

# The Urgency to Revitalize Indonesia's Regulatory Reform Through Evaluation and the Re-Arrangement of Regulatory Database

Ade Irawan Taufik<sup>1,\*</sup> R Ismala Dewi<sup>2</sup>

<sup>1</sup>*Faculty of Law, University of Indonesia, Salemba, Central Jakarta 10430, Indonesia*

<sup>2</sup>*Faculty of Law, University of Indonesia, Depok, West Java 16424, Indonesia*

*\*Corresponding author. Email: adeirawantaufig@gmail.com*

## ABSTRACT

Indonesia's regulatory system is currently full of contradictory regulations that potentially can cause conflicts among policy makers which would affect the public interest. These problems also arise as a result of the big number of agencies and authorized institution involved in the regulation making process; sectoral egos among institutions; it takes a long time and expensive in the process of regulation making; and coordination between agencies was difficult. These problems result in the poor quality of the regulations so that the objectives of these regulations did not meet. These also results in the regulations that does not have the desirable values and power which impacted on the effectiveness and efficiency of a regulation. Legal politics are needed in order to fix the problem and reformation the regulation system. the Government has planned to revitalize the law by regulatory reform. The program to rearrange the regulation that are planned by the government would be conducted by: a) the improvement of regulatory making; b) the revitalization of regulatory evaluation system; and c) the reorganization of regulation database. This paper would further examine the urgency of the program to reform the regulation through regulatory evaluation and rearrangement of regulation database. Referred as a legal research, this paper is using normative juridical approaches and conclude that it is urgent to immediately and continuously improving the regulatory reform. The efforts to restructure the Regulatory reforms must be made through actions, namely: a) Revitalizing regulatory evaluations; and b) Restructuring the regulatory database. At present Regulatory evaluation has not yet become part of the regulatory formation cycle process. Evaluation of the regulations has not been regulated in the Law No 12 of 2011. Therefore, it is necessary to regulate the obligation of the existence of regulatory evaluation in the formation of legislation. The existence of an integrated and valid regulatory database is one of the keys to the successful implementation of regulatory reform, therefore the development of a regulatory database is necessary and with utmost a necessity.

**Keywords:** *regulatory reform, evaluation, regulatory database*

## 1. INTRODUCTION

Article 1 point 2 Law no. 12 of 2011 concerning the Legislation Making (hereinafter referred to as the "PPP Law") stated that "the term 'Legislation' is a written regulation that contain general norms that are legally binding and are formed or established by state institution or authorized officials through procedures set out in legislation". In terms of the administration of the state, regulation (in this paper, the term 'regulation' is used to refer to the same definition as 'statutory regulation') is an instrument that are used to embody the state policies in order to achieve the objectives of the state. So as to actualize the goals of the country, the implemented regulation must be formed in the right way so it will be able to encourage social dynamics in an orderly manner and boost the performances of the state administration [1].

Indonesia's regulatory system is currently full of contradictory regulations that potentially can cause conflicts among policy makers which would affect the public interest. There are various problem in Indonesia's current regulatory system: *first*, the build-up of regulations in both national and regional level that has a tendency to stifle economic growth, especially in terms of private investment and the effectivity of public services; *second*, overlapping; *third*, multi interpretation of the laws and regulations; *fourth*, inconsistency; *fifth*, ineffective laws and regulations; *sixth*, unnecessary burden creation; *seventh*, generating a high-cost economy; *eight*, emphasizing on the quantity and interest of the policy makers, rather than on the needs and the quality of the regulations; and *ninth*, the regulatory database that are not integrated between the agency [2] [3].

These problems also arise as a result of the big number of agencies and authorized institution involved in the process of regulation making; sectoral egos among institutions; a long time and expensive regulation making process; difficulty in coordinating between agencies; less effective public participation; capability and development for the drafter of legislation is not evenly distributed; insufficient information given to the President in issuing a regulation; ineffective and not on target socialization of the regulations [4]. The Organization for Economic Cooperation and Development (OECD) considers that coordination seems to be an expensive item in regulation making process that caused the overlapping regulations [5]. These problems result in the poor regulations quality that does not meet the regulation objectives. These also results in the regulations that does not have the desirable values and power which impacted on the effectiveness and efficiency of a regulation. From the economic or environmental perspective, these problem might have an impact on the loss of potential economic growth, namely in the form of investment delays or damage to the environment as a result of conflict between the regulation in their respective field. This might have a bigger impact on hampering the process of achieving the national objectives as stated in the Preamble of the Constitution of Indonesia (UUD 1945) [6].

