

The Omnibus Method In Indonesia's Legislation Formation System

Min Usihen¹⁾, Tunggul Anshari²⁾, R. Benny Riyanto³⁾, Aan Eko Widiarto⁴⁾

¹⁾*Ministry of Education and Culture Brawijaya University Faculty of Law, Indonesia

²⁾Faculty of Law, Brawijaya University, Malang, Indonesia

³⁾Semarang State University Faculty of Law, Indonesia

⁴⁾Dean of Faculty of Law, Brawijaya University, Malang, Indonesia

*Corresponding Author

Email: mienginting@student.ub.ac.id

Abstract

This study seeks to analyze and evaluate the implementation of the omnibus method within Indonesia's legislative framework. The primary focus of the research is to examine how this method streamlines the regulatory structure by merging multiple laws into a single, unified regulation. A qualitative methodology is employed, involving the analysis of relevant legal documents, existing laws, regulations, and academic literature. The sample population includes various Indonesian laws and regulations impacted by the omnibus method. The findings indicate that while the omnibus method significantly reduces legal complexity, it also introduces concerns regarding potential overlaps and conflicts within the legal system.

Keywords: *Indonesian legal system, Legal complexity, Legislative simplification, Omnibus method, Regulatory framework*

INTRODUCTION

The Republic of Indonesia is established as a State of Law, as stipulated in Article 1, Paragraph (3) of the Constitution of the Republic of Indonesia (commonly referred to as the 1945 Constitution), and not merely a state based on power or *machtsstaat*. The legal tradition embraced by Indonesia since its independence has been that of a *Rechtsstaat*, as articulated in the Explanation of the 1945 Constitution prior to its amendments. In 1998, significant reforms occurred within the Indonesian government, leading to the overthrow of the New Order regime. Subsequently, the 1945 Constitution underwent four amendments: the first on 19 October 1999, the second on 18 August 2000, the third on 10 November 2001, and the fourth on 10 August 2002. These amendments, spanning from 1998 to 2002, have influenced a dialectical shift in the tradition of the rule of law in Indonesia. The historical development rooted in Continental Europe, which adheres to the principles of *Rechtsstaat* and interprets law as a comprehensive set of statutes, inevitably impacts the number of regulations enacted in Indonesia. The rule of law is inherently intertwined with populism, as it is ultimately the law that governs and restrains state power.

Law is established as the governing framework in the administration of the state, government, and society, with the primary purpose of law being to cultivate a peaceful, just, and meaningful society. This implies that the objective of the rule of law is to ensure that state, governmental, and societal activities are conducted in accordance with principles of justice, peace, and meaningfulness. In a state governed by law, the law serves as a fundamental instrument for organizing the functions of the state, government, and societal life (Ridwan, 2003).

Every independent nation inherently has a set of objectives enshrined in its foundational legal framework. The goals of the Indonesian state are articulated in the Preamble of the 1945 Constitution, specifically in the fourth paragraph, which states: "To establish an Indonesian government that protects the entire nation and homeland of Indonesia, promotes the general

welfare, advances the intellectual life of the nation, and contributes to the establishment of a world order based on independence, enduring peace, and social justice” (Sekretariat Jenderal MPR RI, 2002).

The Fourth Amendment to the 1945 Constitution has effectively eliminated the exclusive status of the Rechtsstaat tradition within Indonesia's legal system, thereby creating an opportunity for other legal traditions to emerge and influence the legal framework that has long been established in the country. The existing system for the formation of laws and regulations tends to remain entrenched in the Civil Law tradition, which is highly static and presents challenges in identifying potential points of convergence between the Common Law and Civil Law systems.

The concept of the rule of law extends beyond the idea of Rechtsstaat and the rule of law to include the notion of nomocracy, derived from the words *nomos* and *cratos*. Nomocracy can be likened to the terms *demos* and *cratos*, or *kratien* in democracy. *Nomos* signifies norms, while *cratos* refers to power, indicating that norms or laws are envisioned as the guiding force in the exercise of power. Thus, nomocracy is closely linked to the concept of legal sovereignty or the principle that law holds supreme authority. In English, as articulated by A.V. Dicey, this concept aligns with the principle of the Rule of Law, which evolved in the United States into the phrase "the Rule of Law, and not of Man," implying that it is the law itself, rather than individuals, that should govern. Plato's work, 'Nomoi,' later translated into English as "The Laws" (Plato, 1986), vividly illustrates how the idea of nomocracy has its roots in Ancient Greece. In modern times, the rule of law concept in Continental Europe was further developed by philosophers such as Immanuel Kant, Paul Laband, Julius Stahl, and Fichte, using the German term Rechtsstaat. In contrast, the Anglo-American tradition of the rule of law was shaped by A.V. Dicey under the term The Rule of Law. Julius Stahl articulates the concept of the rule of law, referred to as Rechtsstaat, encompassing four key elements:

- 1) The protection of human rights.
- 2) The separation of powers.
- 3) Governance in accordance with the law.
- 4) The establishment of administrative courts.

