

Omnibus Law Policy in Encouraging Investment: Between Deregulation and Potential Legal Loopholes

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Abstract: *The omnibus law policy in Law Number 11 of 2020 concerning Job Creation was presented as a response to the complexity and fragmentation of national regulations that have long been the main obstacles to investment growth. Overlapping regulations between sectors, central-regional disharmony, and bureaucratic licensing procedures are considered no longer relevant to the demands of legal effectiveness and usefulness in the context of economic development. Using a normative juridical approach, this study examines the formal and material validity of omnibus law within the framework of the Indonesian legal system, and examines its implications for the principles of rule of law, social justice, and constitutional protection. The analysis was carried out through legislative, conceptual, and case approaches, especially the Constitutional Court Decision No. 91/PUU-XVIII/2020 which assesses procedural defects in the Job Creation legislation process. The results of the study show that although the omnibus law offers regulatory efficiency and ease of doing business, this approach leaves serious problems in the form of legal loopholes, multiple interpretations of norms, and potential violations of the principle of prudence in law formation. Therefore, the reformulation of deregulation policies based on the principles of the rule of law, public participation, and ecological justice is an urgent need to ensure that deregulation is not only pro-investor, but also in line with constitutional values and the sustainability of national development..*

Keywords: *Deregulation; Omnibus Law; Rule of Law*

INTRODUCTION

The condition of national regulations before the introduction of the Omnibus Law policy was colored by the fragmentation of legal norms scattered in various sectoral laws, which in practice caused administrative complexity and legal uncertainty. Overlapping provisions, disharmony between central and regional regulations, and lengthy and bureaucratic licensing procedures are the main complaints from business actors. This is contrary to the principle of the usefulness and effectiveness of law as affirmed in progressive legal theory which emphasizes the role of law as an instrument of facilitator of social and economic change.¹ In the context of the rule of law, regulations that do not provide certainty and justice will actually create

¹ Saragi, J. M. A., Sjarif, F. A., & Indrati, M. F. (2024). Implementing Regulations for the Omnibus Law within the Taxation Cluster: A Delegated Legislation Perspective. *Lex Publica*, 11(1), 20-44.



dysfunctional legal conditions and hinder the realization of national development goals, especially in the investment sector.

In response to these normative obstacles, the government initiated the *omnibus law* approach, which is a technique for the formation of laws and regulations that revise, repeal, and integrate a number of laws at once in one legislation product. From a constitutional law perspective, this approach has a constitutional basis as long as it does not contradict the principle of the hierarchy of laws and regulations as stipulated in Article 7 of Law Number 12 of 2011 concerning the Establishment of Laws and Regulations. The implementation of this approach can be seen in Law Number 11 of 2020 concerning Job Creation, which amended more than 70 sectoral laws. From the point of view of deregulation theory, this step represents a policy of legislation that is pro-market and pro-investment, which seeks to remove legal barriers in order to strengthen the competitiveness of the national economy.²

Nevertheless, the effectiveness of the omnibus law approach in encouraging investment cannot be separated from the fundamental question of the validity and normative legitimacy of the legislative process itself. The establishment of the Job Creation Law has drawn criticism from various academics, civil society organizations, and the Constitutional Court. The Constitutional Court Decision Number 91/PUU-XVIII/2020 explicitly states that the formation of this law is formally flawed because it does not meet the principles of openness and public participation.³ This shows that there is a potential violation of the principle of *due process of law*, which requires that the law-making process must be based on the principles of democracy, participation, and public accountability. In other words, procedurally flawed laws have the potential to cause legal instability and reduce investor confidence in the national legal system.

Furthermore, the substance of the Omnibus Law itself also contains problems that require in-depth legal study. Several articles in the Job Creation Law are considered to cause multiple interpretations or even have the potential to contradict the principles of legal protection of workers, the environment, and the rights of indigenous peoples. For example, the reduction of provisions related to the Environmental Impact Analysis (EIA) and the flexibility of employment relations is considered to shift the legal orientation from protection to liberalization.⁴ From the point of view of John Rawls-style distributive justice theory, laws that only benefit certain groups and sacrifice vulnerable groups do not meet the principles of social justice. This is a serious challenge for the law to remain within the corridor of protection of the public interest, and not solely as a tool of legitimacy of capital interests.

