

## **The Urgency of Strengthening Business License Revocation as an Administrative Sanction to Act against Violations of Workers' Normative Rights in Indonesia**

**Sulaiman Amiruddin<sup>1\*</sup>, Riswadi<sup>2</sup>**

<sup>1\*2</sup>Universitas Borobudur, Indonesia

Email: [suleamir95@gmail.com](mailto:suleamir95@gmail.com)1, [riswadi@borobudur.ac.id](mailto:riswadi@borobudur.ac.id)2

\*Correspondence: Sulaiman Amirudin

### **ABSTRACT**

**Keywords:** Administrative Sanctions, Enforcement of Labor Laws, Revocation of Business Licenses

Labor law enforcement in Indonesia still faces various challenges, one of which is related to the application of administrative sanctions, especially the cancellation of business permits. Law Number 6 of 2023 for Job Creation and Law Number 13 of 2003 concerning Manpower both declare that the termination of business licenses has a clear legal basis, its implementation has not been optimal. This is due to various legal, technical, and political obstacles. Therefore, this study aims to identify the urgency of strengthening the mechanism for revoking business licenses as administrative sanctions, as well as proposing strengthening strategies that include improving regulations, increasing the capacity of supervisors, optimizing the OSS system, and strengthening coordination between agencies. Strengthening this mechanism is expected to increase the effectiveness of labor law enforcement, protect workers' normative rights, create fairer and more harmonious industrial relations, and a better-quality investment climate. The findings imply the need for a firm, transparent, and integrated administrative enforcement framework to ensure labor justice and sustainable business practices in Indonesia.



### **INTRODUCTION**

The general conditions of employment in Indonesia show complex dynamics along with changes in the national and global economy. With a large workforce, Indonesia faces challenges in creating fair and sustainable industrial relations (Alam, 2020). One of the fundamental issues in employment relations is the defense of normative workers' rights, such as the rights to fair working conditions, minimum pay, and protection for occupational safety and health, social security, and freedom of association. These rights are not only the minimum standards of employment relations but also the main measure in assessing the state's commitment to workers' welfare (Arifin, 2024). Unfortunately, violations of normative rights are still rampant in various sectors, both in large-scale companies and small and medium-sized businesses. Data from labor inspectorates show that many companies have not met labor standards, ranging from late payment of wages to the absence of written work agreements (Budijanto, 2017). This condition shows that

the enforcement of labor laws is still far from ideal, and legal protection for workers requires serious strengthening.

In facing the reality of labor violations, the existence of law enforcement instruments is very important to ensure that work norms are complied with. Labor law enforcement instruments include criminal sanctions, civil sanctions, and administrative sanctions. Criminal sanctions are generally imposed on serious violations that contain elements of intent or crime, while civil sanctions are more directed at efforts to compensate for losses experienced by workers (Santoso, 2024). However, amidst the complexity of industrial relations, administrative sanctions have the advantage because they can be applied quickly, and effectively, and do not require a lengthy court process (Kabes, 2024). Law Number 6 of 2023 concerning Job Creation reinforces the administrative sanctions as a responsive effort to labor violations, by emphasizing administrative actions such as written warnings, Revocation of business licenses and temporary suspension of operations. This administrative approach is crucial in building a culture of compliance because it has a direct effect on the sustainability of company operations without the need for protracted litigation.

Revocation of business licenses as a form of administrative sanction is one of the strategic instruments to increase the effectiveness of labor law enforcement in Indonesia. In violations of workers' normative rights, revocation of business licenses functions as a strong pressure tool to force employers to fulfill their obligations. The mechanism is explicitly regulated in various derivative regulations of Law Number 6 of 2023 concerning Job Creation, which gives authority to authorized officials to apply administrative sanctions to companies that violate labor norms (Ojak Situmeang, 2025). Compared to criminal sanctions which are a long process and civil sanctions that require proof in court, revocation of business licenses offers a quick and effective solution. However, the implementation of this sanction still faces various challenges, such as resistance from the business world, weak coordination between supervisory institutions, and the less-than-optimal legal awareness of law enforcement officers.

