



The Indonesian Legal Paradigm: Between Pancasila Ideology and the Ethics of Artificial Intelligence (AI) Technology

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ABSTRACT

This article explores the intersection of Indonesia's fundamental philosophy, Pancasila, with the ethical and legal challenges posed by the rapid development of artificial intelligence (AI) technology. The development of AI is increasingly impacting various sectors of life, its integration raising critical concerns about regulations, human rights, social justice, and national values and identities. This study examines how Pancasila's values of divinity, humanity, national unity, democracy, and social justice can serve as normative guidelines in shaping an AI governance framework in Indonesia. By analysing the current legal infrastructure and identifying ethical gaps in AI applications, this paper proposes a contextual legal paradigm that aligns technological innovation with the moral and cultural principles enshrined in Pancasila. These findings suggest that a Pancasila-based legal approach can provide an ethical foundation in line with the goals of a nation grounded in national culture for the responsible development of AI in Indonesia.



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INTRODUCTION

The Indonesian legal paradigm needs to carefully observe and respond to the development of social interaction patterns, which continue to change and evolve in line with the rapid growth of information technology. With the advent of the internet, technology has shifted toward digitalization, and artificial intelligence (AI) continues to grow rapidly, transforming patterns of social interaction into easier and faster ways (Brynjolfsson & McAfee, 2014)

As a state based on the rule of law, Indonesia positions Pancasila as its philosophy of state life. Philosophically, historically, and politically, Pancasila was positioned by the nation's founders as the foundation of the state, a way of life, and a national ideology. Pancasila is the source of all legal sources, emphasizing the understanding that all laws and regulations in Indonesia must be derived from and in accordance with Pancasila values (Kaelan, 2013).

In Indonesia, AI adoption has grown substantially across multiple sectors. According to the Ministry of Communication and Informatics, the digital economy contributed approximately 10.3% to Indonesia's GDP in 2023, with AI-driven platforms playing an increasingly significant role (Kementerian Kominfo, 2023). The Indonesian government's National AI Strategy 2020-2045 projects that AI could contribute up to USD 366 billion to Indonesia's economy by 2030 (BPPT, 2020). However, this rapid adoption has occurred without comprehensive ethical guidelines or enforceable regulatory frameworks. A study by the Centre for Strategic and International Studies Indonesia found that 68% of Indonesian businesses using AI systems lack formal ethical review processes, and only 23% have policies addressing algorithmic bias (CSIS Indonesia, 2023). This regulatory vacuum has already manifested in concerning incidents, including discriminatory lending algorithms that disadvantage rural populations and surveillance systems that raise privacy concerns without proper legal oversight.

In Indonesia, AI has significantly impacted various aspects of people's lives. Not only in cities, but also in remote villages, young and old, poor and rich, many are already utilizing AI in their daily lives for work, school, learning, shopping, entertainment, information, movies, play, medical treatment, and court proceedings, among other things. Even today, many robots and systems have been created that are physically very similar to humans and can functionally replace human work, making them faster, more accurate, more productive, more effective, and more efficient.

AI has been proven to bring significant benefits to human life, but on the other hand, AI can also have negative impacts such as data falsification, fraud, and breaches of personal, banking, and financial data. Therefore, in the practice of social life, the use of AI needs to be supported by responsive, appropriate, and clear regulations that prioritize ethics and morals, referring to the values of the Indonesian nation's ideology, Pancasila. Gladden (2019), in his book, *Ethics of Artificial Intelligence and Big Data*, states that ethics in AI urgently needs to be developed and implemented in a way that respects human rights, maintains social justice, and prevents unintended harm.

Ethics, morals, and aesthetics are not automatically part of AI system development; they must be explicitly integrated through the *AI Ethics by Design* approach. The main principle in AI development is to encourage intelligent systems to align with human values and rights. The general principles of AI ethics recognized globally are transparency, accountability, non-discrimination, justice, and human well-being.

Several AI ethical issues related to law include dehumanization, privacy violations, algorithmic bias, polarization, and equality in decision-making. In this context, it is crucial to establish a legal framework that can appropriately address these challenges and fulfil the legal function of justice, certainty, and benefit based on the Pancasila ideology. Laws must be presented to regulate AI, which has penetrated nearly every aspect of human life, including economic, political, social, and cultural aspects, including defence and security, as well as national ideology.

