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Investment Regulation Policy in Job Copyright Law in The Era of Globalization

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Abstract

The government is often faced with a dilemma: opening up investment opportunities as widely as possible is considered a violation of the constitution. However, closing oneself off from the outside world in the current era of globalization is impossible. Therefore, within the investment legal regime, restrictions are recognized based on a country's sovereignty. Opening investment opportunities cannot be arbitrary, as this will lead to the emergence of the strongest. The investment climate must be conducive to prevent it from disrupting job creation. The Job Creation Law exists to foster this conducive environment. Investors will not invest if legal certainty is lacking. The purpose of this study is to analyze the investment legal policy within the Job Creation Law in the era of globalization. The research method used in this study is normative, with the results finding that the Job Creation Law was created with the aim of improving the investment climate in the era of globalization. This law includes simplifying the licensing process, eliminating overlapping provisions, and introducing various fiscal incentives designed to attract more investment to Indonesia. With the Job Creation Law, the government hopes to grow the Indonesian economy by advancing MSMEs and inviting investors to invest in Indonesia. Regarding the ease of

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doing business and Special Economic Zones (SEZs), the Job Creation Law will eliminate minimum capital requirements to facilitate companies going public, provide visitor visas for pre-investment purposes, implement tax reforms, and add activities and incentives to non-industrial SEZs. This is expected to attract investors to invest in Indonesia.

Keywords: Investment; Job Creation; Globalization

INTRODUCTION

In the era of globalization, industrial development and competition are accelerating at both the national and international levels. Indonesia, a developing nation, is currently undertaking national development to overcome various challenges in the economic and other sectors. Indonesia faces the challenge of keeping pace with global developments, particularly in the broader economic sphere. Before it can compete with other countries in the global market, Indonesia must have a well-developed economic development concept to drive national economic growth and keep pace with global economic development and progress.

The dynamics of global conditions such as the trade war between the United States (US) and China, the Covid-19 pandemic, the Russia-Ukraine war, the energy and food crisis, and so on often threaten the world economy and this will affect the economy and investment flows in Indonesia, the government is not the only institution responsible for enforcing laws in the investment sector, the national legal program seeks to encourage legal development in this area.

Globalization is a determining factor in the direction and policies of the government in helping Indonesia achieve its goals of public welfare and order. The government has an obligation to foster a positive legal and economic culture. Investments must impact society in terms of economic, social, and cultural quality, while ensuring profits for business owners and sustainable national growth.

The globalization process will have an impact on increasing investment coming into the country, both in the real industry and the financial sector through the capital market. Globalization can be used to see EoDB (Ease of Doing Business) and is useful for measuring and comparing the business climate in each jurisdiction. Several things are evaluated by the World in the report. One of them is related to the ease of complying with regulations. Indonesia stated that Indonesia's ranking is still stagnant compared to the previous year at 73 out of 190 countries (World Bank, 2024). The termination of EODB in 2021 resulted in Indonesia's last recorded EODB ranking being 7311 in 2020. Thus, the target of EODB ranking 40 in 2024 as stated in the 2020-2024 RPJMN was

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not achieved. Although to achieve the goal of realizing the government's goals, there are already thousands of regional regulations and ministerial regulations that are being evaluated and will be revoked because they are considered to hinder investment, including the formation of the Job Creation Law (Omnibus law).

Omnibus law itself is commonly known in countries that adhere to the Anglo-Saxon legal system such as the United States, Belgium, the United Kingdom, Ireland, and Canada (Busroh, 2017). Ireland has used the omnibus law method by creating a single law to abolish 3,225 laws (Rongiyanti, 2020), while Serbia used the omnibus law method to create the autonomy law for the Province of Vojvodina (Busroh, 2017). In several countries, the omnibus law has proven efficient and effective in creating legislative products and can encourage countries to harmonize their regulations. The omnibus law is a concrete step towards realizing regulations that provide certainty, justice, and benefits (Aryani, 2021). The implementation of the Omnibus law specifically related to the Job Creation Law in Indonesia has met with rejection, which is a form of community action in various regions rejecting the ratification of the Omnibus Law on the Job Creation Law (Haryanto, 2020).

