THE ONLINE-BASED ECONOMICAL DISPUTE RESOLUTION FOR 4.0 INDUSTRY IN THE NEW NORMAL ERA

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Abstract

The New Normal era during the covid-19 pandemic resulted in industry 4.0 business players having difficulty in dealing with dispute resolution due to financial problems and policy restrictions. The reformation of online dispute resolution media is needed due to the difficulty of mobility and the high cost cutting. Before the implementation, it is necessary to have concrete formula of an online dispute resolution concept because the legal basis in Indonesia is not yet qualified. This study aims to conceptualize the legal basis for online dispute resolution in the business world, which is currently not accommodated by the Indonesian laws. It also examines the development of an online dispute resolution model as a technical regulation applied to the industrial sector 4.0. This study uses legal normative research. The study approach uses an online dispute resolution conceptual system and alternative dispute resolution legislation. The results show that online dispute resolution is a new form of quick, inexpensive justice principle that can reform business law in the technology era. Several dispute resolution models can be developed online and used for implementing regulations, especially for dispute resolution media in the industrial sector 4.0.

Era New Normal di masa pandemi covid-19 mengakibatkan para pelaku usaha industri 4.0 mengalami kesulitan dalam menangani penyelesaian sengketa karena masalah keuangan dan pembatasan kebijakan. Reformasi media penyelesaian sengketa secara online perlu dilakukan untuk mengatasi kendala sulitnya mobilitas...
Introduction

The Covid-19 (Corona Virus Diseases) pandemic is the main factor why the world economy is currently declining. It is noted that in 2020 the world economy shrunk drastically by 4.4%. The current economic crisis has almost tripled compared to the financial crisis that occurred in 2009. Various significant countries around the world are currently experiencing complicated economic conditions. The condition of economic growth in the third quarter of 2020 from significant countries is still at a minus level. For example, America’s economic growth is still contracting -2.9%. This was followed by economic growth in the Europe, which remained at 4.4%. Then for Indonesia itself, it was only stagnant at -3.48%. Only China has emerged from the economic contraction. However, economic growth for China’s class is still at a low level because it only stands at around 4%. This condition is a factor in trade circulation globally, and Indonesia is experiencing ups and downs, which cause losses for business actors.

Even though the world economic crisis is hitting, it turns out that there is an exciting phenomenon from one of the economic sectors that are growing drastically in Indonesia. 42% increase in online market transactions happened in April 2020 through a socio-demographic survey on the impact of Covid-19. E-commerce transactions in the fourth quarter of 2020 recorded a 28% increase,

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which is around IDR 90.28 trillion. Digital banking growth reached 12.4%. In this pandemic, the development of the digital economy has accelerated quite rapidly, reaching 41%. Even Bank Indonesia predicts the trend of economic digitalization will continue to increase. Digital economy growth in early 2021 increased by IDR 32.206 trillion or grew by 19% from the projected digital economy realization in 2020, which reached IDR 27 trillion.

Behind the rapid growth of the digital economy, there is a significant risk that poses a challenge. The considerable increase of the digital economy has created new potential legal problems. This is inseparable from the results of a meeting between the Badan Perlindungan Konsumen Nasional (BPKN – The National Consumer Protection Agency) and the Consumer Affairs Agency, the Government of Japan, in January 2020. The meeting resulted in a narrative that, in the perspective of the Consumer Protection Law, the digital economy growth also has high potential disputes among business actors. The source of the conflict can come from the quality of the goods, delays in delivery, or hidden defects (verborgen gebreken).

The results of the narrative study of the potential for increasing disputes between businesses turned out to be true. BPKN has released data on the number of consumer complaints during 2020, which increased by 1,276 complaints. The most significant increase occurred in the financial and e-commerce sectors. Another digital economy problem happened in the start-up sector. Handito Joewono as the General Chairman of the Indonesian Technology Startup Association (ATSINDO) explained that during the 2020 pandemic, around 10 to 15 percent business had closed. It does not stop there; the problems of the digital economy also attack the financial technology sector or commonly known as Fintech. Data from Asosiasi Fintech Pendanaan Bersama Indonesia (AFPI) for 2020 contained 3,726 reports. The report consists of complaints related to interest, personal data

breaches, unethical billing, restructuring, etc. Understanding the facts above, the industrial world 4.0 in Indonesia has problems that result in the emergence of losses by certain parties. It can lead to disputes that need resolution.

