

Business Licensing Issues Under the Indonesian *Omnibus Law* Bill

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This writing aims to analytically study the licensing and administrative aspects of the drafting plan of the *omnibus law* inside the Job Creation Bill. It also aims to find legal issues and the legality of the formation of the bill. Considering that there are still many controversial issues related to this bill. This study uses normative-legal research methods. The type of data used is qualitative data. The data used is secondary data, mainly legal materials and sources. The approach used in problem analysis is the conceptual approach and statutory approach. The authors found that the Job Creation Bill is exclusively economically-oriented and is lacking in legal certainty. Further adjustments within the Job Creation Bill must be conducted, as to anticipate its existing disadvantages. The findings can be useful as a source or as study material for the government and parliament in refining the Job Creation Bill. The novelty in this study is to compare various legal issues, both the advantages and disadvantages of the Job Creation Bill so that a comprehensive conclusion can be reached.

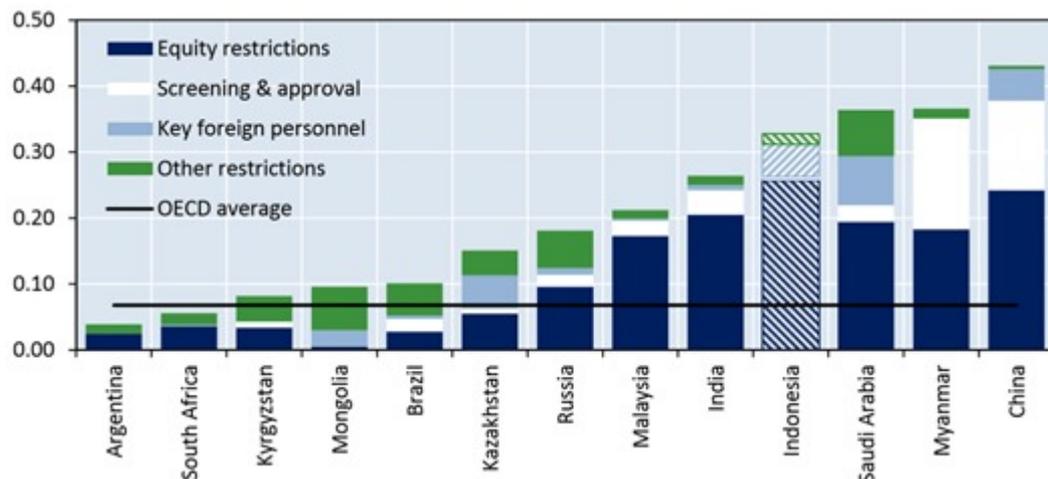
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I. INTRODUCTION

Business licensing is the very first step that any businessman must undergo before conducting its business. One of the indicators of the Ease of Doing Business (EoDB) index according to the World Bank is the ease in starting a business that is directly tied to the issue of business licensing. Starting a business can be conducted more easily by reducing procedure, time, fees, the requirements on initial capitals to acquire business licenses, by simplifying the registration procedure for business licenses by eliminating several requirements or combining several procedures into one (*Doing Business*, February 28, 2020).

Indonesia holds the 140th place under the starting a business indicator, clearly far behind other ASEAN countries such as Vietnam who holds the 115th position, and Malaysia on the 126th position (*Doing Business*, February 28, 2020). The reason Indonesia is falling behind is because of the complexity or difficulty of conducting business in Indonesia due to overregulation on business licensing resulting in several laws contrasting and overlapping with each other (BPHN, 2020). In order to increase Indonesia's position under the EoDB index, a reformation of the existing policies is needed (Freddy & Saputri, 2018). Indonesia also imposes rather strict rules on Foreign Direct Investment (FDI) inflows as indicated by the OECD's FDI Regulatory Restrictiveness Index (see Figure 1) (OECD, March, 2015).

