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Investment Climate And Ease of Doing Business In Indonesia After The Issuance of The Job Creation Law (Juridical Analysis On The Implementing Regulations On The Use Of Space)

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Abstract: The Job Creation Law (Job Creation Law) and Government Regulation No. 21 of 2021 on the Implementation of Spatial Planning have a significant impact on Indonesia's investment climate and business environment. The Job Creation Law aims to create more jobs, protect business founders, boost investment, simplify business operations, and enhance worker protection and welfare by streamlining regulations that hinder economic growth. The implementation of Government Regulation No. 21 of 2021, which derives from the Job Creation Law, includes reducing bureaucratic hurdles, attracting more investment, and improving infrastructure management to foster a favorable and sustainable business environment. These measures are expected to enhance Indonesia's appeal as an investment destination for both domestic and international investors, thereby promoting sustainable economic growth. This growth aligns with sustainable development principles, emphasizing the conservation of natural resources and environmental sustainability for the benefit of current and future generations. The CK Law and Government Regulation No. 21/2021 mandate the simplification (streaming) of the spatial planning hierarchy, where in PP 21/2021 it is implemented in the Elimination of Provisions for the Determination of Strategic Areas, the integration of the technical content of marine space into one spatial plan product, the period for the preparation and determination of the RTRW is limited to a maximum of 18 months, starting from the implementation of the preparation of the RTRW, and the strategic environmental assessment is integrated into the technical material of the RTRW, are no longer compiled in separate documents. Another aspect of PP 21/2021 is that specifically for the Provincial RTRW, the technical material for the integrated coastal waters cargo must have received technical approval from the Minister of KKP.

Keyword: Legal protection; Traditional Knowledge; Copyrights.

INTRODUCTION

The government is required to meet the increasing need for space as part of its responsibility in realizing the welfare of the community, especially in the context of a country

like Indonesia that adheres to the principle of *Welfare State*.¹ Space is a place for human life and natural resources which are God's gift to the Indonesian nation, which need to be used in a coordinated and integrated manner for harmonious and balanced development.² The creation of harmonious and balanced development requires coordinated planning, utilization, and control of spatial planning to ensure synergy and harmony for a sustainable life.

Planned and orderly spatial planning is an important foundation for sustainable development in Indonesia as it ensures optimal and sustainable use of natural resources, minimises environmental impacts, and supports community welfare. With good planning, development can be directed to support economic growth while maintaining ecosystem balance. For example, industrial estates can be located away from residential areas to reduce pollution, while green open spaces can be increased to maintain air quality and provide recreational spaces for communities. Spatial planning also enables better management of disaster risks, such as floods and landslides, by avoiding development in disaster-prone areas and strengthening infrastructure in those areas.

On the other hand, ineffective space management can lead to a variety of serious problems. Traffic congestion is one of the direct impacts of poor spatial planning, where the distribution of space for roads and public transport is inadequate to accommodate the growing volume of vehicles. Environmental degradation is also a major threat when development does not pay attention to ecosystem sustainability, such as uncontrolled deforestation for agricultural land or housing. Land conflicts often occur when spatial planning is unclear or not adhered to, resulting in disputes between communities, the government and the private sector. These conflicts not only hamper development but also cause social and economic instability. Therefore, it is important for Indonesia to implement planned and organised spatial planning to achieve sustainable and harmonious development.

Spatial planning is based on data, science, and technology, considering a variety of sectoral activities, while space utilization is carried out through development programs according to spatial plans by the government and the community.³ The control of space utilization to maintain conformity with the spatial plan is carried out through supervision and control activities, which aim to ensure that the function of the space is in accordance with the provisions set out in the spatial plan.⁴

The concept of spatial planning involves the systematic and coordinated preparation and implementation of policies based on work plans that follow specific objectives, including estimates, policy drafts, preparations, oral agreements, statutes, and regulations.⁵ Spatial Planning Law (HTR) is a series of legal regulations that regulate the process of planning, allocating, utilizing, and controlling space, as part of environmental law, which is listed in the Spatial Planning Law.⁶ Formulations regarding spatial planning are contained in Law Number 26 of 2007 concerning Spatial Planning (UUPR) which was then amended several times through Law Number 6 of 2023 concerning the Stipulation of Government Regulations in Lieu of Law Number 2 of 2022 concerning Job Creation into Law (Job Creation Law).⁷

¹ Bambang P Sudarso, *Spatial Planning, Utilization, Consequences and Accountability of State Law, Print II* (Jakarta: Cintya Press, 2008).