### **1.1. Our Contribution**

This paper presents how to improve the quality of regulations through the evaluation of regulations and rearrangement of regulation database. Based on the description above, this paper will further examine the urgency of the regulatory reform program through regulatory evaluation and rearrangement of regulation database.

### **1.2. Paper Structure**

The rest of the paper is organized as follows. Section 2 will show the current condition of Indonesia's regulatory system. Section 3 will discuss about regulatory evaluation system as part of the effort in reforming the regulatory system. Section 4 will discuss about the arrangement of Indonesia's regulatory database. Finally, Section 4 will present concludes the paper and recommendations to be followed up by stakeholders.

## **2. BACKGROUND: THE CURRENT CONDITION OF INDONESIA'S REGULATORY SYSTEM**

There are three main function of a regulation: 1) as a means of orderliness or a code of conduct, regulation becomes a guideline for the implementation of social dynamics, in both formal and informal activities; 2) as an instrument of economic development, regulations stir resources to

achieve the aimed goal; 3) as a factor of integration, regulation integrate regions as well as policies in the framework of state administration and development into a National Regulatory System which is an aggregation of the existing regulations [6].

In a cabinet meeting dated April 8<sup>th</sup>, 2016, H.E. President Joko Widodo stated that there are approximately 42.000 conflicted regulation hampering the climate of doing business in Indonesia [7]. Based on the data obtained from *Jaringan Dokumentasi dan Informasi Hukum Nasional* by The National Law Development Agency – Ministry of Law and Human Rights as per August 28<sup>th</sup>, 2019 there are 15.224 regulation at the national level and 37.228 regulation at the regional level [8]. Furthermore, based on the data obtained from *peraturan.go.id* by Directorate General of Legislation, Ministry of Law and Human Rights, as per August 28<sup>th</sup>, 2019 there are 8.366 regulation at the national level, 14.151 ministerial ordinance, 3.895 ordinance/decreed issued by non-ministerial government agencies, and 15.735 regulation at the regional level [9]. Data on the number of existing regulations can also be seen in *Sistem Informasi Peraturan Perundang-undangan* by the Cabinet Secretariat Office of Indonesia, in which as per August 28<sup>th</sup>, 2019, there are 8.584 regulation at the national level [10].

The data presented above shown that there are no exact measurement on how many regulations that are currently valid in Indonesia. Even though all the data as presented are originated from the governmental agency, there is no uniformity in the amount of the regulation, so that they can't show a certainty in the number of regulations. Furthermore, there are no official and valid number on how many of the regulations that are still valid and how many of those have been revoked. This means that the number of regulations presented is a mixture of valid and revoked regulations. This condition shown us the uncertainty in the number of regulations is even more complicated if we also refer to how many colonial legislations still existed and how many of those has been revoked. Likewise with the regional level regulations.

In terms of quality, there were no simple, pleasant and orderly regulation in Indonesia's current regulatory system. The quality of the regulations in Indonesia has been widely criticized by both domestic and foreign experts [3]. Some of these issues, among other, are [11]: *first*, the high and disharmonious number of existing regulation (hyper regulation), along with the ambiguity in which a regulation could be interpreted in various way (multi-interpreted), resulting in high cost and thus hampering the economic and investment climate, and not in in line with the values of Pancasila; *second*, despite the high number, the current existing regulation are not effective and efficient enough in solving existing problems; and *third*, currently there is no comprehensive and holistic evaluation mechanism to periodically evaluate the existing regulations as part of the cycle of a qualified regulatory making system.

