

Public Policy System and Cycle in Environmental Law Changes According to Government Regulation in Lieu of Law No. 2 of 2022

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Abstract

A systematic process and cyclical approach are critical in formulating effective public policy, particularly in the environmental sector. This research explores the systemic and cyclical mechanisms involved in the changes to Indonesia's environmental law under Government Regulation in Lieu of Law No. 2 of 2022, which revises Law No. 32 of 2009. The objective is to assess how centralizing environmental approvals under the central government contributes to policy clarity, efficiency, and business-friendliness, while identifying potential challenges in policy dissemination and implementation across regional levels. The study uses a normative legal research method with a conceptual and statute-based approach, supported by the application of David Easton's political system theory and Thomas Dye's public policy cycle model. The legal documents and academic literature are analyzed using qualitative content analysis. The findings reveal that while the regulation offers procedural simplification, reduced bureaucracy, and restructured sanction mechanisms beneficial for business actors, it also poses risks of miscommunication and uneven policy implementation due to regional disparities in resources and understanding. These findings imply the need for robust socialization and capacity-building efforts to ensure uniform application. The research contributes to the academic discourse by bridging legal reform analysis with public policy system theory and recommends future empirical evaluation of regional readiness in implementing centralized environmental policies.

Keywords: Environmental law, public policy system, and cycle

INTRODUCTION

A system and cycle are needed in making a public policy. In general, a system consists of an input from a problem, then processing it to find various alternatives, and the final output is a public policy as a solution to the given problem (Morgan, 2014; Abdul *et al.*, 2022; Banha, Flores and Coelho, 2022; Coen *et al.*, 2022; Stenvall, Kurki and Virtanen, 2023). It is very important for a public policy to go through a continuous cycle process to ensure that it does not end at the implementation phase but can continue to be re-evaluated to better serve society. Consistent evaluations can provide good feedback to be used as input to improve and update the policy. Thus, the policy can stay relevant to societal developments and social growth.

The purpose of the issuance of the Job Creation Law is the government's effort to solve various problems as described in the considerations and general explanation of the Job Creation Law (Izzati, 2022; Nurhayati *et al.*, 2022; Sisinaru & Harijanti, 2022; Trinanda *et al.*, 2022; Hadi, Hamdani, and Roziqin, 2023). One of them is to reduce the unemployment rate in Indonesia by creating and expanding employment opportunities, providing support for the development of cooperatives and micro, small, and medium enterprises. As such, the Indonesian economy can be more resilient in the face of global competition, which might negatively impact Indonesia's economy. As such, the government considers the need to support micro, small, and medium enterprises to be able to compete with the ever-progressing global economy. The steps taken by the government are to change several regulations, in this case

regarding changes to environmental approvals, to provide simplicity, convenience, protection, and empowerment of micro, small, and medium enterprises.

When viewed philosophically, the efforts made by the central government are in line with the views of Rudolf Von Jhering (Jenkins and Jhering, 1960) as an adherent of the utilitarian teachings. According to Jhering, the purpose of law in regulating society is to provide the greatest happiness for most of the community. The aim for changes in environmental policy in government regulation in Lieu of law No. 2 of 2022 is to provide convenience and a more effective application process for entrepreneurs in establishing their businesses. In the hope that new businesses will create the widest possible employment opportunities that can positively impact the Indonesian economy.

To give a better understanding of how a public policy is made so that it can benefit society, this article explains the cycle and system that occurs in changes to environmental regulations in government regulation in lieu of Law No. 2 of 2022 concerning Job Creation as one of the requirements for issuing business permits.

This research introduces a unique analytical perspective by applying David Easton's political system model and Thomas Dye's policy cycle to examine the systemic and cyclical mechanisms behind environmental law changes in *Government Regulation in Lieu of Law No. 2 of 2022*. Unlike previous studies such as Magriasti (2011) and Muadi et al. (2016), which emphasize the importance of public participation and classification of policy levels, this study offers a comprehensive conceptual synthesis of input-throughput-output-feedback dynamics with a normative legal lens. The novelty lies in linking these theoretical models directly to contemporary Indonesian legal reform, especially in the environmental domain, thus positioning the study at the intersection of legal doctrinal analysis and policy systems theory.