In the Indonesian labor law system, the existence of law enforcement instruments is a fundamental aspect of ensuring compliance with work norms. These instruments include criminal sanctions, civil sanctions, and administrative sanctions. Criminal sanctions are generally applied to serious violations, such as slavery or serious violations of basic workers' rights, as regulated in the Criminal Code (KUHP) and special labor regulations. Meanwhile, civil sanctions are used to resolve disputes related to individual workers' rights, such as compensation for termination of employment without a valid reason (Aditya, 2024). Among the three, administrative sanctions are critical because they are direct and preventive. This function is clarified by Law Number 6 of 2023 concerning Job Creation, particularly in Article 81 number 15, which amends the provisions of Law Number 13 of 2003 concerning Manpower. It emphasizes that administrative sanctions for violations of labor standards may include written warnings, limitations on business operations, temporary suspension of some or all production means, and revocation of business licenses.

Administrative sanctions have several advantages over criminal or civil sanctions in enforcing labor law. First, in terms of effectiveness, administrative sanctions can be applied quickly without having to wait for the court process. It is regulated in Article 185A of Law Number 13 of 2003 concerning Manpower as amended by Law Number 6 of 2023, which authorizes labor inspectors to directly impose administrative sanctions for violations found. Second, in terms of efficiency, administrative sanctions reduce the burden on judicial institutions and provide a pragmatic solution to resolving labor violations. Third, in terms of coercive power, administrative sanctions such as revocation of business licenses have a direct impact on the continuity of the entrepreneur's business, thus encouraging higher compliance with work norms. While criminal sanctions require intensive proof and a long process, and civil sanctions rely on workers' initiatives to file lawsuits, administrative sanctions can be applied more proactively by the state through labor supervision (M Nabil Alifah, 2024).

Following the reform of Law Number 6 of 2023 about Job Creation, one type of administrative sanction that is specifically controlled in Indonesian labor legislation is the revocation of business licenses. In addition to the provisions in Government Regulation Number 36 of 2021 concerning wages and Government Regulation Number 35 of 2021 concerning fixed-term employment agreements, outsourcing, working and rest hours, and termination of employment, Article 81 number 15 amends Article 190A of Law Number 13 of 2003, provides a legal basis that revocation of business licenses can be imposed on employers who commit serious violations of workers' normative rights, such as not paying the minimum wage or violating provisions on the protection of women and child workers. This revocation is carried out after the previous administrative stages (warnings, restrictions on business activities, temporary cessation of production) are not complied with, by the principle of gradual sanctions. In addition, revocation of business licenses is also regulated in Article 55 paragraph (2) letter c of Law Number 6 of 2023 which states that one form of imposing administrative sanctions is the revocation of business licenses through the Online Single Submission (OSS) (Nanur Faridatul Ummah, 2024).

As an administrative coercive tool, the revocation of business licenses occupies a strategic position in the structure of labor law enforcement. This tool is designed to be a corrective measure that has a direct impact on the legal existence of companies in the formal sector. Through the revocation of licenses, the state emphasizes that the continuity of the operations of a business entity depends on compliance with labor norms. This is to the principles of modern administrative law that place business licenses not only as rights but also as an instrument of supervision of the behavior of legal subjects. Under the regime of Law Number 6 of 2023 concerning Job Creation, the implementation of the revocation of business licenses has become more structured through the OSS system mechanism, which accelerates the administrative process and strengthens the government's supervisory function. (Rohman, 2024) Thus, the revocation of business licenses is not just a punishment, but a form of control to ensure that every business actor carries out their economic activities while still respecting the basic rights of workers, in

line with the principles of social justice and protection of human rights in the field of employment.

Although normatively the revocation of business licenses has been regulated in various statutory provisions, its implementation in the field is rarely carried out. One of the main reasons is the tendency of labor inspectors to choose a persuasive approach rather than the application of strict sanctions. The culture of compromise and mediation is still more dominant in handling labor violations, even though in many cases employers have repeatedly violated workers' normative rights. Besides, there are concerns that the revocation of business licenses will impact economic sustainability, especially related to threats to investment and potential job losses. As a result, although regulations such as Article 190A of Law Number 13 of 2003 in conjunction with Law Number 6 of 2023 have provided a strong legal basis for implementing license revocation, labor inspectors and related officials are often hesitant to use this instrument to its full potential (Alamanda, 2021).

