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# Legal Recognition and Evidentiary Issues in Indonesia's Digital Framework

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## Abstract

*This study examines the epistemological and normative tensions between public truth and legal truth in the context of digital contracts in Indonesia. Public truth emerges from collective perceptions shaped by social media opinions, news narratives, and online justice movements. In contrast, legal truth derives from formal juridical processes that prioritize the validity of electronic signatures, contractual clauses, and evidentiary mechanisms in court. This divergence undermines the legitimacy of digital contracts, particularly when public discourse deems them unfair despite their legal validity. Existing research on digital contracts predominantly addresses legal validity and certainty, neglecting the epistemological dimensions of truth production and contestation. This study addresses that gap through normative juridical methods, employing qualitative analysis to interrogate disputes between contractual legality and online public opinion. The result reveal that tensions between public and legal truth erode public trust in the legal protections afforded by digital contracts. To mitigate this, regulatory transparency, enhanced digital law literacy, and responsive judicial dispute resolution mechanisms are essential. These insights underscore the urgent need to reconstruct the legitimacy of digital contracts in Indonesia, while offering a framework for comparative analysis in other jurisdictions facing analogous challenges.*

**Keywords**: Contracts; Digital; Epistemological; Legal Truth; Public Truth.

## Introduction

The massive global digital transformation has transformed the way individuals interact and transact. This revolution, fuelled by advances in information and communication technology, has triggered the emergence of electronic contracts, or digital contracts, as a vital instrument for facilitating transactions, particularly cross-border ones. Digital contracts offer efficiency, speed, and reach far beyond conventional contracts, making them the backbone of the global digital economy. This shift is strongly reflected in Indonesia, where the explosive growth of the digital ecosystem, particularly in the e-commerce and financial technology (FinTech) sectors, has created a massive influx of digital contract practices. Consumers and businesses now routinely engage in agreements confirmed through online consent, shaping a new economic order that relies heavily on the trust and validity of electronic instruments. Digital contract negotiation approaches, particularly those adopting Web 3 and blockchain technologies, act as a bridge, offering a streamlined user experience while still ensuring adequate levels of protection without sacrificing the inherent efficiency, security, and decentralization of these technologies.[1]

Behind this convenience and efficiency, various real problems have emerged that expose the fragility of the digital ecosystem. One such case is the case of a mother in Kediri who received an online game bill of Rp. 11,000,000 (eight million rupiah) due to a transaction made by her child using

[1] Fabio Bassan and Maddalena Rabitti, 'From Smart Legal Contracts to Contracts on Blockchain: An Empirical Investigation', *Computer Law & Security Review*, 55 (2024), 106035 <https://doi.org/10.1016/j.clsr.2024.106035>.

her father's identity without permission.[2] This case highlights the weakness of digital identity control and authorization mechanisms within the family. Similar cases have emerged involving online game purchases by children on various platforms that subsequently went viral on social media, demonstrating how easily click-to-pay mechanisms can be implemented without full awareness of the legal consequences.[3] On a broader level, the leak of personal data of 91 million Tokopedia accounts in 2020 is a loud alarm about the fragility of data protection in digital systems.[4] This case demonstrates how personal data, a key element of digital contracts, can be exposed and misused without a clear redress mechanism. This series of cases demonstrates that digital contracts are not only about formally valid electronic agreements, but also about substantive fairness, identity protection, and the trustworthiness of the systems that underpin them. Digital contracts, including those utilizing blockchain, are required to ensure an adequate level of protection for the parties, without sacrificing efficiency and decentralization.[4]

While digital contracts offer convenience, crucial issues arise regarding their substantive validity and fairness. The primary problem lies in the tension between two fundamental concepts of truth: Public Truth (Justice as Perceived by Society), which is based on ethics, a sense of fairness, and social expectations of transparency. The second is Legal Truth (Justice as Defined by the Legal System), which emphasizes formal procedural legality. Research shows that the assumed positive linear relationship between information exposure and legal consciousness can be disrupted, as algorithmic bias and emotional framing in digital media can actually weaken this legal consciousness. In the digital environment, exposure to information is often accompanied by negative effects, where algorithmic bias and emotional framing in digital media can weaken public legal consciousness.[5]