METHOD

This research employs a normative juridical method with a conceptual and statutory approach. It aims to analyze changes in environmental regulations by examining legal principles, the systematics of laws and regulations, and doctrinal interpretations. The primary sources are *Government Regulation in Lieu of Law No. 2 of 2022*, *Law No. 32 of 2009*, and related judicial and legislative documents. Secondary sources include academic literature such as works by Easton (2023), Nugroho (2021), and Mahfud MD (2023), which provide theoretical grounding for the political system and public policy models used.

The population of this research includes all legal norms and policies related to environmental licensing and public policy formulation in Indonesia. The sample is purposively chosen from key articles in Government Regulation No. 2 of 2022 that revise Law No. 32 of 2009, especially those governing environmental approvals and sanctions. The sampling technique used is purposive sampling to ensure relevance and specificity in analyzing policy and legal changes. The instrument of research is a document study matrix that maps the changes and implications of legal clauses.

Triangulation is applied to ensure validity and reliability by cross-checking government regulations with expert interpretations and previous scholarly studies. The data collection technique involves a literature review and legal interpretation. The procedure includes reading, classifying, interpreting, and synthesizing legal provisions. Analysis is carried out using qualitative content analysis supported by Microsoft Word and NVivo for coding legal texts and thematic patterns. The data analysis technique is normative-descriptive, using interpretation and logical argumentation to conclude policy cycles and legal reform effectiveness.

RESULTS AND DISCUSSION

Policy System

In understanding the public policy system, one of the concepts of the public policy system that can be used is the David Easton system concept (Dr. Riant Nugroho, 2021:5). Easton desires politics to be viewed from a scientific perspective by using abstract models better to understand regular patterns and processes in a political system (Dr. Hanumanthappa D. G, 2023). According to Easton, a policy system can be analogized to a biological system. The foundation of the biological system is an interaction between living things and their environment. From this interaction, a system is created that interacts with each other so that at its peak, stability is achieved in the process. If applied to society, a political system is a system where society interacts with each other according to the rules of the game that the system has determined (Magriasti, 2011).

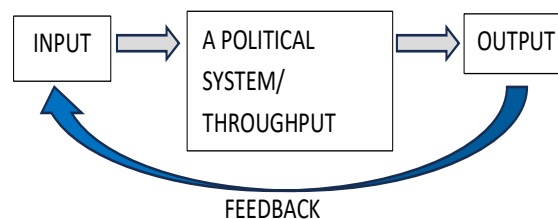


Figure 1. David Easton's Political System

Source: (Magriasti, 2011: 5)

From the above diagram, it can be seen that a system is needed to process any public policy effectively. Feedback from society is regarded as an input for the government to address. The government processes the issue using a certain method to produce a policy or regulation as an output of the system. (Magriasti, 2011). It needs to have consequences to ensure that these policies are implemented and complied with. Thus, if violated, everyone without exception is automatically bound by the rule of the policy. Nonetheless, if there is feedback that the policy produced is ineffective, the government needs to listen to this feedback and re-evaluate the policy (Malian, 2021). As such, the system will go in a cycle to keep refining the public policy to keep it relevant to the needs of society.

However, producing a policy that can satisfy the needs of its people is not an easy task, hence the political system will always have pressure from society. Society is like a double-edged sword, one part has the power to support the government, the other part can become a powerful resistance towards the government if a policy is deemed not in favor of the interests of its citizens. Nonetheless, Easton views that a political system, however complex, is still needed to act as a ground for a good policy to be produced (Dr. Hanumanthappa D. G, 2023). For a policy to be received well by society, the government needs to interact directly with its people to get a better understanding of the situation, to guarantee a solution that best fits the affected community (Muadi, Sofwani and MH, 2016:195). In other words, the first step in policy making is finding the root of the problem in people's lives so that the right policy can benefit society as a whole.

According to David Easton (Magriasti, 2011) several characteristics of a political system make it unique from other general systems. The first is the executive, legislative, and judicial units as part of a political system. The output of a political system must also have an authoritative nature to ensure that the policy is abided by society. The second is the existence of community institutions that can provide input in policies made by the government, in the hope that this feedback can become a constructive input for the institutions. The third is the

differentiation of a system; this political system aims to have units that work individually according to the tasks and responsibilities given, so that their tasks do not overlap. The fourth is the integration of the political system, where different institutions carry out different policies at the same time. Therefore, ensuring that the policies issued do not overlap and become counterproductive when implemented is necessary. In other words, the policies must be harmonized so society is not confused when complying with the regulations (Silitonga, 2022).

