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Preparation and Implementation of Government Regulations in Lieu of Laws as a Government Tool to Handle the Economic Crisis in Indonesia

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Abstract: The preparation and implementation of Government Regulation instead of Law (PERPU) is one of the main strategies used by the Indonesian government to deal with the ongoing economic crisis. In the context of global economic uncertainty and the impacts felt domestically, PERPU is flexible for the government to quickly respond to emergencies without waiting for a long legislative process. This article aims to analyze the role of PERPU in responding to various economic challenges, from business sector recovery to increasing socio-economic stability. In addition, this study also assesses the effectiveness of the implementation of PERPU in overcoming structural problems arising from the crisis and its impact on long-term economic policy in Indonesia. By using a policy analysis approach, it is desired to obtain a deeper understanding concerning the contribution of PERPU in reducing the crisis and accelerating Indonesia's economic recovery.

Keyword: Preparation of Government Regulation instead of Law, implementation of PERPU, economic crisis

Abstrak: Penyusunan dan penerapan Peraturan Pemerintah Pengganti Undang-Undang (PERPU) merupakan salah satu strategi utama yang digunakan oleh Pemerintah Indonesia untuk menghadapi krisis ekonomi yang sedang berlangsung. Dalam konteks ketidakpastian ekonomi global dan dampak yang dirasakan di dalam negeri, PERPU bersifat fleksibel sehingga pemerintah dapat dengan cepat merespons keadaan darurat tanpa harus menunggu proses legislasi yang panjang. Artikel ini bertujuan untuk menganalisis peran PERPU dalam menjawab berbagai tantangan ekonomi, mulai dari pemulihan sektor usaha hingga peningkatan stabilitas sosial-ekonomi. Selain itu, studi ini juga menilai efektivitas implementasi PERPU dalam mengatasi masalah struktural yang timbul akibat krisis dan dampaknya terhadap kebijakan ekonomi jangka panjang di Indonesia. Dengan menggunakan pendekatan analisis kebijakan, diharapkan dapat diperoleh pemahaman yang lebih mendalam mengenai kontribusi PERPU dalam meredam krisis dan mempercepat pemulihan ekonomi Indonesia.

Kata Kunci: Penyusunan Peraturan Pemerintah Pengganti Undang-Undang, implementasi PERPU, krisis ekonomi

INTRODUCTION

The uncertain global economic conditions often pressure national financial stability, including Indonesia. Global crises such as global recession, geopolitical tensions, global pandemics, and fluctuations in international commodity prices have a direct impact on Indonesia's economic growth. (Nugroho, 2016) Indonesia's dependence on commodity exports, foreign investment flows, and international trade makes the national economy vulnerable to external shocks. When developed countries experience an economic slowdown, demand for Indonesian exports decreases drastically, which then has an impact on decreasing foreign exchange earnings and weakening the rupiah exchange rate (Dwi Nabilla Putri, 2025). In addition, global uncertainty also increases the volatility of domestic financial markets, causing capital outflows, increased credit risk, and weakened people's purchasing power.

The impact of the global economic crisis was felt directly in various important sectors of the Indonesian economy. In the financial sector, the crisis triggered a decrease in banking liquidity, an increase in bad debts, and instability in the capital and bond markets (Annisa, 2024). The industrial sector experienced a decline in production due to falling domestic and global demand, leading to a mass layoffs and rising unemployment (Dwi Nur Maulidia, 2023). Economic uncertainty also worsened social conditions with increasing poverty rates and income inequality. In this situation, the pressure on the state budget is even greater, because the government must allocate more funds for economic stimulus programs and social protection. (Sodik, 2024)

In the Indonesian state system, in creating laws through regular legislative mechanisms takes a long time and complex procedures (Syahril, 2024). Each draft law (RUU) must go through the planning stage, joint discussion between the government and the House of Representatives (DPR), harmonization, and ratification in a plenary session. This process not only requires consensus between various political factions that often have different interests, but also through a series of working meetings, public hearings, and the preparation of academic papers that slow down the state's response to dynamic situations (Redi, 2017). When a country faces an urgent economic crisis, the imbalance between the need for quick action and the slowness of the regular legislative process creates a gap that can exacerbate the impact of the crisis on various sectors of people's lives.

