

SAFEGUARDING DIGITAL ARTISTRY: PROTECTING DIGITAL ARTISTS' WELFARE AND INTELLECTUAL PROPERTY RIGHTS AMIDST THE ARTIFICIAL INTELLIGENCE REVOLUTION

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Abstract

The rise of freelance work, particularly in digital art, has been accelerated by technological advancements, with the market value of digital art projected to grow significantly. However, the proliferation of artificial intelligence (AI) in art has introduced new challenges, including the exploitation of artists' work and threats to their intellectual property rights, as evidenced by recent controversies involving AI generative image technologies. This research employs a normative and empirical approach to explore the current legal landscape in Indonesia regarding digital art copyright and AI regulations, highlighting significant gaps and the urgent need for reform. The study underscores that existing laws fail to adequately address the complexities introduced by AI, leaving artists vulnerable to intellectual property theft and income instability. It concludes that comprehensive legislative updates, including the establishment of a National Data and AI Ethics Council and improved protections for freelance workers, are crucial for safeguarding digital artists and harnessing AI's potential to benefit the creative economy.

Keywords: Artificial Intelligence, Digital Art, Copyright, Freelance.

A. Introduction

In recent years, freelance work is becoming increasingly popular and a preferred type of employment among society. The flexibility inherent in freelance work, which allows workers to choose their working hours, clients, and incomes, is certainly an attractive feature for many people. However, freelance work can be tricky due to the uncertainty associated with working hours and the incomes. The rapid advancement of technology has undoubtedly propelled freelance work to permeate various industries, including the art industry. According to data from Coherent Market Insights, the market value of digital art in 2023 reached USD 4 billion and is projected to surge to USD 12.1 billion by 2030.³ This indicates a growing trend in digital art in tandem with technological advancements.

Conversely, technological developments also pose challenges for artists, particularly with the widespread use of artificial intelligence (AI). AI refers to the capability of digital computers or

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³ Coherent Market Insights, "Digital Artwork Market Size & Share Analysis - Growth Trends", January 2024, www.coherentmarketinsights.com/industry-reports/digital-artwork-market#:~:text=The%20Digital%20Artwork%20Market%20size,digital%20forms%20using%20digital%20technology.

computer-controlled robots to perform tasks typically associated with human intelligence.⁴ AI has a significant impact on various sectors of human life, including enhancing efficiency, innovation, productivity, and quality of life. On the other hand, it also brings about social balance threats, such as dependency and ethical uncertainty. The advancement of AI innovation indirectly triggers competitive disruption between humans and AI technology, especially in the art sector. Thus, it can be said that AI has entered fields that were previously dominated by highly intelligent and perhaps somewhat eccentric individuals.⁵

At the beginning of 2024, AI generative image technology has been a hot topic of discussion, with many netizens collectively voicing the hashtag #TolakGambarAI on the X platform to oppose the rampant use of AI generative images. This opposition stems from the discovery that Midjourney AI, one of the most popular AI generative image developers from the United States, illegally exploited the data of around 16,000 artists worldwide.⁶ Moreover, several Indonesian artists, such as Rudy Siswanto, Indra Nugroho, Wisnu Tan, Fajareka Setiawan, and others, have also fallen victim to Midjourney AI's actions.⁷ Midjourney AI aims to produce artworks that are indistinguishable from the original works of artists, depriving them of any financial benefits.

This phenomenon has drawn public attention as it contradicts the concept of intellectual property rights and threatens the job prospects of digital artists. Additionally, the lack of adequate legal protection for freelance artists further jeopardizes their well-being. Therefore, this article discusses the navigation of digital art copyright and AI regulations, examination of legal protection gaps for digital artists and freelancers in Indonesia, and adequate legal framework leverage in advancing local artists and expanding Indonesia's creative economy.

B. Research Methodology

This article employs a normative and empirical approach by examining primary legal materials legal sources such as statutes and regulations regarding digital art copyright and AI; secondary sources including legal journals, books, and articles; and tertiary sources such as dictionaries and encyclopedias.

⁴ B.J. Copeland, "artificial intelligence," Encyclopedia Britannica, August 7, 2024, www.britannica.com/technology/artificial-intelligence.

