

Media@LSE MSc Dissertation Series

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AI Governance:

Infrastructure Dependencies and Regulatory Gaps in the
Indonesian Digital Marketing Landscape

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Published by Media@LSE, London School of Economics and Political Science ("LSE"), Houghton Street, London WC2A 2AE. The LSE is a School of the University of London. It is a Charity and is incorporated in England as a company limited by guarantee under the Companies Act (Reg number 70527).

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ABSTRACT

This research investigates critical governance gaps in Indonesia's expanding digital advertising market. While Indonesian digital marketers have extensively adopted artificial intelligence technologies for programmatic advertising, automated content creation, and predictive analytics, existing regulatory frameworks remain fundamentally misaligned with how AI systems operate as embedded sociotechnical infrastructure within platform-dominated ecosystems.

The study addresses urgent governance challenges where current Indonesian laws (the Electronic Information and Transactions Law, Personal Data Protection Law, and Copyright Law) treat AI applications as discrete technical tools rather than recognizing their function as coordinating mechanisms across global platform networks. This misalignment creates what the research terms an "urgency paradox," where digital marketers respond to platform changes as immediate operational imperatives while treating state regulations as distant bureaucratic requirements.

Through qualitative interviews with thirteen Indonesian digital marketing professionals across advertising agencies, client organizations, creative agencies, and platform owners, this research employs thematic analysis to examine how practitioners navigate AI governance challenges in their daily operations. The methodology enables investigation of lived experiences with regulatory gaps that existing literature has primarily theorized rather than empirically documented.

The analysis reveals three critical regulatory inadequacies. First, algorithmic opacity issues demonstrate how platforms employ "blackbox" systems that marketers cannot understand or contest, while current laws lack explainability requirements. Second, generative AI creates novel copyright challenges that Indonesian law fails to address, as it defines creators exclusively as humans which excludes AI-generated works from protection. Third, privacy violations expose fundamental limitations in individual consent models when addressing systemic platform dependencies, particularly evident in SMS marketing practices that bypass user consent through technical complexity.

These gaps reflect deeper structural problems: misalignment between regulations designed for distinct technologies and AI systems operating as embedded infrastructure, and platform governance mechanisms that create authority through dependency rather than legal mandate. Indonesian digital marketers demonstrate sophisticated understanding that effective AI accountability requires coordination across specialized competencies rather than expecting any single actor to provide complete governance solutions.

The research contributes empirical evidence of how regulatory misalignment manifests in developing economy contexts where platform dependencies intersect with limited state capacity. The study offers insights for developing governance frameworks that address AI's embedded nature while remaining responsive to Indonesia's unique contexts, with implications for other developing countries navigating similar tensions between technological innovation and democratic accountability.

Keywords: AI governance, digital marketing, advertising, regulatory gaps

INTRODUCTION

Indonesia's digital advertising market is estimated reached \$3.05 billion in 2024 (Statista, 2025) establishing the archipelago as one of Southeast Asia's most promising digital marketing economies. While Indonesian digital marketers have rapidly embraced artificial intelligence technologies for programmatic advertising, automated content creation, and predictive analytics, the existing regulatory frameworks governing these practices remain fundamentally misaligned with how AI systems actually operate within platform-dominated ecosystems.

The gaps transcend beyond technical provisions but also reveal governance mismatch. Current regulatory framework that often referred to regulate AI-related risks are the Electronic Information and Transaction (EIT) Law, Copyright Law (Ramli *et al.*, 2023), and Personal Data Protection (PDP) Law (Nisa, 2024). These regulations approach technology applications as discrete technical tools rather than recognizing their function as embedded sociotechnical infrastructure that coordinates economic relationships across global platform networks. The consequences are described by digital marketers in navigating AI governance through platform policies that operate with immediate operational urgency while treating state regulations as distant bureaucratic requirements.

This study investigates how Indonesian digital marketing professionals experience and conceptualizes AI governance within platform-controlled infrastructure also examining the gap between regulatory intention and operational reality. The analysis is addressed to explore how do existing Indonesian regulatory frameworks fail to address AI's infrastructural embeddedness within platform ecosystems, and what governance approaches might better serve both innovation and accountability.

The transformation of digital marketing through artificial intelligence represents more than technological advancement. It constitutes a fundamental restructuring of economic relationships within platform-dominated advertising ecosystems. Large-scale AI models trained on vast amount of user's data, text and images, are harvested through the expansion of media platforms, e-commerce websites, digital sensors and other smart devices (Chuan *et al.*, 2023). This has now powered advertising tracking tools, automated creative optimization engines in programmatic ads, and data modelling platforms that deliver actionable business

insights (Qin & Jiang, 2019). These AI systems power programmatic advertising engines, automated creative optimization tools, and predictive modelling platforms that deliver actionable business insights at unprecedented scale.

While these technologies have become ubiquitous in various sectors and developed at scale, they simultaneously raise ethical and social concerns, including data privacy violations, algorithmic bias, copyright infringement, job displacement and accountability challenges. AI systems are embedded within what Van Dijck (2021) characterized as hierarchical structure of platformization where tech giants like Meta, Alphabet, and ByteDance control not merely advertising tools but the fundamental conditions under which digital marketing operates. These platforms own the infrastructure layers such as data centres, internet cables, and cloud services, that enable advertising while simultaneously controlling the intermediary services like social media, search engines, and app stores through which advertising reaches consumers.

However, AI is not entirely novel technology to digital marketing. The online advertising industry has long relied on algorithmic decision-making, a branch of AI technology, by digital platforms to analyse target audience behaviours. The mechanism segments target audience into various affinity groups based on their propensity to purchase products or services (Mellet & Beauvisage, 2020). Additionally, automation has been progressively integrated into marketing operations, from content creation to customer relationship management (CRM) systems.

I documented two pivotal developments which illuminate AI's strategic role within evolving digital marketing landscape. First, the emergence of "cookieless advertising" driven by privacy regulations like EU GDPR which prompted major platforms to reposition their programmatic products as AI-powered technologies that maintain targeting capabilities while technically complying with privacy restrictions. Second, generative AI (GenAI) platforms including ChatGPT, Gemini, CoPilot, DALL-E, and Midjourney have presented the industry with unprecedented opportunities for enhanced productivity through personalised content creation, intelligent content curation and delivery, and sophisticated business insights generation. This technological shift represents fundamental reimagining of marketing

capabilities while creating new regulatory challenges around copyright infringement, synthetic content authenticity, and algorithmic transparency.

These developments have sparked intense debate about how policymakers should govern AI technologies and ensure their ethical use. This is particularly crucial for Indonesia, as a developing country that must evaluate the foreign technology development with ethical AI governance from the lens of human rights and democracy (Monasterio Astobiza *et al.*, 2022).

This research draws on platform studies and infrastructure theory to argue that AI governance failures in Indonesia reflect deeper structural problems rather than simple regulatory inadequacy. Building on analysis from technology governance from sociotechnical system lens and concepts of platformization and infrastructure theory, the study demonstrates how AI systems operate as embedded sociotechnical infrastructure that creates dependencies and coordination mechanisms beyond traditional regulatory reach. The research contributes to technology governance literature by empirically documenting how regulatory misalignment manifests in developing economy contexts where platform dependencies interact with limited state capacity. The study's focus on Indonesia offers crucial insights for understanding AI governance in contexts where foreign platform dominance intersects with emerging regulatory capacity.

The study employs qualitative interviews with Indonesian digital marketing professionals to capture their lived experiences navigating AI adoption within platform-controlled infrastructure. This methodological approach enables investigation of how practitioners interpret governance challenges that existing literature has primarily theorized rather than empirically documented.

This analysis proves particularly crucial for Indonesia as a major digital economy seeking to balance innovation incentives with citizen protection while maintaining regulatory autonomy within global platform ecosystems. The findings offer insights for developing ethical governance frameworks that address AI's embedded nature within platform infrastructure while remaining responsive to Indonesia's unique sociocultural contexts.

Indonesia's AI-related Regulations

For this research, I purposely chose three regulations that are referred as relevant AI regulations (Kurniagung & Panggabean, 2024; Nisa, 2024; Ramli *et al.*, 2023). Though they are not exclusively designed for AI, they contain several key regulations that directly or indirectly impact AI applications in digital marketing. Understanding these existing frameworks is essential for assessing their current applicability and identifying gap areas.

There are three specific regulations for this research that are most prominent starting point for a regulatory framework that are used to regulate misuse and relevant risks of AI-systems.

Law No. 11/2008 on Electronic Information and Transactions (EIT) as amended by Law No. 19/2016 and Law No. 1/2024: The main digital law that provides a legal framework governing electronic transactions, digital signatures, electronic documents, and cybercrime provisions including prohibited online content and activities. It prohibits false information, hate speech, defamation, and threats via electronic systems.

Law No. 27/2022 on Personal Data Protection (PDP): Data privacy law which establishes data subject rights, controller obligations, lawful bases for data processing, cross-border transfer rules, and independent supervisory authority.

Law No. 28/2014 on Copyright: Protects original works in science, arts, and literature by granting with economic rights and moral rights protection lasting the author's life plus 70 years, regulating collective management and imposing criminal penalties for infringement.

The research deliberately focuses on binding legislation rather than soft laws to examines failures in mandatory compliance requirements, while acknowledging that these regulations primarily address AI-system risks AI that are empirically observable.

Nevertheless, Indonesia government has published AI specific policies namely National AI Strategies 2020 – 2025 and Communication and Digital Affairs Ministerial Circular Letter No. 9/2023 on AI Ethics. These policy documents are classified as non-binding instruments, and no binding AI-specific legislation has been established to date. The AI ethics document sets out principles intended to guide industry on AI practices. However, as this research focuses on hard law and mandatory compliance mechanisms, non-binding policy instruments are excluded from the analysis.

By this year, Indonesian government has committed to establish binding AI regulatory framework. This framework aimed to provide more precise and specific guidelines for AI usage in Indonesia by building on the groundwork laid by circular letter issued in 2023 (Dharmaraj, 2025). Ministry of Communication and Digital affairs also claimed that the new regulatory framework will align with existing laws, including EIT and PDP law.