In an economic emergency, legislative obstacles such as political interests, ideological debates, and resistance to certain policies become major inhibiting factors in handling the crisis. The time required to complete the regular legislative process is often not comparable to the speed of escalation of economic problems in the field, such as market failures, mass bankruptcies, or spikes in unemployment (Yusmic, 2021). Therefore, a legal instrument is needed that allows the government to act quickly, precisely, and effectively in responding to these extraordinary conditions. The Government Regulation instead of Law (PERPU) is a constitutional solution that provides the government with the flexibility to make strategic decisions without being constrained by time-consuming regular legislative procedures (Mahardika, 2020) Thus, PERPU acts as a legal bridge in a crisis, to ensure that economic rescue policies can be implemented immediately to mitigate the broader impact on national stability.

The Government Regulation in Lieu of Law (PERPU) has a strong legal basis in the Indonesian constitution, namely the 1945 Constitution of the Republic of Indonesia (UUD 1945) Article 22. This article reads:

1. In a compelling emergency, the President has the right to stipulate a Government Regulation instead of a Law.
2. The Government Regulation in Lieu of Law must obtain approval from the House of Representatives in the following session.
3. If it is not approved, the Government Regulation instead of Law must be revoked.

This provision confirms that the President has the authority to issue a PERPU only under certain conditions, namely if there is a compelling emergency, where the normal legislative mechanism cannot run quickly enough to handle the situation. A PERPU is temporary and must be immediately submitted to the DPR for approval to have permanent legal force as a law. (Zaidir, 2022)

The formal and material requirements regarding the issuance of a PERPU have been further clarified by the Constitutional Court (MK) in the Constitutional Court Decision Number 138/PUU-VII/2009. In this decision, the Constitutional Court emphasized that there are three cumulative requirements that must be met to declare the existence of a "compelling emergency" as referred to in Article 22 of the 1945 Constitution, namely:

1. There is an urgent to resolve legal problems quickly based on the law.
2. The required law does not yet exist so there is a legal vacuum, or there is a law but it is inadequate.
3. The legal vacuum cannot be overcome by the usual law-making procedure because it takes a long time, while the urgent situation requires certainty to be resolved.

These three conditions must be met simultaneously so that the use of PERPU can be considered constitutionally valid. (Zakaria, 2019)

In an economic crisis, the government often faces the need to make quick policy decisions to prevent the escalation of adverse impacts, such as financial system failure, a wave of business bankruptcies, or worsening social conditions. Using the usual legislative mechanism, which involves the preparation of academic papers, discussions across DPR commissions, and the harmonization process in the Legislative Body, is not possible in such emergency conditions (Anggraeni, 2020). Therefore, PERPU is the instrument of choice because it can provide a quick legal basis without having to wait for the entire long legislative process, but it has a monitoring mechanism because it must be submitted and approved by the DPR in the next session.

In addition, PERPU provides strategic flexibility to the government to take extraordinary legal action but remains within constitutional limits. In practice, the issuance of PERPU is also regulated more technically in Law Number 12 of 2011 concerning the Formation of Legislation as amended by Law Number 15 of 2019. According to Article 1 number 4 of the Law, PERPU has legal force equal to a law, provided that it obtains approval from the DPR (Rizaldi, 2021). Thus, PERPU is not only an important tool in maintaining the speed of the government's response to the crisis but also in maintaining accountability through the legislative ratification mechanism.

In the history of Indonesian governance, the use of Government Regulations instead of Laws (PERPU) as an instrument to handle economic crises has been carried out at several important moments, including during the monetary crisis in 1998 and the crisis due to the COVID-19 pandemic in 2020. During the 1998 crisis, the government issued PERPU Number 1 of 1998 concerning Amendments to Law Number 14 of 1967 concerning the Principles of Banking, which aimed to improve the national banking system which at that time collapsed due to severe economic pressure. In addition, in 2020, in response to the economic impact caused by the COVID-19 pandemic, the government issued PERPU Number 1 of 2020 concerning State Financial Policy and Financial System Stability for Handling the COVID-19 Pandemic. This PERPU provides a legal basis for the government to carry out massive budget reallocations, expand the fiscal deficit, and take extraordinary steps

in the financial sector to maintain the stability of the national financial system and finance various economic recovery programs (Hipan, 2023).

