
Jurnal Dinamika Hukum

Vol. 23 Issue 2, May 2023

E-ISSN 2407-6562 P-ISSN 1410-0797

National Accredited Journal, Decree No. 21/E/KPT/2018

DOI: [10.20884/1.jdh.2023.23.2.3667](https://doi.org/10.20884/1.jdh.2023.23.2.3667)

This work is licensed under a Creative Commons Attribution 4.0 International License (cc-by)

DIGITALIZATION OF ALTERNATIVE DISPUTE RESOLUTION: REALIZING BUSINESS FAIR PRINCIPLES IN DIGITALIZATION ERA

Azizah¹, Fawaidil Ilmiah², Khrisna Hadiwinata³, Mahamadaree Waeno⁴

¹Universitas Islam Ogan Komering Ilir, Sumatera Selatan, Indonesia

²Universitas Negeri Surabaya, Indonesia

³Politeknik Negeri Malang, Indonesia

⁴Fatoni University, Thailand

Abstract

In the present time, the development of information technology has brought about significant changes in various aspects of life, including ways of doing business and interacting globally. However, the increasing complexity of business has also led to the emergence of complex business disputes involving parties from various countries. The urgency of this research is to optimize the development of digitalization as a means of implementing alternative digitalization-based dispute resolution. This study aims to explore the potential of digitalization as an alternative dispute resolution based on the principle of fairness in business and to identify and analyze challenges in implementing digitalization as an effective and fair dispute resolution tool in realizing the value of fairness in business. In this study, the normative legal method with the literature study method was used to collect data from various related sources. The results of the study show that digitizing alternative dispute resolution can provide efficient and effective solutions in dealing with business disputes in the digital era. This is in line with a fair business concept that emphasizes effectiveness, efficiency, and efforts to guarantee the rights of the parties in business processes. In its development, the use of digital technologies such as online platforms, artificial intelligence (AI), and blockchain can increase efficiency, transparency, and fairness in dispute resolution.

Keywords: ADR; Business Fair; Challenges; Digitalization; Efficiency.

Abstrak

Di masa kini, perkembangan teknologi informasi telah membawa perubahan signifikan dalam berbagai aspek kehidupan, termasuk cara berbisnis dan berinteraksi secara global. Namun, kompleksitas bisnis yang semakin meningkat juga menyebabkan munculnya sengketa bisnis yang rumit dan melibatkan pihak dari berbagai negara. Urgensi penelitian ini yaitu untuk mengoptimalkan perkembangan digitalisasi sebagai sarana pelaksanaan alternatif penyelesaian sengketa berbasis digitalisasi. Penelitian ini bertujuan untuk mengeksplorasi potensi digitalisasi sebagai alternatif penyelesaian sengketa yang berbasiskan pada prinsip fairness dalam bisnis dan mengidentifikasi serta menganalisis tantangan dalam mengimplementasikan digitalisasi sebagai alat penyelesaian sengketa yang efektif dan adil dalam mewujudkan nilai fairness dalam bisnis. Dalam penelitian ini, metode hukum normatif dengan metode studi literatur digunakan untuk mengumpulkan data dari berbagai sumber terkait. Hasil penelitian menunjukkan bahwa digitalisasi alternatif penyelesaian sengketa dapat memberikan solusi yang efisien dan efektif dalam menangani sengketa bisnis di era digital. Hal ini selaras dengan konsepsi bisnis yang fair yang menekankan efektivitas, efisiensi, serta upaya menjamin hak para pihak dalam proses bisnis. Dalam perkembangannya penggunaan teknologi digital seperti platform online, kecerdasan buatan (AI), dan blockchain dapat meningkatkan efisiensi, transparansi, dan keadilan dalam penyelesaian sengketa.

Kata kunci: ADR, Business Fair, Tantangan, Digitalisasi, Efisiensi.

Copyright©2023 Jurnal Dinamika Hukum.

Introduction

The rapid development of information and communication technology (ICT) in recent decades has changed various aspects of human life, including the way of doing business and interacting globally (Roger Brownsword, 2021). Today's

world is faced with a digital age that brings significant changes in various sectors, including law and dispute resolution. The tradition of resolving disputes involving long, complicated, and high-cost conventional litigation processes is increasingly being abandoned, and replaced by alternative methods that are more efficient, fast, and cost-effective. In a business context, it is important for parties involved in international contracts and transactions to have a reliable and fair dispute resolution system (Pusat Penelitian dan Pengembangan Penyelenggaraan Pos dan Informatika, 2015).

In the ever-evolving modern era, the business world is increasingly complex and global. The development of information and communication technology has drastically changed the business landscape (Rosana, 2010). However, along with this growth, new challenges also arise in the form of increasingly complex business disputes and often involving parties from different countries. Business disputes can arise from a variety of causes, including non-fulfillment of contractual agreements, differences in interpretation, or intense competition in the global marketplace (Safiranita et al., 2022). Business disputes are an inevitable phenomenon in the modern business world. Differences of views, contract disagreements, non-compliance with regulations, and conflicts of interest are often the causes of disputes between various parties involved in business transactions (Lathif & Habibaty, 2019).