Figure 1: FDI Regulatory Restrictiveness Index, From 0 (Least Restrictive) to 1 (Most Restrictive)



In finance, investment is an asset that is saved for later can be resold at a higher price (Sangeetha D. 2013). Almost all countries recognise the market and the importance of private investment and the most important thing private businesses do is to run their core business well so they can create jobs and grow (Solheim, 2016). Investment is a very important matter to Indonesia as it encourages job creation due to the establishment of new businesses. In the year 2045, it is predicted that Indonesia shall hold the 5th position of countries with the highest population with 9.45 billion citizens (Ministry of National Development Planning/National Development Planning Agency, 2017). According to the UN Population Prospect of 2010-2085, Indonesia's productive age is the largest in Southeast Asia, at 41% (Ministry of National Development Planning/National Development Planning Agency, 2017). If utilised to its full potential, this demographic bonus is an opportunity for Indonesia to boost its economic growth.

President Joko Widodo has targeted Indonesia to become the barometer of world economic growth in the 2015-2085 Indonesian Vision and Dream. Based on the projections made by

Price Waterhouse Coopers (PWC), Indonesia's economy in 2050 has the potential to become one of the world's top four (National Development Planning Agency, 2020). However, this will be difficult to achieve because there are still problems in providing employment for the workforce in Indonesia. Based on a survey conducted by the Indonesian Central Statistics Agency in February 2019, the number of unemployed workers was 6.82 million people out of 136.18 million people in the total workforce. This problem becomes the government's homework to provide more jobs for the workforce. Job creation is done by providing a conducive investment climate. A conducive investment climate can encourage the interest of foreign direct investment as well as domestic investment by ensuring effective and transparent regulations on (among others): investment restrictions, access to land, core standards of investor protection and the administration of tax incentives for investment (Lin, 2014). In order to create such a climate, the government then composed the Job Creation Bill.

The Job Creation Bill is a unique designation of laws in Indonesia. The Job Creation Bill is not the same as the Indonesian Environmental Protection Act which was composed to function as an umbrella law in drafting other regulations concerning the environment or to give directions and characteristics for all types of environmental regulation that need to be set out in the form of separate legislation altogether (Meta, 2015). The substance of the Job Creation Bill consists of 11 (eleven) different scopes of discussion. The scopes of the Job Creation Bill are:

- Improvement of the investment ecosystem and business activities;
- Employment;
- Ease, protection, and empowerment of UMK-M and cooperatives;
- Ease of business activities;
- Research and innovation support;
- Availability of field;
- Economic sector(s);
- Central government investment and acceleration of national strategic projects;
- Implementation of government administration; and
- The imposition of sanctions.

An omnibus bill according to Black's Law Dictionary (Ninth Edition) is defined as a bill that contains a variety of different issues so that it has implications for the inclusion of minor or unrelated provisions in the regulation. Omnibus bills have been used for decades by governments of various political stripes as a vehicle to purpose certain kinds of legislation to parliament (Bédard, 2012). Makarim & Taira S (2019) said omnibus law in essence was a form of regulation applied by countries that adopt a common law system. Omnibus law began its development in United States of America and Canada (Massicotte, 2013). For example, the United States also formed the Omnibus Budget Reconciliation Act of 1990, Pub. L. No. 101-508, § 4206 (1990); 104 Stat. 1388-115 (1990) in overcoming the difficult moral issues involved in end-of-life decisions (Orentlicher, 1994). In its development, omnibus law was also

applied in several countries that used the civil law system. One of the examples would be the omnibus law applied by Vietnam which adhered to a socialist legal system influenced by the French civil law system. The technique to create omnibus law(s) was a new matter in Vietnam and was used to simultaneously amend the many related regulations in order to synchronise regulations that have the same issues and aimed to accelerate the improvement of the country's legal system (Manh, 2005).

