

Online Dispute Resolution (ODR): Pillar of a Modern and Inclusive Judicial System in Indonesia



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ABSTRACT: Many facets of society, including the legal profession, have been profoundly impacted by the development of information and communication technology. A quick and effective resolution process is required in Indonesia due to the growing number of legal disputes. According to Article 1(10) of Law No. 30 of 1999 on Arbitration and Alternative Dispute Resolution, the rise of Alternative Dispute Resolution (ADR) provides non-litigation methods such as mediation, negotiation, and arbitration, even though traditional litigation is still a last resort. As technology advanced, alternative dispute resolution (ADR) gave way to online dispute resolution (ODR), which combines digital platforms and the internet to provide distant and economical dispute resolution procedures.

This study looks at how ODR helps Indonesia develop a contemporary, inclusive legal system. It emphasizes how ODR may be used to resolve issues like case.

KEYWORDS: Online Dispute Resolution, Inclusivity, Modern Justice System, Digital Transformation, Implementation ODR

I. INTRODUCTION

The advancement of information and communication technology brings about significant changes in many areas of life, including the legal profession. Because Indonesia has so many legal conflicts, it is critical to take prompt and accurate action to resolve them. Essentially, the fundamental concept of law is that it should be used as an *ultimum remedium*, or as a last option, if other attempts to address an issue fail. This phenomena introduces new obstacles to dispute settlement, resulting in the establishment of non-legal dispute resolution techniques known as Alternative Dispute settlement (ADR). Article 1, paragraph 10 of Law Number 30 of 1999 concerning Arbitration and Alternative Dispute Resolution says that ADR is an institution for settling conflicts outside of the court, with processes agreed upon by both parties through measures such as consultation.

During the development of ADR, the method of resolving disputes in the form of Online Dispute Resolution (ODR) was introduced, which is an alternative method of resolving disputes that uses electronic media and internet networks in the process, hence reducing physical expenses. When compared to traditional litigation, ODR provides faster, easier, and less expensive solutions because it is conducted online, eliminating the need for clients to travel to court because the process can take place anywhere and at any time.

The use of ODR is a method of modernizing the legal system in the digital age. The advancement of technology now allows ADR to be carried out in a more efficient manner. For example, major countries such as the United States and Europe have adapted to ODR as a means of addressing problems in the real world (cybercrime), allowing ODR to become one of the primary methods of.

It cannot be denied that the Indonesian legal system is heavily influenced by traditional dispute enforcement methods. There has been a shift in the Indonesian population's willingness to adapt to digital media, which is due to a variety of factors, the most notable of which being a lack of literacy and technological infrastructure in various areas. If you have been confronted with a difficult situation, both the public and the government must seek a quick and effective solution to the problem at hand. The use of ODR in Indonesia is becoming increasingly popular, particularly in electronic transactions and e-commerce. Numerous platforms offering ODR systems have emerged, including Badan Arbitrase Nasional Indonesia (BANI) online, Mahkamah Agung RI, and Lembaga Alternatif Penyelesaian Sengketa Online (LAPSO).

The demand for effective and efficient dispute management is increasing every day. With various advantages, using internet media has its own set of benefits. ODR has become an important necessity for those who wish to choose this path due to its various benefits and ease of use. ODR monitors all alternative dispute cases outside of court proceedings combined with

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technology and the internet. The most common alternative dispute resolution (ADR) processes, such as mediation and arbitration, are based on a dispute resolution process that involves three parties, two of whom are the disputing parties and the third is a neutral party. Furthermore, ODR empowers the weaker party, which is technology. People in positions of authority can use ODR to manage their operations.

ODR introduces a new concept of dispute management using digital media and space.

Regarding the modern era of globalization and digitization, which fuels the rise of several new dispute types, particularly in e-commerce transactions and cross-border commercial partnerships, ODR is extremely pertinent. In order to avoid interfering with corporate operations, many disagreements that arise in online transactions frequently call for prompt and workable solutions. Given its adaptable procedure and accessibility from multiple locations, ODR may be the best option in this case due to its lack of geographical restrictions. ODR is a crucial first step toward a judiciary that is more flexible and adaptable to the times, as these developments have made the need for modernization in Indonesia's legal system more pressing. The possibility of integrating ODR into Indonesia's contemporary legal system is becoming more and more pertinent.

A high volume of cases, overlapping administration, and restricted access to courts in rural locations are just a few of the issues that the Indonesian legal system continues to face. Due to these restrictions, the court system is overburdened, which frequently prevents the public from receiving prompt and effective conflict remedies. ODR makes it possible to perform the dispute resolution process online, which eliminates the need for in-person meetings, expedites the process, and saves the disputing parties money. Author will talk about the opportunities and problems of implementing ODR in Indonesia, as well as its role in achieving a contemporary and inclusive legal system, based on how the problem was formulated.