The current administration has stated that the aforementioned laws provide a foundational framework for regulating digital technologies and data privacy. However, these frameworks are not designed to address the distinct challenges posed by AI, that require additional regulatory measures. Accordingly, this research seeks to identify areas where existing provisions are insufficient and where further legal development is required.

THEORETICAL CHAPTER

Literature review

Implications of AI in Digital Marketing: Efficiency vs Social Transformation

The central scholarly debate revolves around whether AI serves primarily as a technological solution to fundamentally changes the power dynamics of digital advertising industry. Mellet & Beauvisage (2020) provide insight into key commodification mechanisms operating within digital advertising processes. The study demonstrates how third-party cookies created sociotechnical systems that transform online activity into marketable consumer segments through statistical analytics. This analysis outlines the economic logic that subsequently disrupted by privacy regulations.

Building on this, Geradin *et al.* (2021) document how GDPR and similar regulations imposed fundamental constraints on traditional data collection models by requiring explicit user consent for personal data processing. While this study focuses on compliance challenges, it does not anticipate how AI would reconstitute data extraction practices. Mühlhoff (2023) analysis then reveals how AI-powered advertising tools operate through massive first-party datasets to infer user preferences via probabilistic modelling, often circumventing consent requirements through technical sophistication rather than legal compliance.

These studies confirm Shoshana Zuboff's (2019) surveillance capitalism framework which one of the dominating scholarships for new form of economic oppression based on data extraction, or in her words, behavioural surplus that are converted into capital represents advertising's fundamental logic. This perspective illuminates how tech giants like Google, Meta, and Amazon leverage algorithmic systems to optimize value extraction from user attention with minimal friction.

Chuan *et al.* (2023) offer more nuanced reality by positions AI advertising within ubiquitous social and cultural institutions that shape everyday experiences. It reveals AI's constitutive role in media communications rather than its instrumental function which requiring new governance frameworks for companies beyond traditional CSR model. However, this study does not account the AI advertising as form of responses to privacy regulation.

Studies about AI advertising shows diverging perspective on whether AI advertising represents technical innovation or structural transformation, referring to political economy perspectives (Mansell, 2004; Mosco, 2009; Zuboff, 2019). From innovation perspective, Qin & Jiang (2019) argue that tool-based, synchronized, real-time systems generate efficiency gains that gradually reshape traditional labour-intensive advertising processes, ranging from consumer insight discovery to ad creation, media planning and buying, and performance evaluation, through evolutionary rather than revolutionary change. Other studies show AI technology impacting business efficiency and profitability through transforming media buying and personalized advertising with the sophisticated consumer insights and scaled up advertising material through AI-generated content (Deng *et al.*, 2019). This significantly drives increment in ads revenue along with more sophisticated algorithm recommender systems (Malthouse *et al.*, 2019). Besides the effectiveness, study also raises awareness on how consumers should equip a better understanding on how to respond to the more sophisticated forms of synthetic ads (Campbell *et al.*, 2022).

Meanwhile, efficiency narrative does not capture the deeper power concentration issues that identify within network media economies as explained by Pierson *et al.* (2023). Pierson *et al.* emphasize the embeddedness of AI in communication and internet infrastructures through digital media and platforms. It entangles with the concept of "network media economy constituting Winseck's (2019) framework that refers to collective sectors of

telecommunication, internet, and media industries which include creative and cultural industries. Similarly, McGuigan *et al.*'s (2023) study enlightens the tactics of the industry players in responding to tightening privacy regulations, revealing the structural transformation of power asymmetries that obscure efficiency gains from adtech under regulatory pressure. These tactics to dodge regulations coined as “privacy cynicism”.

Perspective of AI drives structural transformation is demonstrated by how digital advertising stems from user data commodification, where tech giants controlling data flows operate for profit regardless of regulatory constraints. This reveals AI not as neutral efficiency tool but as intensification of extractive data practices. Van der Vlist & Helmond (2021) emphasize on partners of giant techs which operate within digital advertising supply chain mediate and shape platform power. Their emphasis in platformization based on social network analysis strengthen the consolidation of power through mediated by cooperation with digital platform and forms of resistance. Studies mentioned taking perspective from the major platforms or giant techs firms. The study tries to capture the same nuance from industry players, however focusing mostly from the advertiser's side.

Privacy and Legal Scholars Perspective

Privacy and legal scholars contribute a crucial dimension of data extractive capitalism by exposing the "privacy paradox" where users simultaneously demand personalization while expressing privacy concerns. It identifies behavioural contradictions without examining how regulatory frameworks inadvertently create conditions that make privacy trade-offs structurally necessary rather than individually chosen (Hoffmann *et al.*, 2016; Saura, 2024).

This paradox reveals deeper structural dependencies rather than merely individual choice; users are structurally situated in systems where meaningful choice or consent is impossible under current platform governance models. Notably, privacy restrictions like GDPR and CCPA have paradoxically increased privacy risks by pushing marketers toward extensive first-party data collection and cross-platform tracking alternatives (Ham & Lee, 2025; McGuigan *et al.*, 2023). Hintz (2024) looked from data justice lens pointed out that consent mechanism emphasizes on illusion of choice without meaningful alternatives or “consent fallacy”. This notion came from the perspective of collective nature of data and never individual, it affects others through associations, inferences, and network effects.

Carugati (2023) contributes to the legal scholarly debate with the antitrust privacy dilemma, where privacy-enhancing technologies by dominant platforms simultaneously protect users and intensify platforms' economic domination by excluding competitors. Apple's App Tracking Transparency and Google's Privacy Sandbox are the examples given. They reveal how privacy regulations create competitive advantages for incumbents with superior first-party data access. Smith & Shade's (2018) concept of "data assemblages" suggests that privacy considerations are not external constraints on AI systems but constitutive elements that determine their architectures and commercial viability.

These privacy studies address gaps in AI advertising literature but remain analytically separate from critical accounts especially legal and sociopolitical. The efficiency gains documented by technical studies enable the structural transformations identified by critical scholars, while the privacy paradox reveals how regulatory responses can inadvertently intensify both by generating technical and legal incentives for AI-based circumvention strategies.

Sociotechnical Infrastructure and Regulatory Blind Spots

The infrastructure perspective adds critical nuance to efficiency versus transformation debates. Several ethical advertising studies positioned excessive data surveillance as central to behavioural advertising landscapes, calling for enhanced consumer protection from omnipresent surveillance (Keller, 2022; Segijn & and Strycharz, 2023). However, infrastructure studies reveal the infrastructural embeddedness and dependencies that makes surveillance is economically necessary.

Pierson *et al.* (2023) explain how AI operates within sociotechnical systems where internet infrastructure, dominated by tech giants, shapes data flows throughout advertising ecosystems. They note that current AI policies, particularly in the EU, have several oversights such as data power asymmetry and the risks posed by opaque automated processes, calling for participatory policymaking to address risks and impact in media and communication sectors.

AI-systems are embedded in advertising platforms' infrastructure like Facebook Ads, Google Ads, or TikTok Ads. These platforms are owned by tech giants, respectively, Meta, Alphabet, and ByteDance, who also own internet infrastructure such as data centres and internet subsea

cables (Kirkwood, 2025). These platforms do not just host advertising but restructure the conditions under which the industry operates from market concentration, technical standards and algorithmic selections (van Dijck *et al.*, 2018). Plantin *et al.* (2016) elevated this notion by suggesting these digital platforms have acquired the characteristics of conventional infrastructures similar to railroad, telephone or electric utilities. The rise of platform-as-infrastructures suggests a transition from a market to a platform society where economic processes are increasingly reliant on the harvesting of data to fuel and fine-tune algorithms, business models and data flows (Chimenti *et al.*, 2025).

More scholars argue the existing regulations in Europe need to address the pitfalls of harmful advertising practices and should prioritize consumer protection from overexploitation and manipulation on the internet (Duivenvoorde & Goanta, 2023), despite consumer protection efforts through EU AI Act and similar legislation. The fundamental problem emerges in generative AI applications where copyright issues intersect with false information generation, creating what Huh *et al.* (2023) mentioned as threats to intellectual property and social truth. They call for further research around regulation on how the advertising industry should address the ethical and legal issues from AI-generated advertising content. This infrastructure and platform analysis further shows that AI advertising cannot be understood as discrete technological deployment, but must be analysed as embedded within networked media economies that, platform governance structures, and data infrastructures that shape how content is produced, distributed, and regulated.

AI Governance from Techno-Regulatory to Participatory

Recent AI regulatory governance scholarship shows two main debates around AI governance: fundamental tensions between innovation imperatives and risk management (Watson *et al.*, 2025); and the effective AI governance framework that undergone shifting from techno-regulatory approaches to more participatory governance structures. This transition reflected from exponential advancement of modern AI-systems which represent compound technology that combines multiple large-language models that are tested rigorously to solve more complex problems (Chen *et al.*, 2025; Leblond *et al.*, 2023). It inherently makes governance more challenging than individual models due to difficulty tracking data flows across multiple components (Briesemann, 2024).

AI is deemed progressive technology that its tidal wave of utilization and distribution needs to be contained (Suleyman & Bhaskar, 2023). The accelerated adoption of AI systems across societies have sparked intense debate among policymakers, scholars, and public about AI societal implications and ethics. The innovation vs risk management debates have been dominated by two competing narratives between who believes that automation emphasize gains in efficiencies and innovations while the opposite counters that AI poses intolerable risks to individual and society (Watson *et al.*, 2025).

Despite the debate, ethical AI is increasingly getting center attention with many organizations have launched initiatives establishing ethical AI principles and the field is maturing toward consensus rather than fragmenting into competing approaches (Floridi & Cowls, 2019). However, Floridi and Cowls acknowledge the implementation does not automatically translate into effective governance. This highlights the need for concrete implementation mechanisms. Additionally, the 'pacing problem' is one of the key governance issues when the proliferation of tech development is much faster than legislation, impacting the tendency to be reactive in the regulatory interventions (Camilleri, 2024).

Numerous recent studies show that AI governance is now becoming more participatory in context-sensitive frameworks that acknowledge power asymmetries and democratic deficits in current structures. Studies done in China showed that community-powered AI addressed regional disparities through dataset diversity, community involvement, and ethical governance (Lin *et al.*, 2025). Similar participatory models have been initiated in real-world practice of AI governance, involving public participation in decision-making, promoting democratic AI (Ovadya *et al.*, 2025). This model has been initiated in AI companies community forums like Meta's Community Forums and Anthropic's Collective Constitutional AI to allow public collaboratively decides on safety risk decisions, content and ethics policies, or AI behavioural rules.

