

Juridical Analysis of The Job Creation Law Based on The Theory of Legal Development Related to Investment Policy in The Regions

Elly Kusbandini¹, Endro Tri Susdarwono²

¹ Pascasarjana UPS Tegal dan kusbandinielly1976@gmail.com

² Universitas Peradaban dan susdarwonoendrotri@gmail.com

Article Info

Article history:

Received 30 Nopember 2022

Revised 05 Desember 2022

Accepted 07 Desember 2022

Kata Kunci:

Omnibus Law, Investasi,
Pembangunan Hukum,
Pemerintah Daerah

Keywords:

Omnibus Law, Investment,
Legal Development, Local
Government

ABSTRAK

Fokus pemerintah bidang regulasi adalah penyederhanaan berbagai regulasi dan melakukan beberapa deregulasi atas dasar hal tersebut pemerintah memandang penerapan omnibus law dapat mempercepat penyederhanaan regulasi. Penanaman modal atau investasi sudah diketahui bahwa memiliki peran penting bagi kemajuan sebuah Negara atau daerah. Hal ini dikarenakan investasi merupakan salah satu sektor yang dapat dijadikan sebagai andalan dalam meningkatkan Pendapatan Asli Daerah. Penelitian ini bertujuan untuk melakukan penelitian tentang analisis yuridis undang-undang cipta lapangan kerja berdasarkan teori pembangunan hukum terkait kebijakan investasi di daerah untuk studi kasus di Kabupaten Tegal. Penelitian ini termasuk penelitian hukum normatif yang menggunakan data primer dan sekunder. Tipe penelitian hukumnya adalah kajian komprehensif analitis terhadap bahan hukum primer dan bahan hukum sekunder. Penelitian ini menyimpulkan Pemerintah Daerah mempunyai wewenang dalam memberikan pelayanan administrasi penanaman modal sebagaimana disebutkan dalam Undang-Undang Nomor 32 Tahun 2004 Pasal 14 ayat (1) huruf n. Adapun bentuk-bentuk kewenangan Pemerintah Daerah dalam memberikan pelayanan administrasi penanaman modal, diantaranya yaitu: a. Regulasi, yaitu pembuatan Peraturan Daerah tentang Penanaman Modal/Investasi. b. Legalisasi, yaitu pemberian Ijin tentang Penanaman Modal/Investasi. c. Pengawasan/Control terhadap pelaksanaan Penanaman Modal/ Investasi d. Pemberian Sanksi/Penghargaan terhadap Badan Usaha/Investor. UU Omnibus Law Cipta Lapangan Kerja memiliki beberapa koreksi yang lebih dalam khususnya dalam aspek paradigma serta substansi pengaturan mengenai PHK, Izin, serta Otonomi Daerah (Desentralisasi) Kedua, niatan adanya UU Omnibus Law Cilaka yakni untuk mengurangi adanya hyper regulation (banyaknya peraturan perundang-undangan), namun dalam UU malah menciptakan aturan turunan yang membuat semakin banyaknya aturan baru yang dimunculkan.

ABSTRACT

The government's focus in the field of regulation is to simplify various regulations and carry out several deregulations. Based on this, the government views that the implementation of the omnibus law can accelerate the simplification of regulations. It is known that investment or investment has an important role for the progress of a country or region. This is because investment is one of the sectors that can be used as a mainstay in increasing Regional Original Income. This study aims

to conduct research on the juridical analysis of employment copyright laws based on the theory of legal development related to investment policies in the regions for case studies in Tegal Regency. This research includes normative legal research using primary and secondary data. The type of legal research is a comprehensive analytical study of primary legal materials and secondary legal materials. This study concludes that the Regional Government has the authority to provide investment administration services as stated in Law Number 32 of 2004 Article 14 paragraph (1) letter n. The forms of regional government authority in providing investment administration services include: a. Regulation, namely the making of Regional Regulations concerning Investment/Investment. b. Legalization, namely the granting of permits regarding investment/investment. c. Supervision/Control of the implementation of Investment/Investment d. Giving Sanctions/Awards to Business Entities/Investors. The Omnibus Law on Job Creation has several deeper corrections, especially in terms of the paradigm and substance of regulations regarding layoffs, permits, and regional autonomy (decentralization), but the law instead creates derivative rules which makes more and more new rules appear.

This is an open access article under the [CC BY-SA](#) license.



Corresponding Author:

Name: Endro Tri Susdarwono

Institution: Universitas Peradaban jalan Pagojengan KM 3 Paguyangan Brebes Jawa Tengah

Email: susdarwonoendrotri@gmail.com

1. INTRODUCTION

Globalization in the economic sector has brought about a change in the legal paradigm because any change in the economic sector will inevitably bring about a change in law and legal practice (Widjaya, 2008). This is because globalization provides for the entry of various kinds of foreign legal institutions that adhere to the common law legal system into the Indonesian legal system which adheres to the civil law legal system.

