



Bahlil: The CK Law Makes It Easy for Young People to Become Entrepreneurs

Jakarta, 16 October 2020 – Indonesia Investment Coordinating Board (BKPM) Chairman, Bahlil Lahadalia, attended the Forum Group Discussion (FGD) organized by the World Association of Indonesian Students (PPI Dunia) online on October 14th. This event themed the Dynamics of the Draft Law (RUU) into the Job Creation Law (UU CK) also presented other speakers, namely the General Secretary of the Ministry of Manpower, Anwar Sanusi, Professor of the Faculty of Law University of Indonesia, Andri G. Wibisana, and Economist of the Faculty of Economics and Business University of Indonesia, Faisal Basri.

The event, which was attended by PPI in 60 countries around the world, aims to obtain academic input regarding the issue of the CK Law which was ratified by the House of Representatives (DPR) on October 5th.

Bahlil explained that the CK Law was motivated by the objective conditions of the Indonesian people. The current workforce is around 7 million, ranging from Aceh to Papua who are looking for jobs. Meanwhile, the workforce per year is around 2.9 million. Not to mention the COVID-19 pandemic conditions that have an impact on workers. Data from the Ministry of Manpower shows that 3.5 million workers were laid off, on the other hand, KADIN recorded that around 5 million people were laid off. With this data, the total employment that needs to be prepared by the government is around 15 million.

"To provide a solution for these 15 million job seekers, the state must create jobs. However, it is unlikely that all of them will be absorbed through the acceptance of PNS (Civil Servants), BUMN (State-Owned Enterprises), TNI, and Polri. The basic concept is that to create jobs, it must go through the private sector, what is meant by investment because this investment can create jobs," Bahlil explained.

On this occasion, Bahlil also assured Indonesian students that the CK Law strongly supports and protects Micro, Small, and Medium Enterprises (UMKM). The BKPM Chairman hopes that college graduates will not only choose to become employees or workers but can become entrepreneurs to help the government in creating jobs. The lack of interest from college graduates who choose to become entrepreneurs, including the complicated business licensing arrangement.

"This law guarantees that younger people after graduating from college become entrepreneurs, with the facilities that exist in this law. MSEs (Micro and Small Enterprises) only need NIB (Business Identification Number). Everything is electronic via OSS (Online Single Submission), three hours straight," said Bahlil.

Meanwhile, the General Secretary of the Ministry of Manpower, Anwar Sanusi, conveyed the level of productivity of Indonesia's workforce compared to other countries in ASEAN. It is hoped that the CK Law will continue to encourage increased productivity through various needs-based training.

Currently, 56.6% of unemployed people are 15 to 24 years old. Meanwhile, for part-time workers, the age group 55 years and over make up 29% of the portion of part-time workers, and the 25-34 year age group make up 26% of all unemployed workers.

"The productivity of the labor force in Indonesia is low, we are still below Malaysia and Laos, even below the average of ASEAN countries," said Sanusi.

The CK Law protects 3 employment positions. First, for the people who have not worked, the government creates jobs through investment. Second, people who have jobs have protection. Third, when a job termination occurs, it will remain protected.

As the host, PPI Dunia Coordinator, Choirul Anam, expressed his appreciation for the openness of the government, observers, and academics to have a clear discussion, provide an understanding of the substance of the CK Law and provide constructive input.

"We hope to get enlightenment through this discussion. We see that the government wants to boost economic opportunities and make it easy for various parties to do business. But on the other hand, it needs to be realized that the CK Law is an integration of various laws that create its complexity from the substance, legal perspective, and the interests of the community. Therefore, this discussion is very beneficial for Indonesian students," concluded Anam.

The CK Law consists of 11 clusters, including improving the investment ecosystem and business activities. With this law, BKPM believes Indonesia's competitiveness will be better, thus attracting the interest of large, medium, small, and micro-business actors to jointly create jobs for the Indonesian people. (*)

—End—