Critical data justice scholarship challenges existing AI regulations approaches by questioning fundamental assumptions about individual consent and corporate self-regulation. Hintz's (2024) study exposes how current governance structures reproduce "data individualism" that cannot address collective harms from AI systems. This perspective reveals that tech giants' embrace of self-regulation through "soft law" like community guidelines to manage social

risks on their platforms which van Dijck *et al.* (2018) characterize as governance strategies that serve corporate interests while claiming public benefit.

The inadequacy of voluntary self-regulation has become evident as platform risks multiply, and AI introduces unprecedented dangers. Floridi (2021) argues that "voluntary self-regulatory experiment has failed" requiring replacement with binding regulations or hard law. Gordon *et al.*'s (2022) study highlight materiality control and contribute to move the governance beyond normative values by focusing on pressing points that can stand as intervention. However, implementation challenges persist due to unclear responsibility, multiple stakeholders, invisible impacts, technical opacity, and scale mismatches where systems trained in one context deploy at massive scale in different contexts (Raji, 2024).

Indonesia's AI Governance Landscape

Indonesia's AI governance development illustrates the complex dynamics between technological sovereignty, regulatory capacity, and economic dependency that characterize developing country contexts. The lack of comprehensive, binding AI-specific legislation situation actually reflects deliberate policy choices rather than mere regulatory deficiency. While Artificial Intelligence Roadmap has been established since July 2020, the regulatory vacuum of AI reflects deeper structural challenges rooted in Indonesia's decentralized political system and unique geographical constraints that span over 17,000 islands. Research by Wadipalapa *et al.* (2024) points to the fragmented nature of local governance as a significant barrier to implementing a unified AI strategy across the archipelago.

Indonesia-specific AI studies show how existing regulatory framework in Indonesia still inadequate to cover AI robust development and scopes. The country relies on existing legislation such as EIT law and PDP law to address AI-related issues, though these regulations are general in scope and do not directly address AI-specific concerns (Kurniagung & Panggabean, 2024). Significant gaps persist regarding oversight mechanisms and enforcement of data protection standards particularly PDP law despite possessing similar characteristics to GDPR (Greenleaf & Rahman, 2020). The intersection of AI technology with Indonesia's intellectual property framework also reveals critical regulatory gaps. As Nasakti & Dirkareshza (2025) observe the regulatory gap in copyright law to address GenAI, "The Indonesian copyright regime is currently lacking in legal clarity regarding the status of works

created by GenAI's that are expressed in a tangible form and are not attributable to a lawful author." This legal vacuum becomes increasingly problematic as AI-generated content proliferates across Indonesia's expanding digital economy, highlighting the urgent need for legislative adaptation to address emerging technological realities.

Indonesia's foreign platform-dominated digital economy creates additional governance vulnerabilities with more acquisitions from foreign entities such as ByteDance acquired local e-commerce, Tokopedia (Longobardi, 2024). This highlights concerns about technological sovereignty where control over digital ecosystems increasingly shifts to foreign entities. This platform dependency intersects with inadequate AI governance to create particular risks around data protection, algorithmic transparency, and market concentration.

Looking at China's AI regulations study (Sheehan, 2023), it suggests potential governance models emphasizing algorithmic registry systems, manipulative practice prohibitions, user transparency rights, and AI-generated content labelling requirements. However, adopting similar mechanism in Indonesia would require adaptable digital infrastructures, many of which are currently controlled by foreign entities. In addition, Indonesia faces challenges similar to those observed in India, where limited regulatory capacity and political economy dynamics tend to favour market-led approaches over heavy government intervention (Joshi, 2024).

Indonesia could learn from other developing countries like Palestine which mirror developmental context. Palestine faces comparable challenges with low AI awareness, limited sectoral utilization, and legal frameworks that are struggling to keep pace with emerging technologies. Demaidi, (2025) identifies infrastructure barriers, political will, and educational limitations as key constraints. The research proposes five strategic pillars for national AI strategy: AI for Government, AI for Development, AI for Capacity Building across sectors, AI and Legal Framework development, and International Activities.

Although Indonesia has introduced AI ethics guidelines, most studies focus on ethical framework and implications of AI in various sectors (Wong-A-Foe, 2023; Zuwanda *et al.*, 2024), lesser focus on reviewing the implementation of established guidelines. As a result, relevant organizations lack guidance on adapting AI ethics frameworks to their specific implementation, leaving gaps in responsible adoption.

The existing Indonesia specific AI studies largely lacks focus on infrastructural and political economy analysis on sectors that have been transformed earlier with AI, particularly digital marketing. Specifically in advertising, AI development represents systematic adaptation to regulatory and market constraints rather than independent trajectory of technological evolution.

Theoretical Frameworks

This research draws on media and technology governance studies and employs an analytical framework that integrates platform and infrastructure studies with multi-level governance approaches. These frameworks demonstrate why existing regulations fail by treating AI as technology rather than sociotechnical infrastructure, and how governance transitions toward infrastructure approaches can address systemic coordination failures rather than isolated technical symptoms. Additionally, the analysis also employs multiple concepts of data justice and political economy that collectively provide a comprehensive lens to offer new perspective for the future AI governance framework in the country.

Platforms studies reveal how digital platforms function as governance mechanisms from their strategic self-positioning and technical design choice other than just market power (Gillespie, 2010). Platforms actively curate reality through algorithmic decisions about visibility, relevance, and access while strategically positioning themselves as neutral intermediaries. Platforms simultaneously govern users through technical affordances and are governed by external forces such as state regulations and market pressures, operate as traditional corporate actors subject to accountability mechanism (Gorwa, 2019).

The sociotechnical approach follows Geels's (2002) multi-level perspective (MLP) framework that argues technology will fulfil its functions only in association with human agency, social structures and organization. Successful functionality emerges through alignment between heterogeneous elements including algorithmic systems, user practices, business models, regulatory frameworks, data infrastructure, and cultural meanings about automation and personalization. MLP analyses technological transitions through three interconnected levels" the landscape (macro-level external factors like political changes, economic trends, and cultural values that change slowly and create pressure), regimes (meso-level coordination mechanisms including technology, user practices, regulations, infrastructure, and industry

structure that provide stability through alignment between different actor groups), and niches (micro-level protected spaces where radical innovations develop away from normal market pressures).

The underlying narrative of this research positions AI as sociotechnical infrastructure that must be understood for its relationality including hierarchical order of infrastructure dependencies and concentrating power. This narrative conceptualizes AI governance as operating through infrastructural platforms that create binding governance relationships. Platforms emerge as governance authority from practical effectiveness in contested space (Gorwa, 2019). Meanwhile, Van Dijck's (2021) analogical concept to visualize platformization as a tree with roots (digital infrastructure), trunk (intermediary platforms), and branches (sectoral application) actually stems from hierarchical relations that creates strong dependencies. This interconnected framework is critical to reveal how do we analyse and participate in the governance relationship that AI infrastructure creates beyond the government.

The AI-systems addressed in this research encompass for two main categories: (1) range of publicly available platforms of general purpose AI e.g., ChatGPT, Gemini, Midjourney, Microsoft Co-Pilot; and (2) algorithmic systems that makes automated-decisions within existing advertising and commerce platforms in Indonesia e.g., Google, TikTok, Meta, Alibaba, Tokopedia (Bytedance), Shopee (SEA Group). These platforms function as critical infrastructures on which multiple industries in Indonesia increasingly depend on.

The research tries to dissect the regulatory gaps within Indonesia's AI-related regulations by referring to media governance studies. This research follows Puppis *et al.*, (2024, p. 6) definition of governance that focus on it as substantive phenomenon and as an analytical concept to see the entirety of attempts at social ordering. I include what Puppis mentioned as vertical and horizontal extension of governance including co-regulation, self-regulation, and the statutory regulation, specifically taking into account the element of technological design; and behaviour, norms, and institutions (Dafoe, 2024). Hence, the analysis takes into account critics over technological determinism approach, popularized by Lessig's code becomes law, that technology shapes human behaviour through code, algorithms, and platform design (Magalhães, 2024). Infrastructure governance through platform works since they operate as

alternative governance level with their own legitimacy sources. The institutional perspective described how AI governance constitutes from multiple institutional levels simultaneously rather than through hierarchical state-centric authority specifically platform and industry level (Hooghe & Marks, 2002; Piattoni, 2009). MLG explains why Gillespie's (2010) platform governance strategies work, illuminating platforms that do not just compete with state authority; however, they operate as cooperating governance level with their own legitimacy sources. This perspective complements the platform governance and infrastructure approach to consider sociotechnical aspects on top of government structures and binding regulations.

Additionally, infrastructure study emphasizes on the materiality, relationships, and dependencies that make infrastructure works embodied ways that infrastructure shapes social relations through physical constraints and possibilities. From the political economy point of view, the one who control the market of material infrastructure, control the rule of data flow structures which makes regulatory intervention challenging (Winseck, 2017). The concentration of power in the hands of a few giant tech firms creates a structural imbalance where corporate interests often override public ones. The risks captured by marketers are the extensions from the economic model, surveillance capitalism (Zuboff, 2019).

The expected contribution consists of empirical documentation of AI as sociotechnical infrastructure which operates through between relationality of state and platform governance mechanisms in Indonesian digital marketing, that is to provide insights into how governance operates when technical trajectories are influenced not only by platform owners but also by users, policymakers, and other relevant stakeholders. Governance will fail if there is misalignment between regulatory frameworks and sociotechnical system characteristics. This also explains platforms governance also function as infrastructure rather than merely market intermediaries. This analysis contributes to media governance scholarship by demonstrating how traditional governance frameworks require reconceptualization in platform-dominated contexts.

Research Questions

Considering the conceptual frameworks above, the research questions are aimed to describe the in what way the existing AI-related regulatory framework could not fully cover the challenges posed by AI-driven practices by analysing the elements of platform governance

and how it intertwines with statutory governance. Additionally, it aims to describe in what way the AI governance is perceived by industry players' perspectives to inform regulators in the ongoing AI-policymaking processes.