Related to business disputes, there are several laws that give different meanings. Trade Law, namely Law Number 7 of 2014 concerning Trade. This includes laws governing business transactions, copyrights, trademarks, patents, and other related matters. Disputes in these matters may relate to infringement of intellectual property rights, unfair business competition, or other related issues. The Bankruptcy Law is in Law Number 37 of 2004 concerning Bankruptcy and Suspension of Debt Payment Obligations. If a business faces financial difficulties and is unable to pay its debts, bankruptcy laws may govern restructuring or liquidation proceedings involving creditors and other related parties. In addition, the main one related to this research is the Arbitration Law, namely Law Number 30 of 1999 concerning Arbitration and Alternative Dispute Resolution. Laws governing ways of resolving disputes outside the usual judicial channels through arbitration mechanisms. Arbitration is an alternative to traditional judicial proceedings and is a popular way to resolve business disputes on a self-managed basis.

Meanwhile, according to Law number 30 of 1999 concerning Arbitration and Alternative Dispute Resolution, in article 1, Arbitration is a way of resolving a civil dispute outside the general court based on an arbitration agreement made in

writing by the parties to the dispute. Slow and complicated dispute resolution can hinder business growth, result in financial losses, and damage a company's reputation. Law Number 30 of 1999 concerning Arbitration and Alternative Dispute Resolution regulates arbitration proceedings and dispute resolution through this mechanism. Some jurisdictions have specific arbitration laws governing arbitration procedures and proceedings, recognition and execution of arbitral awards, as well as several other aspects relevant to DAPS. In the context of global business, there are various legal, cultural, and linguistic differences that can lead to disputes between parties. These differences often complicate the dispute resolution process using conventional court channels (Disantara, 2021).

In addition, the cost and time required to resolve disputes in court can hinder business development and growth. As a result, many companies are looking for alternative methods that are more efficient and can guarantee fairness in the resolution of business disputes. Traditionally, business dispute resolution is resolved through litigation, which is through formal court processes that are time-consuming and high cost. Litigation can hinder the pace of business and risk damaging the company's reputation. In facing this challenge, alternative dispute resolution (ADR) has emerged as a more efficient and more business-friendly solution (Suryadi et al., 2000). Alternatively, dispute resolution solutions through alternative mechanisms, such as mediation and arbitration, have become a preferred option for some businesses. Mediation and arbitration offer a faster, less expensive, and more guaranteed approach to resolving disputes. Nevertheless, despite the benefits in many cases, there is still room to improve the efficiency and effectiveness of these alternative dispute resolution processes (Fadillah & Putri, 2021).

This is where the role of digital technology becomes very relevant. The development of information technology has opened up great opportunities to integrate digitalization in the business dispute resolution process. The use of online platforms, virtual communication tools, blockchain technology, and artificial intelligence (AI) can facilitate more efficient, transparent, and accurate dispute management and resolution (Agung et al., 2020). Business Fair Principle is one of the principles that is an important highlight in resolving business disputes. This principle emphasizes the importance of achieving fairness and equality among the parties involved in the dispute, including large and small companies (Kudriavtsev et al., 2021). The implementation of this principle is challenging in practice, especially when involving companies from different countries with diverse interests (Panjaitan, 2021). Digitalization is the answer to these problems. By utilizing advances in information technology, the dispute

resolution process can be transformed to be more transparent, affordable, and accessible to all parties involved. The use of technology to resolve disputes can also increase efficiency and minimize conflicts of interest, thus realizing the principle of fairness in business dispute resolution (Kurniawan et al., 2023). The urgency of implementing digital-based ADR apart from accelerating the dispute resolution process is also relevant to the digital era which utilizes technological devices in human life.

However, amidst the dynamics of technological developments and increasingly complex business disputes, there are still challenges in implementing digitalization as an alternative dispute resolution. Some of these challenges include aspects of data security, the validity of electronic evidence, trust from various parties, and regulatory issues that differ from country to country. This study aims to examine the potential of digitalization as an alternative dispute resolution in achieving the Business Fair Principle in today's era. This research will also identify and analyze the challenges faced in implementing digitalization as an effective and fair dispute resolution tool (Anna Maria Tri Anggraini et al., 2022). It is expected that the results of this study will contribute significantly to the understanding of digitalization as an alternative to business dispute resolution in today's era. The results of this study can provide guidance and recommendations for companies, legal institutions, and governments in developing policies and regulations related to technology-based dispute resolution (Gandhi, 2021).

In addition, this research is expected to provide insight for legal practitioners, academics, and other involved parties in understanding the potential and challenges of digitalization in realizing the principle of business justice. Before the research conducted by the researcher, there was previous research that was relevant to the research being carried out by the author. The first is a study entitled "Online Dispute Resolution in International Business Transactions" (2019) by Katharina Boele-Woelki and Xandra Kramer. This research discusses the application of Online Dispute Resolution (ODR) in dispute resolution of international business transactions, including mediation and arbitration supported by digital technology. The second is a study entitled "E-Justice and Technology: Challenges for ADR (Alternative Dispute Resolution)" (2018) by Pablo Cortés. This study reviews the challenges and opportunities in implementing digital technology in alternative dispute resolution, as well as the implications of e-justice on the effectiveness of dispute resolution. And the last is a study entitled "The Use of Artificial Intelligence in Arbitration: Boon or Bane?" (2019) by Ling Dequan and Lim Xiuqi. This study discusses the application of

artificial intelligence (AI) in arbitration proceedings, including analysis of the associated benefits and potential risks.

The novelty of the research entitled "Digitalization of Alternative Dispute Resolution: Realizing Business Fair Principles in the Present Era" conducted by the author lies in the focus of research which includes the integration of digital technology in alternative mechanisms for resolving business disputes to achieve the principle of "Business Fair" in the current era. This research directs attention to the implementation of digitalization as a solution to improve efficiency, fairness, and affordability in resolving business disputes in an increasingly complex digital era. In conducting research on the potential of digitalization as an alternative dispute resolution in achieving the principle of "Business Fair" in the current era, it also considers aspects of applicable laws and regulations.