A.V. Dicey identifies three fundamental characteristics present in any State of Law, which he terms 'The Rule of Law':

- 1) The supremacy of law.
- 2) Equality before the law.
- 3) Due process of law.

The four principles of Rechtsstaat formulated by Julius Stahl can essentially be integrated with the three principles of the Rule of Law developed by A.V. Dicey to define the characteristics of the modern State of Law. Furthermore, the International Commission of Jurists has expanded these principles by including the principle of an independent and impartial judiciary, which is increasingly recognized as essential in any democratic nation today. According to the International Commission of Jurists, the essential characteristics of the rule of law are:

- 1) The state must adhere to the law.
- 2) The government must respect individual rights.
- 3) The judiciary must be independent and impartial.

As an embodiment of the rule of law, Article 22A of the 1945 Constitution stipulates that "Further provisions on the procedures for the formation of laws and regulations shall be regulated by law." This article delegates authority to the law to outline the mechanisms for creating legislation, as specified in Law Number 12 of 2011 concerning the Formation of Laws and Regulations, which has been amended multiple times, most recently by Law Number 13 of 2022 concerning the Second Amendment to Law Number 12 of 2011 on the Formation of Laws and

Regulations (hereinafter referred to as the PPPU Law). The PPPU Law encompasses all aspects of life within the society, nation, and state, including government, which must operate in accordance with the law and the national legal system. The national legal system in Indonesia, supported by its interrelated components, is designed to anticipate and address issues that arise in society, nationhood, and statehood, based on Pancasila and the 1945 Constitution.

On November 2, 2020, the Government enacted Law Number 11 of 2020 on Job Creation (hereinafter referred to as the Job Creation Law) to ensure the right to work and a decent livelihood as mandated by Article 27, Paragraph (2) of the 1945 Constitution. Additionally, the law aims to promote the development of cooperatives and micro, small, and medium enterprises to enhance the national economy and improve public welfare. One of the motivations behind the government's efforts to address various legal challenges through the Job Creation Law is the issue of regulatory proliferation. This law employs the Omnibus method, consolidating multiple laws and regulations into a single regulation. However, this approach was met with public opposition, leading to a lawsuit filed with the Constitutional Court. On November 25, 2021, the Constitutional Court issued Decision Number 91/PUU-XVIII/2020 regarding the formal review of the Job Creation Law, with dissenting opinions among the judges. The Constitutional Court ruled that "the legislators must make revisions within a maximum period of 2 (two) years after this decision, failing which the Job Creation Law will be permanently deemed unconstitutional." In light of the above, the key issue is how effectively the omnibus method can be applied in Indonesia's legislative formation system (Keputusan Mahkamah Konstitusi, 2020).

Subsequently, on June 16, 2022, the Government enacted Law Number 13 of 2022 concerning the Second Amendment to Law Number 12 of 2011 on the Formation of Legislation. One of the amendments includes the formalization of the omnibus method in the legislative formation process. The objective of this research is to examine and analyze the application of the omnibus method within Indonesia's legislative formation system.

RESEARCH METHODS

This research adopts a qualitative approach to investigate the application of the omnibus method within Indonesia's legislative framework. Qualitative research provides a robust framework for investigating the application of the omnibus method within Indonesia's legislative framework. This approach is particularly well-suited for exploring complex social phenomena, such as legislative processes, where understanding the perspectives and experiences of various stakeholders is crucial. The omnibus method, which consolidates multiple laws into a single legislative package, has been a significant development in Indonesia's legal landscape, prompting a need for qualitative inquiry to assess its implications and effectiveness.

The qualitative approach enables researchers to explore the nuances of how the omnibus method is perceived and implemented by different actors within the legislative framework. Employing methods such as interviews, focus groups, and document analysis enables researchers to gather rich, descriptive data that illuminates the experiences and opinions of lawmakers, legal experts, and affected communities (Borman, 2024; Sa'diyanto, 2023; Sarjana et al., 2023). For instance, qualitative interviews can reveal how legislators perceive the benefits and challenges of the omnibus method, while focus groups with community members can provide insights into how these legislative changes impact their lives (Achmad, 2024; Borman, 2023).