Non-litigation dispute resolution has always been a top priority as a medium for resolving business disputes. However, the dynamics of the development of industry 4.0 are not limited by time and location. Technology makes business relationships possible from all corners of the region, including the parties living on different islands, even abroad. If there are problems between parties, it will undoubtedly be challenging to resolve them face to face. If you want to keep pushing, there will be a budget allocation issued to meet at the agreed location. The farther the place, the greater the financial required, which can become a burden. Moreover, there is stillconstraint restriction policy in the current standard era due to the ongoing pandemic. The alternative dispute resolution online can be a solution as a more economical form of accommodating industry 4.0 disputes. The goal is to facilitate access to communication without having to meet face to face by utilizing the available internet network.

The online dispute resolution is indeed the best alternative as a solution to industrial disputes 4.0. However, the problem is if the legal instruments in Indonesia currently support the implementation of online dispute resolution. Based on research conducted by the Center for Indonesian Policy Studies, there are 60 laws and regulations covering the four main areas of Indonesia's digital economy policy. Of all these rules, nothing specifically handles online dispute resolution. So there is still a legal vacuum as essential legality if you want to enforce online dispute resolution. This is primarily a legal basis for resolving industrial 4.0 business disputes through online arbitration, online Fintech dispute resolution at the OJK (The Financial Services Authority), and consumer dispute resolution through the Consumer Dispute Resolution Agency, which are carried out online.

Based on the background described above, 2 (two) problem become the concern of this discussion: (1) how is the Online Dispute Resolution (ODR) conceptualized as a legal basis for an economical alternative for resolving business disputes? (2) how is the ODR model in Industry 4.0, which is Economical in the New Normal Era? The purpose of writing this article is to find out, to understand, and to analyze the concept of ODR as the legal basis for alternative economic dispute resolution, as well as to explore the ODR implementation model that can

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be applied to the financial industry 4.0 in the new normal era.

There are several previous studies which are used as comparison for this study. The research conducted by Thomas Schulz in the North Carolina Journal of Law & Technology focuses on monitoring the implementation of ODR involving the government to strengthen people’s trust.\(^\text{10}\) Next, Ita Susanti in the Sigma-MU Journal focuses on examining the implementation of ODR at *Badan Arbitrasi Nasional Indonesia* (BANI), which incidentally is a semi-formal court.\(^\text{11}\) Meanwhile this study focuses on the conceptualization of ODR used for alternative legal reforms for resolving business disputes. In addition, the research study also focuses on developing the concept of Alternative Dispute Resolution (ADR), which accommodates the informal and semi-formal of online-based courts as technical rules, especially as a dispute resolution media for industry 4.0.

**Research Methods**

This study uses normative legal research methodology which examines library source as legal material that becomes a medium for analyzing issues.\(^\text{12}\) This study also implements statutory and conceptual approaches. The types of legal materials and sources are divided into three, namely primary legal materials (legislation) from laws that correlate with ADR, secondary legal materials (books, journals, papers, etc.) that discuss alternatives to ODR, and tertiary legal materials (dictionaries). The analytical technique used in this research is content analysis. This technique is used to analyze the permitted material that has been collected to answer the formulation problem using indicators. The indicators used are several theories and concepts chosen as the analytical knife in reviewing this paper. The analysis approach is carried out based on the contents of the literature that align the problematic issues with each literature used as a reference through narrative arguments.\(^\text{13}\)

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The Conceptualization of ODR as a Legal Basis for Economical Alternative Business Dispute Resolution

The current development of Online Dispute Resolution (ODR) cannot be separated from the rapid growth of technology. Currently, technology greatly facilitates work from any aspect, including reducing services in the field of legal services. Legal practitioners are well aware that technology dramatically enables access to legal advice. So, ODR must be accommodated immediately to be implemented as a forum for dispute resolution using the currently developed technology.