Identifying relevant legal regulations and understanding the legal framework governing the use of digital technology in dispute resolution will help in crafting effective recommendations and guidelines for companies, legal institutions, and governments in dealing with the dynamics of dispute resolution in the digital era.

The importance of this research is intended as part of technological developments in which business processes are carried out digitally. The digitization of business processes also implies the importance of resolving business disputes digitally. The importance of this research as part of efforts to build substance fairness in business so that the digitalization of business processes can create a conducive business climate that protects the rights of parties in business processes.

Research Problems

In today's era marked by advances in information technology, the concept of "Digitalization of Alternative Dispute Resolution" is becoming increasingly relevant in an effort to achieve the principle of "Business Fair" in business dispute resolution. The first question that arises is how this digitalization concept can be implemented effectively in order to realize the principle of "Business Fair" which includes aspects of fairness, speed, cost-effectiveness, transparency, and trust in dispute resolution. Obviously, digital technology has great potential to improve the efficiency of the business dispute resolution process (Koos, 2022). The second question is how the application of digital technology in alternative dispute resolution mechanisms, such as mediation and arbitration, can provide tangible benefits in overcoming barriers that often arise in traditional dispute resolution, such as litigation in court (Menashe, 2018). How digital technology can speed up

the settlement process, reduce costs, and ensure that the results follow the principles of "Business Fair" is an essential question to answer.

Research Methods

By referring to the questions above, this study aims to contribute in exploring the potential of digital technology as a tool to achieve the "Business Fair Principle" in resolving business disputes in today's era. Through a deep understanding of the concept and application of digitalization in alternative dispute resolution mechanisms, it is hoped that this research can provide new insights into how technology can be used to improve the efficiency and effectiveness of dispute resolution, while still upholding the principles of fairness and transparency that are the cornerstone in creating a sustainable and harmonious business environment for all parties involved.

The type of research used in this study is a type of normative law with a literature study method. This method involves a thorough review of literature, articles, journals, and other related sources of information relevant to the research topic (Butarbutar, 2018). A literature study can help identify recent developments in the field of digitization, dispute resolution and the principle of "Business Fair", as well as provide a solid theoretical foundation for research. Legal materials in this study use primary legal materials in the form of laws and regulations that are related to alternative dispute resolution, and secondary legal materials in the form of law books, legal journals, legal articles. The research approach used is a statutory approach (Statue Approach) where researchers need to understand the hierarchy and principles contained in legislation related to alternative dispute resolution and a conceptual approach by utilizing the concept of Business Fair.

In addition, legal analysis related to regulations and other legal aspects will use qualitative analysis methods to understand the legal implications of the implementation of digitalization in business dispute resolution. In addition, comparison with literature studies and previous cases will also be part of the analysis to strengthen research findings. This approach and method of analysis will provide a comprehensive understanding of how digitalization can be integrated in alternative business dispute resolution mechanisms to achieve the principle of "Business Fair" in today's era.

Discussion

Digitization Alternative Dispute Resolution: Achieving the Principle of Business Fair in Business Dispute Resolution

Law No. 30 of 1999 concerning Arbitration and Alternative Dispute Resolution (Arbitration Law) is an Indonesian law that regulates alternative ways of resolving disputes outside the usual court channels, especially through arbitration mechanisms. Under this law, there are several dispute resolution alternatives that can be used to resolve business disputes. Some of them are:

1. Arbitration

Arbitration is a dispute resolution process in which disputing parties agree to submit their dispute to an arbitrator or independent panel of arbitrators. The arbitrator will issue a binding decision, which is known as the Arbitration Award. Procedures and laws governing arbitration are regulated in the Arbitration Law.

2. Mediation

Mediation is a dispute resolution process in which a neutral mediator helps the disputing parties to reach an agreement. The mediator acts as a facilitator and does not have the authority to issue decisions. The result of mediation is a mutual agreement signed by the disputing parties

3. Conciliation

Conciliation is similar to mediation, where the conciliator helps the disputing parties to reach an agreement. However, the role of the conciliator is more active in providing input and suggestions to the disputing parties

4. Expert Opinion

Expert opinion is an alternative to dispute resolution in which the disputing parties agree to submit certain legal questions or facts to an independent expert. This expert opinion can be used as a basis for seeking a solution to a dispute.

5. Negotiation

Negotiation is a process in which disputing parties try to reach an agreement without involving a third party. In negotiations, parties try to reach a middle point or agreement that satisfies both parties.

The Arbitration Law provides a clear and complete legal framework regarding dispute resolution mechanisms through arbitration and its alternatives. Parties wishing to use one of the alternative dispute resolutions above must understand the provisions of the Arbitration Law and comply with the procedures regulated therein. In addition, in the case of business disputes, it is

also usually advisable to seek the assistance of legal experts experienced in arbitration and alternative dispute resolution to ensure smooth and fair proceedings (Seno Wibowo Gumbira, Adi Sulistiyono, 2020). In today's era, business and information technology are increasingly interrelated and inseparable. Business processes often involve digital transactions and electronic contracts, which in turn increases the potential for business disputes. To overcome this challenge, the concept of "Alternative Digitization of Dispute Resolution" has become an important focus in efforts to achieve the principle of "Business Fair" in business dispute resolution.