² A Ridwan, J. and Sodik, *Spatial Law in the Concept of Regional Autonomy Policy, Print IV* (Bandung: Nuansa, 2021).

³ R Mirsa, *Urban Spatial Planning Elements, Print I*. (Yogyakarta: Graha Ilmu, 2012).

⁴ M. D. A. Mu'allifin, "The Law of Spatial Planning as a Controller of Urban Space Utilization in the Context of Sustainable Development," *IAIN Tulungagung Press*, 2017, 131.

⁵ Janpatah Simamora and Andrie Gusti Ari Sarjono, "Urgensi Regulasi Penataan Ruang Dalam Rangka Perwujudan Pembangunan Berkelanjutan Di Indonesia," *Nommensen Journal of Legal Opinion*, 2022, 59–73.

⁶ H. Waskito, and Arwono, *Land, Agrarian and Spatial Planning*. (Jakarta: Kencana, 2018).

⁷ I G. Arsawan, I G. Y., and Yusa, "The Impact of Changes in Spatial Planning Regulations After the Ratification of the Job Creation Law," *Amsir Law Journal* 5, no. 1 (2023): 13–22.

Key articles in the Job Creation Law establish a framework to regulate investment and space utilization in Indonesia by simplifying regulations, formulating policies, creating zoning plans, ensuring equitable land acquisition, and providing facilities to investors. These measures aim to accelerate infrastructure development and support sustainable development.⁸ According to Government Regulation Number 21 of 2021, space utilization must align with the spatial plan through cost program preparation and implementation, and planning arrangements to prevent functional conflicts, ensuring business location needs are met effectively.⁹ The Job Creation Law and Government Regulation No. 21 of 2021 are strategic initiatives by the Indonesian government to address investment and job creation challenges, particularly those arising from overlapping spatial planning. This regulatory reform is expected to create a more conducive, investment-friendly business environment, ultimately benefiting economic growth and community welfare.

The government is responsible for making spatial planning regulations to ensure efficient and sustainable use of space, with permits acting as an important instrument in directing development as planned, providing legal certainty to business actors, preventing overlap between regions, and supporting regional economic growth through good spatial analysis.¹⁰ Spatial planning in Indonesia plays an important role in controlling targeted and sustainable development, natural resource management, disaster risk reduction, and equitable development, through regulations that take into account environmental and social sustainability, as well as increasing the effectiveness of spatial planning and accommodating legal aspects that support sustainable development and community participation.¹¹

The implementation of spatial planning is a systematic process to translate spatial plans, patterns, and structures into spatial strategic programs and investment realization.¹² The Government of Indonesia's investment policy is regulated through the Investment Law and the Capital Market Law, with a focus on convenience, profit, and security for investors.¹³ Investment regulations serve as a benchmark for a country's economic development success. The relationship between investment and economic development impacts investment competitiveness and state revenue. A competitive investment climate can boost industrial production capacity and contribute to national economic development.¹⁴

Therefore, the relationship between the issue of space utilization, in this case in the aspect of licensing and investment in Indonesia, are two things that cannot be separated. Regulatory reform, simplification of the licensing process, and the use of technology are strategic steps that need to be taken by the government to create a conducive investment climate and support sustainable economic growth. With these steps, it is hoped that Indonesia can increase its attractiveness as a promising investment destination for local and international investors.

⁸ N. D Sutaryono, S., Nurrokhman, A., and Lestari, "Strengthening the Implementation of Space Utilization Control after the Issuance of the Job Creation Law.," *Journal of Urban Development* 9, no. 2 (2021): 154-165.

⁹ I N. Dharma, D. Gd T., Wijaya, I K. K. A., and Utama, "Control of Space Utilization in Spatial Planning.," *Journal of Legal Analogy* 5, no. 2 (2023): 132-37.