PERPU has the flexibility to be used as a strategic tool in efforts to stabilize various critical sectors during the economic crisis. Through the issuance of PERPU, the government can immediately issue financial sector rescue policies, such as bank liquidity guarantee programs, providing stimulus to the business world, and establishing credit restructuring schemes to maintain the continuity of company operations (Siolimbona, 2022). In social protection, PERPU allows the government to accelerate the provision of cash social assistance, assistance for micro and small businesses, and labor-intensive programs to reduce the impact of mass unemployment. In addition, through PERPU, the government can regulate fiscal flexibility, including expanding the space for financing the budget deficit without having to wait for changes to the APBN law which takes a long time (Marwan, 2017). Thus, PERPU becomes a vital legal instrument to reduce uncertainty, maintain market confidence, protect people's purchasing power, and accelerate the process of national economic recovery.

The use of PERPU as a legal instrument in emergency conditions is inseparable from various political and legal risks. Politically, the issuance of PERPU is often perceived as an executive action that "oversteps" the legislative function, especially if it is not consulted in advance with the DPR, thus causing tension between the branches of state power. This risk is even higher if the substance of the PERPU is considered too broad or deviates from the urgent needs that are the basis for its issuance. Legally, the issuance of PERPU is vulnerable to constitutional testing at the Constitutional Court (MK), especially if the urgent requirements stipulated in Article 22 of the 1945 Constitution and emphasized in the Constitutional Court Decision Number 138/PUU-VII/2009 are not adequately met. PERPU that does not receive approval from the DPR or is revoked by the MK can create legal uncertainty that is dangerous for the economic and investment sectors because the legal basis for various economic rescue policies can be null and void (Puteri, 2022).

In addition to legal and political risks, another major challenge in the preparation and implementation of PERPU is the issue of public acceptance and the ratification process in the DPR. Due to its rapid and sometimes coercive nature, PERPU often encounters resistance from various civil society groups who believe that the government is ignoring public participation and transparency in the formulation of important policies. On the other hand, in the ratification process, the DPR has the right to accept or reject PERPU, and political dynamics in parliament can affect the legal continuity of the policies that have been taken. In addition, in the technical implementation stage, there are often problems such as unpreparedness of implementing institutions, overlapping regulations, lack of socialization, and limited human resources and budget. All of this has the potential to hinder the effectiveness of PERPU as a rapid instrument to reduce the impact of the economic crisis, so that in the end the initial goal of overcoming emergency may not be achieved optimally.

METHOD

This study uses a normative legal research method, namely research that aims to examine positive legal norms, both in the form of laws and regulations, legal doctrines, and court decisions that are relevant to the preparation and implementation of Government Regulations instead of Laws (PERPU) in handling the economic crisis in Indonesia. This study adopts two approaches, namely the legislative and the philosophical approach. The legislative approach is used to analyze the legal provisions governing PERPU, especially based on Article 22 of the 1945 Constitution, Law Number 12 of 2011 concerning the Formation of Legislation, and various other related regulations, while the philosophical approach is used to examine the rationality, urgency, and values of justice underlying the use of PERPU in crises. The data sources in this study consist of primary data in the form of laws

and regulations, Constitutional Court decisions, and secondary data in the form of legal literature, scientific articles, and academic journals. Data collection techniques are performed through library research by reviewing primary, secondary, and tertiary legal materials related to the research topic. The collected data is then analyzed using qualitative data analysis techniques, by interpreting and reviewing the contents of legal norms to produce systematic, logical, and critical legal arguments by the research objectives.

RESULT AND DISCUSSION

Legal Basis and Constitutional Requirements for the Issuance of Government Regulations in Lieu of Laws (PERPU) in Handling the Economic Crisis in Indonesia

The constitutional basis for issuing a Government Regulation instead of Law (PERPU) in Article 22 of the 1945 Constitution of the Republic of Indonesia (UUD 1945). This provision states: "(1) In the event of a compelling emergency, the President has the right to issue a Government Regulation instead of Law. (2) The Government Regulation instead of Law must obtain approval from the House of Representatives in the following session. (3) If approval is not obtained, the Government Regulation instead of Law must be revoked." This norm gives the President direct authority to issue a PERPU in an emergency, namely when there is a "compelling emergency" situation that does not allow for normal legislative procedures to run. However, the validity of the PERPU remains temporary, because it must be immediately submitted to the House of Representatives (DPR) in the following session to obtain approval or rejection. If it is not approved, the PERPU loses its legal force and must be revoked.