ODR is used as an alternative solution to fundamental issues of business problems in the modern era. International issues related to contemporary business emphasize more on the security of transactions that can be mutually beneficial. The state must be sensitive to the problems of global business development that are currently being discussed. With the growth of the digital economy, there are definitely security threats. So, the state needs to prepare a legal framework to support developing a digital ecosystem that is very rich in innovation. One of them is to qualify the legality of ODR as a practical forum for guaranteeing security if there are problems in business transactions in the technology industry era.

If we look back, the existence of ODR becomes a discussed topic in international policy. In 1966, the United Nations established the United Nations Commission Trade Law (UNCITRAL). The birth had a role in the trade modernization policy at that moment. One of these roles allows the discussion of law and technology applied to the commercial legal sector through the legislature and non-legislature. Thus, a forum for business dispute resolution emerged that can be done online with its partner Working Group III. Then in 1999, there was the first ODR platform called SquareTrade in handling consumer disputes in the United States Market.

The application of ODR as a dispute resolution media is not a matter of technology, but it must pay attention to legal and moral values. The ODR concept from UNCITRAL explains that the ODR mechanism is carried out through technological tools in the form of electronic communication media which are

14 Carl W. Roberts.
15 Carl W. Roberts.
currently used by the public. However, ODR must contain legal aspects and moral values. In his book Petrazycki discusses three representations in dispute resolution as an ODR construction that has legal and moral values. The first is to realize satisfactory of parties in solving simpler cases. Second, it must follow the rule of law, and the last, realizing applicable legal values. Thomas Schultz uses these indicators to develop a fundamental concept of ODR that is ready as a dispute resolution medium. First, ODR must be able to become an instant dispute resolution medium in order to immediately realize peace. Second, ODR must be accommodated in formal rules as long-term predictability. Third, ODR must be able to realize legal goals e.g. orderliness, and to reduce conflicts that can lead to disunity.

Pablo Cortes said the application of ODR must accommodate modern technology so that the dispute resolution process runs effectively. Cortes states, “Online dispute resolution in a consumer context refers to the use of ICT tools and methods (common alternatives to the court system) used by businesses and consumers (B2C) to resolve conflicts of economic transactions between the parties, especially in e-commerce”. The ODR concept presented by Cortes emphasizes the use of ICT tools. The use of this technology is absolutely not only in the form of an ODR platform. Still, it can also develop into something more sophisticated, especially in resolving e-commerce disputes. Then Hiroki Kobuka added that the collaboration of complex ODR concepts could better ensure fairness. ODR should incorporate tools and ethical standards in the ADR field honed through technology. The goal is that ODR becomes a forum for broad access to justice and provides fair services to parties in a dispute using information technology.

Thus, each party can use ODR for deliberation to resolve disputes with several stages such as filing a lawsuit, appointing a neutral party, proving through

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documents or verbally, and consideration to realize the wishes of the parties.\textsuperscript{23}

The birth of ODR is the answer to the improvement of Alternative Dispute Resolution (ADR), which requires a revolution in keeping up with modern business developments. Susan N. Exon said ODR is a manifestation of the implementation of ADR via the internet in the realm of cyberspace and disputes outside it.\textsuperscript{24} Although by default, there is no uniform definition of ODR because the mechanism depends on the agreement among the disputing parties.\textsuperscript{25} So, we can say that ODR is an evolution of technology-based ADR, which includes the realm of dispute cases in the field of e-commerce platforms.\textsuperscript{26} The view of the ODR concept from Kans is also the same as Cortes’ who asserts that the ODR process must have four mandatory parties such as the plaintiff, the defendant, the neutral party, and the technology. Conceptually, if you look at the views of several experts, the implementation of ODR is generally the same as ADR. Still, the four parties must be present in conducting a credible and fair dispute resolution.