To what extent do existing digital policies in Indonesia such as PDP law, exhibit a regulatory gap in addressing the unique challenges posed by AI-driven practices in the digital marketing sector?

How digital marketers perceive AI future governance in Indonesia, particularly in cases where AI tools are perceived to facilitate business growth while presenting significant ethical challenges?

METHODOLOGY

Semi-structured Interviews

This research design adopts qualitative approach to deep dive into subjective experiences and allows researchers to describe intimate aspects of people's life worlds (Brinkmann & Kvale, 2005). Due to its focus on professional practices, this research uses semi-structured interviews as its primary qualitative data collection method. This approach's flexibility allows for a deep exploration of the interviewees lived experiences, which is crucial for interpreting the meaning behind the phenomena described (Brinkmann, 2013a). This decision was based on several methodological considerations that align with the exploratory nature of this research into marketers' perspective on Indonesia's regulations which they might not be familiar with. While surveys could provide quantitative data from a larger sample, they would constrain responses to predetermined categories and potentially miss nuanced perspectives that are crucial for understanding this field.

The adoption of AI in Indonesian advertising is a complex issue, intersecting with nascent regulations, limited infrastructure, and low public awareness of data rights. With a scarcity of research on how industry professionals interpret and respond to these challenges, this study aims to explore their narratives regarding AI-related risks and their expectations for future regulation. A qualitative approach, particularly through interviews, is ideal for this topic as it allows for an in-depth understanding of the business and sociocultural context. It emphasizes

rich descriptions and interpretations of experience-based knowledge that quantitative surveys might miss, recognizing that knowledge is co-created through the interpersonal exchange between the interviewer and the interviewee (Brinkmann, 2013a; Kvale, 1996). Furthermore, interview offers open-ended, in-depth exploration on subjects about which the responded has substantial experience that often combined with considerable insights (Charmaz, 2001).

This research primarily seeks the regulatory gaps between practices and legal requirements, which require interpretations. The respondents whose main job is to develop and implement marketing strategies are dominantly unaware about the detail of regulations. I often have to explain on certain articles of the laws to have them understand the situation and able to provide relevant answers. This local construction of knowledge in the situation embodies constructivist concept (Brinkmann, 2013a, p. 7) to understand meaning-making processes which Qu & Dumay (2011) noted as localist view. My role as interviewer is a co-producer of accounts through interpersonal interaction. In that sense, I have advantages since I have developed former professional relationships with all respondents. It helps me to understand "the ways in which managers make sense of, and create meanings about, their jobs and their environment" (Qu & Dumay, 2011, p. 246).

I contacted these professionals directly, leaving any formal procedural requirements or knowledge of their company, stressing that the interviews would be conducted anonymously. I confirmed to no affiliated interest other than academic to provide them free space for personal opinions, even when they are contrasting companies' view. Following the logic of grounded theory, the interview allows answers that probe for theoretical insights and while permitting the interviewer to adapt it with follow-up questions (Charmaz, 2001). Hence, the research is well-served through these features.

Research Design

Brinkmann (2013b) argues that research in qualitative in interviewing requires planned process guided by a research design. The design takes form into studying lived experience of marketing professionals in mostly face-to-face settings or video call. The research equipped purposive sampling through selecting 13 digital marketing professionals with direct experiences using AI tools in digital marketing processes. The total 13 participants is

considered sufficient as the goal of the research is not to reach a specific number of interviews but to collect rich and thick data until saturation is reached, no new insights emerge when adding new respondent or further coding is no longer possible (Fusch & Ness, 2015).

Access to participants was facilitated through mapping the sector of industry these professionals are at and gathered through snowball sampling. It reflects the embeddedness of knowledge within social networks which could generate an emergent, political and interactional type of knowledge (Noy, 2008). This method particularly relevant in Indonesia, where access to elite professionals is often mediated by trust and informal relationships. The selection of participants was adjusted along the data collection process based on the insights gained from pilot research and earlier interviews. This feature is ultimately possible with interview research to focus or expedite qualitative data collection (Charmaz, 2001).

I purposely chose the sector to describe the breadth of how AI is embedded in their daily tasks. Their name and organization were concealed to respect their privacy and avoid any potential harm, retaliation, or undue attention that could arise from their participation. The table below listed the number of interviewed professionals broken down by sectors with codes attached.

Table 1: List of Participants' Sector

Code	Sector	Amount
A	Advertising Agency	2
C	Client side (Consumer Goods, Finance, Technology)	7
CR	Creative agency	1
P	Platform Owners	3

This research adopts an inductive approach, which involves collecting individual stories from the digital marketing field and using them to develop broader, general ideas. Researchers using this method often begin with minimal preconceived notions, allowing the empirical

evidence to guide the inquiry and prioritize themes that emerge from the data over a rigid, pre-established methodology (Brinkmann, 2013b).

Interview guide

The interview guide (See Appendix 1) was built considering the literature review from the theoretical chapter and research questions. It includes 14 open-ended questions designed to garner detailed narratives about participants' experience in managing AI-driven practices, their perception of AI risks and its governance. These questions are divided into four main areas: (1) how AI is used in their work; (2) perceived risks and challenges; (3) views on regulations; and (4) privacy concerns. These questions were designed to encourage participants to share their views about challenges of practices in their daily work and risk case contributed to AI-driven advertising or other marketing practices that they found risky to business, legal, and society overall. Follow-up questions are allowed to dig deeper into reasoning or motivations behind participants' response. The constructivist nature is even taken further by doing "active interview" that interviewer often questions or challenge participants' response to construct discussion about future of AI governance.

Interviews were conducted in Indonesian, lasting between 35 to 100 minutes. Each interview was recorded with participants' consent. Transcriptions are using mix-method manually and Google Cloud Transcription Services, with dominant manual adjustment for greater accuracy. Face-to-face interview is dominantly conducted with researcher visiting Jakarta, Indonesia. Meanwhile, online interviews were conducted for more flexibility purpose in time and geographical concern.

Thematic Analysis

The researcher employed thematic analysis to identify, analyse, and interpret patterns of meaning ('themes') within data following Braun & Clarke's (2006) procedures. After generating interview transcripts, the researcher identified and developed themes that emerged from the interviews inductively. I combined the analysis of two different types of text: informal interviews transcripts and law texts. Interpreting the law texts are using descriptive approach and the descriptions are carefully compared to the thematic analysis

result to ensure consistency and depth. These descriptions includes list of articles relevant to AI-based practices, policy objective, and principles (see Appendix 2).

The key themes of transcripts then grouped and analyse according to their frequency, patterns and significance (Braun & Clarke, 2006) such as identifying trends on recurring concerns about AI practices in media buying and optimization including their ethical risks of AI. The sub-themes and themes then grouped to overarching themes to finally analyse the included codes. Initially, there are 112 codes in total, grouped into 15 themes, which underwent subsequent changes in two ways: reviewing the codes and transcripts that made up each theme and evaluating the significance of these themes in contrast with other themes and research questions. After this point, I arrived at what I considered to be the 4 main themes with 7 sub-themes as the final thematic mapping of the research (see Appendix 3). The Thematic Map 1 has reflected the connections of each theme and sub-theme.

Ethical in Practice and Reflexivity

Throughout the process, the researcher critically reflected on potential biases namely due to sensitive topics and close relationship with respondents. Openness is a core principle of qualitative research, allowing interviewees to freely share their views and experiences without rigid constraints from the researcher (Klein *et al.*, 2018; Kvale, 1996). However, the private nature of the information shared requires strict confidentiality. Sensitive topics arise during interviews like unlawful AI practices, platform responsibilities, and legal conflicts. This necessitates critical ethical considerations, particularly regarding privacy and confidentiality (Allmark *et al.*, 2009) and the maintenance of transparent power relations between the researcher and the interviewee (Brinkmann & Kvale, 2005). Naming specific companies or participants could expose them to reputational damage or legal risks, especially when their use of AI involves violations of copyright or a lack of clear user consent.

In this study, the existing relationship with participants facilitated open discussions but also introduced a potential for researcher bias. My familiarity with their work required me to be careful not to impose my own assumptions onto their responses. This could otherwise lead to misinterpretation and misrepresentation of the participants' true meanings and reduce the objectivity of the data. To mitigate this, a constructivist grounded theory approach was used,

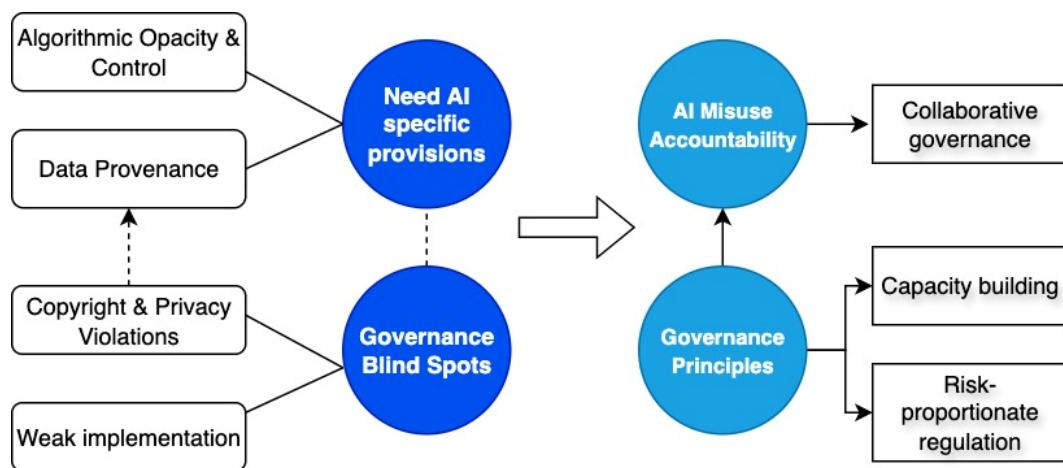
which emphasizes focusing on the participants' own definitions of terms and situations to uncover their implicit meanings and tacit rules (Charmaz, 2001).

As a researcher, I need to constantly reflect on the process to ensure credibility and integrity of the research. Selecting and making interpretations of the legal documents was quite challenging as they were outside of my expertise. Ensuring adequate literature reviews and consulting to legal counsels were the steps I take to mitigate this. Furthermore, the reflexivity also extends to wider selection of sectors of marketers. It allows novel perspective outside my knowledge and assumptions to be challenged by the interviewees.

