceptual foundations.

This study adopts a qualitative descriptive approach that integrates two methodological logics: policy analysis and normative ethics. The policy analysis

component assesses Indonesia's existing AI regulatory instruments, including the National AI Strategy and the Personal Data Protection Bill, by examining their legal coherence, institutional arrangements, and implementation frameworks. In contrast, the normative ethics method is applied to assess whether these policies align with fundamental ethical principles, such as fairness, transparency, and accountability, particularly through the lens of Pancasila and algorithmic justice. While policy analysis focuses on institutional performance and regulatory gaps, the normative ethics approach critically interrogates the moral and democratic legitimacy of AI governance. This dual approach enables both technical and value based assessments of Indonesia's position in the global AI governance discourse.

### **Population and Sampling**

The population in this study includes relevant national and international policy documents, such as:

1. Indonesia's AI National Strategic Plan (BSSN, Kominfo)
2. Personal Data Protection Bill
3. AI regulations from global forums (EU AI Act, UNESCO AI Ethics Recommendation)
4. Official statements at G20, ASEAN Digital Forum

Samples were taken by purposive sampling, with the following criteria:

1. Documents published between 2020 and 2025
2. Contains legal and/or ethical dimensions of AI
3. Engaging Indonesia's position or participation in global frameworks

The total sample comprises 12 primary documents, including two international documents and 10 national policy documents, as well as interviews with 5 expert informants (MOCI officials, digital policy academics, and AI ethics observers). The selection of 12 primary documents was based on relevance, accessibility, and normative content, rather than quantity. The 10 national documents represent the core of Indonesia's AI related policy framework, including cross sectoral regulations and strategic blueprints issued by institutions such as Kominfo, BRIN, and BSSN. Although the number may appear limited, they cover the significant dimensions of national AI governance: data protection, institutional responsibility, and ethical considerations. Including two key international documents, the EU AI Act and UNESCO AI Ethics Recommendation, was strategic, as these texts are currently the most globally referenced and serve as ethical benchmarks. While the proportion is unequal, the aim was not to equalize in number but to allow for comparative depth in evaluating Indonesia's normative alignment with global standards. This balance enables the study to focus on substantive gaps in ethical coherence and policy implementation between the domestic and international AI governance landscapes.

### **Research Instrument**

The main instruments used were the document content analysis template and the AI policy matrix, which includes dimensions:

1. Ethical principles (fairness, transparency, accountability)
2. Legal formal aspects (legal umbrella, institutional commitment)
3. Level of global engagement (forum, cooperation, ratification). A semi structured interview instrument was also used to explore expert perceptions of Indonesia's readiness for AI governance.

### **Data Collection Technique**

Data collection is done by:

1. Study of documents and public policies from official websites (Kominfo, Bappenas, BSSN, UNESCO, EU)
2. In depth interviews with five key informants through online platforms
3. Secondary literature from scientific journals, proceedings, and international think tank reports (OECD, World Economic Forum)

### **Research Procedure**

Steps of research implementation:

1. Collect and classify Indonesian and international AI policy documents.
2. Develop a policy analysis template based on AI ethical principles.
3. Coding document content to identify ethical and legal dimensions.
4. Conduct interviews with experts to validate the results of document analysis.
5. Systematically organize descriptive and interpretive findings.
6. Comparing Indonesia's position with other countries in global AI governance forums.

### **Data Analysis Technique**

In this study, content and thematic analysis serve complementary but distinct purposes. Content analysis is used as a first step to systematically extract and code explicit elements within policy documents, such as references to ethical principles, institutional actors, or regulatory instruments. This method enables the quantification and categorization of textual features relevant to AI governance. Thematic analysis follows as a second stage, focusing on interpreting recurring patterns and deeper meanings across the coded content. It enables the researcher to identify normative orientations (e.g., technocratic vs. ethical framing), policy inconsistencies, and the

presence or absence of value based language, such as fairness or accountability. Together, content analysis provides structural mapping, while thematic analysis facilitates critical interpretation, particularly in assessing alignment with the principles of algorithmic justice and political ethics.

