

# Implication of Omnibus Law's Assessment on the Perspective of Employment Regulation

*by lidya uinsa*

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## Implication of Omnibus Law's Assessment on the Perspective of Employment Regulation

M. Syahrul Borman<sup>1</sup>, Dudik Djaja Sidarta<sup>2</sup>, Nur Handayati<sup>3</sup>

<sup>1,2,3</sup>Dr. Soetomo University Surabaya, Indonesia

Email: [m.syahrul.bormansh@unitomo.ac.id](mailto:m.syahrul.bormansh@unitomo.ac.id)

### Abstract

<sup>2</sup>  
The Work Copyright Bill and the Tax Bill are two salient components of the Omnibus Law Bill, which warrant careful consideration. Both of these bills hold significant importance in their respective contexts. According to Joko Widodo, the President of the Republic of Indonesia, the primary objective behind the introduction of the Omnibus Law Bill is to alleviate the burdensome regulatory constraints that often lead to confusion and protracted processes. The rationale behind the enactment of the Omnibus Law Bill was articulated as such. It is expected that the forthcoming comprehensive legislation will contribute to the enhancement of the national economy by creating a more favourable investment climate. Additionally, the objective of this initiative is to enhance Indonesia's competitiveness, enabling it to effectively navigate the prevailing economic uncertainty and deceleration observed worldwide. The data collection in this study employed an empirical research approach. The execution of this technique involved the careful examination of multiple facets of research specialism, including the utilisation of descriptive analysis. This paper provides a synthesis of scholarly discussions on the legal implications of the ratification of the omnibus law bill on job creation for the relationship between companies and their employees. Specifically, it examines the impact of this legislation on the legal framework and practises of civil and employment law. The purpose of these research was to establish a definitive legal standpoint about the consequences of ratifying the omnibus law bill on employment creation.

*Keywords:* Bills, Employment Regulation, Law, Omnibus Law.

### A. INTRODUCTION

Humans in today's modern era with various interests and needs in every aspect of their lives are always faced with the law. Law is a very important part in a sovereign country like Indonesia which has many regulations in each of these, because it is one form of implementing a sense of justice for all his people. Moreover, the population is very heterogeneous and has very complex and diverse interests. Thus, the law is made to accommodate these various interests.

<sup>3</sup>  
The State of Indonesia is characterized as a legalistic state, as articulated in the 1945 Constitution's declaration that "The State of Indonesia is founded upon the principles of law rather than arbitrary authority." The law can be defined as a set of principles or regulations that establish and maintain order within a society. It is imperative that the behaviour and activities of individuals are grounded on adherence to the law. Hence, it is incumbent upon Indonesia, as a nation governed by the rule of law, to constantly fulfil its legal obligations in order to uphold justice.

<sup>2</sup>  
Since achieving independence, Indonesia has had a series of governmental regimes. The transition from the Old Order to the New Order, culminating in the

Reformation Order. Over the course of history, there have been periodic shifts in political leadership, including changes in the presidency and the cabinet. These transitions have been closely associated with the emergence of several laws and regulations that have been formulated to address the specific issues and challenges prevalent during that particular periods. Over the course of its 74-year history of independence, the nation has witnessed a notable rise in regulatory production, which has subsequently led to a range of issues, including discord and the presence of overlapping regulations.

Moreover, it is worth noting that a significant number of these initiatives give rise to policy or authority disputes across various ministries and agencies, as well as between the Central Government and Local Government. The presence of disharmony and overlapping regulations within the government not only hinders its ability to promptly and effectively address emerging problems and challenges, but also negatively affects the execution of development program and the investment climate in Indonesia. The proliferation of regulations in Indonesia since its independence has led to the emergence of a phenomenon known as "hyper-regulation". Consequently, any attempt by government administrators to introduce innovation or implement breakthroughs may inevitably result in conflicts with existing laws and regulations. In the event that the usual approach is adopted for the rewriting of laws and regulations, it is reasonable to anticipate a protracted duration for the harmonisation and synchronisation of several extant regulations (<https://indonesia.go.id>).

In his inaugural address as the President of the Republic of Indonesia for the term 2019-2024, delivered on Sunday, October 20, 2019, President Joko Widodo expressed his intention to formulate a legislative proposal known as the Omnibus Law. According to President Jokowi, the omnibus law aims to streamline complex and lengthy regulatory restraints by concurrently revising multiple laws. In order to achieve this objective, President Jokowi intends to convene a meeting with the House of Representatives of the Republic of Indonesia to deliberate on three significant legislations, namely the Taxation Law, the Job Creation Law, and the Law on the Empowerment of Small and Micro Medium Enterprises (MSMEs). Each of these laws will be consolidated into an omnibus law.

In *Black's Law Dictionary Eleventh Edition*, Omnibus Law can be interpreted as the completion of various arrangements of a particular policy listed in various laws, into one umbrella law. Omnibus is a Latin word meaning "for all". This phrase has a multidimensional meaning, in casu, bookkeeping the law. Logically, the Omnibus is a draft legal regulation that is able to oversee several substances in the framework of the foundation different sectors (Indiaswari, 2020).

After the discourse on the concept of the Omnibus Law delivered by the President of the Republic of Indonesia Joko Widodo at the end of 2019 caused Pros and Cons in various circles, one of which received rejection, namely from the Workers, they stated in various online media news/mass media the substance of the Omnibus Law Bill on Job Creation has the potential to reduce welfare for workers throughout

Indonesia.

The Omnibus Law Bill comprises two components, namely the Job Creation Bill and the Taxation Bill. The primary objective behind the formulation of the Omnibus Law Bill, as stated by President Joko Widodo of the Republic of Indonesia, is to. The initial step is simplifying the limitations. The two omnibus laws, which are frequently characterised by their complexity and extensive nature, are anticipated to enhance the national economy through the enhancement of the investment ecosystem and the bolstering of Indonesia's competitiveness during global economic uncertainties and a recession. The omnibus law on employment creation encompasses 11 clusters derived from 31 ministries and other agencies. There are a total of 11 clusters.

1. Simplification of Permissions
2. Investment Requirements,
3. Employment
4. Ease, Empowerment, and Protection of MSMEs
5. Ease of Doing Business
6. Research and Innovation Support
7. Government Administration,
8. Imposition of Sanctions
9. Land Acquisition
10. Government Investments and Projects, and
11. Economic Zone.