This tension often manifests itself in the issue of problematic consent, where the Clickwrap or Browsewrap mechanisms are deemed to fall short of the elements of awareness and freedom, giving rise to public criticism of what is known as procedural injustice. This occurs when the public perceives that a contract, although formally valid under the Indonesian legal system, for example, fulfilling the requirements for a valid agreement in Law Number 1 of 2024 concerning the Second Amendment to Law Number 11 of 2008 concerning Electronic Information and Transactions, results in substantive injustice, such as the presence of detrimental standard clauses. Digital contracts, with their abstract nature and expedited approval processes, often blur the line between what the public perceives as fair and what is legally valid. This issue fundamentally challenges the concept of epistemic justice, where legal truth claims authority over individual perceived truth, thus requiring in-depth study.[6]

A significant research gap has been identified in the Indonesian legal literature. Most studies on digital contracts have been dominated by a normative, dogmatic approach that tends to emphasize formal legal aspects (validity and enforceability analysis). Very few studies address the epistemological aspects of digital contracts, namely how the truth and legitimacy of a digital agreement are constructed, and the need for known ground truth data is also emphasized for AI-based methods used in legal systems in general. In line with the need to establish truth in automated systems, experts emphasize the need for known ground truth data for AI-based methods used in legal systems in

[2] Muhammad Ilman Abidin and others, 'Buying and Selling Activity of Online Game Accounts Containing Virtual Goods That Are Sold on an Online Marketplace', *Brazilian Journal of Development*, 10.5 (2024), e69561 <https://doi.org/10.34117/bjdv10n5-028>.

[3] Marte Eidsand Kjørven, Kristian Gjøsteen and Tone Linn Wærstad, 'Safe and Inclusive or Unsafe and Discriminatory? European Digital Identity Wallets and the Challenges of "Sole Control"', *Computer Law & Security Review*, 60 (2026), 106235 <https://doi.org/10.1016/j.clsr.2025.106235>.

[4] Dena Mahmudnia, Mehrdad Arashpour and Rebecca Yang, 'Blockchain in Construction Management: Applications, Advantages and Limitations', *Automation in Construction*, 140 (2022), 104379 <https://doi.org/10.1016/j.autcon.2022.104379>.

[5] Liu Peng, Min Tian and Wan Li, 'From Information Exposure to Legal Consciousness: The Chain Mediating Role of Political Trust and Social Equality in Chinese College Students', *Acta Psychologica*, 259 (2025), 105428 <https://doi.org/10.1016/j.actpsy.2025.105428>.

[6] Aristo M Pangaribuan, 'Truth, Bias, and Abuse of Power: How Indonesia's Evidentiary Threshold Shapes Criminal Justice', *The International Journal of Evidence & Proof*, 2025 <https://doi.org/10.1177/13657127251389628>.

general.[7] This raises broader challenges in the realm of artificial intelligence, where the application of large language models (LLMs) in legal reasoning requires a framework capable of reconciling different reasoning paradigms, analyzing cultural notions of justice and addressing issues of uncertainty, vagueness and ambiguity.[8]

Specifically, the biggest legal challenge in the context of digital contracts is the crisis of normative legitimacy arising from the inability of the formal legal system to integrate the standard of substantive justice, namely Public Truth, into the logic of procedural legality, namely Legal Truth.[9] This crisis culminates in a fundamental question: how can the legal system in Indonesia reconstruct the concept of Legal Truth in digital contract practice so that it is not only formally procedurally valid, supported by Computational Logic and data certainty, but also epistemologically and ethically accepted by the public, namely fulfilling a sense of substantive justice? Therefore, this research is present to fill this gap by conducting a Phenomenon Study that focuses on the construction and conflict between Public Truth and Legal Truth in the context of digital contract practice in Indonesia. The results of this study are expected to make a significant contribution in formulating a regulatory framework for digital contracts that is not only formally valid, but also substantively fair, while offering a new perspective for the study of justice in the global digital ecosystem.[10]