One of the advantages of digitalization-based out-of-court dispute resolution is that time is more flexible and easier to carry out substantive discussions. This can be seen from conventional dispute resolution, for example in the process of negotiation, mediation, to conciliation which requires a lot of time, space, and costs. This does not include the obstacles or constraints of the parties who are unable to attend. In digitization-based out-of-court dispute resolution, obstacles such as parties unable to attend until time and cost constraints can be overcome effectively in digitalization-based out-of-court dispute resolution practices (Flora et al., 2023).

Digitizing Alternative Dispute Resolution (ADR) is an approach that uses digital technology to help achieve fair and efficient resolution of business dispute cases (Matheus, 2021). The concept of "Digitalization of Alternative Dispute Resolution" refers to the use of digital technology to create new ways of resolving business disputes efficiently and fairly. The aim of this concept is to achieve the principle of "Business Fair", namely the principle of fair, fast, cost-effective and transparent business dispute resolution. By adopting a digital approach, dispute resolution can be more accessible, efficient, and can reduce the costs and time required to resolve business disputes. Digitizing alternative dispute resolution provides a platform that allows wider accessibility, so that the parties involved can participate without having to be physically present at a particular location. In addition, digitization also increases the speed and efficiency of the process by enabling the rapid exchange of information, evidence, and resolution steps (Sudjana, 2022). The use of digital technology can also increase transparency in the dispute resolution process, where all parties can access information and understand the steps taken to reach an agreement.

The ability to engage neutral third parties and use intelligent technologies such as artificial intelligence also provides assurance that the settlement process will be carried out objectively and fairly. When using digital technology in arbitration and mediation proceedings, it is important to ensure that the

approach complies with the applicable arbitration and mediation laws in the jurisdiction, namely Law (UU) Number 30 of 1999 concerning Arbitration and Alternative Dispute Resolution. This includes fulfilling the formal requirements for the validity of the dispute resolution process. With the concept of Digitization Alternative Dispute Resolution, business dispute resolution in the digital era becomes more efficient, transparent, and can achieve the expected "Business Fair" principle in every process of business dispute resolution. This concept can be implemented properly to achieve the principle of "business fair" in resolving business disputes in the current era in the following ways::

1. **Accessibility and Openness**
Through digital platforms, the dispute resolution process can be accessed easily by all parties involved. By providing access to information and related documents, the principle of transparency in dispute resolution can be achieved. All parties can see and understand the entire process that takes place, ensuring that decisions are based on relevant facts and laws
2. **Efficiency and Speed**
By utilizing digital technology, the dispute resolution process can be carried out quickly and efficiently. Using online platforms for mediation or arbitration can reduce the time and cost required to attend physical trials. This allows companies to focus on their core business activities without getting bogged down in lengthy dispute resolution processes (Matheus, 2021).
3. **Transparency and accountability**
The digital platform allows every step in the business dispute resolution process to be digitally recorded. This creates greater transparency, as all parties involved can view and access the same information. Accountability also increases because the steps taken in dispute resolution can be clearly documented (Wibowo, 2020).
4. **Flexibility in selecting dispute resolution**
With the adoption of digitization, parties have more choices in choosing the type of dispute resolution that best suits their situation. They can choose from a variety of methods such as mediation, negotiation or arbitration, depending on the complexity and nature of their dispute (Dananjaya et al., 2017).
5. **Privacy and Security**
Implementation of ADR digitization must also ensure data security and privacy of all parties involved in the process. Information security

guarantees are important in ensuring that sensitive data does not fall into the wrong hands (Munawarah & Yusuf, 2022).

6. Use of Blockchain

Blockchain technology can be used to ensure the integrity and infallibility of electronic evidence submitted by disputing parties. The use of blockchain can also reduce the risk of falsifying evidence or changing documents, thereby strengthening the principle of "business fair" in dispute resolution (Saragih, 2023). If blockchain technology is used in a dispute resolution process, it is necessary to ensure that such use complies with relevant laws and regulations regarding the use of blockchain technology.

7. Use of Mediator/Digital Expert

In some cases, artificial intelligence technology can be used as a mediator or expert to help assess arguments and provide fair solutions. The use of this technology can increase the effectiveness and quality of dispute resolution.

8. Increased Access to Legal Information

In some cases, business disputes may be related to different interpretations of the law. Through digitization, access to legal information can be increased through online platforms and digital libraries, enabling all parties to better understand the legal issues underlying disputes (Sulistianingsih et al., 2023).

The concept of "Business Fair" is actually a universal business concept in which this concept is rooted in the views and ideas of John Rawls regarding justice as fairness. In the Indonesian context, the concept of "business fair" is embodied in the choice of business dispute resolution which can not only be resolved through litigation, but can be resolved non-litigation. One of the non-litigation settlements can be constructed by applying the Digitizing Alternative Dispute Resolution.

Digitizing Alternative Dispute Resolution is a step forward in carrying out the principle of "Business Fair" in resolving business disputes in today's era. By applying the concept of "Digitalization of Alternative Dispute Resolution" and paying attention to the principle of "Business Fair," organizations and businesses can achieve more efficient, fair and transparent dispute resolution in today's era. However, it should be noted that digitization is not suitable for all types of business disputes, and in some cases, physical meetings and in-person interaction may still be required. The business referred to in this case is a local scale business that does not rely on digital transactions such as buying and selling in traditional

markets and businesses related to intellectual property rights. In a business that is oriented like this, face-to-face or non-digital settlements are preferred. However, it is important to ensure that confidentiality, security and data protection are strictly enforced for DAPS to function optimally.