The President's authority to issue a PERPU is a form of constitutional discretion in dealing with emergencies, which aims to maintain the continuity of government and the stability of the state. The President, as head of government, is given the space to respond to extraordinary conditions without having to go through a long and complex legislative procedure. However, this authority is not absolute. Restrictions still apply, especially with the requirement of "compelling urgency" which must be proven. The interpretation of this requirement was emphasized by the Constitutional Court in Decision Number 138/PUU-VII/2009, which details that the issuance of a PERPU is only valid if: (1) there is an urgent situation that requires an immediate legal solution; (2) existing laws are unavailable or inadequate; and (3) the normal procedure for making laws does not allow for immediate implementation. Thus, a PERPU cannot be issued arbitrarily, but must be based on objective parameters whose truth can be tested.

The next mechanism after the issuance of a PERPU is the approval mechanism by the DPR, as regulated in Article 22 paragraphs (2) and (3) of the 1945 Constitution. After the PERPU is enacted, the President is obliged to submit it to the DPR in the following session. The DPR has the authority to accept or reject the PERPU. If accepted, the PERPU will be ratified into law through a formal mechanism, usually by promulgation in the State Gazette. Conversely, if rejected, the PERPU must be revoked, and all legal consequences that have occurred during the validity of the PERPU must be regulated. The technical procedures for submitting and discussing the PERPU are further regulated in Law Number 12 of 2011 concerning the Formation of Legislation as amended by Law Number 15 of 2019, especially in the provisions regarding the submission of draft laws from the President. With this mechanism, the Indonesian state system maintains a balance between the need for a rapid response in emergencies and the principle of checks and balances between branches of state power.

The issuance of a Government Regulation instead of Law (PERPU) is only permitted if there is a "compelling emergency," as stipulated in Article 22 of the 1945 Constitution. The term "compelling emergency" refers to a situation that cannot be postponed and requires

immediate legal action due to the negative impacts that can be caused to the state, society, and economy if not addressed immediately. This emergency is not just an undesirable situation, but must be extraordinary and threaten the survival of the nation or state, such as an economic crisis, major natural disaster, threat to national resilience, or systemic failure that requires quick and decisive policies. Therefore, the PERPU cannot be issued under normal circumstances or based on administrative difficulties, but there must be a real and urgent emergency.

The Constitutional Court in Decision Number 138/PUU-VII/2009 provides further confirmation regarding the requirements that must be met to declare the existence of a compelling emergency. In the decision, the Constitutional Court identified three cumulative requirements that must be met, namely:

1. There is an urgent situation that requires immediate legal handling.
2. Legal vacuum or inadequacy of existing law to handle the urgent situation, or if existing regulations are unable to provide a quick and appropriate solution.
3. The usual law-making procedure does not allow for immediate completion, so there is no time to wait for a long legislative process. These three conditions must be present simultaneously for a PERPU to be issued. Interpretation of these conditions is carried out based on the concrete circumstances that occur in society or the state and can be supervised through a testing mechanism at the Constitutional Court.

In practice, the interpretation of compelling urgency can be found in several cases, such as the 1998 economic crisis and the COVID-19 pandemic in 2020. For example, in the 1998 economic crisis, the government issued PERPU Number 1 of 1998 which contained policies to save the Indonesian banking sector which had collapsed due to the global monetary crisis. In this case, the compelling urgency was the potential for a systemic financial crisis, which could collapse the entire Indonesian economic sector. Likewise, during the COVID-19 pandemic, the government issued PERPU Number 1 of 2020 to provide a legal basis for the transfer of the state budget in handling the health emergency and its impact on the social and economic sectors. The compelling urgency in this case was the extraordinary public health threat and widespread economic impact, which required a rapid response and extraordinary policies without waiting for the usual legislative process which took time.

The issuance of a Government Regulation instead of Law (PERPU) in an economic crisis situation is very necessary because it gives the government the flexibility to take quick steps that cannot be achieved through the usual legislative process. In economic emergencies, such as monetary crises, recessions, or pandemics, vital economic sectors often collapse, requiring immediate handling to avoid a greater systemic impact. Without a PERPU, the government would be hampered by a lengthy legislative process, where the discussion and approval of laws by the DPR would take an unacceptable amount of time in urgent situations. Therefore, a PERPU is an effective and efficient legal instrument for responding quickly, because it can be implemented immediately without waiting for the lengthy procedure for forming laws.