² Novadina, F. (2023). Fundamentals of Omnibus Law in Legal Studies. *Enigma in Law*, 1(2), 45-50.

³ Setyady, A. P., Purnomo, C. E., & Saleh, M. (2024). Eksistensi Undang-Undang Cipta Kerja Pasca Putusan Mahkamah Konstitusi Nomor 91/PPU-XVIII/2020. *Jurnal Diskresi*, 3(1).

⁴ Doloksaribu, D. K. (2020). Implication of Regional Tax Regulation on the Investment Climate and Its Reference to Omnibus Bill on Taxation. *Yuridika*, 3, 2.



It is undeniable that deregulation through the omnibus law is able to provide ease of licensing and procedural simplification needed by business actors. However, in the framework of economic law, law is not only positioned as a facilitator of market mechanisms, but also as a guardian of the basic values of the state such as justice, sustainability, and protection of the interests of the wider community. An overly liberal approach to deregulation risks long-term negative effects, such as the uncontrolled exploitation of resources, the neglect of workers' rights, and the marginalization of local communities. Therefore, harmonization between economic interests and the principle of the rule of law is a crucial aspect in the design and implementation of pro-investment legal policies.

On the other hand, the omnibus law policy also opens up a new discourse on an efficient model of legislation in the Indonesian legal system. This approach allows for a more systematic integration of legal substance across sectors, but it also requires the readiness of the national legislation system to anticipate the complexity of norm harmonization. From a *legal policy* perspective, omnibus law can be said to be an ambitious form of legislative reform, but it is vulnerable to formal and material problems if it is not supported by a strong legislative structure, effective constitutional oversight, and adequate capacity of legal institutions.

Thus, in the context of Indonesia's positive law, the existence of the Omnibus Law as a strategic legal policy needs to be placed within the framework of a thorough evaluation of its implementing regulations, both through government regulations, ministerial regulations, and other technical policies.⁵ The assessment is not only aimed at the aspect of formal enforcement, but also at the *legal impact* or legal impact on the existing legal structure. The *precautionary principle* in the formation of norms needs to be internalized so as not to create legal vacancies or loopholes that can be used for the practice of abuse of authority and regulatory injustice.⁶

Therefore, a scientific study of the Omnibus Law needs to be carried out comprehensively, interdisciplinarily, and based on empirical data and normative analysis. The aim is to ensure that this legal instrument is completely in line with the principles of the constitution, the general principles of good governance (AUPB), as well as guaranteeing the constitutional rights of citizens. Only with this approach can the law carry out its strategic role as a regulator, protector, and direction for a just and sustainable national investment policy.

⁵ Anggono, B. D. (2020). Omnibus Law Sebagai Teknik Pembentukan Undang-Undang: Peluang Adopsi Dan Tantangannya Dalam Sistem Perundang-Undangan Indonesia. *Jurnal RechtsVinding*, 9(1), 17-37.

⁶ Pardede, D. K. (2023). The Role of Legal Politics in Creating Legal Reform in Increasing Foreign Investment in Indonesia. *Strata Law Review*, 1(2), 136-143.



METHOD

This study uses a normative juridical legal research method, which is an approach that relies on the analysis of legal norms written in laws and regulations, legal doctrines, and relevant court decisions. This method was chosen because this study aims to examine how the omnibus law policy in Law Number 11 of 2020 concerning Job Creation is formulated, implemented, and assessed from the perspective of Indonesia's positive legal system. The main focus of the research lies in the normative analysis of legal provisions that have been changed or eliminated through the omnibus approach, as well as their juridical implications on legal certainty, protection principles, and the principle of the rule of law.

