Implications of the Omnibus Law on Job Creation towards the Indonesian Forestry Sector

Sunarto¹, Maya Shafira², Mashuril Anwar³

¹Law Faculty, Universitas Lampung, Indonesia, E-mail: sunarto.54@fh.unila.ac.id
²Law Faculty, Universitas Lampung, Indonesia, E-mail: mayashafira2@gmail.com
³Law Faculty, Universitas Lampung, Indonesia, E-mail: mashurilanwar97@gmail.com

Submitted: March 23, 2021; Reviewed: May 27, 2021; Accepted: June 19, 2021

Abstract

The research aims to analyze the positive and negative implications of the omnibus law on job creation on the development of the forestry sector. In writing, this article is normative juridical. Based on this method, this research is conducted by examining and analyzing theories, doctrines, and laws and regulations that are relevant to the issues discussed. Based on research results, the main points of amendments to regulations in the forestry sector include affirmation of forest areas, forest areas, changes in forest area designation and function, utilization of production forests and protected forests, business permits, non-tax state revenues in the forestry sector, utilization of forest areas outside forestry activities, the authority of the central and regional governments in forest protection, prohibiting activities that cause forest destruction, and imposing sanctions and procedural law on criminal acts of forest destruction. These changes have implications for forest protection in Indonesia, including increasing forest area conversion, limiting community participation in forest management plans, and weakening sanctions (eliminating absolute responsibility). Therefore, in policy formulation, it is necessary to pay attention to forest protection to harmonize human and environmental interests. Based on the results of the research, it is therefore recommended that the government be firm and concrete in regulating forest protection efforts in future implementing regulations.
A. Introduction
The Omnibus Law on job creation is the idea of President Joko Widodo's administration which has been proposed since February 13, 2020. Precisely, the omnibus law became known when President Joko Widodo delivered a state speech at the inauguration forum as president on October 20, 2019.¹ The concept of omnibus law aims to overcome opposition or disharmony between the rules and regulations.² Since being proposed into law, the omnibus law on job creation has drawn criticism and requests from various parties.³ This reaction emerged as a form of public dissatisfaction with the ratification of the omnibus bill into a law that was hasty and caused various problems, competitiveness of domestic products, create new jobs and facilitate investment. But on the other side, the draft bill of omnibus law, received a response because it only took sides with the political elite and business people, thus exploiting natural resources, and ignoring the interests of the community.⁴

After reaping various pros and cons, on October 5, 2020, the omnibus law on job creation was officially passed into Law Number 11 of 2020 concerning Work Creation (hereinafter referred to as the Job Creation Law). The existence of the Job Creation Law as a means of structuring work regulations has simplified around 70 regulations⁵ to facilitate investment and the creation of new jobs. Various kinds of regulations were amended including Law Number 41 of 1999 as amended by Law Number 1 of 2004 concerning Forestry (Forestry Law) and Law Number 18 of 2013 concerning the Prevention and Eradication of Forest Destruction (UU PPH). The policy formulation of regulations with the concept of the omnibus law is certainly not something reckless but based on various considerations. One of the basic considerations for the formation of the Job Creation Law is to realize the goals of forming the Indonesian government and realizing a prosperous, fair, and prosperous Indonesian society.

However, the omnibus law, which was originally intended to answer the problem of disharmony between laws and regulations, creates contradictions between regulations. The Forestry Law is one of the regulations that have

---

⁵ Serlika Aprita, Etika Profesi (Pasuruan: CV. Penerbit Qiara Media, 2020).
been affected since the creation of the Job Creation Law. For example, as stipulated in Article 19 of the Forestry Law, changes to the allocation and function of forest areas are based on the results of integrated research. However, this provision was amended by Article 19 of the Job Creation Law which stipulates that the designation and function of forest areas are no longer based but only consider integrated research. In addition, absolute responsibility for business actors whose areas were burned was revived in the latest draft. There are changes to several prohibitions and criminal acts that are considered to overlap with Law no. 18 of 2013.  