The purpose of the omnibus law concept or method through the Job Creation Law is to accelerate the consolidation of conflicting provisions together and serve as a reference for all related sector regulations (Kristianti, 2021). The employment cluster in the Job Creation Law, with the requirement that Indonesia's need for investment in the field of national development and the employment sector is considered the most important factor hindering the entry of investment into Indonesia. The existence of employment legislation is intended due to the imbalance of bargaining positions that exist in labor relations (between workers and employers), so the main purpose of employment law is to eliminate the inequality between the two in the employment relationship.

The novelty of this research is that the growing globalization will impact investment regulatory policies and job creation laws. Investment is needed not only to boost economic growth but also to create jobs, the number of which is increasing every year. The role of the workforce is essential in workforce development to improve quality and enhance worker protection in accordance with human dignity. Job creation policies are closely linked to investment regulatory policies. Investment in globalization is inevitable or necessary, as investment is the driving force of the economy, enabling the country to drive economic progress in line with the demands of societal development.

A country with good diplomacy will easily attract investors. The primary requirement for

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investors is consistent regulations and long-term legal certainty. Normatively, legal certainty can be defined as legislation that is created and enacted with certainty (Asikin, 2014). This is because legal certainty can regulate clearly and logically, thus eliminating doubts due to multiple interpretations. Therefore, there will be no clashes or conflicts within existing societal norms. Legal certainty can also be defined as the certainty of legal rules, rather than the certainty of action against actions that comply with legal rules (Putro, 2024).

The government has enacted Government Regulation in Lieu of Law (Perppu) Number 2 of 2022 concerning Job Creation (Perppu Cipta Kerja). The issuance of the Perppu Cipta Kerja was carried out by the Government by considering the urgent need to anticipate global conditions related to global economic uncertainty, increasing inflation, the threat of stagflation and the dynamics of future geopolitical tensions. Legal vacuum, especially in regulations related to the investment sector The government hopes that the implementation of the Perppu Cipta Kerja will be able to create extensive jobs for the Indonesian people, through increasing investment, encouraging the development and improving the quality of Cooperatives and Micro, Small and Medium Enterprises.

This study aims to analyze investment law policies in the Job Creation Law in the era of globalization with the hope of providing input for policymakers, especially regarding investment in the era of globalization that ensures a safe and equitable business climate for workers.

METHOD

This study employed a normative legal research method. Normative legal research is a legal research approach that focuses on examining legal norms, legal principles, statutory regulations, and legal doctrines to answer legal issues systematically and comprehensively. According to Peter Mahmud Marzuki (2014), normative legal research is conducted to identify legal rules, principles, and doctrines relevant to resolving legal problems encountered in society. In addition, this approach emphasizes the study of written legal sources and conceptual legal frameworks that regulate human behavior within the legal system. Recent legal methodology studies also emphasize that normative legal research remains highly relevant in analyzing contemporary regulatory reforms, particularly those related to investment governance and omnibus law policies in developing countries (Rahardjo, 2022; Nugroho & Santoso, 2023).

This research can also be categorized as doctrinal legal research because it conceptualizes law as norms and rules contained in legislation (law in books). According to Soekanto and Mamuji (2013), normative legal research primarily examines secondary data obtained through library

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research and document analysis. The doctrinal approach enables researchers to interpret legal provisions systematically while identifying legal consistency, harmonization, and the effectiveness of regulations concerning investment implementation. Contemporary legal scholars further explain that doctrinal legal research is important in evaluating regulatory synchronization and legal certainty within modern investment frameworks influenced by globalization and digital economic transformation (Prasetyo, 2024).

The research was conducted in Jakarta from November 10, 2025, to November 17, 2025, using secondary data consisting of primary, secondary, and tertiary legal materials. Primary legal materials included omnibus law regulations, investment laws, and related statutory provisions governing capital investment in Indonesia. Secondary legal materials consisted of textbooks, legal journals, scientific articles, previous research findings, academic papers, and other scholarly references discussing investment implementation and legal reform. Meanwhile, tertiary legal materials were used as supporting references to strengthen the legal arguments and interpretations presented in this study. These materials included legal dictionaries, encyclopedias, government reports, and internet-based scientific resources relevant to investment law and regulatory policy.

The analysis of legal materials and collected data was carried out using a descriptive-analytical approach. This method was applied by reviewing legal concepts, legal principles, legal norms, and legal systems related to investment implementation and omnibus law policies. The descriptive-analytical method allows researchers to systematically explain legal phenomena while critically interpreting the relationship between regulations and their practical implications in society. Through this approach, the study provides a comprehensive and structured explanation regarding the legal framework governing investment implementation in Indonesia, particularly in relation to legal certainty, regulatory harmonization, and the effectiveness of investment policies in supporting national economic development.