The need for a rapid legal response in economic crises also arises due to legal gaps or inadequacies in existing laws. In many cases, applicable laws may not be able to cover the extraordinary conditions faced by a country in crisis or existing regulations may not be sufficient to address the problem with the speed and accuracy required. For example, in a financial crisis or pandemic, the banking sector and the global economic system can collapse instantly, while existing regulations are unable to accommodate rapid and targeted rescue measures. In this case, PERPU provides a practical solution by giving the government the authority to immediately determine the necessary legal policies, whether in the form of guaranteeing the stability of the financial sector, restructuring the national debt, providing economic stimulus, or allocating emergency budgets for the health and social sectors.

In the context of an economic crisis, the issuance of PERPU also becomes a tool to overcome legal uncertainty that can occur due to profound and rapid changes in the situation. Without PERPU, the community and business sector may not have legal certainty regarding the policies that will be taken by the government to overcome the impact of the crisis. For example, during the COVID-19 pandemic, the need for budget diversion to support the health sector and provide social assistance requires rapid changes in the country's fiscal policy. The usual legislative process would be very slow, whereas, with PERPU, the government can regulate the distribution of social assistance, rescue the business world, and restore the economic sector without being constrained by a long process. Thus, PERPU becomes a very relevant legal instrument in creating legal and economic stability in the midst of emergency conditions, as well as providing certainty for the community and economic actors to continue operating in challenging situations.

The issuance of Government Regulation instead of Law (PERPU) cannot be separated from the principle of legality, which is a fundamental principle in a state of law. The principle of legality requires that all actions taken by the state, including the issuance of PERPU, must be based on clear and valid legal provisions. In this context, Article 22 of the 1945 Constitution provides a legitimate constitutional basis for the President to issue PERPU in an emergency, with clear limitations regarding compelling conditions and the obligation to obtain DPR approval within a certain time. Therefore, PERPU cannot be issued carelessly or for political interests but must be based on existing norms, namely the compelling urgency that requires immediate resolution. The legality principle emphasizes that even though the government is given extraordinary authority, there must still be limitations by applicable law so that there is no abuse of authority.

In addition, the principle of accountability is influential in the issuance of PERPU. Accountability requires that every policy issued by the government, including PERPU, must be accountable to the public and other state institutions, especially the DPR. Although the PERPU is issued to respond to an emergency, there must still be a mechanism to ensure that the policy does not violate the principles of justice and is not used for interests that conflict with the public interest. One form of accountability is the President's obligation to submit the PERPU to the DPR for approval within a certain time. If it is not approved, the PERPU must be revoked, which shows that the use of the PERPU remains under legislative supervision and control, even though it is issued in an emergency.

The control mechanism for the issuance of PERPU is also carried out through judicial and legislative control. In terms of legislative control, the DPR has the authority to assess and provide approval or rejection of the PERPU that has been issued by the President. This aims to ensure that the policies taken by the government are in the interests of the people and do not violate basic constitutional principles. In addition, judicial control can also be carried out by the Constitutional Court (MK), which has the authority to test the constitutionality of PERPU. The Constitutional Court will assess whether the issuance of the PERPU meets the requirements of "compelling urgency" and whether the regulation does not conflict with the 1945 Constitution. With this oversight mechanism, both from the DPR and the Constitutional Court, the issuance of the PERPU remains within the framework of a state of law that prioritizes the principle of checks and balances, prevents abuse of power, and protects the constitutional rights of the people.

Effectiveness of Using PERPU as a Government Strategy in Stabilizing the Economic, Financial, and Social Sectors During Times of Crisis

The role of PERPU in stabilizing the economic sector is important during times of economic crisis because it allows the government to respond quickly and effectively to situations that require extraordinary policies. As a flexible legal instrument, PERPU provides

space for the government to quickly regulate fiscal and economic policies through the standard legislative process. One way PERPU is used to stabilize the economic sector is through fiscal stimulus policies designed to stimulate sectors that have experienced significant declines, such as the industrial, trade, and service sectors. Fiscal stimulus implemented through PERPU can be in the form of allocating additional budgets to support these sectors, as well as reducing tax rates or providing tax incentives to companies affected by the crisis. This policy allows companies to survive and maintain jobs, thereby helping to accelerate the overall economic recovery.