The Implementation of Digital Technology in Alternative Dispute Resolution Mechanisms: Concerning Mechanism Efficiency

In today's digital age, the development of information technology has changed the business landscape in unprecedented ways. The company operates globally, engages in digital transactions, and conducts business with high efficiency. However, with increasing complexity and speed in the business world, disputes have also become inevitable. Therefore, efforts to improve the efficiency of the dispute resolution process are very important (Harahap et al., 2018). One approach that has received attention is the application of digital technology in alternative dispute resolution mechanisms, such as mediation and arbitration.

Mediation involves the process of resolving disputes with the help of neutral parties who help the parties to reach mutual agreement (Albar, 2019). Meanwhile, arbitration involves the resolution of disputes through arbitral tribunals presided over by neutral arbitrators who render binding decisions. The application of digital technology in alternative dispute resolution mechanisms such as mediation and arbitration carries great potential to improve the efficiency of dispute resolution processes in the business world. In mediation, digital technology allows the parties involved to communicate in real-time through video conferencing or chat platforms, without having to be in one physical room .

This is very useful especially if the parties are located far apart. With the help of digital technology, the exchange of information and evidence can be done more quickly and easily, speeding up the mediation process to reach an agreement. In this discussion, we will explore how the application of digital technology in alternative dispute resolution mechanisms such as mediation and arbitration can improve the efficiency of the dispute resolution process in the business world. By leveraging digital technology, various innovations have emerged that can bring significant benefits in addressing dispute resolution challenges effectively and in a timely manner. It will also identify ways in which digital technologies have stimulated the efficiency of dispute resolution processes, including better accessibility, more efficient evidence collection and presentation, data protection and privacy, and enhanced collaboration. In addition, we will also discuss other benefits resulting from the application of

digital technology, such as cost and time reduction, the ability to manage documents digitally, and the use of legitimate electronic evidence.

Through this discussion, it is hoped that stakeholders in the business world, including entrepreneurs, lawyers, and legal practitioners, can understand how important and beneficial it is to apply digital technology in alternative dispute resolution mechanisms. Thus, the dispute resolution process can run more efficiently, fairer, and more in line with the needs of the ever-changing and rapidly evolving business world. The application of digital technology in alternative dispute resolution mechanisms, such as mediation and arbitration, can bring various benefits and improve the efficiency of the dispute resolution process in the business world. Here are some ways in which digital technology can contribute to improving such efficiency:

1. Accessibility and Flexibility

Digital technology allows parties involved in business disputes to participate in the resolution process from different locations. Through digital platforms, such as video conferencing or virtual meetings, parties can communicate and confer without the need to meet physically. This reduces the cost and time required for travel, thus speeding up the completion process (Mania, 2015).

2. Time and Cost Efficiency

The application of digital technology reduces operational costs associated with the dispute resolution process. For example, travel and accommodation costs can be avoided, and the time it takes to reach an agreement or decision can be reduced. By reducing time and costs, digital technology helps businesses to save valuable resources (Kadim, 2017).

3. Real-time Collaboration and Information

With digital technology, mediators or arbitrators can provide an online collaboration platform where all dispute-related documents and information can be uploaded and shared in real-time. This allows all parties to easily access and convey relevant information, as well as collaborate on finding faster and more efficient solutions (Aziz et al., 2021).

4. Collection and Presentation of Electronic Evidence

The application of digital technology facilitates the collection and presentation of electronic evidence more efficiently. Electronic data, such as emails, chats, transaction records, or other electronic documents, can be presented clearly and accurately in digital form. This makes it easier for

mediators or arbitrators to analyze and assess the evidence submitted by the parties concerned (Pribadi, 2018).

5. Data Security and Confidentiality

Although efficiency is a key goal, data security and confidentiality remain a priority in business dispute resolution. Appropriate use of digital technology should include sophisticated security systems to protect sensitive data from unauthorized access (Putrianda, 2022). If the dispute resolution process involves the exchange of personal data between the parties involved, it is necessary to comply with the Personal Data Protection Laws applicable in the relevant jurisdiction. These laws govern how personal data should be managed, processed, and protected to prevent misuse and invasion of privacy.

6. E-Filing dan E-Document Management

With the adoption of digital technology, parties can do e-filing, which is to file files and documents electronically. In addition, document management in digital format makes it easy to find, store, and manage relevant information, saving time and effort previously required to search for physical documents.

7. Automatic Scheduling and Notifications

Digital technology can help schedule and send automatic notifications about meetings, deadlines, or specific stages in the dispute resolution process. This helps all parties stay informed and actively involved in the process, preventing unnecessary delays (Reedy, 2023).

The application of digital technology in alternative dispute resolution mechanisms such as mediation and arbitration provides great advantages in improving the efficiency of the dispute resolution process in the business world. With accessibility, real-time collaboration, efficient electronic evidence collection, and robust data protection, digital technology provides powerful tools for mediators, arbitrators, and parties to reach dispute resolutions more quickly, fairly, and effectively. In addition, increased efficiency also contributes to business continuity and trust among stakeholders. By utilizing digital technology, the dispute resolution process becomes more efficient, transparent, and fair, supports business continuity, and increases trust between business stakeholders.

The Implementation of Digitalization in Business Dispute Resolution: Challenges, Potential Risks and Solutions

In the ever-evolving digital era, the use of information technology has become key in improving the efficiency and effectiveness of various aspects of business, including dispute resolution. The implementation of digitalization in business dispute resolution mechanisms, such as mediation and arbitration, offers various benefits in terms of accessibility, transparency, and speed of process (Solikhin, 2023). However, as is the case with all innovations, the application of digital technology in dispute resolution also presents challenges and potential risks that need to be addressed to ensure the success and trust of the parties involved. Implementing digitalization in business dispute resolution offers a range of potential benefits, but it also comes with challenges and potential risks. One of the main challenges is data security and information confidentiality. In the dispute resolution process, sensitive information often has to be disclosed to a third party or mediator.