## Method

This study adopts a normative juridical research design, emphasizing the analysis of legal norms, principles, and doctrines to address epistemological tensions in digital contracts. It employs a statutory approach, scrutinizing binding legislation for validity and coherence, alongside a conceptual approach, exploring philosophical and theoretical constructs of public and legal truth. The research relies exclusively on secondary data, comprising primary and secondary legal materials. Primary legal materials include the 1945 Constitution of the Republic of Indonesia, Book III of the Indonesian Civil Code (KUHPerdata), Law No. 11 of 2008 on Electronic Information and Transactions (as amended), Government Regulation No. 71 of 2019 on the Implementation of Electronic Systems and Transactions, and pertinent court decisions on digital contract disputes. Secondary legal materials encompass scholarly books, international journals, Organisation for Economic Co-Operation and Development reports on digital economy governance, and the United Nations Commission on Internasional Trade Law Model Law on Electronic Commerce. Data processing follows qualitative descriptive-analytical techniques, entailing systematic interpretation of legal texts, conceptual mapping of truth discourses, and evaluative synthesis of normative gaps. This involves content analysis of statutory provisions, judicial precedents, and scholarly commentaries to derive prescriptive recommendations for enhancing digital contract legitimacy.[11]

## Results and Discussions

### *Digital Contracts, Truth, and Legal Legitimacy*

Discussions regarding the phenomenon of Digital Contracts in Indonesia must begin by establishing their formal legal framework. Generally, a Digital Contract is defined as an agreement made through an Electronic System, as regulated by Law Number 1 of 2024 concerning the Second Amendment to the Electronic Information and Transactions Law and Government Regulation (PP)

[7] Kyriakos N. Kotsoglou and Alex Biedermann, 'The Unassailable Nature of Ground Truth in Scientific Research: Response to Asonov et Al.', *Forensic Science International: Synergy*, 9 (2024), 100556 <https://doi.org/10.1016/j.fsisyn.2024.100556>.

[8] Ha Thanh Nguyen and others, 'LLMs for Legal Reasoning: A Unified Framework and Future Perspectives', *Computer Law & Security Review*, 58 (2025), 106165 <https://doi.org/10.1016/j.clsr.2025.106165>.

[9] Mohammad Omar Mohammad Alhejaili, 'Integrating Smart Contracts into the Legal Framework of Saudi Arabia', *International Journal of Law and Management*, 67.2 (2025), 230–48 <https://doi.org/10.1108/IJLMA-03-2024-0086>.

[10] Umesha Sasanthi Weerapperuma and others, 'A Knowledge Framework for Blockchain-Enabled Smart Contract Adoption in the Construction Industry', *Engineering, Construction and Architectural Management*, 32.1 (2025), 374–408 <https://doi.org/10.1108/ECAM-01-2023-0012>.

[11] Elisabeth Sundari, Hilaire Tegnan and Muhammad Rizqi Alfarizi Ramadhan, 'Reconstructing National Economic Loss in Corruption Crimes', *Journal of Justice Dialectical*, 3.2 (2025), 136–54 <https://doi.org/10.70720/jjd.v3i2.96>.