In addition, referring to the Regulatory Quality Index issued by the World Bank in 2016, Indonesia ranked 93 out of 193 countries surveyed by the World Bank in terms of the quality of the regulatory system. The rank is lower than

several ASEAN countries [12]. Another fact that shows the poor condition of the current regulatory system are the tendency of the increasing number of Judicial Reviews of laws and other regulations under the laws submitted to the Constitutional Court and the Supreme Court. Since 2003 until 2019, there are 632 laws submitted for constitutional review to the Constitutional Court [13], in the Supreme Court, there is a tendency in the increasing number of submitted judicial review cases, with 587 case counted between 2010 until 2018 [14] (Leip, 2019), while there are approximately 646 court decision ruling various judicial review cases [15].

Another indicator that can be used to assess the quality of regulations in Indonesia is by referring to the Ease of Doing Business (EODB) Survey conducted by the World Bank each year. The survey consider several important dimension that occur in the business world. This survey provides a quantitative analysis of the regulation that exist within the surveyed countries. The survey used two types of data. The purpose of the survey itself is to measure the simplicity, efficiency and accessibility of the regulatory system in terms of doing business [16]. The significance of this survey is that the government can see the responses of business actors related to the regulations. The result of the survey with the ten indicators relating to the EODB should be able to reflect the behaviors of business actors in dealing with existing regulations. During the EODB survey in 2015, Indonesia ranked 114<sup>th</sup>, up 8<sup>th</sup> place from the previous position at 112<sup>th</sup>. Later in 2016 Indonesia ranked 106<sup>th</sup>. In 2017, Indonesia ranked 91<sup>th</sup>, or up 15<sup>th</sup> position from the previous year. In 2018, Indonesia ranked 72<sup>th</sup> or up 19<sup>th</sup> position from 2017. With the rising trend of Indonesia's rank in the EODB index, Indonesia is expected to be able to create a favorable investment climate and is able to stimulate new businesses to grow and thrive. In addition, this rising trend is expected to increase Indonesia's national Gross Domestic Product, which in turn improving the national competitiveness [16].

### **3. REGULATORY REFORMATION THROUGH EVALUATION OF REGULATION**

Referring to other countries experiences, one of the steps that can be taken in order to resolves the issues of the current regulatory arrangement system is to rearrange the regulations through periodic and holistic legal analysis and evaluation. Some countries such as Japan, South Korea, the United Kingdom and Mexico have done this radically and are reaping the rewards in the form of an increased of legal certainty and economic benefits [17]. Therefore, based on the description of the regulation above, it is urgent to do a rearrangement of the current regulatory system.

The rearrangement or reformation could be interpreted as changes and/or reforms that are intended to improve the quality of regulations (as an individual or an integral part of the other) in a comprehensive and whole regulatory system [1]. Regulatory restructuring can also be interpreted as an effort to make changes intended to improve the quality of

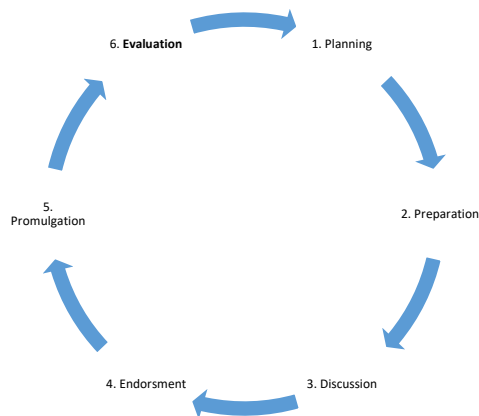
the regulations whose existence is really needed and can encourage the achievement of national development goals, namely regulations that are in accordance with the principles of establishing good legislation (art. 5 and 6, Law no. 12 of 2011). The output of the rearrangement of the regulatory system, in terms of quality, is that the number of regulations is more rational in accordance with the needs of the community and national development [18]. Regulatory restructuring or regulatory reform has a broad scope, covering a series of improvement processes that are very dynamic to actualize a high-quality legislation from both the making process and the result. The essence of the process carried out in regulatory reform is: 1) improving the quality of the regulations through improved performance, cost effectiveness, quality of the regulations, and various other formal provisions; 2) The revision, elimination, or the formation of regulatory order and its institution; 3) Reforms also include improving the quality of the formulation and the making process of the policies and regulation and managing regulatory reforms; 4) Deregulation as part of the regulatory reform, means the removal of a portion of the regulatory instrument for a sector to improve economic performances [19].

