The Balancing Act of Accountability, Ethics, and Innovation in Indonesian Law- The Legal Implications of Artificial Intelligence

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Abstract

Artificial intelligence (AI), which includes computing for perception, cognition, and action, raises complicated legal issues. This research investigates AI's influence and legal implications, focusing on its autonomy in communication and creativity, which raises problems about language, intellectual property, and ethical accountability. Discussions differ depending on whether they are influenced by the Common Law or Civil Law systems. While Common Law defines AI as "computer-generated work," Civil Law tends to see AI as a legal thing. The research technique used in this paper is qualitative, including an examination of diverse sources such as legal legislation, case law, academic literature, and legal philosophy. In conclusion, the complex interplay between artificial intelligence (AI) and legal principles involves reframing old terminology. Existing models for AI duty are called into question, and vicarious liability is one possible answer. AI is a derived law problem, so it needs to be carefully calibrated for responsible innovation while also keeping ethics and technological progress in check.

Keywords: artificial intelligence; creator liabilities; legal subject.

1. Introduction

One of the most amazing things to happen in the twenty-first century is artificial intelligence (AI).[1] Unfortunately, it's hard to define because it doesn't fit into a single frame. Even though people have tried to explain what it's really about, Winston's words are the closest thing that comes close: AI is a broad field of computer science that tries to make robots smart enough to see, think, and act. In line with these new findings, a more complex picture starts to form: AI is like an alive creature that takes in, learns from, and changes a huge amount of data.[2] This never-ending process is what makes it move forward and lets AI understand, react, and change very quickly. With AI's continued development, many areas of life could be completely changed in new ways.

In 2017, when researchers at Facebook's Artificial Intelligence Research (FAIR) group started teaching robots how to trade, it was a turning point. But things changed dramatically when these bots came up with their own way to talk to each other on their own. This episode highlights AI's ability to change language and communication, pushing the boundaries of traditional standards and propelling us toward a future where discourse is redefined. Despite these advances, questions have been raised concerning the ethical implications of AI. Examples of AI-generated content, such as the eerily realistic music snippets featuring prominent musicians like Drake and The Weeknd, highlight the efficacy of Deep Learning algorithms in producing content by imitating patterns from massive training data.[3] These incidents highlight the ethical quandaries that arise as a result of AI's ability to replicate and innovate

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[1] Haroon Sheikh, Corien Prins, and Erik Schrijvers, *Artificial Intelligence: Definition and Background* (Springer International Publishing, 2023), https://doi.org/10.1007/978-3-031-21448-6_2.

[2] Patrick Henry Winston, *Artificial Intelligence* (Addison-Wesley, 1992).

[3] University of York, "AI-Generated Music Inferior to Human-Composed Works, According to Study," *York.ac.uk*, 2023, https://www.york.ac.uk/news-and-events/news/2023/research/ai-generated-music-inferior-to-human-composed/.

without regard for context. The question of accountability for AI's actions and creative outputs has sparked debate. According to Šmuclerová's research, the relationship between humans and AI is a double-edged sword with benefits and costs that pose a significant risk to human rights.[4] The difference between natural people and juridical entities is fundamental to legality. Natural people are individuals endowed with inherent legal standing from birth, whereas juridical entities contain a collection of individuals connected by contractual agreements seeking legal recognition to support their operations.[5]

The research about AI legal status conducted by Yuwono *et al*. point out that the time has come to allocate a specialized legal status to AI. This perspective resonates with the idea of conferring AI with limited legal personhood, reflecting the acknowledgment of its capabilities and potential repercussions.[6] As nations attempt to traverse the legal environment, a need for united international collaboration arises, with the goal of creating a harmonized framework that respects cultural subtleties and local needs, matching Savigny's historical jurisprudence theory.[7] Zhifeng Wen and Deyi Tong's study on legal subjectivity gets to the heart of the matter: AI might not meet the requirements to be an original legal subject like a person, but the idea of a secondary legal subject becomes a real possibility. This provokes reflection on the possibility of AI's accountability for behaviors ranging from inadvertent fraud to innovative endeavors resulting from data analytics.