Number 71 of 2019 concerning the Implementation of Electronic Systems and Transactions. This instrument is characterized by its faceless and cross-border nature, and its validity relies heavily on a certified Electronic Signature as stipulated in Article 11 of Law Number 1 of 2024 concerning the Second Amendment to the Electronic Information and Transactions Law. Although legally recognized, this form of agreement is dominated by standard clauses that often pose a risk of conflict with substantive justice. In fact, analytical tools based on Large Language Models (LLMs) are now being used for clause-level evaluation, examining aspects of legality, abusiveness, ambiguity, risks, and legal loopholes in contracts.[12]

Discussions on the phenomenon of Digital Contracts in Indonesia must begin with establishing their formal legal framework. Generally, a Digital Contract is defined as an agreement made through an Electronic System, as regulated by Law Number 1 of 2024 concerning the Second Amendment to the Electronic Information and Transactions Law and Government Regulation (PP) Number 71 of 2019 concerning the Implementation of Electronic Systems and Transactions. This instrument is characterized by its faceless and cross-border nature, and its validity is highly dependent on a certified Electronic Signature in accordance with Article 11 of Law Number 1 of 2024 concerning the Second Amendment to the Electronic Information and Transactions Law. Although legally recognized, this form of agreement is dominated by standard clauses that often become a point of conflict with substantive justice. In fact, analytical tools based on Large Language Models (LLMs) are now being used for clause-level evaluation, examining aspects of legality, abusiveness, ambiguity, risks, and legal loopholes in contracts.[13]

This legal framework is fundamentally based on Legal Truth, which is the formal truth resulting from legitimate legal procedures. This truth adheres to the principles of legality and legal certainty, where a contract is considered valid if it meets the requirements stipulated in Article 1320 of the Civil Code and Article 5 of Law Number 1 of 2024 concerning the Second Amendment to the Electronic Information and Transactions Law, while also requiring the existence of known ground truth data to guarantee the objectivity of Artificial Intelligence (AI)-based methods used in the legal system.[6] However, tensions begin to arise when this formal legality is confronted with Public Truth, which is formed through collective opinion, social media, and the perception of substantive justice in the eyes of the public. This phenomenon is exacerbated by the post-truth era, characterized by a situation where objective facts become less influential in shaping public opinion compared to appeals to emotions and personal beliefs.[14]

In the digital environment, intensive information exposure is often accompanied by negative effects where algorithmic bias and emotional framing can weaken people's legal consciousness.[15] This puts substantive justice at risk because the social construction of justice based on equality, transparency, and fairness is often ignored by clickwrap and unbalanced digital approval processes. When Legal Truth produces a legal decision but is perceived as unfair by the public, Legal Legitimacy is threatened. This legitimacy, according to Habermas's Theory, should be generated through a rational and dialogical communication process, not a monologue of power. Communication failures in digital contracts undermine the essential relationship between legality (Legal Truth), substantive justice (Public Truth), and public trust. This is in line with findings in the realm of Critical Information Systems, where rational discourse often transitions into authoritative discourse on digital platforms, which is contrary to the liberating potential of technology.[16] Therefore, the current challenge is how to develop frameworks, including those involving AI and Large Language Models, that are capable of reconciling different reasoning paradigms, analyzing cultural notions of fairness,

[12] Victor Carneiro-Diaz, Adrian Grille-Zallas and Daniel Lage-Etchart, 'Automated Legal Analysis of Rental Contract Clauses Using Large Language Models', *SoftwareX*, 31 (2025), 102337 <https://doi.org/10.1016/j.softx.2025.102337>.

[13] Carneiro-Diaz, Grille-Zallas and Lage-Etchart.

[14] Ozcan Ozeke and others, 'Post-Truth Era and Cardiology: After ORBITA, before CABANA', *Indian Heart Journal*, 70.3 (2018), 439–42 <https://doi.org/10.1016/j.ihj.2018.04.005>.

[15] Peng, Tian and Li.