RESULTS AND DISCUSSION

Command Theory or Analytical Legal Positivism

In the legal world, legal positivism is known . One of the main exponents of legal positivism is John Austin, a positivist because he sees truth, and only truth, as a guide for the progress of social life in the modern era. However, no one clearly denies the assumption that Austin was the main exponent who initiated and defended the school of legal positivism. Or more precisely, Austin was the initiator of the founding of analytical positivism (Latipulhayat, 2016) .

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Austin stated that the concept of law consists of two main keywords. First, law originates from humans, not from nature, culture, or God. Second, that law originates from the state (Artha, 2024). Legal products that are not created by the state are considered to have positive morals (*moral positivity*). He further divided it into two parts: the first is true law; and the second is law that is not true law. True law is divided into two: God's law and human law; human law that is a product of the state and human law that is not a product of the state (non-positive law). Conversely, law that is not true law is also divided into two, namely analogical law and human law that is a product of the state (Artha, 2024).

Positive punishment must have three characteristics: first, it is a government order; second, there are threats and sanctions attached to it; and third, the authority is not subject to anyone, but is exercised by society. Austin distinguishes justice from law, which is based on the concepts of good and evil and a higher power. Law is a persuasive command, and its enforcement may or may not be just. Therefore, law is a command that regulates people. Law is made by superiors, or rulers, to bind or regulate their subordinates. Law is a coercive and binding command, which can be considered just and wise or otherwise (Artha, 2024). Those who receive the command have an obligation to obey it. Failure to comply with the requirements set by the command will result in legal sanctions (Laminta'ng, 2009). Law is not moral advice or rules, but rather a command that has two main elements: the law must be obeyed according to the wishes of the ruler and has the ability to be offensive, unpleasant, or offensive, even if it causes harm to those who violate it.

Theory of Legal Certainty

Legal certainty is a principle that states that the law must be clear to its subjects so that they can adjust their actions to existing regulations and so that the state does not exercise arbitrary power (Fenwick and Wrbka, 2016). This legal certainty is a principle that can be found in both civil and common law systems (Maxeiner, 2008). Now the principle of legal certainty is considered one of the main elements in the concept of *the rule of law* or the rule of law (Claes et al., 2009). The theory of legal certainty is one of the objectives of law and it can be said that legal certainty is part of the effort to achieve justice (Fauzia, et al., 2021). Legal certainty itself has a concrete form, namely the implementation and enforcement of the law against an action that does not discriminate against the individual who commits it. Through legal certainty, each person can predict what they will experience if they commit a certain legal action (Hamdani et al., 2023).

Sudikno Mertokusumo (2006) stated that legal certainty is a guarantee that the law can

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run properly, meaning that with legal certainty, individuals who have rights are those who have received a decision from the legal decision itself. Sudikno (2006) also explained that although legal certainty is closely related to justice, law and justice themselves are two different things. Law has characteristics that are general, binding on every individual, and equalizing, while justice itself has different characteristics: subjective, individualistic, and not equalizing. From the nature of law and justice itself, it can be clearly seen that justice and law are different things. Therefore, legal certainty is the implementation of the law according to its word. Thus, society can also ensure that existing and stated laws can be implemented (Julyano and Sulistyawan 2019). In understanding the values of legal certainty, there is something that must be considered, namely, that this value has a close relationship with positive legal instruments and the role of the state in actualizing positive law.

Investment Regulatory Policy

Government policy is closely related to public or government issues in a country. Policy is a series of actions that have certain goals that are followed and implemented by an actor or group of actors to solve certain problems (Islamy, 2003). Based on the above understanding, policy is an action carried out by a person or group of actors that aims to solve a certain problem. Policy is an action that leads to the goals proposed by a person, group or government in a certain environment, in relation to the existence of certain obstacles, while looking for opportunities to achieve goals or realize the desired targets (Wahab, 2012).

In principle, government policy is defined as being created or based on broad policies. Policy is an effort to achieve specific goals with specific objectives and in a specific order (Wahab, 2012). Government policy is defined as a decision made systematically by the government with specific aims and objectives concerning the public interest.