Equally critical is the question of how to define the bounds of AI's legal personhood, so properly outlining its rights and obligations under the law. Many professors (their own perspectives) accept this derived legal issue in general. One of them is Apeldoorn defines the subject of law, or *purusa*, and the object of law as objective law and subjective law, respectively. Objective law is legal regulation, but subjective law is regulation that is related with a specific person and so becomes a right and/or responsibility. Furthermore, everything that possesses legal authority (*persoonlijkheid*) is a subject of law. Legal authority here is the ability to be a subject of law itself, which is a quality granted by objective law.[8] In Pengantar Ilmu Hukum by Peter Mahmud Marzuki, he says the same thing about the subject of law. He goes into even more detail about how, from a humanist point of view, the subject of law is not a person, but something that can carry out rights and obligations. This is how the subject of law is defined.[9] Paton noted in his research on a jurisprudence work that the subject of law is an artificial invention of the law: any entity capable of establishing rights and duties, any entity recognized by law and capable of being a party to a legal relationship. To cite Salmond explicitly: in legal philosophy, a person is any being recognized by the law as having rights and obligations. Any creature that is so competent is a person, whether human or not, and no being that is not so capable is a person, even if he is man.[10]

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[4] Alberto Quintavalla and Jeroen Temperman, eds., *Artificial Intelligence and Human Rights*, First Edition (Oxford, United Kingdom ; New York, NY: Oxford University Press, 2023).

[5] Elvia Arcelia Quintana Adriano, "Natural Persons, Juridical Persons and Legal Personhood," *Mexican Law Review* 8 (July 2015): 101–18, https://doi.org/10.1016/j.mexlaw.2015.12.005.

[6] Yuwono Prianto, Viony Kresna Sumantri, and Paksi Yudha Sasmita, "Pros and Cons of AI Robot as a Legal Subject," in *Proceedings of the Tarumanagara International Conference on the Applications of Social Sciences and Humanities (TICASH 2019)* (Atlantis Press, 2020), https://doi.org/10.2991/assehr.k.200515.067.

[7] Friedrich Carl von Savigny (1779-1861), a law expert from Germany who says that law is not something by-design, instead law is something that emerge from the society, law does not acknowledge cessation, for when the law stopped growing with the society then it becomes momentary, meaning that the law become an instrument of politics (becomes a by-design product).

[8] L.J. Apeldoorn, *Pengantar Ilmu Hukum*, trans. Sadino Oetarid, 10th ed. (Djakarta: Pradnja Paramita, 1968).

[9] Peter Mahmud Marzuki, *Pengantar Ilmu Hukum*, 13th ed. (Jakarta: Prenada Media, 2021).

[10] George Whitecross Paton and David Plumley Derham, *A Textbook of Jurisprudence*, 4th ed. (New York: Oxford University Press, 1972).

In contrast with the legal personhood, Rawat's in his research about AI ethical consideration explained that there are ethical points that policy makers should point out thoroughly which is of course privacy, the violations of privacy begin to increase as AI process many data, and in those 'data' include some private matters which needs to be protected and to keep in mind that AI are likely to be biased, which will also affect the output that the AI will give, this would step into false information. The next two things which Rawat point out is transparency and accountability of the AI system that need to be included in the ethical consideration in making a regulation regarding AI.[11] The author wants to convey that this research aims to redefine the general understanding of AI within the legal framework and emphasizes AI in the position of a legal subject rather than a legal object which often encountered in the opinions of other researchers under the civil law system.

From these findings, the Author wants to bring you from how exactly AI can be navigated through the law systems and brought to whether AI fits as a subject or object of law from the perspective of common law and civil law system. After finishing the debate between either AI should be an object or subject towards law, we dive into the explanation about creators' liabilities and immunities. As we go forward into the Author's perspective which supported AI as a subject of law, we met the fittings of legal subject and its relations to AI. Finally, the Author want to point out the challenges and prospects in regulating AI in Indonesian legal system and things that would likely be considered in creatin a legal framework for AI. The novelty the author wants to bring out which separates this research with another researches is that this research put AI into a sentient being for it bears "cognitive capability" from its processed data.