The omnibus law on taxation encompasses six fundamental components, specifically:

1. Investment Funding
2. Territory System
3. Individual Tax Subjects
4. Taxpayer Compliance
5. Climate Justice Trying, and
6. Facilities

As of January 17, 2020, the Omnibus Law on Job Creation has impacted a total of 79 laws and 1,244 articles. These effects can be categorised as follows: 52 laws with 770 articles have experienced simplification of licencing processes, 13 laws with 24 articles have seen changes in investment requirements, 3 laws with 55 articles have been modified in relation to employment matters, 3 laws with 6 articles have been amended to enhance convenience, empowerment, and protection of micro and small enterprises (MSEs), and 9 laws with 23 articles have been revised to improve ease of doing business. In addition, it is worth noting that there exists a dedicated segment within the legal framework that pertains to the provision of research and innovation support. This segment is encompassed by two distinct laws, each consisting of two articles. Similarly, the domain of government administration is addressed in two separate laws, comprising a total of fourteen articles. The matter of imposing sanctions is extensively covered across forty-nine laws, encompassing a substantial number of

articles, specifically amounting to 295. Furthermore, the topic of land acquisition is addressed in two laws, which collectively contain eleven articles. Similarly, the realm of investment and government projects is governed by two laws, consisting of three articles. Lastly, the establishment and regulation of economic zones are covered by five distinct laws, collectively comprising thirty-eight articles.

The Employment cluster Job Creation Bill has garnered significant attention among workers and in online media platforms. Numerous television and newspaper reports have covered this topic, particularly focusing on the adverse effects it has on workers' rights, working hours, wages, and the expansion of outsourcing within the Manpower cluster. The Omnibus Law, which encompasses labour market flexibility, has raised concerns regarding the lack of job security and the uncertainty surrounding the appointment status of permanent employees or the duration of time work agreements (PKWTT).

The potential passage of the Job Creation Bill has promise for enhancing worker welfare, as it addresses the numerous issues faced by workers, particularly in relation to the Omnibus Law on Manpower.

## **B. LITERATURE REVIEW**

### **1. Understanding Impact**

The definition of impact according to the Big Dictionary Indonesian is a collision, an influence that brings both positive and negative consequences. Impact is divided into two meanings, namely:

- a. The concept of positive impact refers to the intention to effectively persuade, convince, influence, or inspire others, with the ultimate goal of garnering their adherence or support towards one's own desires. Positivity refers to a state of certainty and authenticity in one's thoughts, particularly in relation to favourable and constructive aspects. It can be inferred that the concept of positive impact refers to the intention to effectively persuade, convince, influence, or impress people, with the objective of garnering their adherence or support towards one's benevolent intentions.
- b. The definition of "Negative Impact" can be found in the Big Indonesian Dictionary. A negative impact refers to a significant influence that results in adverse consequences. Negative impact refers to the inclination to engage in persuasive, convincing, influential, or impressive behaviour with the intention of inducing others to adopt or endorse one's unfavourable wishes, hence leading to certain results.

### **2. Omnibus Law Bill on Job Creation**

The elucidation of the Omnibus Law commences with the term "Omnibus." The term "omnibus" originates from the Latin language and conveys the meaning of encompassing or pertaining to all things. According to Bryan A. Garner's Black Law Dictionary Ninth Edition, the term "omnibus" pertains to or addresses a multitude of objects or items simultaneously, encompassing numerous things or serving diverse



purposes. This implies that it is associated with or pertains to various objects or items being considered collectively, encompassing a multitude of things or serving multiple purposes. When combined with the term "Law," it might be characterised as a universally applicable legal principle (Satjipto, 1981).

Bivitri Savitri defines the Omnibus Law as a legislative measure designed to address significant challenges within a nation. In addition to addressing significant concerns, the objective is also to revoke or modify some legislations. According to Fahri Bachmid, an expert in the field of legal science, the concept of "Omnibus law" can be understood as a legal product that aims to unify diverse themes, resources, issues, and legislation from numerous sectors into a comprehensive and unified legal framework (Manan, 1997).

The Omnibus Law on Job Creation Bill starts from President Jokowi's vision to open wider job opportunities, especially in the formal sector. The reason is, based on data in 2019, the number of informal workers was recorded at 74.1 million workers or 57.27% of the total labor force. In addition, there are still about 7 million people who have not found work. Not to mention that there is an increase in the labor force of approximately 2 million people every year. There are several steps taken by the government to realize the expansion of employment. The first is to spur economic growth, because 1% of economic growth will absorb around 300-350 thousand workers. The assumption is that Indonesia's average economic growth is 5% in the last five years (<https://www.hukumonline.com>).

The primary objective behind the development and expansion of employment in Indonesia is to foster economic growth. However, the Omnibus Law Bill on Job Creation, particularly in relation to employment, has undergone significant modifications, including the deletion and alteration of several articles. Consequently, this has generated a multitude of arguments and debates regarding the pros and cons associated with the Omnibus Law Bill on Job Creation.

The Omnibus Law on Job Creation has several articles that have raised concerns and are considered problematic. The Job Creation Bill is characterised by its substantial volume, comparable to that of a dictionary. Its content can be likened to a sacred text, as it encompasses a wide range of topics and addresses numerous difficulties. The sectors encompassed in this list are labour, agriculture, fishery, marine, education, animal husbandry, mining, oil and gas, environment, forestry, power, and press. It is hardly surprising that numerous critical remarks have been made regarding the provisions outlined in the draught regulation. KSPI has put up a comprehensive list of nine justifications for its opposition to the measure, which are as follows:

- a. The elimination of minimum wage provisions in districts and cities.
- b. The matter at hand is to the presence of severance regulations that exhibit substandard quality and lack definitive clarity.
- c. This rule simplifies the process of utilizing outsourcing power within the system.

- d. The elimination of criminal penalties for firms that breach regulations has been implemented.
- e. The issue of exploitative working hours.
- f. It may provide a challenge for contract employees to transition into permanent employment.
- g. The utilization of foreign labour, encompassing manual labour, is progressively becoming more unrestricted.
- h. Companies have the ability to readily terminate employment or initiate staff layoffs.
- i. The decline in social security benefits for employees, particularly in terms of healthcare and retirement insurance, has become a significant concern (katadata.co.id).

In addition, Nining Elitos, the Chairman of KASBI, provided an explanation for their refusal to accept the regulation that was initially announced by President Joko Widodo in the previous year. According to the individual, the provisions inside the Job Creation Bill bear a striking resemblance to the previously proposed amendment to Law 13/2003, which has been actively pursued since 2006 and was met with opposition from labourers. In the revised version, numerous labour rights have been eliminated, rendering them no longer applicable. One illustrative instance is to the topic of Termination of Employment, specifically referring to the process of employee dismissal. Employees who have been employed for an extended period of time have challenges when it comes to job security. The significant reduction or complete elimination of severance pay would undoubtedly alleviate firms from considering employee terminations. The employees will engage in work activities without the presence of bargaining positions.

### **3. Employment Law**

#### **a. Labor**

The term "labour" as defined in Article 1 number 2 of Law Number 13 of 2003 concerning Manpower encompasses individuals who possess the capability to engage in productive activities aimed at generating commodities and/or services, with the purpose of fulfilling personal requirements as well as contributing to the welfare of the society. The concept of labour has been comprehensively elucidated in Law Number 14 of 1969, which pertains to the fundamental principles of manpower (Manulang, 2021).