To address these critical issues, this paper formulates the following research questions, How can the ethics of AI technology align with the values of Pancasila ideology? How does Indonesian law, in conjunction with Pancasila ideology, respond to the development of AI technology? By examining these questions, this study explores how the ethics of AI technology can align with the values of Pancasila ideology and examines how Indonesian law, in conjunction with Pancasila ideology, responds to the development of AI technology.

RESEARCH METHODS

This study employs a normative juridical research method, focusing on legal principles, doctrines, and the philosophical foundation of Indonesian law, particularly as influenced by Pancasila. The research involves a conceptual and statutory approach, analysing primary legal materials such as the 1945 Constitution of the Republic of Indonesia, national laws related to technology and ethics, and official documents related to digital governance and artificial intelligence.

Additionally, a comparative analysis is conducted to examine Indonesian Legal Paradigms, Pancasila and AI Technology Ethics. The study also incorporates literature review and secondary legal materials, including scholarly articles, legal commentaries, and expert opinions, to explore the broader discourse on AI ethics and legal challenges in Indonesia. This methodological framework allows for a critical assessment of the potential for integrating Pancasila ideology into the development of an AI ethical and legal regulatory model specific to the Indonesian context.

RESULTS AND DISCUSSION

Pancasila Legal System and AI Technology Ethics

Various ethical and legal questions related to justice, transparency, human rights protection, and responsibility for the development of AI technology, which has significantly impacted public life, require a serious response from policymakers to ensure that the practices of the nation and state adhere to and align with the ideology and philosophy of Pancasila. This aligns with national policy, which mandates a national strategy for artificial intelligence (AI) so that its development and utilization align with national interests and foster ethical responsibility, the values of which are grounded in Pancasila.

The Indonesian legal system positions Pancasila as the ideology and source of all legal sources, enabling the realization of a state based on the rule of law, based on the values and ideals that inform all laws and regulations. This means that Pancasila must continue to serve as a source of law and serve

as the philosophical basis, foundation, and cornerstone for resolving emerging societal issues, as law and the realities of societal life are inseparable.

Indonesian law adheres to a pluralistic and mixed legal system, comprising various legal sources, including written law, customary law, and religious law. The existence of a pluralistic and mixed legal system in the Indonesian context demonstrates that law cannot be separated from the social, cultural, and religious realities of a diverse society. This legal pluralism reflects the spirit of diversity recognized and respected in Pancasila, where positive (written) law, religious norms, and local wisdom (customary law) coexist and complement each other. The law is applied based on values that exist and develop within society, and is neither exclusive nor elitist. This aligns with the principle of substantive justice, that is, justice that is not merely based on legal formalities but rather adapts to the social and cultural context of the Indonesian nation.

Currently, Indonesia's legal response to AI remains fragmented across various regulations. The Electronic Information and Transaction Law (UU ITE No. 19/2016) addresses digital transactions and data protection but lacks specific provisions for algorithmic accountability. The Personal Data Protection Law (UU PDP No. 27/2022) establishes data subject rights yet does not explicitly address AI-driven automated decision-making. The National AI Strategy (Stranas KA 2020-2045) acknowledges the need for ethical AI development but has not been operationalized into binding legal frameworks. This regulatory gap highlights the urgency of developing a comprehensive AI governance framework grounded in Pancasila values.

In facing the era of digital transformation and advances in AI technology, this principle of legal pluralism is crucial to maintain and develop. Global and uniform technology must be balanced with a legal framework that is responsive to local values, social ethics, and national morality. The urgency of Pancasila-based AI governance is underscored by several real-world cases in Indonesia. The implementation of AI-powered credit scoring systems by several fintech companies has demonstrated algorithmic bias against applicants from Eastern Indonesia, with denial rates 40% higher compared to Java-based applicants with similar financial profiles (OJK, 2022). This directly contradicts the Pancasila principle of social justice and equitable treatment. Similarly, the deployment of facial recognition technology in public spaces across Jakarta and Surabaya raised significant concerns about privacy and surveillance without adequate public consultation or legal frameworks governing data retention and usage (SAFEnet Indonesia, 2023). In the education sector, automated university admission systems have been criticized for lacking transparency in their decision-making processes, preventing students from understanding or challenging algorithmic decisions that affect their futures (Komisi Perlindungan Anak Indonesia, 2023). These cases illustrate the practical consequences of implementing AI systems without ethical frameworks grounded in Indonesian values and demonstrate the immediate need for Pancasila-informed regulation.