In government regulation in lieu of Law No. 2 of 2022 concerning Job Creation, one of the changed policies was regarding Law No. 32 of 2009 concerning environmental protection and management. If we apply the political system theory of David Easton (Dr. Riant Nugroho, 2021:5), it can be explained as such:

1. The input of a system = the president's assessment, which views that there is a need for increased labor absorption to reduce the unemployment rate and to be more resilient in the face of the global economy, which will have a significant impact on the country.
2. Process/ Throughput = Environmental approval is one of the major prerequisites for issuing a business permit. Thus, Law No. 32 of 2009 must be reviewed to facilitate better business actors'/activities' obtaining environmental approval.
3. Output = Resulted in changes to Law No. 32/2009, which is stated in article 22 of the government regulation in lieu of Law No. 2 of 2022.

Public Policy Cycle

When formulating a policy, a working model is needed to be processed using a certain guideline to produce a good and measurable policy. Edward and Sharkansky (Muadi, Sofwani, and MH, 2016) define public policy as what is stated and done or not done by the government. According to Prof. Dr. Mahfud MD (Prof. Dr. Moh. Mahfud MD, 2023:2), the fact that what policies would be made lies in the hands of the legislative and executive institutions, the direction of a policy is largely determined by the political configuration in power that governs at that time. As such, the political rulers will dominate the government's political agenda. When a more democratic political configuration dominates, the political policy will be more responsive or populist. If the political configuration at that time is more authoritarian, then the political policy produced will be more conservative, elitist, or orthodox (Prof. Dr. Moh. Mahfud MD, 2023:363). However, regardless of the dominant political configuration, public policy issuance must be aimed at achieving the nation's ideals and state goals. Therefore, public policies must be made cyclically to be continuously evaluated so that they are always relevant to regulate the society's ever-evolving behavior.

The following is the public policy cycle generated by Thomas Dye.



Figure 2. Thomas Dye's public policy cycle
Source: (Dr. Riant Nugroho, 2021:8)

1. Identification of policy problem.

Activities: Publicizing issues that occur in society. Voicing demands for the government to take action.

Participants: Mass media, interest groups, citizens, and public opinion.

2. Agenda setting

Activities: Determining what issues will be chosen for discussion by the government.

Participants: Executive institutions, legislative institutions.

3. Policy formulation

Activities: Compiling a series of policy proposals to resolve and improve the issues raised.

Participants: Executive institutions, legislative institutions, society, interest groups, and focus groups.

4. Policy legitimization

Activities: Selecting proposals, developing political support, enacting them into law, and ensuring that policies are in accordance with the existing constitution.

Participants: Executive institutions, legislative institutions, interest groups.

5. Policy implementation

Activities: Organizing government institutions or related agencies, providing payment services, or collecting taxes.

Participants: Executive institutions and their staff

6. Policy evaluation

Activities: Making reports on the results of policy programs that have been implemented. Making evaluations of the impact on targeted and non-targeted groups. Making proposals for changes and updates.

Participants: Executive institutions, related agencies, supervisory committees, mass media, and focus groups.

According to O'Jones, when formulating a policy, society as a whole needs to be broken down into 4 groups to understand them better (Dr. Hanumanthappa D. G, 2023). The four groups are:

- a. Well-organized interest groups with established access,
- b. Well-organized interest groups without established access,
- c. Interest groups that are not well-organized but have established access, and
- d. Interest groups that are not organized but also do not have established access.

Very broad and complex policy issues should be categorized appropriately to determine which government agencies must tackle the issue effectively. Policy issues can be categorized into primary, secondary, functional, and minor. Primary level issues need to be handled by national or provincial level agencies because of the nature of the issues that relate to more fundamental issues. The government can handle secondary-level issues at the national or regional level. Secondary issues usually involve a priority program to target specific people. Functional issues are generally related to problems such as budgeting or finance. Minor issues are usually related to personnel matters such as work procedures, working hours, holidays, etc (Muadi, Sofwani and MH, 2016).

