

PLATFORM SOVEREIGNTY AND LEGAL REFORM IN INDONESIA: ALIGNING WITH GLOBAL FOR A DIGITAL FUTURE

SOBERANIA DA PLATAFORMA E REFORMA LEGAL NA INDONÉSIA:
ALINHANDO-SE COM O GLOBAL PARA UM FUTURO DIGITAL

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Abstract

Indonesia is entering a critical stage in its transition to digitally integrated economy, yet its regulatory frameworks remain insufficient to address the structural dominance of global digital platforms. Presidential Regulation Np.32/2024 on Publisher Rights (Perpres 32/2024) was introduced to establish more balanced economic relationship between local media and digital platforms. However, the absence of clear implementation mechanism has rendered the regulation largely ineffective. At the same time, the Law No. 5/1999 on Antitrust relies on ex-post mechanism and ill-equipped to content asymmetric power in platform-mediated advertising, algorithmic content control, and data mining. Drawing on international comparative models such as European Union's Digital market Acts (DMA) and Digital Services Act (DSA), Germany's competition law reform, and

Resumo

A Indonésia está entrando em um estágio crítico em sua transição para uma economia digitalmente integrada, mas suas estruturas regulatórias permanecem insuficientes para lidar com o domínio estrutural das plataformas digitais globais. O Regulamento Presidencial Np.32/2024 sobre Direitos do Editor (Perpres 32/2024) foi introduzido para estabelecer uma relação econômica mais equilibrada entre a mídia local e as plataformas digitais. No entanto, a ausência de um mecanismo de aplicação claro tornou o regulamento amplamente ineficaz. Ao mesmo tempo, a Lei nº 5/1999 sobre Antitruste se baseia em mecanismo ex-post e mal equipado para conteúdo de poder assimétrico em publicidade mediada por plataforma, controle algorítmico de conteúdo e mineração de dados. Com base em modelos comparativos internacionais, como as Leis do Mercado Digital



Australia's News Media Bargaining Code (NMBC), this article argues for hybrid regulatory approach that employs ex-ante obligations alongside media-sector protections. It proposes five key reforms: modernization of Indonesia's antitrust law to include digital-specific provisions, replacement of Perpres 32/2024 with binding Publisher Rights law, establishment national digital markets authority, cross sectoral harmonization, and capacity building for local media and SMEs. The article concludes that integrated legal reforms across competition, and data governance is essential for Indonesia to achieve digital sovereignty, ensure equitable value distribution in platforms ecosystem, and sustain a diverse and competitive media sector.

Keywords: Publisher Rights. DMA. DSA. Antitrust. Digital Platforms. Hybrid Regulatory Model.

(DMA) e a Lei de Serviços Digitais (DSA) da União Europeia, a reforma da lei de concorrência da Alemanha e o Código de Negociação de Mídia de Notícias (NMBC) da Austrália, este artigo defende uma abordagem regulatória híbrida que emprega obrigações ex-ante juntamente com as proteções do setor de mídia. Ele propõe cinco reformas principais: modernização da lei antitruste da Indonésia para incluir disposições específicas digitais, substituição do Perpres 32/2024 pela lei vinculativa de Direitos do Editor, estabelecimento de autoridade nacional de mercados digitais, harmonização intersetorial e capacitação para mídia local e PMEs. O artigo conclui que reformas legais integradas em toda a concorrência e governança de dados são essenciais para que a Indonésia alcance a soberania digital, garanta a distribuição equitativa de valor no ecossistema de plataformas e sustente um setor de mídia diversificado e competitivo.

Palavras-chave: Direitos do Editor. DMA. DSA. Antitruste. Plataformas Digitais. Modelo Regulatório Híbrido.