Regulatory reform policies are a key element in Indonesia's public administration reform. Regulatory reforms reduce barriers to competitiveness and market openness and market dynamics to ensure social welfare is achieved. The implementation of the Omnibus Law in Indonesia is an attraction for policymakers, academics, and practitioners. In a business climate full of competition, the reality shows that Indonesia's regulations are very numerous (hyper-regulation) and overlap (overlap) between one another, and are no longer in accordance with the current conditions of the Fourth Industrial Revolution era (Mayasari, 2020). The government's focus in the field of regulation is to simplify various regulations and carry out several deregulations. Based on this, the government views that the implementation of the omnibus law can accelerate the simplification of regulations (Ulil et al., 2020).

According to Barbara Sinclair, the omnibus bill is a process of making regulations that is complex and takes a long time to complete because it contains a lot of material even though the

subjects, issues and programs are not always related (Sinclair, 2016). In this case, Barbara focuses on the omnibus bill as a process in forming complex legal rules. Fachri Bachmid stated that omnibus law is a legal product concept that functions to consolidate various themes, materials, subjects, and laws and regulations in each different sector to become one large and holistic legal product. According to Bivitri Susanti, the scope of the omnibus law usually targets major issues within a country (Fitryantica, 2019).

Based on the practice of using the omnibus method in various countries as discussed above, it can be concluded that (1) the omnibus method is used because it has several advantages; (2) but contains various weaknesses; (3) there are several requirements regulated by countries to limit the use of the omnibus method; (4) and there are several alternatives or solutions implemented by each country to overcome the various disadvantages of using the omnibus method (IOJI, 2020).

The function of law in national development which is described by the phrase "as a means of community renewal" or as a means of development" can be briefly stated as follows: first, that law is a means of social renewal based on the assumption that there is order or order in development efforts. or the renewal is something that is desired or even deemed (absolutely) necessary; secondly, that law in the sense of rules or legal regulations can indeed function as a tool (regulator) or means of development in the sense of channeling the direction of human activity in the direction desired by development or renewal. Both of these functions are expected to be carried out by law in addition to their traditional functions, namely to guarantee certainty and order (Nugroho, 2017).

It is known that investment or investment has an important role in the progress of a country or region. This is because investment is one of the sectors that can be used as a mainstay in increasing Regional Original Income (PAD) (Sopandi & Nazmulmunir, 2012). Investment also shapes the course of daily economic activities. The development of investment in an area is one indicator of the progress of economic growth in that area. Investments made properly can support the improvement of people's welfare (Haryotejo, 2012).

Regional Governments can realize the vision and mission as well as regional development plans by mobilizing the presence of mainstay industries as well as production and trading activities. These investment activities will then encourage and assist the development of regional economic activities (Ma'ruf, 2012). The investment made by investors is one of the factors that boost the regional economy. The available economic opportunities are getting bigger and bigger and this is a challenge in such rapid changes. However, all of this is very dependent on the ability of local governments to think, and to act creatively and innovatively in taking advantage of these opportunities (Kusmayadi, 2015). Based on the background above, the researcher intends to conduct research on the juridical analysis of employment copyright laws based on the theory of legal development related to investment policies in the regions for case studies in the Tegal Regency.

2. LITERATURE REVIEW

2.1 Omnibus Law

In preparing a regulation using the Omnibus method, it will cover almost all related material substances so that the regulation can stand alone and not depend on other regulations. Regulations with the omnibus method reflect an integration, and codification of regulations where the ultimate goal is to streamline the application of these regulations in practice. The Omnibus Law or often called the Omnibus Bill are:

1. A single bill containing various distinct matters, usu. Drafted in this way to force the executive either to accept all the unrelated minor provisions or to veto the major provisions.
2. A bill that deals with all proposals relating to a particular subject, such as an "omnibus judgeship bill" covering all proposals for new judgeships or an "omnibus crime bill" dealingg with different subjects such as new crimes and grams to states for crime control (Garner, 2004).

A similar opinion was also expressed, that the Omnibus Law or Omnibus Bill: just like a standard bill, omnibus bills are formal proposals to change laws that are voted on by rank and filed lawmakers and sent off to the executive branch for final approval. The difference with omnibus bills is that they contain numerous smaller bills, ostensibly on the same broad topic. Take the omnibus tax bill as an example: It may include changes on everything from income, corporate, and sales, taxes, but all of those issues can fit under the large umbrella of taxes.