[16] Reilly Smethurst, Amber G. Young and Ariel D. Wigdor, 'Jürgen Habermas Revisited via Tim Cook's Wikipedia Biography: A Hermeneutic Approach to Critical Information Systems Research', *Journal of Responsible Technology*, 20 (2024), 100090 <https://doi.org/10.1016/j.jrt.2024.100090>.

and addressing issues of uncertainty, vagueness, and ambiguity to restore legal legitimacy in the era of digital contracts.[17]

***Epistemological Tension and the Crisis of Legal Legitimacy***

The conflict in digital contracts lies in the epistemological tension between two foundations of truth. Legal Truth solely determines the validity of a contract based on the fulfillment of formal requirements, where a digital contract is considered valid and binding only if it meets the legal procedures in Law Number 1 of 2024 concerning the Second Amendment to the Electronic Information and Transactions Law, for example the validity of documents and certified Electronic Signatures. From a systems perspective, Legal Truth operates the logic of transforming legal texts into explainable computational logic to support process automation, ensuring procedural certainty and legality.[18] This logic is reinforced by blockchain and smart contract technology, which are designed to ensure procedural formalities. Technologically, blockchain ensures transparency and the trusted execution of performance evaluations and rewards automatically through smart contracts.[19] In addition, evidence management through blockchain serves as an immutable and auditable means. This is the main characteristic of procedural legality.[20]

This efficient formality often clashes with Public Truth, which measures contract validity based on a sense of substantive justice and fairness. The public often considers contracts unfair, particularly in the practice of standard clauses in e-commerce or FinTech that do not allow for negotiation. In these situations, disadvantaged consumer groups often act as victim zones, experiencing systematic marginalization or exclusion due to the system-dominated contract structure.[21] This tension reaches its peak when the legal outcome, Legal Truth, is diametrically opposed to the just outcome, Public Truth. The concrete mechanism of this conflict centres on Clickwrap Agreement. This practice is a concrete manifestation of Legal Truth, which prioritizes data efficiency and the formalities of Computational Logic over substantive dialogue. This eliminates the space for negotiation, systematically creates a Victim Zone, and directly triggers Public Truth's rejection of technically legitimate contracts.[22]

The inability of the formal legal system to embrace the public's demands for substantive justice triggers serious normative implications: a crisis of legal legitimacy. When legally valid digital contracts are consistently rejected by public opinion, this gives rise to a legitimacy crisis described by Habermas as lifeworld colonization, where the efficient instrumental logic of the formal legal system dominates and replaces the communicative logic of the lifeworld, namely shared values and understandings of justice.[23] In a legal context, this colonization manifests itself in quick-fix (clickwrap) agreements that eliminate rational dialogue. This legitimacy crisis is exacerbated by the failure of smart contracts that require intervention. For example, the use of hard forks (external intervention) directly contradicts

[17] Nguyen and others.

[18] Markus Bertl, Simon Price and Dirk Draheim, 'Transforming Legal Texts into Computational Logic: Enhancing next Generation Public Sector Automation through Explainable AI Decision Support', *International Journal of Cognitive Computing in Engineering*, 7 (2026), 40–57 <https://doi.org/10.1016/j.ijcce.2025.07.003>.

[19] Jens J. Hunhevicz, Mahshid Motie and Daniel M. Hall, 'Digital Building Twins and Blockchain for Performance-Based (Smart) Contracts', *Automation in Construction*, 133 (2022), 103981 <https://doi.org/10.1016/j.autcon.2021.103981>.

[20] Abin Oommen Philip and RA K Saravanaguru, 'Smart Contract Based Digital Evidence Management Framework over Blockchain for Vehicle Accident Investigation in IoV Era', *Journal of King Saud University - Computer and Information Sciences*, 34.7 (2022), 4031–46 <https://doi.org/10.1016/j.jksuci.2022.06.001>.

[21] Simon Robins and others, 'Transitional Justice from the Margins: Collective Reparations and Tunisia's Truth and Dignity Commission', *Political Geography*, 94 (2022), 102565 <https://doi.org/10.1016/j.polgeo.2021.102565>.

[22] Nick Sage, 'Reconciling Contract Law's Objective and Subjective Standards', *The Modern Law Review*, 86.6 (2023), 1422–46 <https://doi.org/10.1111/1468-2230.12819>.