A salient benefit of qualitative research in this domain is its capacity to elucidate the intricacies of human behavior and social interactions. The implementation of the omnibus method is subject to variation across different regions and sectors, influenced by local political dynamics, cultural factors, and the specific legal contexts in which it is applied (Faozan, 2023;

Tarantang, 2023). Qualitative research can assist in identifying these variations and the underlying reasons for them, thereby offering a more nuanced understanding of the omnibus method's impact on Indonesia's legislative framework.

Furthermore, qualitative research can facilitate a more profound exploration of the ethical and social ramifications of the omnibus method. For instance, researchers can examine whether the consolidation of laws has resulted in unintended consequences, such as the marginalization of certain groups or the erosion of specific rights (Harisanty & Anugrah, 2021; Mubarak, 2024). By engaging with relevant stakeholders through qualitative research methodologies, researchers can identify these issues and provide recommendations for improving the legislative process and ensuring that the omnibus method serves the public interest effectively.

In addition to interviews and focus groups, qualitative content analysis of legislative documents and public statements can be employed to assess the discourse surrounding the omnibus method. This analysis can reveal how the method is framed by different stakeholders, including government officials, civil society organizations, and the media (Nuraeni, 2023; Wuryaningsih et al., 2022). Comprehending these narratives is imperative for understanding the broader societal implications of the omnibus method and for informing future legislative practices.

The incorporation of qualitative research within the study of the omnibus method is congruent with the mounting cognizance of the significance of participatory approaches in legislative processes. The engagement of stakeholders in qualitative research not only enriches the data collected but also empowers communities by providing them with a voice in discussions that affect their lives (Al-Sindi, 2023; Boviatsis & Daniil, 2022). This participatory dimension is particularly salient in Indonesia, where diverse cultural and social contexts can influence the reception and effectiveness of legislative measures.

Moreover, the findings from qualitative research can contribute to the development of theoretical frameworks that explain the dynamics of legislative processes in Indonesia. By synthesizing the findings from multiple qualitative studies, researchers can identify patterns and themes that enhance our understanding of how the omnibus method operates within the broader legislative framework (Katjong, 2024; Riwanto, 2023). This theoretical grounding can inform policymakers and practitioners about best practices and potential pitfalls in the implementation of similar legislative strategies in the future.

In conclusion, a qualitative approach is invaluable for investigating the application of the omnibus method within Indonesia's legislative framework. By emphasizing the experiences and viewpoints of diverse stakeholders, qualitative research can yield profound insights into the intricacies of legislative processes and their social ramifications. This methodological approach enhances our understanding of the omnibus method's impact and contributes to the ongoing discourse on improving legislative practices in Indonesia.

RESULT AND DISCUSSION

Legislative Science

Legislative science (*gesetzgebungswissenschaft*) is an interdisciplinary field that focuses on the study of the formation of state regulations, making it closely connected with other legal disciplines, such as legal theory, state theory, legal dogmatics, and related fields like legal sociology and legal politics. This field is also interconnected with political science and sociology and is broadly categorized into legislative theory (*gesetzgebungstheorie*) and legislative science (*gesetzgebungslehre*). Burkhardt Krems further categorizes legislative science into three

components: the process, method, and technique of legislation. The significance of laws and regulations is also tied to their internal and external functions (Krems, 1979).

The internal function is legislation as a legal subsystem to the system of legal rules in general which includes the function of legal creation, the function of legal reform, the function of integration of legal pluralism and legal certainty. While the external function is the relationship of legislation with the place of enactment which includes the function of change, the function of stabilisation, and the function of convenience (Bhangu et al., 2023).

Ann Seidman, Robert B. Seidman, and Nalin Abeyserkere assert that "Legislation is essential to steer the changes desired by the government" (Seidman, Robert B. et al., 2001). Without legislation, changes occur not as planned by the government but rather by chance and based on intuition. The authority of the state to create laws and regulations should fundamentally aim at producing well-crafted legislation. To assess the quality of such legislation, one can refer to Lon Fuller's principles regarding positive law, which must meet eight essential criteria, including (Fuller, 1964):

- 1) Promulgation (regulations intended to guide authorities must be publicly announced).
- 2) The Generality of Law (there must be general rules to serve as guidelines for decision-making).
- 3) Retroactive Laws (regulations should not be applied retroactively).
- 4) The Clarity of Laws (regulations must be formulated in a manner that is clearly understandable).
- 5) Contradictions in the Laws (rules must not conflict with one another).
- 6) Laws Requiring the Impossible (rules should not impose demands beyond what is feasible).
- 7) Constancy of the Law through Time (rules should remain stable over time and not be frequently altered).
- 8) Congruence between Official Action and Declared Rule (there must be consistency between the rules promulgated and their day-to-day application).