Obstacles to the business license revocation can be categorized into legal, technical, and political aspects. From a legal aspect, there is a lack of clarity in the technical procedures between labor supervisory agencies and licensing institutions, especially in the Online Single Submission (OSS) system, so the permit revocation process becomes complicated and time-consuming. The lack of synchronization of implementing regulations that regulate the flow of business permit revocation in detail worsens this situation. From a technical perspective, the limited number and capacity of labor inspectors is a serious problem, as reported in various national evaluations that the ratio of inspectors to the number of companies is unbalanced. Meanwhile, from a political aspect, the revocation of business permits often clashes with regional interests in maintaining the investment climate. Regional governments tend to be reluctant to apply harsh sanctions to large investors or strategic companies because they are worried that it will disrupt regional income and worsen the region's impression as an investment destination. This condition shows that the business permit revocation is not merely a legal issue, but is closely related to local socio-economic and political aspects (Lembong, 2016).

One concrete example of the weak implementation of business permit revocation is the violations of workers' rights in the textile industry sector in several regions such as Subang Regency and Karawang Regency. In several investigative reports, companies were found not paying wages according to the minimum wage provisions and practicing long-term contract work without clear status for thousands of workers. Although inspections have been carried out by labor inspectors and serious normative violations were found, the sanctions imposed on these companies were limited to administrative warnings without further action in the form of restrictions or revocation of business licenses. Likewise in cases in the palm oil plantation sector in Sumatra, where labor violations including child labor and forced labor systems were found, license revocations were rarely or never carried out. This condition shows the imbalance between existing regulations and practices in the field and shows that without political courage and strong

legal commitment, administrative sanctions in the form of revocation of business licenses will only be empty norms without real coercive power.

Strengthening the mechanism for revoking business licenses is very important to ensure that labor regulations do not just stop at written norms, but are truly implemented effectively in industrial relations practices. Without a strong mechanism, including clear procedures, optimal inter-institutional coordination, and firm political commitment, sanctions in the form of revocation of business licenses will remain an impotent legal instrument. The application of firm sanctions such as revocation of business licenses plays a vital role in increasing the level of employer compliance with employment norms because it sends a strong signal that serious violations of workers' rights will result in severe legal consequences and have a direct impact on business continuity. On the other hand, this strengthening is closely correlated with efforts to protect workers' normative rights, because only with effective sanctions can workers obtain guarantees for their basic rights without sacrificing their weak bargaining position in employment relations. In addition, an effective mechanism for revoking business licenses also becomes the foundation for creating fair, balanced, and socially just industrial relations, as is the constitutional mandate specifically to ensure that every person receives employment and equitable treatment in work relations, as stated in Article 27 paragraph (2) and Article 28D paragraph (2) of the Republic of Indonesia's 1945 Constitution.

Based on this background, this study aims to critically analyze the urgency of strengthening the mechanism for revoking business licenses as an administrative sanction in Indonesian labor law, as well as to identify the legal, technical, and political factors that hinder its implementation. It further seeks to formulate reinforcement strategies, including regulatory improvement, enhancement of supervisory capacity, optimization of the OSS system, and strengthening of inter-agency coordination. Theoretically, this research contributes to the development of labor law studies by offering an administrative justice-oriented approach. Practically, it serves as a reference for policymakers, labor inspectors, and local governments in designing firm yet balanced enforcement policies to effectively protect workers' normative rights.

## **METHOD**

This study employs a normative legal research approach, which is legal research that looks at secondary data or library resources. The statutory and conceptual approach is the methodology employed in this investigation. Law Number 6 of 2023 concerning Job Creation, Law Number 13 of 2003 concerning Manpower, and related implementing regulations, such as Government Regulation Number 35 of 2021 and Government Regulation Number 36 of 2021, are among the pertinent positive legal provisions that are analyzed in order to implement the statutory approach. Meanwhile, the conceptual approach is used to examine basic ideas or concepts regarding administrative sanctions, normative workers' rights, and fair industrial relations as a theoretical basis for understanding the importance of revoking business licenses in the Indonesian labor law system.

The major legal sources used in this study include pertinent laws and regulations; secondary legal sources include legal literature, scholarly publications, and the opinions of labor law specialists; and tertiary legal sources include legal dictionaries and encyclopedias. Data collection techniques are carried out through document studies, namely by tracing, reviewing, and analyzing various legal documents and other library sources. Furthermore, the data analysis technique used is qualitative analysis, by interpreting and linking the data obtained to be arranged systematically to answer the formulation of the problems proposed in this study.