Glen S. Krutz, Hitching provides an overview of the application of this omnibus law in the preparation of regulations, it has been practiced since 1970, more clearly explained as follows: "omnibus legislation has "proliferated" since the 1970s" (Hitching, 2001). Although in Indonesia the application of the omnibus law method in the process of forming statutory regulations has only been specifically applied in legislative techniques, the scope of which is to change some of the norms contained in the laws that have been enacted. The omnibus law method applied in the national legal system has been adapted through several approaches, the first with the theory of legal dualism (Mauna, 2003), the second with the theory of legal transplantation (Cotterrell, 2006), which aligns with the hierarchy of statutory provisions. In some literature, the definition of omnibus law can be conveyed as follows:

The Team for Drafting the Academic Paper for the Draft Job Creation Law, in essence, is as follows: "Omnibus law is a practice of drafting legislation, which is mostly carried out in countries that adhere to the common law/Anglo Saxon system such a: America, Canada, England, Philippines and others. The process is called omnibus legislating and the product is called an omnibus bill. The word omnibus comes from the Latin which means everything or everything (for everything).

Jimly Asshiddiqie, defines it as follows: "namely laws that cover a lot of material or the whole material of other laws that are interrelated, either directly or indirectly. This kind of practice is certainly not common in the 'civil law' tradition but henceforth it is considered good and continues to be practiced until now as the "omnibus law" or the Omnibus Law (Asshiddiqie, 2019). Duhaimme defines the Legal Dictionary as follows: "A draft law before a legislature which contains more than one substantive matter, or several minor matters which have been combined into one bill, ostensibly for the sake of convenience." In simple terms the views on the Omnibus Law above are translated that the Omnibus Law or Omnibus Bill is one law that can change many laws.

2.2 Governance Theory in Investment

Investment in the study of business science is the linking of resources in the long term to generate profits in the future. Investment can also be defined as investment or ownership of resources in the long term that will be beneficial in several accounting periods to come (Mardiasno, 2005). Investment can also be defined as the placement of a number of funds at this time with the hope of obtaining profits in the future (Suryana & Marsuki, 2007). Investment itself can also be seen through the government's point of view as an opportunity to develop the capabilities or potential possessed by the region through triggers in the form of funds generated from investment (Jeddawi, 2005). In order to spur the expected investment growth, efforts are made to the following:

1. An attractive investment climate is created

In order to attract investors to want to invest their capital, it is necessary to ensure security and to create good economic conditions and situations, in the sense that the economy does not experience setbacks. Where this resulted in discomfort for investors to invest in the region in addition to a conducive security factor.

2. The procedure is simple

In attracting foreign and domestic investors, it is not a convoluted method/procedure, but these investors are given convenience in accessing and investing their capital.

3. Smooth service

It is not complicated/confusing for investors, both foreign and domestic, in obtaining information/pictures about the condition/picture of the region/country. In other words, the service must be truly professional and straightforward.

4. Supporting facilities and infrastructure

Consistent regulations that guarantee business certainty and investment security have been proven by the government's launching of regulations, de-bureaucratization, in the field of investment (investment) for both foreign and domestic investors.

3. METHODS

This research includes normative legal research using primary and secondary data. The type of legal research is a comprehensive analytical study of primary legal materials and secondary legal materials. The results of the study are presented in full, detailed, clear and systematic as scientific work. Legal norms, as with other norms, are arranged hierarchically and tiered upwards dealing with the legal norms that form them, and downwards dealing with the legal norms they form. This arrangement culminates in the highest norm which is referred to as the basic norm which is not formed by a higher norm, but is determined in advance by the community concerned (Nasution, 2008). The focus of normative legal studies is an inventory of positive law, legal principles and doctrine, legal discovery in in concreto cases, legal systematics, level of legal synchronization, comparative law and legal history (Muhammad, 2004).

The measurement used to see or to determine whether a concrete legal issue meets juridical criteria or not must be seen from four different characteristics, namely: from the point of view of the scientific system, the normative system, the approach system and the interpretation system (Nasution, 2008). This type of juridical analysis examines carefully whether a legal event or legal product is rooted in society. In this type the researcher reveals not only the negative aspects, but also the positive aspects in the form of advantages and disadvantages (philosophically, juridically and sociologically) and at the same time shows the best and most appropriate solutions that need to be carried out by decision makers, legislators and community leaders (Muhammad, 2004).

Data collection is carried out by means of literature study which includes primary sources, namely legislation that is relevant to the problem; secondary sources, namely legal science literature books and other legal writings that are relevant to the problem. Literature study is carried out through the stages of identifying data sources, identifying the required legal materials, and inventorying the required legal materials (data). The data that has been collected is then processed through the stages of checking (editing), marking (coding), compiling (reconstructing), systematizing based on the subject matter and sub-topics identified from the formulation of the problem (systematizing).