Environmental policy changes

The following are some environmental policies stated in Article 22 of the government regulation in lieu of Law No. 2 of 2022 concerning job creation regarding changes to Law No. 32 of 2009 concerning environmental protection and management:

1. In paragraph 1 No. 35, Environmental Approval is now the decision on environmental feasibility or a statement of commitment to environmental management that has received approval from the Central Government or Regional Government.
2. In paragraph 5, the preparation of an environmental impact analysis previously required the involvement of the community, but with the new regulation, it has been revised so that it is sufficient to involve the community directly affected. This is different from Article 26, Law No. 32/2009, where the community as an environmental observer and/or affected by all forms of decisions in the environmental impact analysis process can be involved in the preparation of the environmental impact analysis. And the community that previously could file objections to the preparation of the Environmental Impact Analysis (AMDAL), now the policy has been removed, so that the government communicates directly with the initiator to discuss the preparation of the Environmental Impact Analysis (AMDAL).
3. In paragraph 7, the preparation of AMDAL previously needed to be assessed by the AMDAL Assessment Commission formed by the Minister, governor, or regent/mayor according to

their authority; now, it is directly the authority of the central government to approve. The changes stated in paragraph 5 and paragraph 7 of article 22 of government regulation in lieu of law No. 2/2022 have simplified the AMDAL preparation process, so that the initiator does not need to obtain approval from various institutions, but is sufficient with the central government to get approval through a one-door system.

4. In paragraph 12, the new regulation states that the central government now determines the types of businesses that must be equipped with Environmental Management Efforts and Environmental Monitoring Efforts (UKL-UPL), no longer the governor or regent.
5. In paragraph 13, the new regulation provides convenience for businesses or activities that do not require Environmental Management Efforts and Environmental Monitoring Efforts (UKL-UPL) to make a statement of commitment to environmental management and monitoring, which is integrated into the business registration number as a requirement for doing business. This makes it faster for business owners to obtain business permits.
6. In paragraph 16, the method of announcing environmental feasibility decisions is directly determined through a one-door system, namely through the central government. This is different from the old regulation, where the decision was announced in a manner regulated by each authority at the ministerial, governor, or mayoral level. This provides certainty and ease for the announcement system for business owners.
7. In paragraph 20, environmental requirements are regulated directly by the central or regional government. This unifies requirements that previously could have been made differently between ministers, governors, regents, or mayors.
8. In paragraph 21, the same applies to dumping/disposal, which can only be done with the central government's approval, no longer from various levels of authority at the Minister, governor, or regent/mayor level.
9. In paragraph 23, the government's efforts to centralize all existing regulations have given the central government the authority to regulate norms, standards, procedures, and criteria at the provincial, district, or city level. As such, the central government can monitor developments or challenges faced by various levels of government.
10. In Paragraph 25, the new regulation gives authority to the central or regional government to supervise the compliance of those responsible for businesses/activities from previously Ministers, governors, mayors/and regents who were given this authority. In terms of delegating authority to carry out supervision, the central government becomes the highest institution that can provide provisions on which parties are selected to become supervisory officials. Because it is related to the environment, the central government continues to delegate this authority to functional environmental supervisory officials.
11. In paragraph 26, the new regulation states that this supervision needs to be carried out on Business Licensing, which previously only applied to environmental permits.
12. In paragraph 28, the administrative sanctions imposed on the person in charge of a business or activity are transferred from the Minister, governor, regent, or mayor to the central or Regional Government.
13. In paragraph 31, the authority to force the person in charge of a business and/or activity to conduct environmental restoration due to environmental pollution and/or environmental damage is transferred to the central government as an institution authorized to issue environmental approvals.
14. In paragraph 31, the new regulation states that every person:
 - a. Who carries out a business or activity without a business license or government approval,
 - b. Who has a business license or government approval but violates environmental laws,
 - c. Those who commit acts that result in environmental pollution or damage, but the act is carried out due to negligence and does not result in human harm, serious injury, and/or death.

- d. Who Compiles AMDAL without having a competency certification.
- e. Who, through negligence, commits acts that result in exceeding ambient air quality standards, water quality standards, seawater quality standards, or Environmental Damage Standard Criteria that are not in accordance with Business Licensing.

Administrative sanctions may be imposed, and environmental function restoration or other necessary actions may be carried out. The administrative sanctions referred to are written warnings, government coercion, administrative fines, freezing of business permits, and/or revocation of business permits.