2. Method

The study presented in this article is based on a legal-ethical analytical technique that provides a thorough examination of the complex interactions between AI and existing legal concepts. The research takes a qualitative approach and investigates a wide range of primary and secondary sources, including legal legislation, case law, academic literature, philosophical ideas, and ethical issues. This analytical approach allows for full research of the many facets of AI's legal standing, responsibility, and potential immunity. The study digs into the complications that arise from AI's absence of consciousness, examining how this basic trait presents issues in assigning accountability for AI-driven activities. By carefully looking at court decisions and rulings, the paper shows how the law is changing and how it can be used with AI systems. Ethical issues come up throughout the investigation, which makes it more interesting by showing the moral problems that come up when trying to figure out what the law says about AI's behavior. After carefully breaking down and analyzing legal concepts and ideas, the study ends with wise suggestions. It says that figuring out whether AI entities are legal subjects needs a more complex method. It wants a derived legal subject status that takes AI's unique qualities into account while still taking ethics into account. The full study in the paper adds to the ongoing discussion about AI's legal standing by offering a thought-provoking look at both legal principles and moral obligations.

3. Findings and Discussion

3.1. Artificial Intelligence and the Law: Finding Your Way Around

If you mix AI with law, the situation changes in a way that has big impacts on court systems around the world. AI, which can think like a person, learn from data, and make choices, has grown

[11] Vikas Khullar et al., *Artificial Intelligence and Society 5.0: Issues, Opportunities, and Challenges* (BOCA RATON: CHAPMAN & HALL CRC, 2023).

quickly in many fields, including banking, entertainment, healthcare, and more. AI holds a lot of promise for making it easier to study law, look over contracts, and even guess how cases will turn out. But this new technology brings up some moral and legal issues that need to be thought through carefully. At the heart of the AI and law debate is the question of who is responsible. When AI systems make decisions on their own, it's harder to say who is at fault if they go wrong or are biased. Laws need to change so that people who make AI and people who use it are both held accountable. The person responsible for the system should be held responsible based on how it is set up, how it is handled, and how expected the results are. Also, the fact that AI choices are clear and simple to understand calls into question long-held legal ideas like the right to due process and the right to be heard. There isn't an easy way to protect secret methods while also letting people see them so that the law can be followed.

Rules that ask AI systems to explain what they did could make them more legal and help people trust them. Another important problem is the safety of data. Big data, which often includes private information, is the only kind of data that AI can work with. AI should work with privacy rules like the General Data Protection Regulation (GDPR). This is very important in a world where privacy and data breaches happen all the time. When AI is used in court, it's important to get permission from people, keep data secret, and use less data. As well as bias, bugs in the training data could lead to unfair court decisions when AI is used. Train info needs to be checked, made better, and changed all the time to get rid of these issues. There should also be official ways to deal with unfair results and find solutions. There are some philosophical questions that come up in the new area of AI and law. If AI runs the courts, it makes people think about how important it is for judges to understand, be discreet, and have good judgment. Some people worry that the lack of human control will make the courts less fair and less human, even though AI can speed up the legal process. Ethics rules need to be made to make sure that AI is used to add to human knowledge of the law and not to replace it. Law, ethics, and science students need to work together to make rules that protect good values as AI gets better. Since AI and the law are now linked, we need to think a lot about what is right and wrong.

We need to find the right balance between ethics, data privacy, responsibility, and access for AI to work at its best while still following the basic rules of justice and due process. AI needs to change, and so do the rules it looks at. This makes sure AI can be used well and get better. In this day and age, lawyers, hackers, and average people need to talk about how to use AI to protect people's rights and make the court system fairer.

3.2. Putting Civil Law and Common Law next to each other: AI as a Legal Subject or Object

A lot of people have different thoughts about whether AI should be seen as a legal subject or an object in both the Common Law and the Civil Law systems. In common law, the idea of AI as a subject of law raises a lot of tough legal and moral questions. When AI entities, like people or companies, are treated like real people, it makes us think about areas that haven't been studied yet. Central questions arise, including AI's ability to participate in contractual relationships, the complex web of accountability for AI-mediated activities, and the deep ethical implications of assigning legal rights and responsibilities to entities devoid of human awareness. In sharp contrast, the concept of AI as a legal object adheres to existing legal paradigms, with AI viewed as an extension of human invention and skill. This viewpoint shifts emphasis to the duties attached to the developers, operators, or users of AI systems, generating reflections that parallel the well-established conceptions of product liability and the exercise of lordship over technical artifacts.