Data analysis (analyzing), namely describing data in the form of good and correct sentences, so that they are easy to read and given meaning (interpretation) so that the results of data analysis facilitate inductive conclusions. The legal materials (data) resulting from the processing were analyzed qualitatively and then discussed. Based on the results of the discussion, conclusions were drawn as answers to the problems studied.

4. RESULTS AND DISCUSSION

Investment in Indonesia is increasing, it is necessary to issue an investment law. The most recent law is Law Number 25 of 2007 concerning Investment. In this law in Article 1 in the General Provisions section a related definition is made, namely:

1. Investment is all forms of investing activities, both by domestic investors and foreign investors to do business in the territory of the Republic of Indonesia.
2. Investment Domestic investment is investment activity to conduct business in the territory of the Republic of Indonesia which is carried out by domestic investors using domestic capital.
3. Foreign investment is an activity of investing to do business in the territory of the Republic of Indonesia carried out by foreign investors, either using fully foreign capital or joint ventures with domestic investors.
4. Investors are individuals or business entities that make investments which can be in the form of domestic investors and foreign investors.
5. Domestic investors are individual Indonesian citizens, Indonesian business entities, the Republic of Indonesia, or regions that invest in the territory of the Republic of Indonesia.
6. Foreign investors are individual foreign citizens, foreign business entities, and/or foreign governments who invest in the territory of the Republic of Indonesia.
7. Capital is assets in the form of money or other non-money forms owned by investors that have economic value.
8. Foreign capital is capital owned by foreign countries, foreign national individuals, foreign business entities, foreign legal entities, and/or Indonesian legal entities whose capital is partly or wholly owned by foreign parties.
9. Domestic capital is capital owned by the Republic of Indonesia, individual Indonesian citizens, or business entities in the form of legal entities or non-legal entities.
10. One stop integrated service is the activity of administering a permit and non-licensing that receives delegation or delegation of authority from an institution or agency that has licensing and non-licensing authority whose management process starts from the application stage to the document issuance stage which is carried out in one place.
11. Regional autonomy is the right, authority and obligation of an autonomous region to organize and manage its own governmental affairs and the interests of the local community in accordance with the provisions of laws and regulations.
12. Central Government, hereinafter referred to as the Government, is the President of the Republic of Indonesia who holds the powers of government of the Republic of Indonesia as referred to in the 1945 Constitution of the Republic of Indonesia.
13. Regional government means governors, regents or mayors, and regional apparatus as elements of regional government administration.

Then in Article 2 the provisions in this law apply to investment in all sectors in the territory of the Republic of Indonesia. In Law Number 25 of 2007 concerning Investment Article 3 which reads as follows:

1. Investments are held based on the principles of:
 - a) Legal certainty;
 - b) Openness;
 - c) Accountability;
 - d) Equal treatment and does not differentiate country of origin;
 - e) Togetherness;
 - f) Fair efficiency;
 - g) Sustainable;
 - h) Environmentally conscious;
 - i) Independence; and
 - j) The balance of progress and national economic unity.
2. The purpose of organizing investment, among others, is to:
Increasing national economic growth;
 - a) Creating jobs;
 - b) Promote sustainable economic development;
 - c) Improving the competitiveness of the national business world;
 - d) Increasing national technological capacity and capability;
 - e) Encouraging the development of the people's economy;
 - f) Processing economic potential into real economic power using funds that come from within domestic or from abroad; and
 - g) Improving community welfare.

Law Number 25 of 2007 concerning Investment Article 4 of Indonesia's basic investment policies as follows:

1. The government establishes basic investment policies for:
 - a) Encouraging the creation of a conducive national business climate for investment to strengthen the competitiveness of the national economy; and;
 - b) Accelerate the increase in investment.
2. In establishing the basic policy as referred to in paragraph (1), the Government:
 - a) Give equal treatment to domestic investors and foreign investors by taking into account the national interest;
 - b) Ensure legal certainty, business certainty, and business security for investors from the process of obtaining permits until the end of investment activities in accordance with statutory provisions; and
 - c) Open opportunities for development and provide protection to micro, small, medium enterprises and cooperatives.
3. The basic policy referred to in paragraph (1) and paragraph (2) is realized in the form of a General Investment Plan.

Law Number 25 of 2007 concerning Investment Article 5 describes the form of investment which reads as follows:

1. Domestic investment can be made in the form of a business entity in the form of a legal entity, not a legal entity or an individual business, in accordance with the provisions of laws and regulations.
2. Foreign investment must be in the form of a limited liability company based on Indonesian law and domiciled in the territory of the Republic of Indonesia, unless otherwise stipulated by law.
3. Domestic and foreign investors who make investments in the form of a limited liability company are carried out by:
 - a) Participating in shares at the time of establishment of a limited liability company;
 - b) Buy shares; and
 - c) Carry out other methods in accordance with the provisions of the legislation.