Normative research aims to examine and understand how the law should apply (*das sollen*), not how the law is practiced in empirical reality (*das sein*), so that the entire analysis process relies on primary and secondary legal materials that are textual and conceptual.⁷

As explained by Peter Mahmud Marzuki, normative legal research is a method that focuses on the study of legal materials as the main object of study, by interpreting and constructing applicable laws to answer certain legal issues.⁸ According to Marzuki, this approach is prescriptive because it aims not only to describe the law, but also to provide normative arguments for the validity of a legal action or act in the legal system adopted.⁹ Meanwhile, Soerjono Soekanto and Sri Mamudji stated that normative legal research includes research on legal principles, legal systematics, legal synchronization, legal history, and comparative law.¹⁰

The statute approach is used to examine various provisions in the Job Creation Law and other related laws and regulations, including Law Number 12 of 2011 concerning the Formation of Laws and Regulations and their amendments, which are the formal basis for assessing the legislative process. In addition, a conceptual approach is also applied to understand legal theories about deregulation, the principle of the state of law, and justice theory as an analytical knife in assessing the substance of law in omnibus law. This research also involves a case approach to the Constitutional Court decision Number 91/PUU-XVIII/2020 which states a formal defect in the Job Creation Law, as an evaluation instrument for the constitutionality aspect of law formation.

Secondary data in this study was obtained through literature studies which included primary legal materials in the form of laws and regulations, secondary legal materials such as literature, legal journals, and scholars' opinions, as well as tertiary legal materials in the form of legal dictionaries and legal encyclopedias. Data

⁷ Novea Elysa Wardhani, Sepriano, and Reni Sinta Yani, *Metodologi Penelitian Bidang Hukum* (Jambi: PT. Sonpedia Publishing Indonesia., 2025).

⁸ Peter Mahmud Marzuki, *Penelitian Hukum* (Jakarta: Kencana Prenada Media Group, 2011).

⁹ Mahlil Adriaman et al., *Pengantar Metode Penelitian Ilmu Hukum* (Padang: Yayasan Tri Edukasi Ilmiah, 2024).

¹⁰ Rangga Suganda, "Metode Pendekatan Yuridis Dalam Memahami Sistem Penyelesaian Sengketa Ekonomi Syariah," *Jurnal Ilmiah Ekonomi Islam* 8, no. 3 (2022): 2859, <https://doi.org/10.29040/jiei.v8i3.6485>.



analysis was carried out qualitatively by focusing on systematic and grammatical interpretation of relevant norms, in order to formulate a legal construction of the position and effectiveness of the omnibus law as a deregulation policy within the framework of the Indonesian state of law.

Thus, through this normative juridical method, the research is expected to produce rational and structured legal arguments regarding the constitutional limits of the omnibus law, the potential legal loopholes it causes, and the normative implications for a fair and sustainable national investment legal system.

DISCUSSION

1. Concept and Juridical Rationalization of the Omnibus Law Policy as an Investment Deregulation Instrument

The concept and juridical rationalization of the omnibus law policy as an instrument of investment deregulation reflects the state's strategic efforts to reorganize the national legal architecture to create a more efficient, adaptive, and responsive regulatory system to global economic dynamics. This policy is based on the assumption that overlapping sectoral regulations and convoluted bureaucratic procedures have created stagnation in the administration of public administration and weakened Indonesia's investment competitiveness at the international level. It is in this context that Law Number 11 of 2020 concerning Job Creation (hereinafter referred to as the Job Creation Law) was formulated through an omnibus approach, which is a legislation technique that allows the revision and integration of various provisions of a number of sectoral laws into one legal umbrella.¹¹ Although this technique was previously unknown in national legal practice, the revision of Law No. 12 of 2011 through Law No. 13 of 2022 has given formal legitimacy to its existence, although normatively it still leaves fundamental issues regarding legal certainty and participatory openness.¹²

The rationalization of the omnibus law policy can be analyzed from two main perspectives, namely state administrative law and economic law, both of which synergize in forming the logic of deregulation as a normative framework.¹³ From the point of view of administrative law, the omnibus law seeks to overcome bureaucratic dysfunction that has been suspected as an obstacle in the licensing process and public services, through the implementation of a risk-based licensing system that replaces the conventional licensing-based

¹¹ Tarmizi, T. (2020). Legal simplification of land regulation associated with increased investment as the basis for conceptualization of the omnibus law. *Journal of Advanced Research in Law and Economics (JARLE)*, 11(47), 203-207.