1 INTRODUCTION

Indonesia is entering the era of “new economy”, characterized by the increasing role of digital platforms, datafication, and algorithmic governance. This transformation has produced platform-dominated economy structure, where global technology firms, commonly known as “Big-Tech” such as Google, Meta, Apple, and Amazon have shifted from content distributors to gatekeepers, shaping how information, commerce and public discourse distributed and consumed in the digital space. In their influential essay, *The Rise of the Platform Economy*, Kenney and Zysman (2016) explain how platforms differ from traditional firms by structuring large user bases and extracting value from data and network effects, making them uniquely powerful and resistant to conventional regulatory tools. Kenney and Zysman (2020) observe that with their largest dataset and the most computational power, the platforms are best positioned to dominate AI infrastructure, reinforcing their already entrenched market power. Zuboff (2019) characterizes this phenomenon as “surveillance capitalism” whereby platforms unilaterally claim personal data as raw material to be converted into behavioral predictions, which further deepens asymmetric power between digital platform and users.

In this environment, traditional sector such as media and publishing face an unprecedented structural imbalance. Digital platforms now control visibility, audience engagement, and digital advertising revenue, in the case of Indonesia is more than 70% (Sudiby), leaving the local news organization with little bargaining power. As a response, government of Indonesia enacted Presidential Regulations no. 32/2024 on Publisher Rights, aimed at addressing this imbalance by requiring platform to negotiate revenue sharing with news publishers. However, the regulation suffers from critical shortcomings, it lacks enforcement mechanism, independent oversight, and statutory obligations, and remains heavily reliant on voluntary cooperations from dominant digital platforms. As a result, since came into force for more than nine months ago, it has failed to address asymmetric distribution of digital advertising revenues.

Moreover, the Perpres 32/2024 operates in isolation from Law No.5/1999 on the Prohibition of Monopolistic Practices and Unfair Business Competition (Antitrust Law) which still relies on ex-post enforcement, suited to industrial era markets. The law does not sufficiently address the distinctive features of digital markets, including multi-sided market (Wilding et al., 2018), algorithmic self-preferencing (Kittaka, Sato, and Zenny, 2023) and data-driven network effects (Castells, 2010; Zuboff, 2019). As platforms continue to control data, audience reach, and monetization via AI-enhanced infrastructures, there is urgent need for comprehensive legal reforms.

This article contends that Indonesia needs a hybrid regulatory framework that combines binding Publisher Rights regulation, ex-ante competition rules, and institutional enforcement. Drawing on European Union (EU)'s Digital Markets Act (DMA) and Digital Services Act (DSA). Australia's News Media Bargaining Code and UK's Digital Markets, Competition and Consumers Act (DMCC Act), the article outlines a pathway toward reclaiming regulatory authority and rebuilding digital sovereignty. Without timely reform, Indonesia risks entrenching foreign platform dominance, undermining media pluralism, and sacrificing its ability to govern its digital future.

2 LITERATURE REVIEW

Crucially, Indonesia does not require foreign digital platforms to establish a legal entity within its jurisdiction: instead, compliance is limited to registration and the appointment of local representatives. While this minimalist approach lower

administrative burdens, it also limits state capacity to enforce sector-specific obligations such as taxation, dispute resolution, or content moderation, particularly in the context of publisher rights and digital sovereignty (Flew et al., 2021). As digital platforms continue to mediate access to news and public discourse, Indonesia's regulatory architecture must move toward an impact-based model that differentiates obligations based on a platform's role and influence in the digital ecosystem (Van Dijck et al. 2018).

In Indonesia, digital platforms fall under the two main legal frameworks: ITE Law and Law No.5/1999. ITE Law serves as foundational legal basis for digital operations, focusing on cybercrime, defamations, and admissibility of digital evidence. Further ITE Law implementing regulations, namely Government Regulation No. 71/2019 on the Operation of Electronic System and Transaction (GR 71/2019) outlines operational obligations for electronic system provider, including mandatory registration and data localization. Ministerial Regulation No. 5/2020 on Private Scope of Electronic System Operators (MR 5/2020) adds further rules for private sector platforms, including content moderation procedures and mechanisms for public complaints. The ITE Law and its derivatives, however, do not engage with economic and structural implications of platform operations such as algorithmic governance, data-driven market control, or equitable revenue-sharing with content creators or news publishers.

