

# Analysis of Decision Making on the Ratification of the Omnibus Law by the Government of Indonesia Reviewed From Strategic Leadership Perspective

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**ABSTRACT:** UU Cipta Kerja or known as the Omnibus Law is a concept that is often used by countries that adhere to Common Law, while in Indonesia it is still implementing the Civil Law system. Based on this, it raises controversy and polemic in the community. This is due to the rejection of labor unions related to the UU Cipta Kerja (Omnibus Law), including the application of an hourly wage system (wages and severance pay), flexibility of the labor market or outsourcing users and expanded contract workers, foreign workers can be free work freely in Indonesia. The research methods and approaches used are qualitative and literature studies. After analyzing the UU Cipta Kerja (Omnibus Law) after it was ratified by the DPR RI on the current situation and conditions in Indonesia in terms of strategic leadership, the results of this study found that based on strategic leadership theory, all strategies must be tried and implemented and then evaluated. The ratification of UU Cipta Kerja (Omnibus Law) in the perspective of strategic leadership is the right thing to do, because we have to try a new system in the midst of a new life in the Covid-19 pandemic. However, don't forget the rights of the people and the good ecosystem in Indonesia.

**KEYWORDS** – Ratification, Omnibus Law, Strategic Leadership

## I. INTRODUCTION

Indonesia as a state of law, this is stated in Article 1 paragraph 3 of the 1945 Constitution of the Republic of Indonesia after the amendment. As a state of law, it must be understood that the law is a unified system consisting of institutional elements (institutional), rules and regulations, and the behavior of legal subjects (Saputra, 2015). Indonesia as implementing modern law in order to realize the state's goals, namely providing welfare to the community and protecting the rights of its citizens, must adhere to the main principles or basic principles consisting of the principles of legality, recognition, free and impartial judiciary, people's sovereignty, democracy, and constitutional principles (Juhaefah, 2011). The meaning or value of the principle of the rule of law is that law is the highest source in regulating and determining the mechanism of legal relations between the state and society as well as between members or groups of people with one another in realizing a goal.

According to the Kamus Besar Bahasa Indonesia (KBBI) law is laws, regulations, and so on to regulate the social life of the community. Laws are state provisions and regulations made by the government and ratified by parliament and then signed by the head of state and have binding power. There are many laws that are owned by Indonesia, every year there will be a draft law that will be discussed by the government according to the needs of the time.

The government is an implementer of state political policy that has the authority. The basis of this authority is the applicable laws and regulations or based on the principle of legality to control the government, lead or regulate its citizens, provide instructions, mobilize potential, provide direction, as coordinator of an activity to carry out supervision, as well as encourage and protect the community (Fahmal, 2008).

In the practice of administering the state or government, things often happen that are not normal in managing state life, where the legal system commonly used is unable to accommodate the interests of the state or society so that it requires separate arrangements to move state functions so that they can run effectively to

ensure respect for the state and the fulfillment of the basic rights of citizens. Thus, the use of ordinary legal instruments from the beginning must anticipate various possible conditions that are abnormal so that the state can guarantee the survival of the nation and state.

Early 2020, on February 13, 2020, the Indonesian government submitted legally related to the Rancangan Undang-Undang (RUU) Cipta Lapangan Kerja (Omnibus Law). The bill is a set of statutory regulations which are initiatives from the executive to the legislative, namely the Dewan Perwakilan Rakyat Republik Indonesia (DPR RI). This bill technically applies the Omnibus Law concept which is often used by countries that adhere to Common Law, while in Indonesia it is still implementing the Civil Law system (Kurniawan, 2020).

The idea was initiated by the executive until its submission to the legislative, in the process, this bill has become controversial and there is a polemic in the community. Community groups who already understand the law begin to read and analyze the contents of the rules in the bill. Disagreement continues to be shown by the public but not all, there are also some people who agree that this bill is implemented in Indonesia. In addition, there is an attitude of rapid approval from the DPR RI. This plenary meeting was fairly quick and surprised many parties. The reason is, the meeting is only two days away from the ratification of level I on Saturday, October 3, 2020. Especially with Indonesia's position which is facing the Covid-19 pandemic and requires priority handling for all of us.