Meuwissen asserts that "legislation is considered good if it meets three criteria of enforceability: a. social or factual enforceability; b. juridical enforceability; and c. moral enforceability" (Sidharta & Meuwissen, 2007). Social enforceability refers to the rule of law being accepted and upheld by society at large. Juridical enforceability means that the rule is established through proper procedures and does not contradict other regulations, particularly those of higher authority. Moral enforceability implies that, to be valid, the rule of law must align with moral values and must not, for instance, violate human rights.

To achieve well-crafted laws and regulations, it is essential to meet several requirements during the legislative process. One key requirement is that the process is guided by the principles of law formation. According to Article 6 of the PPPU Law, these principles serve as guidelines in crafting good legislation, which, in the Indonesian context, reflect principles such as: a. protection; b. humanity; c. nationalism; d. kinship; e. civilization; f. unity in diversity (*bhinneka tunggal ika*); g. justice; h. equality before the law and government; i. order and legal certainty; and balance, harmony, and unity. Additionally, it is emphasized that sound legislation must embody Pancasila as the source of all legal principles in the state.

A. Hamid S. Attamimi asserts that in the formation of laws and regulations in Indonesia, similar to other countries, two key legal principles must be considered. The first set of principles provides general guidance for shaping the content of regulations, while the second set offers guidance for structuring, formulating, and composing these regulations, as well as for the method and procedure of their creation. This latter principle can be referred to as the principle of proper legislative formation (Attamimi & Hamid, 1990). Article 5 of the PPPU Law outlines the principles of forming good laws and regulations, which include:

- 1) Clarity of purpose.

- 2) Appropriate legislative institutions or officials.
- 3) Consistency between type, hierarchy, and content.
- 4) Feasibility of implementation.
- 5) Utility and efficiency.
- 6) Clarity of formulation.
- 7) Transparency.

Merely relying on the principles of good legislative formation is insufficient; in the context of Indonesia, at least five prerequisites must be met to achieve well-crafted laws and regulations, including (Anggono, 2020):

- 1) The fundamentals of good legislation (type, hierarchy, and content).
- 2) Orderly legislative formation (orderly procedures and substance).
- 3) Public participation.
- 4) Incorporation of legislative evaluation.
- 5) Effective implementation of a sound system for testing laws and regulations.

Omnibus Method

The Omnibus method is frequently employed by countries that adhere to the common law system (Anggono, 2020). An example of a common law country utilizing the omnibus method is the United States (IOJI Writing Team, 2020). However, the implementation of this method in the U.S. is not without criticism; for instance, the creation of the Omnibus Spending Bill faced public protests due to its broad scope, yet it was deliberated within a short time frame (IOJI Writing Team, 2020).

The term "omnibus" essentially serves as a designation rather than a specific type of legislation recognized in the legal hierarchy. This holds true in the context of the PPPU Law as well. In this instance, "omnibus" does not signify a new legal product but rather describes the nature and type of substance within the regulation.

Given the diverse and non-specific nature of omnibus content, it is often referred to as a main rule or umbrella rule. This means that the omnibus serves as a reference or foundation for the creation of other laws and regulations under it.

Omnibus law is a legal product that revises several legal rules at once through umbrella rules, referred to as umbrella rules because the omnibus law will be higher in the hierarchy of legislation than the simplified rules. In this case, the omnibus law functions as a simplification tool for laws and regulations that have experienced overlapping (Christiawan, 2021).

In simple terms, the omnibus model can be understood as a mechanism used to regulate or consolidate multiple issues toward a singular overarching goal. This approach involves more than just simplifying or reducing laws and regulations by creating umbrella laws; it also necessitates the restructuring of authority. Ahmad Redi further elaborates that the omnibus serves as an umbrella law due to its distinct characteristics, which include (Redi, 2020):

- 1) It is multisectoral or consists of many sectoral contents.
- 2) Give birth to/remove many norms.
- 3) Has a synchronisation objective of many laws and regulations that are harmonised/synchronised through one regulation.
- 4) Independent/autonomous, meaning that it is not an implementation or to implement other rules.
- 5) Partially and/or wholly negates/revokes other regulations.