⁵ Arthur I. Miller, *The Artist in the Machine: The World of AI-Powered Creativity* (Cambridge: MIT Press, 2019), xxvi.

⁶ Sam Gaskin, "Leak Names 16,000 Artists Allegedly Scraped by Midjourney," *Ocula*, January 8, 2024, ocula.com/magazine/art-news/leak-names-16000-artists-allegedly-scraped/.

⁷ *Ibid.*

C. Analysis

1. Navigating the Substance of Digital Art Copyright and AI Regulations

Addressing the proliferation of AI-generated works, several studies highlight the urgency of copyright regulation reform in Indonesia to respond to this phenomenon. These studies generally discuss the urgency for the government to acknowledge that humans are no longer the sole creators and owners of works and their copyrights, as AI affects the legal subject's position in intellectual property rights.⁸ Furthermore, these studies also suggest that the government should promptly accommodate copyright issues for works generated by AI.⁹ Effectively navigating these complex legal challenges requires acknowledging that AI creation blurs the traditional boundaries of intellectual property, necessitating forward-thinking regulatory approaches. It is inappropriate to position AI as a copyright subject when, in fact, the work is developed by exploiting the data of legitimate copyright holders. Therefore, further regulation concerning the use of AI is required.

On December 19, 2023, the Ministry of Communication and Informatics issued Circular Letter Number 9 of 2023 on Artificial Intelligence Ethics. In general, this circular provides guidelines for the implementation of AI.¹⁰ However, this circular is not legally binding, so the development and utilization of AI currently still refer to Indonesian Law Number 19 of 2016 on Information and Electronic Transactions (henceforth referred to as "ITE Law") and Indonesian Law Number 27 of 2022 on Personal Data Protection (henceforth referred to as "PDP Law"). In Article 1 paragraph 8 of the ITE Law, AI can be interpreted as an electronic agent, a device of an electronic system designed to perform certain actions automatically.¹¹ However, this provision does not explicitly accommodate the existence of AI. Viewed from the provisions of Article 4 of the PDP Law, a person's publication works are not included in the types of personal data, either specific or general, implying that the PDP Law does not accommodate legal protection for the public's digital works that could potentially be stolen using AI technology.

Given this situation, it can be said that the current regulations in Indonesia are insufficient to comprehensively govern the use of AI and are still in the preparatory stages. Navigating the gaps

⁸ Rahmadi Indra Tektona, Nuzulia Kumala Sari, and Maulana Reyza Alfari, "Quo Vadis Undang-Undang Hak Cipta Indonesia: Perbandingan Konsep Ciptaan Artificial Intelligence di Beberapa Negara," *Negara Hukum* 12, no. 2 (2021): 285–305.

⁹ *Ibid.*

¹⁰ Circular Letter of the Minister of Communication and Information Technology Number 9 of 2023 on Artificial Intelligence Ethics.

¹¹ Indonesian Law Number 19 of 2016 on Information and Electronic Transactions.

in current laws will require comprehensive reforms that address AI technology's specific impact on intellectual property and personal data. Without a clear legal framework, the risk of AI technology misuse can become a serious threat to various parties. This condition leaves legal gaps that irresponsible parties could exploit to create inventions that harm others, as in the case of art sample theft through AI generative image technology as previously described.

Based on the aforementioned explanation, the government needs to consider several important aspects related to digital art that can provide legal protection for local artists and their created works. Unfortunately, attention to AI regulation tends to focus on data protection issues rather than legal protection for the intellectual property rights of increasingly threatened digital art creators. To successfully navigate this complex regulatory terrain, the government must develop a coherent strategy that balances innovation with the need to protect artists' rights. Therefore, a series of regulations concerning the utilization and misuse of AI in digital art is necessary.

From the perspective of digital art development, there are no adequate provisions in Indonesian Law Number 28 of 2014 on Copyright (henceforth referred to as "Copyright Law") to guide navigation through the issues of copyright ownership in AI-generated works. Thus, there is a need for more specific and inclusive regulations to protect the copyright of local artists and creators. Navigating this legal vacuum requires regulators to anticipate future technological developments and their potential legal implications. Separate regulation formulation is a rationalization of the legal complexity in using AI. The broad spectrum of AI utilization indicates its potential to touch various business fields. Additionally, the scope of legal subjects in related regulations also requires a more specific and focused approach to anticipate legal uncertainty, multiple interpretations, and technological innovation developments.