Data was analyzed using the method:

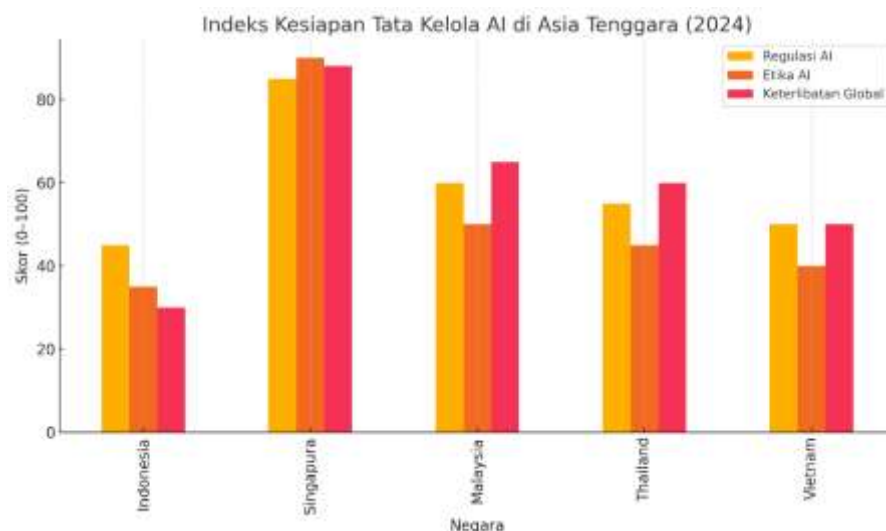
1. Content analysis of official documents
2. Thematic analysis to categorize policy narratives into AI ethical principles
3. Comparative analysis to map Indonesia's position against global practices
4. Triangulation of sources and methods to ensure data validity from documents and interviews.

### 3. Result & Discussion

#### Readiness of Indonesia's AI Regulations: Fragmentation and Norm Imbalance

The analysis reveals that Indonesia lacks specific regulations that explicitly govern the use and development of artificial intelligence (AI) technology. Existing regulations are still scattered in the Personal Data Protection Bill, several Ministerial Regulations, and the National AI Strategy from BRIN and Kominfo (Wahyu & Fahririn, 2024; Simanjuntak et al., 2024; Pratama, 2024). This creates a norm gap and weak oversight of AI adoption, especially by the private sector and local governments.

**Figure 1.** AI Governance Readiness Index in Southeast Asia



The readiness index scores presented in this study are based on a qualitative scoring rubric adapted from UNESCO's AI Readiness Framework and OECD AI Policy Observatory. Three indicators were used: (1) existence of AI specific regulations, (2) ethical frameworks within national strategies, and (3) level of participation in global AI governance forums. Each country was scored on a scale of

0–100 across these three domains, based on document reviews and secondary data from international AI policy databases. For Indonesia, the score of 45 reflects partial development in data protection and strategic planning, but lacks explicit ethical instruments and international positioning.

Compared to neighboring Southeast Asian countries, such as Singapore and Malaysia, Indonesia lags behind in regulatory consistency and a robust legal framework. The readiness index graph above shows that Indonesia only scores 45 in the regulatory aspect, far below Singapore (85) and even Malaysia (60) (Subagyo et al., 2024; Astuti & Nasman, 2024; Irawan, 2024).

This lack of legal infrastructure is exacerbated by the absence of a specialized agency responsible for overseeing AI ethics and a lack of coordination across ministries. Policy consistency is crucial for avoiding algorithmic bias and the misuse of technology in public services (Gunadi et al., 2024; Elvira, 2023; Judijanto et al., 2024).

### **Political Ethics and the Relevance of Pancasila in AI Governance**

In the context of political ethics, Indonesia's approach to AI remains technocratic. It has not taken into account local normative values, such as social justice, *gotong royong*, and data sovereignty. Pancasila based ethics should serve as the foundation for developing AI governance principles that align with Indonesia's democratic character (Sitabuana et al., 2024; Kamila, 2025; Hartati, 2025).

An analysis of the National AI Strategy 2020–2045 reveals that the document remains highly technical and does not explicitly incorporate ethical considerations. While UNESCO and the European Union have implemented ethical frameworks such as "transparency," "explainability," and "human centric AI," Indonesia has yet to fully adopt these global ethical standards (Hakim & Firman, 2024; Wintara & Fitriani, 2025; Amrozi & MT, 2024).

