



Ethics and Responsibility in the Governance of Artificial Intelligence

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Abstract.

Artificial intelligence (AI) is transforming business, government, and society at a pace that exceeds the development of governance frameworks. This article presents an academic adaptation of Patrick Rudolf Dannacher's presentation at the 10th Jakarta Geopolitical Forum 2026, examining Indonesia's strategic position in the evolving global AI landscape. The presentation argued that Indonesia should become a rule shaper rather than a rule taker by developing governance frameworks that reflect national and regional priorities instead of relying solely on external regulatory models. Responsible AI requires more than ethical principles; it depends on capable institutions, effective implementation, qualified professionals, and credible regulatory mechanisms. Key challenges identified include fragmented governance, implementation gaps, and operational risks associated with large language models, including prompt injection, hallucination, and data leakage. The presentation further emphasised the importance of independent AI assurance, certification systems, and institutional readiness to support responsible AI adoption across strategic sectors. Building digital talent and governance capability was presented as the essential foundation for reducing implementation gaps and strengthening long-term competitiveness. The presentation concluded that developing national capability while adapting international best practices provides the most appropriate pathway for enabling Indonesia to contribute to the future development of AI governance.

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Introduction

Artificial intelligence (AI) has rapidly evolved from an emerging technology into an integral component of business operations, public services, and everyday life. The accelerating adoption of AI has created significant opportunities for innovation, productivity, and digital transformation, while simultaneously raising new questions regarding ethics, regulation, and institutional preparedness. As AI systems become increasingly embedded in critical sectors, ensuring their responsible implementation has become an important strategic issue for governments, industry, and society.

This article is an academic adaptation of the presentation delivered by Patrick Rudolf Dannacher, President Director and CEO of PT ITSEC Asia Tbk, during the 10th Jakarta Geopolitical Forum 2026. The presentation examined Indonesia's strategic position in the evolving AI landscape by raising a fundamental question: should Indonesia and Southeast Asia become rule shapers, contributing to the development of AI governance frameworks, or remain rule takers, relying primarily on regulations formulated by other jurisdictions? The presentation argued that this choice extends beyond technological adoption and requires the development of institutional capability that reflects national and regional priorities.

The presentation further emphasised that responsible AI cannot be achieved solely through ethical principles or regulatory declarations. Effective implementation requires capable institutions, credible regulatory mechanisms, qualified professionals, and practical governance arrangements that translate principles into operational practice. Within this context, the discussion explored the relationship between regulation, institutional capacity, certification, and human capital as essential elements for strengthening Indonesia's readiness to respond to the rapid development of artificial intelligence while contributing to regional and international cooperation.

Result and Discussion

The presentation opened by explaining that artificial intelligence (AI) has become an integral component of business operations, public services, and everyday life. As AI technologies continue to evolve at an unprecedented pace, governance frameworks have struggled to keep pace with widespread adoption. Although ethical principles have become central to discussions surrounding AI, the presentation emphasised that ethical values alone cannot ensure responsible implementation. The statement, "ethics without capabilities are just decoration," reinforced the argument that responsible AI requires capable institutions, competent professionals, and practical implementation mechanisms capable of translating principles into effective action.

A central theme of the presentation concerned Indonesia's strategic position within the evolving global AI landscape. The discussion presented two alternative roles: becoming a rule shaper by actively contributing to the development of governance frameworks or remaining a rule taker by adopting regulatory models established elsewhere. Regulatory approaches developed in Europe, China, or the United States may not necessarily correspond to Indonesia's institutional, legal, and socio-economic conditions. Consequently, the presentation advocated stronger cooperation among Southeast Asian countries to develop governance frameworks that reflect regional priorities while remaining compatible with international developments, thereby strengthening digital sovereignty and regional strategic capability.

The presentation further highlighted that the effectiveness of AI regulation depends not only on the existence of formal rules but also on institutional implementation. Regulations become meaningful only when consistently applied across government institutions, industry, and society. Practical challenges associated with large language models were illustrated through examples of prompt injection, hallucination, data leakage, and excessive reliance on AI-generated responses. These risks become increasingly significant when AI applications are deployed within defence, law enforcement, government institutions, and critical infrastructure, where operational failures may generate broader security implications.

Geopolitical competition in artificial intelligence was illustrated through the analogy of a World Cup, where major powers compete to define the rules governing future technological development. Within this environment, Southeast Asian countries were encouraged to strengthen regional cooperation rather than depend upon governance frameworks designed by larger geopolitical actors. Developing indigenous regulatory capability was presented as an essential prerequisite for enabling Indonesia and the region to participate actively in shaping international AI standards instead of merely complying with externally established regulations.

A second analogy compared AI governance with a football match in which rules alone cannot guarantee fair competition without qualified referees responsible for enforcing them. Similarly, AI governance requires competent regulators, auditors, inspectors, certification bodies, and independent AI assurance mechanisms capable of evaluating compliance and managing emerging risks. Indonesia's experience in establishing large-scale certification systems was presented as evidence that comparable institutional arrangements could also be developed for artificial intelligence, thereby strengthening public confidence while supporting responsible AI adoption across both the public and private sectors.

Human capital emerged as another major concern throughout the presentation. Indonesia is projected to experience a shortage of approximately nine million ICT professionals by

2030, creating significant challenges for AI implementation and digital transformation. Rather than viewing AI primarily as a source of labour displacement, the presentation emphasised the importance of preparing professionals for new occupations created through technological advancement. Investment in education, professional certification, governance training, leadership development, and institutional capacity was therefore identified as an essential foundation for strengthening long-term national competitiveness. The establishment of the ITSEC Asia Cybersecurity and AI Academy was presented as one practical initiative designed to prepare professionals across government institutions, defence organisations, regulators, financial institutions, telecommunications providers, and operators of critical infrastructure with both technical expertise and governance capability.

The presentation concluded by outlining four strategic priorities for Indonesia: adopting risk-based AI regulation, strengthening regional cooperation through certification and governance frameworks, establishing independent AI assurance, and investing continuously in digital talent development. Three strategic pathways were subsequently presented: waiting to adopt regulations developed elsewhere, replicating existing regulatory frameworks, or building national capability while adapting international best practices to domestic requirements. Among these alternatives, capability development accompanied by calibrated regulation was presented as the most appropriate pathway for enabling Indonesia to become a rule shaper capable of contributing to regional and global AI governance while strengthening national resilience in the digital era.

Conclusion

The presentation concluded that Indonesia's future role in artificial intelligence will depend not only on technological adoption but also on its capacity to shape the rules governing its development and implementation. Becoming a rule shaper requires more than regulatory ambition; it demands capable institutions, qualified professionals, effective certification mechanisms, and credible implementation arrangements that translate ethical principles into practical action. The presentation further emphasised that regulations should be developed in accordance with Indonesia's national interests while remaining responsive to regional and international developments, rather than being adopted without adaptation.

The discussion also highlighted that sustainable AI governance depends upon strengthening institutional capability and human capital. Investment in education, professional certification, AI assurance, and governance capacity was presented as an essential foundation for reducing implementation gaps and supporting responsible AI adoption across strategic sectors. Building national capability while calibrating international

best practices to domestic requirements was ultimately presented as the most appropriate pathway for enabling Indonesia to participate actively in shaping the future of AI governance.

Publication Note

This article presents an academic adaptation of the presentation delivered at the 10th Jakarta Geopolitical Forum (JGF X) 2026. Editorial revisions were limited to structure, language, and readability, while the speaker's original arguments, meaning, and policy recommendations remain unchanged.

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