Most countries in their law making system does not acknowledge the terms AI, best known terms related to AI is “computer-generated” but it is important to take note that in specific meaning, computer-

generated works (CGW) are much more emphasized to a software being used to aid the work of a person (not sentient) as defined in Cambridge Dictionary computer-generated is something that produced using a computer program (the word using is not the same as the word by).[12] But this term have its own different meaning in some regulations. United Kingdom in its Copyrights Act 1988 acknowledge that AI exi d using the term CGW, in Section 178 CGW defined as the work that's generated by computer when there is no human author of the work, whilst cognizing the base structure of an AI, in Section 9 Paragraph 3 it is said that (in a simpler meaning) in the case of CGW the author is the person whom arranges necessary works for the creation, furthermore in Section 12 Paragraph 7 explained that copyrights of the CGW expires in 50 years from the moment it was made, so it is clear that works made by AI are protected. But still according to personal rights, in Section 79 Paragraph 2(c) note that CGW has no personal rights regarding to the right being identified as author or director in Section 77, same thing happens in Section 81 which ignores the rights of derogatory treatment in Section 80 if its CGW. [13] In other words, Copyrights Act are protecting the works of an AI yet denies the personal rights to its authorship (does not belong to AI itself).[14] In 2021, UK Supreme Court challenged by appellant Dr. Stephen Thaler talks about the patent of the inventions that produced by an AI known as DABUS, UK Supreme Court dismissed the case within the cause that Thaler's action does not pass the requirements on the provision, nevertheless he is the owner of DABUS.[15] In simpler way to explain that common law systems in certain countries albeit recognizes AI through CGW, still it has no capabilities to adjudicate an AI as stand-alone entity.

Moving on to Civil Law systems, the interplay between AI's legal classification as a subject or an object leads down winding legal routes. Giving AI legal subjectivity involves a thorough reevaluation of current legal taxonomies, perhaps heralding the emergence of new legislative systems. The attempt to include AI into pre-existing categories may result in creative reinterpretations or even the development of new legal frameworks adapted to AI's unique nature. This trend might lead to law that navigates AI's rights, obligations, and the complexities of assigning culpability with accuracy. Casting AI as a legal object within the context of Civil Law, on the other hand, maintains a sense of familiarity. This approach emphasizes the normative legal connections that support property, contracts, and duties, so integrating AI into the continuity of current legal standards. Martsenko discove d in his research that putting AI as a legal subject is inappropriate and could bring lega uncertainty, the term electronic person in EU normative acts are unreasonable and premature for it does not give such l listic legal representation, Martsenko proposes that AI are better counted as an object of law respecting the principle of proportionality that the higher the risk of harm, the higher the measure of liability.[16] Martsenko's opinion is supported by Kamyshanskiy, who suggested that AI are much more appropriate to be a legal object, and in the context of law-making, it is best to adopt regulations containing peremptory norms.

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[12] Cambridge Dictionary, "Computer-Generated," *Cambridge English Dictionary*, accessed June 9, 2023, https://dictio ry.cambridge.org/us/dictionary/english/computer-generated.

[13] "Copyrights A t," 1988, https://www.legislation.gov.uk/ukpga/1988/48/contents.

[14] uang Sun, "AI Works Protected by the Laws of the International Situation and Enlightenment," in *Advances in Social Science, Education and Humanities Research* (Atlantis Press, 2021), https oi.org/10.2991/assehr.k.210519.166.

[15] Thaler v Comptroller G eral of Patents Trade Marks and Designs, [2021] EWCA Civ 1374.

[16] Nataliia Martsenko, "Określenie Miejsca Sztucznej Inteligencji w Prawie Cywilnym," *Studia Prawnoustrojowe*, no. 47 (March 2020), https://doi.org/10.31648/sp.5279.

Kamyshanskiy also proposes the necessity of an international system to control the development of AI.[17] It can be said that even though there aren't many laws that regulate AI, the civil law system is more likely to see it as a legal object than a legal subject, unlike the common law system. This is because the common law system looks at AI from the other end of the problem, which is the long-term effects of a rising eternal being. The civil law system looks at AI from the point of view of short-term cause and effect.