¹⁰ and Sunardi. Muhibbin, M., "Legal Aspects of Space Utilization Licensing in Housing and Settlement Development.," *Journal of Law and Notary* 6, no. 1 (2022): 698-712.

¹¹ Desy Fithri Nur Rahmawati, "KONSEP HUKUM TATA RUANG DALAM PEMIKIRAN HUKUM POSITIF INDONESIA.," *SYARIAH: Jurnal Ilmu Hukum* 1, no. 2 (2024): 342-50.

¹² Ma'sura, Suparji A., and Sadino, "Legal Certainty of Space Utilization After the Supreme Court Decision Which Declared Invalid and Invalid, Generally the Articles That Regulate the Allocation of Space in Regional Regulations." 7, no. 1 (2022): 52-70.

¹³ Ni Putu Miryanthi Utami, "A Peran Notaris Dalam Mendukung Investasi Di Era Masyarakat Ekonomi ASEAN (MEA)" (Udayana University, 2020).

¹⁴ Marulak Pardede, "INVESTMENT REGULATORY REFORM IN INDONESIA.," *Jurnal Penelitian Hukum De Jure* 23, no. 2 (2023).

This study results in findings that changes in norms in investment and licensing aim to facilitate and create legal certainty for economic progress, carried out through omnibus laws such as the Job Creation Law in the hope of attracting investment, creating jobs, and improving general welfare.¹⁵ Second, in the article entitled Study of Location Permits and the Suitability of Space Utilization Activities on the Mainland for Business Licensing by Anindita Dinar Susanti, the study focuses on discussions related to business locations, licensing, and the availability of space utilization which has implications for the ease of doing business in Indonesia. The results of the study and analysis in the article show that business locations have an important role in regional economic growth, therefore, clear regulations regarding the use of space and the arrangement of suitability for activities are needed, especially to provide legal certainty to business actors, especially MSMEs, so that they can access capital and get further protection and guidance.¹⁶ The formulation of the problem study as follows:

1. What is the form of regulation in supporting the investment climate and ease of doing business in the implementing rules of the Job Creation Law?
2. How do the derivative rules of the Job Creation Law affect in supporting the investment climate and ease of doing business in Indonesia?

METHOD

The research uses normative juridical research because it is based on the formulation of problems from an event which is then analyzed based on legal principles and explores the causes or things that affect the occurrence of something.¹⁷ The approach method used is the statute *approach* with primary legal materials in the form of Laws and Regulations. Primary legal materials are collected by a systematic method and analyzed by an evaluative method.¹⁸

RESULTS AND DISCUSSION

Space Utilization Based on Government Regulation No. 21 of 2021 concerning the Implementation of Spatial Planning

Good spatial utilisation arrangements play an important role in supporting the investment climate and ease of doing business in Indonesia. Clear and structured spatial planning provides certainty for investors regarding suitable locations for various types of businesses, whether industrial, commercial, or residential. This certainty reduces investment risk and increases Indonesia's attractiveness as an investment destination. In addition, transparent and consistent regulations on spatial utilisation reduce bureaucratic barriers and simplify the licensing process, thereby accelerating investment realisation. Thus, effective regulation of spatial utilisation can improve Indonesia's economic competitiveness in the global market, boost economic growth, and create new jobs.

In addition to providing certainty to investors, regulating spatial utilisation also contributes to the creation of a conducive business environment. Strategic and well-planned locations allow easy access to critical infrastructure such as transport, energy, and communications, which are essential for business operations. Special economic zones or focused industrial zones can facilitate collaboration between businesses and reduce logistics costs. In addition, spatial arrangements that take into account environmental and social

¹⁵ Angga Dwi Prasetyo, Abdul Rachmad Budiono, and Shinta Hadiyantina, "Politik Hukum Perubahan Norma Perizinan Dan Iklim Investasi Dalam Undang-Undang Cipta Kerja Menggunakan Metode Omnibus Law.," *Media Iuris* 5, no. 2 (2022).