There was a rejection of the ratification of UU Cipta Kerja (Omnibus Law) from various parties, one of which was the workers. There are several points of rejection from labor unions related to the UU Cipta Kerja (Omnibus Law), including the implementation of an hourly wage system (wages and severance pay), labor market flexibility or outsourcing users and expanded contract workers, foreign workers can work freely in Indonesia. This, of course, will threaten the availability of job opportunities for Indonesians. Because jobs that should be occupied by local people are actually filled by foreign workers. Not only that, in the UU Cipta Kerja (Omnibus Law) it eliminates criminal sanctions for entrepreneurs, for example entrepreneurs who do not pay for labor rights, there are no sanctions for entrepreneurs (Safitri, 2020).

Apart from labor issues, there are also environmental issues. Instead of guaranteeing the preservation of nature, several articles contradict this on the pretext of boosting investment. The issuance of environmental permits is now the authority of the central government. Local governments can no longer issue any permit recommendations. Several controversial articles on environmental issues such as the abolition of environmental permits. Referring to the PPLH Law, an environmental permit is a prerequisite for obtaining a business and/or activity permit. Environmental permits in the Omnibus Law are replaced with environmental approvals, law enforcement is inconsistent with imposing administrative sanctions on business actors and/or activities that are proven to be disobedient to the law. Other problems such as the existence of quite serious violations and being followed up with guidance, not giving sanctions, as well as decreasing the quality of environmental protection and management in the vortex of the Omnibus Law (Setiawan, 2020).

The Omnibus Law is considered a threat to domestic Micro, Small and Medium Enterprises. This is because Omnibus Law abolishes the provisions on export and import licensing, Article 49 paragraphs (1)–(5) of Law (UU) Number 7 of 2014 concerning Trade. The abolition of provisions regarding export-import licensing and sanctions for exporters or importers who carry out export or import activities of goods that are not in accordance with the provisions on restrictions on goods to be exported or imported can threaten domestic Micro, Small and Medium Enterprises (Simanjuntak, 2020).

It was not only the things described above that provoked public unrest, after the passage of the Omnibus Law, various versions of the draft appeared in the public sphere. The first version is a draft containing 905 pages, then the second version has 1035 pages, and so far the last is 812 pages. The changes in this draft have resulted in the lack of certainty which could potentially lead to formal defects when tested before the Constitutional Court. Moreover, the official website [dpr.go.id](http://dpr.go.id) has not yet provided a draft of the results of the ratification of the Omnibus Law, so it is natural for the public to ask and be worried about the recently ratified UU Cipta Kerja (Omnibus Law). Anxiety continued after the Omnibus Law was passed, there were many demonstrations in several points and regions to reject the Omnibus Law. Destruction of state facilities is also

unavoidable, although some say it is an irresponsible person. However, this riot is a form of protest against the government because it did not involve the people in drafting the law, even though Indonesia has the principle that sovereignty is in the hands of the people.

The government then clarified that the draft that was changed in pages substantially nothing was changed and if it was ratified no one should change it, said the Deputy of the Indonesian Parliament, Azis Syamsuddin. Public unrest is also considered a hoax effect. This was conveyed by President Joko Widodo and the Minister of Communication and Information through social media and television media. President Joko Widodo gave a statement that things circulating in the public sphere are hoaxes. In addition, recently there was a statement at the Mata Najwa debate on October 15, 2020 by the Minister of Communication and Information, namely Johny G. Plate saying that "if the government mentions a hoax, then it is a hoax". President Joko Widodo also added his statement, if you don't agree then please do a judicial review to the Constitutional Court. There are at least two major labor organizations that have been confirmed to go to the Constitutional Court, namely the Confederation of All Indonesian Trade Unions (KSPSI) and the Confederation of Indonesian Trade Unions (KSPI).