ANALYSIS AND DISCUSSION

From the thematic analysis, I constructed overarching themes that responds to research questions about AI regulatory gaps and digital marketers' conceptualization of AI governance. These themes and sub-themes are formed following the Thematic Map below.

Figure 1: Thematic Map 1



Finding 1: AI Regulatory Oversights

The most immediate regulatory gaps manifest in three critical areas where existing Indonesian laws fail to address AI's unique characteristics and enforcement gaps.

Algorithmic Opacity and Control Issues

Indonesian digital marketing platforms employ algorithmic systems that are largely opaque, making their internal workings and decision-making processes inscrutable to external observers such as marketers and regulators. The widespread use of AI or algorithmic systems contest the fairness of market systems namely e-commerce search results (P3), ad auctions (C5, C6, A2), and targeting systems. These mechanisms generate risks of uneven access to market (ads auction, marketplace space shelves), particularly disadvantaging smaller businesses with limited marketing budgets to boost their visibility.

Respondent P3 described "marketplace seller castes" within major e-commerce platforms, suggesting algorithmic designs create hierarchical structures where larger sellers with greater marketing investment and credibility gain more visibility than smaller competitors. This system disadvantage new micro and small-medium businesses, which online marketplaces are expected to become an accessible selling platform, allowing these businesses reach wider audience.

Similarly, P2 noted recent AI-powered advertising systems becomes more automatic and characterized them as "blackboxes", indicating reduced human control over advertising campaigns' visibility, reach, and commercial success in respective platform.

"We don't really know how the AI system judges content effectiveness. They never tell us how the AI works; they just say, 'just trust the system.' When we challenged the product team on how it works, nobody could answer. Only the engineers probably know how it works." – P2

P2 cited a recent case illustrating the urgency when a local company faced legal action over platform AI-powered optimization that mistakenly used copyrighted audio in advertising materials. This exemplifies why algorithmic systems cannot be accepted at face value and require explainability to avoid similar cases.

Contrasting the evidence with Indonesia's EIT Law Article 1, it recognizes "electronic agents which perform automatically,". Meanwhile, PDP Law references "data processing" characteristics, no specific provisions of algorithmic accountability when these system malfunction or produce unfair outcomes. It also missing explainability requirements which means marketers operate systems they cannot understand, contest, or modify.

Generative AI - Copyrights Violations and Data Provenance

The rapid proliferation of Generative AI (GenAI) in digital marketing introduces novel challenges concerning copyright and content provenance. 85% of respondents acknowledged risks of copyright violations when using generative AI, particularly with AI-generated audio and images used in social media that may violate intellectual properties.

Respondents often struck upon legal actions due to the misuse of copyrighted material as marketing materials. Indonesian copyright law covers electronic creations and digital distribution (Article 7) but doesn't specifically address AI-generated works or require disclosure of AI-generated content. A key issue stems from the definition of "creator" under Indonesian copyright law, which explicitly defines creators as "persons" or "human beings" hence, excluding AI as a recognized creator or copyright holder (Nasakti & Dirkareshza, 2025). This means AI-generated works don't inherently qualify for copyright protection under existing law.

C2 raised concerns about training datasets that "may not be ethically acquired," indicating the need for data provenance requirements ensuring AI training data is free from copyrighted and sensitive material. To date, no AI accountability framework or source of data transparency requirements are present in the analysed regulations. Although AI does not have legal entity status under Indonesian copyright law, data scraping for commercial purposes without explicit consent may constitute a violation of Article 9 of the Copyright Law. This implies that if GenAI models are trained on copyrighted material without authorization, their outputs may potentially infringe intellectual property rights, especially when they reproduce substantial portions of the original work or fail to cite sources.

Respondents also noted that lack of AI content disclosure requirements creates transparency issues. C2 described how enhanced images in advertising without clear disclaimers can mislead the public through repeated exposure, perceiving them as authentic. Platforms should be able to integrate the disclosure features as they are also deemed accountable for regulating the digital space.

Meanwhile, C2's company was sued by an EU client for failing to disclose AI-generated advertising content, demonstrating cross-jurisdictional legal risks from the EU AI Act. This

lawsuit severely impacted the company's reputation and caused substantial financial losses, as the plaintiff represented nearly half the company's revenue.

Company's reputation damage appeared as respondents' most acknowledged risk from generative AI. Three respondents quoted that large portions of Indonesian audiences express negative sentiment toward brands publishing GenAI content. Nevertheless, AI-generated content continues gaining traction among Indonesian advertisers, especially medium and small-sized companies that are less cautious about adopting GenAI, contrasting with multinational or large companies that exercise greater vigilance.

Privacy Violations and Consent Failures

Privacy infringements represent critical challenges affecting marketing operations through data governance and cybersecurity measures. Associated risks include individual privacy intrusions, excessive marketing messages, and criminal activities such as scams, doxxing, defamation, hate speech, and threats (C3, C6, C2).

The most challenging cases emerged around consent frameworks under PDP law and GDPR requirements. Eight cases identified by respondents due to either misunderstanding consent requirements or failing to obtain consent entirely. Respondents expressed divergent views on consent and liability. Some argued (C1, P1) that users now control their own privacy, particularly after GDPR consent requirement suggesting the liability is now shifted to users when they agreed. Others, on the other hand, stressed that liability must also be shared to third-party (C6, C4, C3).

Case on point, C4 received a legal summons for sending personalised SMS message SMS without user consent. The issue lies in the fact that telco provider serves as an intermediary which obtains consent from users and targeting messages on behalf of advertisers however, it failed to comply with Article 16 of the PDP Law, which requires informed consent. Consumer confusion stems from lack of transparency in telcos' broad consent terms, which do not specify data use for unsolicited third-party marketing. This is worsened by the fact that it is nearly impossible to opt out from all Telco messages, resulting in an endless stream of unwanted marketing. This practice shifts accountability onto users, who cannot easily opt out. The case subsequently led to a legal summon against the respective brand, which was sued for sending messages without the consumer's direct and explicit consent.

Indonesia's PDP law explicitly requires data handlers and processors to obtain consent and maintain transparency about data processing objectives. However, consent mechanisms are interpreted differently across organizations especially on informed and explicit requirements. 46% of respondents reported consent could be missing or unclear to consumers, leading to marketing activities that are deemed unethical. This is particularly evident in data monetization (C2, P3), SMS marketing (C3, C4, C6), and website tracking (P1).

Generative AI further complicates consent and security frameworks. In financial services, AI-powered facial recognition for KYC verification has failed to detect deepfakes created from photographed national identity cards (NIC). This highlights a critical vulnerability which traditional data handlers are governed by the PDP law however, the downstream applications of generative AI can exploits these data points in ways regulators may have not anticipated. C6 noted Indonesian government must re-evaluate types of personal data that are authorised to collect, given NICs' ubiquitous use and Indonesia's public and private sectors repeated database breaches. This photograph ID becomes key enabler to generate convincing deepfakes for fraudulent purposes.

Although Indonesia's PDP law establishes robust principles for personal data processing with clear data subject rights (Articles 5-15) and data controller obligations (Articles 19-20), these cases indicate weak implementation. Government's implementation for provisions for establishing a data protection commission (Articles 59-60) has been lagging. Meanwhile, the practical implementation also struggles with complex, often opaque data collection practices of platforms include pervasive usage of website cookies that powered behaviour advertising.

Enforcement and Capacity Limitations

Several respondents (38%) initially reported no significant challenges from existing regulations. However, as interviews progressed, these respondents inadvertently revealed deeper systemic failure. Their perceived lack of regulatory frictions was not evidence of effective governance but rather a governance vacuum where businesses operate without meaningful oversight or guidance.

The disconnect between perceived compliance and actual governance gaps manifests through business agility and market pressures. First, companies prioritize growth and operational agility over regulatory adherence, with significant disparities in compliance among

organizations especially in consumer data processing and utilisation and work involving copyrighted material. Second, market forces like Google's announcement of third-party cookie deprecation produced greater concern rather than PDP law establishment. One respondent captured the sentiment clearly:

“Even though we now have the PDP law, the urgency was different. The panic we felt during the ‘cookieless’ announcement was much intense. In 2019, people were panicking, thinking, ‘What are we supposed to do when cookieless happens?!’ But with the PDP law, it was more like, ‘Oh, okay,’ because the government’s details were still unclear and there was no supervisory commission yet... You often see headlines like, ‘10 million pieces of data from Company X leaked.’ But it just stays a headline. I don’t think there’s any governance on what to do after that.” - A2

This represents, what I term, an "urgency paradox" where marketers demonstrate greater anxiety toward market pressure like Google's impending third-party cookies deprecation than established laws which requiring complex mitigation planning before compliance takes place. This paradox, combined with lack of follow-through on high-profile data breaches, suggesting governance blind spots, diminished trust in government institutions and lack of policy enforcement.

The PDP law mandates the establishment of a supervisory commission and detailed implementing regulations, yet neither has been fully operationalized. Although the Ministry of Communications and Digital Affairs currently serves as a temporary commission, this arrangement shows institutional uncertainty and slow implementation of the law’s mandates (Mediana, 2025). Respondents frequently cited absence of clear guidelines particularly for data protection and copyright (C5, P1, A2, C6, C2). They reflected a perception that policymakers lacks understanding of AI applications and its impacts.

These regulatory uncertainties force companies to adapt with varying law interpretations, leading them to rely more on de facto regulations set by major tech platforms. Businesses understand intuitively that platform decisions such as age limitations for social media or Google’s third-party cookie restrictions as the true “law” that governs their operations.

Finding 2: Digital Marketer’s Conceptualization of AI Governance

The overarching rationale for AI governance, according to respondents, centres on accountability when AI misuse happens and governance principles for AI regulations. They

emphasize a collaborative accountability that could be shared among platform/AI companies, users, and the government through regulatory framework and strong enforcement. Additionally, the respondents demonstrate how they perceive risk-proportionate governance principles and capacity building as the critical part to address the upcoming Indonesia's AI-regulations.