A concrete example of the use of PERPU to restore the business sector affected by the crisis can be found in PERPU Number 1 of 1998, which was issued during the monetary crisis in Indonesia. In this PERPU, the government took a policy to rescue the banking sector by injecting funds and guaranteeing customer deposits, which at that time was needed to prevent the collapse of the financial sector which would have worsened the economic crisis. In addition, PERPU Number 1 of 2020 issued during the COVID-19 pandemic also regulates the provision of fiscal incentives and subsidies for certain sectors, such as the health industry and micro, small, and medium enterprises (MSMEs). In this case, PERPU provides a legal basis for large budget allocations and tax deferrals or tariff reductions to help the most affected sectors. These policies demonstrate how PERPU can be a very effective tool in stabilizing the economic sector and providing support to key sectors during times of crisis.

The use of PERPU to stabilize the financial sector is crucial in addressing systemic problems that arise in the banking and financial sectors during a crisis. One of the main challenges often faced is a liquidity crisis, which occurs when banks or financial institutions have difficulty meeting short-term obligations due to a lack of funds. In situations like this, PERPU provides the legal instruments needed to create rapid response policies. For example, through PERPU, the government can immediately inject funds into the banking system to ensure the sustainability of the operations of important banks that are affected. This policy aims to avoid a banking crisis that could worsen economic conditions, considering that the banking sector is the backbone of other sectors in the economy. Guaranteeing customer deposits is also one of the steps taken to maintain public trust in the banking system.

In practice, PERPU Number 1 of 1998 issued during the Indonesian monetary crisis provides a real example of the use of PERPU to overcome the banking sector crisis. Through the PERPU, the government has the authority to inject capital into banks that have failed due to a liquidity crisis and to restructure banking debt that burdens the sector. In addition, PERPU also allows the government to provide guarantees for customer deposits, which prevent large-scale withdrawals of funds by the public that could result in the collapse of the banking system. This policy is very effective in maintaining the stability of the financial system and ensuring that the public still has access to their funds despite liquidity problems that hit several banks.

In addition, PERPU also provides space for the government to regulate debt that burdens strategic sectors, especially during an economic crisis. One policy that can be taken through PERPU is debt restructuring, both government debt, large companies, and the financial sector that is experiencing payment difficulties. With PERPU, the government can set policies that allow for the postponement or reduction of debt obligations, either through renegotiation with creditors or through fiscal policies that support economic restructuring. For example, during the COVID-19 crisis, the government used PERPU to set credit interest subsidies and provide convenience for business sectors that had difficulty paying their debt obligations, especially in the MSME sector. This policy not only helped the financial sector to survive, but also provided the time needed for companies to recover, reduce bankruptcies, and maintain economic sustainability in times of uncertainty.

The PERPU in social protection and public welfare has a very significant role in providing direct assistance to people affected by the crisis. In economic emergencies, such as monetary crises or pandemics, the most vulnerable people, such as informal workers, low-income families, and poor groups, often experience great difficulty in meeting their basic needs. To respond to this, the government can use the PERPU to create fast and effective social protection policies, such as direct cash assistance (BLT) programs distributed to poor households or workers who have lost income due to the crisis. In addition to BLT, other policies that can be regulated through the PERPU are subsidies for necessities to maintain people's purchasing power and reduce the burden of life that has increased due to price spikes. For example, in PERPU Number 1 of 2020, the government provides cash social assistance to poor families and electricity subsidies to ease the economic burden due to the COVID-19 pandemic.

Policies issued through the PERPU in the field of social protection have a very important social impact on maintaining social stability during times of crisis. Without adequate social security, social inequality can widen, which risks increasing social tensions and unrest. With the social assistance program through PERPU, the government can ensure that groups of people directly affected by the crisis still have access to their basic needs, such as food, shelter, and health. In addition, this policy also helps prevent increasing poverty rates and social dissatisfaction that often arise amid poor economic conditions.

Evaluating the effectiveness of PERPU in overcoming the crisis is very important to understand the extent to which this legal instrument can play a role in overcoming the impact of the economic crisis. The success of the use of PERPU in responding to the economic crisis is often seen from how quickly and effectively the policies issued can reduce the negative impacts caused by the crisis, and the extent to which economic recovery can be achieved. For example, in the 1998 monetary crisis, PERPU Number 1 of 1998 issued by the Indonesian government proved effective in restructuring the banking sector through capital injections and guarantees of customer deposits. These steps were able to avoid the total collapse of the banking system and gave the government time to repair the affected sectors, although the impact on the Indonesian economy as a whole can only be felt in the long term. The success of this policy can be seen from the stability of the financial sector which is better maintained post-crisis, although structural repairs take time.