The main difference between the Common Law and Civil Law systems has a big impact on how the law handles AI as an idea or thing. Sometimes, states that use Common Law can treat AI like a person or a business, giving it the same legal rights and tasks. People might worry about AI's ability to agree on things and its duty to do good things. If AI is seen as a legal thing, on the other hand, the people who made it, run it, or use it could be held responsible under well-known rules of product responsibility. If AI is seen as a legal subject, it might need new legal categories or for the laws that are already in place to make it clear what AI's rights and tasks are. If you look at AI through the lens of law, on the other hand, you might pay more attention to its control and contract features. This would make it easy to add AI to the laws that are already in place. Legal systems need to keep changing and finding a way to accept technology progress while still following the law. This is because AI is becoming more independent, can make choices, and could do harm. But this isn't just a talk about how the law works. It shows how society is trying to find a balance between technology power and moral and legal rules. This case needs the help of many people, including lawyers, lawmakers, technologists, ethicists, and normal people. The link between new ideas and old ones is very important of this case. AI will need to be talked about legally more and more as it gets bigger and more common in everyday life. These talks will show how our goals, values, and plans for the future are changing along with how our interaction with technology is changing.

3.3. Creator Liabilities and Immunities

If the person who made the AI can be held responsible for what it does, that is a tricky legal and moral question that lies at the point where new technology meets legal duty. The person who made the AI is very important in creating and setting up the system, but holding the AI directly responsible for its actions brings up difficult questions of cause and effect, foreseeability, and responsibility. From a judicial point of view, responsibility usually applies to people who do things on purpose and are able to understand the results of their actions. No matter how powerful they are, AI systems work with algorithms and data patterns instead of real awareness or free will. So, standard ideas of legal responsibility might not easily apply to the person who made the AI. Nonetheless, the principle of vicarious liability in agency law could potentially be invoked, positing that an AI creator assumes some responsibility for their AI's behavior due to their role in its creation.[18] This approach, while subject to debate, seeks to establish a link between the AI's actions and the choices made by its creator in configuring its programming, training data, and parameters.

A critical analysis of this topic requires consideration of the nature of AI's autonomy, its capacity to work autonomously, and the extent to which its behaviors may be ascribed to the design decisions made by its creator. It is critical to determine if the AI developer had the knowledge and capacity to

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[17] Vladimir Kamyshanskiy et al., "Digital Society, Artificial Intelligence and Modern Civil Law: Challenges and Perspectives," *SHS Web of Conferences* 109 (May 2021): 01016, https://doi.org/10.1051/shsconf/202110901016.

[18] Gilbert Kodilinye and Natalie Corthesy, "Vicarious Liability," in *Commonwealth Caribbean Tort Law* (Routledge, 2022), 362–406.

forecast, prevent, or control the AI's behaviors, which resulted in negative effects. In conclusion, it is hard to hold an AI creator fully responsible for an AI's actions under current law. However, there is a strong case for doing so, especially if an AI creator's carelessness or intentional actions directly cause an AI to act in a harmful way. To find the right mix between encouraging new technologies and holding people responsible for any bad results, current law frameworks will probably need to be changed or new ones made that are specific to intelligent computer systems.

Creator immunity rules protect AI creators from some kinds of lawsuits that might come up because of what their AI systems do. These privileges seem to create an environment that is good for technological progress, but they need to be carefully thought through in terms of their moral and social effects. When viewed from a legal context, the concept of "creator immunity" is similar to a well-known concept in claims law, this concept relies on "reasonably foreseeable losses" so that this can be used as one of the main factors in determining the perpetrator's responsibility. Therefore, before implementing these ideas in artificial intelligence (AI), it is necessary to carry out various reviews, this is because AI often makes decisions that tend to be difficult to understand naturally.

Based on recent studies, it is difficult for someone who is not limited by “creator immunity” to create artificial intelligence (AI) so that they can carry out various necessary tasks. Although some laws can support security for artists and contribute to a sense of protection, this cannot necessarily hide the sense of ethical responsibility that arises from creating works of art. Meanwhile, to carefully maintain and analyze various risks in AI, various actions are needed that are carried out wisely, so that there are not too many detrimental regulations given to someone who creates AI, and makes them less careful in making decisions and increases various risks. and even better consequences, appreciating various individual efforts to help ensure the safety and morality of AI systems and encouraging proactive AI involvement. Turning off “creator immunity” means you need to be careful and take into account the various risks that might arise. Apart from that, too much regulation for AI makers can also damage public trust and can reduce accountability in the AI system, regardless of various errors that may be intentional or not, negligence, and limited knowledge which can potentially be detrimental. They might still have to be accountable.