The ODR mechanism is more practical in seeking justice without intervention in the formal litigation process. This is because the litigation process is not long for demand in the global business disputes. Eman Suparman explained the reason that litigation is no longer the leading choice in resolving business disputes. Litigation dispute resolution is more dominant in the position of the opposite parties. The implication is that decisions cannot achieve integration that is a win-win solution but instead prioritizes the principle of a win-lose solution. In addition, the litigation process takes a long time. As a result, it can create uncertainty for the disputing company in running its business.\textsuperscript{27} The resolution of business disputes through litigation is only made as a last resort (\textit{ultimum remedium}).\textsuperscript{28}

European people in business have realized the importance of keeping the litigation process out of business disputes. Currently, ODR is the leading choice for European people in the industry to solve every problem. In fact, in 2016, the

\begin{itemize}
\item Pablo Cortes.
\item Ethan Katsh and Leah Wing, \textit{Ten Years of Online Dispute Resolution (ODR): Looking at the Past and Constructing the Future} (Toledo, 2006).
\item Sudikno Mertokusumo, \textit{Penemuan Hukum Sebuah Pengantar} (Yogyakarta: Liberty, 2006).
\end{itemize}
European Union created an ODR portal commission through the Online Dispute Resolution in the European Union. Article 17 explains that EU member states must guarantee ODR services outside the courts under national law. European countries have guaranteed access to business dispute resolution if people in business want to use it.

Then, how is the trend of ODR in Indonesia? Business dispute is part of the civil realm. Each party can choose the non-litigation option according to the agreement. If you agree to settle online, then there is a legality that supports it. Based on the Article 41 Section (1) of the Law No. 11 of 2008 concerning Electronic Information and Technology (EIT), public can take advantage of technology and the operation of electronic systems and electronic transactions. Section (3) demonstrates that the use of technology is handled by institutions that have the function for consultation and mediation. This function can be an alternative for Indonesian people in business to resolve online disputes.

However, the question is whether there is essential legality if you want to resolve online disputes with a third party (intermediary), such as consumer dispute resolution at BPSK, business disputes at arbitration bodies, and Fintech disputes at OJK carried out online. If we study the Law No. 8 of 1999 concerning Consumer Protection and the Law No. 30 of 1999 concerning Arbitration and Alternative Dispute Resolution, it is not explicitly stated about clauses on ODR rules carried out by BPSK or Arbitration bodies. Then, one research reveals that in the OJK Regulation, there is also no provision for Fintech dispute resolution that can be done online. The legality of ODR found in the e-Court is still regulated in the Supreme Court Regulation, even if the provisions of the Act are still not explicitly handled. However, the e-Court realm is under the litigation which should not be the leading choice for business disputes.

Based on the facts above, it can be understood that there was a legal vacuum in regulating ODR in Indonesia that can be carried out by the third party (intermediary). This legal vacuum was also strengthened by the background discussion on research conducted by the Center for Indonesian Policy Studies. Around 60 laws govern the Digital Economy, but there is no explicit clause governing ODR. Although we can still use the consumer protection law in e-commerce disputes in terms of security of consumption of goods/services, it is not sufficient if it is used as a legal umbrella for the protection of digital consumer rights such as digital contracts, transactions between consumers, ODR, and digital product

transactions. In addition, the steps and the complaint mechanisms available for consumers are also limited and not widely used.\(^{30}\)

According to this condition, Indonesia as a legal state in the modern era should develop a legal product that becomes the legal umbrella for implementing ODR. Technological developments that are always dynamic must balance with the law. As Sudikno Mertokusumo says, the law is a protector and it must follow human interests development dynamically.\(^{31}\) Currently, the changing culture of human business transactions takes advantage of the increasingly sophisticated technology. ODR legalization efforts are not only the basis, but the main goal is to protect humans in business transaction activities in this technological era. ODR legalization will be a legal reform in covering the existing legal vacuum. Satjipto Rahardjo states that legal reform is an effort to formulate new legal patterns based on the community’s needs.\(^{32}\) Legalizing ODR is creating a new design in dispute resolution that can be executed practically using electronic devices. In addition, if ODR has legality, it will affect the results of legal dispute resolution because it has a clear legal basis.