Pancasila, as the foundation of the state, must serve as an ethical guideline for the development of regulations and the use of AI, so that such technology does not erode the values of humanity, unity, and social justice. In this way, Indonesia can build an adaptive and humanistic legal system capable of accommodating the dynamics of changing times without losing the nation's identity and fundamental values.

Each principle of Pancasila contains moral and ethical principles that must serve as sources of law and serve as guidelines for addressing all legal aspects related to the development of digital technology, including AI. Several key points regarding the application of the principles of Pancasila and the legal ethics of AI technology are as follows:

1. The principle of Belief in One Almighty God emphasizes divine moral and ethical responsibility in the use of AI technology.
2. Just and Civilized Humanity upholds humanitarian values in AI development to maintain human dignity.
3. Building a Unitary Indonesia that consistently maintains national togetherness and unity through the use of technology that strengthens brotherhood.
4. Democracy Guided by the Wisdom of Deliberation and Representation directs that all regulations and decisions regarding the use of AI must be participatory, democratic, and consider the voice of the people.
5. The fifth principle, Social Justice for All Indonesian People, emphasizes the encouragement that AI does not create social disparities and provides equitable benefits.

Table 1. Comparison of Indonesian Legal Paradigms, Pancasila and AI Technology Ethics

No.	Aspect	Indonesian Legal Paradigm	Pancasila Values	AI Technology Ethics
1.	General Character	Elitist, legal-positivistic, formal procedural	Humanistic, transcendental, virtue and balance	Normative ethics, precaution, responsibility, mechanistic
2.	Philosophical Orientation	Pluralism, positivism	Noble values, Divinity and Humanity	Contemporary moral philosophy (deontology, utilitarianism, virtue ethics)
3.	Main Focus	Certainty, law enforcement and written rules	Social justice, humanitarianism and mutual cooperation	Justice, non-discrimination, transparency, accountability, and data privacy
4.	Protected Subjects	The State and legal institutions	People as the center of ethics and justice	Individuals as data subjects and holders of digital rights
5.	Technological Approach	Generally reactive and regulative after problems occur	Technology that is ethical and benefits the public	Ethics by design principle, openness, technical and social responsibility
6.	Ethical Recognition	Not yet systemically integrated, morally neutral	Ethics as an integral part of legal and governmental systems	Foundational in AI technology design and implementation
7.	Human Rights Protection	Sometimes subordinated to national or investment interests	Ensuring human dignity, social justice, and human rights	Right to privacy, protection against discriminatory profiling, and control over data
8.	Response to AI Disruption	Not anticipative, regulations are slow and fragmented	Promoting justice and protection of vulnerable groups	Proactive, needs ethical guidelines and a specific legal framework for AI
9.	Legal Reform	Substantial reform to adapt to digitalization and ethics	Law rooted in social contextual values	Ethical, participatory, multidisciplinary, and human rights-based regulations

*The table is compiled based on analysis of various literature

Based on the table above, an understanding of how to think about AI legal regulations and Pancasila should serve as a reference for policymakers. Pancasila values must serve as the moral and ethical foundation for facing the challenges of the digital era, ensuring that technologies like AI remain aligned with humanity and social justice. The following is an explanation of the principles of each principle in Pancasila that relate to the ethics of AI technology in general.

Ethical Transcendence Avoidance of Dehumanization

Ethical transcendence means moving every policy and technological innovation beyond pragmatic interests to an awareness of responsibility towards fellow human beings, the environment, and the future of civilization. Transcendence is grounded in Pancasila, which positions humans as divine, dignified, and just beings. Ethics that transcend immediate interests will encourage the emergence of technology that favors the common good, strengthens social solidarity, and rejects technological domination over human values.