The Job Creation Bill is to be the “eliminator” or a law that will eliminate many legal products within older legal regulations (Fauzi, 2020). According to the coordinating minister for the economy, Darmin Nasution, the government has identified all regulations that are considered to hamper business licensing procedures (Siregar, 2019). There are 91 (ninety-one) amended/deleted/revoked laws with 1253 discussion points which were structured and integrated with the Job Creation Bill which consists of 15 chapters and 174 articles (Kesowo, 2020). Regarding the simplification of business licensing, there are 52 laws with the number of articles discussed as many as 1034 articles (Mochtar, 2020). With regard to ease of doing business, there are 8 laws with 18 articles amended (Mochtar, 2020). In addition, there is a new norm within the Job Creation Bill, namely the substance regarding central government investment and the acceleration of national strategic projects. Central government investment is carried out in order to increase investment and strengthen the economy to support strategic employment creation policies.

The Job Creation Bill is the forerunner of omnibus law in Indonesia. Through the Job Creation Bill, the government expects a more effective licensing mechanism in order to improve the rank of ease of doing business. But the Job Creation Bill is still formally and materially flawed. This is due to a large number of controversial substances and the mechanism for the creation of Job Creation Bills that seem rushed and do not fully involve people's aspirations. Many people reject the Job Creation Bill such as labour groups, observers, and environmentalists in Indonesia. Labour groups are protesting the bill over potential reductions in their rights, remuneration, and job security, while observers have criticised the stronger role of the central government, and environmentalists have warned that less stringent environment impact analysis and building permit requirements would result in sustainable growth (Sambuh, 2020). Another crucial matter that has become the impact of the ratification of the Job Creation Bill is the overhaul of business licensing issues in Indonesia. The ease of business licensing offered by the Job Creation Bill does not necessarily provide solutions for a business owner. This is because the ease of business licensing regulated in the Job Creation Bill has the potential to encourage licensing processes that are faster but not exhaustive, so some aspects that should be used as benchmarks in licensing can be degraded. For example, there are rules in the Job Creation Bill that provide licensing facilities for businesses that are classified in the low-risk category. Licensing has become one of the most important barriers to business formalisation and growth in Indonesia (Steer, 2006). With the permission of the business owner, he is fully entitled to run his business because it is in accordance with licensing provisions that have

considered environmental, social, and economic aspects. Licensing becomes the final thing to start a business owner running his business. The importance of business licensing is one aspect that causes the Job Creation Bill to be thoroughly reviewed.

II. METHODS

The research method conducted in this research is normative-legal research. Normative-legal research methods or library legal research methods are methods of examining existing library materials, especially legal sources. This research will also be discussed based on legal theories. In addition, the approach used in analysing the problem is the conceptual approach and the statutory approach that is considered related (statute approach).

The data collected is secondary data. The author in this study will describe and identify a problem by finding and collecting data and information to answer the problems to be examined. The author conducted data processing using documents and searching for data online. The conclusion is the meaning of the data that has been collected and directed at the main problem under study. The author draws conclusions based on the results of research and is summarised systematically and densely in a paragraph.

III. ANALYSIS OF BUSINESS LICENSING ISSUES IN THE JOB CREATION BILL AS *OMNIBUS LAW*

A. Legal Framework for Business Licensing in Indonesia

Before the Job Creation Bill was drafted, the President made the Presidential Regulation No. 91 of 2017 concerning the Acceleration of Business Conduct which was based on the 16th Economic Policy Package. This was then followed by the stipulation of Government Regulation 24 of 2018 regarding Electronic Integrated Business Licensing Services, also known as online single submission (OSS). However, the OSS still has several issues, including:

First, the OSS system has not been fully integrated between the relevant ministries and institutions and there are still some regions that implement their own online-based licensing mechanisms, for example: JAKEVO in Jakarta, and Surabaya Single Window in Surabaya.

Second, not all Ministries / Institutions / Regional Governments / Other Institutions (M/I/R/O) have made the relevant norms, standards, procedures, and criteria in implementing OSS.