Government policy is the allocation of values and power to the entire community, a binding existence. Therefore, the government can legitimately act for the community, and the form of action chosen by the government represents the allocation of values to the community. Government policy is a set of government activities, both directly and through various institutions, that influence the lives of the community.

To implement this government policy, there are stages, namely (Wahab, 2005):

a. There are policy choices or decisions made by politicians, government officials, or others who aim to use public power to influence people's lives. These decisions are also made by members of the legislature, the president, governors, administrators, and pressure groups.

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At this level, decisions are applied policies.

b. Policy outputs. Policies implemented at this level require the government to organize, budget, appoint personnel, and create regulations in the form of programs that will impact people's lives.
c. The existence of policy impacts which are the effects of policy choices that influence people's lives.

Job Creation Law

In 2020, Indonesia introduced the Job Creation Law, a significant milestone in legal reform efforts in Indonesia, particularly in the investment context. The Job Creation Law was launched with the primary goal of improving Indonesia's investment climate, increasing the ease of doing business, and creating more jobs (Florisadeg, 2025). Indonesia's investment climate has previously been hampered by various factors, such as complicated licensing processes, bureaucratic inefficiencies, and overlapping regulations. The lengthy and often time-consuming business licensing process has been a major challenge for both domestic and foreign investors starting and expanding businesses in Indonesia. This has made Indonesia less attractive to investors, especially when compared to other countries in Southeast Asia with simpler and more pro-investment regulations. Therefore, with the passage of the Job Creation Law, the government hopes to simplify the licensing process and reduce reliance on inefficient bureaucracy (Ras and Suroso et al., 2020).

The Job Creation Law is a regulation issued by the Indonesian government aimed at improving the ease of doing business and creating a conducive climate for investment. The following is an explanation of the main points of the Job Creation Law (Putra and Shara, 2025):

a. Simplification of Licensing
    1) The Job Creation Law introduces a simpler licensing system by reducing the number of permits required to start a business;
    2) Use of a risk-based licensing system, where the type of permit required is considered depending on the level of risk of the business being run;
    3) Use of Online-Based Licensing, which allows the licensing process to be carried out electronically
b. Simplification of Regulations
    1) Cancellation or revision of various regulations that are deemed to hinder investment and business;

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2) Merging various regulations into one law to reduce existing overlap and complexity;
3) Organizing the reduction or elimination of unnecessary requirements in business activities

c. Incentives for Investors
1) Provision of incentives which may include fiscal facilities, such as tax reductions or exemptions from import duties for certain sectors;
2) Providing easy access to investors, including assistance in terms of infrastructure and support from local governments to accelerate investment realization.

d. Incentives for Investors
The Job Creation Law also regulates workforce flexibility, including changes to provisions regarding wages, working hours, and severance pay, to provide companies with more options in managing human resources;

e. Increasing Investment and Job Creation
"With various conveniences and incentives offered, this law aims to attract more domestic and foreign investors, as well as opening up more job opportunities for the community."

The Job Creation Law is part of broader structural reforms in Indonesia and a response to the need to improve national economic competitiveness. While there is support for the law's primary objectives, it has also faced various criticisms and challenges, particularly from those concerned about its impact on the environment and workers' rights.

DISCUSSION

The Role of the Job Creation Law in Investment

The government provides regulations on ease of doing business for investors, packaged in the substance of the Job Creation Government Regulation in Lieu of Law (Perppu Cipta Kerja) as a replacement for the Job Creation Law, in the form of risk-based business licensing, strengthening cooperatives and micro, small, and medium enterprises, and simplifying investment requirements in certain sectors. Building a conducive investment climate that is able to attract investor interest requires careful planning and organic public participation by developing and maintaining transparent and accountable regulations. In addition, the need for investment entering Indonesia is more labor-intensive in the context of expanding employment rather than capital-intensive. Therefore, the Indonesian House of Representatives, especially Commission VI through its supervisory function, needs to ensure that the implementation of the Job Creation Government Regulation in Lieu of Law does not deviate from its stated objectives, namely to create extensive

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employment for the Indonesian people, through increasing investment, encouraging the development and improvement of the quality of cooperatives and MSMEs, and ensuring that implementing regulations related to investment development will be able to create legal certainty and a conducive investment climate.