Platform Accountability: Respondents emphasized platforms bear substantial responsibility for AI misuse. C2 argued "It should be self-regulating. Platforms have liability in notifying users about (generative) AI use". Similarly, C1 believed platform is liable to govern technology specifically fixing algorithmic bias, noting example of inaccurate keyword targeting in which platform addressed with more control options at the end, "If the product is expected to work, platforms must provide proper adjustments." P2 also suggested operational controls, "platforms could implement limitations on generative AI features. This would force brands to be smarter with their usage."

User/Deployer Responsibility: Six respondents emphasized users' moral compass and responsibility in mitigating AI risks. C5 emphasized on contractual dimension, "Terms and conditions indicate that we agreed to platform use and accept the risks." C4 and C7 assigned significant responsibility to users, emphasizing critical need for education across every level of society. CR1 indicates users shall have fully control on technology, "technology cannot be blamed but humans is the one who can determine its use as tool or weapon".

Government's Role: Diverging views emerged in discussing government regulation, with scepticism appeared as the overarching sentiment. C3 suggested education might suffice over formal regulation. C6 argued ads algorithmic optimization systems are low-risk, making prohibitions unnecessary. C4 argued regulating AI isn't current priority since "Tech is still developing. There's no point applying limitation now. We should embrace it"

On similar note, P2 was unsure if the AI should be regulated, noting the absence of "hard evidence that current AI adoption in Indonesia significantly impacts economic growth". C2 specifically described AI's nature as a "compound technology," raising concern about contextual regulation differentiating which type of AI require strict regulation. A2 and C2 added that the government's current understanding of AI usage and definition remains unclear which complicates regulatory efforts.

While platform's ads algorithmic systems are deemed low-risk (C6), AI systems which determines bigger public interest shall be defined high risk. The understanding of use cases and impact assessment are deemed required to minimize bigger ethical and social implications.

"I believe data monetization is the more terrifying issue... It's about how much our livelihoods can be influenced without our knowledge... Regulators need to understand the full extent of these use cases and identify the fundamental principles that should be prohibited." – C2

Despite splitting views, eight respondents agreed government should regulate generative AI, particularly concerning copyright violations and criminal applications. Three respondents (CR1, A2, C3) proposed licensing systems for AI platforms entering Indonesia.

Governance Expectations: Risk-Proportionate Regulation & Capacity Building

The most pressing concern driving calls for AI regulation is to suppress unethical economic competitive advantages and to prevent criminal actions. Respondents mentioned AI governance should balance innovation with protection (C4, A2), ethical and local norms (CR1), and professional morality (C6). This reveals marketer's perspective on AI governance not as restrictive regulations but as necessary framework for fair competition and ethical practice in an increasingly AI-driven marketplace.

Described below respondents' view of unethical practices enabled by AI:

Algorithmic manipulation through floods of AI-generated content for market advantage

Market access control through unfair algorithmic determines consumer visibility and market access

Illegal advertising exploiting ad auctions to promote forbidden services like online gambling

Privacy violations through intrusive retargeting ads and opaque data monetization

Respondents generally conceptualized technological innovation as positive progress. However, policymakers should be able to fill the capacity gap in understanding to come up with strategies that balance innovation with risk management.

Six respondents agreed that public AI literacy is crucial requirement for further acceleration of AI adoption. C4 and A2 added, although AI adoption in Indonesia is fast, its usage remains relatively unsophisticated. This strengthen the argument that education should be policy priority, particularly in clarifying AI limitations, general functionality, and associated risks.

Such initiatives could be implemented through integration into school curriculum (C4, CR1, C7) and accessible literacy programmes led by platform companies (P2) and community organizations (CR1).

Discussion and Analysis

Indonesian digital marketers consciously deploy AI as a productivity tool, however they largely unaware of how deeply AI systems are embedded throughout their daily infrastructure. The challenges they encounter reveal the pervasive influence of algorithmic decision-making that operates largely beyond their awareness, while existing regulations remain abstract norms rather than practical guidance. Marketers perceive regulatory compliance as having a dual function: protecting consumer rights while simultaneously introducing additional procedures that may disrupt operational efficiency. Some organizations have internalised compliance standards so thoroughly that regulatory adherence has become a routine operational practice rather than a conscious legal obligation, effectively normalising governance through administrative procedure rather than substantive oversight. However, other organizations continue to face challenges in aligning their interconnected operational systems with statutory requirements, which in some cases has resulted in legal actions described in findings.

From regulations analysis, it is evident that the respective regulations (EIT, PDP, and Copyright Law) are not specifically addressed to mitigate the swift advancement of artificial intelligence. The regulations are not specifically addressed principles that are associated to responsible AI such as transparency and explainability, given the contexts of generative AI and general-purpose AI. While existing regulations recognise 'data modelling and algorithmic systems' as 'electronic agents,' these provisions remain inadequate for governing the scale and complexity of contemporary AI infrastructure. This analysis argues that such regulatory inadequacy stems from two interrelated structural problems: first, a misalignment between regulations designed for discrete technologies and AI systems that operate as embedded sociotechnical infrastructure; second, the dominance of platform infrastructure that function as de facto governance mechanisms, generating authority through dependency rather than legal mandate.

The mismatch of characteristic should be avoided in future AI governance. Considering multi actors are entangled and dependent throughout sociotechnical systems. Creating comprehensive mapping of AI infrastructural dependencies is a good start to identify where problem emerge and apply necessary interventions. Niche breakthrough should be maintained starting from community governance through data stewardship model like data cooperatives or data trust.

AI-Systems as Embedded Sociotechnical Infrastructure

AI-systems has deeply integrated within digital marketing practices and fundamentally alters conventional practices, influencing everything from advertisement creation to user engagement. This invisibility that persists until malfunctions occur then reveal the systemic dependencies these technologies create, similar to infrastructure's embeddedness and its tendency to be "transparent until breakdown" (Star, 1999).

This systemic integration fundamentally challenges existing regulatory frameworks that treat AI as isolated technical applications rather than the regime-level coordination mechanisms through which AI systems actually operate. Thereby, the regulations are treating technology practices as symptoms rather than underlying structural causes of failures. For instance, AI could be classified as an 'electronic agent,' according to EIT law. The legal framing assumes AI as a discrete tool controlled by identifiable actors and responsibility is placed on the owner or operator of the system. Meanwhile it ignores the root-cause mechanisms particularly the transnational platform controls, the political economy of infrastructural dependencies, and the distributed algorithmic governance.

Moreover, consent issues for privacy protection defined in findings also supports this argument. Current consent frameworks often disproportionately shift the accountability for data protection to individuals. The central issue of privacy violations does not lie with a user's acceptance to extensive data utilization, but rather with the systemic data extraction practices that enable such violations. This dynamic which Hintz (2024) identifies as data individualism, reflects a regulatory approach that treats data as individual rather than relational.

This approach manufactures a "consent fallacy" and a "transparency fallacy" where users thinks that they're in control over their personal information. In reality, the users are being managed by a system they believe they are navigating. Consent mechanism essentially

neglects the perspective of collective nature of data, as the proliferations of data extraction is relational. Its impact is never confined to a single individual, rather it aggregates and affect others through methods of associations, inferences, and platform network effects. The example of SMS marketing example shows how population-level data processing can bypass individual consent, exposing fundamental limitations in individual consent models when addressing systemic platform dependencies.

Existing legal frameworks for privacy and copyright often rely on the premise of individual agency that coordinate application practices. However, they fail to account for the role of platform infrastructure in systematically enabling potential violations where users are naturally dependent on the systems they operate within. Given this dependency, it becomes an impossibility to secure meaningful consent when platforms control access to the very infrastructure necessary for participation in the digital economy.

Marketers' contextualization of AI governance, which emphasise on collaborative accountability among multiple actors reflects what Hooghe & Marks (2002) identify as multi-level governance. The concept acknowledges that authority operates across different jurisdictional levels, each governed by with distinct logics. Marketers' understanding further indicate an awareness that managing sociotechnical systems such as AI requires diverse forms of expertise. Accordingly, effective AI accountability depends on coordination across specialised competencies rather than reliance on any single actor to deliver complete governance solutions.

AI governance, therefore, cannot be achieved through one-off legal frameworks or platform self-regulation alone, but through sustained relationships among stakeholders who continue to negotiate and manage AI-related challenges. National legal framework requires stronger institutional and social coordination, compared to task-specific governance that platform initiate. This highlights the importance of robust law enforcement, public education, and inclusive governance mechanism in ensuring the ethical and responsible development and deployment of AI.

From a multi-level governance perspective (Hooghe & Marks 2002), the regulatory gaps reveal mismatches between different governance logics and scale that explains why existing regulatory approaches struggle to govern AI effectively. State regulations are designed

around multi-task jurisdictions, operating through formal legal procedures and bureaucratic processes designed for stability and territorial authority. In contrast, platforms operate as infrastructure governance systems focused on specific functions, rapidly adaptive, and trans-jurisdictional within global digital networks. This divergence produces a scale mismatch that cannot be resolved through single level regulatory interventions but instead requires coordinated governance across multiple levels.

At the global level, AI infrastructures operate across national boundaries through global data flows, algorithmic standards and platform-biased business models. At the national level, states provide democratic legitimacy and formal legal frameworks yet lack the capacity to fully address the technical complexities and cross-border coordination demands of AI-systems. At the sectoral level, digital marketing practices require specialised knowledge of platforms business model and consumer behaviour that neither global platforms nor national governments fully grasp. At the local level, public users experience AI governance in culturally specific context shaped by language, social norms, and community values, which are often overlooked by both platforms and state institutions.

Each level requires different forms of “contractual completeness” from specific technical standards to open-ended community engagement (Hooghe & Marks, 2020). The more open-ended the governance arrangement, the more it depends on shared norms and trust rather than explicit rules, particularly relevant to explain why advertisers perceive more significance towards platform’s shifted landscape compared to government’s law establishment. Nevertheless, the real question is, how can we enforce distributed accountability in a contested space where power imbalance and different operating logic exists between each stakeholder?

Platform-Mediated Governance

This study acknowledges platform governance that operates through diverse mechanisms beyond simple policy compliance. The mechanisms are reflected in operational and law compliance challenges faced by digital marketers namely opacity that becomes visible during copyright controversies; pushing new technical standards toward fully automated optimization that reshape business practices; automated decision-making that bypasses

human oversight in content creation and audience targeting; and classification systems that determine market visibility and competitive advantage.