The labour force refers to the segment of the population that falls within the age range considered suitable for employment. The rationale behind selecting an age restriction is to ensure that the provided definition accurately reflects the prevailing reality to the greatest extent possible. The variation in age limits for employment across different countries can be attributed to the differing labour conditions prevalent in each country (Dumairy, 1996). Consequently, the working age limit is not uniform among nations.

b. Worker/Laborer

Individuals and legal entities employed in the private sector are commonly referred to as workers. The affirmation mentioned can be found in Article 1, paragraph (1) of Law 22 of 1957, which pertains to the resolution of labour disputes. This article provides a definition of labour as those who engage in employment by obtaining compensation in the form of wages from an employer. Following the enactment of Law Number 13 of 2003 pertaining to Manpower, the terminology of Labour was subsequently juxtaposed with the term Worker. The terminology "Worker" and "Labourer" in the terms "juridical" and "legal" are often used interchangeably, suggesting that they refer to the same concept without any discernible distinction. Both titles, UUK and Law Number 21 of 2000 respecting Workers/Labor series, are employed in the context of labour legislation in the United Kingdom. According to Article 1 point 3 of the UUK, the term "Worker / Labourer" refers to individuals who engage in employment and get compensation in the form of wages or other recompense. According to the UUK, there are two distinct components involved, namely individuals engaged in labour and the aspects related to remuneration or alternative kinds of compensation.

c. Purposes of Employment Law

The primary objective of Labour Law is to promote social justice within the realm of employment and safeguard the rights of workers against the disproportionate authority wielded by employers. This includes addressing instances where employers establish coercive regulations, thereby preventing arbitrary actions that may disadvantage vulnerable workers. Based on the aforementioned formulation, it can be inferred that the Manpower Law encompasses a set of explicit and implicit restrictions pertaining to the relationship between an individual employed by another party (referred to as the employer) and the compensation received in the form of wages. The primary objective of Labour Law is to promote socio-economic justice in the context of labour and to establish regulations that align with the economic requirements of the workforce, in line with the ideals and aspirations of the Indonesian nation. This is achieved through fostering mutual cooperation, which is a defining characteristic of the nation's identity and a fundamental element of Pancasila (Pramono & Toha, 1987).

**C. METHOD**

Research methods are of significant importance in the field of research. According to Peter Mahmud Marzuki (2005), legal study is the systematic exploration of legal concepts, doctrines, and precedents in order to address and resolve legal challenges. The research methodology employed in this study is empirical research. The term "empirical" refers to the analytical examination and processing of primary data, typically obtained through interviews. These interviews can be structured or unstructured, and the resulting data is subsequently linked to relevant rules and



legislation. This approach can be employed singularly or in combination, depending on the issue at hand, namely the examination of the effects of the Omnibus Law on Job Creation on labour law. The analysis will focus on the Employment Cluster of the Omnibus Law Bill Job Creation and will be assessed in light of the Law on Manpower (Zainudin, 2011). The data source utilised in this study is derived from secondary data acquired through library research (Ibrahim, 2008). Simultaneously, elucidate the primary data, which emanates from the insights of scholars or specialists specialising in a given topic, and serves as a source of "guidance" for the researcher's trajectory. According to Marzuki (2013), the objective of this endeavour is to provide an unbiased depiction of a given scenario.

#### **D. RESULT AND DISCUSSION**

##### **1. Omnibus Law as a Method in the Formation of Legislation**

The term "omnibus" is mostly linked to the common law tradition utilised in both America and England when examining the legal system. Indonesia has adopted the civil law system, which was inherited from the Netherlands, as its legal framework. The idea of omnibus law is not recognised in the civil law legal system, as this system places emphasis on the codification of rules in order to address issues of overlapping and fragmented current regulations (Prabowo et al., 2021). The Omnibus Law refers to a legislative approach encompassing multiple subjects or law areas with specific objectives, deviating from the usual regulatory framework. The omnibus legislation distinguishes itself from typical draught laws in several aspects: the extensive scope of content covered, the large number of goods controlled, and the heightened level of complexity inherent in the law (RUU). The omnibus law encompasses a wide range of materials and chemicals that are closely connected. The omnibus law that has been enacted represents the consolidation and systematization of several rules, with the overarching objective of enhancing the efficiency and effectiveness of their implementation. The theoretical and practical understanding of omnibus law legislation in Indonesia remains somewhat limited. The Omnibus Law is a mechanism aimed at generating high-quality legislation rather than being seen as a specific legal output. Several methodologies and procedures for developing similar laws and regulations have gained popularity in Indonesia. These include Regulatory Impact Assessment (RIA) and Rule, Opportunity, Capacity, Communication, Interest, Process, Ideology (ROCCIPI). In lawmaking, it is a prevalent practice to encounter situations where existing norms within laws and regulations are modified or removed by legislative tactics, only to be afterward reintroduced in the resulting legislation. However, the technique of legislation is still provided. The implementation of omnibus laws in Indonesia remains infrequent (RUU).

The previous description prompts the inquiry as to whether the tradition of this judicial system exerts an influence. The contemporary relationship between common law and civil law exhibits a notable departure from the rigid duality that once characterized these legal systems. Countries that embrace a civil law framework, such as Indonesia, have undertaken the integration of several legal systems, including the

Islamic legal system. Furthermore, the utilization of jurisprudence and codification, which had been gradually disregarded with the advent of more specialized legislation, is also evident (RUU, p.4). Potential challenges that may arise throughout the process of enacting legislation under the Omnibus Law approach include:

- a. The process of developing omnibus laws in the House of Representatives (DPR) necessitates preparedness and the implementation of a specialised discussion model.
- b. The members of the DPR should be informed about the significance of using the omnibus law approach while formulating legislation.

Maria Farida Indrati (2020) provided a critical assessment regarding the establishment of the Omnibus Law. In order to ensure the integrity of legislation, it is imperative that every law is developed in accordance with the principles of proper legislative formation, as well as the distinct philosophical, legal, and sociological grounds that pertain to each specific legislation. Furthermore, it is worth noting the presence of multiple laws in which particular provisions have been repealed and then incorporated into the Omnibus legislation. This is due to the fact that each legislation not only governs distinct content material but also caters to different subjects or addressees.

Law, when viewed from the point of view of the law's framers, namely the government, parliament, and political actors at the elite level of state and government policy determinants, the practice of the Omnibus Law Rated very positive and profitable. However, when viewed from the point of view of consumers or broad stakeholders, especially those subjects of law who are regulated and subjected to the regulation of that law in traffic law, of course, the Omnibus Legislative Technique is not necessarily considered to guarantee justice (Asshiddiqie, 2020). In connection with the two assessments mentioned above, the author can also explain the benefits and disadvantages of forming laws through the Omnibus Law and the opportunities and challenges of implementing the Omnibus Law in the Legislation System in Indonesia.