The basic conception of copyright protection regulation can be found in natural law theory, which explains that copyright arises based on natural rights, so recognition and protection of copyright can be granted once the work or creation is made.¹² Meanwhile, John Locke expressed his thoughts in the labor theory, stating that copyright protection differs from other intellectual property rights, such as trademarks, patents, and industrial designs, which require concrete

¹² Elfian Fauzy, "Rekonseptualisasi Perlindungan Hukum Atas Hak Cipta Terhadap Artificial Intelligence di Indonesia" (Theses, Universitas Islam Indonesia, 2023), 74.

actions to gain recognition and protection.¹³ Thus, copyright is recognized based on creation without requiring registration actions, following the concept of natural rights.

Article 1 paragraph 2 of the Copyright Law defines the Creator as a person or several people who individually or collectively produce a distinctive and personal creation. This provision implies that copyright is exclusively granted to those actively involved in creating a work with unique and personal elements. Therefore, navigating the ethical and legal boundaries of AI-generated works should involve imposing restrictions on the use of AI in generating works using copyrighted samples without legitimate permission, especially for commercial activities. Mapping out clear legal standards for AI usage could reduce conflicts and ensure a balanced approach that fosters both creativity and technological development. Actualizing these regulations could take the form of legally binding AI usage ethics, considering flexibility to avoid hindering AI development.

However, current Indonesian legislation does not explicitly address the copyright of works generated by artificial intelligence. Similarly, Australia, China, the United Kingdom, and the United States do not provide protection for works generated by AI.¹⁴ Navigating this international regulatory landscape offers valuable lessons on how different jurisdictions manage AI and copyright intersections. In this context, extending copyright to AI owners would expand the definition of creations and creators. To be eligible for copyright protection, AI-generated works must meet two cumulative requirements: originality and fixation.¹⁵ Although AI-generated works meet the fixation requirement by being embodied in a stable medium, referring to the provisions of Article 1 paragraph 2 of the Copyright Law, it can be said that AI-generated works do not meet the originality requirement reflecting the creator's distinctive character or personality. Additionally, there is significant conservative criticism of AI-generated works, which contradicts the traditional essence of art.¹⁶ Thus, the government needs to clarify the meaning of copyright for AI-created works, especially if the works meet the originality aspect in line with technological innovation development.

Furthermore, the government needs to clarify the position of creators, AI developers, and the general public. Creators should be recognized for their contributions of originality and

¹³ *Ibid.*

¹⁴ Jyh-An Lee, Reto Hilty, and Kung-Chung Liu, *Artificial Intelligence and Intellectual Property* (Oxford: Oxford University Press, 2021), 4.

¹⁵ Michael Hans and Cynthia Prastika Limantara, "Menyoal Aspek Hak Cipta atas Karya Hasil Artificial Intelligence," *Hukum Online*, March 24, 2023, www.hukumonline.com/berita/a/menyoal-aspek-hak-cipta-atas-karya-hasil-artificial-intelligence-lt641do6ea600d9/?page=all.

¹⁶ Sharareh Aris, Borhan Aeini, and Shaghayegh Nosrati, "A Digital Aesthetics? Artificial Intelligence and the Future of the Art," *Journal of Cyberspace Studies* 7, no. 2 (2023): 230–231.

personality embedded in their works. On the other hand, AI developers need clear rights and limitations concerning works generated by their AI systems. Meanwhile, the public also needs to be involved by clarifying access rights and usage of AI-generated works within a fair and transparent legal framework. To navigate this, clear and specific guidelines on how the AI ecosystem functions in relation to copyright law are necessary. Clear regulations will provide certainty for all parties involved in the AI ecosystem. In drafting AI usage regulations, it is necessary to establish provisions ensuring legal accountability related to potential consequences, whether intentional or unintentional, from the use of this technology. This includes introducing legal sanctions in civil and criminal contexts as responses to potential risks and impacts from AI misuse. It is hoped that digital art creators in Indonesia can maintain their rights through royalties or compensation for their work's use.