The lack of ethical integration into AI policies makes Indonesia vulnerable to the misuse of AI for political purposes, massive surveillance, or digital discrimination. Therefore, Indonesia needs to develop AI policies that are not only legally formal but also politically ethical (Ramadian et al., 2024; Pramesti, 2025; Komarudin et al., 2024).

This study proposes integrating Pancasila values into regulatory design as ethical benchmarks to operationalize them in AI governance. For example, the value of *gotong royong* (cooperation) can be reflected in mandatory stakeholder engagement for AI policy making. *Social justice* can be implemented through fairness audits in public algorithm systems, ensuring that AI does not marginalize vulnerable groups. *Divinity in humanity* (Ketuhanan yang Maha Esa dan Kemanusiaan yang Adil dan Beradab) can be translated into AI transparency obligations that respect dignity, rights, and autonomy.

### **Indonesia's Position in Global AI Governance: Inactive and Unstructured**

In international forums such as the G20 Digital Economy Working Group and the UNESCO AI Ethics Forum, Indonesia has yet to actively voice a distinctive norm or position in global AI governance. Participation tends to be administrative, not as a *normative actor* offering alternative values or frameworks from the Global South (Syafiq, 2024; Irawan, 2024; Pratama, 2024).

As the previous graph illustrates, Indonesia's global engagement score is 30 out of 100, significantly lower than Singapore's 88 and Malaysia's 65. This suggests that Indonesia's technology diplomacy remains weak in representing and advocating for the interests of developing countries in global settings (Judijanto et al., 2024; Subagyo et al., 2024; Kamila, 2025).

Indonesia has great potential to become a liaison between the interests of developed and developing countries in formulating fair and inclusive AI governance. Indonesia's geopolitical position and status as a large democracy should be optimized to champion principles such as data sovereignty and social responsibility of AI (Hakim, 2024; Wahyu & Fahririn, 2024; Pramesti, 2025).

### **Expert Insights: Challenges and Policy Recommendations**

Interviews with five digital policy experts and technology diplomats confirmed that Indonesian policy formulation does not internalize an AI ethical framework. They also stated that sectoral regulations are insufficient to respond to the complexity and speed of AI innovation (Simanjuntak et al., 2024; Hartati, 2025; Gunadi et al., 2024).

Experts recommend the establishment of a cross ministerial task force dedicated to AI Ethics & Governance, revision of the national AI strategy to include socio political aspects, and Indonesia's active involvement in the ratification of global principles such as the UNESCO AI Ethics Declaration and OECD AI Principles (Astuti & Nasman, 2024; Elvira, 2023; Hakim & Firman, 2024).

These results suggest that Indonesia's opportunity to strengthen its position in global AI governance remains open, but requires decisive political action, institutional commitment, and moral leadership on technology ethics issues (Ramadian et al., 2024; Pramesti, 2025; Judijanto et al., 2024).

As noted by one expert from Kominfo, "*There is no integrated ethical framework that guides the use of AI across ministries; each sector is moving independently.*" Another academic interviewed stated, "*Indonesia's AI strategy appears to be a tech blueprint, but says very little about algorithmic fairness or social accountability.*" These perspectives reinforce the finding that policy formulation in Indonesia remains technocratic and fragmented.

#### 4. Conclusion

This research shows that Indonesia is still in the early stages of building a regulatory and normative framework for artificial intelligence (AI). The absence of AI specific regulations, the lack of integration of ethical principles into national policies, and the technocratic approach indicate that AI governance in Indonesia is fragmentary and reactive. Although a National AI Strategy has been developed, the document has not explicitly adopted global ethical principles such as transparency, fairness, and algorithmic responsibility. This position suggests that Indonesia is not yet fully prepared to address AI challenges, both in terms of technological capabilities and ethical considerations.

At the international level, Indonesia's participation in global AI governance forums, such as UNESCO, G20, and ASEAN, remains limited to the administrative level, lacking a strong normative position. The low score of global engagement and the absence of Indonesia's distinctive narrative in technology diplomacy weaken the country's position as a strategic actor in the global AI governance architecture. However, findings from expert interviews and document reviews indicate that there is a significant opportunity for Indonesia to emerge as a value bridge between the Global South and the global ethical framework, provided there is institutional strengthening, integration of Pancasila values into the digital policy framework, and progressive ethical leadership.

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