The key substance in the investment and business activity enhancement cluster, initially regulated in the Job Creation Law and subsequently "withdrawn" in the Perppu on Job Creation, is closely related to investment development, including risk-based business licensing, strengthening cooperatives and micro, small, and medium enterprises, and simplifying investment requirements in certain sectors. In the Perppu on Job Creation, the strengthening of regulations on ease of doing business in investment is demonstrated through changes and additions to several regulations divided into the clusters of Taxation, Employment, Halal Product Guarantee, and Water Resources.

The enactment of the Job Creation Law is expected to have a positive impact on Indonesian society. At the very least, Indonesia's investment climate will continue to progress and remain conducive, allowing for the absorption of more employees/workers. This is one of the goals of the Ministry of Economic Affairs, which, on its official website, hopes that the enactment of the Job Creation Law will have a significant impact on economic growth, a conducive investment climate, and increased employment. The Job Creation Law has also sparked debate. Initially intended to improve existing laws and regulations, some people have expressed complaints about the Job Creation Law. The omnibus law, manifested in the Job Creation Law, is considered an undemocratic legal product because it was drafted hastily and is considered not representative of the people's voice. This could be due to the public's difficulty understanding the contents of the Job Creation Law, whose articles target changes or revocations of other laws that are difficult for the general public to understand (Sujendro, 2020). The most significant factor contributing to the widespread rejection of the Job Creation Law is its relatively rapid and multi-faceted drafting process, affecting every sector of the economy. However, the broad scope of the law does not provide adequate space for public discussion to provide their opinions. Article 96 of Law No. 12 of 2011 concerning the Formation of Legislation requires public participation in the legislative drafting process. Public participation is crucial, reflecting the current democratic system, which mandates that laws are created for and by the people themselves.

Furthermore, materially, many of the Job Creation Law's contents are considered detrimental to the wider community in several sectors such as democratic life, the spirit of eradicating corruption, human rights protection, the resilience of MSMEs, and environmental

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sustainability. This resistance culminated in demonstrations by students and criticisms conveyed by activists, academics, and politicians. The conditions for such formation essentially only lead to the thoughts of several philosophers and experts, including John Austin, who said that law is a set of commands, both direct and indirect, from the ruling party to its citizens who constitute an independent political society, where its authority is the highest authority (the holder of power).

Investment law reform through the Job Creation Law also has broader implications for the national economy. Improvements in regulations and ease of doing business are expected to increase investment in Indonesia, both in the form of FDI and domestic investment. This increased investment is expected to drive economic growth, create jobs, and accelerate infrastructure development throughout Indonesia. However, achieving these goals requires support from various parties, including entrepreneurs, the government, and the wider community, to work together to implement appropriate policies and ensure that all parties benefit from the reforms (Florisadeg, 2025; Khoiruman, & Irawan, 2026).

The success of this investment law reform will depend heavily on how the government manages the impact of the changes introduced by the Job Creation Law, particularly in maintaining a balance between increasing investment and social protection. The government needs to consider the social and economic impacts of these changes and ensure that all implemented policies do not neglect the welfare of the community, especially the most vulnerable groups. Regular evaluation of the implementation of the Job Creation Law is necessary to adapt policies to changing economic and social needs (Prasetyo and Hadiyantina, 2022).

The state by Jhon Austin is seen as a reality that is taken for granted by people in a certain area (Ridwan and Sodik, (2010). From Austin's view, the state has the highest authority where the state has the right to its people in the sense that the state regulates its people in living for order in the state itself and the people of the state are obliged to submit to state law. Jhon Austin argues that society will be willing to obey the rules of state law if the law is made/given by an authoritative agency. So, there will be no coercion regarding whether or not the people obey the law. The existence of an expression or an understanding that people are willing to follow all orders from the government without coercion from Jhon Austin's theory does not provide a guarantee, because even if this happens, what happens is merely a coincidence, not an obligation. So, in essence, Jhon Austin's main thought is that law is an order from the state ruler. The essence of law itself according to Jhon Austin lies in the element of "order" (Aprita and Adhitya, 2020).

