

RECONSTRUCTING CONTRACT LAW: CHALLENGES AND WEAKNESSES IN PROTECTING CONSUMER RIGHTS AND ECONOMIC JUSTICE IN THE DIGITAL ERA

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Abstract

The rapid expansion of digital platforms in Indonesia has transformed the country's economy, creating significant opportunities for businesses and consumers alike. According to the e-Conomy SEA 2023 report, e-commerce transactions in Indonesia reached IDR 487.01 trillion in 2024, marking it as one of the largest digital markets in Southeast Asia (Google, Temasek, & Bain, 2023). However, despite the economic growth, the dominance of these platforms has introduced structural inequalities that disadvantage consumers, particularly in terms of data privacy, misleading advertisements, and lack of transparency in pricing and contract terms. Traditional contract law offers a critical perspective on these issues, grounded in principles of justice, honesty, and the prohibition of uncertainty. These principles are essential for addressing the challenges arising from digital transactions, where platform monopolies and the exploitation of consumer data have become widespread. However, current Indonesian contract law, including Law No. 8 of 1999 on Consumer Protection and Law No. 27 of 2022 on Personal Data Protection, has failed to adequately protect consumers in the digital space, as these regulations were designed for traditional markets and have not evolved to address the complexities of platform-based digital contracts. This study uses a normative juridical approach to analyze the gaps in Indonesia's current legal framework and examines how traditional principles can provide a foundation for improving consumer protection in the digital economy. By emphasizing distributive justice, platform accountability, and algorithmic transparency, the research proposes a legal reconstruction model for Indonesia that integrates human rights principles and global best practices. The findings suggest that legal reforms are urgently needed to ensure fairness, equitable access, and protection for digital consumers while fostering a more just and transparent digital marketplace.

Keywords: *Contract Law, Consumer Protection, Economic Justice, Digital Platforms, Human Rights.*

INTRODUCTION

In recent years, the digital economy in Indonesia has undergone remarkable growth, marking the country as one of the largest and most vibrant digital markets in Southeast Asia. According to the e-Conomy SEA 2023 Report by Google, Temasek, and Bain (2023), Indonesia's e-commerce transactions reached IDR 487.01 trillion in 2024, representing a significant milestone in the digital economy. This growth is largely attributed to the widespread adoption of internet-enabled devices, mobile phones, and the development of digital payment systems that have significantly transformed consumer behavior. The expansion of platforms such as Tokopedia, Bukalapak, Go-Jek, and Shopee has opened vast economic opportunities, particularly in e-commerce and mobile-based services. However, with this rapid expansion, several challenges have emerged, particularly related to consumer protection and contract law. The dominance of these digital platforms has raised concerns about the disparity in power between platform operators and consumers. Consumers, who increasingly engage in online transactions, face significant risks, including exploitation of their personal data, misleading advertising, unclear contractual terms, and discriminatory pricing algorithms. The shift towards digital contracts in the globalized market has introduced complexities that traditional contract law was not designed to address. One of the key challenges in the digital economy is the lack of transparency in digital contracts. Unlike traditional paper contracts, digital contracts often contain hidden clauses, terms that are difficult to understand, and excessive reliance on automated algorithms that consumers may not fully comprehend. This has resulted in a significant information asymmetry between businesses and consumers, where consumers are often unaware of the implications of their agreement until issues arise, such as unexpected charges,

data privacy violations, or exploitation of their personal information. In many cases, the lack of regulation and standardized practices in digital contracts leaves consumers unprotected, especially in cross-border digital transactions. Indonesia's existing legal framework, including Law No. 8 of 1999 on Consumer Protection and Law No. 27 of 2022 on Personal Data Protection, has made strides in protecting consumers in traditional markets. However, these laws fail to adequately address the challenges posed by platform-based digital contracts and digital data monopolies. The Consumer Protection Law primarily addresses issues related to physical goods and traditional business practices, with little focus on the complexities of digital commerce, e-contracts, and the misuse of consumer data. Moreover, current data protection laws are insufficient in regulating how digital platforms collect, store, and monetize consumer data.