## **RESULT AND DISCUSSION**

### **Legal Regulations Regarding Revocation of Business Licenses as an Administrative Sanction in the Employment System in Indonesia**

Administrative sanctions can generally be understood as a form of legal action imposed by state administrative officials on legal subjects who violate the provisions of laws and regulations, without going through criminal or civil court processes. This sanction aims to correct violations and restore conditions by applicable legal norms. Administrative sanctions, as used in labor law, are actions taken against employers or other parties who break work norms. These actions can range from written warnings to license revocation to restrictions on business operations or temporary suspension of some or all business operations. Law Number 6 of 2023 concerning Job Creation, which changes and adds provisions to Law Number 13 of 2003 concerning Manpower, is one of the national legislation that accommodates this idea, especially regarding the strengthening of administrative sanction instruments in enforcing labor norms. Administrative sanctions function as an effective tool to ensure employer compliance with legal provisions without relying on heavier and lengthy criminal instruments (Adha, 2020).

The purpose of imposing administrative sanctions in employment law is not merely repressive, but also preventive and corrective. The sanction encourages employers to comply with legal provisions and correct violations that occur quickly without causing major obstacles to the business world, as long as the violations can still be corrected. Through administrative mechanisms, the state seeks to balance the protection of workers' normative rights and business sustainability, by placing the revocation of business licenses as the ultimum remedium in the sanction stages. Thus, the application of administrative sanctions in the employment sector is expected not only to provide a deterrent effect on perpetrators of violations but also to strengthen the effectiveness of labor supervision to create a fair and harmonious industrial relations climate. The affirmation of this objective can be found, among others, in the provisions of Article 81 number 15 of Law Number 6 of 2023 which adds Article 190A to the Employment Law, which explicitly mandates labor inspectors to apply administrative sanctions based on the results of inspections of work norm violations (Maha, 2023).

The revocation of business licenses as a form of administrative sanctions in employment has a clear legal basis in the laws and regulations in Indonesia. One of the

main provisions in Law Number 2 of 2022 concerning the Job Creation Law was replaced by Law Number 6 of 2023 concerning the Stipulation of Government Regulation. In this law, provisions on administrative sanctions are strengthened through amendments to Article 190A of Law Number 13 of 2003 concerning Employment, which stipulates that labor inspectors based on the inspection results can impose administrative sanctions on employers who violate labor norms. One form of administrative sanction that can be imposed is the revocation of business licenses, as stated in Article 81 point 15 of Law Number 6 of 2023 (Muhammad, 2024). It marks a shift in the paradigm of labor law enforcement, which now emphasizes the effectiveness of administrative instruments rather than solely criminal instruments.

In addition, in terms of employment relations and worker protection, The regulation of employer obligations is emphasized in Government Regulation Number 35 of 2021 regulating Fixed-Term Employment Agreements, Outsourcing, Working Hours and Rest Hours, and Termination of Employment, where violations of these provisions can result in the imposition of administrative sanctions, including revocation of business licenses. For example, Article 58 paragraph (1) of Government Regulation Number 35 of 2021 emphasizes that employers who violate the provisions of fixed-term employment agreements can be subject to tiered administrative sanctions, up to revocation of business licenses. (Solechan, 2022) This shows the government's consistency in using an administrative approach to correct labor violations while providing legal certainty for workers.

The application of administrative punishments on firms who violate wage regulations, such as paying salaries below the minimum wage, is governed by Government Regulation Number 36 of 2021 concerning salaries, which is equally significant. Employers who fail to pay salaries in accordance with the provisions will face administrative sanctions, which include written warnings, limitations on their business operations, the temporary suspension of some or all production equipment, and the cancellation of their business licenses, according to Article 59 paragraph (1) of PP Number 36 of 2021. The statute broadens the list of normative infractions that can result in permit revocation as a form of punishment, limited to employment relationships and worker welfare (Agus, 2014).

In addition to the provisions in laws and government regulations, technical regulations are regulated in the Regulation of the Minister of Manpower. One important regulation is Permenaker Number 18 of 2022 concerning Procedures for Imposing Administrative Sanctions for Violations of Labor Norms, which regulates in detail the mechanism for imposing administrative sanctions. This regulation explains the stages of imposing administrative sanctions starting from written warnings to revocation of business licenses. Article 5 of Permenaker Number 18 of 2022 states that revocation of business licenses is carried out if the entrepreneur still does not fulfill labor norms after being subject to previous administrative sanctions. This regulation shows that there are tiered procedures that must be followed before the most severe sanctions in the form of

revocation of business licenses are applied, and emphasizes the importance of accountability in enforcing labor law.