¹⁶ Anindita Dinar Susanti, "Kajian Izin Lokasi Dan Kesesuaian Kegiatan Pemanfaatan Ruang Di Daratan Bagi Perizinan Berusaha," *Jurnal Riset Ekonomi Dan Bisnis* 14, no. 3 (2021): 179–91.

¹⁷ R. Adi, *Social and Legal Research Methodology Revised Edition*. (Jakarta: Yayasan Pustaka Obor Indonesia, 2021).

¹⁸ Z. Ali, *Metode Penelitian Hukum* (Jakarta: Sinar Grafika, 2021).

aspects can prevent land conflicts and lower the potential for operational disruptions. As a result, effective space utilisation arrangements not only support business growth but also contribute to sustainable and inclusive development.

Spatial planning is the process of planning, utilizing, and supervising space by the Government and local governments to achieve certain goals. The regulation and management of spatial planning in Indonesia is regulated by several articles in the Spatial Planning Law of 2007 and the Job Creation Law of 2020 which have been amended by Law No. 6 of 2023 concerning the Stipulation of Government Regulations in Lieu of Law Number 2 of 2022 concerning Job Creation into Law, which provides a strong legal basis for the control system of space utilization, including conformity assessment, spatial plan evaluation, incentives, sanctions, and dispute resolution, as stipulated in Government Regulation Number 21 of 2021.¹⁹

Especially regarding the issue of space utilization, this is an inseparable part of the concept of spatial planning, which involves planning, regulating, and controlling the use of land and space in an area.²⁰ In this case, spatial planning provides guidelines for more structured, efficient, and sustainable use of space, by developing a spatial plan that establishes land use zones, use restrictions, and strategies to optimize the use of space in accordance with the development goals that have been set.²¹ Thus, the use of space is a direct implementation of the principles of spatial planning, which is expected to support the achievement of sustainable development and maintain a balance between development and environmental conservation.

The preparation of spatial plans that prioritize the hierarchy of laws and regulations has a close relationship with the concept of controlling the use of space. This is because the spatial plan is the main instrument in controlling the use of space by establishing policies and rules that regulate how space must be used. With a clear hierarchy of laws and regulations in the spatial plan, the use of space for various activities can be regulated in an orderly manner and in accordance with the development goals that have been set, so that conflicts between activities in the use of space can be minimized and the structure of space use can be created better.²² Thus, the preparation of spatial plans based on the hierarchy of laws and regulations is an important step in implementing the concept of controlling the use of space to achieve sustainable development.

In the spatial planning section, the rules in Articles 15, 18, and 21 of Government Regulation No. 21/2021 concerning Provincial, Regency, and City Regional Spatial Plans emphasize the importance of including strategic area development policies in regional planning. This reflects the recognition of the strategic value of regional development in the context of regional development, the government's emphasis on economic growth and community welfare, and the need for coordination between levels of government. While this policy is expected to encourage investment and infrastructure development that supports economic growth, it is also important to have a monitoring and control mechanism to ensure planned and sustainable development. This is the government's commitment to ensuring that regional development is carried out in a coordinated manner and does not harm the interests of the community or the environment.

¹⁹ Dharma, D. Gd T., Wijaya, I K. K. A., and Sutarna, "Control of Space Utilization in Spatial Planning."

²⁰ Samad Sadli, *Regional Spatial Planning Law* (Jakarta: Gramedia Pustaka Utama, 2023).

²¹ D. Saraswati, E. Haskar, and N. F. Farda, "Implementation of Supervision and Control of Space Utilization by the Payakumbuh City Government," *Science Tower: Journal of Research and Scientific Studies* 17, no. 1 (2023): 83–92.

²² A Tenrisau, "The Policy of Controlling the Use of Space through the Enforcement of Criminal Law on Violations of Spatial Planning Is Linked to Law No. 26 of 2007 Concerning Spatial Planning," *Actuality* 2, no. 2 (2019): 402–21.