ITE Law and its implementing regulations do not provide an explicit definition of digital platform. Instead, primary regulatory instruments, they refer more broadly to Electronic System Operators, encompassing both domestic and foreign entities that deliver digital services to users in Indonesia. This umbrella term includes diverse array of such as social media, e-commerce, streaming platform, and search engine without differentiating based on their specific functions or levels of public influence. From a media governance perspective, however, it is important to differentiate between platforms that actively facilitate user interaction and content dissemination (e.g. YouTube, TikTok) and those that primary function as indexing tools (e.g. Google Search) which aggregate and display third-party content. As Gillespie (2010) argues, platform functionality shapes their societal role and regulatory responsibility, and thus should be reflected in legal and policy frameworks.

Law No.5/1999, the Indonesia's antitrust statute, applies to all commercial entities including digital platforms. It provides Komisi Pengawas Persaingan Usaha (KPPU), the independent competition commission with the authority to investigate and sanction anti-

competitive conduct by global digital platform such as Google and Grab. However, the law remains grounded in industrial-era conception of market abuse, emphasizing ex-post enforcement and price-based assessment. The law lacks mechanisms for addressing non-price effect such as algorithmic discrimination, data monopolization, and platform gatekeeping, phenomena typical of digital, multi-sided market.

This regulatory gap has enabled digital platforms, particularly Google and Meta, to consolidate dominance over Indonesia media and advertising ecosystem. By controlling distribution channels, monetization algorithms, and digital advertising flows, these platforms have eroded traditional media's bargaining power. As advertising revenue migrate toward global digital platforms, local publishers are left without sustainable economic model, exacerbated by the voluntary and non-binding nature of Perpres 32/2024. This regulation lacks enforcement mechanism, independent oversight, and statutory obligations, leaving the publishers exposed to asymmetrical negotiations and declining market share.

Globally, legal scholars have highlighted similar regulatory deficiencies and have called for reassessment of the adequacy of existing regulatory frameworks. Major platforms such as Google, Meta, Apple, Amazon and others have operated within legal system that often classify them as intermediaries rather than publishers, thus shielding them from traditional liabilities and regulatory scrutiny. In the United States, Section 230 of the Communications Decency Act provides platform with immunity from liability for third party content while allowing broad discretionary power in content moderation. As Bossio et al. (2022) observe, this creates regulatory paradox in which platforms act as both infrastructure and gatekeepers without corresponding public accountability. Similarly, Keller (2018) argues that internet platforms are increasingly central to speech and commerce but remain outside the bound of democracy governance, thus posing risks to transparency and public oversight.

This legal framing is widely seen as contributing directly to platform dominance. Zuboff (2019) characterizes digital platforms as central agents of surveillance capitalism, leveraging vast datasets to predict and monetize user behavior. Kenney and Zysman (2016) emphasize that platform dominance is not merely a function of scale, but of ecosystem control, data access, and network entrenchment. Yet, weak antitrust framework which focusses primarily on consumer prices are ill equipped to address these structural dynamics.

In response, growing consensus among scholars and policy bodies calls for hybrid regulatory reform: combining antitrust law modernization with sector-specific legislation on publisher rights. This address both the market power of platforms and the economic vulnerability of content producers. Marsden (2022), Ghosh (2021), and Meese and Hurcombe (2020) have all highlighted the limitation of treating platforms solely as competition issues or solely as media regulation problems. Instead, they argue for integrated frameworks that combine ex-ante obligations, structural remedies, and algorithmic transparency to counter platform concentration while protecting democratic discourse and sustainable journalism.