The omnibus is referred to as an umbrella rule because it involves the technique of norm-setting or formulating statutory norms that combine various regulatory elements within a single piece of legislation to address multiple norm conflicts that cannot be resolved individually. The purpose of the omnibus as an umbrella regulation is to resolve authority disputes arising from overlapping laws and regulations. By creating an omnibus as an umbrella rule, uniformity in

rules and policies is anticipated, serving as a corrective measure for various overlapping or conflicting norms that lead to legal conflicts, which is why some refer to this as the omnibus method.

An example of an omnibus as an umbrella regulation is Law Number 11 of 2020 on Job Creation, which restructures various norms across 11 (eleven) sectoral clusters to achieve a single overarching goal: job creation through the realization of broad-based investment. The eleven clusters in this law are intended to reduce the norm conflicts that hinder investment realization. Job creation and enhanced investment opportunities are among the advantages of legislation based on the omnibus method. This indicates that forming laws and regulations using the omnibus method is perceived to offer numerous benefits, although it also has its drawbacks.

Novianto Murti Hantoro identifies several drawbacks associated with the use of the omnibus method in legislation. First, it opens the possibility of being rejected during the plenary session or judicial review. Second, it may diminish the role of the legislature, particularly when the legislative process bypasses the legislature, such as when an omnibus bill is issued by the President in the form of a Perppu. Third, it could destabilize the national legal system, as government policy orientations might shift according to the preferences of the ruling regime (Hantoro, 2020).

Formation of Legislation in Indonesia

The process of law and regulation formation in Indonesia is governed by the PPPU Law, in compliance with Article 22A of the 1945 Constitution of the Republic of Indonesia, which mandates that "Further provisions on the procedures for the formation of laws shall be regulated by law." As an embodiment of the rule of law, all procedures and mechanisms for the formation of laws and regulations, whether at the central or regional level, must adhere to the PPPU Law. According to Article 1, Point 1 of the General Provisions in the PPPU Law, "The Formation of Laws and Regulations refers to the process of creating laws and regulations, which encompasses the stages of planning, preparation, discussion, ratification or stipulation, and enactment." This article clarifies that there are five stages in the formation of legislation, which serve as formal requirements for the creation of regulations in Indonesia. According to Article 5 of the PPPU Law, the formation of regulations must adhere to the Principles of Good Legislation, which include:

- 1) **Clarity of Purpose:** This principle requires that every formulation of laws and regulations must have clearly defined objectives that are intended to be achieved.
- 2) **Appropriate Institution or Forming Official:** This principle mandates that each type of legislation must be drafted by the appropriate state institution or authorized official. Legislation may be annulled or rendered invalid if created by an unauthorized institution or official.
- 3) **Conformity Between Types, Hierarchy, and Content Material:** This principle emphasizes that in forming laws and regulations, careful attention must be paid to ensuring that the content is appropriate to the type and hierarchy of the legislation.
- 4) **Implementability:** This principle requires that every law and regulation must consider its effectiveness in society, from philosophical, sociological, and juridical perspectives, ensuring that it can be implemented effectively.
- 5) **Efficacy and Usefulness:** This principle dictates that legislation should be crafted only when it is truly necessary and serves a beneficial purpose in regulating societal, national, and state life.
- 6) **Clarity of Formulation:** This principle insists that legislation must meet technical drafting requirements, including clear and systematic language, precise word choice, and unambiguous legal terminology, to avoid multiple interpretations during implementation.
- 7) **Openness:** This principle calls for transparency throughout the entire legislative process,

from planning and drafting to discussion, ratification, and enactment, ensuring that all levels of society have the broadest possible opportunity to provide input.

The Principle of Formation of Laws and Regulations, as mentioned, serves as the foundation for every regulation formation and is a formal requirement that must be met. Beyond the Principles of Formation, Article 5 Paragraph (2) of the PPPU Law stipulates that the content of each regulation must also embody these Principles:

- 1) Guidance: The 'Principle of Safeguarding' mandates that every content of laws and regulations must function to protect and ensure public peace.
- 2) Humanity: The 'Humanity Principle' requires that the content of laws and regulations should proportionally reflect the protection and respect for human rights and the dignity of all Indonesian citizens and residents.
- 3) Nationality: The 'Nationality Principle' emphasizes that the content of legislation must embody the character and diversity of the Indonesian nation while upholding the principle of the Unitary State of the Republic of Indonesia.
- 4) Kinship: The 'Principle of Kinship' asserts that the content of legislation must reflect a commitment to deliberation and consensus in decision-making.
- 5) Civilisation: The 'Civilisation Principle' ensures that the content of legislation considers the interests of the entire Indonesian territory and that regional legislation forms part of the national legal system, grounded in Pancasila and the 1945 Constitution of the Republic of Indonesia.
- 6) Unity in Diversity: The 'Unity in Diversity Principle' necessitates that the content of laws and regulations considers the diverse population, religions, ethnicities, groups, regional specificities, and cultures within Indonesian society, nation, and state.
- 7) Justice: The 'Justice Principle' dictates that the content of laws and regulations must proportionally reflect justice for every citizen.
- 8) Equality of Position in Law and Government: The 'Principle of Equal Position in Law and Government' requires that the content of laws and regulations should not contain any discriminatory elements based on factors such as religion, ethnicity, race, class, gender, or social status.
- 9) Order and Legal Certainty: The 'Principle of Order and Legal Certainty' stipulates that the content of laws and regulations must establish societal order through the assurance of legal certainty.

Balance, Harmony, and Unity: The 'Principle of Balance, Harmony, and Unity' asserts that the content of laws and regulations must reflect a balanced and harmonious alignment of individual, societal, and national interests.

Omnibus Method in the System of Formation of Laws and Regulations in Indonesia

The Fourth Amendment to the 1945 Constitution eliminated the dominance of the Rechtsstaat tradition within Indonesia's State of Law system, thereby allowing space for other legal traditions to evolve and influence the existing legal framework. The established procedural system for the formation of laws and regulations in Indonesia remains closely aligned with the Civil Law tradition, which is notably rigid and shows limited potential for convergence with the Common Law system. However, such convergence is evidenced by the legal evolution of the PPPU Law, which has undergone significant revisions. The first revision took place on October 2, 2019, with the enactment of Law Number 15 of 2019, which amended Law Number 12 of 2011 concerning the Formation of Legislation. The second revision occurred on June 16, 2022, with the passage of Law Number 13 of 2022, further amending Law Number 12 of 2011. This second amendment introduced, among other things, provisions regarding the omnibus method in the legislative formation system in Indonesia. Article 42A of the PPPU Law mandates that the

use of the omnibus method in drafting legislation must be specified in a planning document. Additionally, Article 64 of the PPPU Law states that:

Article 64

- (1) The drafting of Draft Laws and Regulations shall be conducted in accordance with the technique of drafting Laws and Regulations.
 - (1a) The drafting of Draft Legislation as referred to in paragraph (1) may use the omnibus method.
 - (1b) Omnibus method as referred to in paragraph (1a) is a method of drafting laws and regulations by:
 - a. Containing new content material
 - b. Changing the content material that has connection and/or legal needs regulated in various Laws and Regulations of the same type and hierarchy; and/or
 - c. Revoke Laws and Regulations of the same type and hierarchy.
By combining into one Laws and Regulations to achieve certain objectives.
- (2) Provisions regarding the technique of drafting laws and regulations as referred to in paragraph (1) are listed in Appendix II which is an inseparable part of this Law.
- (3) Provisions regarding changes to the technique of drafting laws and regulations as referred to in paragraph (2) shall be regulated by Presidential Regulation.

The application of the omnibus method is not limited to a single type of law or regulation but extends to all types of laws and regulations as outlined in Article 7, Paragraph (1) of the PPPU Law. This method is a discretionary power, as stated in Article 64, Paragraph (1a) of the PPPU Law, which specifies that "The drafting of laws and regulations as referred to in paragraph (1) may use the omnibus method," with the term "may" indicating that its use is optional, not mandatory. There are three types of omnibus content that can be employed: introducing new content, amending content that is interrelated and/or legally required across various laws and regulations of the same type and hierarchy, and/or repealing laws and regulations of the same type and hierarchy by consolidating them into a single law or regulation to achieve specific objectives.

The Omnibus Law in Indonesia, formally designated as the Job Creation Law, signifies a substantial legal reform initiative aimed at streamlining and consolidating a multitude of existing regulations into a unified legislative framework. This legislative initiative aims to address the complexities and redundancies inherent in Indonesia's legal system, which has been criticized for its fragmented nature and the presence of overlapping laws. The Omnibus Law aims to enhance regulatory efficiency, ensure legal clarity, and stimulate investment by reducing bureaucratic bottlenecks.