While Indonesia's consumer protection laws have evolved in response to emerging issues in digital commerce, they have not kept pace with the rapid growth of the digital economy. The data-driven nature of digital platforms—where companies like Facebook, Google, and Amazon generate significant revenue through consumer data, often without clear and informed consent—has led to the concentration of power in the hands of a few dominant players. The lack of adequate legal protection for consumers against data exploitation and unfair digital practices highlights the urgent need for reform. In light of these challenges, traditional contract law offers a unique perspective on consumer protection. Contract law emphasizes the principles of justice, transparency, and honesty, which are essential for ensuring that contracts are entered into with full understanding and mutual consent. These principles are grounded in moral and ethical guidelines, which prioritize the welfare of the parties involved and the integrity of agreements. Unlike traditional contract law, which often focuses solely on legal enforceability, traditional principles emphasize social justice and moral obligations in transactions. This is particularly relevant in the context of digital contracts, where the terms of service and data collection practices of platforms are often opaque and difficult for consumers to understand.

LITERATURE REVIEW

As the digital economy continues to expand globally, traditional consumer protection laws are being increasingly challenged by the complexities of digital platforms and e-commerce. Digital platforms, which operate based on algorithms and data collection, have raised new concerns about transparency, fairness, data privacy, and consumer exploitation. This literature review examines key concepts within consumer protection, digital contracts, data privacy, and algorithmic pricing, highlighting gaps in current legal frameworks and the need for reform. The digital economy has drastically transformed traditional commercial practices. According to the e-Conomy SEA 2023 Report by Google, Temasek, and Bain (2023), Southeast Asia's digital economy reached USD 170 billion in 2023, with Indonesia emerging as the largest digital economy in the region. E-commerce transactions, led by platforms such as Tokopedia, Bukalapak, Go-Jek, and Shopee, have surged, offering consumers access to goods and services at unprecedented rates. However, these platforms dominate not only the marketplace but also control vast amounts of consumer data, which they leverage for pricing, advertising, and algorithmic decision-making. While these platforms have created new opportunities, they have also introduced significant consumer protection challenges. Grewal & Roggeveen (2022) argue that as digital platforms increasingly control market access and product visibility, the balance of power tilts in favor of businesses, leaving consumers with limited bargaining power and limited ability to challenge unfair practices. Issues such as misleading advertising, hidden fees, pricing manipulation, and data privacy violations are pervasive in digital transactions, but current consumer protection frameworks are not equipped to address these digital complexities.

For instance, platform monopolies benefit from data-driven pricing models that are not only difficult for consumers to comprehend but also prone to exploitation. Dynamic pricing algorithms, such as surge pricing in ride-hailing services, change prices in real-time based on factors like demand, location, and consumer behavior, often without consumers' knowledge or consent. This results in a lack of price predictability and consumer exploitation, undermining the principles of fairness and transparency in trade. One of the primary issues in the digital economy is the lack of transparency in digital contracts. Traditional contract law was designed for physical transactions where terms are explicitly communicated and negotiated in person. However, with the rise of digital platforms, contracts are increasingly governed by clickwrap agreements, which consumers must accept without the ability to negotiate the terms. These contracts are often lengthy, filled with legal jargon, and not always accessible for the average consumer to fully understand. Nainggolan et al. (2025) highlight that the Consumer Protection Law in Indonesia, while effective for physical goods transactions, has failed to keep pace with the realities of digital contracts. In e-commerce, hidden terms and data usage clauses are often buried in fine print, with consumers being unaware of the implications until issues arise—such as unexpected charges or data privacy violations. Grewal & Roggeveen (2022)

also argue that information asymmetry is a major challenge in digital transactions, where consumers often lack the necessary information to make informed choices. This situation creates a power imbalance where platforms are able to impose unfair terms, taking advantage of consumers' lack of knowledge and legal expertise. The lack of standardized practices in digital contracts leads to inequities in the digital marketplace, particularly for consumers who are unfamiliar with online contracts or the data privacy implications associated with digital services. These challenges call for the development of regulations that require clearer, more accessible digital contracts and greater disclosure of terms to ensure that consumers can make informed decisions.

