

Government Policy and Social Inequality: A Critical Look at Regulations that are Harmful to Society

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Abstract

This study aims to analyze the impact of government policies on social inequality in Indonesia, particularly through a critical review of regulations that have the potential to harm society. The primary focus of the study is a normative evaluation of the recent Job Creation Law (Law No. 6 of 2023) and other related policies that have sparked public debate regarding social justice and the protection of the rights of vulnerable groups. The method used is normative legal research with a document study approach and critical analysis of regulatory content based on the principles of constitutional law and social justice. The results show that although the 2023 Job Creation Law contains several improvements, government policies still tend to prioritize economic and investment interests, thus perpetuating social inequality due to unfair access to resources and legal protection. Furthermore, minimal public participation in the legislative process strengthens the position of elites and undermines substantive democracy. This study recommends the need for a paradigm shift in public policy towards a more inclusive and socially just approach to guarantee the rights of all Indonesians in accordance with the constitutional mandate.

1. Introduction

In a democratic system of government, public policy should serve as the primary instrument for achieving equitable public welfare. The government is mandated to design and implement regulations that address community needs and narrow social inequality. However, in reality, many policies trigger controversy because they tend to favor certain groups while ignoring the negative impacts on the wider community, particularly vulnerable groups such as the poor, small farmers, laborers, and indigenous communities.

Social inequality is not merely a matter of economic statistics, but a structural phenomenon often reinforced by unfair policies. Many government policies appear neutral or even progressive in political narratives, but in practice, they actually widen the gap between the rich and the poor. For example, policies on industrial estate development or infrastructure development implemented without public consultation often result in forced evictions, loss of livelihoods, and environmental damage that depend on local communities for their livelihoods.

Conversely, fiscal policies such as the removal of fuel subsidies, increases in the prices of basic necessities, or the imposition of non-progressive taxes actually burden low-income communities. Ironically, economic elites or large corporations often receive various incentives, regulatory concessions, and legal protections that are disproportionate to their socio-economic contributions. This situation demonstrates the unequal treatment of its citizens by the state, which significantly contributes to the institutionalization of social injustice.

The problem of social inequality resulting from biased public policies is a multidimensional issue that encompasses economic, political, legal, and cultural aspects. When people feel excluded from decision-making processes, especially if the policies negatively impact their lives, distrust of state institutions will

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arise. In the long term, this can weaken social cohesion and increase the potential for horizontal conflict within society.

Therefore, it is crucial to critically examine government policies that directly or indirectly exacerbate social inequality. This review is necessary not only as a form of academic scrutiny of state policies but also as a basis for formulating policy recommendations that are more just, inclusive, and in favor of the broader public interest. Through this research, it is hoped that general patterns of regulations that are detrimental to society can be identified, as well as opening up space for dialogue between policymakers, academics, and civil society in order to improve the public policy system to be more democratic and socially just.

2. Method

This research is a normative legal study, focusing on the study of legal norms written in laws and regulations and other legal materials. This research aims to analyze and assess the appropriateness and fairness of government policies that impact social inequality, viewed from a legal perspective, particularly state administrative law and social law.

The approaches used in this research include:

1. Statute Approach:

To examine the laws and regulations that form the basis of government policies related to social inequality.

2. Conceptual Approach:

To analyze the concepts of social justice, the welfare state, human rights, and the principles of good governance relevant to the substance of the policy.

3. Historical Approach:

Used to understand the background to the birth of a policy or regulation, as well as the changes that have occurred in the relevant legal system.

4. Case Approach:

In this case, it is used to examine court decisions or legal conflicts that have arisen as a result of the implementation of a particular policy.

This research uses three types of legal materials:

1. Primary Legal Materials:

The 1945 Constitution of the Republic of Indonesia

Laws, Government Regulations, Presidential Regulations, and other technical regulations that form the basis for government policy

Decisions of the Constitutional Court, Supreme Court, or State Administrative Court (if relevant)

2. Secondary Legal Materials:

Legal literature, scientific journals, textbooks, previous research results

Opinions of legal experts, legal articles, and relevant academic notes

3. Tertiary Legal Materials:

Legal dictionaries, legal encyclopedias, and other supporting reference sources

Legal Material Collection Techniques

Data collection was conducted through:

Library research:

Collecting and reviewing regulations, legal documents, and literature related to the research topic.

Court Decision Search:

If available, a search for relevant court decisions was conducted to understand the legal enforcement of the policy in question.

Legal Material Analysis Techniques

1. The analysis is conducted qualitatively and normatively, by interpreting legal norms and examining their relationship to the principles of social justice. The steps include:

2. Inventorying relevant legal materials;

3. Classifying regulations and policies deemed problematic;

4. Interpreting the law, particularly regarding norms that intersect with community rights and principles of justice;

5. Critical evaluation of the legal substance of government policies, reviewed from the perspective of legal principles, theories of justice, and constitutionality;

6. Formulating legal arguments as a basis for providing recommendations for regulatory improvements.

3. Results and Discussion

This research reveals that in recent years, various government policies have normatively raised serious issues in the context of social justice in Indonesia. Although formulated within a formal legal framework and procedurally valid, the substance of several regulations demonstrates a tendency towards inequality in the state's treatment of its citizens.