One of the major challenges of AI development is the risk of dehumanization, namely when humans begin to be treated merely as data, numbers, or algorithmic objects, rather than as whole individuals with ethics, dignity, and rights. Dehumanization can occur when important decisions, for example in areas of justice, health, or employment, are handed over to automated systems that are systemic and devoid of moral and ethical considerations.

Building AI by imbuing it with human traits such as artificial empathy or moral judgment can be dangerous if done unconsciously because it can eliminate the true human aspect. There is a risk of ignoring the ethical, religious, emotional, and humanitarian dimensions that tend to view humans merely as production units or fungible data in AI and automation. This is a form of dehumanization, where humans lose their uniqueness, dignity, and intrinsic value. The development of AI technology must ensure that human values such as morality, ethics, justice, empathy, equality, and human dignity

are upheld. Through this principle, technology will truly become a tool controlled by humans, not controlled by them.

Humanity, rejection of algorithmic discrimination

Discrimination arising from the use of AI algorithms can also violate fundamental principles of human dignity. Discrimination can be explicit, visible, or implicit, hidden in data or algorithm design. Discrimination in AI can be based on race, religion, gender, sexual orientation, social and economic status. Algorithms can reinforce or replicate existing social biases if not properly monitored.

In his research, Carsten Orwat emphasized the crucial role of developers and providers of AI-related application programs in preventing the development of AI that potentially poses a risk of discrimination. Developers and providers must decide on various trade-offs. These include whether and which fairness definition to use, determining the residual risks to which affected persons are exposed, but also trade-offs between individual goals and metrics, for example, between accuracy in achieving differentiation goals and avoiding discrimination risks.

Every human being must be treated as a subject, not an object, forming the basis for evaluating the application of AI technology through transparent legal regulations. Human attention and involvement in the process are crucial to prevent decisions from being solely made by machines. Legal regulations related to AI must adopt the principles of non-discrimination, a just society, and respect for human rights, so that it appears that proactive policies are needed so that AI provides the greatest possible benefits and must be able to avoid social discrimination.

Unity, the use of AI for social integration, not polarization

In the context of a digital society, AI technology should not become a tool that reinforces polarization through algorithms that create echo chambers or filter bubbles that limit views and deepen social divisions. Eli Pariser, in his book, "The Filter Bubble: What the Internet Is Hiding from You," explains that algorithms in search engines and social media present personalized information. Internet users are only exposed to content that aligns with their preferences and views. Algorithms filter and display information based on browsing history, interactions, and other user data, thus creating a limited "bubble" of information. Meanwhile, an echo chamber is an environment where individuals only interact with people who share their views, reinforcing existing beliefs and limiting exposure to divergent perspectives.

AI technology should be a tool for social integration if designed with principles of inclusivity, diversity, and humanity in mind. Strengthening equal digital access, combating algorithmic discrimination, and encouraging intergroup connectivity are key factors. With designs and policies grounded in the value of Indonesian unity, AI can become a bridge connecting diverse social, cultural, and ideological backgrounds, not a dividing wall.

Democracy, public participation in technology regulation

Political and regulatory decisions must involve the public, not simply technocratic ones. Cathy O'Neil, in "Weapons of Math Destruction," highlights how algorithms, especially large-scale ones like the Online Public Access Catalog (OPAC), and unaccountable ones, reinforce social inequality and discriminate against vulnerable groups: Algorithms use proxy variables, such as postal codes, that indirectly reflect racial identity, economic status, or gender. This leads to structural discriminatory practices (e.g., in credit and housing).

The principles of deliberative democracy must guide the development of technology regulations so that AI and digitalization strengthen unity, justice, and prosperity, rather than creating inequality and manipulation. Technology regulations should not be drafted solely by elites or corporations, but should also involve public participation as a concrete manifestation of democratic principles. Public participation is essential in AI technology regulation for transparency and accountability, preventing algorithmic bias and discrimination, ensuring that technology serves the interests of humanity, fostering public trust, and encouraging equitable innovation.