## **2. Benefits and Disadvantages of Law Formation Through Omnibus Law**

According to Jimly Asshiddiqie (2020), there are several advantages associated with the implementation of the omnibus bill in the process of legislative formation. The Omnibus Law technique is deemed more time-efficient as it enables the consolidation of multiple policy requirements into a single legislative process, hence facilitating the formulation of regulations. In Indonesia, the abundance of rules and regulations is extensive, intricate, and often gives rise to disputes between different norms. The intricacy of laws and regulations is further intensified by the practise of formulating laws that solely incorporate provisions aligned with the title of the law. Matters that extend beyond the core substance of the law are not encompassed within its title. Consequently, if there arises a need to modify the content of a law, a new draught law must be prepared. The amendment must adhere to the scope of the subject matter that falls within the purview of the relevant legislation.

The custom that develops from the practice of time to time, where laws that have been amended two to three times undergo changes must write a very long title, for example "Law on the Fifth Amendment to Law Number ... Year...", which has changed with Law Number ... Year..., last amended again by Law Number ... Year... about.... and so on". This custom is considered good because each law concentrates its regulatory material in a unified manner in one legal text. In fact, in the implementation in the field, there is always a normative relationship in the implementation of laws that regulate interrelated fields either directly or indirectly immediately (Asshiddiqie, 2020).

In practice, there can also be found two to three laws that do not regulate related matters at all, but at one time and somewhere there is one case which involves conflicting norms for him that derive from two laws that do not regulate matters of an interconnected nature. The findings of such cases should be used as material to improve the provisions of various interrelated laws through the *Omnibus Legislative Technique* approach.

Second, the alignment of laws and regulations can be enhanced by incorporating the provisions of many laws into new legislation if changes are made to a single statute. The law undergoes a process of harmonisation and integration, resulting in enhanced accessibility and comprehensibility for a broader societal audience. The execution of such laws is undeniably facilitated, allowing for the effective application of a well-established system of legal norms to assure certainty, justice, and expediency in practise.

Third, the utilisation of the omnibus law approach ensures that state and government policies, which are officially articulated by laws and regulations, possess a greater level of enforceability. This enhanced clarity facilitates their practical implementation in the relevant field. Individuals lacking knowledge in the field of legislation may encounter challenges when confronted with the task of comprehending and adhering to the regulations outlined in numerous laws, in contrast to a policy that provides guidance on said rules. The task of comprehending numerous regulations in order to tackle a specific issue is often accompanied by the challenge of reconciling contradictory rules and determining which ones should be adhered to. The resolution of numerous laws is achieved by the use of the omnibus law strategy, which consolidates and integrates many laws into a single cohesive document.

Furthermore, Louis Massicotte elucidated two advantages of implementing the *Omnibus Law* approach in the legislative process. These benefits are as follows:

- a. The implementation of the omnibus law approach offers the advantage of time efficiency and streamlining the legislative process. This is achieved by consolidating multiple amendments from various laws into a single draught law, eliminating the need for individual modifications to numerous legislations.
- b. The establishment of a balanced relationship between minority opposition parties and the majority in parliament provides equal opportunities for both



sides to participate in and influence decision-making processes (Massicotte, 2013).

According to Glen S. Krutz, the Omnibus Law offers advantages in mitigating legal ambiguity that may arise following the enactment of a law that solely focuses on a specific subject matter, which has the potential to generate conflicts with other laws. Additionally, it can enhance the efficiency of lawmaking processes by accommodating diverse interests (Anggono, 1981).

In accordance with the perspective of Jimly Asshiddiqie (2006), it is asserted that with the perceived advantages of using the omnibus law approach in legislation, there also exist certain limitations in its use. The omnibus law, in and of itself, possesses shortcomings that have a negative impact on the democratic process and the rule of law, particularly in relation to the notion of due process in legislation. The adverse consequences associated with the implementation of this comprehensive legislation are:

- a. The procedural nature of talks inside the parliamentary forum has resulted in a decline in both the quality and reliability of the discourse.
- b. The decline in the quality of public involvement is evident.
- c. The deterioration in the quality of substantive debate in parliamentary forums about policy issues that pertain to the broad interest of the public has been significant.
- d. Debates within the public domain, as manifested through public discourses, sometimes lack focus and direction. The function of free media, political forums, and academic platforms is of significant importance as a means of socialisation and education for the broader community. The following variables contribute to the transition of a formalistic and procedural democracy into a more qualified and integrated substantive democracy.

The implementation of the omnibus law approach has elicited extensive and varied responses throughout the community, including both support and opposition. These reactions have been observed in all nations where the omnibus law method is being implemented. In Canada, during the year 2005, Bill C-38 on the Budget was recognised as one of the most substantial omnibus law laws in the country. In the Canadian Parliamentary system, bills can be perceived as strategic tools employed by minority governments to secure their survival, as they can be subject to defeat at any moment through a vote of no confidence by the opposition coalition, contingent upon the presence of a single issue that is deemed well-founded. A considerable number of individuals have expressed their disapproval, opposition, and even issued threats towards this legislation, including many who were first unanticipated. From the perspective of the opposing faction, the omnibus bill elicited interest primarily due to its provisions on closure, time allocation, and the allotment of weaponry, among other aspects. Nevertheless, this legislation is concurrently impeding opposing factions and imposing onerous burdens upon them when attempting to reject certain provisions concealed inside less appealing contexts (Asshiddiqie, 2020).



According to Aaron Wherry, the utilisation of omnibus legislation can be regarded as a pragmatic yet less democratic legal approach due to its propensity to modify and amalgamate many laws with distinct political origins. The inclusion of a comprehensive omnibus law encompassing a wide range of subjects may potentially lead to a decrease in meticulousness and precision during its formulation. In a judgement rendered in 1901, the Commonwealth Court of Pennsylvania expressed concerns regarding the utilisation of the omnibus law approach, specifically highlighting the potential risks associated with the amalgamation of disparate issues. The inclusion of multiple provisions within a single statute, sometimes referred to as an omnibus bill, often leads to perplexity and mental disruption among legislators due to the frequent lack of alignment between the various issues encompassed within it (Anggono, 1981).

### 3. Opportunities and Challenges of Omnibus Law Implementation in the Legislative System in Indonesia

In the National Medium-Term Development Plan (RPJMN) for the period of 2020-2024, formulated by the National Development Planning Agency (Bappenas), the Government has set a target for an average economic growth rate of 6 percent over the course of five years. Additionally, the plan aims for a per capita Gross Domestic Product (GDP) growth rate of 4 percent, with a margin of +/- 1 percent. The economic transformation implemented during the period of 2020-2024 is expected to enable Indonesia to overcome the challenges associated with the Middle-Income Trap (MIT) and achieve higher income levels by the year 2036. According to the Job Creation Bill (p. 4), it is projected that by 2045, Indonesia will achieve the status of a developed nation with a sustainable economy, supported by an average economic growth rate of 5.7% and a real GDP growth per capita of 5%. Moreover, the poverty rate is expected to approach 0%, and the country is anticipated to possess a skilled workforce.