Until now, demonstrations against the UU Cipta Kerja (Omnibus Law) are still being carried out by students, workers, and those who do not support the existence of the Act. From here, the researcher will analyze how the UU Cipta Kerja (Omnibus Law) after being ratified by the DPR RI on the current situation and conditions in Indonesia in terms of strategic leadership.

## **II. RESEARCH METHODS**

The method used in this study is a qualitative research method. In qualitative research, the researcher is the main instrument in collecting and interpreting data, and other tools (if any) are only a tool for the researcher (Hardani, et al., 2020). This study is carried out by reviewing or interpreting written material based on its context. Written material in the form of published notes, textbooks, newspapers, manuscripts, articles and previous similar research. The stages of this research are choosing the topic to be studied, digging up information, determining the focus of the research, collecting data sources, reading data sources, finding relevant theories used to dissect the data obtained, analyzing based on relevant theories and data, and then drawing conclusions and recommendation.

## **III. RESULTS AND DISCUSSION**

The idea that was initiated by the executive until it was submitted to the legislative, in the process, this Omnibus Law has become controversial from the start and a polemic in the community. According to Weber (1984), strategic thinking is identified as a special element needed by leaders to overcome the challenges of a complex and uncertain environment. The government may see a very pronounced effect from the Covid-19 pandemic factor, so it must think of several strategies. One of the most felt aspects of change in Indonesia is the economy and health. Even the Minister of Finance said that there was a recession in October 2020. So it forced the government to work fast and think strategically. It can also be seen by the swift ratification of the DPR RI, so that this plenary meeting was fairly quick and surprised many parties. The reason is, the meeting is only two days away from the ratification of level I on Saturday, October 3, 2020. Various parties have rejected the ratification of UU Cipta Kerja (Omnibus Law), one of which is labor because it is related to manpower. Apart from labor issues, there are also environmental issues. Instead of guaranteeing the preservation of nature, several articles contradict this on the pretext of boosting investment. The Omnibus Law is also considered a threat to domestic Micro, Small and Medium Enterprises.

Anxiety continued after the Omnibus Law was passed, there were many demonstrations in several points and regions to reject the Omnibus Law. Destruction of state facilities is also unavoidable, although some say it is an irresponsible person. However, this riot is a form of protest against the government because it did not involve the people in drafting the law, even though Indonesia has the principle that sovereignty is in the hands of the people. The government then clarified that the draft that was changed in pages substantially nothing was changed and if it was ratified no one should change it, said the Deputy of the Indonesian Parliament, Azis

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### **3.1 Strategic Thinking**

According to Weber (1984), strategic thinking is identified as a special element needed by leaders to overcome the challenges of a complex and uncertain environment. How important it is that we learn about strategic thinking, the answer is very important because without comprehensive strategic thinking, organizational leaders will face risks in making less creative decisions. When thinking, leaders can see that their organization is either turning in an unwanted direction or is still on track. Strategic thinking can be done on the whole organization or every part of the organization.

In strategic thinking there is what is called strategic thinking and strategic planning. According to Mintzberg, the difference between the two is that strategic planning is an analytical process aimed at programming the strategies that have been identified. While strategic thinking is a synthesis process, utilizing intuition and creativity, the result of which is an integrated perspective. There are requirements for us to be able to think strategically, namely;

1. Imagination

The ability to use imagination is an important factor in learning to think strategically. Thinking Strategic Requires Thinking. That divergent and convergent divergent thinking is needed when we break habits, see new patterns, and imagine possible relationships. Thinking Convergentis useduntuto frame possibilities existing for organizations based on objective criteria and to choose an approach. Creativity comes from combining different, seemingly unrelated dimensions of experience.

2. Broad outlook

Is the ability to see things from a broad perspective coincide with the start imagining seeing things differently-both present conditions and the conditions that will come. The best way to broaden the view is to diversify and widen the interaction and contact with people, because that will force them to challenge their framework and see other patterns.

3. Juggle

Is the ability to handle something with the information is incomplete and inconsistent, inaccurate, and always changing. The ability to see and work with opposing relationships and paradoxes is a trait that strategists regard as a necessity for strategic thinking—as opposed to planning, where the ability to dispel paradoxes and ambivalents is required.