The purpose of organizing investment, among others, is to:

1. Increasing national economic growth;
2. Creating jobs;
3. Improving sustainable economic development;
4. Improving the competitiveness of the national business world;
5. Increasing national technological capacity and capability;
6. Encouraging the development of the people's economy;
7. Processing economic potential to become a real economic power by using funds originating, both from within the country and from abroad; and
8. Improving community welfare.

Investment is one of the factors that determine regional development. Investment will create jobs, increase local revenue and regional economic stability. Without investment, the development of an area will be difficult to implement. In determining the investment allocation, regional development planning is needed which aims to improve the use of available public resources in the region and to improve the capacity of the private sector to create value in private resources in a responsible manner.

The definition of investment according to Sunariyah: "Investment is an investment for one or more assets that are owned and usually have a long term with the hope of getting profits in the future." Today many local governments are carrying out policies aimed at increasing investment, both domestic and foreign capital. This is done by the local government because investment activities will also encourage economic activity in a region, absorb labor, increase the resulting output, save foreign exchange or even increase foreign exchange.

Likewise with authority in the economic sector, regional governments are given authority in the field of capital participation/investment as stated in Article 173 of Law Number 32 of 2004:

- a) The regional government can invest in a government-owned and/or private enterprise;
- b) Equity participation as referred to in paragraph (1) can be added, reduced, sold to other parties and/or transferred to Regional Owned Enterprises;
- c) Equity participation as referred to in paragraph (1) is carried out in accordance with statutory regulations.

Therefore, it is necessary to make efforts aimed at increasing Regional Original Income through investment or investment activities, either carried out alone or in the form of cooperation with other investors. In this connection, increasing investment by the Regional Government is an alternative effort that gives hope. This is due to the opening of opportunities that can be utilized, namely in the licensing process with the issuance of Law Number 25 of 2007 concerning Investment.

This becomes very strategic when it is associated with an urgent need to increase direct capital flows, the impact on aspects of the balance of payments.

Meanwhile, according to the Minister of Home Affairs Regulation Number 52 of 2012 concerning Guidelines for Regional Government Investment Management, the aims and objectives of local government investment as stated in article 2, the benefits of regional investment are stated as follows:

1. Regional government investment is intended to obtain economic, social and/or other benefits.
2. The economic, social and/or other benefits as referred to in paragraph (1) include:
 - a) a certain amount of profit in a certain period of time in the form of dividends, interest and growth in the value of Regional Companies that receive investment from the regional government;
 - b) increase in the form of services and profits for investment yields of a certain amount within a certain period of time;
 - c) increase in regional revenue within a certain period of time as a direct result of the investment in question;
 - d) increased absorption of a certain number of workers in a certain period of time as a direct result of the investment in question; and or
 - e) improvement of people's welfare as a result of local government investment.

Meanwhile, according to Article 3 of Permendagri Number 52 of 2012, article 3, the objectives of regional investment are stated as follows: Local government investment aims to:

- a) increases the growth and development of the regional economy;
- b) increases regional income; and
- c) improve community welfare.

According to Article 4 of Permendagri Number 52 of 2012, Regional Governments have authority in regional investment, including:

1. Regional heads have authority in managing regional government investments.
2. Regional government investment management authority as referred to in paragraph (1) includes:
 - a) regulation;
 - b) operational; and
 - c) supervision.

Regulatory authorities and responsibilities belonging to regional heads as referred to in Article 4 paragraph (2) letter a, include:

- a) stipulates local government investment management policies;
- b) determines the criteria for fulfilling agreements in implementing regional government investments; and
- c) stipulates procedures for payment of obligations arising from government investment provision projects in the event that there is compensation for intellectual property rights, payment of subsidies, and failure to fulfill investment agreements.

The operational powers and responsibilities of regional heads as referred to in Article 4 paragraph (2) letter b include:

- a) examines and approve or reject proposals for investment requests from the government, other regional governments, business entities and the public;

- b) proposes a plan for the need for regional government investment funds originating from the Regional Revenue and Expenditure Budget;
- c) placing regional-owned funds and/or goods in the framework of regional government investment in accordance with statutory regulations;
- d) enters into investment agreements related to the placement of regional government funds and/or goods;
- e) exercise control over risks to the implementation of local government investments;
- f) represents and carry out the obligations as well as receive the rights of the local government regulated in the investment agreement;
- g) proposes changes to investment agreements;
- h) take action for and on behalf of the regional government in the event of a dispute or dispute in the implementation of the investment agreement; and
- i) carries out local government investments and divestments.

Supervision powers and responsibilities of regional heads as referred to in Article 4 paragraph (2) letter c include:

- a) monitoring the implementation of regional government investments related to local government support;
- b) carries out continuous evaluation of the implementation of regional government investments within a certain period of time; and
- c) coordinating the implementation of investments with relevant agencies, especially with respect to direct investment.

