Legal Certainty In The Use Of Presidential Instructions As A Basis For State Budget Efficiency

Achmad Hafisz Tohir[1] & Andri Winjaya Laksana[2]
[1] Faculty of Law, Universitas Islam Sultan Agung (UNISSULA) Semarang, Indonesia, E-mail: achmadhafisztohir.std@unissula.ac.id
[2] Faculty of Law, Universitas Islam Sultan Agung (UNISSULA) Semarang, Indonesia, E-mail: andri.w@unissula.ac.id

Abstract. *The management of the State Budget (APBN) is a manifestation of the people's sovereignty in the fiscal sector, which must be implemented based on the principles of the rule of law, legal certainty, and fiscal democracy. The state spending efficiency policy implemented through a Presidential Instruction has sparked constitutional debate because it impacts the budget structure without going through legislative mechanisms. This situation raises questions about the urgency of the budget efficiency policy and its compliance with the principle of legal certainty and the hierarchy of laws and regulations in the Indonesian state financial system. This study aims to analyze the urgency of issuing the budget efficiency policy and assess its compliance with the principle of legal certainty and the structure of legal norms in the Indonesian state system. This research employs normative legal research methods with statutory, conceptual, and comparative approaches. The statutory approach is used to analyze constitutional provisions, state financial laws, and regulations related to state budget management. The conceptual approach is used to examine the theory of legal certainty, the hierarchy of norms, government authority, and fiscal democracy. Meanwhile, the comparative approach is used to compare budget management practices within constitutional systems in democratic countries to strengthen the normative analysis. The research findings indicate that budget efficiency policies are urgently needed in the context of fiscal pressures and the need to maintain the sustainability of state finances. However, the use of administrative instruments to make substantive changes to the budget structure conflicts with the principles of legal certainty and the hierarchy of legal norms, as administrative norms lack the authority to amend laws. This practice also has the potential to undermine the principles of fiscal democracy, disrupt checks and balances, and have systemic implications for the integrity of the rule of law. Therefore, budget efficiency policies must remain implemented within the constitutional framework and through legitimate legislative* *mechanisms to ensure legal certainty, fiscal accountability, and the protection of citizens' constitutional rights.*

Keywords: *Executive Authority; Fiscal Democracy; Hierarchy Of Norms; Legal Certainty; State Finances.*

1. Introduction

A state based on law is not merely characterized by the existence of laws and regulations, but rather by legal certainty that guarantees that all government actions are carried out in accordance with clear, stable, and predictable norms. Article 1 paragraph (3) of the 1945 Constitution of the Republic of Indonesia affirms that Indonesia is a state based on law, a constitutional statement that requires every branch of power, including the executive, to submit to the supremacy of law and the hierarchy of statutory norms.[1] Legal certainty is not merely a normative principle, but an existential requirement in democratic governance.[2]In this context, law is not merely a tool for legitimizing policy, but rather an instrument of control over power to prevent it from exceeding its constitutional boundaries. The lack of legal certainty in government actions, particularly those that have a broad impact on state finances, not only risks fiscal injustice but also threatens the state's institutional legitimacy.

Legal certainty in state finances is not merely a procedural issue, but rather a fundamental problem related to how the state manages public trust in its fiscal governance.[3] State finances concern the collection, allocation and use of public funds, which directly impact the fulfillment of citizens' basic rights.[4]Therefore, the rules of the game for the preparation, implementation, and amendment of the State Budget must be subject to a rigid and transparent constitutional framework. Article 23 of the 1945 Constitution and Law No. 17 of 2003 concerning State Finances explicitly state that the State Budget is established by law and any changes to it must be approved by the House of Representatives (DPR). This provision articulates the principle of fiscal democracy, where the state budget is a deliberative product, not a unilateral administrative decision by the executive.[5]

The reality of fiscal policy in 2025 reveals constitutionally problematic practices. The government, through Presidential Instruction No. 1 of 2025, established a state spending efficiency policy that resulted in a budget allocation reduction of up to Rp306.7 trillion without any mechanism for amending the State Budget Law.[6]The Presidential Instruction directs spending adjustments in various strategic sectors, ranging from infrastructure, education, health, to transfers to regions, without first obtaining legislative approval as required by the constitution.[7]To provide a comprehensive overview of the development of the state spending structure during the 2020–2025 period, the following infographic shows the details of the APBN composition based on spending groups: ministries/institutions, non-ministerial, and transfers to regions.

[1]Djafar, W. (2010). Reaffirming the Commitment to the Rule of Law: A Note on the Tendency of Rule of Law Deficits in Indonesia. Constitutional Journal, 7(5), 151-174.

[2]Sipayung, PD (2025). Budget Law: A Pillar of Fair State Finance. PT. Nawala Gama Education.

[3]Sipayung, PD (2025). Budget Law: A Pillar of Fair State Finance. PT. Nawala Gama Education.