It should be clear from the law what kinds of actions are not protected. We should think about things like public health, moral behavior, and the long-term growth of AI when we think about "creator immunities" and how they might affect society. In what ways can an AI world be both technologically powerful and socially good? You should find a good mix between being responsible and coming up with new ideas. "Creator immunities" could be useful in some situations. Long-term, though, a well-thought-out plan should be made to make sure that AI growth and social well-being are equal.

3.4. The Fittings of Legal Subject in the Auspices of Law and Its Relation with AI

It's important to study the legal field because it shows how people, things, and even ideas can have a lot of different rights, duties, and abilities under the law. The field of law is basically what the structure of justice is made of. It's what lets you know your law rights and duties, question them, and take charge of them. This idea of legal subjectivity includes more than just legal meanings. It also includes the moral, social, and psychological parts of modern society. It is important to keep in mind that legal subjectivity is not a single idea. It differs between countries, cultures, and legal customs, representing the different ideas and values that support different legal systems around the world. Legal subjectivity encompasses a wide range of entities, including businesses, partnerships, and, in certain situations, natural components such as rivers or ecosystems. This broad inclusion emphasizes the adaptability of law to the changing complexity of modern life. Furthermore, the characteristics of legal subjectivity stretch chronologically, connecting the present to the past and future via concepts like as legal personhood and

inheritance. The time component highlights the continuity of legal systems and offers a mechanism for the intergenerational transmission of rights and duties.

Author wants to emphasize that AI are no longer need to be considered as a legal object, AI itself are evolving every day as human and every other living being does, it is not necessary to give such legal certainty in a fast-paced manner, but to provide such certainty necessarily needs to be effective and efficient. That is why AI are best to be in position as a legal subject. A subject is defined as a person who understands something, understands something as in knowing that he or she are sane and knew that he aware nor conscious to his act, so legal subject is a person who knew that he held such responsibility to any act he performs and aware that there is law which regulate specific things which labelled forbidden.[19] It is known that AI can comprehend something, that AI is aware of the violations that it may commit and that there are things that cannot be done; in these specific parts, AI has met the requirements to be a legal subject. Some aspects should be understood, such as the fact that AI are not always granted the same rights and power as normal legal subjects; instead, AI are regarded special or limited legal subjects. It is apparent that there are no other beings that can be considered natural legal subjects but humans. While AI has the potential to process things almost as intricate as humans, almost is never enough, and an immortal machine cannot be compared to a mortal person, at least for the time being.

Humans have globally recognized and protected human rights, however there are several exceptions that can be made if a person has met the standards for his human rights to be 'revoked'. This deviation occurs when a person performs a severely banned act, such as a war crime, genocide, or recidivist corruption. Similarly, since human rights may be withdrawn from a person, it is reasonable to assume that AI can hold the position of a legal subject, or at least a derived legal subject. A derivative legal subject is an entity or human whose legal characteristics, rights, or duties are inextricably tied to and derived from another fundamental legal topic. Essentially, the derivative legal subject's legal existence and status are dependent on the parent subject, frequently resulting in a subsidiary connection. This idea is most evident when legal rights, obligations, or liabilities extend beyond the principal topic and encompass connected parties. For example, subsidiary corporations within a corporate structure are derived legal subjects that get their legal status and identity from the parent business. Similarly, family members of a deceased person may have derived legal rights, such as inheritance entitlements, due to their relationship with the original legal subject. In essence, the concept of derivative legal subjects emphasizes the intricate interconnectedness of legal relationships, in which the legal status and attributes of specific entities or individuals are inextricably linked to their affiliation with a primary legal subject, demonstrating the nuanced dynamics that define legal frameworks.