Data privacy remains one of the most significant concerns in the digital economy. Digital platforms gather vast amounts of personal data from consumers through their browsing activities, purchasing behavior, location data, and even social media interactions. This data is then used to personalize advertisements, adjust pricing models, and even influence consumer behavior. However, consumers often have limited control over their data and lack awareness of how it is being used. Hassan (2022) emphasizes that data exploitation is a growing issue, as consumer data is collected, stored, and monetized by digital platforms without explicit consent. This practice leads to violations of privacy rights and creates an environment where consumers' personal information is treated as a commodity for commercial gain. The Personal Data Protection Law (2022) in Indonesia provides some data privacy protections, but it fails to address the cross-border data flows that allow international platforms to sidestep local regulations, leaving Indonesian consumers vulnerable to data misuse.

Moreover, platform monopolies exacerbate these issues, as companies like Google, Facebook, and Amazon collect massive amounts of data from users and have the ability to monetize it without sufficient consumer knowledge or consent. Heeks (2022) notes that this lack of algorithmic transparency and data privacy regulations gives these platforms disproportionate power over consumer behavior and raises serious concerns about consumer exploitation. Consumers have little power to control how their data is collected, used, or shared by these platforms, and the lack of regulation leaves them exposed to further exploitation. Algorithmic pricing is another key issue in the digital marketplace, with digital platforms using complex algorithms to set prices based on real-time data, consumer behavior, and market conditions. The practice of dynamic pricing leads to significant pricing inconsistency and lack of predictability, leaving consumers with little understanding of how prices are determined. Grewal & Roggeveen (2022) argue that while dynamic pricing can enhance efficiency, it often leads to price discrimination, where different consumers pay different prices for the same product or service based on their personal data or purchasing history.

For example, platforms like Go-Jek and Shopee use surge pricing or promotional discounts based on location and demand, but consumers are often unaware of the underlying factors that influence the prices they pay. This lack of transparency violates the principles of fairness and clarity in digital transactions. Additionally, price manipulation through personalized pricing algorithms creates unequal treatment of consumers, where some are charged more based on their past behavior or location. The lack of algorithmic transparency makes it difficult for consumers to understand how pricing algorithms work, and whether these algorithms are being used to exploit consumer behavior. This is a serious concern, as price manipulation and data exploitation can have significant financial consequences for consumers. Binns (2023) advocates for regulatory reforms to ensure that algorithms used in digital platforms are transparent, accountable, and fair, allowing consumers to make informed purchasing decisions without the risk of being exploited by unpredictable or discriminatory pricing practices.

METHOD

This study employs a qualitative, juridical-normative approach to examine the gaps in Indonesia's legal framework regarding consumer protection in the digital economy. By combining doctrinal legal analysis and empirical research, the study aims to critically assess the effectiveness of current consumer protection laws and propose a more comprehensive framework that integrates human rights principles, economic justice, and global best practices. The study focuses on identifying areas where existing laws fail to address the unique challenges posed by digital trade, such as data privacy, algorithmic pricing, and platform monopolies. The first phase of the study involves a doctrinal legal analysis, where key Indonesian laws, such as Law No. 8 of 1999 on Consumer Protection and Law No. 7 of 2014 on Trade, will be examined. The focus is to evaluate whether these laws are equipped to handle the complexities introduced by digital platforms and e-commerce. This analysis will also include a review of the Personal Data Protection Law (2022) to determine whether it provides sufficient safeguards for consumer data in an era where data exploitation and cross-border data flows are prevalent. The doctrinal research will highlight the legal gaps and assess how these laws can be updated to address algorithmic pricing, dynamic pricing models, and the lack of transparency in digital contracts.

The second phase of the study incorporates a comparative legal analysis, focusing on best practices from other countries that have developed robust consumer protection frameworks for the digital economy. For example, the study will compare Indonesia's laws with the EU's General Data Protection Regulation (GDPR), which sets a global standard for data protection and consumer rights in digital transactions. The research will also review the Digital Markets Act (DMA), which regulates platform monopolies and algorithmic transparency. By drawing comparisons, the study aims to identify effective measures that could be implemented in Indonesia to enhance consumer protection in the digital economy. The third phase involves the integration of human rights principles into the analysis. Consumer protection cannot be viewed solely through a legal lens, as it intersects with fundamental human rights, such as the right to privacy, right to safety, and right to access clear and accurate information. Human rights frameworks, including the Universal Declaration of Human Rights and ICESCR

RESULTS AND DISCUSSION

A. Legal Gaps in Consumer Protection Frameworks

The analysis of Indonesia's Consumer Protection Law (No. 8/1999) and Trade Law (No. 7/2014) reveals that, while these laws serve as a foundation for consumer protection in traditional markets, they fall short in addressing the complexities introduced by digital trade and the dominance of platform-based economies. These laws were originally designed to regulate physical goods transactions and to ensure fairness in more straightforward consumer exchanges. However, the rise of e-commerce platforms, digital contracts, and cross-border transactions has outpaced the ability of existing regulations to effectively safeguard digital consumers.