On top of that, regulatory restructuring can also be done by various programs, such as: a) strengthening the formation of regulations; b) revitalizing regulatory evaluation system; c) restructuring the regulatory database. According to President Joko Widodo, regulatory restructuring is a priority in the legal reform process by doing an evaluation on the existing regulation in accordance with Pancasila, Constitution and national interest, and so that there is no overlap between regulation with multiple interpretation and weaken the competitiveness of the global economic. In addition, to supporting the effort in restructuring the regulatory system, it is also necessary to arrange a regulatory database using informational technology [4]. Regulatory restructuring can also be done by simplifying the regulatory system, such as: 1) making an inventory of the regulation; 2) identification of problems and stakeholders; 3) evaluation of problematic regulations; 4) revoke unneeded regulation and reviews what is needed but of poor quality; and 5) maintain that regulation which are necessary and with good quality [20].

The main objectives to be achieved from regulatory reform include: strengthening good governance; creating legal certainty; improve business and investment climate; and encourage economic growth, job creation and poverty alleviation. In addition, according to the OECD, the regulatory arrangement will support the implementation of the Master Plan for the Acceleration and Expansion of Indonesia's Economic Development in 2010-2025 and a good regulatory arrangement is needed for an efficient competition in the services sector of ports, railways and shipping [3].

Based on the conception on restructuring the regulations as mentioned above, there are two main stages that become the object of regulatory restructuring, namely at stage of the regulation is in its formation process (*ex-ante*), and the stage after the regulation is enter into force (*ex post*). In the *ex-ante* stage, restructuring the regulation is carried out in

the form of strengthening the regulations formation process, while in the ex-post stage, restructuring the regulation is carried out namely by evaluating the regulation and arranging the regulatory database. This is in line with the cycle of good legislation management, which includes: 1) planning; 2) preparation; 3) discussion; 4) approval or determination; 5) enactment; and 6) evaluation. The management cycle is illustrated as bellow [21]:



Based on the management cycle of good regulations, it appears that evaluation is an inseparable part of the formation of regulations. The regulations formation does not start from planning and stops just at the enactment of the regulations, but there is an evaluation as a further process. The purpose of the evaluation is to conduct an assessment, supervision or analysis whether the objectives of the regulation have been achieved or whether the regulation give any benefit for the community, nation, and state. The result of the evaluation would become material or data to be use for the planning and formation of further regulations. This is called a continuous management cycle.

According to Lili Rasjidi, in principle, the legal system are a large united system consist of smaller sub-systems (components), namely the legal community, legal culture, legal philosophy, legal science/education, legal concepts, legal formation, legal form, law as an applied science, and legal evaluation. Legal evaluation is a component, the consequence is that the quality of the law can only be known after the law is enacted. Law/regulation that are made poorly will bear bad consequences and good law/regulations will bear good consequences. This component becomes very important in determining the quality of law and in the context of legal development towards a better legal function. This component is also very important in examining the quality of the potential and function of each component of the legal system [22].

There are various terms used to refer to regulatory evaluation. Evaluation or legal products examination issued by the legislative and executive body by a judicial institution is called a judicial review [23]. Evaluation or examination that are conducted by a legislative body over laws or regulation under its authority, means the regulation issued by their own, is called a legislative review, while evaluation or examination of the laws or regulation are

conducted by the executive body over laws or regulations that are made as an implementing regulations of other laws or regulations is called executive review [24]. Regulatory evaluation is defined as an assessment or assessment of a regulation that has been enacted or applied (ex-post) to find out whether the purpose of its formation has been achieved, as well as deliberating the benefits and impacts of implementing the regulations [21].

The closest substance to the evaluation of regulation or part of an effort to evaluate the regulation is 'deregulation'. According to the Black's Law Dictionary, deregulation means 'the reduction or elimination of government control of business, especially to permit free markets and competition' [25]. Deregulation is a decision imposed by the government in the context of overcoming the problem of high economic cost caused by policies enacted in the past. The deregulation was put in place relating to the real sector (production) and the financial sector (banking) [26]. The purpose of legislative review or executive review are: a) to embody a better management in the process of formation of regulations. The result of the evaluation will inform whether the objective of establishing a law has been achieved, as well as the benefits and impacts of implementing the law. Information obtained from the evaluation results will be an indispensable material in the next planning process; b) the consequences of the relationship between law and social change, so to maintain the coherence of the system applied. The old regulation would also need to be adjusted to the newest regulations; c) answering the limitation of passive judicial review; d) the logical consequences of adhering the principle hierarchical norms and the hierarchy statutory regulations [22].