Then regarding space utilization, the implementation of space utilization is carried out based on the Suitability of Space Utilization Activities (KKPR) and synchronization of space utilization programs with spatial plans. Article 94 of PP 21/2021 explains that the KKPR is the conformity of the activity/business location plan with the Detailed Spatial Plan (RDTR). The application of these provisions is stipulated in the space utilization plan for business and non-business activities, with the requirements of the KKPR for business licensing, which is obtained through the confirmation or approval of the KKPR for non-MSE activities, and through the KKPR self-statement for MSEs, while the synchronization of the space utilization program between the Central Government and the regions is carried out to align the development program with the Spatial Plan in order to prevent inconsistencies that hinder Achievement of Spatial Planning and Development Goals.

Furthermore, the provisions of Article 148 of PP 21/2021 stipulate that space utilization control is carried out through several activities, including an assessment of the implementation of the Suitability of Space Utilization Activities and independent statements of MSE actors, an assessment of the realization of the Spatial Plan (RTR), the provision of incentives and disincentives, the imposition of sanctions, and the resolution of Spatial Planning disputes. The difference with the new Article 35 of the UUPR in the UUPR is that Article 148 PP 21/2021 has a wider scope, covering the settlement of Spatial Planning disputes apart from the three activities mentioned in the new UUPR.

Control measures in accordance with the rules include an assessment of the Suitability of Space Utilization Activities (KKPR) to ensure compliance with the provisions, an assessment of the realization of RTR to monitor the implementation of spatial plans, the provision of incentives and disincentives to encourage compliance, the imposition of administrative sanctions for violators, and dispute resolution through deliberation or legal channels. With the implementation of these measures, it is hoped that space utilization control can be implemented effectively to create an orderly, sustainable spatial plan, and reduce conflicts between stakeholders.

The regulation of space utilization in PP 21/2021 also regulates the enforcement of spatial planning laws which are included in administrative, criminal, and dispute resolution mechanisms. Before the Uuck, the emphasis on sanctions was more on administrative law enforcement, which showed a change from criminal sanctions to administrative with heavier fines than prison sentences. The UUCK changes the requirements to comply with spatial plans and MPAs, and focuses on spatial audits as an important tool in law enforcement, and limits criminal sanctions on changes in spatial functions. Administrative sanctions are imposed based on the results of the audit, and the authority of the central and regional governments in implementing these sanctions. The UUCK also modifies the criminal provisions by adjusting sanctions for criminal acts against the suitability of space use with spatial plans.

Analysis of Space Utilization Arrangements in Supporting the Investment Climate and Ease of Doing Business.

For the sake of stable economic growth, capital from domestic productive projects is prioritized rather than relying on foreign aid, given the differences in national interests between countries and the limitations of such assistance. Investment has a strategic role in the economy, which, if insufficient, will hinder high economic growth and will not improve better economic welfare, according to the definition of investment by Reilly & Brown presented by Didik J. Sarbini. The issuance of Law 11/2020 on Job Creation, which was followed up with Government Regulation 21/2021 on the Implementation of Spatial Planning, provided several breakthroughs in spatial planning policies and their implementation.

First, the simplification of Spatial Plan (RTR) products includes the elimination of RTRs for Provincial and Regency/City Strategic Areas, the integration of land and sea RTRs, and the use of base maps other than terrain maps with recommendations from the Geospatial Information Agency (BIG). The acceleration of the process of determining the Regional Spatial Plan (RTRW) includes limiting the time period for the preparation and determination, integrating the Strategic Environmental Assessment (KLHS) into the technical material of the RTRW, and the determination of the Detailed Spatial Plan (RDTR) through regional head regulations, no longer regional regulations. Third, the elimination of space utilization permits and replacing them with the Space Utilization Activity Suitability (KKPR) mechanism. For each activity, a KKPR confirmation mechanism is imposed on areas that already have an RDTR and KKPR approval for areas that do not have an RDTR. Fourth, develop space utilization control by assessing the implementation of the KKPR, the realization of RTR, providing incentives-disincentives, imposing sanctions, and resolving spatial planning disputes. Fifth, community involvement in spatial planning through the establishment of a Spatial Planning Forum (FPR), both at the central, provincial and district/city levels. This FPR consists of elements of the government, professional associations, academic associations and community leaders.