The passing of the Job Creation Law also raises theoretical problems. The first is regarding the provisions of Article 84 paragraph (3) of the Job Creation Law which regulates the imposition of fines on corporations. The provisions are indeed correct, but not immediately when the corporation cannot pay the fine, then the management is charged with corporal punishment. This has the potential to pose a danger, namely the change of legal subjects automatically because they have confused and considered two legal subjects that are different, namely corporations and people (corporate administrators). It also opens up the possibility of imposing a criminal sentence on a person without the person being tried before (being made a defendant). From a theoretical point of view, the board can be charged with a separate crime (with the subject of a person for himself) if he has a significant role in the crime committed by the corporation. However, the punishment of administrators without going through a trial as a defendant has the potential to violate human rights, so the term "management" should not be used. It is enough to divide the subject into people and corporations and impose punishment according to the respective subject to be charged. Second, as stipulated in the new norm, namely Article 12A of the Job Creation Law, the provision of administrative sanctions (and exceptions) for indigenous peoples living in forest areas has the potential to criminalize indigenous peoples if it is not accompanied by accurate data collection and recognition of indigenous peoples and their forests.

Another issue concerning the right of public access to participation, information, and justice has been significantly reduced and even eliminated. The loss of opportunity to participate in objections and AMDAL assessments is an example. The abolition of environmental permits also has an impact on the potential loss of public access to sue. Even more worryingly, the exception to the ban on burning for traditional cultivators was also removed. On the other hand, the problems faced so far, such as the concept of forced money in Article 81, have not been resolved. There are still good provisions, but the number is a minority compared to those with

---

6 Indonesian Center for Environmental Law, Berbagai Problematika Dalam UU Cipta Kerja Sektor Lingkungan Dan Sumber Daya Alam (Jakarta: ICEL, 2020).
Implications of the Omnibus Law on Job Creation ...

Sunarto, Maya S., Mashuril A.

problems or potential problems. Finally, inaccuracy in deleting will be a problem in the future.

Based on the gaps in the regulation of the forestry sector in particular and the unresolved issue of disharmony in the regulations in the Job Creation Law, there is an urgency to conduct this research. The issues to be discussed are how to substantially change the regulation of the forestry sector in the Job Creation Law? and what is the impact of the Job Creation Law on the Indonesian forestry sector?

The research method used in writing this article is juridical normative. Based on this method, this research is conducted by examining and analyzing theories, doctrines, and laws and regulations that are relevant to the issues being discussed. The data in this study comes from literature studies in the form of books, journal articles, magazines, regulations, and other reliable literature sources. The data obtained were processed by description, prescription, and systematization methods. Then the data were analyzed descriptively qualitatively.

B. Discussion

Indonesia's forests are one of the largest tropical forests in the world, which are the main support systems for life as well as the foundation of the nations of the world in fighting global climate change. President Joko Widodo's administration is committed to realizing sustainable forestry development. This commitment is a manifestation of the State's responsibility in balancing forestry activities with environmental sustainability. However, along with the progress of development in various fields, the use of forests today is only oriented towards profit without paying attention to its sustainability. Forests with such rich ecosystems continue to be threatened by economic activity. Various activities such as illegal logging, forest encroachment (ocuvasi), and forest utilization without and not under the permit have threatened the sustainability of the forest. Illegal

---


forest use has depleted most of the forest contents.\textsuperscript{11} The results of the analysis of Forest Time Indonesia (FWI) and Global Forest Time (GFW) show that in a period of 50 years, Indonesia’s forest cover has decreased by about 40%. The forest that is damaged and does not function optimally reaches 59.6 million hectares/year. Furthermore, the rate of deforestation reaches 2.83 million hectares/year. Meanwhile, the rate of forest destruction in Indonesia reaches 3.8 million hectares/year which causes state losses of Rp. 83 billion / day due to forestry crimes.\textsuperscript{12}

In response to the widespread destruction of forests in Indonesia, the authority that the government has established a\textsuperscript{13} legal protecting in preventing and eradicating forest destruction. On August 6, 2013, the government has enacted Law Number 18 of 2013 concerning the Prevention and Eradication of Forest Destruction (hereinafter referred to as the PPPH Law). The PPPH Law was formed by considering repressive and restorative aspects with a purpose: \textsuperscript{14}