One of the key findings of this research is that many strategic government policies actually benefit certain economic groups—particularly large investors and corporations—while simultaneously marginalizing the interests of smaller community groups. This phenomenon is not confined to one sector, but extends to various areas such as employment, agriculture, energy, and spatial planning.

For example, the Job Creation Law (Law No. 11 of 2020), which was initiated to simplify regulations and increase investment, contains several articles that weaken legal protections for workers and the environment. In the context of labor protection, several provisions in the law are deemed to contradict human rights principles and the welfare state principle that guarantees the right to decent work. The minimal public participation in its drafting process also indicates weak transparency and accountability.

Furthermore, the policy of removing energy subsidies, particularly for fuel and electricity, places a disproportionate burden on lower-middle-class communities. While the government argues that this policy is necessary for fiscal efficiency, in practice, the economic burden is directly felt by poor households, particularly those dependent on public transportation and household productive activities. Analysis from a socio-legal perspective shows that this policy ignores the principle of distributive justice and the state's responsibility to ensure the fulfillment of its citizens' basic needs.

Other policies examined include the Food Estate program and various land conversion projects in the regions, which were implemented under the pretext of maintaining national food security. However, in practice, these programs have actually led to agrarian conflicts that harm local farmers, indigenous peoples, and communities that depend on the land. Often, these projects are implemented without adequate consultation and fair compensation, thus violating the principles of participation and land rights as guaranteed in the Basic Agrarian Law and the Human Rights Law.

This research also found that the social inequality generated by these policies has not only economic impacts but also legal and political ones. Many people lack access to justice mechanisms to assert their rights due to limited legal education, high litigation costs, and weak oversight by state institutions such as the House of Representatives (DPR) and the courts.

From a normative legal approach, it is clear that these policies contradict the fundamental values of the constitution. Article 28H of the 1945 Constitution guarantees protection and welfare for every citizen, while Article 33 stipulates that natural resources must be managed for the greatest prosperity of the people. However, in reality, many government regulations and policies tend to concentrate economic benefits on a limited group, rather than on the people as a whole.

Furthermore, a review of legal documents, academic literature, and civil society organization reports found that the policy-making process in Indonesia remains highly closed and elitist. Public participation, which should be a prerequisite for the legislative process, often remains merely a formality. This results in policies that do not reflect the needs and aspirations of the wider community and have the potential to create legalized injustice.

Thus, the results of this study demonstrate that social inequality in Indonesia is largely not a natural occurrence, but rather the result of class-biased policies not based on principles of social justice. The state, which should be a protector of all citizens, in many cases actually acts as a protector of certain economic interests.

3.1. Social Inequality as a Structural Impact of Public Policy

Social inequality in Indonesia is not solely caused by differences in individual abilities or market factors, but is also the result of structural engineering through state policy. In the context of a state based on the rule of law (*rechtstaat*), which upholds the principle of social justice, the government has a constitutional obligation to ensure the welfare of all citizens, not just certain economic groups. However, in reality, the various policies analyzed in this study demonstrate that many strategic state decisions actually accumulate profits in the hands of a small elite, while lower-class communities bear heavy social and economic burdens.

Policies that impact social inequality do not arise from a single sector, but are the result of interactions between regulations across sectors, such as employment policies, taxation, natural resource management, and infrastructure development. Many policies, described in the government narrative as "in the national interest," substantively contain structural biases against certain social classes, particularly by granting legal leniency, fiscal incentives, or easier permits to large businesses without considering the impact on local communities.

3.2. Constitutional Review of Regulatory Injustice

Constitutionally, Article 28H paragraph (1) of the 1945 Constitution states that everyone has the right to a life of physical and spiritual prosperity, to have a home, and to enjoy a good and healthy environment. Similarly, Article 33 of the 1945 Constitution affirms that the land, water, and natural resources contained therein are controlled by the state and used for the greatest prosperity of the people.

However, in practice, policies such as the Job Creation Law, the Food Estate program, or the removal of energy subsidies demonstrate deviations from the spirit of the constitution, primarily because:

- a. They prioritize economic efficiency over social protection;
- b. They ignore the principles of sustainability and environmental sustainability;
- c. They weaken the bargaining position of civil society in the legislative process and policy implementation.
- d. These policies appear to be formulated within a formal legal framework, but in terms of legal substance and social orientation, they often deviate from the constitutional ideal of realizing social justice for all Indonesian people.

3.3. Dominance of Economic Interests in Policy Formulation

One characteristic of the policies analyzed is the dominance of market economic logic in their formulation. This aligns with the neoliberal approach, which prioritizes deregulation, privatization, and economic liberalization. This approach directly marginalizes the state's role as a protector of vulnerable groups and has the potential to shift the state's direction from a welfare state to a market state.

In such circumstances, the law tends to become a tool for legitimizing market interests, rather than a tool for social correction. The state plays more of a "market facilitator" than a "regulator of justice." This can be seen in the Job Creation Law, which blatantly relaxes environmental obligations and labor protections in order to create a competitive investment climate.