To optimize implementation, the government also needs to establish an independent National Data and Artificial Intelligence Ethics Council (Dewan Etika Data dan Kecerdasan Artifisial Nasional) to oversee responsible AI utilization in society.¹⁷ To maximize its role, the government should develop standards and frameworks with clear governance. This council will be responsible for overseeing the implementation of Pancasila values and the AI principles set by the G20 in AI activities, including inclusive growth, sustainable development and well-being, human-centered values and fairness, transparency and clarity, robustness, security, and safety, and accountability.¹⁸ Thus, navigating AI development in Indonesia can become a positive force in society.

2. Examining Legal Protection Gaps for Digital Artists and Freelancers in Indonesia

In addition to the explanations above, elevating Indonesia's digital artists welfare also requires an in-depth analysis of their legal status and capacity as local workers to better protect their existence. Hence, it is important to break down the structure of Indonesia's working system and point out its missing elements. In this case, Indonesia specifically regulates the employment system for its citizens through Indonesian Law Number 13 of 2003 on Labor (henceforth referred to as "Labor Law"), which includes provisions on employment relations, industrial relations, worker's welfare and protection, wages, and other related matters.¹⁹ Formal employment in

¹⁷ Sri Saraswati Wisjnu, *et.al.*, *Strategi Nasional Kecerdasan Artifisial Indonesia 2020-2045* (Jakarta: BPPT Press, 2020), 16.

¹⁸ *Ibid.*

¹⁹ Hardijan Rusli, *Hukum Ketenagakerjaan 2003* (Jakarta : Pradnya Paramita, 2004), 8–12.

Indonesia is based on employment relationships as regulated by the Labor Law.²⁰ Article 1 paragraph (14) of the Labor Law defines an employment agreement as a contract between workers/laborers and employers that outlines the terms of employment, rights, and responsibilities of both parties.²¹ These employment agreements can be made either in writing or orally. Written employment agreements must comply with the applicable laws and regulations, which outlined in Chapter IX, Articles 50-66 of Labor Law. Employment agreements formed between employers and workers must be based on and adhere to the provisions of Labor Law and other relevant legal regulations.

Furthermore, the Labor Law categorizes employment agreements into 2 (two) types: Specific Time Employment Agreement (PKWT) and Indefinite-Term Employment Agreement (PKWTT).²² PKWTT governs permanent employment relationships between employees and employers. Conversely, PKWT, commonly known as a contract or irregular work agreement, applies to contract labor or irregular labor.²³ Article 59 paragraph (1) of the Labor Law stipulates that PKWT is applicable only for specific tasks expected to be completed within a set timeframe. This includes tasks that are one-off or temporary, estimated to be finished within a maximum of 3 (three) years, seasonal work, or tasks related to new products, activities, or trial products. Moreover, Indonesian Law Number 11 of 2020 on Job Creation changed the PKWT terms set in the Labor Law. Previously, PKWT could last up to 2 (two) years with a one-year extension.²⁴ The new law removed these limits and handed over regulation to the government. As a result, Government Regulation Number 35 of 2021 on Employment Agreement for a Specified Period of Time, Outsourcing, Working Time and Rest Time, and Termination of Employment was issued, extending the PKWT duration to a maximum of 5 (five) years. However, Article 59 paragraph (1) of the Labor Law emphasizes that PKWT cannot be used for permanent jobs.

Meanwhile, the definition of PKWTT can be found in Article 1 paragraph (2) of Decree of the Minister of Labor and Transmigration Number KEP-100/MEN/VI/2004 of 2004 (henceforth referred to as "Labor Decree No. 100/2004"), which states it as a permanent employment contract

²⁰ Elvira Rahayu, "Hukum Ketenagakerjaan" *Ketahui Hukumnya*, July 13, 2015, elvira.rahayupartners.id/id/know-the-rules/Labor-law.

²¹ Indonesian Law Number 13 of 2003 on Labor.