Therefore, it is important to have a strong security system to protect data from unauthorized access or leakage of information that can harm either party. In addition, there are also potential risks associated with technical errors or digital platform failures. When the dispute resolution process relies entirely on technology, technical issues such as network disruptions or system failures can lead to delays or inability to reach agreements on time. In addition, there may be those who do not fully believe in digitization and prefer the traditional way of settlement. This can be an obstacle in technology adoption, as the trust of the parties involved is critical in the dispute resolution process.

This discussion will explore various challenges and risks that may arise in implementing digitalization in business dispute resolution. Among them are data security, limited access to technology, potential technology conflicts, and satisfaction of parties involved in digital processes. In addition, this discussion will also cover various ways that can be taken to overcome these obstacles and ensure successful implementation of digitalization and gain the trust of all parties involved.

Through a deep understanding of the challenges and risks that may be faced in the application of digital technology, it is hoped that this discussion will provide insight into how to face and overcome these obstacles. By taking appropriate measures, digitization in business dispute resolution can be a powerful tool to increase efficiency and transparency in the settlement process, while still maintaining the integrity and trust of all parties involved. Thus,

business dispute resolution in the digital era can become more fair, effective, and efficient, providing tangible benefits to the business world and society at large.

The implementation of digitalization in business dispute resolution offers many benefits, but it also presents challenges and potential risks that need to be addressed to ensure the success and trust of the parties involved. The implementation of digitalization in business dispute resolution offers many benefits, but also presents challenges and potential risks. Here are some of the challenges and potential risks that may be faced, as well as how to overcome them to ensure the success and trust of the parties involved:

1. Data Security and Privacy

The main challenges in digitization are data security and privacy. The dispute resolution process involves the exchange of sensitive and confidential information, so data protection is important. Data security breaches can result in loss of trust of the parties involved and damage the reputation of the settlement process. If the dispute resolution process involves the exchange of personal data between the parties involved, it is necessary to comply with Law Number 27 of 2022 concerning Personal Data Protection. These laws govern how personal data should be managed, processed, and protected to prevent misuse and invasion of privacy.

Solution: Make sure the platform used is secure and in accordance with applicable data security standards. Use encryption and strong authentication to protect information. Provide strict confidentiality agreements and ensure only authorized parties have access to relevant data.

2. Inconsistent Integration of Technology and Infrastructure

The possibility of variations in technology and infrastructure used by various parties can make it difficult to integrate and collaborate efficiently. Differences in applications or data formats can cause obstacles in the exchange of information.

Solution: Make sure that the platform used is compatible with the various systems used by the parties involved. If necessary, provide guidance or training for parties to use technology correctly and effectively.

3. Difficulties of Digital Evidence Collection and Validation

The collection and validation of digital evidence can be complex and require specialized knowledge, especially if the evidence comes from a variety of different sources or formats.

Solution:

Involving competent digital forensic experts in the process of collecting, analyzing, and validating digital evidence. Ensure that the methods of collecting and storing electronic evidence conform to applicable and legally acceptable standards.

4. Limited Access to Technology

Not all parties may have access or the ability to use digital technology smoothly. Especially in less developed areas or for those with less experience in the use of technology, limited access can be an obstacle in implementation.

Solution:

Overcoming limited access to technology can be done by providing training and technical support to those in need. Education about the advantages and ways of using digital technology is also important to overcome initial mistrust.

5. Possible Technology Conflicts

Different parties may use different technology platforms, and technology conflicts can occur when trying to integrate different systems, causing difficulties in communicating and collaborating.

Solution:

It is important to maintain transparency and involve parties involved in planning and implementing digitalization implementation. By taking into account the input of all parties, a fair and mutually acceptable agreement can be reached.

6. Satisfaction of Parties Involved

Some parties may feel dissatisfied with the digital settlement process due to a lack of face-to-face interaction or a feeling that their rights are not optimally guaranteed.

Solution:

To address dissatisfaction with digital resolution, a hybrid approach can be used, combining online and offline elements in the dispute resolution process. This provides an opportunity to interact face-to-face if needed, while still taking advantage of the efficiency of digital technology.

7. Technical Constraints and Technical Skills

Not all parties involved in dispute resolution have the same level of technical skills. This can complicate the digital implementation process.

Solution:

Provide training and technical support for those who need to use the platform and the technology used. Consider providing technical assistance

throughout the completion process to ensure a smooth and successful implementation.

8. Use of Technology as a Substitute for Human Interaction

While digital technology has many benefits, its use should not deprive us of the human interaction necessary to achieve understanding, empathy, and effective negotiation.

Solution:

Ensure that technology is used as a tool to facilitate communication and collaboration, not as a substitute for human interaction. Always prioritize human presence and the role of the mediator or arbitrator in facilitating the settlement process.

The application of digitalization in business dispute resolution offers the potential to improve process efficiency and accuracy. However, challenges and potential risks also need to be addressed to ensure the success and trust of the parties involved. With a focus on data security, consistent integration of technology, proper use of digital evidence, adequate technical support, and maintaining the important role of human interaction, the use of digital technology can provide tangible benefits in business dispute resolution.