In the current regulatory formation management system, Indonesia's legislation does not pay serious attention to the role of evaluation [27]. Yet, to know whether the legislation has been effectively enacted or not, depends on the extent to which the precision and seriousness evaluation procedures are implemented. The function of evaluation can't be separated from the regulatory formation management system, or it will limp if the evaluation role does not exist [22].

But the reality is that the current regulatory evaluation system has not been considered important and is part of a good regulatory management cycle. This can be seen from how the role of regulation evaluation as one of the process in regulatory making are not regulated in the Law No. 12 of 2011 concerning the Establishment of Law and Regulations. Law No. 12 of 2011 only regulates the process of regulatory making from 'planning' up to 'enactment' process. The function of monitoring and/or evaluation is not included in the stages stipulated in Law No 12 of 2011, consequently monitoring and/or evaluating regulations has not been made an important part of the legal system. Whereas monitoring and evaluation of the implementation of a regulation is a crucial stage to assess the effectiveness of a regulations to consider whether the regulation needs to be maintained, revised, or even revoked [28]. Therefore, the regulation of regulatory evaluation is necessary in the amended Law concerning the Establishment of Law and Regulations.

The next problem is what are the other things needed to be regulated related to the evaluation of the regulation? What is the object to be evaluated and which one has to be prioritized over the other regulations? What is the mechanism and procedure for evaluating the regulation? Which institution has the authority to evaluate the statutory regulations, the extent to which the binding force of the results of the evaluation is to be used and / or acted upon, and to which laws and regulations will be prioritized for evaluation.

### **3.1. The Object of the Regulatory Evaluation System**

As mentioned above, there are thousands of regulations 'exist', both in the national level and the regional level. This paper refers those regulations with the word 'exists' because there are no official and valid data of the exact number of which regulations that have been revoked and which regulations still apply. This will become even complicated if the scope of regulations includes regulations from the Dutch and the Japanese colonial era. It is undeniable that there are still a quite number of colonial legislations that still apply, the Criminal Code (KUHP), the Civil Code (KUH Perdata), and *Het Herziene Indonesisch Reglement* (HIR) are examples of the colonial legislation that are still being used in Indonesia.

Given the large number of the regulations as discussed earlier, are all the laws and regulations from the various types of regulations need to be evaluated? I believes that all regulations of various types of regulations are objects of regulation that must be evaluated. However, given the large number of priorities, the scale of priorities and the national legal development plan are needed. The scale of priorities and national legal development plans should be harmonized and in line with the National Long-Term Development Plan (RPJPN), the National Medium-Term Development Plan (RPJMN), the National Legislation Program (Prolegnas), the Government Regulation Preparation Program (Progsun PP), the Presidential Regulation Preparation Program (Progsun PP) and also the Government Work Plan.

In addition, evaluating all Dutch and Japanese colonial rule must be done immediately, bearing in mind that some of the mare still applicable and efficient regulations, but there are also rules that are still enacted but do not have any usefulness. Regulatory evaluation mechanism is needed to give the validity status of the regulations and to calculate the effectiveness of the regulation.

### **3.2. Mechanism and Procedure of the Regulatory Evaluation System**

Related to the evaluation procedures and mechanisms, whether the obligation to evaluate a regulation must be regulated in each regulation body or a specific regulation or policy is made to regulate and order the evaluation of one or several regulations. Only one regulation was discovered, namely Law Number 21 of 2001 concerning Special Autonomy for the Province of Papua, which in its body

regulates the mandatory evaluation procedure of the implementation of the law. Article 78 of the Law stated that "The implementation of this Act shall be evaluated every year and for the first time carried out at the end of the third year after this Act comes into force". From these provisions it is clear that the law regulates the evaluation of the implementation of the law, this means that there is a binding obligation to carry out an evaluation arising from the law itself. However, the format of evaluation is not regulated and how should we follow up the result of the evaluation.