²² Imam Budi Santoso, "Legal Protection of Employees With A Specific Time Working Agreement Within The Framework of The Rule of Law State in Indonesia," *Pena Justisia* 22, no. 2 (2023): 244.

²³ *Ibid*, 244-245.

²⁴ *Ibid*, 245.

between workers or laborers and employers.²⁵ Unlike the PKWT (Fixed-Term Employment Agreement) system, PKWTT may include a probation period of up to 3 (three) months. During this probationary period, employers must pay workers' wages, which cannot be less than the prevailing minimum wage (as stipulated in Article 60 of the Labor Law).

In addition to conventional employment contracts like PKWTT, new work models are emerging that challenge existing regulatory frameworks. As technology continues to advance, remote and freelance work opportunities have emerged, providing greater flexibility for workers to work from anywhere, often leveraging digital tools and platforms. However, the regulations governing remote and freelance work have not yet been adequately addressed, creating a significant legal gap in existing employment agreements as stipulated in the Labor Law and other national regulations. This gap in regulation creates uncertainties regarding workers' rights, obligations, and protections. Consequently, there is a growing need for updated legal frameworks to accommodate the evolving nature of work in the digital age.

In contemporary labor economics, freelancing is characterized as a type of self-employment centered around fulfilling specific contractual tasks. Research on this employment model reveals that freelancing represents a distinct way for individuals to engage in economic activity.²⁶ It offers the opportunity to earn income from preferred work, escape monotonous traditional jobs, and reduce the expenses associated with starting a new business. Freelancing can be categorized into full-time and part-time types.²⁷ Full-time freelancers are those who are officially registered, pay taxes on their earnings, and legally declare freelancing as their primary occupation.²⁸ Hence, they mostly possess a tax ID and identify freelancing as their main job. On the other hand, part-time freelancers also offer their services but are employed in permanent positions elsewhere.²⁹ These individuals typically have a stable job and specific skills, which they leverage to earn additional income through freelancing.

²⁵ Rudy Avianto, Endeh Suhartini, and Achmad Jaka Santos Adiwijaya, "Perbandingan Sistem Hubungan Kerja PKWTT dan PKWT dalam Upaya Peningkatan Kesejahteraan Pekerja," *Jurnal Living Law* 14, no. 2, (2022): 154–167.

²⁶ Irina A. Donina, *et.al.*, "Outsourcing and Freelancing as Modern Labor Market Trends: Professional Requests of Youth," *Atlantis Press International B.V.* 208 (2022): 97.

²⁷ M. Muhsin, "Legal Protection for Indonesian Freelance Workers in Law Number 11 of 2020 Concerning Work Creation: Analysis of Changes in Legal Protection for Freelance Workers in Indonesia after the Omnibus Law," *International Journal of Law and Politics Studies* 3, no. 2 (2021): 56–64.

²⁸ *Ibid.*

²⁹ Soleh Hasan Wahid, "Payung Hukum Pekerja Freelance di Indonesia", *Hukumline*, April 26, 2020, hukumline.com/payung-hukum-pekerja-freelance-di-indonesia.

Freelance agreements can be divided into two types: those mediated by intermediaries and those made directly with clients.³⁰ Platforms such as Sribulancer, Project.id, and Fastwork serve as intermediaries in Indonesia, connecting freelancers with clients.³¹ Agreements through these platforms are often semi-standard, with the site facilitating the arrangement, including the form, duration of work, and salary. In contrast, freelancers who bypass intermediaries negotiate directly with clients via communication channels like WhatsApp or Facebook Messenger.³² The range of freelance jobs is broad, encompassing roles such as website content creation, logo design, application development, data entry, and more, including digital art. For companies, hiring freelancers offers several advantages, such as enhancing productivity and efficiency, reducing recruitment costs, infusing fresh perspectives, and providing flexible working hours.³³ According to a 2017 survey cited in the Future Workforce Report, 84% of global companies would either cancel, postpone, or delay projects if they couldn't secure freelance assistance.³⁴ This highlights the critical role freelancers play in today's business environment.