¹² Pardede, M. (2023). Reformasi Peraturan Investasi Di Indonesia. *Jurnal Penelitian Hukum De Jure Vol*, 23(2), 231-244.

¹³ Darmawan, I. N. S. (2025). ANALISIS YURIDIS TERHADAP PERLINDUNGAN LINGKUNGAN HIDUP DALAM KEBIJAKAN INVESTASI PASCA BERLAKUNYA OMNIBUS LAW. *JURNAL ILMIAH ADVOKASI*, 13(2).



approach. This change shows a shift in the regulatory function from initially resting on administrative control, to a filtration mechanism that is adjusted to the risk classification of business activities, which in the framework of administrative law marks the adoption of the principles of effectiveness and efficiency in public services. However, the use of administrative discretion in this context also poses serious implications for the principles of accountability and judicial control, given the risk of administrative authorities acting ultra vires within a legal framework whose stability has not been fully tested.¹⁴

Meanwhile, in the framework of economic law, the existence of the omnibus law represents the embodiment of the principle of regulatory simplification which is oriented to reduce transaction costs, accelerate the opening of new businesses, and integrate Indonesia into the flow of global economic liberalization. The elimination of regulations that are considered excessive (overregulation) is the main foundation for the creation of a competitive and highly competitive business climate, assuming that the simpler the regulation, the more open space for investors to enter and operate without facing unnecessary structural burdens. This approach is in line with the theory of law and economics, which places law as an instrument to drive market efficiency and strengthen the structure of economic incentives. However, this economical approach is often criticized because it has the potential to ignore the values of social justice, environmental protection, and the basic rights of workers, so that it is prone to cause negative excesses that are counterproductive to the goals of sustainable development.

Furthermore, the legitimacy of the omnibus law technique is also questioned in terms of the consistency of the national legal system, especially because this method breaks the principles of codification and specialization that are characteristic of the Indonesian legal system. The multi-substance approach in one law is considered to have the potential to weaken legal systematics, make it difficult for technical implementation in the field, and open up opportunities for legal vacuums due to disharmony between sectoral norms that are simultaneously revised. In this case, the Constitutional Court through Decision Number 91/PUU-XVIII/2020 which declared the Job Creation Law "conditionally unconstitutional", became an important precedent that affirmed the need for compliance with the principles of good legislation and formation, including the principles of openness, participation, and clarity of formulation. This ruling marks that the effectiveness of deregulation cannot be used as a justification for ignoring the legal foundations of a democratic and constitutional state.

Ultimately, the success of the omnibus law policy in encouraging investment depends heavily on the integrity of the institutional design and the effectiveness of regulatory governance that is able to ensure consistency between deregulation and legal protection. Without the support of a strong supervisory system, synchronization between sectoral regulations, and bureaucratic institutional reform, the omnibus law risks becoming an instrument that actually gives birth to new complexities in the national legal system. Therefore, the deregulation approach must be monitored through a strong checks and balances mechanism,

¹⁴ Sihombing, B. F., & Hamid, F. (2023). Land Law Evolution and Investment Dynamics: Historical Perspective and Contemporary Development Nexus. *Lex Publica*, 10(1), 66-83.



with the active involvement of public legal actors and civil society, so that the process of legal simplification does not turn into a form of pseudo-legal reform that only benefits the interests of capital without considering structural justice. In this context, the application of responsive regulation theory becomes relevant, where laws are oriented not only to encourage economic efficiency, but also to guarantee protection for vulnerable groups and ensure the sustainability of development holistically.