Therefore, the idea to make efforts aimed at increasing Regional Original Income through investment or investment activities, can be carried out alone or in the form of cooperation with other investors. In this connection, increased investment by the Regional Government is an alternative effort that gives hope. This is due to the opening of opportunities that can be utilized, namely in the licensing process with the issuance of Law Number 25 of 2007 concerning Investment. This becomes very strategic when associated with the urgent need to increase direct capital flows and their impact on aspects of the balance of payments.

Improving the investment climate is a challenge for both local and central government. Without strengthening policies and improving investment policies, Indonesia's economic recovery will undoubtedly be achieved soon. The conduciveness of the investment climate needs to be built, among other things, through; 1). Investment policy; 2) Bureaucratic Support and Services in the Investment Sector; 3) Regional Promotion in Investment; 4) Investment Partnership and (5) Regional Investment Management. The perception built by local governments on regional economic interests is none other than the looseness and openness of the investment climate.

How important investment is for the regions in order to encourage regional economic growth, the steps taken range from investment promotion, visits by regional officials abroad, formulation of investment policies, improvement of rules and regulations, preparation of investment master plans, development of investment information systems, one-roof system services or one-stop shop, and partnership development. However, all of this has not been optimally carried out and developed by the local government. This means that local governments have not fully experienced a role reorientation, from traditional roles towards entrepreneurship. This is where the real role of the bureaucracy must be intelligent in capturing any changes that are taking place.

Investment does not come alone, but must be invited to be innovative, imaginative and creative, and dare to take risks. Exactly as stated by Schumpeter (1994) that autonomous investment will be influenced by long-term local government developments, such as:

- a) The level of investment profit that is predicted to be obtained;
- b) Interest rate;
- c) Forecasts regarding the state of the economy in the future;
- d) Technological advances;
- e) Levels of national income and local government and the changes.

In this position, the Government of Tegal Regency continues to strive to encourage the progress of economic activities from various sectors and through a series of policy packages that lead to economic growth, especially on a local and regional scale. One of them is by providing information on developments and investment opportunities that can be developed and is a manifestation of strengthening the Tegal Regency Government's Development Policy. The sectors of agriculture, processing industry, trade, finance, property and services continue to be developed in line with the growth and needs of the community. However, the role of this sector as a whole need to be increased, especially for the development of other activities that are more applicable and attract investment that are oriented towards large-scale or modern development.

Investment activities in all sectors for the Tegal Regency area are then expected to be a driving force for evenly distributed growth in all sectors, such as the transportation sector, regional industry, trade, services and other investments, as well as mutual support for the existence of the potential that exists in the Tegal Regency area. Trade and investment activities in other fields enable the economy to produce significant output, optimally utilize local resources and dynamics occur in the process of exchange of production between regions and across sectors.

Efforts to strengthen and expand the investment sector in the context of economic development have high feasibility, given the significant potential of the community, private sector and government. But the problem is, the potential that is spread over these various areas has not been planned optimally and is not properly inventoried. The implication is that it will clearly disrupt the smooth running of economic growth significantly, bearing in mind that regional investment activities, especially in the real sector, are one of the driving factors for the development of the economic sector.

In line with the context above, the participation of investors in supporting accelerated economic development not only requires support for business development, but also requires a series of policy packages that can strengthen the growth of the regional investment climate. In this way, investors and other business actors will receive certainty and a comprehensive picture of the regional investment opportunities that will enable them to invest.

The Omnibus Law on Job Creation simplifies the licensing process, with a relatively short processing process, overly complicated procedures and relatively low costs. This simplification certainly supports the investment climate, which requires that everything must move quickly to keep up with the changing times. The simplification that the author means is as follows: First, the construction of buildings, the Cilaka Law will remove all administrative requirements included in the requirements for the status of land rights, status of building ownership rights and building permits (IMB). These requirements are amended with the requirement for each building to comply with building technical standards in order to resemble the function and classification of buildings.

Second, Licensing for Investment and Business Activities, in the Cilaka Omnibus Law Law also manages Risk-Based Licensing. This licensing model necessitates a classification of businesses whose licensing requirements will adapt to the risks of the business. Risk assessment in terms of health, safety, environment, and or resource utilization aspects, is carried out by calculating the type of business activity, and/or limited resources. In accordance with the mandate of Article 8 Paragraph (7) of the Cilaka Law, high-risk business activities require a building permit. This (permit) is the approval of the Central Government to carry out business activities that must be fulfilled by business actors before the business is carried out or developed. The impact of government regulations regarding risk-based business licensing is that the government must draw up a clear classification of types of business and types of permits to be applied. Rules regarding business licensing must be regulated in implementing regulations in government regulations.