However, there are also cases where the use of PERPU is not entirely effective in addressing deeper problems in the economy. For example, in the COVID-19 crisis, although PERPU Number 1 of 2020 has provided a legal basis for the allocation of economic stimulus funds and social protection, the short-term effectiveness of this policy in mitigating the socio-economic impacts is highly dependent on the success of the distribution of assistance and the accuracy of policy targeting. Programs such as direct cash assistance (BLT) and subsidies for MSMEs have indeed helped reduce the burden on the poor and the small business sector, but major challenges remain in ensuring fair distribution and recovery of the wider real sector. Some sectors are having difficulty returning to optimal operation, while the negative impacts on unemployment and poverty may last longer than expected.

The long-term impact of policies issued through PERPU on the Indonesian economy is also worth evaluating. Policies taken through PERPU often focus on short-term stabilization, but in many cases, these steps do not necessarily address structural problems in the economy. For example, while debt restructuring and fiscal stimulus policies have helped the financial sector and micro, small, and medium enterprises (MSMEs), there are still major challenges in improving the economy's dependence on certain sectors, such as natural resource exports, which are highly vulnerable to global price fluctuations. The long-term impacts of the policies taken through the PERPU need to be evaluated more deeply to ensure that the Indonesian economy can transform structurally and not just survive on short-term growth.

This includes the need for further reforms in sectors most affected by the crisis, such as education, health, and the tax system, to build greater economic resilience in the future.

Problems and Challenges Faced in the Process of Drafting, Ratifying, and Implementing PERPU in Economic Emergency Situations

The challenge in drafting PERPU mainly lies in the difficulty in formulating quick policies that remain appropriate and effective even though the drafting process is carried out in a relatively short time compared to the drafting of ordinary laws. The process of drafting Government Regulations instead of Laws (PERPU) is required to immediately respond to emergencies that do not wait, such as economic crises that require response measures as quickly as possible. However, despite the urgency to move quickly, the resulting policies must remain measurable and effective. One challenge is how to design policies that can be implemented immediately, but still consider the long-term impacts that may arise. For example, policies on allocating funds to certain sectors or providing fiscal incentives must consider various factors, including the sustainability of the state budget, the needs of the most affected economic sectors, and the capacity for implementation in the field. Mistakes in formulating policies can worsen the situation, or even result in policies that are not by the desired goals.

Besides, the complexity of the problems that must be resolved in an economic crisis is a major challenge in drafting PERPU. Economic crises usually involve various interrelated sectors, such as the banking, industrial, employment, and social. Each sector has its challenges, and the policies issued must be able to respond to and resolve the problems in each sector. For example, policies taken to address the banking sector crisis, such as debt restructuring or cash injections, may not be effective if they are not balanced with policies to stabilize the real sector or social protection for affected communities. In addition, accuracy in identifying priority sectors and in-depth mapping of problems in the field is necessary for the success of the policy. With the various challenges that arise from this broad impact, the preparation of the PERPU must face great difficulties in formulating policies that are not only fast but also able to handle problems in a comprehensive and integrated manner.

Obstacles in the ratification process by the DPR often arise due to the attitudes of politicians and political interests that can slow down or even hinder the ratification of the PERPU. In Indonesia, as in many other democratic countries, the legislative process is greatly influenced by political dynamics involving various political parties with different interests. When the government proposes a PERPU to address the economic crisis, various factions in the DPR may have different views on the right policy to respond to the problem. For example, opposition political parties may question the legitimacy or purpose of a proposed policy, to safeguard their political interests or to show differences with the government in power. In some cases, these political concerns can lead to lengthy debates or even delays in enactment, which can worsen the impact of the crisis at hand. Therefore, agreement between parties is essential to ensure that policies can be implemented quickly and effectively without being hampered by narrow political interests.

In addition, social dynamics and political uncertainty can also worsen the PERPU ratification process. In conditions of economic crisis, cabinet changes or unstable political situations, such as an approaching general election, can complicate the political agreement needed for PERPU ratification. Political uncertainty often leads to differences of opinion on the policies to be taken, even among parties in the same government. In such conditions, the PERPU ratification process can be hampered by a lack of political consensus on the best way to handle the crisis. This uncertainty is also exacerbated by resistance to policies that are considered unpopular or are considered to benefit certain parties in the government. Therefore, in addition to technical factors, the dynamic political situation greatly influences

the speed and smoothness of the ratification of the PERPU, which in some situations can hinder the government's efforts to immediately respond to the crisis.