- **Inadequacy of the Consumer Protection Law for Digital Platforms:** The Consumer Protection Law (No. 8/1999) provides a fundamental legal framework for consumer rights, focusing on ensuring product safety, accurate information, and the right to file complaints. However, this law primarily addresses transactions in physical markets and does not encompass the challenges posed by digital platforms. The digital economy introduces unique concerns such as unilateral contracts (e.g., clickwrap agreements), dynamic pricing, and data privacy violations—none of which were foreseen when the law was established. Digital platforms typically use pre-formulated terms of service, which consumers are required to accept without negotiation or full comprehension of the terms, leading to information asymmetry. These digital agreements are often long, filled with legal jargon, and hard for the average consumer to fully understand. Additionally, consumers are rarely aware of the hidden fees, pricing algorithms, or data collection practices that affect the overall cost of digital goods or services. For example, platforms like Shopee or Tokopedia may add additional charges during checkout, or delivery fees might not be disclosed until later stages in the transaction.
- **Furthermore, the law does not directly address the regulation of digital contracts.** The rise of clickwrap agreements, which require users to simply click “agree” without fully reading the terms, undermines the informed consent principle in contract law. The lack of standardized digital contract guidelines and the absence of a comprehensive regulatory framework for digital transactions allow businesses to exploit consumer vulnerabilities. As Nainggolan et al. (2025) highlight, digital contracts are often complex and opaque, and the consumers' rights and obligations are hidden in fine print, which contradicts the foundational principles of consumer protection that emphasize clear communication and fair terms.
- **Gaps in Regulating Cross-Border Digital Transactions:** A critical gap in Indonesia's legal framework is the lack of provisions to regulate cross-border transactions in the digital space. Global e-commerce platforms like Amazon, eBay, and Facebook operate in Indonesia, but they often escape local jurisdiction. These platforms often store consumer data and handle transactions in ways that circumvent Indonesian laws, especially when they have no physical presence in the country. This jurisdictional issue makes it difficult to enforce consumer rights when consumers face issues such as fraudulent advertising, unfair pricing, or data misuse. Binns (2023) emphasizes that jurisdictional limitations often leave consumers vulnerable to unfair business practices, as platforms based outside Indonesia are not held to local consumer protection standards. When issues arise, such as data breaches or misleading pricing, Indonesian consumers often have no recourse under local laws.
- **Moreover, cross-border data flow presents challenges in enforcing data protection laws.** For example, global platforms routinely collect vast amounts of personal data from users, but the data is often stored outside of Indonesia, in countries with less stringent data privacy regulations. This lack of regulation regarding data sovereignty leads to potential violations of consumer privacy, as companies based in jurisdictions with weaker privacy laws may have access to sensitive data. As Heeks (2022) notes, this

global data exploitation undermines consumers' privacy rights and leaves them vulnerable to data breaches.

- Data privacy in the context of digital platforms is particularly concerning, as it is unclear how consumer data is being used, who has access to it, and how it is shared across jurisdictions. Consumers in Indonesia are often unaware of how their personal data is used to influence pricing, target ads, or assess their creditworthiness. The lack of cross-border data regulation means that consumers do not have the same protections when interacting with foreign platforms as they do with local businesses.
- Platform Monopolies and Lack of Fair Competition: Another significant gap in Indonesia's consumer protection framework is the failure to regulate the monopolistic behavior of platforms in the digital marketplace. Platforms such as Go-Jek, Shopee, and Tokopedia have gained significant market share, with digital monopolies dictating market practices, including pricing and service access. Platform monopolies have the power to control price structures, visibility, and even the terms of service, leaving consumers with limited bargaining power. The lack of competition means that consumers have no alternative choices, and monopolistic practices like price manipulation, data exploitation, and unfair terms can go unchecked.