Third, the absence of synchronisation between the Spatial Plan and Regional Spatial Plan (RTRW) and Spatial Detail Plan (RDTR) results in many establishments of business locations that are not following regional planning as specified in the RTRW document in its practice (Pangastuti, 2019).

Fourth, issues related to licensing systems through OSS relating to the differentiation between business licenses and operating licenses have also emerged. Businessmen who have obtained a business permit through the issuance of a business license number (NIB) must also complete several documents or commitments before the permit is effective. The issue often occurs in the process of fulfilling such commitments. This is due to the abundance of documents that must be prepared and fulfilled including the Commercial Permits, Commercial Commitments, Location Permits, and Environmental Permits.

The Job Creation Bill seeks to improve the deficiencies in the previous mechanism, namely the amendment of Law Number 26 of 2007 concerning Spatial Planning. The Job Creation Bill shall provide the authority for the central government to synergise spatial planning in provincial and district/city areas, referred to as the national spatial planning. The national spatial plan shall then be used as a reference to prepare the provincial and district/city spatial plans and then provincial spatial plans shall be referred by the district/city spatial planning. In the event of overlap between the spatial plan and forest areas, permits, and/or land rights, the overlap would then be settled under a Presidential Regulation. This arrangement will reduce the constraints of businessmen in determining the location of their businesses as a synchronisation of the area and spatial layout which is coordinated directly from central government have been established.

In order to provide further convenience for business actors in obtaining environmental permits, the Job Creation Bill also amends several provisions of Law 32 of 2008 concerning Environmental Protection and Management (PPLH Law). One of such amended provisions is related to the analysis of environmental impacts (AMDAL) which is no longer used as a basis and requirement for the decision-making process in order to permit business conduct and/or activities and is now only taken as a consideration. Pursuant to Article 23 of the Job Creation Bill, on the amendment to Article 24 paragraph (4) of the PPLH Law in Paragraph 3 on Environmental Approval, the central government shall determine a decision on environmental feasibility based on an environmental feasibility test. The environmental feasibility decision as referred to in paragraph (4) is a requirement for the Issuance of Business Licenses.

Pursuant to Article 23 of the Job Creation Bill in the amended section of Article 71 paragraph (1) of the PPLH, the authority to supervise compliance with business conducts and/or activities and its responsibilities under the provisions stipulated in the legislation in the field of environmental protection and management fall to the central government. The reason for this change in the provisions is due to the previous stipulation stating that the authority to conduct planning, guidance, development, and supervision of the compliance of the person in charge of a business is "the government". During this time, the word "government" has been interpreted as "Minister" whereas based on the provisions of Article 17 of the 1945 Constitution of the Republic of Indonesia, the Minister is the assistant to the President, so that governmental

power is not then degraded by the Minister (National Development Planning Agency, 2020). This would then become the solution to the problems of businessmen relating to the convenience of OSS licensing specifically on fulfilling commitments and concerning business locations. In addition, the provisions in the Job Creation Bill can also eliminate the sectoral egos of each ministry/institution because all systems are integrated by the Central Government.

The Job Creation Bill also provides provisions relating to applications for business licenses that are required to be carried out using an electronically integrated licensing system managed by the central government. In the Elucidation of Article 142 of The Job Creation Bill namely Article 142 number 21 on the amendment in Article 27 paragraph (4) of Law Number 39 the Year 2009 concerning Special Economic Zones; what is referred to as "a nationally integrated system" is a national system integration that enables the delivery of data and information singularly, data processing and information in a single and synchronous manner, and submissions of singular decisions for the granting of permits in accordance with the relevant statutory provisions.