4. Not In Control

There is no control because the situation is unpredictable, so everything is risky. In difficult situations, successful strategists act as if they have already won, because they believe they will not lose.

5. Strong Desire to Win

The element of competition is an important factor affecting his ability to learn to think strategically. To ensure success in making strategies, we must have a high fighting spirit. Without competition and confrontation, strategy will not work. Dialogue, discussion and debate are communication techniques needed to win competitions and confrontations. The desire to win is a powerful motivator for executives.

According to Jeanne M. Liedtka, there are 5 elements in strategic thinking, namely systems perspective, intelligent opportunism, intent focused, hypothesis-driven, and thinking in time.

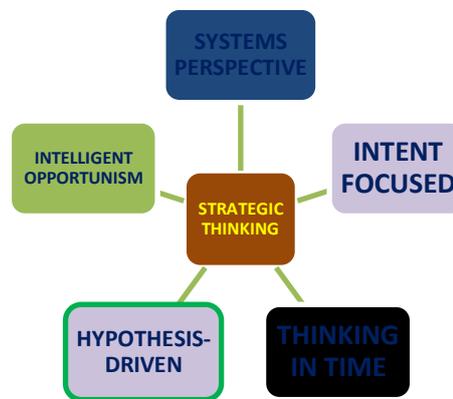


Figure 1. Elements of Strategic Thinking Strategic

#### Systems Perspective

Strategic thinking is built on the basis of a systems view. Strategic thinkers have the mental type that creates a complete system, and understands the relationships. Strategic thinkers must understand the external environment of the organization and the interdependent parts inside, so that they become a unified whole. Strategic thinkers must understand the relationship between strategies at every level of the organization. They must also understand their organization's relationship with other organizations outside of it.

#### Intent-Focused

Thinking connects the past, present, and future. Thinking in time, using memory and historical context to think about creating the future. This requires the ability to select and use suitable equations from one's own history and that of others.

#### Intelligent Opportunism

There must be an opportunity for intelligent opportunism to not only continue the desired strategy but also try out new strategies. Organizational ability also concerns the ability of lower-level organizations to adapt without depending on the future views of top management.

#### Thinking In Time

Thinking Strategic Connects the past, present, and future. Thinking in time, using memory and historical context to think about creating the future. This requires the ability to select and use suitable equations from one's own history and that of others.

#### Hypothesis-Driven hypothesis-driven

Thinking Strategically Is a process. Scientific method: hypothesis and then testing. Thinking avoids the dichotomy between analytic and intuitive. Strategic thinking is critical and creative. The scientific method embodies creative and analytical thinking sequentially in its use.

Based on the picture above, the researcher will discuss the elements of strategic thinking and strategic leadership. This chart will explore how strategic thinking is carried out by the government. The first to be discussed uses elements of strategic thinking;

<b>Thinking Strategically from</b>	<b>the Government's Side</b>
<i>System Perspective</i>	The government has a systems view, which is to understand the relationship between strategies at every level of the organization. In this case, the government sees the effects of the Covid-19 pandemic, namely the number of people who have been laid off and it affects the economic system in Indonesia, and then that has led to the need to make new strategies through the UU Cipta Kerja (Omnibus Law). Another thing is that in Indonesia there are too many <i>Undang-Undang</i> so that the government wants to unify these <i>Undang-Undang</i> so that they do not overlap.
<i>Inteny Focused</i>	Government uses memory and historical context to think about creating the future. Actually, the government through the DPR RI ratified the UU Cipta Kerja (Omnibus Law) to open up more job opportunities that can accommodate people who don't have jobs or those who have been laid off due to the effects of the Covid-19 pandemic.
<i>Intelligent Opportunism</i>	Thinking to try new strategies. The government has a new strategy, namely in the context of UU Cipta Kerja (Omnibus Law). UU Cipta Kerja (Omnibus Law) was created because of the intelligence in thinking about new strategies carried out by the government.
<i>Thinking in Time</i>	Connecting the past, present, and future. In the past, there was no pandemic like there is now, but now the effects of the pseudo-pandemic have changed. The government must act quickly to think about the fate of the nation in the future. With the existence of UU Cipta Kerja (Omnibus Law), there is great hope for a better Indonesia
Hypothesis-driven	Driven through hypotheses and then tested. The government's hypothesis is that UU Cipta Kerja (Omnibus Law) is a strategy that should be tested in its implementation.