[23] Yara Yasser Hilal, 'Exploring Teachers' Perceptions of Professional Learning for Reflection: Unearthing the Murabbi within a Habermasian Colonised Lifeworld', *Teaching and Teacher Education*, 165 (2025), 105131 <https://doi.org/10.1016/j.tate.2025.105131>.

the principle of allowing autonomous authorities to govern without a central authority.[24] This demonstrates the collapse of the logic of pure code autonomy in the face of demands for justice. The immediate consequence is a decline in public trust in legal protection. More crucially, efforts to educate the public with legal facts in accordance with Legal Truth to refute the assumption of public injustice, considered a myth, risk creating a truth effect. Based on this phenomenon, efforts to refute myths risk causing the public to misremember them as fact, thus paradoxically strengthening rather than diminishing resistance to the law.[25]

The problem with digital contracts is not just about legality, but also about the breakdown of the bridge between legality and justice, which fundamentally undermines legal legitimacy in the digital age. This conflict emphasizes that legal legitimacy in the digital age can no longer be measured solely by formal compliance. Resolving this conflict requires efforts to create a normative bridge that aligns system efficiency (Computational Logic) with the demands of substantive justice (Lifeworld). This bridging effort can be seen in the trend of using a combination of smart legal contracts and blockchain smart contracts to manage legally binding contractual aspects.[26] However, technical solutions for justice remain theoretical. For example, digital courts, which use smart contracts to identify and punish contract violators, have only been analyzed theoretically and have not yet been implemented practically.[27] Therefore, failure to build this bridge will continue to threaten the collapse of public trust and perpetuate the crisis of legal legitimacy.

The reconstruction of legal legitimacy in the digital era is most clearly demonstrated in case studies of consumer disputes against marketplace platforms, where the judicial system must mediate between the certainty of Computational Logic and the demands of the public's Sense of Justice.[28] Consider, for example, a dispute in which a consumer's account (A) is hacked, and the hacker successfully executes a large transaction using stored payment data. The platform (P) typically argues that the transaction, while illegitimate in intent, met the technical requirements because it was executed using valid credentials.[29] The platform relies on the Terms and Conditions (ToS) agreed to by the consumer, a form of digital contract designed for certainty and instrumental efficiency. From a formal perspective, the system can use Large Language Models (LLM) to analyze these clauses, automatically assessing legality, risk, and legal gaps, thereby validating the platform's denial of responsibility.[30] Thus, if the court rules based on formal legal truth, it will tend to favor the platform, as such actions are supported by rigid, system-oriented codes and regulatory compliance.

Decisions based entirely on formal legal certainty and digital contracts often create a legitimacy crisis in the public eye because they ignore the social context. The Lifeworld perspective highlights the power asymmetry between individuals as consumers and corporations as platforms. Consumers who are victims feel that court decisions have ignored the platform's moral responsibility for data security, giving rise to the perception that the law has undergone a lifeworld colonization by instrumental technical logic.[31] This public dissatisfaction is amplified by emotional framing in digital media, where algorithmic bias and victim narratives can weaken collective legal consciousness

[24] Simon Joseph Aquilina and others, 'EtherClue: Digital Investigation of Attacks on Ethereum Smart Contracts', *Blockchain: Research and Applications*, 2.4 (2021), 100028 <https://doi.org/10.1016/j.bcra.2021.100028>.

[25] Barbara Krahé, 'Beware the Truth Effect: Why Efforts to Debunk Rape Myths May Backfire', *Journal of Criminal Justice*, 98 (2025), 102409 <https://doi.org/10.1016/j.jcrimjus.2025.102409>.

[26] Enrico Ferro and others, 'Digital Assets Rights Management through Smart Legal Contracts and Smart Contracts', *Blockchain: Research and Applications*, 4.3 (2023), 100142 <https://doi.org/10.1016/j.bcra.2023.100142>.