The omnibus law method is a method used in countries that adopt the *common law system* . Law No. 13 of 2022 concerning the Second Amendment to Law No. 12 of 2011 concerning the

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formation of legislation, Article 42A, states that the use of the omnibus law method in the preparation of a draft legislation must be stipulated in the planning document. Public participation is also emphasized in Constitutional Court Decision No. 91/PUU-XVIII/2020, which affirms that *meaningful Participation* must be met at least during the stages of bill submission, discussion, and joint approval between the DPR and the president. The affirmation of open public participation at every stage of the drafting demonstrates recognition of the existence of *meaningful participation*

Discussions in every draft of legislation must involve the public. Essentially, developments in legal practice tend to address only the interests of the group of parliamentarians who essentially represent the wider community. Theoretically, representation is fundamentally impossible when discussing a law in Indonesia, for example, requiring the participation of the entire Indonesian population, numbering hundreds of millions. Therefore, representatives are formed to represent each of the tens of thousands of citizens. However, in practice, this theory shifts, especially as laws that are formulated, which, in principle, have coercive power and sanctions, ignore the social realities of society. This tends to be detrimental to society, and the public inevitably submits to laws that fundamentally contradict their social reality. For example, in the Job Creation Law, the ideal of decentralization is shifted to place all administrative oversight under the control of the central government. This fundamentally violates the ideals of decentralization, advocated by reform thinkers.

Globalization and Investment Regulatory Policies in the Job Creation Law

The government's primary goal in issuing the Job Creation Law is to increase investment. Investment is a necessity for a country, serving as a driving force behind the economy, enabling it to drive economic development in line with the demands of its society (Zaidun, 2008). Investment in a country will be realized effectively and beneficial to its people and the country when the country is able to establish investment policies in accordance with its constitutional mandate.

According to Ika (2021), there are 10 main clusters targeted by investment policies in the Job Creation Law that are influenced by global conditions, namely: (i) developing investment and simplifying licensing, (ii) supporting research and innovation, (iii) human resources, (iv) empowering Micro, Small, and Medium Enterprises, (v) Investment Management Institutions (LPI) and national priority programs, (vi) ease of doing business, (vii) Special Economic Zones (KEK), (viii) government bureaucracy, (ix) land management, and (x) legal enforcement and protection. The first cluster is developing investment and simplifying licensing. The Job Creation Law will simplify licensing, especially those related to the business world, compile a priority list for investment, and

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harmonize regulations between the Central Government and Regional Governments. This series of efforts, especially related to the investment priority list, is a very positive development for the investment climate because it changes the old paradigm, namely the Negative Investment List (DNI), to a new paradigm through the Positive Investment List (DPI).

The second cluster, regarding research and innovation support, is carried out by assigning state-owned enterprises (SOEs) and the private sector to strive for increased research and development (R&D), including the creation of international trade policies that support innovation. While the human resources cluster is strengthened by a Regional Minimum Wage (UMR) policy based on regional economic growth and the provision of Job Loss Insurance (JKP). JKP has the function of protecting workers affected by termination of employment (PHK) and is a new social protection program.

Several other HR-related policies are directed at policies that can support flexibility so as to make the Indonesian labor market more market-friendly and competitive as an implementation of the recommendations of the International Labor Organization (ILO), such as those related to foreign worker recruitment, outsourcing, and simplifying HR policies so that they can meet the needs of employers.

The Job Creation Law encourages the empowerment of MSMEs, as the largest business unit in Indonesia, contributing 96.9% of the total workforce, 99.9% of total employment, and 60.5% of national GDP. This empowerment is driven by policies that simplify business registration, encourage collaboration with MSMEs through the provision of funding incentives, and allow businesses to use business collateral as collateral. In the next cluster, Indonesia's Sovereign Wealth Fund (SWF) for investment, the Investment Management Institution (LPI), will be established to manage state assets. Furthermore, with the approval of the Minister of Finance, regional bonds will be encouraged to finance regional infrastructure needs. Furthermore, related to ease of doing business and Special Economic Zones (SEZs), the Job Creation Law will eliminate minimum capital requirements to facilitate companies going public, provide visitor visas for pre-investment purposes, implement tax reforms, and increase activities and incentives in non-industrial SEZs. The three clusters related to institutions will focus on the implementation of government service standards, the digitalization of public services, the acceleration of land acquisition for public purposes, the provision of land for National Strategic Projects (PSN), the establishment of a land bank for efficient land acquisition, and criminal and administrative sanctions for violations related to health, safety, and the environment.