### 3.2 Strategic Leadership

Leadership must have the ability to anticipate, envision, maintain flexibility and empower others to create the strategic changes needed. To create a competitive strategy, it can be done by implementing the vision and mission so that it will affect the success of the strategy where this success is through the formulation strategy and implementation strategy which will later become a competitive strategy. In order for this strategic leadership to be implemented properly, it is necessary to know the strategy formulation, which is as follows;

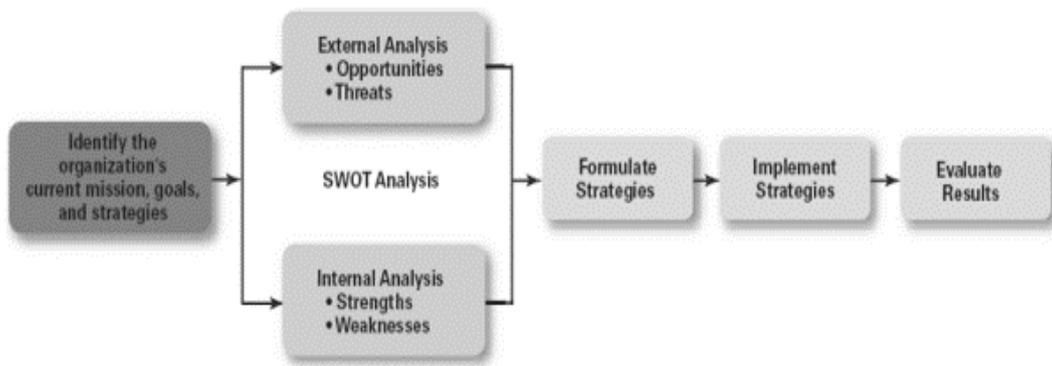


Figure 2. Strategic Management Process

The formulations carried out by the government related to the UU Cipta Kerja (Omnibus Law) are as follows;