Examining the relationship between employers and freelancers, it is clear that it meets the 3 (three) criteria outlined in Article 1 paragraph (15) of the Labor Law, which are work, wage, and order, confirming that a valid employment relationship exists as defined by this law. However, due to the absence of formal written agreements, freelancers face a legal gap that places them in a vulnerable position and creates an imbalance between their rights and obligations. They often lack job protection, especially regarding fair wages in accordance with legal standards. The Labor Law specifies the rights and responsibilities of workers to ensure protection and proper balance between workers and employers. Articles 10 to 12 of the Labor Decree No. 100/2004 outline the regulations for Daily Freelance Work Agreements within the framework of Fixed-Term Employment Agreements.³⁵ These agreements differ from standard Fixed-Term Employment Agreements (PKWT) and include specific conditions, such as:

1. Daily Freelance Work Agreements apply to specific jobs with variable hours and workloads, with wages based on attendance;

³⁰ *Ibid.*

³¹ *Ibid.*

³² *Ibid.*

³³ Chandra Fitra Arifianto and Michael Vallentino, "A Study and review of Freelancer Value Proposition," *Journal of Research in Business, Economics, and Education* 4, no. 1 (2022): 50–51.

³⁴ Mustofa Mustofa, "Pekerja Lepas (Freelancer) dalam Dunia Bisnis," *Mozaik* 10, no. 1 (2018): 19–25.

³⁵ Ana Indriana, "Kebijakan Pemerintah Terhadap Perlindungan Hak Pekerja Freelance (Harian Lepas) di Indonesia," *Investama: Jurnal Ekonomi Dan Bisnis* 5, no. 2 (2021): 120–134.

2. Workers must work fewer than 21 (twenty one) days per month under these agreements; and
3. If workers work 21 (twenty one) days or more per month for 3 (three) consecutive months, the agreement automatically converts to an Indefinite-Term Employment Agreement.

Regarding the minimum wage, Labor Law addresses its implementation wherein Article 89 paragraph (1) states that the minimum wage referenced in Article 88 paragraph (3) letter a of Labor Law consists of: the minimum wage based on the provincial or district/city area and the minimum wage based on the sector within the provincial or district/city area.³⁶

Linked to the context of worker welfare, freelance work can threaten labor's well-being by undermining job security, as freelancers typically lack the long-term stability and benefits enjoyed by full-time employees, such as health insurance, retirement plans, and paid leave.³⁷ The variability in income due to fluctuating work availability can make financial planning difficult, leading to economic instability. Additionally, freelancers often face challenges in asserting their labor rights, negotiating fair pay, and accessing training and career development opportunities, which can result in exploitation and hinder their professional growth.³⁸

In evaluating the protection of freelance workers in Indonesia, it becomes evident that the existing legal framework presents significant gaps in addressing their unique needs and challenges. While the Labor Law provides comprehensive regulations for traditional employment relationships, it fails to bridge the legal gap in safeguarding the rights and welfare of freelancers. The absence of clear guidelines and protections for freelance work leaves these workers vulnerable to exploitation, unfair wages, and inconsistent employment conditions. This legal gap is particularly concerning for digital artists, who often engage in freelance work to leverage their creative skills. Without adequate legal protection, these artists face significant risks, including unstable income, lack of social security benefits, and limited access to legal recourse in disputes with clients.

Moreover, Indonesia should develop a more inclusive and adaptive legal framework that acknowledges the evolving nature of work in the digital age which can facilitate the formalization of freelance work through written contracts that outline the rights and responsibilities of both

³⁶ Abdul Khakim, *Aspek Hukum Pengupahan Berdasarkan UU Nomor 13 Tahun 2003* (Bandung: Citra Aditya Bakti, 2006), 19–27.

³⁷ Ahmad Hidayah, "Tantangan Kaum Freelancer Dan Pemerintah Indonesia Di Era Perkembangan Teknologi Digital (Analisis Kritik Globalisasi)," *RESIPROKAL: Jurnal Riset Sosiologi Progresif Aktual* 3, no. 1 (2021): 226–237.

³⁸ *Ibid.*

parties. By addressing these legal gaps, Indonesia can better support its digital artists, enhancing their economic stability and professional growth, and ultimately contributing to the broader goal of improving worker welfare in the country.