Van Dijck *et al.* (2018) has demonstrated how platforms are not neutral intermediaries. Their connectivity and data extraction motives are driven by commercial imperatives to monetize data and maintain market dominance (Zuboff, 2019). These strategies are deliberately used to transform information asymmetries into powerful mechanism of control to maintain competitive advantage through network effect and analysis of user behaviour patterns.

AI-systems in digital marketing operate as what Pasquale (2015) characterize as "black box" technologies, where algorithmic opacity becomes a mechanism of platform authority. Indonesian marketers report that fully automated AI-powered advertising systems significantly reduce their control over campaign management, yet they continue using these systems due to superior performance and lack of viable alternatives.

This opacity operates as governance through what (Gillespie, 2010) identifies as strategic self-positioning where platforms maintain superior information access that enables control beyond market power. Additionally, the technical complexity of machine learning systems creates information asymmetries that platforms leverage to structure coordination possibilities while maintaining superior positioning within governance relationships within sectoral level.

Indonesian digital marketers experience platform algorithm changes as immediate operational imperatives while treating state regulations as distant bureaucratic requirements. This "urgency paradox" represents material dependencies determining business success, while state regulation becomes secondary. This does not necessarily indicate statutory regulations have failed, but rather that marketers understand they operate within platform-coordinated regimes that accounts for stability of the sociotechnical infrastructure they operate and depend on. This regime operates by set of rules to provide orientation and coordination to the activities of relevant stakeholders (Geels, 2002). Hence, platform decisions have immediate operational impact rather than government regulations that seem distant and unclear.

Looking this phenomenon through Van Dijck's (2021) hierarchical infrastructure dependencies, changes at the intermediary platform level (trunk) automatically cascade to all

sectoral applications (branches) through embedded infrastructural relationships. Indonesian businesses respond to platform governance urgency because they are positioned as dependent actors within these hierarchical infrastructure relationships, while state governance remains external to these dependencies. Contemporary AI system built as a compound technology creates complexity described by Van Dijck's (2021) conceptualization of platformization where intermediary platforms control essential passage points for data flows and market access. This is evident by looking at how ads platforms like Google, Meta, or TikTok have become a passage point that enable businesses to reach consumers and sustain their operability.

The cynicism toward government capacity in formulating AI regulation is justified given technical complexity literacy imbalances between platforms and Indonesian government. Major foreign technology firms control both foundational infrastructure and sectoral platforms which creates dependencies challenging users, advertisers, and government institutions. As Winseck (2017) explains, those who control material infrastructure markets ultimately control data flow structures, making regulatory intervention structurally difficult.

The regulatory gaps also demonstrate frictions with the multi-actor governance framework typically in sociotechnical system. The technology governance often faces challenges that encompass jurisdictional fragmentation, sectoral silos, and temporal lags between technological development and policy responses (Hooghe & Marks, 2002). This framework inadvertently reveals how the governance work beyond state control. Platform infrastructure mediates collaboration terms by controlling essential technical standards, data flows, and economic dependencies. Rather than equal partnership, this collaborative accountability model demonstrates platform governance structuring coordination possibilities while maintaining superior positioning within governance relationships.

Respondents' distinction between low-risk advertising algorithms requiring minimal regulation and high-risk generative AI applications demanding strict oversight demonstrates understanding of what Gillespie (2024) analyses as generative AI's politics of visibility and questions of scale. The risk-proportionate approach reveals how AI governance must address different technological configurations that create varying governance requirements.

Case like C2's observation of data monetization that are operated "without our knowledge" illustrate the risk of privacy intrusion to our lives. According to Gillespie (2024), there is no neutral way to determine governing principles for AI-systems, since these represent cultural and political choices disguised as technical decisions. The demand for fundamental AI governance principles actually reproduces the governance problem by assuming technical systems can implement political values neutrally. This is what communications scholars are trying to negate technology determinism's view of enacting governance purely on algorithm and codes.

Impact scale considerations prove significant with criminal applications like deepfake scams operate at scales exceeding individual platform control capabilities, requiring governance interventions at infrastructure level rather than application-specific regulation. Yet, within contested governance space, this risk-proportionate framework enables strategic platform positioning through technical complexity claims. Each stakeholder interprets accountability principles through their own institutional traditions and practical experiences, revealing how seemingly neutral governance frameworks serve particular interests.

Considering this, simply adding intervention requiring for platforms to reveal their systems such interventions are unlikely to succeed given platforms' capacity to evade regulations undetected (Burrell, 2016; McGuigan *et al.*, 2023; Pasquale, 2015). Taking example from the copyright violations, the transparency requirements should actually apply to the pressing points of algorithmic mechanism that is standardization data provenance to prevent AI systems from modifying copyrighted work. Mechanisms of data provenance solutions exists, such as content authenticity techniques, opt-in/opt-out mechanisms and data documentations standards (Longpre *et al.*, 2024). Standardization of data provenance might prove working through what Geels (2019) mentioned as niche accumulation involving multi-actors from sectoral and local communities to essentially break through the regime that constitutes current platform governance.

Nevertheless, I must acknowledge that regardless the power asymmetries given from the platform governance, these systems provide effective coordination mechanisms identified by velocity of technical advancement and innovation that traditional regulatory processes cannot accommodate. Platform policies can provide consistent global standards that facilitate

international business operations more efficiently than fragmented national regulations. Given the multi-level governance, platforms are also actively seeking legitimacy through state cooperation rather than purely competing with it. However, the main problem is to counter the democratic oversights of the power imbalance that platform governance create. This is to address maintaining platforms' innovation benefits while ensuring accountability to public than solely commercial interests.

Moving Toward Participatory Governance

Understanding AI as sociotechnical infrastructure enables moving beyond technology determinism that treats AI-systems as neutral tools. It is established in previous sections that AI-systems consists of globally interconnected coordination that affects billions of people. However, this section tries to discuss the multi-level scale of governance that might overlooked, the local participations.

Geels (2002) conceptualize the regulations and platform governance from regime level, as set of structures carried by different social groups but providing orientation and coordination to the activities of relevant actors. Regimes account for stability through dynamic innovation that remains incremental.

However, niche concept from Geels (2002) explains the possibility of alternative governance innovation that act as "incubation rooms for radical novelties" which could break out through accumulation and becomes the new regime starting from community-driven governance. The governance of common pool resources defined by Hooghe & Marks (2020), which were cited from Elinor Ostrom's principles, emphasises on the element of sociality based on shared beliefs and preferences, has stable members, expect to interact with each other in the future, and have unmediated relationship. In this context, the common pool resources target specifically towards users' data.

With respondents mostly mentioned AI risks are associated with datafication, a foundational requirement is a robust regulatory framework that both mitigates data harms and empowers citizens in a data-rich world. For Indonesia context, the enforcement mechanisms should be addressed immediately. To the rest of the analysed laws, AI-provisions are required to be added to include the AI-related risks.

Drawing from Hintz's (2024) argument that data is inherently collective, this analysis highlights the limitations of regulatory frameworks that rely primarily on individual consent. If data relations are fundamentally relational and networked, governance mechanisms must extend beyond individual rights to include collective forms of control. Accordingly, regulatory frameworks should enable greater citizen participation in data governance through collective data stewardship models, such as data cooperatives, as well as community involvement in data collection and validation processes. The principle of participatory governance thus reveals that AI systems are not merely technical tools, but complex sociotechnical structures shaped by collective relations and institutional arrangements.

However, Hintz's data justice approach implicitly assumes relatively equal levels of literacy and access across society. In the Indonesian context, implementing cooperative data governance mechanisms would require adequate technical literacy and institutional capacity across the geographically dispersed and socioeconomically diverse population. Respondents acknowledged this limitation, emphasising that strengthening AI literacy is essential for effective AI governance, especially in a context identified from uneven digital infrastructure and relatively low levels of technological literacy.

The regulatory gaps show mismatch between what the regulations is intended for and how the regime operates. This suggests need for governance frameworks addressing infrastructural dependencies rather than merely regulating technological capabilities. However, we could not really avoid deeper issues on the lack of enforcement and policymakers' insufficient capacity on regulating AI which should be addressed immediately.

Creating comprehensive mapping of AI infrastructural dependencies is a good start to identify where problem emerge and apply necessary interventions. Further legal research and policymaking capacity are needed to determine how to address AI-specific provisions specifically to adopt governance principles explainability, transparency, and fairness, which promotes ethical AI. Whether the provisions to be added to the existing regulations or legitimately creating a new of AI act, the challenges of AI should be considered to identify systems of algorithmic control where human-in-the-loop is minimal or non-existence and mitigate the risk of them becomes harmful to the societal lives.

In the contested landscape of governance, platform often gains legitimacy through its practical effectiveness, while state governance is hampered by its implementation and technical limitations. This dynamic leaves users with common resources of data that the power can be slowly addressed to balance the control.

However, alternative data stewardship models present a promising path forward. By matching the infrastructure capabilities of platforms, these alternatives offer a way to challenge platform authority not by relying on external state control, but by building and managing alternative governance infrastructures. This approach provides a concrete pathway for addressing these power imbalances, even amidst the significant contextual challenges present in a country like Indonesia.

CONCLUSION

The analysis reveals three critical regulatory gaps where existing Indonesian laws fail to address AI's unique characteristics. First, algorithmic opacity and control issues demonstrate how platforms employ 'blackbox' systems that marketers cannot understand, contest, or modify, while current EIT and PDP laws lack explainability requirements. Second, generative AI creates novel copyright and data provenance challenges that Indonesian copyright law cannot address, as it defines creators exclusively as "persons" or "human beings," excluding AI-generated works from protection. Third, privacy violations and consent failures reveal fundamental limitations in individual consent models when addressing systemic platform dependencies, particularly evident in SMS marketing and data monetization practices. Moreover, these gaps reflect deeper enforcement and capacity limitations where the absence of supervisory commissions, unclear implementation guidelines, and insufficient policymaker technical literacy create governance vacuums.