- 15. In paragraph 33, regarding absolute liability for business actors/activities, there must be a serious threat to the environment. In previous regulations, proof of the element of error was not required, so currently, proof of the occurrence of a serious threat is required.
- 16. In paragraph 34, the revocation of Article 93 in Law No. 32 of 2009 provides certainty and legal protection for business permits and government approvals issued to business actors or their activities.
- 17. In paragraph 35, the revocation of Article 102 in Law No. 32 of 2009 provides leniency for business actors who have processed B3 waste but do not yet have a permit. However, this can still be subject to administrative sanctions.
- 18. In paragraph 36, regarding people who carry out business activities without having a business permit or central government approval, which results in victims/damage to health, safety, and/or the Environment, can be subject to criminal penalties. This is an increase in legal protection for business owners so that those who do not have a business license but do not cause victims cannot be subject to criminal penalties in accordance with the old regulations stated in Article 109 No. 32 of 2009.
- 19. In paragraph 37 of the government regulation in lieu of Law No.2/222, the government also provides for the elimination of criminal penalties for people who prepare Amdal but do not have an Amdal preparation competency certificate.

From the analysis of changes to Law No. 32/2009 concerning environmental protection and management, as stated in government regulation in lieu of Law No. 2/2022 concerning job creation, it can be concluded that the implementation of the Thomas Dye model of public policy cycle is as follows:

1. Identification of policy problem.

In the consideration and general explanation sections, the government foresees global economic pressure that could negatively impact the Indonesian economy. Another issue is the unemployment problem, which needs to be addressed as early as possible. As such, the government believes that a national-scale policy needs to be formulated so that the nation can be more resilient to any global economic challenges.

2. Agenda Setting

In compiling what issues need to be tackled, the President considers the issue of environmental approval to be a fundamental one that needs to be revised. This is because environmental approval is a basic requirement for entrepreneurs to establish their businesses. Thus, environmental institutions are asked to be able to make changes so that the submission of permits in terms of the environment can be given ease and speed. If the changes are not facilitated, it will increase the challenge for micro, small, and medium business actors from starting their businesses, the impact is more severe if these businesses have little or limited human resource capability.

3. Policy formulation

Environmental policies considered necessary to be reformulated are those related to convenience, speed, centralization of regulations, and re-adjustment of certain violations. Convenience means the business licensing application system is directly submitted to the central government. The central government also makes national, provincial, and city policies.

Due to this centralization, business actors or activities will get speed in submitting the necessary permits, and in the new regulations, the government also pays attention to violations that occur. Violations that do not have a major or fatal impact are given more appropriate sanctions.

4. Policy legitimation

Because the basis of the policy is a government regulation in lieu of law, the approval process has certainly been carried out by the House of Representatives (DPR), which serves as a legislative institution to be determined as a legally valid regulation.

5. Policy implementation

In implementing the policy, in accordance with paragraph 23 and 25 of government regulation in Lieu of law No.2/2022, the central government is the main party that has the authority to delegate tasks and responsibilities to the government at the provincial and district/city levels to carry out functional structures in terms of supervision and compliance of business actors or activities in terms of environment.

6. Policy evaluation

In terms of policy evaluation, participation from society is needed to evaluate whether the policy has given positive changes from the previous regulations. An example of the feedback is the submission from the people to test the material of Law Number 11 of 2020 concerning Job Creation, which was then decided by the Constitutional Court to ask the government to revise the law (www.hukumonline.com, 2021). The review results are the government regulation in lieu of Law No. 2 of 2022 concerning Job Creation, which is discussed in this journal.

CONCLUSION

The central government's centralization of environmental approval regulations brings significant advantages, including clearer, more equitable rules, streamlined permit processing, and reduced bureaucratic burdens for business owners. With the central government taking a proactive supervisory role, the implementation of regulations is expected to be more consistent across regions. Revisions such as targeted public participation in AMDAL, integrated permit systems, and the replacement of criminal sanctions with administrative ones further ease the regulatory process. However, challenges remain in ensuring uniform information dissemination and institutional capacity across regional agencies, which may hinder effective implementation and confuse business applicants. Future research is needed to assess the effectiveness of communication and capacity-building strategies among regional governments in applying these centralized regulations and to identify solutions for improving regulatory consistency and service delivery.

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