[27] Niiju Mita and Nariaki Nishino, 'Study on Personalized Service Contract: Application of Digital Court', *Procedia CIRP*, 118 (2023), 15–19 <https://doi.org/10.1016/j.procir.2023.06.004>.

[28] Yun Zhao and Hui Chen, 'Enhancing Access to Digital Justice: Digital Governance of Dispute Resolution and Dispute Prevention in Online Commercial Activities', *Journal of International Dispute Settlement*, 15.2 (2024), 273–304 <https://doi.org/10.1093/jnlids/idae001>.

[29] Latifa Albshaier, Seetah Almarri and M. Hafizur Rahman, 'A Review of Blockchain's Role in E-Commerce Transactions: Open Challenges, and Future Research Directions', *Computers*, 13.1 (2024), 27 <https://doi.org/10.3390/computers13010027>.

[30] Carneiro-Diaz, Grille-Zallas and Lage-Etchart.

[31] Hilal.

regarding the formal justification of decisions.[32] The public demand is for the judiciary to reinject elements of communicative action (Acción Comunicativa) into the process, such as through Online Dispute Resolution (ODR), which allows for intersubjective dialogue and consensus-based negotiation, so that legal outcomes are not only certain but also just and morally credible.[33]

The main challenge for the digital legal system is to formulate decisions that can become credible commitment instruments, which guarantee the certainty of sanctions such as the concept of Digital Courts,[34] yet simultaneously responsive to societal demands for substantive justice. True legitimacy can only be restored when law rejects the binary choice between the system and the lifeworld, but instead combines instrumental rationality, the certainty of contracts with practical moral rationality justice, dialogue, and protection of consumer vulnerability. Thus, digital law can serve as a potential bridge between technical certainty and public trust.[35]

***Efforts to Reconstruct Legal Legitimacy in the Digital Era***

Reconstructing legal legitimacy in the digital era is a normative and practical imperative, aiming to balance the efficiency of instrumental systems (Computational Logic) with the need for justice and public acceptance (Lifeworld). A legitimacy crisis arises when the dominance of automated systems, which emphasize certainty, erodes public trust and legal awareness, primarily due to algorithmic bias and framing. This restoration effort must be comprehensive, encompassing regulatory, educational, procedural, and philosophical aspects, all interrelated to restore the legal foundation. The first effort to reconstruct legitimacy is through regulatory transparency, demanding that digital contract rules be clear and easily accessible to the public. In the era of smart contracts and automation, legitimacy lies not only in the code being executed, but in the legal framework that governs that code. Models like Contracts on Chain serve as a potential bridge between the realms of Web 2 and Web 3, aligning blockchain automation with traditional legal regulations. This openness is essential because Large Language Models (LLMs) can now perform in-depth legal analysis of contract clauses to assess legality, abusiveness, vagueness, risk, and legal gaps. Transparency ensures that decisions generated by such complex and certain computational logic have an auditable normative basis, such as that offered by a framework designed to be Trustworthy.[36]

The link between clear regulations and public acceptance lies in strengthening digital legal literacy, so that the public understands their contractual rights. This need arises from exposure to biased information in digital media, where algorithmic biases and emotional framing in digital media may weaken legal consciousness. Effective literacy empowers individuals to critically evaluate the instrumental systems they use. For example, society must recognize that automated enforcement mechanisms, such as digital courts, function as commitment devices that guarantee sanctions for violators of agreements. With adequate literacy, the risk of eroding legal awareness can be minimized, and society can respond to the system's instrumental certainty with critical understanding.[37]

If automated systems that rely on coded certainty fail to deliver perceived substantive justice, responsive dispute resolution mechanisms are needed, for which Online Dispute Resolution (ODR) is a crucial procedural solution. ODR serves as a corrective to the excessive rigidity of instrumental systems, which, in Habermas's theory, can lead to lifeworld colonization, where the system's technical logic replaces social interaction.[38] ODR offers intersubjective spaces (Intersubjective Spaces) and

[32] Peng, Tian and Li.