2. Normative Analysis of Legal Gaps and Substantive Inconsistencies in the Job Creation Law

Law Number 11 of 2020 concerning Job Creation (Omnibus Law) is a legislative instrument that represents legal innovation with an omnibus approach in the Indonesian legal system. However, this approach actually raises a number of normative problems, both formal and material, which are in serious focus in the discourse of constitutional law and development law. The omnibus approach that unites the changes of various laws into one large legal instrument leaves legal gaps and inconsistencies in the substance of norms that can interfere with legal certainty and the effectiveness of regulatory implementation.¹⁵

From the formal side, the Constitutional Court in Decision Number 91/PUU-XVIII/2020 has expressly stated that the Job Creation Law is conditionally unconstitutional, because there are procedural defects in the process of its formation. This is closely related to the principle of due process of law, which in the context of the formation of laws and regulations means the obligation to follow all procedures as stipulated in Law Number 12 of 2011 concerning the Formation of Laws and Regulations. The absence of meaningful public participation, non-transparent changes in the text, and hasty discussions are forms of violation of the principles of deliberative democracy and the principle of checks and balances in the practice of legislation.

Meanwhile, from a material perspective, the Job Creation Law shows the existence of multi-interpretive and contradictory norms that weaken the function of legal protection for vulnerable groups, such as workers, indigenous peoples, and the environment. For example, provisions related to the abolition or relaxation of articles in the Labor Law, such as the elimination of articles on the limitation of outsourcing and severance working hours, show a tendency for legislation to favor capital accumulation without regard to social justice aspects.¹⁶ In addition, articles related to the environment, such as the elimination of AMDAL obligations in national strategic projects, also have the potential to conflict with the principles of sustainable development and the right to a healthy environment as guaranteed by Article 28H of the 1945 Constitution.¹⁷

¹⁵ Djabba, A. S. N. (2022). *Aspek Hukum Pengaturan mengenai Hak Guna Usaha Pasca Berlakunya Undang-undang Cipta Kerja* (Doctoral dissertation, Universitas Hasanuddin).

¹⁶ Setiawan, Y., Suhardi, M., & Yatni, S. H. (2025). ANALISIS KRITIS TERHADAP IMPLEMENTASI UNDANG-UNDANG CIPTA KERJA DALAM PERSPEKTIF HAK ASASI MANUSIA DAN PRINSIP KEADILAN SOSIAL DI NEGARA HUKUM. *YURISDIKSI: Jurnal Ilmu Hukum dan Humaniora*, 1(1), 40-48.

¹⁷ Izzati, N. R. (2024). Kepastian Hukum vs Ketidakpastian Kerja: Substansi Ketenagakerjaan Dalam Undang-Undang Nomor 6 Tahun 2023 Tentang Cipta Kerja. *Jurnal Hukum Ius Quia Iustum*, 31(2), 384-407.



The disharmony of norms can also be seen from the way the Job Creation Law amends various sectoral laws without considering the functional relationship between the changed legal norms. This creates regulatory overlaps and potential conflicts between legal provisions. For example, amendments to Law No. 41 of 1999 on Forestry, which allow for looser conversion of forests for investment purposes, create substantial contradictions with the state's obligations to protect protected areas and conserve biodiversity.

Normatively, this condition reflects the weak application of the principle of legal certainty, which is a fundamental principle in the state of law (*rechtsstaat*). When legal norms are drafted with vague, inconsistent, or variable redactions without going through a systemic evaluation process, law loses its primary function as an instrument of social engineering and sustainable development. The legal loopholes that emerge not only create uncertainty for business actors and investors, but also reduce the usefulness of the law as a protector of citizens' rights.¹⁸

Within the framework of constitutional law, the substantive weaknesses in the Job Creation Law show a disregard for the principle of checks and balances between the executive and legislative institutions. This law was born in a political context dominated by the interests of the executive and economic elites, so that there is an asymmetry in the legislative process that ignores substantive control from the House of Representatives and public oversight at large. This elitist model of legislation tends to get rid of democratic logic in lawmaking, which should open up space for criticism, deliberation, and representation of the interests of the people at large.