A primary motivation behind the Omnibus Law is the need to eliminate legal ambiguities and overlaps that have historically plagued Indonesia's regulatory environment. The prevailing legal framework comprises a multitude of laws and regulations that frequently conflict or duplicate one another, resulting in confusion among stakeholders and inefficiencies in implementation (Setiawan et al., 2022; Susilowardani, 2023). The Omnibus Law aims to address these challenges by consolidating various regulations into a more coherent legal framework, thereby facilitating compliance and enforcement (Pranowo et al., 2022; Wahyuni et al., 2022).

The Omnibus Law is applicable to a broad spectrum of sectors, including labor, investment, environmental protection, and business licensing. This comprehensive approach enables simultaneous revisions of multiple laws, thereby reducing the time and resources required for legislative processes (Khozen et al., 2021; Sihombing, 2023). Specifically, the law has been crafted to streamline the investment licensing process, thereby facilitating the navigation of the regulatory landscape for both domestic and foreign investors (Hamid & Hasbullah, 2022; Sujono & Nugroho, 2023). However, this expansive scope has also given rise

to concerns regarding the potential for oversimplification, which could potentially undermine critical protections and standards that were formerly established in individual laws (Bakung, 2024; Buana & Budiman, 2022).

Critics of the Omnibus Law contend that while it aims to reduce regulatory burdens, it may inadvertently engender new challenges, particularly in areas such as environmental protection and labor rights. The consolidation of laws can lead to the dilution of specific protections that were previously enshrined in individual regulations (Prehantoro, 2021; Sarjana et al., 2023). For instance, labor unions and civil society organizations have voiced concerns that the Omnibus Law could potentially weaken labor rights by allowing for more flexible employment contracts and reducing severance pay requirements (Borman, 2023; Saptono & Ayudia, 2021). This has given rise to substantial public debate and protests, underscoring the imperative for a judicious balance between regulatory efficiency and the safeguarding of workers' rights (Jamil, 2023; Mustaring, 2022).

Furthermore, the Omnibus Law carries implications for the prevailing legal hierarchy in Indonesia. The introduction of a comprehensive law that supersedes existing regulations gives rise to questions regarding the legal status of the latter, particularly in regard to their amendment or repeal (Listio, 2023; Subekti, 2023). The principle of *lex superior derogat legi inferior*, which states that higher laws take precedence over lower ones, becomes particularly relevant in this context. As the Omnibus Law is implemented, it is essential to ensure that the legal framework remains consistent and that stakeholders understand the implications of these changes (Al, 2023; Atmadja et al., 2020).

The process of enacting the Omnibus Law has also been the subject of criticism due to its perceived lack of participatory engagement with various stakeholders, including labor groups, environmental activists, and local communities. Critics contend that the law's hasty passage, frequently characterized as a "fast-track" legislative process, has effectively marginalized crucial voices and concerns (Gaveau et al., 2022; Wijaya & Sabina, 2021). This has led to accusations of democratic deficits in the law-making process, as the law's formulation did not adequately consider the diverse perspectives of those affected by its provisions (Alsiam, 2023; Arifin et al., 2022).

In summation, the Omnibus Law signifies a substantial endeavor to transform Indonesia's legal terrain by addressing the challenges posed by overlapping laws and regulatory inefficiencies. While the law holds the potential to streamline processes and enhance investment, it also raises critical questions about the protection of rights and the participatory nature of law-making. As Indonesia progresses with the implementation of the Omnibus Law, it is imperative to closely monitor its ramifications on diverse sectors and to guarantee that the equilibrium between regulatory efficiency and social safeguards is preserved.

Real Examples and Implications

1. Simplification of Investment Licensing

Real Example: The implementation of the Online Single Submission (OSS) system, a component of the Omnibus Law, has been instrumental in streamlining the process of obtaining business permits. A notable illustration of this is the PT Indonesia Morelleri Industrial Park (IMIP) in Central Sulawesi, a prominent industrial zone for nickel and battery industries, which experienced a substantial streamlining of its licensing processes. Previously, the licensing process took several months; however, with the OSS, the process was significantly accelerated. The implications of this development are significant, particularly in the context of foreign direct investment. This development has resulted in a notable influx of foreign investment, particularly in the manufacturing and mining sectors. However, critics contend that environmental assessments have been expedited at the cost of thorough evaluations, raising concerns about potential ecological damage.