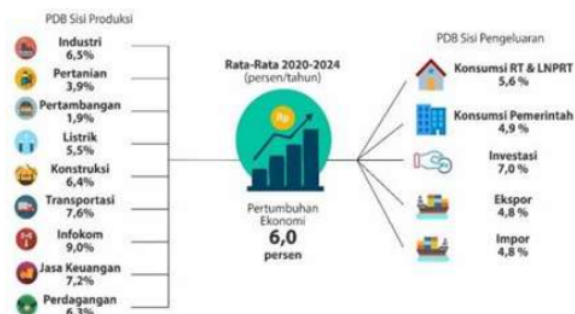


Figure 1. The average economic growth throughout the period of the RPJMN 2020-2024

Currently, Indonesia faces various major challenges, one of which is triggered by weakening global economic conditions and uncertainty, which has a significant impact on the economy Indonesian. With the current growth trend, doubling GDP per

capita from Rp39.4 million to Rp78.8 million per year takes 13 (thirteen) years. If this trend continues, Indonesia's target is to achieve this goal by 2045 with a per capita income of Rp. 320,- million per year has not been achieved within 39 (thirty-nine) years. Even though the remaining time from now until 2045 is only 25 (twenty-five) years. Therefore, Indonesia needs to grow much faster than the average of 5.4 (five point four) percent per year (Job creation bill, ha; 2-3). Some of the problems that must be faced to make the Indonesian economy developed and competitive, among others: (Bill, job creation. Thing. 4)

- a. The matter concerning the relatively low competitiveness of S&P Global Ratings, Fitch Ratings, and Moody's, as they assess Indonesia's ease of doing business and competitiveness in comparison to other nations globally, indicates that Indonesia continues to exhibit a relative lag behind certain neighbouring countries, specifically Singapore, Malaysia, and Thailand.
- b. The Deceleration of Economic Growth The deceleration of economic growth in Asian Southeast Nations (ASEAN) and non-ASEAN countries between 2010 and 2018 highlights the state of decelerating economic growth in Indonesia, as outlined below:

**Table 1 The period from 2010 to 2018 witnessed a deceleration in economic growth in both Asian South East Nations (ASEAN) and non-ASEAN countries**

COUNTRY	2010	2011	2012	2013	2014	2015	2016	2017*	2018*
<b>ASEAN</b>									
Indonesia	6.4	6.2	6.0	5.6	5.0	4.9	5.0	5.1	5.3
Myanmar	9.6	5.6	7.3	8.4	8.0	7.3	6.4	7.7	8
Cambodia	6.0	7.1	7.3	7.5	7.1	7.0	7.0	7.1	7.1
Laos	8.5	8.0	8.0	8.0	7.6	7.3	7.0	6.9	7.0
Vietnam	6.4	6.2	5.2	5.4	6.0	6.7	6.2	6.5	6.7
Philippines	7.6	3.7	6.7	7.1	6.1	6.1	6.9	6.4	6.6
Malaysia	7.0	5.3	5.5	4.7	6.0	5.0	4.2	4.4	4.6
Thailand	7.5	0.8	7.2	2.7	0.9	2.9	3.2	3.5	3.6
Singapore	15.2	6.2	3.9	5.0	3.6	1.9	2.0	2.2	2.3
Brunei Darussalam	2.6	3.7	0.9	-2.1	-2.3	-0.6	-2.5	1	2.5
<b>Non Asean</b>									
India	10.3	6.6	5.5	6.4	7.5	8.0	7.1	7.4	7.6
China	10.6	9.5	7.9	7.8	7.3	6.9	6.7	6.5	6.2
South Korea	6.5	3.7	2.3	2.9	3.3	2.8	2.8	2.5	2.7
Hong Kong	6.8	4.8	1.7	3.1	2.8	2.4	2.0	2	2.1
Taiwan	10.6	3.8	2.1	2.2	3.9	0.6	1.5	1.8	2.2
Japan	4.19	-0.12	1.5	2.0	0.34	1.2	1.0	1.0	0.9

- c. The economic landscape of Indonesia in the first quarter of 2020 was mostly shaped by regional clusters located in the provinces of Java and Sumatra. The provinces located on Java Island made the most significant contribution to Indonesia's Gross Domestic Product (GDP), accounting for 59.14 percent. Following Java, Sumatra Island provided 21.40 percent, Kalimantan Island contributed 8.12 percent, Sulawesi Island contributed 6.19 percent, and Bali and Nusa Tenggara contributed 2.95 percent. The Central Statistics Agency reported that the islands of Maluku and Papua had the lowest recorded

contribution from provincial groups (Central Statistics Agency).



**Figure 2. The Role of Islands in the Formation of National GDP in the First Quarter of 2020 (Percent)**

To sustain the trajectory of economic growth, the Government is persistently endeavouring to uphold the purchasing power of individuals, stimulate augmented government consumption, and enhance investment performance. However, it should be noted that Indonesia possesses numerous untapped opportunities that can be effectively harnessed by potential investors. These opportunities encompass various aspects, as outlined in the Job Creation Bill (p. 6), such as job creation and economic development.

- a. Abundant Natural Resources (SDA)
- b. The demographic bonus is so large that it is able to provide a highly productive workforce
- c. A large population is a large potential market
- d. Infrastructure improvements that are increasingly adequate to reach all regions of Indonesia.

The potential of the Indonesian economy to rank among the top four globally by 2050 is also suggested by Price Waterhouse Coopers (PWC) and the World Bank. The issue of complexity and difficulty in conducting commercial operations in Indonesia can be attributed to the excessive number of legislation pertaining to licencing. These policies lack harmonisation, often overlap with one another, and often contradict each other. The aforementioned restrictions give rise to a complex and intricate licencing framework, which ultimately hampers the effectiveness and efficiency of investments in Indonesia, while also introducing an element of ambiguity in the legal landscape (Job creation bill, p.16). Ultimately, this phenomenon has a detrimental impact on the diminishing attraction of foreign investors towards making investments in Indonesia. The endeavour to enhance the convenience of conducting business operations, as manifested in the enactment of Presidential Regulation of the Republic of Indonesia Number 91 of 2017, aimed at expediting business implementation, and Government Regulations of the Republic of Indonesia Number 24 of 2018, which pertained to the provision of integrated electronic business licencing services, encountered limitations in its ability to fully rectify the licencing framework. This was primarily due to the intricate nature of normative challenges, which were further compounded by the intersection of numerous laws, approximately 80 in total, that encompassed licencing aspects (Job creation bill, p. 17).