Conclusion

The concept of "Digitalization of Alternative Dispute Resolution" is a step forward in achieving the principle of "Business Fair" in business dispute resolution in today's era. With the application of digital technology in alternative mechanisms such as mediation and arbitration, the dispute resolution process can be improved in efficiency. Digitalization brings a variety of benefits, including better accessibility, time and cost efficiency, transparency, real-time collaboration, and efficient electronic evidence collection. However, there are some challenges and potential risks that must be overcome to ensure the success and trust of the parties involved. Among them are data security and privacy, consistent technology integration, difficulties in collecting and validating digital evidence, limited access to technology, possible technological conflicts, satisfaction of parties involved, technical constraints, and the use of technology as a substitute for human interaction. Even so, the main obstacle of "Digitalization of Alternative Dispute Resolution" is related to the security and protection of personal data of each party and therefore, the implementation of "Digitalization of Alternative Dispute Resolution" must also be oriented towards efforts to maintain the digital security of the parties..

To address these challenges and risks, measures such as ensuring data security and privacy, ensuring technology compatibility, engaging digital forensics experts, providing training and technical support, considering a hybrid approach, and still prioritizing the role of humans in the resolution process.

By understanding the challenges and overcoming existing risks, the application of digitalization in business dispute resolution can be successful and effective, bringing tangible benefits to the business world and society at large. Thus, the dispute resolution process becomes more fair, efficient, and transparent in this digital era, reflecting the principle of "Business Fair" expected in business dispute resolution today.

Suggestion

In achieving the principle of "Business Fair" in business dispute resolution in today's era, the concept of "Digitalization of Alternative Dispute Resolution" is an important step forward. To ensure the success and trust of the parties involved, there are several challenges and potential risks that need to be overcome. First, it is necessary to prioritize data security and privacy. Systems and platforms used in dispute resolution should have a high level of data security, and encryption and data protection technologies should be implemented to protect sensitive information from unauthorized access. In addition, it is important to ensure technological compatibility before implementing digitalization. All parties involved must be able to use the technology easily and effectively.

Providing adequate training for mediators, arbitrators, and involved parties is the next step. This training will help them master the use of digital technology well. In addition, it is also important to provide technical support that is ready to help in case of technical problems during the dispute resolution process. Periodic evaluations of how the parties involved feel about the use of technology in dispute resolution also need to be done. Finally, encouraging continuous innovation in the field of digitizing dispute resolution will ensure continued progress. Support research and development to continuously innovate and adapt to changing technological developments.

References

- Agung, P., Elistania, & Esti, K. P. (2020). *Konsep Laporan Akhir - "Konetivitas Asia-EU: Potensi Ekonomi Digital*.
- Albar, A. A. (2019). DINAMIKA MEKANISME ALTERNATIF PENYELESAIAN SENGKETA DALAM KONTEKS HUKUM BISNIS INTERNASIONAL. *Jurnal*

Hukum Kenotariatan, 1(1), 18–32.

- Anna Maria Tri Anggraini, Simanjuntak, M., Safari, A., Halim, R. E., & Riyadi, S. (2022). Consumer Protection in the Retail and Financial Services Sectors against the Practice of Exoneration Clauses. *Journal of Consumer Sciences*, 7(2), 83–96. <https://doi.org/10.29244/jcs.7.2.83-96>
- Aziz, M. F., Putra, A., Nugroho, E., & Arifianti, E. D. (2021). *DIGITALISASI DAN AKSES KONSUMEN TERHADAP KEADILAN (CONSUMER ACCESS TO JUSTICE) DI INDONESIA: ONLINE DISPUTE RESOLUTION (ODR)*. Pusat Studi Hukum dan Kebijakan Indonesia.
- Butarbutar, E. N. (2018). *Metode Penelitian Hukum Langkah-Langkah Untuk Menemukan Kebenaran Dalam Ilmu Hukum*. PT Refika Aditama.
- Dananjaya, N. S., Putra, P. R. A., & Sudiarawan, K. A. (2017). *BUKU AJAR PENYELESAIAN SENGKETA ALTERNATIF (ALTERNATIVE DISPUTE RESOLUTION)*. Fakultas Hukum Universitas Udayana.
- Disantara, F. P. (2021). Perspektif Keadilan Bermartabat dalam Paradoks Etika dan Hukum. *Jurnal Litigasi*, 22(2), 205–229.
- Fadillah, F. A., & Putri, S. A. (2021). ALTERNATIF PENYELESAIAN SENGKETA DAN ARBITRASE (LITERATURE REVIEW ETIKA). *Jurnal Ilmu Manajemen Terapan*, 2(6), 744–756. <https://doi.org/https://doi.org/10.31933/jimt.v2i6>
- Flora, H. S., Disantara, F. P., & Thuong, M. T. H. (2023). The Lex Favor Reo Principle After New Criminal Code: A Corrective Justice's Perspective. *Pena Justisia: Media Komunikasi Dan Kajian Hukum*, 22(2), 67–80.
- Gandhi, V. H. (2021). Intellectual property disputes and resolutions. *Journal of Intellectual Property Rights*, 26(1), 14–19. <https://doi.org/10.56042/jipr.v26i1.39447>
- Harahap, B. A., Paundralingga, A. Y., Cinditya, A., & Kusuma, M. (2018). Implikasi Makroekonomi dari Inovasi Digital: Studi Literatur. *Occasional Paper*, 1–50.
- Kadim, A. (2017). Penerapan Manajemen Produksi dan Operasi Di Industri Manufaktur. In *Jakarta: Mitra Wacana Media*.
- Koos, S. (2022). Digital globalization and law. *Lex Scientia Law Review*, 6(1), 33–68. <https://doi.org/10.15294/lesrev.v6i1.55092>
- Kurniawan, I. G. A., Lulo, L. de D. M., & Disantara, F. P. (2023). IUS Constituendum of Expert Advisor in Commodity Futures Trading: A Legal Certainty. *Jurnal IUS Kajian Hukum Dan Keadilan*, 11(1), 31–45. <https://doi.org/https://doi.org/10.29303/ius.v11i1.1170>
- Lathif, A. A., & Habibaty, D. M. (2019). Disparitas Penyelesaian Sengketa Jalur