The policy breakthrough is expected to affirm the role of the RTR as a development guide that supports the business climate and spatial order, but some policies tend to focus on economic aspects and ignore social and ecological aspects, which basically government spatial planning supports economic growth through investment. Article 3 of Law No. 26/2007 states that the main objective of spatial planning is to create a safe, comfortable, productive, and sustainable national territory. This means that spatial planning should ensure that regions in Indonesia are not only safe from the threat of disasters and conflicts, but also comfortable to live and work in. In addition, the regions should be productive in the sense that they support efficient and effective economic activities.

Spatial planning should also take into account the harmony between the natural and built environment, which means maintaining a balance between human development (such as buildings and infrastructure) and the natural environment (such as forests and rivers). Integration in resource utilisation includes efficient and integrated management of the various natural resources available, to prevent over-exploitation. Protection of spatial functions means maintaining the vital functions of the space, for example as a water catchment area or wildlife habitat, while prevention of negative impacts on the environment focuses on measures to avoid environmental damage due to development.

Spatial planning is a policy instrument that aims to create order in development, especially related to permits related to spatial planning, which will be rejected if it is not in accordance with the allocation plan. One of the national priorities raised in the 2020-2024 RPJMN is regional development, which aims to overcome inequality between regions by increasing equity, competitive advantage, service quality, and synergy in the use of regional space. Regional development in the RPJMN is carried out through infrastructure development, which is regulated by several implementing regulations of the Job Creation Law to provide incentives and convenience in granting permits and land acquisition.

Investment is an important factor in increasing economic growth, and the Job Creation Law simplifies investment requirements to improve the investment ecosystem. However, some policy changes in the Job Creation Law are considered to ignore social and ecological aspects and have the potential to threaten Indonesia's sovereignty in strategic fields. These changes also present unforeseen consequences, so further attention is needed to their impact.

Spatial planning has a key role in sustainable development, which involves balancing economic interests, social welfare, and environmental sustainability. Economic development cannot take place without good social and environmental conditions, and spatial planning

plays a role in regulating each unit of space to ensure human safety and ecological preservation.

The Influence of Government Regulation No. 21 of 2021 concerning the Implementation of Space Utilization as a Derivative Rule of the Implementation of the Job Creation Law in Supporting the Investment Climate and Ease of Doing Business in Indonesia

The Job Creation Law aims to create broad jobs, protect business founders, increase investment, make it easier to do business, and improve worker protection and welfare, while simplifying regulations that slow down economic growth.²³ The Government of Indonesia has taken steps to improve the investment climate and ease of doing business through various policies, including the issuance of Government Regulation No. 21 of 2021 concerning the Implementation of Space Utilization. This regulation is an implementing derivative regulation of the Job Creation Law, which aims to speed up the licensing process and provide legal certainty for business actors in Indonesia.²⁴

Indonesia's efforts to improve ease of doing business to attract investment are based on the assumption that in the era of global competition, guarantees of legal certainty and ease of doing business are the keys to sustainable economic growth.²⁵ The Job Creation Law in the analysis and views of Amir, Kusumaningsih, and Setyawan, has a significant influence on investment in Indonesia. With the simplification of regulations and licensing regulated in the Job Creation Law, it is hoped that investors will get convenience in starting and developing their businesses. This is expected to increase investor interest in investing their capital in Indonesia, thereby giving a boost to the country's economic growth. In addition, with better legal certainty, investors will also feel safer and confident to make long-term investments in Indonesia.²⁶

One of the main influences on this is inseparable from the existence of Government Regulation No. 21 of 2021 where there is a simplification of the licensing process related to the use of space. The simplification of licensing is expected to make it easier for investors and entrepreneurs to start and run a business by integrating various permits such as space use permits, environmental permits, and building permits into one licensing regime, so that the process becomes more efficient and faster.²⁷

In addition, Government Regulation No. 21 of 2021 also provides incentives and convenience for business actors in terms of land acquisition. This is in line with the government's efforts to encourage investment and infrastructure development which is one of the priorities in national development. With the ease of land acquisition, it is hoped that development projects can be implemented faster and smoother.²⁸

The above analysis related to the Job Creation Law with the implementation of derivatives in Government Regulation No. 21/2021 is an embodiment of the concept of an *omnibus law* that simplifies dozens of regulations into one special law regarding the use of space. This is in accordance with President Joko Widodo's vision of creating an easy

²³ Michelle Lucky Madelene and Jinner Sidauruk, "Implementasi Undang-Undang Cipta Kerja Dalam Perizinan Usaha Bagi UMKM," *Nommensen Journal of Business Law* 1, no. 1 (2022): 32–46.