In relation to the issue of the abundance of regions that have their own integrated electronic licensing systems, the Job Creation Bill also provides a scheme for resolving such a problem through Article 165 of the Bill which changes the provisions of Article 350 of Law 23 of 2014 concerning regional governance. Based on Article 165 of the Work Job Creation Bill on the amendment to Article 350 paragraph (5) of the Regional Governance Act, it is stipulated that the regional head is allowed to develop a system supporting the implementation of the electronically integrated business licensing system as referred to in paragraph (4) in accordance with standards set by the central government. Under paragraph (4) it is stipulated that the business licensing service is required to use the electronic licensing system managed by the central government. The articles under the Job Creation Bill indicate positive support for the business world. The job creation that is sought by the government through the bill is expected to absorb the widest of the Indonesian workforce in the midst of an increasingly aggressive economic competition and the demands of economic globalisation.

B. A Critical Examination on the Job Creation Bill as Omnibus Law in Indonesia

Based on Article 4 paragraph (2)(d) of the Job Creation Bill, the job creation strategic policy contains policies on the creation or expansion of employment through regulations related to increased government investment and acceleration of national strategic projects. Economic growth in Indonesia can be achieved by infrastructure development. This causes the government to accelerate strategic projects to be completed. (Committee for Acceleration of Priority Infrastructure Delivery (KPPIP), no years). According to Presidential Regulation No. 56 of 2018 concerning the Second Amendment to Presidential Regulation No. 3 of 2016 on the Acceleration of the Implementation of National Strategic Projects, there are 227 (two hundred

and twenty-seven) lists of national strategic projects. Infrastructure services, such as energy, transport, telecommunications, provision of water, sanitation, and safe disposal of waste are fundamental to all kinds of household activities and economic production (Tatyana Palei, 2015). National strategic projects are projects conducted by the central government, regional governments, and/or business entities that have strategic characteristics aiming to increase growth and equitable development in order to improve community welfare and regional development. Adequate infrastructure is an additional plus point for the government to attract investors to invest their capital in Indonesia. Additionally, investment is also an important means for Indonesia to continue infrastructure development carried out with government investment, including by state-owned enterprises (SOE/BUMN) (BPHN, 2020).

The Job Creation Bill is believed to have been arranged in such a way as to be capable of solving strategic issues that hamper development in Indonesia, starting from the convenience and ease of doing business and licensing and in terms of accelerating national strategic projects. The implementation of the Job Creation Bill, if it has been passed into a concrete law shall become a separate challenge in the development process as there are not a few who disagree with the Bill, specifically within the environment and the employment sectors. The government must then wisely choose and sort out the arrangements arranged in the bill in determining the correct steps to realise the country's development goals.

Regardless of its good intentions, in order to respond to overlapping regulations, the Job Creation Bill does have several points of criticism. This is obviously inseparable from the various controversies that were raised during the emergence of the aforementioned *a quo* bill to the public (Rahmat, 2019). The controversy that emerged also covered topics such as licensing, ease of doing business, or investment. Such criticism covers both the formal aspects of drafting the bill and the material substance of the articles contained therein. The author shall discuss the shortcomings of the bill through several sub-topics.

The problems that follow in making omnibus law are seen in other countries that have made omnibus law, such as Turkey. Turkey issued Law No. 7194 on Digital Service Tax and Amendment of Certain Laws and Law Decree No. 375 ("Law"), promulgated under the Official Gazette on 7 December 2019. Basically, through this law, Turkey introduced important amendments to various tax laws to increase its state tax revenue (Ekinici & Helvaci 2019). The application of omnibus law in Turkey was not without its problems. There is research by Turkish studies that criticise the application of omnibus law in Turkey. The larger the number of current laws changed by an omnibus bill, the more likely those changes are to be annulled by the Constitutional Court (Hazama & Iba, 2017). This is due to a large number of errors in the drafting caused by the lack of discussion in parliament. Omnibus law is considered a legislative boomerang in disguise (Hazama & Iba, 2017).