In the Indonesian context, this hybrid model necessitates not only the updating the ITE Law and introduction of binding statute on publisher rights, but also a comprehensive reform of Law No. 5/1999 to incorporate digital-specific provisions. These should include mechanism to address self-preferencing, data monopolies, algorithmic discrimination, and the gatekeeping function of dominant platforms in two-sided market.

The theoretical foundation for this reform is well established. Jean Tirole's works on two-sided markets and digital competition (2017) has laid the theoretical foundation for regulating platform not just through market product but through structural intervention. Tiroles advocates for rules that anticipate market tipping and account for information asymmetries, especially in the sectors where platforms act as unavoidable trading partners. Tim Wu (2018), in *The Curse of Bigness*, warns that unchecked digital monopolies undermines both economic freedom and democratic governance. He then calls for aggressive antitrust action including breakups and algorithmic audits. Lina Khan (2017), in her ground-breaking article *Amazon's Antitrust Paradox*, critiques the consumer welfare standard and argues for a reconceptualization of antitrust laws grounded in the structural market power and exclusionary conduct.

The EU'S DMA and DSA exemplify this integrated approach. The DMA (Regulation EU 2022/1925) imposes a binding set of ex-ante obligations on large digital platforms designated as gatekeepers, defined by their significant and sustained influence across the EU markets. These include firms with annual EU turn overs above EUR 7.5 billion or a market valuation over EUR 75 billion, at least 45 million monthly active users, and a proven entrenched power over three years (Article 3). Gatekeepers must refrain from self-preferencing, ensure interoperability of core services, and provide access to platform data for competitors, all without requiring prior findings of abuse or market

harm. Important to note that the DMA does not replace traditional EU Competition Law under Article 101 and 102 of the Treaty on the Functioning of the European Union (TFEU). Rather, it is explicitly complimentary, intended to address systemic conduct that is difficult to remedy through case-by-case litigation. The European Commission, supported by “high-level group” of national regulator, hold investigative and enforcement authority, including the power to audit algorithms and impose fines up to 10% of global annual turnover. Operating in tandem, the DSA (Regulation EU 2022/2065), focusses on platform accountability in areas such as content moderation, algorithmic transparency and systemic risk. It targets Very large Online Platforms (VLOPs) and Very large Online Search Engine (VLOSEs), which uses same 45 million threshold and imposes obligations for non-algorithmic recommendation option (article 27) and external audits (Article 34-35). Together, the DMA and DSA represent a dual tract approach: economic regulation via the DMA and informational governance via the DSA.

The United Kingdom has adopted a similar trajectory through Digital Markets, Competition and Consumers Act (DMCC). The DMCC establishes a digital Market Unit (DMU) within the Competition and Markets Authority, tasked with imposing proactive obligations on firms with Strategic Market Status. Like the DMA, the DMU’s mandate is preventive, enabling structural remedies before market failure occurs. Earlier, Germany amended its Competition Act (GWB) in 2021 to introduce Section 19a, granting the Federal Cartel Office (Bundeskartellamt), ex-ante powers to regulate large digital platforms deemed to have “paramount significance for competition across markets”, particularly in multi-sided digital ecosystems. Prohibitions under Section 19a include self-preferencing, restriction on interoperability, and excessive cross-market data integration, anticipating many of the concerns which later codified in the DMA. In Asia-Pacific region, Japan Fair Trade Commission (JFTC) has adopted ex-ante guidelines to ban restrictions on third-party app stores, self-preferencing, and lack of interoperability, aligning with DMA principles (JFTC, 2023). Similarly, South Korea is advancing legislation with even stricter provisions, including mandatory algorithmic transparency, bans on exclusive payment systems (e.g. Never Pay) and penalties up to 6% of global turn over for violations (2024).