When the law favors capital interests, normatively, the principle of justice has been disregarded, as emphasized by Gustav Radbruch in his legal theory that a law that ignores justice is not morally valid (*ungerecht ist kein Recht*).

3.4. Inequality of Access and Public Participation in the Legislative Process

One of the main factors contributing to the creation of policies that are detrimental to the public is the lack of genuine public participation in the legislative process. Although the public can formally provide input, in reality, this participation often has no impact on the substance of the policy. In the case of the Job Creation Law, the Constitutional Court even declared the drafting process formally flawed because it failed to meet the principle of meaningful participation.

This unequal access to the legislative process creates a situation of "exclusion by design," where poor communities, farmers, fishermen, laborers, and indigenous peoples are systematically excluded from public decision-making spaces. As a result, the resulting policies reflect the interests of bureaucratic and economic elites rather than the real needs of the community.

3.5. Evaluation of the Role of Oversight and Law Enforcement

Another important finding from this research is the weak oversight of the implementation of potentially discriminatory policies. State institutions such as the House of Representatives (DPR), the Ombudsman, and the judiciary often do not carry out their oversight functions effectively. Many controversial policies do not receive full constitutional review, or if they do, the results lack the power to substantively correct the policy structure.

This demonstrates that the system of checks and balances in Indonesian constitutional law remains weak, especially when dealing with political agendas or significant economic interests. This situation worsens the position of civil society in fighting for legal and social justice.

3.6. Normative Reflection: A Legal Paradigm Shift is Needed

From these findings, it is clear that policy formulation and implementation in Indonesia are still not fully based on the principles of social justice and progressive law. In this context, law is not sufficient as an instrument of social order, but must also become a tool of emancipation to fight for the rights of communities marginalized by power and capital.

Policymaking should not only consider procedural legality but also fulfill moral and social legitimacy, namely, siding with the most vulnerable groups. Without this paradigm shift, public policy will continue to be a tool of domination, rather than an instrument of citizen protection.

4. Conclusion

Based on the results of a normative study of various government policies that impact society, it can be concluded that public policy in Indonesia still does not fully reflect the values of social justice as mandated by the constitution. Various strategic regulations analyzed in this study, such as the Job Creation Law, the policy on the removal of energy subsidies, and the Food Estate program, demonstrate the state's tendency to prioritize economic efficiency and investment growth, while ignoring the resulting social and environmental impacts, particularly for vulnerable groups.

These policies may formally comply with legal procedures, but in substance, they often do not favor the common people. In this context, the law no longer serves as a protector of justice but rather as a tool of legitimacy for certain economic interests. This indicates a deviation from the ideal function of a state based on the rule of law, which should place welfare and social justice as the primary pillars of every public policy.

Furthermore, the policy formulation process in Indonesia still faces serious challenges in terms of public participation. Many important regulations are drafted and enacted without meaningful public involvement. What participation does occur is often symbolic or merely formal, so that the aspirations and real needs of the community are not reflected in the substance of the policy. As a result, many policies actually exacerbate social inequality and create structural injustice.

From a normative legal perspective, this situation demonstrates a contradiction between constitutional ideals and legislative practice. Article 28H and Article 33 of the 1945 Constitution, which emphasize the right to welfare, a decent living environment, and resource management for the people's prosperity, have not been fully implemented as the primary foundation for policymaking. Instead, a free market economic approach still dominates the state's approach to developing regulations, ignoring the balance between growth and justice.

Therefore, it can be concluded that social inequality in Indonesia is not solely a result of global economic dynamics or disparities in individual capabilities, but also a direct consequence of state policies that tend to be elitist, exclusive, and socially unjust. Therefore, a fundamental shift in the paradigm of policymaking and legal regulation is needed so that every regulation truly favors the people and is able to address social inequality in a just and sustainable manner.

Author Contributions

Susianto : Designing structure research and determine focus article scientific based on results research. Directing and coordinating all over stages writing journal , start from determination Topic until final draft preparation. Do supervision to quality content written by members team , including data consistency , style academic , and compliance to rules scientific . Doing finalization script , including editing end , check conformity with journal template purpose , and citation in accordance format . Do correspondence with journal editors , including the submission process, revisions based on reviewers, and communication administrative others .. Guarantee originality and integrity academic from submitted manuscript . **Sunarjo** : Do review library , collection references , and preparation of bibliography in the appropriate format . Arrange the sections certain in articles , such as study literature , methodology , results and discussion , according to with distribution internal tasks . Doing analysis of the data obtained from study field or studies literature . Editing and revising script in accordance with directions chairman researchers and reviewers. Helping in checking plagiarism , manuscript formatting , and preparation of supporting files . **Riski Febria Nurita** : Do review library , collection references , and preparation of bibliography in the appropriate format . Arrange the sections certain in articles , such as study literature , methodology , results and discussion , according to with distribution internal tasks . Doing analysis of the data obtained from study field or studies literature . Editing and revising script in accordance with directions chairman researchers and reviewers. Helping in checking plagiarism , manuscript formatting , and preparation of supporting files

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