From the perspective of development law doctrine, the establishment of the Job Creation Law reflects an economic orientation that places investment as the primary goal of regulation, without adequately integrating the principles of sustainable development, social justice, and inclusivity. This normative weakness is not solely an editorial issue, but concerns the legal paradigm itself: is the law positioned as a tool of power to attract investment, or as a means of balancing growth and justice? The Job Creation Law, in this framework, represents an exclusive and neoliberal development model.

Overall, the normative analysis of the legal loopholes and substantive inconsistencies in the Job Creation Law confirms the importance of reformulating the legislative approach in Indonesia. The omnibus approach needs to be seriously evaluated, not only in terms of legislative techniques, but also from the ideological and philosophical foundations of the law that it carries. Good legislation is not only administratively efficient, but also fair, participatory, and in favor of the protection of citizens' constitutional rights. In this context, the revision of the Job Creation Law must be based on the principles of the rule of law, human rights, and ecological justice which are in line with the mandate of the Constitution.

¹⁸ Hamdani, F., Fauzia, A., & Wahid, D. N. (2023). Pembangunan Sistem Pelayanan Publik melalui Penyederhanaan Instrumen Perizinan: Kajian Pasca Pengesahan Perppu Cipta Kerja sebagai Undang-Undang. *National Multidisciplinary Sciences*, 2(4), 365-374.



3. Implications of the Omnibus Law on Legal Certainty and the Direction of Investment Law Reform in Indonesia

Law Number 11 of 2020 concerning Job Creation (Omnibus Law), which was later perfected through Perppu No. 2 of 2022 and ratified into Law No. 6 of 2023, has brought fundamental changes to the investment legal structure in Indonesia. The main goal of the omnibus law is to create a more efficient, simple, and conducive regulatory system for the investment climate, by removing various normative barriers that are considered to overlap and hinder national economic growth. However, in the context of legal certainty and the direction of investment law reform, the implementation of the omnibus law raises dualistic problems: on the one hand it spurs pro-investment deregulation, but on the other hand it contains potential disorientation to the principles of the rule of law, the protection of people's rights, and the harmony between legal norms.¹⁹

Juridically, the omnibus law approach in the formation of regulations is considered to injure the principles of good legislative and regulatory formation, as stipulated in Article 5 of Law No. 12 of 2011, especially the principles of openness, clarity of formulation, and conformity between types, hierarchies, and content materials. The number of norms that are changed simultaneously across sectors through a single regulation causes normative ambiguity, which has an impact on legal uncertainty for business actors and the community as legal subjects. Uncertainty in the interpretation of new norms, especially related to business licensing, land acquisition, and environmental protection, has the potential to give birth to horizontal and vertical legal conflicts between central and regional regulations as well as between sectors.

Furthermore, investment law reform initiated through the omnibus law can be seen as shifting the orientation of the legal system from one that was previously based on social justice and the protection of citizens' constitutional rights, to a system that focuses more on economic efficiency and market interests. This can be seen from the weakening of several instruments of supervision and public participation, for example through the simplification of the Environmental Impact Analysis (EIA) and the loss of public consultation obligations in various aspects of licensing.²⁰ This phenomenon raises a fundamental question: whether Indonesia's investment law still places the protection of the public interest as a fundamental norm, or has it shifted to a predominantly pro-investor private law.

Within the framework of a democratic state of law, as affirmed in Article 1 paragraph (3) of the 1945 Constitution of the Republic of Indonesia, the law should be an instrument of justice that ensures equal access to economic resources and protection of human rights. In this context, the omnibus law has the

¹⁹ Darmawan, A. (2020). Politik Hukum Omnibus Law Dalam Konteks Pembangunan Ekonomi Indonesia. *Indonesian Journal of Law and Policy Studies*, 1(1), 13-24.