- Litigasi Pada Polis Asuransi Syariah dan Putusan Pengadilan. *Jurnal Legislasi Indonesia*, 16(1).
- Mania, K. (2015). Online dispute resolution: The future of justice. *International Comparative Jurisprudence*, 1(1), 76–86.
<https://doi.org/10.1016/j.icj.2015.10.006>
- Matheus, J. (2021). E-Arbitration: Digitization Of Business Dispute Resolution Pada Sektor E-Commerce Dalam Menyongsong Era Industri 4.0 Di Tengah Pandemi Covid-19. *Jurnal Lex Renaissance*, 6(4).
<https://doi.org/10.20885/JLR.vol6.iss4.art4>
- Menashe, D. (2018). A critical analysis of the online court. *University of Pennsylvania Journal of International Law*, 39(4), 921–953.
- Munawarah, H., & Yusuf, M. (2022). *Bank Digital Syariah Analisis Cyber Security Menurut Hukum Positif Di Indonesia Dan Hukum Ekonomi Syariah Hasanatul*.
- Panjaitan, H. (2021). *Hukum Perlindungan Konsumen*. Jala Permata Aksara.
- Pribadi, I. (2018). Legalitas Alat Bukti Elektronik Dalam Sistem Peradilan Pidana. *Jurnal Lex Renaissance*, 3(1), 109–124.
<https://doi.org/10.20885/jlr.vol3.iss1.art4>
- Pusat Pebelitian dan Pengembangan Penyelenggaraan Pos dan Informatika. (2015). *Pusat Penelitian dan Pengembangan Penyelenggaraan Pos dan Informatika*.
- Putrianda, S. (2022). ANALISIS HUKUM TERHADAP PERLINDUNGAN NASABAH DALAM MENGGUNAKAN INTERNET BANKING DI INDONESIA (STUDI KASUS BANK X). *Jurnal Program Magister Hukum Fakultas Hukum Universitas Indonesia*, 2(3), 1469–1478.
- Reedy, P. (2023). Interpol review of digital evidence for 2019–2022. *Forensic Science International: Synergy*, 6, 100313.
<https://doi.org/10.1016/j.fsisyn.2022.100313>
- Roger Brownsword, H. S. (2021). Law, innovation and technology: fast forward to 2021. *Law, Innovation and Technology*, 13(1), 8.
- Rosana, A. S. (2010). Kemajuan Teknologi Informasi dan Komunikasi dalam Industri Media di Indonesia. *Jurnal Gema Eksos*, 5(2).
- Safiranita, T., Ramli, A. M., Olivia, D., Gunawan C., F., & Ramadayanti, E. (2022). The Role of E-Commerce in Escalation of Digital Economy in The New Normal Era Based on Law Number 27 of 2022 Concerning Personal Data Protection. *Jurnal Penelitian Hukum De Jure*, 22(4), 437.
<https://doi.org/10.30641/dejure.2022.v22.437-450>

- Saragih, I. (2023). *Penggunaan Teknologi Blockchain dalam Keamanan dan Integritas Data pada Sistem Informasi Perbankan*. 3(7), 1–19.
- Seno Wibowo Gumbira, Adi Sulistiyono, S. (2020). Arbitration And Alternative Dispute Resolution Outside The Court According To Law Number 14 Of 2001 On Patent. *Hang Tuah Law Journal*, 4(2), 104.
- Solikhin, R. (2023). Perkembangan dan Urgensi Penerapan Online Dispute Resolution (ODR) dalam Penyelesaian Sengketa Perdagangan Elektronik di Indonesia. *Padjadjaran Law Review*, 11(1), 66–80. <https://doi.org/10.56895/plr.viii.1235>
- Sudjana, S. (2022). Principle of Good Faith in Confidentiality Agreements of Trade Secret Information. *Dialogia Iuridica*, 14(1), 052–075. <https://doi.org/10.28932/di.v14i1.5376>
- Sulistianingsih, D., Rante Lembang, A. A., Adhi, Y. P., & Prabowo, M. S. (2023). Online dispute resolution: Does the system actually enhance the mediation framework? *Cogent Social Sciences*, 9(1). <https://doi.org/10.1080/23311886.2023.2206348>
- Suryadi, Soedarmoko, S., Tumpa, H., Sutrisno, S., & Nugroho, S. A. (2000). *Laporan Penelitian Alternative Dispute Resolution (Penyelesaian Sengketa Alternatif) Dan Court Conected Dispute Resolution (Penyelesaian Sengketa yang Terkait Dengan Pengadilan*. 75.
- Wibowo, D. (2020). MODUL PERKULIAHAN SISTEM INFORMASI MANAJEMEN. In *Modul Perkuliahan Sistem Informasi Manajemen* (1st ed.). Universitas Dirgantara Marsekal Suryadarma.
- Kudriavtsev, I. V., Kotova, L. V., & Arsentieva, O. S. (2021). Covid pandemic and amendments to Employment law in Ukraine and Europe. *Revista Amazonia Investiga*, 10(39), 178–185. <https://doi.org/10.34069/ai/2021.39.03.17>