²⁴ Ardiansyah, M. and I. Z. Arifin, "Implementation of the Job Creation Law in the Granting of Building Permits in Indonesia," *Indonesian Journal of Legal Development* 1, no. 1 (2021): 39–50.

²⁵ Made Yudi Sastra Utama and I Gede Pasek Eka Wisanjaya, "Peran Notaris Dalam Pelaksanaan Sistem Online Single Submission Terhadap Investasi Dengan Konsep Ease Of Doing Business," *Acta Comitatus: Jurnal Hukum Kenotariatan* 9, no. 01 (2024).

²⁶ H. Amir, N. Kusumaningsih, and D. Setyawan, *Omnibus Cipta Kerja Harapan Menata Masa Depan*. (Yogyakarta: Kompas Gramedia, 2021).

²⁷ H. A. Santoso, "The Effectiveness of the Job Creation Law on Increasing Investment," *Positum Law Journal* 6, no. 2 (2021): 254–72.

²⁸ H Arnowo, "Examine the Potential Suitability of Space Utilization Activities (KKPR) for Space Utilization Control and Land Order," *Widya Bhumi* 3, no. 2 (2023): 99–112.

investment climate, creating jobs, and simplifying the licensing process.²⁹ The government believes that the simplification of the business licensing process, as regulated in Article 13 of the Job Creation Law, will be a catalyst for the expansion and improvement of the investment climate, where one of the main aspects of concern is the suitability of space utilization activities.³⁰

Regarding the influence of legal norms that are studied in this study, we can analyze the condition that since 2016, the ease of doing business policy in Indonesia (Economic Package XII) has been implemented with the aim of increasing the *Ease of Doing Business* (EODB) rating with efforts to simplify procedures and reduce licensing costs for the Indonesian people.³¹ The aspect of EODB in the Indonesian economic sector is something that has an important role. Research by Abimanyu and Tobing shows that there is a significant influence on the EODB on Indonesia's import and export performance.³² Therefore, the regulation of all regulations that affect the EODB in Indonesia must be an important concern by the government.

The Job Creation Law has a significant impact on the transformation of business law rules in Indonesia, focusing on increasing economic competitiveness and investment with changes in rules designed to provide convenience for business people, both local and foreign, and has the potential to improve people's welfare through increased investment and economic growth which is expected to create jobs.³³ As for the norms of derivative rules of the Job Creation Law, namely Government Regulation No. 21/2021 concerning the Implementation of Spatial Planning, it has a significant influence on the EODB in Indonesia. The EODB is implied through bureaucratic cuts, increased investment, and targeted infrastructure management, so that efficient spatial planning can create a conducive and sustainable business environment.³⁴

The regulation of the implementation of spatial planning as a implementing regulation of the Job Creation Law has had an influence on the investment climate and ease of doing business in Indonesia. This is evidence in the development process in Indonesia in realizing the country's ideals towards welfare *state*, where the state not only enforces the law but also aims to improve the welfare of the community.³⁵

In the era of globalization and increasingly fierce economic competition, measures to improve the investment climate and ease of doing business are the key to a country's economic progress. With the implementation of PP No. 21/2021, it is hoped that Indonesia can become a more attractive investment destination for domestic and international investors, as well as stimulate sustainable economic growth. The concept of sustainability is not only applied in environmental protection, but also in all aspects of development, known as the "principle of sustainable development". This principle emphasizes planned, sustainable

²⁹ Nandang Sutrisno and Sigar Aji Poerana, "Reformasi Hukum Dan Realisasi Investasi Asing Pada Era Presiden Joko Widodo," *Undang: Jurnal Hukum* 3, no. 2 (2020): 237–66.