According to the administrative law principle of *ultimum remedium*, the process for revocation of business licenses in the employment system is carried out through tiers of administrative punishments. Administrative sanctions are applied in phases, beginning with written warnings, limitations on business operations, temporary suspension of some or all business operations, and revocation of business licenses, in accordance with the provisions of Minister of Manpower Regulation Number 18 of 2022 concerning Procedures for Imposing Administrative Sanctions for Violations of Employment Norms. The stage aims to provide entrepreneurs with the opportunity to make improvements to the violations found before more severe sanctions are imposed. In this context, revocation of business licenses is placed as the last step if the entrepreneur still does not carry out his obligations to correct the violations even though he has been subject to previous sanctions. This tiered model is intended to ensure that sanctions are given proportionally and continue to uphold the principles of justice and legal certainty for the business world.

In this mechanism, labor inspectors have a key role as officials who are authorized to conduct inspections, issue warnings, and recommend administrative sanctions based on the results of field supervision. As stipulated in Article 190A paragraph (2) of Law Number 13 of 2003 concerning Manpower which has been amended by Law Number 6 of 2023 concerning Job Creation, labor inspectors have the authority to directly impose administrative sanctions for violations of labor norms. After the administrative stages have been passed, labor inspectors can recommend to the licensing agency to revoke the business license if the entrepreneur does not comply with the provisions ordered. In addition, in this case, coordination between the Ministry of Manpower, the regional Manpower Office, and other institutions such as the Investment and One-Stop Integrated Service Office (DPMPTSP) is important, considering that the revocation of business licenses must go through an integrated cross-agency administrative procedure.

According to Government Regulation Number 5 of 2021 about the Implementation of Risk-Based Business Licensing, revocation of business licenses is also conducted through the risk-based Online Single Submission (OSS) system in the age of digital public services. Through the OSS system, all issuance, changes, and revocation of business licenses are carried out electronically to increase transparency and efficiency of the administrative process. When the labor inspector recommends revocation of a license, the issuing agency will process the revocation through OSS, so that the business actor's license data will be automatically deactivated in the system. This mechanism accelerates the revocation process and prevents manual intervention that may hinder law enforcement. However, the effectiveness of OSS also depends on the completeness of data integration between agencies and the commitment of related institutions in following up on recommendations for administrative sanctions from labor inspectors.

Revocation of business licenses in the labor system functions as an administrative coercive tool (*bestuursdwang*) which aims to force employers to fulfill their obligations to labor norms. As an administrative coercive tool, the revocation of a business license is



not intended to punish the perpetrators of the violation in a criminal sense, but rather to stop business activities that violate legal provisions to possess public order in the employment sector. This instrument is designed to be corrective and preventive, where the state through administrative officials can immediately take firm action against employers who continue to violate workers' normative rights, such as violations of minimum wages, working hour provisions, work safety, and other workers' rights. With this character, the revocation of a business license is one of the state's real efforts to balance the interests of worker protection with the continuity of a business that complies with the law. It is in line with the provisions in Article 190A paragraph (2) of the Manpower Law as amended by Law Number 6 of 2023 concerning Job Creation, which gives direct authority to labor inspectors to recommend the application of administrative sanctions including the revocation of licenses.

The difference between the revocation of a business license and criminal sanctions and civil sanctions lies in the aspects of the objectives, processes, and legal effects. Criminal sanctions aim to retaliate qualified crimes against public law, through a lengthy criminal justice process and ending with punishments, such as fines or imprisonment. Meanwhile, civil sanctions prioritize compensation for violations of individual rights based on the principle of private responsibility and are resolved through lawsuits in civil courts. The revocation of business licenses as administrative sanctions aim primarily to stop violations quickly and effectively without the need for litigation, simply through administrative decisions from authorized officials. Thus, the revocation of business licenses can be carried out more efficiently to maintain order in the employment sector and prevent greater losses for workers due to violations that are allowed to continue. This advantage makes the revocation of business licenses an important instrument in building a law-abiding and just employment climate.