For example, Shopee and Tokopedia often control which products are featured at the top of the page or are given visibility based on their own algorithms, rather than on the merits of the product. These platforms also have the power to set transaction fees, which disproportionately impact smaller businesses trying to enter the market. Hassan (2022) points out that the absence of fair competition regulations allows platform monopolies to exploit consumers by artificially inflating prices and limiting access to more affordable goods or services. The lack of regulatory oversight for platform monopolies also leads to the unfair treatment of consumers. Without proper regulation, platforms can dictate terms to both consumers and suppliers, often imposing one-sided contracts that benefit the platform while leaving consumers with few options but to accept the terms. This market concentration and monopoly power create economic inequalities and undermine consumer sovereignty.

In the digital economy, algorithmic pricing and data privacy concerns are two of the most pressing issues affecting consumer protection. Digital platforms increasingly rely on sophisticated algorithms to set prices, offer personalized recommendations, and collect vast amounts of data from users. While these innovations can improve efficiency and consumer experience, they also raise ethical concerns and consumer vulnerabilities. This section explores the impact of dynamic pricing, unpredictable pricing models, and data exploitation on consumer fairness, transparency, and privacy in digital transactions. Dynamic pricing, also known as surge pricing, is one of the most controversial aspects of algorithmic pricing. This pricing model adjusts the cost of products or services based on real-time factors such as demand, consumer behavior, and location. Platforms like Go-Jek, Uber, and Shopee use dynamic pricing to increase prices during periods of high demand, such as peak hours, holidays, or adverse weather conditions. While dynamic pricing models are designed to balance supply and demand, they often lead to unpredictable pricing and consumer dissatisfaction. The main issue with dynamic pricing is its lack of transparency. Consumers may not fully understand why a price is higher at a specific moment, leaving them with little ability to make informed decisions. For example, ride-hailing services like Go-Jek use surge pricing during peak hours, where prices can fluctuate by several times the usual rate. Consumers are often unaware of the algorithms behind these price changes, and there is little transparency on how prices are determined or what factors influence the surge. As Binns (2023) argues, algorithmic pricing creates a situation where platforms can manipulate prices based on consumer data, charging higher prices to those who are most vulnerable or less informed.

The lack of predictability associated with dynamic pricing undermines the fairness of the digital marketplace. Consumers are unable to plan or anticipate costs, leading to unexpected expenses. For instance, a user might book a ride expecting a certain price, but once the algorithm adjusts the fare based on demand, the consumer ends up paying more without prior notice. This uncertainty creates consumer frustration and a sense of being exploited by platforms that take advantage of real-time data to maximize their profits. Further, price discrimination becomes a concern with algorithmic pricing when platforms use consumer data, such as location, previous spending behavior, or search history, to determine the price a consumer is charged. This means that two consumers may pay different prices for the same product or service, depending on how much data the platform has on them. For example, higher-income consumers may be charged more for a service or product, while others are offered discounts based on their location or purchase history. Such practices violate the principle of equality and fairness, as they often lead to economic inequality and exploitation of vulnerable groups, especially low-income consumers.

In parallel with concerns over dynamic pricing, data privacy remains one of the most critical issues in digital transactions. Data exploitation refers to the widespread collection, storage, and usage of personal information by digital platforms without proper consumer knowledge or consent. Consumers increasingly provide personal data—ranging from location information and browsing habits to social media activity—to access services. However, this data is often used in ways that consumers do not fully understand or agree to. Heeks (2022) underscores that digital platforms exploit consumer data for commercial purposes, particularly for targeted advertising and personalized pricing. For example, Google and Facebook use personal data to tailor ads to consumers, often without their explicit consent. Amazon uses consumer browsing history to suggest products, often influencing purchasing decisions and increasing sales. While personalization can improve user experience, it also manipulates consumer behavior and contributes to market inefficiencies. Consumers are often unaware of how their data is being utilized, and even when they are aware, they may not fully understand the extent to which their personal information is used for commercial purposes. The study found that many platforms do not adequately disclose data collection practices or provide sufficient opt-out options. For example, e-commerce platforms often collect data on consumer behavior and use it to influence prices, but consumers are not clearly informed about how this data is being used. Nainggolan et al. (2025) argue that data privacy should be a fundamental aspect of consumer rights because it directly affects personal autonomy and economic freedom. However, the lack of transparency around data practices leaves consumers vulnerable to privacy violations and economic exploitation by digital platforms that prioritize profit over consumer welfare.