Seeing what transpired in Turkey, Indonesia should be able to prevent and learn from Turkey's

mistakes. Drafting an omnibus law must be done very carefully and at a slower pace to avoid a lack of discussion in the People's Representative Council (DPR). However, currently the establishment of the Job Creation Bill is accelerated within 100 days according to the hopes of the president (Maharani, 2020). In fact, if we examine the productivity of the DPR in the context of completing bills in a year, the results are not promising. In 2018, for example, the DPR only passed 6 of the 50 targeted laws. Therefore, in relation to the Job Creation Bill, the DPR is expected to prioritise discussion and community participation in drafting the bill to minimise errors. This is also to prevent the existence of a judicial review when this bill is eventually passed.

The following are the basic problems of omnibus law in Indonesia:

1. The Creation of Omnibus Law in Indonesian Law

The concept of simplifying regulations through *omnibus law* under the Job Creation Bill is carried out by revoking several regulations and rearranging them into a single law as a whole. By examining the system of forming laws and regulations in Indonesia based on Law 12 of 2011 (Law P3), it is possible to change the substance and revocation of a law by a newer law. This is commonly applied through provisions, primarily through transitional provisions within a law of similar nature. However, the concept of the Job Creation Bill was formed through an integrated update and revocation of the law that bypasses types/clusters. There are 11 clusters discussed in the *a quo* bill (BPHN, 2020). The many fields of law that are discussed through a single act will by nature create a new culture in the formation of laws. For example, this bill seems to be discussed through a cross-commission examination in the House of Representatives (IPC, 2020).

Besides, the naming of the aforementioned bill, namely "Job Creation" implies the bill is a separate law altogether, even though it contains amendments of various laws. Ergo, it is still a question whether the bill is in the form of a transitional law or as a new law. In essence, laws with new concepts should be responded to quickly by other relevant regulations. The DPR shall regulate the draft discussion of this bill by forming a separate DPR regulation. The P3 law must be amended first in order to provide a more definite legal basis on the drafting of the bill in question. Omnibus bills are typically considered to be implicit vote trades: Issues unfavourable to the majority are packaged with favourable issues to make sure they pass. Legislators can make trade-offs between several policy issues, and such trade-offs usually increase efficiency (Goertz, 2011).

2. Licensing Centralisation and its Implication towards Regional Autonomy

Several amending provisions promulgated in the Job Creation Bill revoked and nullified articles related to regional authority in its main law. The authority listed in the article is returned

to the central government, who is the president. Thus, the rearrangement of authority at the central level can be done in various ways, one of which is through government regulations.

One such example is the change in the authority of the AMDAL permit from the provincial/district/city government to the central government in Article 23 number 4 of the *a quo* Bill, concerning changes to Article 63 of the Environmental Law. The authority of the local government was removed. Even though the ability of the central government in terms of quantity and access to regions throughout Indonesia is very limited, furthermore environmental problems are very site-specific (ICEL, 2020).

Thus, this raises two problems, how will the government formulate important policies in the licensing sector without involving elements of community representatives? Second, how about its implications to local autonomy? The appointment of only "central government" as the subject potentially causes legal uncertainty in bureaucracy. The authority of institutions is potentially more easily changed, as it is only regulated at the level of government regulation or other regulations made unilaterally by the central government without involving community representatives. Furthermore, cutting down the authority will threaten the independence of the regions to regulate and manage their own regions. The reformation spirit that provides a wider space for the region to regulate and manage its own government might potentially deteriorate (Fawaid, 2019). Other than that, the regulation of environmental monitoring mechanisms is also regulated centrally (WALHI, 2020). This would imply a dull regional autonomy.

3. The Issue of Licensing as a Controlling Tool

One of the lauded goals of the bill is the deregulation of laws; one of which through simplification of licensing. Licensing has been considered one of the factors that hinders investment and ease of business in Indonesia (Meilani, 2019). Federal, state, and local governments play a crucial role in the affairs of industry (National Academy of Engineering, 1992). Government policies can have an impact on the investment climate because it can influence whether the policy is conducive to making long-term investments or not (National Academy of Engineering, 1992). Business actors are faced with convoluted licensing procedures, the many types and number of required licenses, the long time to process such licenses, and the high costs for starting and running a business in Indonesia (BPHN, 2020). The outcome that is expected through licensing simplification is relatively short management processes, uncomplicated procedures, and low costs (BPHN, 2020).