II. RESEARCH METHODS

In order to investigate several laws and legal documents pertinent to the implementation of Online Dispute Resolution (ODR) in Indonesia, the normative juridical technique was employed as the research method in this study. The methods employed include the statutory approach, which looks at the legal underpinnings of laws like PERMA No. 1 of 2019 on Electronic Case Administration and Law No. 19 of 2016 on Electronic Information and Transactions. Additionally, as one of the cornerstones of the contemporary legal system, ODR's concepts and principles are understood through a conceptual approach. The secondary data used in this study came from academic journals, legal literature, and earlier research reports. Descriptive qualitative analysis was used to examine and analyze the data in order to produce comprehensive analysis of ODR's prospects, difficulties, and implementation tactics in Indonesia. In order to derive pertinent lessons for the Indonesian context, this study also compares ODR procedures in other nations.

III. RESULTS AND DISCUSSION

A. The Role of Online Dispute Resolution (ODR) in Realizing a Modern and Inclusive Justice System in Indonesia

Online Dispute Resolution (ODR) plays a strategic role in building a modern and inclusive justice system in Indonesia. By utilizing information technology, ODR is able to overcome various barriers to access to justice, such as geographical constraints, high costs, and complex bureaucracy. ODR allows the community, especially those in remote areas or with mobility limitations, to access dispute resolution without having to go to court. This supports the principle of simple, fast, and low-cost justice as mandated in Article 2 paragraph (4) of Law No. 48 of 2009 on Judicial Power.

A more efficient process is one of the advantages of ODR compared to conventional courts. By using an online platform, the time to resolve disputes can be significantly reduced, thereby helping to reduce the backlog of cases in court.² In addition, ODR creates inclusivity by providing broader access to vulnerable groups and low-income communities through more affordable costs and simpler procedures.³ This initiative is also in line with efforts to modernize the judicial system in Indonesia, which have already begun with the digitization through e-Court and e-Litigation by the Supreme Court.

ODR supports the resolution of disputes arising from increasingly prevalent digital transactions, such as e-commerce and online services. By providing technology-based solutions, ODR is not only relevant to the needs of the modern economy but also enhances public trust in the justice system through transparent, swift, and accountable processes.⁶ The implementation of ODR in Indonesia also opens up opportunities for collaboration between the government and the private sector, such as technology companies and online legal service providers, to create innovative platforms that meet societal needs.⁷ However, the successful implementation of ODR requires adequate technological infrastructure support, clear regulations, and training for legal human resources to adapt to digital dispute resolution mechanisms. The use of blockchain technology is also being considered to create a more secure and transparent system in the ODR process. Additionally, training for mediators, arbitrators, and judges to adapt to digital technology will be an important step in strengthening the implementation of ODR in Indonesia.

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Although still in its early stages, the implementation of ODR in Indonesia has shown significant progress with the introduction of the e-court platform by the Supreme Court. The e-court application is an electronic case administration system introduced in 2018 through Supreme Court Regulation (Perma) Number 3 of 2018 on Electronic Case Administration in Courts, and later reinforced by Perma Number 1 of 2019, which allows for the implementation of electronic trials or e-litigation. e-Court and e-Litigation provide greater flexibility for parties involved in civil disputes, especially during the COVID-19 pandemic era, when mobility is limited and physical meetings are high-risk.

Through e-litigation, parties can submit evidence and responses digitally, attend virtual hearings, and conduct electronic proofing. The district courts in various regions of Indonesia have begun to utilize this platform for civil cases, religious civil cases, administrative cases, and other cases that allow for virtual resolution. e-Court and e-Litigation provide greater flexibility for parties involved in civil disputes, especially during the COVID-19 pandemic era, when mobility is limited and physical meetings are high-risk. Through e-litigation, parties can submit evidence and responses digitally, attend virtual hearings, and conduct electronic proof. District courts in various regions of Indonesia have begun to utilize this platform for civil cases, religious civil cases, administrative cases, and other cases that allow for virtual resolution.

Online Dispute Resolution is critical to Indonesia's transition to a more inclusive modern court system. ODR uses information technology to address structural and procedural hurdles that prevent the community from accessing justice. Some of the primary tasks of ODR in achieving a contemporary and inclusive judicial system:

1. Improving Community Accessibility.

The use of ODR in Indonesia enables communities in rural places or with limited mobility to resolve disputes without having to physically attend court. The online ODR system eliminates geographical obstacles, lowers travel costs, and saves time for both parties. In Indonesia, because there are still constraints in physical infrastructure and technology, ODR serves as Bridge to achieve more equitable justice.

2. Efficient Dispute Resolution Process

In comparison to traditional court processes, ODR provides a speedier way to resolve disputes. Using an automated system and basic procedures, the time required to resolve conflicts can be greatly reduced. This efficiency benefits both the contesting parties and the court by reducing the case backlog.