Another thing that needs to be regulated is the right evaluation period of time. The point is when an evaluation of a regulation should be carried out since the regulation enactment. Also, if an evaluation period has been set, is it permissible to carry out an evaluation outside the designated period, bearing in mind if there are normal conditions or legal needs that develop in the community. The most important thing when the evaluation period is set is the basis for calculating the time period, whether one year, three years or five years after its enforcement and whether the period is the same for all types of regulations. This calculation regarding the timing of the evaluation process needs to be calculated correctly by taking into account the type and material of the contents as well as the impact regulated in the regulation.

### **3.3. Authorized Agencies to Implement the Evaluation**

Institution that has the authority or responsibility to evaluate regulations. Whether the evaluation of regulations becomes the responsibility of the minister who carries out government affairs in the field of law in coordination with the minister and / or heads of non-ministerial government institutions. For regulations under the law, is the evaluation of the regulation are the responsibility of the minister or head of the non-ministerial government institution that initiated the formation of the regulation or the agencies whose authority and duties are related to the regulation being evaluated [21].

Currently there are only two work units equivalent to echelon 2 that carry out the evaluation function of the regulation, namely the Center for Analysis and Evaluation of National Law at the National Law Development Agency (BPHN) - Ministry of Law and Human Rights and the Center for Monitoring the Implementation of Laws in the Expertise Body of the House of Representatives (DPR). The implementation of the legal analysis and evaluation function at the Ministry of Law and Human Rights is regulated in the Ministerial Decree of the Minister of Law and Human Rights No. 29 of 2015 concerning the Organizational Structure and Work Procedure of the Ministry of Law and Human Rights. Ministry of Law and Human Rights, through the National Law Development Agency (BPHN) c.q. The Center for Analysis and Evaluation of National Law carried out the function of analysis and evaluation of national law. BPHN since 2016 has carried out analysis and evaluation of laws and

regulations. The product from the analysis and evaluation activities are recommendations for these regulations, namely recommendations for changes, replacements, revocation or other actions in order to increase the effectiveness of these regulations. Within a period of three years (2016-2017), BPHN has conducted analysis and evaluation of 759 regulations, with details: in 2016 there were 193 regulations; in 2017 there were 295 regulations; and in 2018 there were 271 regulations [11].

Based on the Presidential Decree No. 27 of 2015 concerning the Secretariat General and the Expertise Body of the House of Representative, the Center for Monitoring the Implementation of Laws on the DPR Expertise Body carries out the function of monitoring the implementation of the law, by carrying out the task of evaluating the regulations implementing the legislation.

Regarding the institutions that carry out the evaluation of regulations, the function of implementing the evaluation of regulations should not only be the responsibility of the Ministry of Law and Human Rights or the House of Representatives' Expertise Agency, but also the ministries or non-ministerial government agencies and regional governments should participate in conducting regulatory evaluation. This is due to the large number of regulations that must be evaluated. However, there should still be one institution that is responsible for monitoring and supervising the implementation of regulatory evaluations carried out by ministries or non-ministerial government agencies and also local governments.

### **3.4. The Product and the Utilizations of Regulatory Evaluation End Product**

Regulatory analysis and evaluation activities carried out by BPHN are a strategic and concrete step in the framework of regulatory regulation. But the results of the analysis activities in the form of 'recommendations' that does not have a binding power to be followed up. By follow up here means whether the results of the analysis and evaluation are used as a basis for changes or revocation of regulations by ministries or non-ministerial government agencies that initiated the formation of the regulations or those related to the regulations. Because of the nature of the results of the regulatory evaluation carried out by BPHN in the form of recommendations that does not have a binding power, so far what has been done by BPHN is limited to appeals and invitation to the ministries / non-ministerial government agencies to follow up on the results of these recommendations [11].

However, in the management of regulatory formation, the results of regulatory evaluations carried out by BPHN as well as those carried out by each ministry and also non-ministerial government agencies have a strategic value, namely as a basis for the sustainability of the implementation of regulations, as outlined in the state planning document (National Medium-Term Development Plans and Government Work Plans), national legislation programs, programs for preparing Government Regulations

and Presidential Regulations and work plans of ministries and non-ministerial government agencies.