### **Urgency and Strategy for Strengthening Business License Revocation Mechanisms to Increase the Effectiveness of Labor Law Enforcement**

Strengthening the mechanism for revoking business licenses in enforcing labor law is an urgent need considering the importance of this instrument in ensuring employers' compliance with labor norms. Administrative sanctions in the form of revocation of business licenses function as a deterrent effect, namely providing a deterrent effect on business actors to comply with legal provisions. The more firm and certain the implementation of this sanction, the greater the likelihood that employers will comply with workers' normative rights such as minimum wages, working hours, occupational safety and health, and social security. Conversely, weak implementation of business license revocation may worsen the protection of workers' normative rights because employers feel free to violate them without fear of serious consequences. This condition not only harms workers individually, but also weakens the national industrial relations system, creates injustice, and encourages exploitative labor practices. Therefore, strengthening the mechanism for revoking business licenses is not merely to take action against violations, but also to build fairer, more balanced, and more sustainable industrial relations, where the rights and obligations between employers and workers are carried out

proportionally according to the principles of social justice. However, the effectiveness of revoking business licenses in practice faces various serious obstacles, both from the legal, technical, and political-social aspects. Legal obstacles include weak regulations that do not fully regulate in detail the procedures and standards for revoking licenses, the lack of integration between the authority of the labor agency and the permit-issuing agency, and the lack of technical law in several specific sectors. From a technical perspective, the main obstacles include the limited number and capacity of labor inspectors, the lack of optimal integration in the Online Single Submission (OSS) system for the revocation process, and the difficulty of coordination between agencies at both the central and regional levels. Meanwhile, political and social obstacles emerge in the form of resistance from the business world considers the revocation of licenses to be a threat to the investment climate, the existence of political intervention to protect certain business actors, and the weak commitment of some government officials to consistently enforce the law.

The first strategy that is very important in strengthening the mechanism for revoking business licenses is the improvement of technical regulations, especially by revising existing ministerial regulations to be more operational and clear in regulating the revocation procedure. For example, Minister of Manpower Regulation Number 18 of 2022 needs to be clarified regarding the requirements, stages, time limits, and minimum standards for violations that can lead to the revocation of business licenses. Currently, the provisions regarding when exactly business licenses can be revoked are still general in nature, thus opening up room for multiple interpretations that can hinder implementation. With detailed technical regulations, labor inspectors will have definite guidelines in carrying out their duties, while business actors also get clarity regarding the legal consequences of violations committed. In addition, there also needs to be harmonization between labor regulations and business licensing sector regulations regulated through the OSS system so that there is no overlapping authority. In addition to improving regulations, increasing the capacity and authority of labor inspectors is an equally important strategy. Labor inspectors must be given ongoing training on inspection techniques, the use of the OSS system, and technical skills in preparing recommendations for administrative sanctions. Not only that, the number of inspectors must also be increased and distributed evenly, especially in industrial areas with dense workers. This capacity building must be accompanied by an expansion of authority, where supervisors can act more quickly without having to wait for complicated bureaucracy, for example by strengthening the legal basis for supervisors' authority to directly propose revocation of permits through OSS based on valid inspection results. Technical support such as modern inspection devices, OSS database access, and adequate mobility facilities are also needed so that the supervision function runs effectively.

Another strategy is optimizing the OSS system to support the acceleration and ease of the business license revocation process. The risk-based OSS system regulated in Government Regulation Number 5 of 2021 must be further developed to allow for real-time revocation of business licenses based on recommendations from labor inspectors.

This optimization can be done by building full integration between labor inspection data and the OSS platform, so that when serious violations are found that are not corrected, supervisors can input their recommendations directly into the system, and business actor permits can be automatically deactivated. Besides that, Strengthening coordination between agencies such as the Ministry of Manpower, DPMPTSP, BKPM, and related business sector ministries is very important to ensure that permit revocation can run smoothly across sectors. Without strong coordination, efforts to revoke permits will be hampered by the tug-of-war of interests between agencies.

Increasing transparency and accountability in the process of revoking business permits is an important element in ensuring public trust in the enforcement of labor laws. Information regarding companies subject to administrative sanctions to the revocation of business permits needs to be published openly, for example through the official website of the ministry or OSS, while still paying attention to the principle of personal data protection. This transparency not only functions as social control but also provides a signal to the business world that the government is serious about enforcing labor norms. With all these strategies, it is hoped that there will be a significant increase in employer compliance with work norms so that workers' rights can be better protected. In addition, the national investment climate will be better quality because only law-abiding companies operate, creating healthy business competition and harmonious industrial relations in Indonesia.