Data Exploitation and the Lack of Control Over Personal Information: Consumers are also left with very little control over their data in the digital economy. While platforms may provide users with options to manage their privacy settings, these options are often difficult to find and are not always effective. Platforms may collect vast amounts of consumer data, including personal preferences, browsing patterns, and social media activity, but consumers have limited ability to restrict access to or delete their data. Heeks (2022) highlights that data exploitation can undermine consumer trust, as platforms monetize consumer behavior without fully explaining the implications or allowing consumers to opt out of the process. Moreover, platforms frequently share consumer data with third parties, such as advertisers, without clear consumer consent. This third-party data sharing complicates efforts to ensure that consumer privacy is upheld. While some regulations, such as the Personal Data Protection Law (No. 27/2022), have been introduced to safeguard consumer data, they fail to address the cross-border nature of data collection and processing. Large platforms based outside Indonesia often bypass local regulations, leading to data misuse without recourse for consumers. Grewal & Roggeveen (2022) suggest that data sovereignty should be regulated more robustly to ensure that consumer data remains within the control of local and international standards. Given the increasing concerns over data privacy and algorithmic pricing, this study emphasizes the need for stronger regulatory reforms. Indonesia must strengthen its data protection laws to ensure that consumer data is collected and used in an ethical and transparent manner. Platforms should be required to provide clear disclosures about how data is collected, stored, and used. Furthermore, there should be regulations in place to limit data sharing with third parties and ensure that consumers have control over their data. Transparency in pricing algorithms is equally important. Regulations must mandate that platforms disclose how prices are determined and what data influences pricing decisions.

B. Public Policy and Human Rights Integration

Public policy plays a pivotal role in ensuring that consumer protection in the digital economy is fair, transparent, and aligned with human rights principles. As digital platforms increasingly dominate markets, especially in e-commerce and other digital services, the need for effective regulation to safeguard consumer rights has never been more urgent. This section discusses how public policy can address digital trade challenges, such as platform monopolies, data exploitation, algorithmic transparency, and consumer privacy, by integrating human rights principles into consumer protection frameworks. At the core of consumer protection lies the principle of fairness, which is deeply intertwined with human rights. Human rights law emphasizes the need to protect individuals from exploitation, ensuring that every consumer has access to accurate information, fair treatment, and effective redress mechanisms when harmed by unfair business practices. The Universal Declaration of Human Rights (UDHR) and the International Covenant on Economic, Social, and Cultural Rights (ICESCR) affirm that consumers have economic rights, including the right to safety, the right to be informed, and the right to participate in a fair marketplace. The rise of digital platforms has complicated the enforcement of these rights, as many global digital platforms operate with little accountability and impose one-sided contracts on consumers. Human rights principles such as the right to privacy, the right to information, and freedom from exploitation should guide public policy to

ensure that consumers are protected in the digital marketplace. Bishop & Benford (2022) argue that consumer protection should be framed as part of a broader human rights framework, which ensures that consumers can trust digital platforms and know their rights in an increasingly complex environment. For example, the right to be informed is particularly relevant in digital contracts, where consumers often agree to terms of service that they don't fully understand. These contracts, which are often long, complex, and filled with technical jargon, violate the human right to clarity and the right to make informed choices. Human rights law calls for the elimination of information asymmetry by requiring clear, comprehensible terms in digital transactions and ensuring consumers are fully informed about the products or services they engage with, as well as how their personal data will be used. As the digital economy grows, it is increasingly clear that public policy must evolve to regulate digital platforms and ensure fairness in online transactions. The current regulatory frameworks in Indonesia are not equipped to address the complexities of digital commerce, leaving platform monopolies and data exploitation largely unchecked. Public policy must ensure that digital platforms operate in ways that promote fairness, competition, and consumer rights.