In layman's terms, a derivative legal subject is similar to a legal person in that it retains almost all of the legal personality that a natural person possesses in order to become a legal subject. Giving a derivative legal subject to AI does not place it in the same position as a natural person, but rather as a legal subject with duties and obligations. Courts in Canada and California, for example, have used AI to organize and even decide some cases. This use of AI in the legal system needs to be questioned because, as was said at the 28th International Conference on Intelligent User Interfaces, legal decisions made by AI are based on trust, and we all know that trust is fragile and can't be quickly restored.[20]

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[19] J. M. Balkin, "Understanding Legal Understanding: The Legal Subject and the Problem of Legal Coherence," *The Yale Law Journal* 103, no. 1 (October 1993): 105, https://doi.org/10.2307/797078.

[20] Patricia K. Kahr et al., "It Seems Smart, but It Acts Stupid: Development of Trust in AI Advice in a Repeated Legal Decision-Making Task," in *Proceedings of the 28th International Conference on Intelligent User Interfaces* (ACM, 2023), 528–39, https://doi.org/10.1145/3581641.3584058.

3.5. The Challenges and Prospects of Regulating AI in the Indonesian National Legal System

AI has quickly emerged as a revolutionary force in a variety of fields, transforming companies, economies, and civilizations. In Indonesia, the integration of AI technology into various aspects of life has brought both extraordinary potential and complicated challenges, demanding the development of a comprehensive legal framework. The dynamic and continuously growing nature of AI makes it one of the most difficult tasks to regulate. Most of the time, old-fashioned law systems can't keep up with how fast AI is getting better. That makes the rules less clear and leaves holes in them. As AI gets better and more independent, it's important to think about duty and risk. With AI, the rules we have now about what causes what and who is to blame might not work as well. Laws need to be changed so that new tools can be used.

The regulatory system is also hard to understand because AI is used for so many different things. AI can be used for many things, such as self-driving cars, medical analysis, and banking services. The rules need to cover all of these. It is hard to make rules that are moral and work in different situations at the same time. It is important to think about the needs of each area in order to find a balance between encouraging innovation and protecting the general interest. This could cause rules to be different in different areas. Adding worries about society to AI rules makes the problem even more difficult. IAIs need to be objective, clear, and fair in how they act so that they don't do bad things. There isn't a clear social background, so it's hard to figure out what rules AI systems should follow. People who work in law, engineering, ethics, and other related fields need to come together to make full rules that reflect Indonesian social standards. This is because AI ethics covers a lot of different areas.

The Indonesian National Legal System still has a good chance of taking control of AI. The government has taken a number of steps to address these concerns, such as making the National AI Strategy. The goal of this plan is to bring up important moral problems while also advancing AI research and use. Malaysia wants to make it easy for businesses, colleges, and the government to work together so that AI can be built in a safe and responsible way. It is easy to change the laws in Indonesia, which makes it a good place to start when trying to control AI. Problems that are only found in AI can be solved with ideas from everyday law, like responsibility, intellectual property, and customer security. Lawyers, hackers, and politicians can make AI-specific rules that take into account the social, economic, and cultural situations of each country if they work together.

A strong government system that meets international standards could be made by Indonesia. It could take part in global discussions about AI control and learn from what other countries have done well. Our country's laws have a hard time keeping up with AI because it changes so quickly and can be used in many ways. There are also problems with people. It looks like regulating AI will work, though, since the government wants it to grow while still being good and following the law. Indonesia should get people from different fields to work together, build on ideas from present law, and take part in international talks in order to get the most out of AI with the least amount of worry. Indonesia can make it through the tricky world of AI and create a future that is both technologically advanced and socially good if its leaders are smart and up-to-date.

3.6. Legal Framework for Artificial Intelligence

There had to be a full set of rules made to keep an eye on all the hard parts of adding AI because it is quickly spreading to many places. It's clear that we need rules to control AI as it's used in more areas, like banking, healthcare, and transportation. A well-thought-out set of rules for AI will help people be more responsible and come up with new ideas. When AI is used, it can cause tough moral and social

problems. This way thinks about those issues. Providing proper identity to AI is an important thing that aims to control various activities carried out and help determine various rules related to the use and ownership of data so that the system can run effectively. This aims to realize various ideas, collaboration between individuals who come from various backgrounds that are needed so that the various regulations applied can be suitable for the use of AI. These rules also contain various considerations and the fact that the AI system is an unfair system and has various prejudices, this point is an important point to remember, because AI also learns from datasets that are several years ago, so its ability to detect in the long term length is a bias that needs to be taken into account. Apart from that, the various regulations that have been drafted must also be transparent, accountable and auditable as well. This will address these issues and ensure that everyone has an equal choice. Laws must be properly revised to address the new concerns that AI presents. However, it might be difficult to deploy AI insights and assumptions based on personal data without first obtaining authorization.