The government provides regulations on ease of doing business for investors, packaged in

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the substance of the Job Creation Government Regulation in Lieu of Law (Perppu Cipta Kerja) as a replacement for the Job Creation Law, in the form of risk-based business licensing, strengthening cooperatives and micro, small, and medium enterprises, and simplifying investment requirements in certain sectors. Building a conducive investment climate that is able to attract investor interest requires careful planning and organic public participation by developing and maintaining transparent and accountable regulations. In addition, the need for investment entering Indonesia is more labor-intensive in the context of expanding employment rather than capital-intensive. Therefore, the Indonesian House of Representatives, especially Commission VI through its supervisory function, needs to ensure that the implementation of the Job Creation Government Regulation in Lieu of Law does not deviate from its stated objectives, namely to create extensive employment for the Indonesian people, through increasing investment, encouraging the development and improvement of the quality of cooperatives and MSMEs, and ensuring that implementing regulations related to investment development will be able to create legal certainty and a conducive investment climate.

The purpose of establishing the Republic of Indonesia as stated in the 4th Paragraph of the Preamble to the 1945 Constitution is to provide protection for the community (social defense) and realize widespread social welfare (social welfare) as stated in the objectives of national development. According to the Minutes of the Constitutional Court Hearing in Case Numbers 91, 103, 105, 105 and 107/PUU_XVIII/2020, there is an obligation to harmonize the development of universal law as an effort to realize legal order between nations in the era of dimensional globalization.

Furthermore, the Job Creation Law was formulated as a government policy to anticipate the negative impacts of globalization. These negative impacts can be understood based on the following perspective put forward by Joseph E. Stiglitz:

> *"Perhaps the most serious concern with privatization as it has often been practiced is corruption. The rhetoric of market fundamentalism asserts that privatization will reduce when what economists call the "rent-seeking" activity of government's officials who either skim off the profits of government enterprises or award contracts and jobs to their friends. That in many countries today, privatization is jokingly referring to bribery."*

Regarding the aforementioned opinion, Romli Atmasasmita believes that the Job Creation Law is a solution to address business issues, which are expected to directly and indirectly prevent and address bribery and corruption within the bureaucracy. Bribery and corruption result in high costs, which in turn lower Indonesia's bargaining power in global business, including reducing

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foreign investment. Furthermore, the government's failure to improve the efficiency and effectiveness of regulations related to the business climate is caused by the influence of overcrowding in laws and regulations, which creates regulatory uncertainty in the business sector. Therefore, one solution considered efficient and beneficial to address this is to unify 76 legal provisions under a single legal umbrella for business licensing. The function of law in this context is to oversee the national economy to achieve legal objectives, not only to realize legal certainty, justice, and benefit, but also to refine these three objectives to maximize balance and efficiency.

The era of globalization has been a factor in the renewal of investment and employment omnibus laws. Indonesia, for the first time, enacted a law using the omnibus law method, ultimately resulting in a Supreme Court ruling declaring the Job Creation Law conditionally unconstitutional. Changes were made by amending Law No. 12 of 2011 concerning the Formation of Legislation with Law No. 13 of 2022 concerning the Second Amendment to Law No. 12 of 2011 concerning the Formation of Legislation, including Article 42A, which states that the use of the omnibus law method in drafting a draft law must be stipulated in the planning document.

Legal development in Indonesia makes its legal policy aimed at supporting the realization of sustainable economic growth; regulating issues related to the economy, especially the business world and the industrial world; and creating investment certainty, especially legal enforcement and protection (Sulityono, 2007). The form of legal material renewal as the implementation of legal development while still paying attention to the diversity of the applicable legal order and the influence of globalization as an effort to increase legal certainty and protection, law enforcement and human rights (HAM), legal awareness, and legal services that are based on justice and truth, order and welfare in the framework of organizing a state that is increasingly orderly, regular, smooth, and globally competitive.

CONCLUSION

The Job Creation Law is designed to improve the investment climate in the current era of globalization, implemented in a more structured and comprehensive manner. This law includes simplifying the licensing process, eliminating overlapping provisions, and introducing various fiscal incentives designed to attract more investment to Indonesia. With the Job Creation Law, the government hopes to grow the Indonesian economy by advancing MSMEs and inviting investors to invest in Indonesia. Regarding the ease of doing business and Special Economic Zones (SEZs), the Job Creation Law will eliminate minimum capital requirements to facilitate companies going public, provide visitor visas for pre-investment purposes, implement tax reforms, and add

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activities and incentives to non-industrial SEZs. This is expected to attract investors to invest in Indonesia.

In its implementation, this research has limitations that may affect the research results, namely time constraints in conducting the research resulting in the researcher not being able to obtain maximum results.

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