### **3.5. Instrument or Method of the Regulatory Evaluation Mechanism**

Executing the Regulatory Evaluation process requires an instrument or method as a tool. The function of the instrument or method is to obtain the results of scientific standardized evaluation of regulations based on scientific principles and can be justified.

To this day, there are several models of instruments or methods of evaluating regulations used by ministries and institutions, including: Rule, Opportunity, Capacity, Communication, Interest, Process, Ideology (ROCCPI); Regulatory Mapping and Review (REGMAP); Regulatory Impact Analysis (RIA); Model Analysis of Legislation (MAPP); and 6 (Six) Dimensions Legal Analysis and Evaluation Guidelines. There hasn't been any agreement to choose one instrument or evaluation method that is considered appropriate to be used in Indonesia, this is because each of the various instruments has its own advantages and disadvantages.

For this reason, it is necessary to set a standardized method or instrument for evaluating. The purpose of this regulation is to conduct an evaluation of a regulation, at least there must be one procedures and indicators that are scientifically required, so that the evaluation results in terms of quality can meet the standards and can be accounted for.

## **4. THE ARRANGEMENT OF INDONESIA'S REGULATORY SYSTEM THROUGH THE RE-ARRANGEMENT OF REGULATION DATABASE**

As described above, regulatory arrangement not only consist of evaluation of the material contained in the regulation but also needs to be arranged with regulatory database. At present there are no official institutions that can provide an official database of information regarding the number of valid regulations in Indonesia. Currently the regulatory information database is scattered in various government agencies (National Law Development Board, Directorate General of Legislation, State Secretariat and Cabinet Secretariat), but the amount presented is different for each type of regulation in each database, so it does not indicate a certainty in the number of regulations.

Even from the data on the number of regulations mentioned above, there are no official number on how many valid regulations nor the regulations that have been revoked. This means that the number of regulations presented is a mixture of valid and revoked regulations. The existence of a regulation database is one of the keys to the successful implementation of regulatory reform, therefore the development of a regulatory database is both a necessary and a necessity. An integrated regulatory database that is not spread across various agencies are needed right now. The Development of an integrated database network is very

important. In fact, the effort to integrate the regulatory database network has been carried out by the government by issuing Presidential Decree No. 33 of 2012 concerning the National Legal Documentation and Information Network, but its role is not yet optimal. The role of the National Legal Documentation and Information Network needs to be continuously improved through strengthening the institutions, increasing the use of information and communication technology, increasing the capacity of its managers and budgeting aspects [3].

## 5. CONCLUSION

The regulatory system in Indonesia is facing hyper regulation, disharmony, ambiguity, multi-interpretation condition which cause a high costs economy that is hindering economic and investment climate; not in line with Pancasila values; and the absence of a regulatory database. Also, there are no integrated regulatory database.

Regarding the conditions of the regulation above, it is urgent to immediately and continuously improving the arrangement of the regulation. Regulatory restructuring or reformation can be interpreted as changes and / or reforms that are intended to improve the quality of regulations (as an individual and an integral part) in a comprehensive and thorough regulatory system.

Efforts to restructure the Regulatory arrangements must be made through actions, namely: a) Revitalizing regulatory evaluations; and b) Restructuring the regulatory database.

At present Regulatory evaluation has not yet become part of the regulatory formation cycle process. Evaluation of the regulations has not been regulated in the Law No 12 of 2011, as so that there is currently no regulation to regulate which institutions are authorized to evaluate the legislation, the extent of the binding power of the evaluation results to be used and / or followed up on, and to which laws and regulations are priority will be given to evaluating and evaluating the position of legislation in the cycle of forming legislation. Therefore, it is necessary to ensure the obligation to evaluate the regulations in the form of Legislation.

The existence of an integrated and valid regulatory database is one of the keys to the successful implementation of regulatory reform, therefore the development of a regulatory database is necessary and with utmost a necessity. For that, the role of the National Legal Documentation and Information Network needs to be continuously improved through strengthening the institution, increasing the utilization of information and communication technology, increasing the management capacity and budgeting aspects of the institution.

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