Novianto Murti Hantoro asserts that the implementation of the Omnibus Law in Indonesia will encounter various problems, which encompass:



- a. Techniques for Enforcing Laws and Regulations The process of establishing laws and regulations, including the structure and methodology of writing legislation, is strictly governed by Law Number 12 of 2011, as outlined in the attached appendix. One of the fundamental principles of legislation posits that a regulation possesses the capacity to be altered or revoked through the enactment of a rule that is of greater or equal significance. Based on the aforementioned premise, it is conceivable to enact legislation that nullifies preexisting laws that pertain to dissimilar subjects or categories. The practise of consolidating many provisions from numerous laws into a single legislation is a practise that is infrequently observed or has never occurred.
- b. The utilisation of the principle. One of the established principles within the field of law is the doctrine of *lex specialis derogat legi generali*. This principle posits that a particular legal norm takes precedence over a more general legal rule. In relation to this matter, the omnibus law will also encounter the legal principle of new legislation superseding previous legislation (*lex posterior derogat legi priori*). This implies that while the new law may not directly affect the omnibus law, it nevertheless has the potential to modify or eliminate elements within it. If the laws are mutually abolished and override each other, it will result in a state of legal chaos.
- c. The present discussion is around the concerns of the recentralization of the omnibus Act within its country of origin, which operates under a federal system. In the context of a unitary state with a framework of autonomy, the omnibus law presents the potential to curtail the powers vested in local governments under the Local Government Law. This includes regions that have been declared as special regions, possessing special autonomy, or classified as special regions. The content of the omnibus law, which governs several sectors within the legal field, contradicts the principles of a stringent and inflexible civil law system in terms of the legislative process and the title of the legislation (Prabowo et al., 2021).
- d. The achievement of an optimal legislative system. It is highly probable that omnibus law draughts may have grammatical flaws or formulation inconsistencies that are deemed unacceptable within academic discourse.
- e. One of the limitations of the civil law system is the sometimes delay in formulating laws that are in line with contemporary developments. In the common law tradition, legal difficulties that have not been pre-arranged can be handled through court judgements, which thereafter establish a precedent to govern the conduct of individuals involved in future legal proceedings (Asshiddiqie, 2020). In this context, the extensive content of omnibus law draughts is frequently inadvertently obsolete. For instance, during the process of formulating legislation, there is a tendency to frequently neglect some aspects.

An analysis of the position of the Omnibus Law on Job Creation within the legislative system of Indonesia can be conducted by referring to the legal framework



established by Law Number 12 of 2011 regarding the Establishment of Laws and Regulations, as amended by Law Number 15 of 2019 concerning Amendments to Law Number 12 of 2011 regarding the Establishment of Laws and Regulations. This analysis also takes into account Article 7, paragraph (1) of Law Number 12 of 2011. It is worth noting that the Law on the Establishment of Laws and Regulations and its amendments do not explicitly recognise the term "Omnibus Law."

The legal status of the omnibus law notion in Indonesian legislation has not been formally regulated. However, a rational basis for its legitimacy can be identified by examining the legislative system in Indonesia. If one were to perceive the Omnibus Law as a legislative outcome derived from various laws and regulations, it might be argued that there is no inherent issue, since this law falls within the hierarchical framework of regulated regulations established by Law Number 12 of 2011, which pertains to the establishment of laws and regulations.

Furthermore, when considering the practises implemented in different nations, Jimly Asshiddiqie (2020) succinctly outlined two distinct patterns for the application and methodologies employed in the preparation of omnibus laws:

- a. One legislative measure modifies multiple laws simultaneously by selectively modifying certain provisions within those laws, without necessitating their complete repeal.
- b. The process of integrating many laws into a single new legislation involves the repeal of all existing laws that are being integrated, while concurrently modifying some provisions within the new law. Extend an invitation to the elderly individual in accordance with the specific requirements or demands.

The first design allows for the possibility of drafting legislation in a concise manner that aligns with certain requirements. However, the scope of materials that it governs encompasses the regulatory environment that is subject to many existing regulations, which are deemed to require simultaneous modification through a single legislation. In the second pattern, there appear to be resemblances to the codification of laws and regulations, which aim to consolidate all regulatory provisions governing identical subject matters into a single body of legislation.

However, it should be noted that codification involves the consolidation of many legal resources into a coherent body without making any alterations to the content of the original sources. In the context of the omnibus bill, the integrated statutory regulatory materials undergo comprehensive or partial modifications based on specific requirements. Upon examination of the aforementioned patterns and their juxtaposition with the implementation of the omnibus law approach in the recent Indonesian context, it becomes apparent that the introduction of this particular method in Law Number 11 of 2020, which pertains to Job Creation, has led to the inclusion of numerous provisions within a comprehensive legislation. This integration process amalgamated material from 84 existing laws into a singular, extensive legal document, accompanied by an academic manuscript spanning 2,500 pages.

Furthermore, in relation to the implementation of omnibus legislation in various nations, it is important to note that omnibus law is a legal concept that may

be compared to the legal framework in Indonesia. According to Edmond Makarim, the omnibus law typically takes shape within the legal framework (Prabowo et al., 2020). However, there exist several viewpoints suggesting that the omnibus bill has the potential to function as a comprehensive legislation due to its extensive regulation, hence exerting influence over other existing regulations.

Maria Farida Indrati defines the omnibus legislation as a novel legislative enactment that encompasses and governs a diverse range of substances and themes, with the aim of streamlining the existing array of laws that remain in effect. According to the individual, the omnibus law should not be considered equivalent to the umbrella law (*raamwet, basiswet, moederwet*), which serves as the foundational legislation from which subsequent laws derive. There exist additional laws that hold a higher hierarchical position compared to the "child" law, as it is this overarching legislation that transfers subsequent arrangements to other laws through delegation (Anggono, 1981).

#### **4. Advantages and Disadvantages of Implementing the Omnibus Law in the Legislative Regulatory Framework in Indonesia**

Laws and regulations play a pivotal and strategic role in the functioning of a legal state, serving as the foundation for the establishment of legality in various aspects of public life. The concept and essence of legislation entail ensuring that every citizen possesses knowledge and comprehension of their legal rights and obligations. This notion is commonly known as the principle of legality within the framework of the rule of law. Life is structured by the implementation of governing provisions, wherein justice and legal certainty are allocated, and acts of crime and violations are addressed in cases where they are deemed to be in conflict with established rules and regulations (Jalaludin, 2011). The role of law within the framework of the contemporary legal state extends beyond its function as a mechanism for social control aimed at establishing public order. It also serves as a means to attain this objective. Goals The state simultaneously instigates positive transformations in society. This implies that the law serves as the primary mechanism for promoting societal well-being (Riwanto, 2017).

The Republic of Indonesia is recognised as a legal state, wherein all aspects pertaining to the functioning of the nation, society, and government are required to be governed by legal frameworks. Therefore, it was at this juncture that the concept of legal superiority emerged. The role of law is of strategic and vital importance as it serves as a determining factor for the advancement of a nation in the current era of globalisation. The advancement or stagnation of a state can be attributed to the influence of legislation. In order to construct a robust state within the framework of the *rechtstaat*, it is imperative that the laws put in place are functional, practical, and competent, while also avoiding any legal or sociological complications. If a country's legal system is characterised by issues such as excessive regulation, multiple interpretations, overlapping laws, inconsistency, disharmony, and frequent judicial reviews in the Constitutional Court, then the role of the Constitution may be reduced

to a disruptive instrument that challenges the power of the government.