While the EU and others have opted for systemic regulation, Australia has adopted more pragmatic, sector-specific strategy. Rather than overhauling its competition laws, Australia introduced the News Media and Digital Platforms Mandatory Bargaining Code

(NMBC) in 2021 to address market imbalances between dominant platforms and local media outlets. The NMBC requires designated platforms such as Google and Facebook to negotiate revenue-sharing agreements in good faith with eligible news publishers (Osborne, 2020). If negotiation fail, the ACCC initiated final-offer-arbitration, a form of baseball-bat arbitration (Miller 2020) to enforce resolution without judicial delay. Although no platform has been formally designated due to preemptive compliance by Google and Meta, the regulatory threat itself proved effective. Studies indicate that the NMBC successfully facilitate financial transfer to local media without litigation (Dwyer et al., 2023). The Australian model illustrates that incremental reform can be effective, something Indonesia can emulate while its full legal overhaul is still under discussion.

These literatures suggest that hybrid legal framework, anchored in both competition law and media regulation, are essential to confronting the layered form of dominance exercised by digital platforms. In the Indonesia context, where competition law remains outdated and Perpres 32/2024 lacks legal enforcement and operates outside the scope of antitrust reforms, this convergence is not just advisable but imperative. Structural reform must be guided by international best practices while tailored to Indonesia's institutional landscape, legal tradition, and media ecosystem.

Ultimately, the need for legal reform is not merely a reaction to global trends but a response to fundamental shifts in market structure, communication power, and governance norms. As digital platforms increasingly operate as transnational infrastructures with local impacts, Indonesia must articulate a sovereign regulatory agenda to ensure fair competition, protect independent journalism, and secure an equitable stake for domestic actors in the platform economy.

3 RESEARCH METHODOLOGY

This study adopts a qualitative, doctrinal legal research approach, complemented by comparative legal analysis. The research is primarily normative in nature, assessing the adequacy and coherence of Indonesia current legal framework, namely Law No.5/1999 on Prohibition of Monopolistic Practices and Unfair Business Competition (Law No. 5/1999), Law No 11/2008 on Electronic Information and Transaction, as amended (ITE Law), and its implementing regulations, and Perpres 32/2024, in governing the operations and market behavior of digital platforms. The study focusses on enforcement

gaps, institutional fragmentation, and the capacity of these legal instruments to address structural and algorithmic dominance.

Primary legal sources include statutory text, regulatory decision (notably from KPPU), and judicial rulings in Indonesia. Secondary resources include academic literature, government policy documents, and institutional reports from bodies such as Australian Competition and Consumer Commission (ACCC) and the European Commission (EC) with particular focus on its enforcement limitations and its role. The study also incorporates cases studies on antitrust enforcement involving major digital platforms, such as Google, in both Indonesia and other jurisdictions.

To inform reform proposals, the study employs comparative legal analysis by mapping Indonesia legal frameworks against emerging model, including EU's DMA and DSA, UK's DMU, Australia's hybrid approach under the NMBC. This comparative lens facilitates the evaluation of regulatory tools such as ex-ante obligation, algorithmic transparency requirements, self-preferencing prohibitions, and revenue-sharing mandates.

Rather than proposing wholesale adoption of foreign laws model, this study identifies regulatory principles and institutional designs that can be adapted to Indonesia's socio-legal context. By combining doctrinal analysis and comparative insights, the study supports the development of coherent regulatory architecture which will ensure fair competition, sustainable media ecosystem, and safeguard national digital sovereignty in an increasingly platform-dominated economy.

4 DISCUSSION

4.1 Forms of platform dominance in indonesia's media and digital economy

Indonesia is the South-East Asia's largest digital economy, projected to reach US\$ 130 billion in 2025 (Google, Temasek, Bain & Company, 2024). With over 185 million internet users, major digital platforms such as Google, Meta (Facebook and Instagram), YouTube and TikTok, have entrenched themselves as infrastructures in the media and digital economy (We are Social 2024). Global digital platform dominate Indonesia's digital economy through control over advertising revenues, content distribution, user

data, and opaque algorithms. These elements combine to create deep structural imbalances between platforms and local media, regulators and public.