One example of licensing simplification is the proposal on the removal of building permits (IMB). The IMB is regulated under the Building Law which mandates that each building must meet the administrative and technical requirements in accordance with the function of the building. These administrative requirements include the requirements for the status of land rights, ownership status of buildings, and building permits. The drafted amendments to Article

7 paragraphs (1) and (2) of the Building Law is to delete the administrative and technical requirements contained in the scholar paper. These requirements are replaced by the obligation for each building to meet the technical building standards in accordance with its function and classification (BPHN, 2020).

According to Law 30 of 2014 on the Government Administrative, a permit is a decision of a government official as a form of approval of community requests that are adjusted to the provisions of the legislation. In the above context, business licensing is basically used as a mechanism of state to control society (Hadjon, 1993). Business licensing is an ordering function, intended so that every form of community activity does not clash with another, and order in every aspect of community life can be realised (Sutedi 2010). The simplification of licensing as mentioned above can have sporadic implications for the construction of buildings in Indonesia. This is because the IMB must be based on RTRW. Thus, spatial development as mandated in the national, provincial, and district/city RTRW is also threatened.

Licensing in the Job Creation Bill undergoes a paradigm shift. The principle that will be used in licensing for investment and business activities is risk-based licensing. A risk-based licensing system aims to ensure that all environment protection licensees receive an appropriate level of regulation based on the level of risk they pose (New South Wales Environment Protection Authority (EPA), June 7, 2019). EPA operates a Risk-Based Licensing based on guidance on environmental risk levels that bases the level of risk on the environment (EPA 2016). This model of licensing will give rise to business classifications in which the type/level of licensing will adjust to the risk of the business later on. One of the proposals is the application in the AMDAL permit. The application of risk-based licenses is regulated in Article 8 to 13 of the Job Creation Bill. An assessment of the hazard level of business activity is assessed in terms of health, safety, the environment, and/or resource utilisation would be carried out by calculating the type of business activity, business activity criteria, location of business activities, and/or limitation of resources. Pursuant to Article 8 paragraph (7) of the Job Creation Bill, the risk levels of business activities are stipulated as: a) low-risk business activities, b) medium risk business activities, and/or c) high-risk business activities. Low-risk business activities only require a Business Permit Number (NIB) as the legal basis to conduct a business activity. Meanwhile, medium risk business activities require a NIB and Standard Certificates. Only high-risk business activities require a NIB and permits. The permit is an approval by the central government to conduct their business that must be fulfilled by business actors before carrying out their business activities.

The implication of risk-based business licensing provisions is that a clear classification of the type of business and type of permit used must be made. Furthermore, clear indicators to categorise business types based on the impacts arising during the course of the business must also be available (Coordinating Ministry for Economic Affairs, 2019). Such categorisation is said to be clearly stipulated in a government regulation. In principle, aside from what will be

regulated later in the implementing regulations, the norms for the application of risk-based business licensing in the aforesaid bill must also be studied in depth. This is to ensure the direction intended by the aforesaid bill is the same as what would later be carried out by the implementation regulations. It often happens that what is stipulated in the implementing regulations is not in line with its parent law, because there is indeed no clear clue in the law on what the desired direction actually is. A situation where a more detailed regulation is determined within the implementing regulations due to unclear directions of the parent law must be avoided.

It must be remembered that a haphazard assessment of the implementation of risk-based business licensing causes imperfect norms and might potentially turn into material for judicial review. The annulment of norms by the Constitutional Court can actually cause legal uncertainty for businessmen. If this happens, the aforesaid bill might potentially reduce investor confidence in investing in Indonesia.