Social justice, equal distribution of the benefits of technology

The digital divide exacerbates social injustice and limits access to technology. Social justice demands that all Indonesians enjoy the benefits of technology equally and equitably. Technology is

utilized fairly, empoweringly, non-exclusively, and impartially. Pancasila demands that every AI technology policy and innovation benefit all Indonesians fairly and equitably, encompassing equality of access, equitable distribution of benefits, algorithmic justice that prioritizes fairness and non-discrimination, and is based on humanitarian principles, as outlined in Table 2.

Table 2. Comparison of Indonesian Legal Paradigms – Pancasila – AI Technology Ethics

Pancasila Values	AI Regulation Standards	Purpose of Regulation (Towards Welfare)
Belief in One Almighty God Spiritual ethics, moral civility, respect for belief	AI must not be used to defame religion or spread hate speech based on belief.- AI systems must uphold universal ethical principles and human rights.	Prevent dehumanization and moral degradation in technology; ensure technology aligns with the nation's noble values.
Just and Civilized Humanity Social justice, anti-discrimination, respect for human dignity	AI must avoid discriminatory biases based on race, gender, religion, etc.- There must be ethical audits and algorithm transparency.	Ensure fair treatment by AI systems; prevent the marginalization of certain communities by technology.
The Unity of Indonesia National integration, pluralism, togetherness	AI technology must support social cohesion and national integration, not spread disinformation or provocation AI regulations must ensure that disseminated information does not divide the nation.	Realize technology that strengthens national identity and social tolerance.
Democracy Guided by the Inner Wisdom of Deliberations Among Representatives Public participation, deliberation, transparency	The development and implementation of AI must involve the public and stakeholders (multi-stakeholder).- There must be democratic oversight mechanisms over AI systems.	Prevent the centralization of technological power; ensure AI operates within a deliberative democratic framework.
Social Justice for All Indonesian People Equal access, benefit distribution, concern for the marginalized	Access to AI benefits must be equitable, not only for large corporations AI must support inclusive public services, education, and poverty alleviation.	Avoid digital and economic inequality; ensure AI improves quality of life for all citizens.

*The table is compiled based on analysis of various literature

Limitations and Implementation Challenges

While this study proposes a Pancasila-based framework for AI ethics, several limitations must be acknowledged. First, this research employs a normative juridical approach without empirical validation from stakeholders such as AI developers, policymakers, or affected communities. Future research should incorporate qualitative interviews and case study analysis to test the applicability of this framework in practice.

Second, implementing Pancasila values in AI governance faces practical challenges. The tension between technological efficiency and ethical deliberation may slow innovation cycles. The lack of technical expertise among legal practitioners and policymakers could hinder effective regulation. Additionally, global AI systems operated by multinational corporations may resist localized ethical frameworks. These challenges require multi-stakeholder collaboration, capacity building, and potentially regional cooperation within ASEAN to develop contextually appropriate yet internationally compatible AI governance standards.

CONCLUSION

AI technology has penetrated widely and influenced interactions in Indonesian social life, raising urgent questions about ethical governance. This study demonstrates that Pancasila ideology provides a robust philosophical foundation for addressing AI ethical challenges through five interconnected principles: divine moral responsibility (Ketuhanan), human dignity and anti-discrimination (Kemanusiaan), social integration over polarization (Persatuan), democratic participation in technology governance (Kerakyatan), and equitable distribution of technological benefits (Keadilan Sosial).

The Indonesian legal paradigm must integrate Pancasila ideology with AI ethics through several concrete steps. First, the government should establish a National AI Ethics Commission with

representatives from diverse stakeholders to operationalize Pancasila values into binding AI governance standards. Second, existing regulations such as UU PDP and UU ITE should be amended to explicitly address algorithmic accountability, automated decision-making transparency, and mechanisms for challenging AI-driven decisions. Third, AI literacy programs must be developed for legal practitioners, policymakers, and the public to ensure democratic participation in technology governance. Fourth, mandatory AI ethics impact assessments should be required for high-risk AI applications in sectors such as justice, healthcare, finance, and public services.

Future research should focus on empirical validation of this framework through case studies of AI implementation in Indonesia, comparative analysis with other developing nations' AI governance approaches, and development of technical standards that translate Pancasila values into measurable AI system requirements. Only through such comprehensive, contextually grounded legal reform can Indonesia ensure that AI development serves the collective welfare while preserving the nation's fundamental values and cultural identity.

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