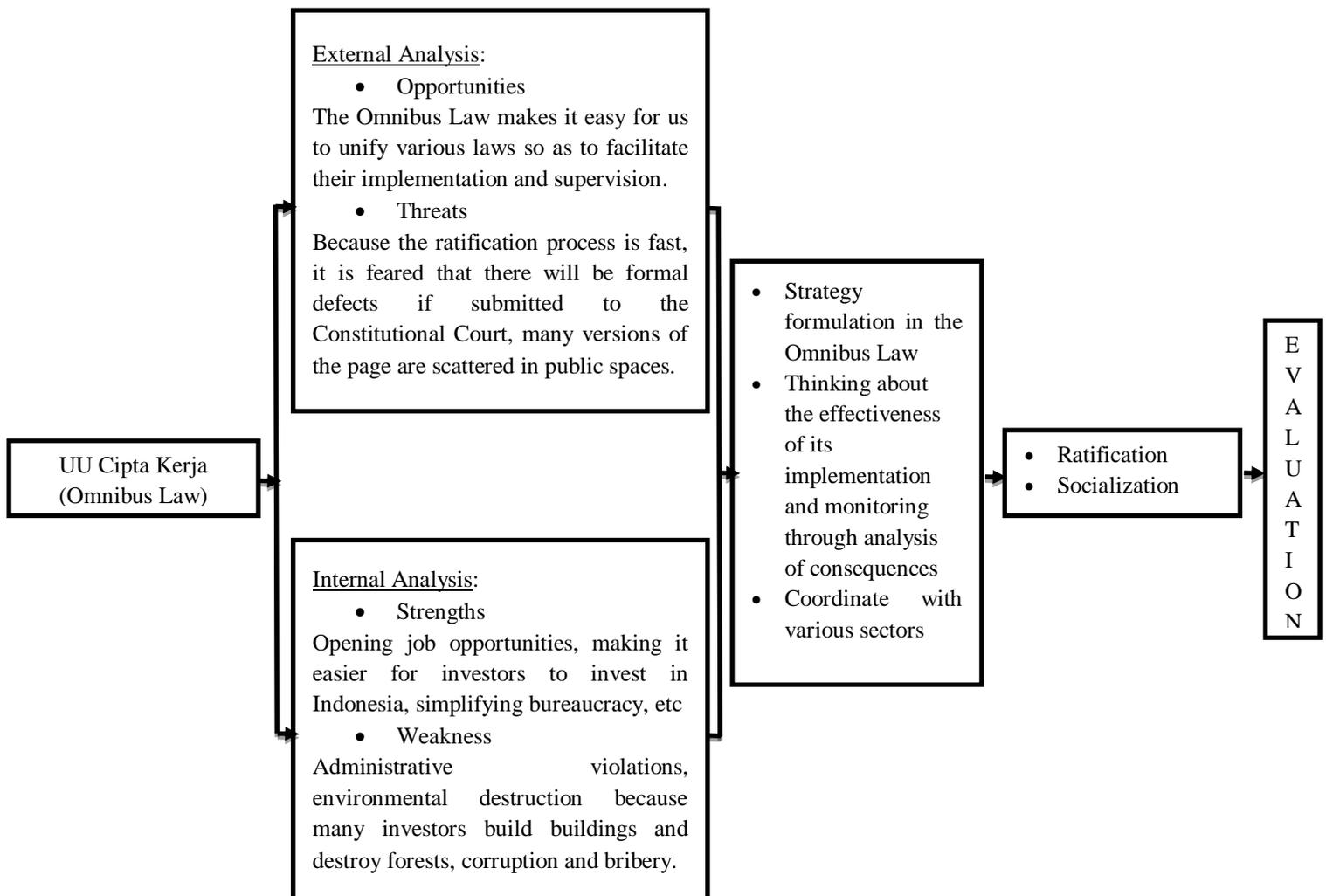


Figure 3. The Strategic Management Process of UU Cipta Kerja (Omnibus Law)

## IV. CONCLUSIONS AND RECOMMENDATIONS

### 4.1 Conclusions

Ratification of UU Cipta Kerja (Omnibus Law) went through a long process, although the process might be brief and unusual. However, we must also realize that the Covid-19 pandemic is changing the system and state structure very quickly as well. The government has thought systematically about the ratification of UU Cipta Kerja (Omnibus Law), so there is no doubt in it that it can be tried and implemented. Because based on strategic leadership theory, all strategies must be tried and implemented and then evaluated. Then we will have an assessment if this has been done.

The government will hear the voice of the people, but also the government has a choice whether to implement it or not. In reality, the threats caused by the Covid-19 pandemic are extraordinary and unpredictable. The need for quick and precise thinking so that all return to normal life and are no longer haunted by other threats. What we need to do is, as Indonesians who love their homeland and motherland, join together in carrying out world order. What kind of order is one who conveys his objections in a reasonable manner. So that we can maintain this country with love for the homeland, and a sense of nation and state.

The government, according to researchers, has correctly ratified of UU Cipta Kerja (Omnibus Law), because we have to try a new system in the midst of the new life of the Covid-19 pandemic. However, don't forget the rights of the people and the beautiful ecosystem in Indonesia.

### 4.2 Recommendations

Based on the explanation above, the researcher provides suggestions, some suggestions that might be considered are:

1. Try to implementation of UU Cipta Kerja (Omnibus Law), because the effect will not be felt quickly,
2. Carry out joint supervision on a regular basis, so when there will be a lot of destruction and polime in the community, it should be reviewed,
3. Conducting discussions between the government and elements of society to avoid ambiguity, if possible avoid the judicial review process through the Constitutional Court.

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