One of the main innovations in investment licensing contained in the Job Creation Law is the investment classification based on the risk scale. This scale divides the types of investment into (1) low-risk business activities; (2) medium; and (3) high, on the basis of health, safety, environmental aspects, resource utilization and management, and volatility risk. It must be admitted that this is a good innovation in the licensing process. However, it is not specifically explained whether these aspects have priority, or have equal weight. Of course, a more detailed explanation will be provided in a derivative regulation (Government Regulation), but minimum limits are still needed to guarantee that essential matters will still be fulfilled. Another important point of this section is that there is no explanation whether high-risk business activities will be immediately banned, or licenses will still be granted. Article 10 explains that permitting high-risk business activities is under the authority of the central government. Therefore, further clarification of the rules regarding this matter will be highly anticipated.

The Omnibus Law on Job Creation has a tendency to improve the economy, and pays little attention to improving the quality of human resources. Article 88 of the Cilaka Omnibus Law states that the updated arrangements contained in this law aim to strengthen protection for workers and increase workers in supporting the world of investment in Indonesia. It can be learned that the Cilaka Law prioritizes investment and economic development which are the most important things in the development of a nation. Most of the regulations that have been amended and regulated in this law often mention efficiency and increase in labor productivity. In fact, when talking about labor productivity, the most important thing is training and training. Because in Human Resource Management, when talking about increasing the productivity of Indonesian workers it must be accompanied by intense training and training. Intense training will make workers more creative and productive in their field of work.

Talking about job creation, we will talk about the quality of workers. The quality of workers can be assessed from education and training. This means that when it comes to the Job Creation Law, what must be prioritized is education and training. This means that if Indonesian workers have a good education, excellent level of training, the workers will be more productive and we will not be outdone by foreign workers. The author's concern is that if the Omnibus Law on Job Creation is passed directly, without any input/participation from the community, it will be Indonesian workers who will suffer.

Foreign workers began to invade the work environment in Indonesia. Companies take foreign workers on the grounds that foreign workers have competencies that Indonesian workers do

not have. This means that the Omnibus Law on Job Creation must also focus on increasing the productivity of Indonesian workers. With a focus on increasing the productivity of Indonesian workers, whether there is an omnibus law or not, Indonesian workers will prosper. Because the philosophical basis for the existence of regulations is for the welfare of society.

In the Labor Law regarding minimum wages, it can be seen from the provincial areas with provincial minimum wages (UMP) and district/city minimum wages (UMK). So with the existence of the Cilaka Law this (UMK and UMP) will no longer apply. The Employment Creation Omnibus Law states that article 88C namely: (1) The governor sets the minimum wage as a safety net. (2) The minimum wage as referred to in paragraph (1) is the provincial minimum wage. From Article 88C paragraphs (1) and (2) we can interpret that if the Job Creation Law is a goal in the DPR, then there will no longer be such a thing as a District/City Minimum Wage, because what applies is the Provincial Minimum Wage. In fact, what we know is that the district/city minimum wage is higher than the provincial minimum wage. The question is how urgent is the abolition of the UMK in the Cilaka Law?

Article 151 paragraph (1) of the Manpower Law regulates Termination of Employment, but in the Cilaka Law there are slight changes regarding the interpretation of layoffs. This change eliminates the initial conception of layoffs in the Labor Law which must be seen as something to be avoided. Formulation of Article 151 Paragraph (1) of the Cilaka Omnibus Law. Termination of employment is a matter of sufficient privacy between employers and workers/labourers. In addition, when labor unions have a crucial role in the event of termination of employment relations in bridging employers and workers, mediation carried out by trade unions is a way of resolving disputes to create a win-win solution. However, Article 151 paragraph (2) of the Cilaka Law changes the concept of layoffs, namely the settlement of Termination of Employment through the establishment of an Industrial Relations dispute resolution institution. The current Job Creation Law also gives more powers to employers in terminating employment without the need for agreements and/or settlement procedures that require tripartite and bipartite settlement in accordance with industrial relations disputes. Article 156 of the Cilaka Law also eliminates the company's obligation to provide compensation for rights. Assessing the importance of reimbursement money at the time of termination of employment, it would be nice if the Cilaka Law regarding reimbursement pay at layoffs needs to be reviewed, because this is to protect the rights of workers who have served the company.

5. CONCLUSION

Investments in the business world in the regions are actually expected to spur regional economic growth as well as equitable distribution of people's income. With a lot of business investment in the regions, it is hoped that there will be more job opportunities that can accommodate the workforce. This will also have an impact on reducing urbanization rates. Increased regional investment will be realized if there is potential in the regions that can be "sold" to investors, both in the form of natural resource potential and human resource potential. Furthermore, what is very important is the ability of the region to sell its potential. The ability of the regions to sell must be supported by the creation of a conducive climate and support for investment in the regions, such as security guarantees and legal certainty for investments in the regions. Local governments should also be able to issue regulations that can spur economic growth that are able to seize FDI and PMDN investors while at the same time empowering local investors. The success of the Regional

Government in managing these factors will be able to encourage increased regional competitiveness in attracting investors.