## **CONCLUSION**

Based on the outlined discussion, it can be concluded that the revocation of business licenses as an administrative sanction has a strategic role in enforcing labor law in Indonesia, especially in protecting workers' normative rights and creating fair and sustainable industrial relations. Although this instrument has a strong legal basis, such as in Law Number 6 of 2023 concerning Job Creation, Law Number 13 of 2003 concerning Manpower, and various derivative regulations, its implementation in the field still faces various legal, technical, and political obstacles. Therefore, a comprehensive strengthening strategy is needed, starting from improving technical regulations so that the revocation procedure is more operational, increasing the capacity and authority of labor inspectors, optimizing the OSS system to support the process of revoking permits quickly and transparently, strengthening cross-agency coordination, and increasing public accountability. As a suggestion, the government needs to accelerate the harmonization of sectoral regulations, increase investment in training and work facilities for supervisors, and build a transparent information system for the public regarding labor violations and the sanctions imposed to create an effective deterrent effect on perpetrators of violations and at the same time encourage the creation of a business climate that is fair, sustainable, and based on respect for workers' human rights.

## **REFERENCE**

- Adha, M. (2020). *Efektivitas Sanksi Administratif dalam Penegakan Hukum Ketenagakerjaan*. Jurnal Hukum dan Keadilan, 12(1), 45–59.
- Aditya, R. (2024). *Perbandingan Sanksi Pidana dan Perdata dalam Perlindungan Hak Normatif Pekerja*. Jurnal Hukum Ketenagakerjaan, 18(1), 112–126.
- Agus, H. (2014). *Penerapan Sanksi Administratif terhadap Pelanggaran Upah Minimum*. Jurnal Hukum dan Pembangunan, 44(2), 213–228.
- Alam, B. (2020). *Dinamika Hubungan Industrial di Indonesia: Tinjauan Terhadap Realitas Perlindungan Normatif Pekerja*. Jakarta: Pustaka Karya.
- Alamanda, A. (2021). *Budaya Kompromi dalam Penegakan Hukum Ketenagakerjaan*. Jurnal Politik dan Hukum, 10(2), 90–104.
- Arifin, Y. (2024). *Hak Normatif Buruh dan Komitmen Negara dalam Sistem Hukum Ketenagakerjaan*. Jurnal Hukum Nasional, 21(1), 77–89.
- Kabes, A. (2024). *Keunggulan Sanksi Administratif dalam Penyelesaian Sengketa Ketenagakerjaan*. Jurnal Ilmu Hukum, 29(1), 54–70.
- Lembong, T. (2016). *Investasi dan Politik Perizinan: Dilema Pemerintah Daerah dalam Penegakan Hukum*. Jakarta: Penerbit Reformasi.
- Maha, R. (2023). *Sanksi Administratif dalam Undang-Undang Cipta Kerja: Perspektif Penegakan Hukum Ketenagakerjaan*. Jurnal Legislasi Indonesia, 20(3), 133–145.
- M Nabil Alifah. (2024). *Efektivitas Inspeksi Ketenagakerjaan terhadap Penerapan Sanksi Administratif*. Jurnal Pengawasan dan Kepatuhan, 7(1), 25–41.
- Muhammad, A. (2024). *Paradigma Baru Penegakan Hukum Ketenagakerjaan Pasca UU Cipta Kerja*. Jurnal Hukum dan Masyarakat, 19(2), 66–79.
- Nanur Faridatul Ummah. (2024). *Revokasi Izin Usaha dalam Sistem OSS: Analisis Hukum Administrasi Negara*. Jurnal Sistem Pemerintahan Elektronik, 5(1), 102–117.
- Ojak Situmeang. (2025). *Implementasi Sanksi Administratif di Sektor Ketenagakerjaan: Kajian Terhadap Revokasi Izin Usaha*. Jurnal Kebijakan Publik, 15(1), 88–101.
- Rohman, F. (2024). *Izin Usaha sebagai Alat Kontrol Administratif: Studi Implementasi UU Cipta Kerja*. Jurnal Administrasi Negara, 11(2), 145–160.
- Santoso, D. (2024). *Jenis Sanksi dalam Hukum Ketenagakerjaan dan Implikasinya terhadap Perlindungan Tenaga Kerja*. Jurnal Hukum Humaniora, 16(1), 38–53.
- Solechan, I. (2022). *Sanksi Administratif atas Pelanggaran Perjanjian Kerja Waktu Tertentu dalam PP No. 35 Tahun 2021*. Jurnal Regulasi dan Hukum, 9(2), 180–192.