The formulation of the legal framework for ODR in Indonesia must consider the concept of the framework owned by ODR. The idea is not only about technology. There are many other aspects to consider. The ODR mechanism uses conventional dispute resolution systems; it is just that the place has changed because it uses internet facilities.\(^{33}\) Thus, the legal concept as the legality of ODR in Indonesia must be based on the dispute resolution mechanism regulated in the Law No. 30 of 1999 concerning Arbitration and Alternative Dispute Resolution. The difference is, in ODR there are technology parties called as the third parties (neutral parties).\(^{34}\) There is also the fourth party named the Information and Communication Technology (ICT).\(^{35}\) ICT is a technology platform that has a function as a forum for processing and conveying information. We can find ICT

\(^{30}\) Ira Aprilianti, *Melindungi Masyarakat: Makalalub Kebijakan No. 27 Memajukan Hak-Hak Konsumen Digital (Jakarta, 2020) <https://c95e5d29-0df6-4d6f-8801-1d6926c32107.usrfiles.com/ugd/c95e5d_c1e1d8c85dfe4552934aff1b830b9c32.pdf>.*

\(^{31}\) Sudikno Mertokusumo.


\(^{34}\) Catharine Titi and Katia Fach Gómez, *Mediation in International Commercial and Investment Disputes*, 2021 <https://doi.org/10.1093/law/9780198827955.001.0001>.

platforms in Zoom, Google Meet, and other media with a communication room in today’s modern era. This ICT will support the implementation of ODR through the digital communication space. It is suggested that the disputing parties do not use external platform but to use the available one as a guarantee of data security.

The primary systematic concept above can be the basis for the legality of ODR in Indonesia. Its application can be in the form of a single rule or partial revision of the regulations. If it is in the form of a single rule, an independent law is necessary to be used as the central legal umbrella for implementing ODR in Indonesia. If it is in the form of partial revision, it is required to change the rules for all sectors that need ODR—starting from adding an article clause on ODR at BPSK in the Law No. 8 of 1999 concerning consumer protection. Then, there should be an additional clause on resolving business disputes through electronic-based arbitration in the Law No. 39 of 1999 concerning Arbitration and Alternative Dispute Resolution. In addition, a clause on digital space for Fintech dispute resolution in OJK regulations can also be added. If it is realized, Indonesia will have vital legality in implementing ODR, which validity is undoubtable.

ODR is indispensable in responding to the challenges of modern business in Indonesia today. The transformation of ADR through a technology called ODR does not eliminate the fundamental principle of dispute resolution quickly and at a low cost. The implementation of ODR is the answer in strengthening a more effective and efficient business dispute resolution forum. Through the use of technology, this dispute resolution mechanism emphasizes the element of low cost. This is inseparable from the development of business transactions in the modern era, where it is more accessible without the need for face-to-face meeting. If a dispute occurs and resolves manually, it will cost a lot. The farther the destination is, the bigger the budget that needs to be prepared. This burdens business actors because they have to reallocate the funding for dispute resolution purposes.

ODR is a solution in resolving trade disputes that are separated by geographical location, even across countries. It provides a more efficient, cost-effective, and flexible way to resolve conflicts than traditional means. The face-to-face settlement with judges, arbitrators, or mediators will require travel, lodging, administrative and consulting costs. Yet in ODR, these costs are unnecessary; in other words, there


is a difference in the advantages of resolving disputes through ODR; namely, the costs are minimal because it is done through electronic communication from the ODR platform.\(^{38}\) That makes ODR a fair and more economical means of resolving business disputes.