1. Providing a firmer and more complete legal protection for law enforcement officials to eradicate forest destruction to provide a deterrent effect on the perpetrators;
2. Improve the capacity and coordination of law enforcement officials and related parties through institutions for the prevention and eradication of forest destruction in efforts to eradicate forest destruction;
3. Increasing the role of the community in preserving forests, especially as a form of social control for the implementation of eradicating forest destruction;
4. Develop international cooperation in the context of eradicating forest destruction bilaterally, regionally, and multilaterally;
5. Sustainably ensuring the existence of forests while maintaining sustainability and not destroying the environment and the surrounding ecosystem to create a prosperous society.

The legal instrument for preventing and eradicating forest destruction in Indonesia is quite advanced by accommodating sustainable development and containing criminal threats for the perpetrators of destruction. This


\textsuperscript{13} The general explanation of Law Number 18 of 2013 concerning the Prevention and Eradication of Forest Destruction states that control of forest resources by the state gives the government the authority to regulate and manage everything related to forests, forest areas, and forest products; stipulation of forest area and/or change of forest area status; regulate and determine legal relations between the community and forests or forest areas and forest products; as well as regulating legal actions on forestry.

\textsuperscript{14} See the general explanation of Law Number 18 of 2013 concerning Prevention and Eradication of Forest Destruction.
sustainable development is also the basis for the formation of the PPPH Law, as stated in the basis of consideration which states:

"That the utilization and use of forest areas must be carried out appropriately and sustainably by taking into account ecological, social and economic functions as well as to maintain sustainability for the present life and the lives of future generations."

Indonesian forestry management, which was originally intended to improve the quality of life of the Indonesian people, has not been able to create prosperity. This is because forestry crimes that threaten forest sustainability are still happening and have not been resolved until now. As of this writing, there have been 349 forestry criminal cases that have been handled by the Supreme Court of the Republic of Indonesia. This forestry crime has resulted in decreased forest cover, deforestation, and forest destruction, which is of course contrary to sustainable development.

Legal experts generally know that the ancient (classical) legal approach tends to be extreme and narrow because each approach only uses one approach point of view. The next development was the birth of modern legal thought put forward by Gustav Radbruch who tried to combine the three classical views (philosophic, normative, and empirical) into one approach with each approach being used as the main element and became the basis for Radbruch's "ala" legal approach which was later known as the three legal approaches. Basic legal values which include; justice (philosophical), legal certainty (juridical), and benefit to society (sociological).

If the theory is related to the study of this article, the legal objectives stated by Gustav Radbruch, namely justice, certainty, and benefit, are the hope for realizing environmentally sound forestry management. To realize the objectives of the forest management law, the government passed the Job Creation Law with the concept of omnibus law to integrate various policies in the forestry sector.

There have been some substantial changes to the Forestry Law. For example, the provision to maintain a minimum of 30% forest area based on watersheds and/or islands was still removed even though the factions refused during the discussion meeting. Article 18 paragraph (2) of Law no. 42 of

16 See the basis for considering Law Number 18 of 2013 concerning Prevention and Eradication of Forest Destruction.
18 Directory of Judgment of the Indonesian Supreme Court.
1999 stipulates that the area of forest that must be maintained based on watersheds and/or islands is at least 30%. With the Job Creation Law, the provision to maintain a minimum of 30% forest area based on watersheds and/or islands is removed. The government has the authority to determine the area of forest area to be maintained without any minimum restrictions through PP, including for areas where there are national strategic projects. According to the government, this 30% figure is no longer relevant because of the different conditions of each region and scientific support for forest and water resource management. Meanwhile, the DPR through various factions stated that 30% must be maintained as partisanship in protecting forest areas. Changes in the designation and function of forest areas are also no longer “based on” but only “considering” integrated research. In the committee meeting on September 23, 2020, it was also stated that the change in terminology from "based on" to "consider" was considered weaker and the majority wanted to return to the term based. However, the final formulation remains unchanged.