3. Enhancing the Principle of Inclusivity in Justice.

ODR makes room for marginalized communities in the court system, such as vulnerable groups and low-income people. With cheaper prices and more flexible processes, ODR allows everyone to get a fair dispute settlement.

4. ODR supports the digitalization and modernization of the judiciary in Indonesia.

Digital initiatives like e-Court and e-Litigation help to facilitate this. ODR strengthens digitization by providing full dispute resolution through technology access, ranging from mediation to decision-making. ODR not only improves efficiency, but it also increases the judicial system's transparency and accountability.

5. Building public trust in the justice system.

ODR delivers a more accessible, speedier, and transparent approach that is supposed to boost public trust in the legal system. Trust is essential for ensuring the advancement of judicial reform and developing a culture of more effective dispute settlement.

6. Adaptation to the development of digital transactions.

As technology advances, more and more disputes arise over online transactions such as e-commerce, digital services, and intellectual property rights. ODR is particularly useful for resolving disputes originating from digital internet transactions.

7. Promoting Multisector Collaboration

ODR allows the government to work with the private sector, including technology businesses and online legal service providers, to create an innovative ODR platform. This collaboration speeds up the implementation of ODR and develops solutions that fulfill the demands of Indonesian citizens. ODR has emerged as an important component in the development of a modern justice system that is both inclusive and efficient. To transform the paradigm of traditional conflict resolution, ODR implementation must be supported by proper technology infrastructure, robust rules, socialization, and education for the larger society.

B. Challenges and Opportunity of ODR Implementation in Indonesia

In order to make Online Dispute Resolution (ODR) a service that is both efficient and available to the general public, Indonesia must overcome a number of barriers and difficulties. Some parts of Indonesia have limited access and technological infrastructure, which makes it difficult for residents to successfully use ODR services. This is particularly true in distant locations where internet connectivity is still scarce. Particularly when ODR necessitates a steady connection for online court hearings, digital document distribution, and video communication, this disparate technology infrastructure presents a serious challenge. In terms of

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regulations, ODR is still not widely regulated in Indonesia, despite the Supreme Court Regulation (PERMA) No. 1 of 2019 including rules pertaining to mediation.

Neither ODR methods nor operational standards for digital dispute resolution platforms are explicitly covered by the current legislative regulations. Another issue is the absence of established protocols for party permission and the legal validity of digital agreements in ODR, which frequently causes administrative and bureaucratic obstacles in their execution. ODR involves the transmission and storage of important personal data, including case documents, party arguments, and the decisions reached. The risk of cyber security breaches and data privacy is a major concern in ODR because it can threaten the integrity of the process and public trust. Cases of hacking, data theft, or misuse of information conveyed in the ODR process can have fatal consequences and hinder public trust in using this service.

Another challenge faced from the community's side is that many people still lack adequate digital literacy to use the ODR platform. The community is not familiar with how to use digital technology for dispute resolution, which can make the ODR process inefficient or even fail. In addition, mediators, arbitrators, and other legal professionals also need adequate training to become accustomed to using technology in the dispute resolution process, so that ODR can be implemented to its fullest potential.

Face-to-face conflict resolution is still preferred by many parties over online dispute resolution. Particularly in the context of Indonesian culture, which values direct communication and familial ways, online dispute resolution is seen as less private, which lowers the degree of trust in the results obtained. To increase public awareness of ODR's benefits and increase its acceptance as a valid and practical conflict resolution option, campaigns and education are required. Comprehensive legislation that can accommodate a number of significant components of the online dispute resolution process are required in order to facilitate the successful implementation of Online Dispute Resolution (ODR) in Indonesia. In addition, ODR regulations must adhere to strict standards for confidentiality in order to protect sensitive information and private data belonging to the parties involved in the case.

Given the significant risk of cyberattacks and data breaches in online procedures, which can injure the parties and erode public confidence in ODR as a secure dispute resolution method, this is crucial. Because the evidence and documents provided in ODR will be in electronic form, rules governing the recognition of digital documents and electronic evidence must also be reinforced. Decisions taken in the ODR forum will be able to be recognized and upheld in courts and other relevant institutions thanks to the legal recognition of digital evidence.

Harmonization with international standards must also be taken into account while drafting rules, especially in light of the growing number of cross-border conflicts in the age of globalization and economic digitization. For instance, Indonesia can adopt internationally recognized best practices in online dispute resolution by implementing the principles outlined in UNCITRAL's technical notes on ODR. This will make it easier for Indonesian ODR decisions to be recognized and, if needed, enforced in other nations. In addition to technical legislation, the government must construct equitable and sufficient technology infrastructure across Indonesia to support the implementation of ODR, particularly in rural areas with restricted internet access. In order for ODR to be accessible to all societal strata and not just urban ones, it is crucial to have an equal infrastructure. This will enable the principle of justice to be realized more broadly.