**An Economical ODR Model in Industry 4.0 in the New Normal Era**

The new normal era is here to become a new paradigm of activity when COVID-19 strikes. The paradigm of the new normal era will become a new habit for humans to adapt in coexistence with the COVID-19 pandemic through strict health protocols. It is because the society needs to keep on running. The purpose of the new normal era during this pandemic is none other than to focus more on preparedness in terms of global disease outbreaks.\(^{39}\) In addition, this era becomes the basis for mitigation in reducing and minimizing the impact of disasters. Community participation is the key to stay alert in responding to sudden health-threatening situations. That way, activities can still run with the required health protocols, such as wearing masks, washing hands with soap regularly, always carrying hand sanitizers, and implementing physical distance to avoid the spread of virus.

The new normal era is a solution when the economy drops dramatically during the pandemic due to some restrictions. The term new normal appears to increase the confidence of economic players that the financial industry will return to normal after the recession.\(^{40}\) Research from Lai C.C. (2020) stated that the COVID-19 pandemic had a significant negative impact on the resource sector and economic status in all countries\(^{41}\). The adverse effects of COVID-19 on economic growth are also reinforced in research conducted by Nicola (2020).\(^{42}\) In his study,


he reveals that a decline in economic activity worldwide is an impact of restrictions on mobility due to COVID-19. As a result, many transactions are decreasing.

The impact of COVID-19 on the economy has made people so worried and panicked. They feel uneasy due to a very significant decline in income. 43 This response resulted in a massive halt in many business activities. Business people prefer to protect themselves from the threat of viruses. On the other hand, business people cannot just stand still because there is economic responsibility. From this condition, it is necessary to see and understand to formulate strategic policies as a basis for the economy to run when the pandemic strikes. Cheng (2020) states that government plays significant role to make policy in dealing with emergencies to save the economy. 44 The restrictions option can be loosen a bit so economic activity is alive with strict health protocol supervision. The long-term goal is to have economic impact so that the business constantly rotates. The new habits in the new normal era are a good opportunity for economic growth to get out of trouble.

The new normal paradigm is also the basis for a solution for the Industry 4.0, which is rising during the pandemic. Legal problems arising from industry 4.0 during the pandemic are more challenging to resolve. It is because of the restrictions on people’s mobility to various regions and countries and considering the industry 4.0 is an internet-based business without being constrained by time. If there is a dispute, it needs resolution. However, due to the pandemic conditions, restrictions are widely imposed, so that face-to-face meeting is almost impossible, which results in unsolved disputes. Therefore, a solution is needed in the new normal era. Online Dispute Resolution (ODR) can be an ideal option in resolving disputes due to global restrictions that have changed many human activities. 45 The resolution through ODR is simply done via internet media. The platform becomes a communication medium in dispute resolution. So, even though there are restrictions on mobility during the pandemic, industrial 4.0 dispute resolution

can still be carried out electronically.

ODR is the correct answer when there is a need to solve business law problems efficiently, flexibly, and cost-effectively.\textsuperscript{46} This concept is very appropriate for the resolution of current business disputes, especially for industry 4.0 era. ODR system is designed to be a win-win solution for all stakeholders, as shown in the e-commerce dispute.\textsuperscript{47} The electronic media used for ODR has become a fundamental breakthrough in effective dispute resolution rather than conventional methods.\textsuperscript{48} In addition, ODR becomes the basis for more efficient dispute resolution in reducing budget allocations that are no longer needed because face-to-face meetings are not necessary\textsuperscript{49}. As we know, conventional dispute resolution requires face-to-face meetings. The parties in dispute should meet judges, arbitrators, or mediators that require travel, lodging, pandemic administrative costs, and consultations. This is the high budget allocation that ODR system tries to lessen during pandemic.