2. Labor Protests Against Flexible Employment Contracts

Real Example: Labor unions, including the Confederation of Indonesian Trade Unions (KSPI), orchestrated substantial demonstrations in metropolitan areas such as Jakarta, Bandung, and Surabaya in response to the Omnibus Law amendments. Workers expressed opposition to provisions that would facilitate more expeditious termination of employment and reduce severance pay.

Implications: These protests underscore concerns regarding the potential erosion of job security and worker rights. In response to these developments, the government has been compelled to issue clarifications and assurances, yet public distrust among labor groups persists at high levels.

3. Impact on Environmental Protections

Real Example: In Kalimantan, the expansion of palm oil plantations and mining operations has raised concerns about the relaxation of environmental permits under the Omnibus Law. The repeal of the requirement for Environmental Impact Analysis (AMDAL) for small and medium-sized enterprises (SMEs) has been met with criticism, as it may potentially lead to an escalation in deforestation.

Implications: Environmental activists, such as WALHI (Indonesian Forum for the Environment), have argued that the law prioritizes economic growth over sustainability. This has resulted in escalating deforestation rates in certain regions and has attracted the attention of environmental organizations on the global stage.

4. A notable illustration of this phenomenon is the case of public housing development.

The Omnibus Law has been reported to have streamlined permits for public housing projects, including the construction of low-income housing complexes in Greater Jakarta. Developers like Perumnas have reported faster approval processes for land acquisition and project initiation.

The implications of this phenomenon extend beyond the immediate context, offering a lens to examine broader issues concerning the balance between economic development and environmental sustainability. While this has led to an acceleration in housing development to address urban housing shortages, there have been instances of local community pushback, particularly in areas where land disputes remain unresolved due to the law's expedited processes.

5. The law's democratic deficit in the legislative process is evident in the following example:

The law was passed in a "fast-track" process in October 2020, which led to widespread protests across Indonesia. The law's hasty passage, which lacked public consultation, has drawn criticism from civil society organizations and international observers, including Amnesty International.

Implications: The perception of a democratic deficit has undermined public trust in the government. This has led to an increase in judicial review requests to the Constitutional Court, with several groups arguing that the law violated participatory principles enshrined in Indonesia's Constitution.

6. The legal hierarchy is a subject of particular concern.

The Omnibus Law has invalidated or modified over 70 existing laws. For instance, provisions in the Forestry Law related to protected areas were altered to allow for economic activities, leading to conflicts with local regulations.

Implications: Legal experts have identified inconsistencies in the application of the *lex superior* principle. Local governments have encountered difficulties in aligning regional regulations with the overarching framework of the Omnibus Law, resulting in ambiguity in its implementation.

7. Job Creation in Industrial Zones

Real Example: Economic zones, such as the Batang Integrated Industrial Park in Central Java, have emerged as pivotal hubs for job creation, attracting investments from prominent multinational corporations like LG and Foxconn.

Implications: While these zones have facilitated the creation of thousands of jobs, concerns regarding labor regulations have emerged, particularly with respect to minimum wage adjustments and outsourcing practices.

8. Legal Challenges and Court Decisions

Real Example: In 2021, the Constitutional Court declared parts of the Omnibus Law conditionally unconstitutional due to procedural flaws in its drafting process. The court mandated that the government revise the law within two years to align with constitutional principles.

Implications: This judgment led to the provisional suspension of specific provisions, resulting in a state of uncertainty for businesses and investors. In response, the government has initiated a process to revise the law, with a particular focus on addressing stakeholder concerns.

Broader Implications:

The tension between economic growth and social protections: The Omnibus Law has unquestionably augmented foreign investment and streamlined processes; however, it has also underscored tensions between economic priorities and the protection of labor and environmental rights. *Public Trust and Governance*: The absence of transparency and participatory engagement has led to public discontent, underscoring the necessity for more inclusive policymaking processes. *Legal certainty and adaptation*: While the law aims to reduce regulatory overlaps, the rapid pace of change has led to challenges in implementation, particularly at the local government level, which often lacks the resources to adapt.

CONCLUSION

The conclusion presented in this research, based on Article 64 Paragraphs (1a) and (1b) of the PPPU Law, is that the use of the omnibus method in Indonesia's legislative formation system is a discretionary authority held by the Government for the purpose of simplifying regulations. The omnibus method encompasses introducing new content, amending content that is interrelated and/or legally necessary across various laws and regulations of the same type and hierarchy, and/or repealing laws and regulations of the same type and hierarchy by consolidating them into a single law or regulation to achieve specific objectives. Therefore, it is essential to deregulate existing laws and regulations using the omnibus method to address overlapping and disharmonised regulations.

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