3. Leveraging AI and Adequate Legal Framework in Advancing Local Artists and Expanding Indonesia's Creative Economy

As regulations for AI continue to evolve, it is essential to implement measures that legally empower AI in ways that advantage local artists in Indonesia. According to the Ministry of Tourism and Creative Economy, the creative economy sub sector plays a significant role in driving the national economy, with many of these sub sectors including digital art industries such as visual communication design, interior design, fine arts, photography, and more.³⁹ This is supported by data from the Ministry of Tourism and Creative Economy in 2019, which states that the creative economy sub sector contributed IDR 1,153.4 trillion to the GDP, or 7.3% of the total national GDP.⁴⁰ These impressive figures indicate that leveraging AI technologies could further increase productivity and optimize the economic development process within the digital art industry.

In the digital art industry, AI technology allows humans to focus on more strategic and creative tasks. AI can also make access easier for all layers of society. Given these benefits, leveraging AI can drive the development of the digital art sector in Indonesia through platforms that benefit artists. This article proposes a solution to create and develop some kind of a platform called “**E-Commerce for Illustrators**”, which will serve as a bridge connecting artists with a more efficient market by leveraging AI tools. The developers of E-Commerce for Illustrators will form partnership agreements with artists to promote their works through the platform, protect their copyrights, and help artists provide artworks based on public demand.

By leveraging AI, E-Commerce for Illustrators will assist artists in analyzing market data and trends, expanding access to their created artworks. Through AI features such as audio descriptions and sign language translations, E-Commerce for Illustrators will also make art accessible to everyone, including people with disabilities. This not only opens new opportunities for artists but also creates an inclusive and diverse creative art environment. Additionally, with AI-based image recognition, E-Commerce for Illustrators can help artists detect illegal use of their artwork, thereby providing more effective copyright protection.

³⁹ Tim Redaksi, “Inilah 17 Subsektor Ekonomi Kreatif di Indonesia, Jadi Pilar Perekonomian Nasional,” *VOI*, November 30, 2023, voi.id/ekonomi/17-subsektor-ekonomi-kreatif-di-indonesia.

⁴⁰ Kementerian Komunikasi dan Informatika, “Pemerintah Dorong Optimalisasi Pertumbuhan Industri Kreatif Indonesia,” January 13, 2022, www.kominfo.go.id/pemerintah-dorong-optimalisasi-pertumbuhan-industri-kreatif-indonesia/o/berita.

Through these mechanisms, the E-Commerce for Illustrators platform will create an inclusive environment, allowing artists to focus on their creativity without worrying about sales and copyright issues. Moreover, the platform is expected to create broader job opportunities for AI experts and data analysts. E-Commerce for Illustrators will encourage the formation and development of similar platforms in other industrial sectors. This will increase the demand for human resources in AI, data analysis, and creative management. Thus, proper AI empowerment will have a significant positive impact on Indonesia's economy, including expanding job opportunities and increasing national income through various industrial sectors, particularly digital art.

In line with AI empowerment mechanisms, the Government of the Republic of Indonesia, as the main entity controlling the national economy, plays a significant role in supporting the leverage of AI to drive economic growth in the digital art sector. First, the government can start by establishing AI development laboratories to support the creation of digital art platforms. Second, the government can provide financial support to the involved parties, namely artists and AI scientists collaborating to develop AI technologies relevant to the digital art sector. Third, the government can collaborate with the private sector in financing research and education for AI technology development, which is still underdeveloped in the digital art sector. Fourth, the government can provide fiscal incentives to venture capital to increase investment in startups operating in the digital art field.

In efforts to expand employment opportunities, the government can organize educational programs involving AI skill training, provide access to digital learning resources, and hold activities such as workshops or seminars to discuss the benefits and challenges that may arise in this digital era. These efforts are expected to help the entire community gain adequate understanding of AI so that they can utilize it in their jobs during the digital transformation era. With this approach, the government can ensure the sustainability of inclusive education delivery by considering the needs and capabilities of low-income groups to prevent them from being left behind in the digital transformation wave.