The omnibus law is commonly employed as a policy tool to address the issue of excessive and overlapping laws and regulations. The concept of omnibus law is frequently regarded as a means of efficiently addressing complex legal and regulatory issues. It involves the formulation of a comprehensive law that focuses on a significant subject matter within a country, with the substantive aim of revising and/or repealing existing laws and regulations. Simultaneously, this phenomenon is regarded as exhibiting overlap or presenting challenges. Hence, this process is regarded as more effective and efficient compared to its resolution through conventional legislation, as the latter entails greater time, energy, and financial resources from the state. In parliamentary settings, the process of deliberating on legislation frequently encounters impasses due to the presence of diverse interests, conflicting perspectives, and divergent objectives.

As previously stated, the concept of an omnibus law pertains to legislation or regulations that encompass multiple subjects, issues, and constitutional themes. Its purpose is to repeal and/or amend existing regulations in order to establish a comprehensive and integrated set of new regulations. The primary objective of implementing an omnibus law is to address the challenges associated with excessive regulation and the overlapping nature of laws and regulations within a particular country. Hence, there exists no basis for debating the conceptual or legal scientific aspects of the omnibus law, as long as the intention behind implementing this notion in legislation remains intact. The founding procedure of the entity aims to address regulatory and policy challenges (Indrati, 2020).

Firman Freaddy Busroh (2017), contends that the omnibus law, in its practical application, serves multiple purposes, including:

- a. As a legal mechanism for the efficient and expeditious resolution of regulatory issues.
- b. The ability to streamline bureaucratic procedures that were previously protracted and intricate can be achieved.
- c. One potential approach to enhancing the investment climate involves the synchronisation of policies at both the national and regional levels. This harmonisation aims to create a more favourable environment for investment.
- d. One potential measure to enhance the efficacy of intergovernmental and interagency coordination, at both the central and regional levels, is to strengthen the existing framework as stipulated in the omnibus law policy integration.
- e. The convenience of conducting business is increasing due to the enhanced effectiveness, efficiency, and centralization of licencing management.
- f. One of the key objectives is to ensure the provision of legal certainty and legal protection for decision makers and the wider community.

The utilisation of legislative procedures employing the omnibus bill model by lawmakers in different nations is motivated by several factors. One justification for employing this strategy is that it facilitates the attainment of consensus or



endorsement of a novel legislative proposal by the lawmaker, so circumventing political impasse arising from its substance. The omnibus bill is characterised by its intricate nature and many components, allowing for the accommodation of varying interests, since each lawmaker can contribute their desired substance. Hence, this methodology has the potential to enhance efficiency and expedite the legislative procedure, while fostering amicable relations between the minority party or opposition and the majority. This is primarily due to the equitable possibilities provided for advocating their different interests (Massicotte, 2013).

Nevertheless, the implementation of an omnibus law in regulatory frameworks may not be readily applicable in the future. Due to the prevalence of this concept in countries that adhere to a common law legal framework, its application in countries with distinct legal systems necessitates adaptation to the specific circumstances, conditions, and constitutional system of Indonesia. The act of transferring constitutional notions from one country to another is frequently observed among nations, referred to as legal transplantation or legal grafting. The application of an omnibus law in a country that does not follow the common law system can be described as a praxis known as the Omnibus Law Transplant Process Law (Amin et al., 2020).

In the realm of law, the term "legal transplant" refers to the process of transferring laws from one country to another, despite the presence of disparities in social realities and legal systems between these countries (Muhdlor, 2003:196). According to Alan Watson, the concept of law transplant refers to the transfer of a legal norm or system from one country or people to another. This practise has been observed throughout history, as documented in various records. The act of transferring an order or legal system from one country to another, or from one individual to another, has been a widespread practise since ancient times (Watson, p.21). In a more concise manner, legal transplantation can be understood as the act of transferring or borrowing legal principles between established legal systems. The term "legal transplants" refers to the process by which the laws and legal institutions of one country are adopted by another.

The transplantation of law in terms of ideas, conceptions, solutions, or institutional structures and methods from one country to another has become a tendency or even a habit in order to the process of building and reforming laws in various countries around the world. So, it can be said that this practice is not new, taboo, or forbidden, if a concept or constitutional system of the common law legal system is transferred to Countries with a civil law legal system, or vice versa from civil law to common law, as long as it is adjusted in advance to its constitutional character and the purpose is to something good, which is to strengthen and improve the legal system of a country.

The conditions referred to above, will only be a new problem for the state government system, because the applicable legal system seems to be imposed on different places and circumstances, and will damage the habit system. In the sense that it becomes incontextual and incompatible with the social, economic, political,



legal, cultural, and security conditions of the state. The law becomes incontextual because it still smells of very large conflicts so that it will only bring strong resistance from the community which leads to the destruction of order and order society. The law also becomes incompatible with the needs of the state and nation because of the mindset, spirit, values, principles, where the law was born and grow up different from where the law was applied.

As for Frants Fanon's opinion, it elaborates that a country that is still stuck with the law of grafting is like a country that is in a vicious circle. This is because the country will only fall into serious difficulties to escape colonialism. Therefore, if the state does not prepare a new legal system or does not modify the existing colonial law to be adjusted to its constitutional conditions, the government of the country will have difficulty developing and may fail to bring about a prosperous society.

The application of an omnibus law, when transplanted from a jurisdiction with a common law legal system to a jurisdiction with a civil law legal system, cannot be implemented without appropriate modifications. In order to ensure a smooth implementation of the omnibus law, which can be considered a form of legal transplantation in the contemporary global era, it is imperative to make necessary adjustments, similar to the conditions required during the colonial era for legal transplantation. Historically, the circumstances and characteristics of the constitution were determined by referencing the legal systems of the individual jurisdictions. If the omnibus bill is implemented without proper consideration of the prevailing circumstances, it is likely to provide several challenges that could potentially undermine societal cohesion and stability in the long run. Furthermore, the omnibus bill represents a legislative instrument that comprehensively addresses a range of significant matters, with the aim of amending existing provisions. Undoubtedly, the omnibus legislation, as a legal entity, exerts a significant influence on the overall legal framework inside society. If the omnibus is not implemented in a manner that is tailored to the legal system of the host nation, and is not implemented in accordance with the legal formation mechanism that is applicable in the country. The concept of due process, whether it pertains to procedural due process of law or substantive due process of law, is solely derived from fundamental legal principles.

According to Thomas Hobbes in M. Nur Sholikin, states that unnecessary laws are not good law, but *just traps for money* (the quantity of laws or regulations that are large and unnecessary is not a good law, but just a trap for the budget). From that it can be understood that there has indeed been a change in the situation towards necessity rather than the law itself. If the context speaks of the post-reform situation, it may be true that massive and rigid legal formation and regulation are needed, because of the relation at that time we need legal instruments to build a democratic civilization. However, if the context is modern times like now, maybe the paradigm is no longer appropriate, because what we are facing and pursuing is the acceleration of the pace economic growth, legal certainty, and acceleration of services on all sides. Therefore, the formation of law must be oriented to the substance first and then to the procedural aspect. It takes laws or regulations that are as small in quantity as possible

but of maximum quality (*simply rules but perform strictly*) so that they are effective and efficient in their application.