In addition, there are exceptions for indigenous peoples who use forests in forest areas as long as they have done so for 5 consecutive years and are registered in the forest area management policy. Absolute accountability for business actors whose areas are burned is “revived” in the latest draft. There are changes to several prohibitions and criminal acts that are considered to overlap with Law no. 18 of 2013. Finally, the provisions regarding Forestry PPNS were returned to their original provisions in Law no. 41 of 1999.20 Provisions on Forestry PPNS which were originally changed to be under the Police in the February Draft were deleted and are no longer included in the Job Creation Law. Thus, the arrangement is returned to the way it was originally referring to Law no. 41 of 1999.

Law Number 11 of 2020 concerning Job Creation, which was formulated with the concept of the omnibus law, seeks to integrate 79 laws that regulate various sectors. The concept of the omnibus law is used in the preparation of the Job Creation Law to overcome the complexities of investment in Indonesia.21 The formulation of laws with the concept of the Omnibus Law is predicted to have various advantages including simplifying investment licensing22 and expanding job opportunities.23 The Forestry Law is one of the

20 Law, Berbagai Problematika Dalam UU Cipta Kerja Sektor Lingkungan Dan Sumber Daya Alam.
23 Adithya Tri Firmansyah, Ema Sarila Sinaga, and Fenia Aurully Aisyah, “Hilangnya Sendi Demokrasi Dan Otonomi Daerah Melalui Korporatokrasi RUU Omnibus Law,” Widy
Implications of the Omnibus Law on Job Creation ...

Sunarto, Maya S., Mashuril A.

regulations affected by the promulgation of the Job Creation Law. Regulations in the Forestry Law are amended and added. Amendments and additions to these provisions generally harm their implementation. At least 3 aspects are affected, namely the function of the forest area, the role of as well as the community, and the provisions of sanctions. These three aspects will be described below:

1. **Increasing the conversion of forest area functions**

   Behind the ease of investment offered by the Job Creation Law, there is a high risk for forest preservation. The Job Creation Law removes the provisions on forest area boundaries that must be maintained at a minimum of 30% watersheds and/or islands. In the absence of a minimum limit, the conversion of forest areas has the potential to occur massively for investment needs. The Job Creation Law will encourage uncontrolled investment activities in forest areas that have the potential to exploit natural resources and threaten animal habitats. In addition, land-use change will also have an impact on humans. Human green open space will decrease and even the plantation or rice fields are getting narrower.

   Justice is still an expensive item that is difficult to reach by every level of Indonesian society, including in the use of forests. Associated with Gustav Radbruch's concept of justice, proportionally good forest management can maintain stability between rights and obligations when exploiting forest products. The role of justice when managing forests is seen when how much forest products in the form of trees are exploited by adjusting the required amount. Today, with the loss of forest area limits that must be maintained at a minimum of 30%, it shows that forest use does not consider the condition of the surrounding environment, because it is motivated by interests. This activity causes forest destruction so that environmental conditions will be at their lowest point. The existence of forests is reduced by various interests, namely political interests and economic interests. The political role here is seen when certain individuals want a large area of land to be controlled, so that access to achieve that goal means that a qualified place is in an untouched area such as a forest. Exploitation is carried out on a large scale to control the land by felling trees and does not see the implications.

---


24 See Paragraph 4 of Article 18 paragraph (20) of Law Number 11 of 2020 concerning Job Creation.


Meanwhile, in economic interests, the biggest tendency is often done by utilizing the results of both trees and other forest products. The domination of economic interests is the biggest implication of the environmental sinking of these individuals.\textsuperscript{28}

2. Limiting community participation in forest management plans

Communities have a strategic role in forest protection efforts.\textsuperscript{29} The Job Creation Law eliminates the provision that community involvement must be carried out based on the principle of providing transparent and complete information and is notified before activities are carried out (Article 26 of the PPLH Law) Removing provisions on the principle of transparency can create the impression that the obligation to involve the community is only limited to formal requirements without ensuring that the information provided is transparent and complete. Furthermore, Article 39 also states that the announcement of environmental feasibility decisions is made through an electronic system and or other means determined by the Central Government. If we look at the context land of Papua, we can see that there are infrastructure limitations where there are some areas that cannot be reached by the internet and the delivery of information that is best known to the local government. This of course limits MHA's access to information related to forest management plans.