- a. Dominance over Digital Advertising Revenue.** Indonesia digital advertising market has grown exponentially, valued at USD 3.6 Billion in 2023 and projected to surpass USD 6 Billion in 2026. However, over 70% of this spending captured by dominant platform, where Google and Meta together account for approximately 64% of total national ad revenue (Sudiby). This concentration leaves local publishers to compete for shrinking fraction of the market. As a result, Indonesian publishers are effectively locked-out of the digital revenue stream. ACCC (2021) describes this as a “systemic imbalances in bargaining power”, where platforms control access both audiences and advertises, and unilaterally set the terms of engagement.
- b. Gatekeeping in Content Distribution.** The algorithmic architecture of platforms determine which news content are amplified, monetised, or suppressed. A Study by Johann et al. (2023) found that news content contributes significantly to user engagement on platforms like Facebook and Google News, yet publishers have limited control over how their content is prioritised or monetised. As platforms have become the dominant gateway to news, they exercise de facto editorial control without the legal responsibility traditional publishers. Local newsrooms face mounting pressures to optimise content for algorithmic visibility. This undermines editorial independence and encourages sensational headline, misinformation, and polarising narrative, especially in politically sensitive period such as election. According to Indonesian Anti Slander Society (MAFINDO), disinformation-related case increased by 45% in the run-up to the 2019 national elections. Without robust content governance mechanisms, publishers will continue to struggle to balance free speech and public safety.
- c. Data Monopolies and Predictive Analytics.** Global platforms extract and monetise vast amount of behavioural data, enabling them to dominate digital advertising through micro-targeting and content personalisation. A report by OECD (2021), data-driven advertising account for 88% of Google’s and 97% of Meta’s global revenue. Indonesian SME’s and media lack access to such data infrastructures, reinforcing dependence and entrenching asymmetry in data value chains.

- d. Algorithmic Opacity and Lack of Accountability.** Platform operate as opaque “black boxes” (Pasquale, 2015) with automated systems that govern visibility, moderation, and monetisation but are shielded from public scrutiny. The opacity incentives clickbait, as a creator s game engagement algorithms with misleading headlines and visuals. A Reuters Institute report found that clickbait headlines yield up to 70% higher engagement (2022). Without transparency mandates or independent audits, platforms retain unchecked influence over public sphere.
- e. Platformisation of Public Services and Infrastructure.** Companies like Gojek and Grab have expanded into finance, logistic and public utilities. As of 2023, Gojek commands over 55% of ride-hailing market, while its wallet service GoPay holds about 30% of Indonesia’s digital payment sector (Statista, 2023). This integration of platform services into public infrastructures raises concerns about data monopolies, cross-sector dominance, and regulatory coherence.
- f. TikTok-Tokopedia and Self Preferencing Risks.** In 2024, TikTok acquired a 75% stake in Tokopedia, triggering regulatory concern from KPPU. The merger raised alarms over potential self-preferencing and ecosystem lock-in. In response, KPPU required that the merged entity ensure interoperability in logistics and payment, avoid preferential treatment of its own services, maintain non-discriminatory visibility for third party merchants, and provide seller autonomy in cross-platform promotion (KPPU, 2024). These remedies mirror obligations under the EU’s DMA, signifying Indonesia’s gradual shift towards ex-ante oversight. The case underscores how vertical integration can entrench market dominance if not addressed by strong, forward looking regulation.

Taken together, these forms of dominance reveal structural imbalances that cannot be addressed through traditional, ex-post enforcement or voluntary compliance. Indonesia needs a more robust, proactive and enforceable regulatory framework that promotes digital sovereignty, fair competition and democratic value. Strengthening digital sovereignty is key to ensuring that economic benefit of the digital economy such as revenue and data-driven services are retained and fairly shared within the country, rather than flowing mostly to foreign digital platform firms.