To ensure that all parties can comprehend and utilize ODR efficiently, assistance in the form of digital literacy training is also required for the community, court officials, advocates, and mediators. In order to reduce mistakes or system misuse and guarantee that the ODR process operates efficiently and in compliance with relevant legal regulations, this is crucial. With a thorough legal framework, sufficient infrastructure, and extensive instruction in digital literacy, Indonesia may establish ODR as a dispute resolution process that is not only effective but also secure, dependable, and available to all societal groups. In the rapidly changing digital economy era, where cross-border conflicts and online transactions are growing more frequent, this will improve Indonesia's standing.

The adoption of Online Dispute Resolution (ODR) in Indonesia is still in the works, but some first steps have been taken through the Supreme Court's initiative to modernize the legal system. One of the most noteworthy accomplishments is the introduction of the e-Court and e-Litigation platforms, which enable case submission, court fee payment, and online hearings. However, complete implementation of ODR, particularly for out-of-court conflict resolution processes such as mediation and arbitration, has yet to be fully realized. However, ODR's ability to overcome geographical and regulatory constraints is particularly pertinent to Indonesia's vast and diverse geographical conditions.

One of the legal basis for ODR adoption is PERMA No. 1 of 2019 on Electronic Case Administration in Courts. This regulation lays the groundwork for technology-based legal administration processes, but it is presently limited to court-related litigation. To fully enable ODR, additional regulation development is required to incorporate alternative dispute resolution (ADR) methods such as online mediation and arbitration. This is necessary to ensure legal certainty in the implementation of ODR, including legislation governing data protection, mediation procedures, and the recognition of online dispute resolution conclusions.

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One of the legislative basis to support the deployment of ODR is PERMA No. 1 of 2019 about Electronic Case Administration in Courts. This regulation provides the groundwork for technology-based legal administration processes, but it is presently limited to court-related litigation. To fully promote ODR, additional regulation development is required to incorporate alternative dispute resolution (ADR) methods such as online mediation and arbitration. This is necessary to ensure legal certainty in the implementation of ODR, including legislation governing data protection, mediation procedures, and the recognition of online dispute resolution conclusions.

The usage of ODR in Indonesia confronts a number of hurdles, including uneven technological infrastructure and considerable digital gaps. According to data from the Ministry of Communication and Information, over 20% of Indonesia's areas still have inadequate internet connectivity, which can impede ODR inclusion. Moreover, the lack of digital literacy among the optimization of ODR implementation presents a problem for public and legal practitioners alike. Some judges, lawyers, and mediators do not completely understand the technology utilized in ODR, necessitating extensive training to facilitate its use.

Nonetheless, the application of ODR can give enormous benefits to Indonesian society. By utilizing technology, ODR can lower the time and expense of dispute resolution while also providing greater access to groups in society that have hitherto struggled to reach the courts. ODR can also be used to resolve disputes resulting from the expanding number of digital transactions, including e-commerce, finance, and application-based services. This makes ODR useful for meeting legal needs in the digital age and promoting technology-based economic growth.

To speed up the introduction of ODR, Collaboration among the government, commercial sector, and academia is required. The government may speed up the construction of digital infrastructure and implement rules that promote ODR, while the private sector can help by providing secure and user-friendly technology platforms. Academics can also help develop policy recommendations and provide training to legal practitioners. With these initiatives, ODR has the potential to become a key component of Indonesia's contemporary and inclusive justice system.

IV. CONCLUSIONS

A step toward adjusting the dispute resolution procedure to technology developments and the public's need for a quicker, more effective, and more economical process is the introduction of Online Dispute Resolution (ODR) into the Indonesian legal system. Online dispute resolution (ODR) encompasses mediation, arbitration, or digital platform negotiation from the point of contact to the ultimate conclusion. One of the many challenges facing online dispute resolution (ODR) in Indonesia is the lack of adequate technology in rural areas, which makes it difficult for the general public to utilize these services. Although mediation is governed by PERMA No. 1 of 2019, there are still few explicit ODR legislation, particularly when it comes to operational processes and requirements for legally binding digital agreements. Given that the possibility of information leaks might compromise the integrity of the ODR process and erode public confidence, cybersecurity and data privacy provide additional challenges.

Low digital literacy, cybersecurity threats, cultural preferences for direct dispute resolution, and a lack of technology infrastructure are some of the obstacles to Indonesia's adoption of online dispute resolution (ODR). Comprehensive laws are required to solve these problems, including cybersecurity standards, harmonization with international standards, and the legal recognition of electronic evidence. To increase public confidence in ODR as a secure, inclusive, and efficient dispute resolution process, the government must also upgrade its IT infrastructure, train people in digital literacy, and educate the general public.

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