To address the legal and welfare concerns of digital artists as freelancers in Indonesia, the government should consider implementing comprehensive reforms to the existing labor laws. According to a study by the International Labour Organization (ILO), countries with well-defined legal frameworks for freelance work tend to have better protection for freelancers' rights, including fair wages, job security, and access to social benefits. Indonesia can draw from these international

best practices to update its Labor Law to explicitly include provisions for freelance work. These provisions should mandate written contracts for freelancers, clearly outlining the terms of employment, rights, and obligations of both parties, thereby reducing the vulnerability of freelancers to exploitation and ensuring that they receive fair compensation and protection similar to that of traditional employees.

Lastly, Indonesia should develop a regulatory framework that promotes the formalization of freelance work. As several countries already offer robust legal protections for freelancers, for instance, Singapore has a defined legal framework under the Employment Act, allowing freelancers to opt for the Freelancer Registration Scheme, which grants them access to the Central Provident Fund (CPF) for retirement savings and certain tax deductions.⁴¹ Furthermore, Malaysia implements the Self-Employed Social Security Scheme, offering social security coverage for self-employed individuals, including freelancers, thereby protecting them against work-related injuries and providing medical benefits.⁴² This could involve creating a centralized digital platform where freelancers can register, access legal resources, and connect with potential clients. Such a platform would not only facilitate transparency and accountability but also provide freelancers with a support network and access to essential services such as healthcare, retirement benefits, and professional development opportunities. By integrating freelancers into the formal economy, the government can better monitor and protect their interests, ensuring that they contribute to and benefit from the social security system. This holistic approach would significantly enhance the welfare of digital artists and other freelancers, fostering a more stable and secure working environment for these essential contributors to the creative economy.

D. Conclusion

The rise of AI-generated works in Indonesia exposes critical gaps in current copyright laws, which are outdated in addressing the complexities AI introduces to authorship and ownership. AI challenges the notion of creators as exclusive rights holders, requiring regulatory reform that clearly defines the legal status of AI-generated content and protects human creators from exploitation. The government must prioritize the development of new, inclusive copyright laws to

⁴¹ Rivermate, "Singapore Freelancing and Independent Contracting," www.rivermate.com/guides/singapore/freelancing.

⁴² Fateen Rosli, "PERKESO/SOCSO Benefits for Self-Employed Workers & Housewives," *Wealth Vantage*, July 5, 2024, www.wealthvantage.com.my/post/perkeso-socso-benefits-for-self-employed-workers-housewives.

close these gaps and create a balanced legal framework that accommodates both AI advancements and the rights of digital artists.

Freelance digital artists face significant challenges in job security, income stability, and legal protection. The current labor regulations in Indonesia fail to adequately safeguard freelancers, particularly in the creative sector. This legal void leaves them vulnerable to exploitation, especially as technological advancements like AI continue to reshape the market. To better support freelancers, Indonesia needs labor law reforms that formalize freelance agreements through written contracts, mandate fair pay, and extend social protections, such as access to healthcare and pensions, to ensure freelancers' economic security.

Henceforth, the government needs to create specific regulations to protect digital artists' intellectual property from AI misuse and provide clear guidelines on the roles and rights of AI developers, creators, and the public. Establishing a National Data and AI Ethics Council will ensure responsible AI use. Additionally, updating labor laws to protect freelance workers, including digital artists, with written contracts, fair pay, and social security is essential. By adopting international best practices, Indonesia can support freelancers and boost their economic stability. Leveraging AI to empower local artists and expand the creative economy, with initiatives like an "E-Commerce for Illustrators" platform, and providing government support through AI labs, financial aid, and education, will maximize AI's positive impact on the digital art sector and the economy.

To ensure a balanced integration of AI into the creative sector and protect digital artists, the government should prioritize comprehensive copyright reforms that address AI-related issues, alongside establishing a National Data and AI Ethics Council to oversee the ethical use of AI. Additionally, labor laws must be updated to provide formal protections for freelance workers, ensuring standardized contracts, fair compensation, and social security. Furthermore, strategic government initiatives, such as the creation of AI labs, financial support programs, and educational opportunities, are essential to empower digital artists and foster the growth of AI technologies within the creative economy.

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