4.2 Reform pathways for regulating platform power in Indonesia

The findings from Indonesia's current regulatory landscape demonstrate the limitations of ex-post enforcement model in addressing the structural dominance of digital platforms. Both Law No. 5/1999 and Perpres 32/2024 fall short in confronting systemic challenges posed by digital gatekeepers.

A recent landmark case illustrates this gap. In January 2025, KPPU, found Google guilty of abusing its market power by mandating the use of Google Play Billing for in-app purchases. This practice forced app developers to pay service fees of 15–30%, restricted alternative payment systems, and reduced their control over pricing and revenues. KPPU ordered Google to stop enforcing this billing mandate and to implement a fairer “User Choice Billing” model with discounted fees. The fine of Rp 202.5 billion (approximately USD 12.5 million) was among the highest imposed on a tech company in Indonesia. (KPPU, 2025). The case highlights KPPU's increasingly progressive posture in scrutinizing digital platforms, signalling a shift toward stronger enforcement in the digital economy. While KPPU's action is commendable, however, the process itself was slow: the preliminary investigation began in mid-2024, and the final ruling came nearly two years later. In the meantime, Google's practices remained in place, continuing to distort market competition. This lag demonstrates the structural weakness of an ex-post enforcement model, where regulators act only after harm occurs. Earlier, the Grab-TPI case illustrates KPPU's progressive efforts in addressing platform dominance but also highlights the limitation of Indonesia's current antitrust laws. KPPU fined Grab and TPI for discriminatory treatment against non-TPI drivers-partners. However the decision was overturned at both the appellate and supreme court levels. This failure stemmed for the difficulty of proving algorithm-driven discrimination and exclusive arrangements under an ex-post legal framework that focuses on price-based assessments. The case underscores the need to reform competition law by adopting an ex-ante approach that would allow regulators to act preventively against potential abuse of market power by digital platforms.

The urgency of legal reform is underscored by international trends, where jurisdictions such as EU, Germany, Korea, and Japan have moved decisively toward ex-ante regulatory framework. These models recognize that addressing platform power requires proactive rules such as transparency, fairness and non-discrimination that

prevent harm before it occurs. These international experiences signal a growing consensus that governance of digital markets must evolve beyond retrospective enforcement toward anticipatory regulation. For Indonesia, aligning with this global shift is not only strategic but necessary to assert regulatory sovereignty, protect local media and foster a more equitable digital economy.

In light of these challenges and global regulatory shifts, this study proposes five key recommendations to guide Indonesia toward a more effective and future oriented platform governance framework.

First, the revision of Law No.5/1999 is indispensable. The existing framework is inadequate to deal with the realities of digital markets, particularly the complex dynamic of two-sided platform, algorithmic bias, and data monopolies. Structural reforms should include provisions that address platform-specific conduct such as self-preferencing, vertical integration, discriminatory access, and algorithmic opacity. Critically, the inclusion of ex-ante obligations, similar to those under the EU's DMA would allow Indonesian regulator to intervene proactively before harm occurs, rather than relying solely on slow and uncertain ex-post adjudication. This shift is supported by Lina Khan's structuralist approach to competition law, Jean Tirole's economic theory on market tipping in multi-sided platforms, and Tim Wu's advocacy for stronger antitrust frameworks to curb digital monopolies.

Second, digital-specific regulations, namely ITE Law and its implementing regulations should be revised to reflect the evolving nature of digital services. This includes introducing clear definitions of digital platforms, delineating their roles and responsibilities, and establishing obligations for platforms with significant market power. Updating the ITE Law will position Indonesia to strengthen digital sovereignty, ensure a level of playing field, and promote accountability across the digital ecosystem. In media sector, Perpres 32/2024 should be upgraded into binding legislative instrument. As it stands, the Perpres lacks coercive power, independent enforcement, or clear procedural guidelines for revenue-sharing negotiations. Replacing it with comprehensive Publisher Rights law address these shortcomings by embedding enforceable obligations, arbitration mechanisms, and algorithmic transparency provisions. This transformation would mirror Australia's NMBC, which has demonstrated measurable success in rebalancing bargaining asymmetries without impeding platform innovation.