- **Regulation of Platform Monopolies:** One of the most pressing challenges in the digital economy is the dominance of a few platform monopolies, which control vast portions of the market. Platforms like Go-Jek, Shopee, and Tokopedia have gained significant power, allowing them to set prices, control market visibility, and limit access for smaller competitors. Without adequate regulation, these platforms can engage in anti-competitive practices, such as price manipulation, exclusive contracts, and data exploitation. Public policy should aim to regulate platform monopolies and ensure that they do not abuse their market power. Stevenson (2023) emphasizes that public policy should focus on creating a level playing field where smaller platforms and businesses can compete fairly with larger players, without the fear of being crushed by unfair practices.
- **Ensuring Fair Competition:** Public policy should establish regulations that promote fair competition in the digital marketplace. This includes regulating how platforms interact with third-party sellers and ensuring that smaller businesses have equal access to digital platforms. For instance, platforms should not prioritize their own products over those of smaller sellers simply because they control the marketplace. Policies should also address the monopolistic practices of global platforms by imposing fair taxation and ensuring compliance with local consumer protection laws.
- **Regulating Algorithmic Pricing:** Public policy must address the growing issue of algorithmic pricing, which can lead to price manipulation and discriminatory pricing. Digital platforms often use complex pricing algorithms that set prices based on factors such as consumer behavior, location, and previous purchases. This creates an uneven playing field where some consumers are unfairly charged higher prices based on personal data. Public policy should require platforms to disclose how their pricing algorithms work and ensure that prices are predictable and fair for all consumers. Regulations should mandate algorithmic transparency, allowing consumers to understand how their personal data affects the prices they are charged.
- **Strengthening Data Privacy Laws:** As data privacy continues to be a significant concern, public policy must strengthen data protection laws to safeguard consumers' personal information. Indonesia's Personal Data Protection Law (2022) is a step in the right direction, but it still lacks comprehensive provisions to regulate cross-border data flows and the practices of global digital platforms. Public policy must focus on ensuring that consumer data is protected, and that consumers have control over their data. Platforms should be required to seek explicit consent from consumers before collecting their data and should be transparent about how their data is used. Additionally, public policy should strengthen enforcement to ensure that platforms are held accountable for data breaches and misuse.
- **Consumer Education:** An essential part of public policy is the promotion of digital literacy among consumers. Consumers need to be educated about their rights, how to navigate digital contracts, protect their data, and recognize unfair practices. Kern & Taylor (2022) suggest that public policy should introduce consumer education programs to raise awareness about digital privacy, pricing algorithms, and how to assert consumer rights. By improving digital literacy, consumers will be better equipped to make informed decisions, avoid exploitation, and hold platforms accountable when necessary.

CONCLUSION

The rapid growth of Indonesia's digital economy has provided significant opportunities for businesses and consumers alike, but it has also exposed critical gaps in consumer protection laws. The current legal framework, particularly the Consumer Protection Law (No. 8/1999) and Trade Law (No. 7/2014), is insufficient for addressing the challenges posed by digital platforms and e-commerce. These laws, which were originally designed for traditional market transactions, do not adequately account for the complexities of digital contracts, cross-border transactions,

and the monopolistic practices of large digital platforms. As a result, consumers are often left vulnerable to data exploitation, pricing manipulation, and misleading business practices, which undermine their rights and create an uneven playing field. The study has highlighted the urgent need for legal reform to address these issues. Algorithmic pricing, dynamic pricing models, and lack of data transparency are common practices in the digital economy that lead to unpredictable pricing and consumer exploitation. To address these challenges, the study recommends enhancing transparency in digital contracts, ensuring clearer disclosures of pricing models, and strengthening data privacy protections to ensure consumers have control over their personal information. Furthermore, platform accountability should be improved by regulating monopolistic practices and unfair data practices that limit competition and harm consumers.

The integration of human rights principles into Indonesia's consumer protection framework is also essential. Human rights, including the right to privacy, access to information, and economic justice, should guide public policy to ensure that consumers are treated fairly and equitably in digital transactions. By aligning consumer protection laws with global standards and incorporating human rights norms, Indonesia can create a more equitable and just digital marketplace that protects consumers and promotes fair competition. In conclusion, for Indonesia to build a fairer digital economy, it must take a comprehensive approach to reforming its legal frameworks, focusing on transparency, accountability, and consumer empowerment. These reforms, driven by human rights principles, will help ensure that digital platforms operate in ways that are ethically responsible and that consumers can trust the digital marketplace to be safe, transparent, and just.

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