Based on the analysis, it may be inferred that the Government's decision to enact the omnibus law can be deemed suitable. This analysis pertains to the concept of an omnibus law, which serves as a mechanism for generating comprehensive legal provisions that address multiple significant matters simultaneously. The essence of this approach involves the modification and/or elimination of existing rules in order to establish a singular, all-encompassing regulation. Hence, when examining the challenges posed by Indonesian regulations and considering the government's goal to swiftly and efficiently execute regulatory reforms. The implementation of an omnibus bill is a viable approach to enhance the efficiency and effectiveness of governmental operations. It is imperative to acknowledge that the implementation of this comprehensive legislation necessitates alignment with the Indonesian legal framework and must be executed with utmost caution, emphasising the optimal involvement of established legal professionals.

Furthermore, the decision to implement the omnibus law as a policy for regulatory reform is a politically sound choice that aligns with the essence and distinctive attributes of the Indonesian nation. It is also consistent with the ideological and philosophical foundation of Pancasila, which serves as a fundamental paradigm for Indonesian culture. The decision to enact this comprehensive legislation represents a strategic political decision in the process of formulating specific legal regulations (fundamental policies) while taking into account the position and presence of Indonesia within the international community. Therefore, the legislation that emerges is one that upholds national commitments, adopts a global perspective, and implements actions at the local level. The implementation of a policy that incorporates foreign legal elements with the original paradigmatic values of Indonesian culture and society should be approached with caution and precision to ensure that the resulting laws remain firmly rooted in the ideological-philosophical foundations of the Indonesian state and nation.

The enactment of this comprehensive legislation has the potential to expedite transformations within the economic ecosystem, aligning with the established framework outlined in Law Number 12 of 2011, which pertains to the establishment of laws and regulations. This law has been subsequently amended by Law No. 15 of 2019, which focuses on amendments to Law Number 12 of 2011 regarding the establishment of laws and regulations. Although the process of the omnibus law is not yet explicitly controlled within this legislation, this does not imply that it should not be implemented during its creation by using rules outlined in the formation regulation in Indonesia.

The implementation of the omnibus legislative approach elicits diverse opinions throughout the society, accompanied by the ongoing Covid-19 issue, which presents a favourable circumstance for expediting economic reforms. According to Yose Rizal Damuri, the draught job creation bill represents an initial measure towards economic change aimed at stimulating investment. The individual further expressed

the notion that the establishment of a robust regulatory framework can enhance competitiveness, primarily through the reduction of regulations and the implementation of effective regulatory management practises. In contrast, during a teleconference with the House of Representatives of the Republic of Indonesia, Mohamad Mova Al'Afgani expressed his criticism towards the risk-based regulatory approach employed in the Job Creation Bill, which has since been enacted as the Job Creation Law. Al'Afgani argued that the omnibus law format may introduce confusion in risk assessment, as the determination of risk necessitates a prior understanding of the regulatory objectives. The aforementioned example serves as a demonstration of the ambiguity around the specific aims of the rule, prompting the inquiry into the precise nature of these "regulatory objectives."

Article 3 of the Job Creation Law posits that the primary objective of this legislation is to foster employment growth by facilitating convenience, protection, and empowerment for cooperatives, UMK-M, industry, and national trade. This endeavour aims to effectively absorb a substantial portion of the Indonesian workforce, while simultaneously ensuring regional balance and economic advancement within the national economic union.

Mohamad Mova Al'Afghani has proposed that the adoption of regulation-based approaches is a constructive measure towards regulatory reform in Indonesia. However, he emphasises the importance of implementing this approach in a sector-specific manner, employing a "bottom-up" strategy, and avoiding the utilisation of the omnibus format. According to M. Nur Sholikin, there are five stages proposed to ensure the effectiveness and prevention of misuse of the omnibus bill. According to Silalahi (p.203), these steps are as follows:

- a. The involvement of the public at every level of preparation is crucial for the House of Representatives (DPR) and the government, as the omnibus law encompasses a wide range of issues and necessitates the inclusion and engagement of numerous key stakeholders.
- b. The House of Representatives and the administration are obligated to ensure transparency by giving comprehensive information regarding the progress of the process of formulating laws.
- c. The individual responsible for drafting must meticulously outline the pertinent requirements.
- d. Drafters are required to ensure tight alignment with both higher standards in a vertical manner and corresponding regulations in a horizontal manner.
- e. The drafter should conduct a thorough study prior to the enactment of a legislation, particularly in evaluating the potential consequences that may result from its implementation.

In the forthcoming implementation of the omnibus law in Indonesia, it is imperative for the Government to demonstrate a heightened level of attentiveness and preparedness in addressing the various issues that may arise, including: The regulatory challenges in Indonesia are multifaceted, encompassing not only the process of law formulation but also other intricate aspects. Furthermore, it is crucial



to consider the inherent restrictions associated with the principle of constitutional supremacy, since it establishes boundaries on the ruling authority in relation to various forms of legislation. Thirdly, the characteristics that dictate the circumstances under which a material is required to utilise the omnibus legislation approach. Furthermore, it is imperative to ensure the inclusion of public engagement in the legislative process in Indonesia, allowing for active involvement at each step of law and regulation formulation.

#### E. CONCLUSION

The imperative for the Government of the Republic of Indonesia to employ the omnibus legislative approach in structuring laws and regulations is as a form of one of the strategies in achieving the targets of Indonesia's Vision 2045, namely by simplification, harmonization and synchronization of laws and regulations towards the formation of uncontrolled regulations so far in Indonesia in facing the problem of making the Indonesian economy advanced and competitiveness as a manifestation of program planning to accelerate development and improve community welfare in the economic sector by providing ease of doing business. The government passed the Job Creation Law as a form of breakthrough in the use of omnibus law in Indonesia which amended 82 laws and more than 1,200 articles.

The omnibus legislation is a legislative approach utilised in the development of laws and regulations. By considering the statutory system in Indonesia, the legislation's position is derived from 140 different approaches. The Omnibus Law holds the same hierarchical status as other laws and regulations. Therefore, the Job Creation Law has the same position as the Law regulated in Article 7 paragraph (1) of Law Number 12 of 2011 concerning the Establishment of Laws and Regulations. In theory legislation in Indonesia, the legal position of the omnibus law concept has not been regulated but rational legitimacy can be found if you look at the legislation system in Indonesia. Indonesian. If you consider that the Omnibus Law is a product of laws and regulations of a type of law, then there is really no problem because the law is included in the hierarchy of regulations which is regulated by Law Number 12 of 2011 concerning the Establishment of Laws and Regulations. Thus, a review of the position of the Omnibus Law on Job Creation in the Indonesian legal system can be based on Law Number 12 of 2011 concerning the Establishment Laws and Regulations as amended by Law Number 15 of 2019 concerning Amendments to Law Number 12 of 2011 concerning the Establishment of Regulations Legislation.

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