Third, Indonesia should establish an independent digital market authority, akin to the UK’s DMA or the European Commission’s High -Level Group under the DMA. This body would centralize oversight, conduct algorithmic audits, and facilitate coordination across sectoral regulators which include KPPU, Ministry of Communication and Digital, and Ministry of Trade. Its mandate should extend beyond competition enforcement to encompass data governance, consumer rights, and media diversity.

Fourth, regulatory harmonization is essential. When privacy, competition, and media regulation operate in silos, it weakens regulatory coherence and enforcement. Aligning digital-specific provisions across these areas: the revised Antitrust Law, the updated ITE Law, the new Publisher Rights Law, and the Personal data Protection Law (PDP Law), will improve clarity, reduce overlap, and ensure more consistent and effective regulation

Fifth, Strengthening the capacity of local media and small business is critical to ensure their meaningful participation in the digital economy. These actors lack the legal, technical, and financial resources to assert their rights in platform negotiations. Public funding, legal aid, and algorithmic literacy programs can enhance their participation in the digital economy and reduce dependency on dominant platforms.

Lastly, the proposed reforms must reflect Indonesia’s commitment to digital sovereignty. As platform infrastructures increasingly shape public discourse, economic exchange, and political engagement, regulatory autonomy becomes a matter of national interest. This sovereignty must be expressed not only through domestic legislation but also through active participation in global norm-setting around digital governance.

Chart 1.

Summary of Reform Recommendation

Reform Area	Recommendation	International Parallel
Antitrust Law	Revise Law No. 5/1999 to address self-preferencing and data monopolies	DMA), Khan (2017), Tirole (2017)
ITE Law	Update ITE Law to include clear definition and scope of the digital platforms, market dominance, revenue cooperation	DMA and DSA
Publisher Rights		DMA, NMBC

	Upgrade Perpres 32/2024 to a binding law with coercive power and enforceable obligations	
Digital Regulator	Establish an independent national digital market authority	EU High-Level Group, UK's Digital Markets Unit (DMU)
Legal Harmonization	Align regulations across competition, data protection, and media sectors	DMA/DSA model
Support for Local Media and SMEs	Provide public funding, legal aid, and algorithmic literacy training	ACCC and NMBC framework

In sum, Indonesia's reform agenda must be bold, integrated and anticipatory. By embedding ex-ante regulatory tools, strengthening institutional capacity, and harmonizing cross-sector laws, Indonesia can build a resilient and equitable digital economy that supports fair competition, sustainable journalism ecosystem and national digital sovereignty.

5 CONCLUSION

Indonesia stands at a pivotal juncture in the governance of its digital economy. As global platforms increasingly dominate digital advertising, information flows, and public discourse, the limitations of Indonesia's existing legal framework, especially its reliance on ex-post enforcement have become more apparent. Comparative experiences from the European Union, Australia, and the United Kingdom show that voluntary, reactive, and fragmented regulatory models are inadequate in addressing the layered and systemic nature of platform power. These jurisdictions are moving toward integrated frameworks that prioritize ex-ante obligations, algorithmic transparency, and institutional independence. This global regulatory momentum presents a timely opportunity for Indonesia to realign its digital governance with emerging international norms. By embracing a forward-looking, hybrid regulatory approach, Indonesia will not only address domestic structural gaps but also assert its digital sovereignty and shape a more equitable, transparent, and resilient platform economy.

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Authors' Contribution

Both authors contributed equally to the development of this article.

Data availability

All datasets relevant to this study's findings are fully available within the article.

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