Practical ODR was delivered by The International Center for The Settlement of Investment Disputes (ICSID). The ODR video conferencing platform does not require any special hardware or software. It is enough through an electronic media i.e. a computer connected to the internet and a webcam. Hundreds of audiences who want to be involved can quickly join online. The virtual chat function allows participants to communicate with each other or with designated groups.\textsuperscript{50} The ease of access to ODR as a media for dispute resolution plays a vital role in increasing access to justice and is beneficial for those who have difficulty accessing legal facilities\textsuperscript{51}. While this is common at the large-scale transactional level, we need to determine how individual conflict resolution practitioners

\begin{thebibliography}{99}
\bibitem{46} Wang.
\bibitem{49} BASARAH.
\bibitem{50} George A. Bermann, ‘Dispute Resolution in Pandemic Circumstances’ (Columbia Law School, 2020), p. 169.
\end{thebibliography}
integrate ODR into small-scale businesses during pandemic. The ODR media is very appropriate for resolving industrial 4.0 disputes, which is inseparable from technology in seeking justice. The limitation in distance and time can be solved instantly through electronic media.

In general, ODR has 4 (four) components (a kind of legal requirement for ODR): 1) each disputing party must agree to resolve it in non-litigation way using the internet for ADR media; 2) there is guidance from a professional who coordinates the parties in executing the ADR process electronically. So, if there is technical problems, they can handle it well so the ODR process run smoothly; 3) there must be a legal framework regarding ADR applied to settlements via the internet; and 4) there is available software used as a communication media platform, sending document, holding meetings with voice and video conference such as Zoom and Google Meet.

ODR can be the basis for modifying ADR regulated in the Law No. 30 of 1999 concerning the Arbitration and Alternative Dispute Resolution. It based on Article 4 Section (3), which states that if the dispute resolution through arbitration occurs in the form of an exchange of letters, the sending of text, telegram, facsimile, e-mail, or other forms of communication means, it must be accompanied by a note of receipt by the parties. However, this basis is not yet strong because it is only limited to arbitration dispute resolution. The more non-formal Settlement Room has not been accommodated. The media was also not updated because it only included electronic media that had developed in Indonesia at that time. So, like the previous explanation, it is necessary to harmonize the legal framework that forms the basis for ODR. The goal is that industrial 4.0 dispute resolution through independent mediation or negotiation (without third parties) has a solid legal umbrella.

Several ODR models that can resolve industrial 4.0 disputes in the new normal era will be presented in this section. First, we can use an Online Negotiation. Negotiation is one of the simplest or the most basic solutions. Roszkowski explains that, “Negotiation is a process by which two parties, with differing demands, reach

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an agreement generally through compromise and concession.”\textsuperscript{54} It means that each party is not looking for a winner or a loser. There is an opportunity to use social and communication skills that lead to common interests in every negotiation. The result is clearly stated in a written agreement without being refuted by any argument. However, it is possible that there will be cancellation request in the future if one of the parties is harmed by the agreement.

In online negotiations, some methods are taken as dispute resolution options: (1) Assisted Negotiation provides advice to the parties through the design of a technological approach to reach an agreement; and (2) Automated Negotiation is a comparison model between bids and agreements executed without human intervention. This method is another form of Assisted Negotiation in which the parties can be assisted by advanced technology as a facilitator in dispute resolution.\textsuperscript{55} Online negotiation options can be the main priority as a medium for resolving industrial 4.0 disputes. Each disputing party can take advantage of meeting the needs when other parties control what they want. This media will be a negotiation process in seeking a fair agreement which results in a compromise decision.\textsuperscript{56}

Second is Online Mediation. Mediation is a medium in which a third party acts as a neutral Mediator. The Mediator will cooperate with the disputing parties to provide solutions that are preferable for each party.\textsuperscript{57} In Black Law Dictionary, mediation is defined as a private, informal dispute resolution process in which a neutral third person, or the so-called a Mediator helps disputing parties to reach an agreement. The Mediator has no power to force a decision.\textsuperscript{58} Another definition of Mediation Agreement is written in the WIPO Mediation Rules.\textsuperscript{59}


\textsuperscript{55} Muhammad Azwar, ‘Prospek Penerapan Online Dispute Resolution Dalam Upaya Penyelesaian Sengketa Bisnis Di Indonesia’, \textit{Media Iuris}, 2.2 (2019), 179 <https://doi.org/10.20473/mi.v2i2.13912>.