Community involvement in forest management is a necessity to realize sustainable and prosperous forest management.\textsuperscript{30} When linked to the concept of legal certainty, the limited access of the community to forest management will lead to a culture of being indifferent to forest sustainability. So the legal norms governing forest management are only artificial. Therefore, legal certainty is related to the effectiveness of the law. So that legal certainty is only guaranteed if the government has sufficient facilities to accommodate the widest possible access for the community in forest management. Because the essence of forestry law aims to implement forestry operations for the greatest prosperity of the people in a just and sustainable manner.\textsuperscript{31}

\textsuperscript{31} Abdul Hakim, Pengantar Hukum Kehutanan Indonesia (Bandung: Citra Aditya Bakti, 2005).
3. Weakening of sanctions (elimination of absolute obligations)

The Job Creation Law prioritizes the imposition of administrative sanctions and uses the principle of ultimum remedium where criminal sanctions are used as the final sanction in law enforcement. Furthermore, in the provisions of the Job Creation Law concerning strict accountability, the provision "without needing to prove that there is an element of error" is also omitted. Abolition of the provision "without needing to prove the element of error" can weaken the strict application of the principle of responsibility because it can lead to unclear implementation. Apart from creating ambiguity and uncertainty, it is feared that the loss of this phrase can be used as an excuse to forgive and in the future eliminate the deterrent effect for corporations that commit violations. In addition, the Job Creation Law eliminates the exception of land clearing by burning based on local wisdom. Previously, this exception was explicitly stated in Article 69 (2) of the PPLH Law where land burning was carried out with a maximum area of 2 hectares per family head to plant local varieties and surrounded by firebreaks. This deletion will trigger forest fires that could erase Papua's natural forest areas, which are home to unknown biodiversity and depend on indigenous peoples and local income.

The existence of law aims to provide security and order and ensure the welfare of the people from the state as an umbrella for society. The rule of law in addition to the interests of humans against the dangers that threaten them also regulates the relationship between humans. For this reason, contextual law is needed, in the sense that it can accommodate social practices in society by being regulated by legal norms. This legal articulation will create a law that is under the ideals of the community. Therefore, the estuary of the law is not only justice and legal certainty, but the benefits aspect must also be fulfilled. Indonesian regulations try to accommodate concerns about forest destruction by irresponsible humans by enacting the Job Creation Law which contains criminal provisions for corporations that commit violations. Although the composition is different, it is feared that the elimination of absolute liability will not provide a deterrent effect for corporations. Thus, the job creation law still cannot guarantee people's happiness. As said by Bentham, the law can be categorized as a good law if it can provide happiness to the greatest part of society (the greatest happiness of the greatest number).

---


C. Conclusion

Based on the explanation above, justice, legal certainty, and benefit play a significant role in supporting the enforcement of legal norms in forest management. Therefore, the community, government, and law enforcement can go hand in hand in protecting the forest for forest exploitation activities based on their respective functions. The performance of each element (society, government, and law enforcement) will be judged by itself when applying legal norms, because from this the legal objectives can be seen, whether they have been fulfilled or not. In forest management, some rights and obligations go hand in hand. The right to a good and healthy environment and the obligation to keep the forest in good condition. Justice in forest management can be realized if rights and obligations are balanced. Meanwhile, legal certainty lies in the legal norms that are the basis for legal subjects to carry out forest exploitation activities. Legal certainty will run effectively if it is supported by good law enforcement. Because the benefits of the law are felt when the dominant legal subject gets the benefits of happiness. Thus, in the context of realizing sustainable and prosperous forest management, forest protection policies can be accommodated through the preparation of government regulations as implementing regulations for the Job Creation Act. Therefore, it is recommended that the government be firm and concrete in regulating forest protection efforts through implementing regulations.

References


Implications of the Omnibus Law on Job Creation …
Sunarto, Maya S., Mashuril A.


Orinaldi, Mohammad. “Relasi Antara Omnibus Law Di Era Pandemi Covid-298