²⁰ Putri, A., Jeremias, I., Hutamadi, M. H., Fauzian, S., & Fadillah, N. (2024). IMPLIKASI OMNIBUS LAW DALAM MENARIK INVESTASI ASING DI INDONESIA (STUDI PENYEDERHANAAN PERIZINAN PADA UNDANG-UNDANG NOMOR 11 TAHUN 2020 TENTANG CIPTA KERJA). *Jurnal BATAVIA*, 1(5), 227-240.



potential to obscure this principle, especially if it is not balanced with a strict constitutional oversight mechanism, either through judicial review at the Constitutional Court or systemic regulatory evaluation by legislative and executive institutions. The examination of the constitutionality of omnibus laws is crucial in ensuring that deregulation does not go beyond the limits of fundamental constitutional principles.²¹

In addition, the omnibus law highlights the urgency to reformulate national legislation techniques. The use of the omnibus method in the context of the Indonesian legal system, which adheres to the civil law tradition with a hierarchical regulatory structure, actually causes disruption to the regulatory system. This creates a major challenge in terms of harmonization, synchronization, and the drafting of implementing regulations that are oriented towards legal certainty. Therefore, it is necessary to redesign the method of legislation that is more contextual, accountable, and democratic, as well as the institutional arrangement of regulatory makers so that sporadic and reactive legislation does not occur.

Finally, the evaluation of the implementing regulations of the Job Creation Law is a key element in maintaining continuity between the substance of the law and its implementation in the field. Derivative regulations, such as Government Regulations and Presidential Regulations, should be drafted with a participatory and inclusive approach, and ensure environmental sustainability, labor protection, and social justice.²² Without a thorough evaluation, the implementation of the omnibus law risks creating an exclusive and elitist law, contrary to the spirit of national law reform that is responsive to the aspirations of the people.

Thus, although the omnibus law provides opportunities for increased investment through regulatory simplification, the challenges to legal certainty and the direction of investment law reform must be answered with fundamental improvements in legislation planning, sectoral regulatory structuring, and strengthening the checks and balances mechanism between state institutions. The law must not only be a tool to accelerate economic growth, but must also ensure distributive justice and the sustainability of development in the long term.

CONCLUSIONS

The conclusion of the discussion on the concept and juridical rationalization of the omnibus law policy as an investment deregulation instrument shows that although Law Number 11 of 2020 concerning Job Creation aims to simplify regulations and increase economic efficiency, this approach contains complex juridical consequences in the national legal system. The omnibus legislation technique used has revolutionized the practice of law-making by uniting various sectoral norms into a single legal product, but

²¹ Prasetyo, V. P. H., Bagastianto, R. C., Widayanto, A., Sulistyani, O. P., Yanto, H. T., & Masrurroh, A. (2024). Evaluating The Implications of Indonesia's Omnibus Law: Legal, Political, and Economic Perspectives. *Law Development Journal*, 7(1), 132-143.

²² Putro, T. A. (2021). Establishment of Omnibus Law in Solving Investment Issues in Indonesia. *Indonesian Comparative Law Review*, 3(2), 105-123.



at the same time raises formal problems such as violations of the principles of openness, public participation, and legal certainty. The Constitutional Court through its decision expressly shows that the legality of a deregulation policy cannot override the constitutional procedures that must be followed in the process of forming laws. In this case, investment law policies based on efficiency and ease of doing business must be reviewed within the framework of a national legal system that upholds the principles of democracy and the protection of citizens' constitutional rights.

Furthermore, substantively, the existence of the omnibus law has opened up space for inconsistencies in norms and legal loopholes that endanger the integration of the regulatory system, both between sectors and between the central and regional governments. The simplification of regulations based on the logic of market liberalization has proven to be insufficient to pay attention to the dimensions of social justice, environmental protection, and labor rights as part of the principles of sustainable development. When legal norms are massively produced but lack of synchronization, not only the effectiveness of the law is eroded, but also the legitimacy of the state in guaranteeing the basic rights of citizens. In this context, future investment law reform must not only rely on short-term economic interests, but also strengthen legal institutions, clarify regulatory systematic, and ensure that any deregulation remains within the rule of law corridor. Therefore, the implementation of more inclusive legislation methods, based on public policy evaluation, and strengthening checks and balances is an urgent need in order to realize a fair, certain, and sustainable investment legal system in Indonesia.

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