The Regional Government has the authority to provide investment administration services as stated in Law Number 32 of 2004 Article 14 paragraph (1) letter n. The forms of regional government authority in providing investment administration services include: a. Regulation, namely the making of Regional Regulations concerning Investment/Investment. b. Legalization, namely the granting of permits regarding investment/investment. c. Supervision/Control of the implementation of Investment/Investment d. Giving Sanctions/Awards to Business Entities/Investors. The Omnibus Law on Job Creation has several deeper corrections, especially in terms of the paradigm and substance of regulations regarding layoffs, permits, and regional autonomy (decentralization), but the law instead creates derivative rules which makes more and more new rules appear.

REFERENCE

- Asshiddiqie, J. (2019). UU Omnibus (Omnibus Law): Penyederhanaan Legislasi dan Kodifikasi Administratif. *Tersedia On-Line* https://www.academia.edu/41009264/UU_TERPADU_Omnibus_Law.
- Cotterrell, R. (2006). *Law, Culture and Society: legal ideas in the mirror of social theory*/by Roger Cotterrell. HeinOnline.
- Fitryantica, A. (2019). Harmonisasi Peraturan Perundang-Undangan Indonesia melalui Konsep Omnibus Law. *Gema Keadilan*, 6(3), 300–316.
- Garner, B. A. (2004). *Black's Law Dictionary* eighth edition, st. paul. Minn: West Publishing Co.
- Haryotojo, B. (2012). Analisis Iklim Investasi Daerah (Studi Kasus: Kota Semarang). *Jurnal Bina Praja: Journal of Home Affairs Governance*, 4(1), 1–10.
- Hitching, G. S. K. (2001). *a Ride: Omnibus Legislating in the U.S. Congress* 12.
- IOJI. (2020). Analisis RUU Cipta Kerja Dari Perspektif Good Legislation Making. *Policy Brief* 4.
- Jeddawi, M. (2005). *Memacu investasi di era otonomi daerah: kajian beberapa Perda tentang penanaman modal*. UII Press.
- Kusmayadi, R. C. R. (2015). Kewenangan Pemerintah Daerah Dalam Penyelenggaraan Investasi Daerah. *Jurnal Pusaka*, 3(1), 65–80.
- Mardiasno. (2005). *Memacu Investasi di Era Otonomi Daerah Yogyakarta*. UII Press.
- Ma'ruf, A. (2012). Strategi Pengembangan Investasi Di Daerah: Pemberian Insentif Ataukah Kemudahan? *Jurnal Ekonomi & Studi Pembangunan*, 13(1), 43–52.
- Mauna, B. (2003). *Hukum internasional: Pengertian peranan dan fungsi dalam era dinamika global*.
- Mayasari, I. (2020). Kebijakan Reformasi Regulasi Melalui Implementasi Omnibus Law Di Indonesia. *Jurnal Rechts Vinding: Media Pembinaan Hukum Nasional*, 9(1), 1.
- Muhammad, A. (2004). *Hukum dan penelitian hukum*. Bandung: Citra Aditya Bakti.
- Nasution, B. J. (2008). *Metode penelitian ilmu hukum*. Bandung: Mandar Maju.
- Nugroho, W. (2017). Rekonstruksi teori hukum pembangunan Kedalam pembentukan perundang-undangan lingkungan hidup dan sumber daya alam pasca reformasi Dalam bangunan negara hukum. *Jurnal Legislasi Indonesia*, 14(4), 369–382.
- Sinclair, B. (2016). *Unorthodox lawmaking: New legislative processes in the US Congress*. CQ Press.
- Sopandi, A., & Nazmulmunir, N. (2012). Pengembangan iklim investasi daerah. *KYBERNAN: Jurnal Ilmiah Ilmu Pemerintahan*, 3(1), 10–24.

- Suryana, A., & Marsuki, S. D. (2007). *Iklm Investasi Daerah*. Jakarta: Konrad-Adenauer Stiftung eV.
- Ulil, A., Lazuardi, S., & Putri, D. C. (2020). Arsitektur Penerapan Omnibus Law Melalui Transplantasi Hukum Nasional Pembentukan Undang-Undang. *Jurnal Ilmiah Kebijakan Hukum*, 14(1), 1–18.
- Widjaya, G. (2008). *Transplantasi Trusts dalam KUH Perdata, KUHD dan Undang-undang Pasar Modal*. Jakarta: Raja Grafindo Persada.