Providing an appropriate identity to AI can certainly determine the control that occurs over various activities carried out as well as establishing various rules regarding data use and ownership. This is an important aspect which aims to ensure that individuals from various backgrounds are also very crucial. Various collaborations between lawyers, technocrats, officials and respected leaders also need to be carried out, this aims to help ensure whether the regulations that have been made are suitable for AI. The various regulations that are created must also take into account various realities that will occur, namely that basically the system in an AI tends to be unfair and has its own biases, this is one of the important points that must be remembered. Because AI also learns from datasets that have been applied several years ago, it can detect bias in the long term. Apart from that, the various regulations that are made must also be transparent, accountable and auditable. Therefore, in this way these various problems can be easily overcome and can ensure that everyone can have equal opportunities. Careful revision of the law is also needed to overcome various new problems that have emerged along with the development of AI systems. However, it is also difficult to implement the insights and assumptions contained in an AI based on personal data without prior permission.

AI alters the world's experiences. It is considerably more vital for countries to collaborate to create and enforce rules. It's easy to exchange information when AI rules are the same everywhere. This also encourages AI to be used in a good way and keeps the law from getting too hard to understand, which could slow down progress. Governments can work together to solve problems like hacking, data flows across borders, and the morals of AI through international platforms and groups. Countries might be able to agree on a set of moral rules and best practices for AI if they work together. This could make a world AI setting that helps everyone get better. For AI to live up to its full potential and help people deal with its ethical, legal, and social issues, a complete set of laws must be made. The flexible structure of this system needs to include ideas like accountability, openness, reducing bias, safeguarding data, and working with other countries. As AI's evolutionary trajectory continues, nation-states must interpose collaborative efforts that transcend disciplinary and geographical boundaries to devise a legal edifice that bequeaths support for innovation, safeguards individual prerogatives, and espouses AI's sanguine contributions to societal amelioration.

Regarding to the ethical standards, the Author refer to the theory of Savigny, where a crucial aspect influencing the formation of laws is culture - just as culture flows along the course of history, so does the law. Indonesia's legal framework itself is pluralistic due to the multitude of cultures converging in the country. Moreover, the creation or formation of laws based on cultural values stems from

Volksgeist[21], which has been preserved and maintained for a long time. In this regard, we view ethical standards as those that fulfill the moral, customary, habitual, and even the belief systems of the local community. However, at this current moment, AI has not yet progressed to such an extent. Nevertheless, with the rapid advancements in AI, we must consider this as a national urgency.[22]

4. Conclusion

Because AI lacks awareness, the topic of accountability for behaviors such as deceptive, creative output, or immoral activity calls into question established frameworks. The notion of vicarious responsibility provides a possible solution, making AI designers partially liable for AI behaviors impacted by their programming decisions. Finding the right legal limits for AI requires a careful mix between new technologies and moral concerns. The argument about "creator liabilities and immunities" needs to be carefully weighed. In some situations, AI creators can be held legally responsible, but creating "creator immunities" requires a complicated process. Because these safeguards require proof of risk assessment and clear AI limits, they may encourage smart AI development. But a screen that is too strong could stop smart people from coming up with new ideas, which would hurt public trust. Realizing that AI can understand, adapt to, and follow rules means that it has become a secondary legal subject. Since AI is different from normal people, it has responsibilities while accepting that it has different rights. To value AI's traits while still following moral standards, this recognition needs to be calibrated correctly. As the law system adapts to the changing world of AI, one of the main goals will still be to find a balance between AI innovation and the general good. To measure these limits, you have to follow moral and legal rules, which is the same thing as taking away people's rights. In short, the complicated way that AI and legal concepts work together shows how old legal ideas need to be rethought to fit the new AI situation. Because it is always changing, there needs to be a set of rules that cover everything. However, current laws don't keep up, which leads to misunderstanding. Without clear rules, it's hard to keep AI decent. The Indonesian government's National AI Strategy shows that, despite problems, the country's flexible law system and strong commitment to ethics point to a bright future for responsible AI.

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