I identified two primary motives of regulatory inadequacy that explain why current AI governance fails to address emerging challenges. First, a fundamental misalignment exists between regulations designed for discrete technologies and AI systems that operate as embedded sociotechnical infrastructure. Current laws treat AI applications as isolated technical practices rather than recognizing their function as coordinating mechanisms within

broader digital ecosystems. Second, the presence of platform governance that operates through infrastructural dependency, establishing power relationships that bypass traditional regulatory oversight.

This misalignment manifests most clearly in consent frameworks that shift accountability for data protection to individuals while ignoring systemic data extraction practices that enable violations at scale. The resulting "consent fallacy" and "transparency fallacy" create illusions of user control within systems designed to manage rather than serve users. Such characteristic mismatches must be avoided in future AI governance approaches.

Indonesian digital marketers demonstrate sophisticated understanding of AI governance challenges that extends beyond simple compliance concerns. They perceive regulatory frameworks as serving dual purposes: protecting consumer rights while potentially disrupting operational efficiency. Rather than viewing regulation as purely restrictive, marketers advocate for AI governance that prevents unfair business practices to ensure business continuity and sustainability.

Significantly, marketers recognize that managing sociotechnical coordination requires specialized competencies that create interdependence among multiple actors. Their insights reveal that effective AI accountability demands coordination across these specialized domains rather than expecting any single actor to provide complete governance solutions. This understanding challenges both one-shot legal frameworks and platform self-regulation approaches, instead requiring ongoing stakeholder relationships designed for continuous interaction around evolving AI coordination challenges.

The research explores participatory governance alternatives, particularly data stewardship models such as data cooperatives and community-driven governance mechanisms. These approaches offer potential pathways for addressing power imbalances by building alternative governance infrastructures that match platform capabilities rather than relying solely on external state control.

However, implementing such alternatives in Indonesia faces significant contextual challenges. The approach assumes relatively uniform technical literacy and resource access across society, in contrast Indonesia's digital infrastructure remains uneven and technical literacy varies dramatically across the archipelago. These disparities complicate efforts to

establish community-based governance mechanisms that require active, informed participation from diverse stakeholder groups.

Future research should examine how developing countries can build coherence between existing governance architectures that address digital dependency while maintaining beneficial aspects of global platform integration, particularly focusing on enforcement mechanisms and capacity building strategies suited to archipelagic contexts like Indonesia. Several critical research directions include comprehensive mapping of AI infrastructural dependencies is essential to identify specific intervention points and understand how governance failures propagate through interconnected systems. This mapping should examine not only technical dependencies but also economic and social relationships that platform infrastructure creates and maintains. Second, further legal research must determine how to incorporate AI-specific provisions that address governance principles of explainability, transparency, and fairness. Whether through amendments to existing regulations or new AI-specific legislation, future governance frameworks must account for systems where human oversight is minimal or non-existent while addressing potential societal harms.

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Appendix 1

Questions List

Intro – Use of AI

Explain what are the AI tools that your role is currently requiring you to utilise?

Perspective on AI Governance

What are the legal, business, and social risks that you're aware of in using AI in digital marketing work, especially when AI acts autonomously?

If that risks happen, who do you think is accountable?

Do you think that these practices shall be further regulated? Why?

In your use of AI tools (e.g., ad targeting, content generation), what are the biggest uncertainties or frustrations about what's allowed or prohibited under current Indonesian digital laws?

Regulation oversights

Can you share a time when your team had to modify or halt an AI-driven campaign due to legal concerns? What was the issue?

When implementing AI, which rules (e.g., data collection, transparency) are easiest and hardest to comply with? Why?

If you could design an AI policy for digital marketing, what one rule would you add to protect users without stifling innovation?

What support do you need from regulators to use AI responsibly? (e.g., clearer guidelines, training)

Who do you think should be responsible for governing AI misuse in digital marketing (e.g., government, platforms, self-regulation)? Why?

Privacy risks

What AI-driven marketing practices do you think endanger consumer privacy the most? (e.g., hyper-personalization, voice/data scraping)

Have you seen cases where AI misused data or deceived users unintentionally?

How do you inform users about AI-driven personalization (e.g., ads, recommendations)? Do users truly understand how their data is used?

Do you think Indonesia’s consent mechanisms (e.g., cookie banners) are sufficient for AI-powered marketing? What’s missing?

Appendix 2

Table 2: AI-related Regulations of Indonesia

Law	Summary	Principles	Articles Relevant to AI-based Practice
Law No. 11/2008 on Electronic Information and Transactions (EIT) as amended by Law No. 19/2016 and Law No. 1/2024	Creates legal framework for digital signatures, electronic documents, and cybercrime provisions. Prohibits false information, hate speech, defamation, and threats via electronic systems. Criminal penalties up to 12 years’ imprisonment. Aims to ensure digital system security while protecting public interest and promoting innovation with accountability.	System reliability and security Data protection Public interest protection Fair and accountable digital ecosystem Innovation support	Article 1: Defines Electronic Systems, Electronic Agents (automated systems), Electronic Information Article 8: Recognizes automated electronic agents performing actions Article 15: Requires Electronic System Operators to ensure reliable, secure, and responsible operations Article 16: Sets minimum requirements for Electronic Systems (data protection, authentication, availability) Article 40: Government role in facilitating technology use and protecting public interest

			Article 40A: Government responsibility for creating fair, accountable, safe, and innovative digital ecosystem
Law No. 27/2022 on Personal Data Protection (PDP)	<p>Establishes data subject rights, controller obligations, lawful processing bases, cross-border transfer rules, and independent supervisory authority.</p> <p>Lists data subject rights including modification, deletion, objection, and right to be forgotten. Requires impact assessments for high-risk processing.</p> <p>Administrative sanctions up to 2% of annual revenue.</p> <p>Protects personal data as human right while regulating automated</p>	<p>Lawful basis for processing</p> <p>Data minimization</p> <p>Purpose limitation</p> <p>Transparency</p> <p>Security measures</p> <p>Data subject rights</p> <p>Retention period of data storage</p> <p>Accountability</p>	<p>Article 4: General type of personal data includes combined personal data to identify someone (could be referred to data modelling)</p> <p>Chapter V: Rights of Personal Data Subject: modify, access copy, end and eliminate, revoke consent, objecting on automated decision-making process including profiling, that raises legal consequences or significantly impact personal data subject, postpone and limit process, sue and receive compensation due to violation.</p> <p>Exceptions to sue/object data processing if for supporting government administration</p>

	processing and ensuring international standards alignment.		<p>Article 16: Types of data processing including automated analysis</p> <p>Article 19-20: Data Controller obligations</p> <p>Article 58: Establishes data protection authority</p> <p>Article 59: Authority functions including policy formulation, supervision, enforcement</p> <p>Article 60: Authority powers including investigations and sanctions</p>
<p>Law No. 28/2014 on Copyright</p>	<p>Protects original works in science, arts, and literature with economic rights lasting life plus 70 years, moral rights protection, and collective management provisions. Criminal penalties up to 4 years imprisonment for infringement. Safeguards creators' economic and moral</p>	<p>Original expression protection</p> <p>Economic rights (reproduction, distribution, adaptation)</p> <p>Moral rights (attribution, integrity)</p> <p>Fair use limitations</p> <p>Collective management</p>	<p>Article 9: Exclusive economic rights of the creator to adapt, arrange, or transform a creation. Prohibited to doing so without the creator's permission</p> <p>Article 10: Creator's moral includes the right to having their name credited on their work, preventing a work from being distorted or modified in a way that harms their honour or reputation</p> <p>Article 40: Defines derivative works, such as adaptations,</p>

rights while supporting creative economy development and balancing creator rights with public access according to international IP standards.	Digital rights management	modifications, and databases, as protected creations Article 44: Exceptions to copyright infringement for educational purposes or research
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Appendix 3

Table 3: Main Themes Elaboration

Themes	Sub-themes	Description	Excerpt Examples
Need AI-specific Provisions	Algorithmic Opacity & Control	Risk regarding to algorithmic systems due to opaque system causing marketers unable to fully control	We don't really know how the AI system judges content effectiveness. They never tell us how the AI works; they just say, 'just trust the system.' When we challenged the product team on how it works, nobody could answer. Only the engineers probably know how it works – P2
	Data Provenance	Transparency towards what data is used for AI-training datasets ensuring copyrighted, sensitive data	The core problem is whether the image is something is ethically generated from the start. It's a very gray area, and there's a lot of debate (related to copyrighted training data) when those

		emerged in AI-generated outputs	images are enhanced and then used by advertisers with a lot of money to promote something - C2
Governance Blind Spots	Privacy Violations	Cases or risks of privacy violations that marketers found related to personalized marketing and behavioural advertising	When consumer data is abused, it's often to a degree where we have no idea what has been done with our information. It's as if our data has no value. For example, you sign up for insurance, and then your data gets spread to other insurance companies for marketing purposes - C3
	Weak implementation	Instances that indicate weak implementation of existing regulations enforcements (EIT, PDP, Copyright)	If a platform or company violates regulations, you must ensure to monitoring and enforcement. If the motive of policy is for the best interest of the people, so it must be enforced. When you have a functioning monitoring and enforcement system, that can provide assurance to people - C1
AI Misuse Accountability	Collaborative governance	Identified actors who held accountability towards risks of AI misuse. Government, platform owner/AI	When it comes to regulation, please invite experts to the policymaking process. Usually, only a handful of people are invited - C6

		company, and user/deployer are mentioned to be responsible to implement AI governance	Meanwhile, X Association bring up topics but don't bring them to the government, so it's hard to know where to even begin. But at least what we can do within our control, we protect - A2
Governance Principles	Capacity Building	Mitigation for AI governance in Indonesia to improve knowledge, awareness, technical and governance capacity for every stakeholder	In a way, technology itself isn't wrong. It was created to make our lives easier. It's the users who need to be truly wise, which is why educating people on how to use AI is incredibly important. Beyond that, the psychological well-being of people also needs to be strengthened so they can healthily confront developing technology. That way, they'll know which norms are good, what's right and what's wrong, what to do, and so on - CR1
	Risk-proportionate regulation	Levelled model of protective measures which should be calibrated to the actual risk level purposely to balance innovation/economic growth and protections	Regarding the usage side of things, specifically with AI, I'm not sure if it truly needs to be regulated or if it's enough to simply educate consumers. That's because there are many limitations we can't really access or keep up with - C3