³⁰ Abdul Rahman, "Ekonomi, Hukum Dan Lingkungan Dalam Undang-Undang Cipta Kerja," *Lex Renaissance* 7, no. 2 (2022): 310–24.

³¹ A. Dewi and M Ilham, "The Impact of the Job Creation Law on the Ease of Doing Business on Legal Entities of Limited Liability Companies," *Journal of Notary* 2, no. 2 (2023): 253–64.

³² Niken Larasati Abimanyu and Christina Ruth Elisabeth L Tobing, "PENGARUH TINGKAT KEMUDAHAN BERUSAHA TERHADAP KINERJA EKSPOR DAN IMPOR INDONESIA," *Buletin Ilmiah Litbang Perdagangan* 17, no. 1 (2023).

³³ Acep Rohendi, "DAMPAK UU CIPTA KERJA TERHADAP KAIDAH HUKUM BISNIS," *Jurnal Hukum Dan Bisnis (Selisik)* 9, no. 2 (2023): 1–26.

³⁴ Fatia Kultsum, "IMPLEMENTASI ASAS BERKELANJUTAN DALAM PENYUSUNAN RENCANA TATA RUANG WILAYAH PROVINSI DAN KABUPATEN/KOTA DI INDONESIA," *LITRA: Jurnal Hukum Lingkungan, Tata Ruang, Dan Agraria* 3, no. 1 (2023): 1–17.

³⁵ H R Ridwan, "Revised Edition of State Administrative Law," *Jakarta: PT. Raja Grafindo Persada*, 2011.

development, and pays attention to the sustainability of natural resources and the environment to achieve the welfare of the current and future society.³⁶

Overall, the implementation of Government Regulation No. 21/2021 requires collaboration between the government, private sector, and communities to ensure its effectiveness and sustainability. It is important for the government to continuously monitor and evaluate the implementation of this regulation and take corrective measures if obstacles or constraints are found in its implementation. In addition, education and socialisation of the benefits and provisions of this regulation to all stakeholders also need to be improved so that all parties can understand and support the government's steps in creating a stable and conducive investment environment.

In the future, this regulation is expected to be a strong foundation to accelerate economic growth, improve people's welfare, and maintain environmental sustainability in Indonesia. With full support from all relevant parties, Indonesia can capitalise on the huge potential of the implementation of GR 21/2021 in achieving sustainable development goals and providing a favourable investment climate for the long term. These measures are integral to the government's efforts to make Indonesia a premier investment destination in the Southeast Asian region and support the country's vision of achieving inclusive and sustainable economic progress.

CONCLUSION

The Job Creation Law and Government Regulation No. 21/2021 mandate the simplification of the spatial planning hierarchy. According to PP 21/2021, this includes the elimination of provisions for the determination of strategic areas, the integration of marine space technical content into a single spatial plan product, a maximum period of 18 months for the preparation and determination of the RTRW (starting from the initiation of the RTRW preparation), and the integration of strategic environmental assessment into the technical material of the RTRW, eliminating the need for separate documents. Another aspect of PP 21/2021 specifies that for the Provincial RTRW, the technical material for integrated coastal water cargo must receive technical approval from the Minister of Marine Affairs and Fisheries.

The Job Creation Law (Job Creation Law) and Government Regulation No. 21 of 2021 on the Implementation of Spatial Planning significantly impact the investment climate and ease of doing business in Indonesia. Through the Job Creation Law, the aims of creating widespread employment, protecting business founders, increasing investment, simplifying business operations, and improving worker protection and welfare are achieved by streamlining regulations that hinder economic growth. The implementation of the derivative rules of the Job Creation Law, specifically Government Regulation No. 21 of 2021, demonstrates bureaucratic reductions, increased investment, and targeted infrastructure management, fostering a conducive and sustainable business environment. These measures are expected to make Indonesia a more attractive investment destination for both domestic and international investors, thereby stimulating sustainable economic growth. This growth aligns with the principles of sustainable development, emphasizing the conservation of natural resources and the environment for the welfare of present and future generations.

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