4. Criticism towards Provisions on Government Investment and Acceleration of National Strategic Projects

The Job Creation Bill aims to, among other things, absorb the Indonesian workforce, create business ease, improve the investment ecosystem, and accelerate national strategic projects. This is achieved through investments and government projects that aim to increase investment and strengthen the economy in order to support strategic job creation policies (BPHN, 2020).

Government investment is carried out by the central government in the pursuit to increase investment and strengthening of the national economy to support strategic job creation policies. In carrying out these investments a body was formed to manage them. Whereas the National Strategic Project (PSN) has already been established through Presidential Regulation No. 3 of 2016 concerning the Acceleration of the Implementation of the National Strategic Project. The new norm in the Job Creation Bill regulates the further convenience of PSN. The central government or regional government is responsible for providing land and for national strategic projects but taking into account the principle of state financial capability and fiscal sustainability. Based on this provision, it is seen that the government only considers economic aspects in every development.

The development of the current modern era must adhere to the agreements under the Sustainable Development Goals. There are four development pillars in the SDG's 2030 agenda, including Social Development Pillar, the Environmental Development Pillar, the Economic Development Pillar, and the Law Development and Governance Pillar. As of February 28, 2020, Kementerian PPN/Bappenas noted that these four pillars are new development agreements, which drive for a shift towards sustainable development based on human rights and equality to encourage social, economic, and environmental development.

The issue noticed by the public is the acceleration of development carried out by governments is too economically oriented, while other aspects such as social and environmental aspects often go unnoticed. This warrants further criticism, because the SDGs place development in a complex position. Economic development, social development, and environmental protection should be carried out simultaneously by involving the community (ICEL, 2020). The Job Creation Bill as part of the legality of economic development must also consider SDGs. A situation where many regulations that are in accordance with the four pillars of the SDGs are changed simply because they are too focused on economic-oriented development alone must be avoided.

Conclusion

The Job Creation Bill shall be a means of deregulation and de-bureaucratisation, especially in dealing with the many regulations regarding licensing in Indonesia. On one hand, the idea of an omnibus law is considered a breakthrough in Indonesian law. The integration of licensing is the main point of the formation of this law with the hope of increasing investments. However, on the other hand, the Job Creation Bill has not yet been ratified as it draws much controversy. This is because the Job Creation Bill is believed to be exclusively oriented towards economic aspects and is considered insufficient to provide legal certainty.

The Job Creation Bill has the potential to give rise to a new culture in drafting laws, including the discussion of the bill by various commissions in the DPR. In addition, the amendments within the Job Creation Bill are a question of whether the bill is a transitional law or a new law altogether. Substantially, several provisions in the Job Creation Bill changed the provisions related to licensing authority which was previously the authority of the regional government to be returned at the central level. This creates further legal uncertainty in the bureaucracy and threatens the independence of the region to regulate and manage their own regions thus resulting in a dull autonomy. Another critical issue is that the Job Creation Bill is only based on the Pillars of Economic Development, but does not pay enough attention to the Pillars of Social Development, Law Pillars and Governance based on Sustainable Development Goals 2030

Suggestion

The author's recommendations to the Job Creation Bill are that the government will optimise the Job Bill Creation material and maximise public participation by revising the Job Bill Creation material between the competence discourse of local government licensing with the central government. Regarding practices in the United States and Turkey, discuss of omnibus material in Indonesia calls for more specifics in each of the different laws and regulations in order to avoid potential hegemony related to issues relating to politics. Regarding licensing



simplification, it is necessary to review more accurately the differentiation of low-risk business activities, business activities that have high risk, and high-risk business activities.

LIMITATION AND STUDY FORWARD

The limitation of this study is that the object of study is limited to the licensing and administrative aspects of the Job Creation Bill. Thus, observations made only in certain sectors related to these two aspects. In the future, a more comprehensive study regarding various aspects, such as economics, is needed to perfect the substance in the Job Creation Bill.

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