Obstacles in the implementation of PERPU in the field are often related to administrative constraints and limited resources at the regional level. Although PERPU has been ratified and implemented by the central government, implementation in the field can experience major difficulties, especially when the policies taken require complex coordination between the central government and regional governments. Many regions face constraints in terms of administrative capacity or human resources to implement policies effectively. For example, in the context of social assistance or subsidies, regions that are less prepared in infrastructure and data systems can experience delays in distribution or even inaccurate targeting. It makes the policies that have been taken unable to provide maximum impact, and can even worsen the uncertainty that exists in communities that are experiencing difficulties due to the crisis. In addition, coordination between government institutions is also a major challenge in urgent crises, where many policies require quick decisions and synergy between various agencies, both at the central and regional levels. The misalignment between central and regional policies or between the institutions involved often hinders the effectiveness of the policies implemented.

Political and legal risks in PERPU are serious problems. One of the challenges faced is rejection by the community or political elements, who may feel that the policies issued are not in their interests. For example, certain sectors that feel disadvantaged by the policies issued in the PERPU may protest or take action to reject them, which can affect social and political stability. Furthermore, constitutional lawsuits may arise if the community or certain groups consider that the PERPU violates constitutional principles, both in terms of procedure and the substance of the law applied. Violations of basic rights or legislative processes that are not by the provisions of the Constitution can lead to lawsuits against the Constitutional Court, which may cancel policies that have been issued. This situation will worsen the existing legal and political uncertainty, as well as slow down the much-needed economic recovery. In an economic crisis, this challenge greatly affects the speed and effectiveness of policy implementation that must be taken to address existing problems.

Efforts that can be made to overcome obstacles in the implementation of PERPU in the field involve several strategic approaches aimed at improving coordination, capacity, and speed of policy execution. First, it is important to strengthen administrative capacity at the regional level through training and improving human resources involved in policy implementation. The central government can provide technical assistance and resources to support regions that face difficulties in implementing policies, such as through information technology systems that can improve the efficiency of social assistance distribution or economic recovery programs. Similarly to overcome coordination problems between institutions, it is necessary to construct a special coordination team consisting of representatives from various ministries and institutions, both at the central and regional levels. This team can ensure that every policy issued through the PERPU is implemented in a coordinated and integrated manner, and facilitate fast and accurate decision-making in the field.

In addition, to reduce political and legal risks, the government must prioritize transparency and clear communication regarding the objectives and impacts of policies taken through the PERPU. This can be done by strengthening social dialogue between the government, the community, and other stakeholders, to ensure that the policies are understood and accepted by various parties. The government also needs to ensure that policies issued through the PERPU remain following applicable constitutional and legal principles so that it can avoid constitutional lawsuits that can thwart the policies. For this reason, legal counseling and advocacy to the community and related parties are influential to

build understanding and reduce the potential for rejection. By prioritizing the principles of transparency, accountability, and taking an inclusive approach, the policies issued can be more easily accepted and implemented successfully, so that they can be more effective in overcoming the economic crisis.

CONCLUSION

The conclusion that can be drawn from the discussion on the Preparation and Implementation of PERPU in Handling the Economic Crisis in Indonesia is that PERPU has a very important role in providing a fast and flexible legal response in an economic emergency. As a legal instrument regulated in Article 22 of the 1945 Constitution, PERPU allows the government to immediately respond to the crisis without being hampered by the length of the usual legislative process. However, the challenges in the preparation, ratification, and implementation of PERPU remain significant, especially related to political interests, legal uncertainty, and limited resources in the regions. Although PERPU can provide a quick solution, its effectiveness is highly dependent on coordination between government institutions, administrative capabilities at the regional level, and public support for the policies issued.

Suggestions that can be put forward to increase the effectiveness of the use of PERPU in overcoming the economic crisis are to strengthen coordination between the central and regional governments and to formulate more structured and data-based policies to ensure that the policies taken are right on target and can be implemented effectively in the field. In addition, to reduce the potential for political rejection or constitutional lawsuits, the government needs to communicate clearly and openly regarding the objectives and legal basis of the policies issued through PERPU. The government also needs to develop stronger control mechanisms to ensure accountability in policy implementation and avoid abuse of authority. Finally, accelerating training and strengthening regional administrative capacity must be a priority to ensure that rapid policies can be implemented well throughout Indonesia.

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