[33] Jolanda Jetten and others, 'Consequences of Economic Inequality for the Social and Political Vitality of Society: A Social Identity Analysis', *Political Psychology*, 42.S1 (2021), 241–66 <https://doi.org/10.1111/pops.12800>.

[34] Mita and Nishino.

[35] Bassan and Rabitti.

[36] Arunraju Chinnaraju, 'Explainable AI (XAI) for Trustworthy and Transparent Decision-Making: A Theoretical Framework for AI Interpretability', *World Journal of Advanced Engineering Technology and Sciences*, 14.3 (2025), 170–207 <https://doi.org/10.30574/wjaets.2025.14.3.0106>.

[37] Bart Custers, 'The Right to Break the Law? Perfect Enforcement of the Law Using Technology Impedes the Development of Legal Systems', *Ethics and Information Technology*, 25.4 (2023), 58 <https://doi.org/10.1007/s10676-023-09737-3>.

[38] Regina Kreide, 'Social Critique and Transformation: Revising Habermas's Colonisation Thesis', *European Journal of Social Theory*, 26.2 (2023), 215–35 <https://doi.org/10.1177/13684310221133029>.

restores the elements of communicative action (Acción Comunicativa) that are missing from automated decisions. This mechanism ensures that dispute resolution is not merely automatic and instrumental, unlike digital court simulations, which are only analyzed theoretically, but also involve dialogue and consensus, thus restoring procedural legitimacy.[39]

At the heart of this reconstruction effort is a philosophical approach that demands that law not only produce certainty but also publicly recognized substantive justice. When LLM is used to assess legality and risk. The focus is on the system dimension and certainty. However, true legitimacy can only be restored through consistent normative efforts to ensure that computational logic remains open to the critical demands and values of society (Mundo De Vida) through a dialogical process (Acción Comunicativa). Thus, the reconstruction of legitimacy is a reaffirmation of the role of law as a higher ethical and moral instrument, ensuring that technological efficiency serves substantive justice and not the other way around.[40]

## Conclusion

Based on the preceding discussion, this study concludes that the conceptual reconstruction of Legal Truth in Indonesia's digital contract practices is essential to ensure that the law does not stop at formal procedural validity but also attains epistemological and ethical legitimacy from the public. Epistemologically, the legal system must affirm that legal truth is not derived solely from formal procedures and definitive data, but also from public truth produced through society's communicative rationality. This requires explicit recognition of public reasoning as part of digital contract validity, including an expansion of the principle of consent toward socially verifiable awareness and justice. Procedurally, the legal system must create dialogical spaces within digital contract dispute-resolution mechanisms. The strengthening of Online Dispute Resolution (ODR) oriented toward consensus and transparency becomes a means to restore communicative action in digital law, ensuring that legal outcomes are not only formally valid but also morally accepted by the parties involved. Regulatively and ethically, Indonesian positive law must integrate principles of algorithmic transparency and normative auditability so that decisions generated by AI systems and smart contracts can be both legally and morally accountable. Thus, reconstructing Legal Truth in digital contracts represents a transformation from a paradigm of formal legality to one of communicative legitimacy, where the law serves as a bridge between technical certainty and substantive justice a form of law that is not only correct in terms of data but also just in terms of meaning.

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[39] Linlin Chen, 'Governing Dataspace through Intersubjectivity: From Exclusive Control to Interactive Data Sovereignty', *Transforming Government: People, Process and Policy*, 2026, 1–17 <https://doi.org/10.1108/TG-11-2025-0368>.

[40] Jaakko Kalverkämper, 'Re-Imagining Criminal Justice: The Ethical Fusion of Substantive Law and Procedural Law', *Social Science Chronicle*, 3.1 (2023) <https://doi.org/10.56106/ssc.2023.006>.

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