\textsuperscript{56} Abdul Halim BARKATULLAH, \textit{Sengketa Transaksi E-Commerce Internasional Pengertian, Sebab Kemunculan Dan Metode Penyelesaian Yang Efektif} (Bandung: Nusa Media, 2010).

\textsuperscript{57} Azwar.


“the agreement to submit all or certain disputes to a Mediator. The Mediation Agreement may be in the form of a mediation clause contract or a separate contract. The mediation shall be conducted in the manner agreed by the parties. If, and to the extent that the parties have not made such agreement, the mediator shall, in accordance with the rules, determine the manner in which the mediation shall be conducted. Each party shall cooperate in good faith with the mediator to advance the mediation as expeditiously as possible.”

The definition above is essential because the mediation dispute resolution method involves the third parties as individuals or institutions. These third parties must be neutral and impartial. The mediator is appointed by the disputing parties directly through the mediation institution. The mediator must carry out his duties and functions based on the will of the parties through open negotiations. However, if it is conducted in the form of ODR, there is the fourth party called technology. Industrial 4.0 dispute resolution carried out through online mediation has the exact mediation mechanism based on the explanation above. The only different thing is that the help of technological tools as media for mediators to solve all the problems.

Several online mediation methods can use means of dispute resolution.60 (1) Facilitated mediation; in this method, the Mediator only functions as a facilitator and does not provide advice/recommendations for resolution. In this case, industrial 4.0 dispute resolution through online mediation does not require the active role of the Mediator. The Mediator is only a bridge to the disputing parties to find the solutions to their problems. (2) Evaluative Mediation; this method gives the mediator a position to actively provide advice/recommendations for settlement. If the resolution is carried out this way, the Mediator will actively intervene in providing solutions. (3) Situational Media; in this method, the Mediator is active if needed. It means that if the disputing parties cannot find the resolution, the mediator can gives recommendations due to the deadlock experienced by the disputing parties.

Lastly, the third ODR model is Online Arbitration. Arbitration is a non-litigation dispute resolution medium that business actors are currently prioritizing due to their lack of trust in the judiciary’s competence in dispute resolution.61 The arbitration process can be considered semi-judicial. The parties are free to choose an arbitrator based on expertise. The selected arbitrator will determine the

61 Bambang Sutioso.

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outcome of the dispute resolution through a decision. Arbitration can be binding and non-binding. The types of properties depend on which the parties choose before the decision is rendered. In this case, the decision determined by the parties must be in line with an ethical nature based on good intention, corporation, and non-corporation.62

There are 2 (two) methods if the industrial 4.0 dispute resolution is carried out through online arbitration through the basic concept of arbitration. (1) Binding arbitration has binding final decision like a court decision. Industry 4.0 disputes resolved through online arbitration forum must comply with the arbitrator’s decision. (2) Non-binding arbitration has optional decision – either it is followed or not. If this method is taken, then the parties can re-determine their attitude towards the arbitrator’s decision. In general, the implementation of online arbitration as a settlement of industrial 4.0 disputes still requires technology media to support communication media.

Conclusion

Industrial 4.0 online dispute resolution is an alternative for the economy in the new normal era. However, the support for positive legal reform is needed because the current legal basis is still not qualified. ODR is a unique manifestation in reflecting the principle of fast, simple, and low-cost justice. The mentioned model is an alternative when it is difficult for business actors to mobile due to activity restrictions during the new normal condition. In addition to this model, this dispute resolution will reduce the high costs required in a traditional one, such as transportation costs, accommodation, consumption, and other unexpected costs if the meeting location is far in distance. ODR as a medium for resolving industrial 4.0 business disputes is very flexible and efficient. This dispute resolution model’s mechanism uses a digital communication platform and internet network. The respective party can discuss and solve the problems without having to meet in person. The internet communication media will be the fourth party as a mean of negotiation to find solutions to problems faced among business actors.

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