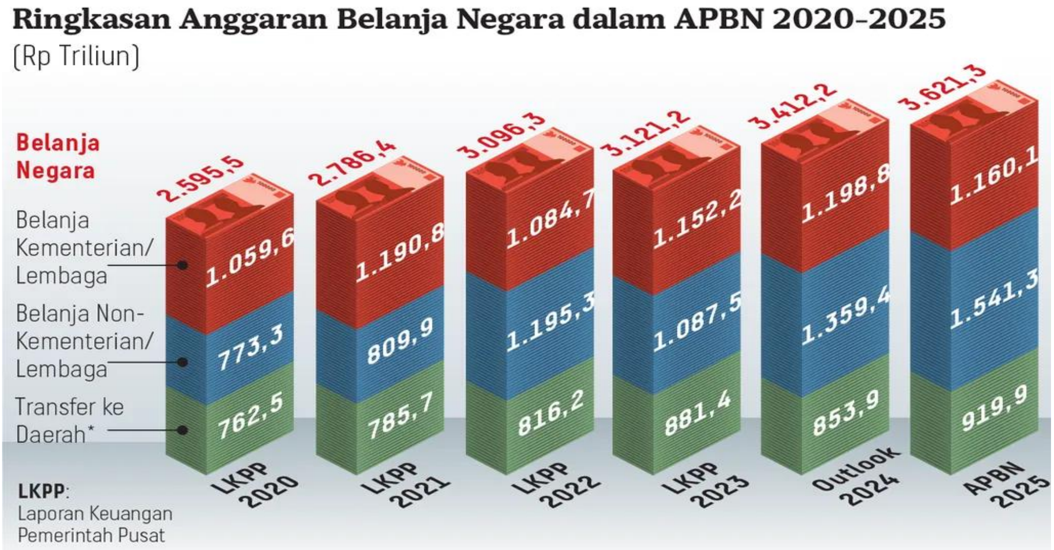
[4]Radbruch, G. (1950). II. Legal Philosophy. In The legal philosophies of Lask, Radbruch, and Dabin (pp. 43-224). Harvard University Press.

[5]Indonesia, PR (2003). Law of the Republic of Indonesia Number 17 of 2003 concerning State Finance.

[6]Tempo. Palace Says Agencies Misinterpret Budget Cut Policy. https://www.tempo.co/politik/istana-sebut-ada-instansi-salah-tafsir-kebijakan-pemangkasan-anggaran--1206661?utm_source=chatgpt.com#goog_rewarded

[7]Presidential Instruction (Inpres) Number 1 of 2025 concerning Spending Efficiency in the Implementation of the State Revenue and Expenditure Budget and Regional Revenue and Expenditure Budget for the 2025 Fiscal Year

Figure 1. Summary of State Budget in the 2020-2025 State Budget



Source: Ministry of Finance, (2025)

Based on visual data from the Central Government Financial Report, the nominal structure of the 2025 State Budget (APBN) shows a significant upward trend compared to previous years. Total state spending is recorded at Rp3,621.3 trillion, up from the 2024 Outlook figure of Rp3,412.2 trillion. Specifically, the allocation for ministerial/institutional spending is listed at Rp1,160.1 trillion, non-ministerial/institutional spending at Rp1,541.3 trillion, and transfers to regions at Rp919.9 trillion. However, the figures listed in the 2025 APBN document become factually problematic when compared toThe budget efficiency policy implemented by the government through Presidential Instruction (Inpres) Number 1 of 2025. The instruction ordered a cut in state spending of Rp306.7 trillion without going through the mechanism of amending the law as stipulated in Article 23 of the 1945 Constitution of the Republic of Indonesia. This condition creates a serious imbalance between the formal fiscal posture that has been approved through the legislative process (de jure) and the actual realization of fiscal policy carried out administratively (de facto). Thus, administrative intervention through Inpres not only obscures the legitimacy of the APBN structure, but also gives rise to a crisis of compliance with the basic principles of budget law in the Indonesian constitutional system.

2. Research Methods

This study employs a statutory approach, a conceptual approach, and a comparative approach. These three approaches are used in an integrated manner to analyze the suitability of using Presidential Instruction Number 1 of 2025 as a basis for state spending efficiency from the perspective of legal certainty, the hierarchy of laws and regulations, and the constitutional mechanism for managing the state budget. The following is a detailed explanation of these approaches:

3. Results and Discussion

3.1. Urgency of Issuing Presidential Instruction Number 1 of 2025

Presidential Instruction Number 1 of 2025 concerning Spending Efficiency in the Implementation of the 2025 State Budget and Regional Budget was issued in the context of the need to maintain national fiscal stability and increase the effectiveness of state financial management. In recent years, the state spending structure has been under pressure due to the increasing need to finance national priority programs, debt repayment obligations, subsidies and social protection, and the need for investment in infrastructure development and public services. This situation demands that the government implement efficiency measures to ensure fiscal sustainability and maintain the health of the state budget.[8]

In addition to domestic factors, global economic pressures also influence national fiscal policy. Global economic uncertainty, commodity price volatility, and international geopolitical dynamics can impact state revenues and fiscal stability. In such situations, spending efficiency policies become a strategic instrument for maintaining fiscal balance and enhancing national economic resilience.[9]

Spending efficiency policies are essentially aimed at reducing non-priority expenditures, curbing budget waste, and increasing the effectiveness of state spending. Efficiency is not merely about budget reduction, but rather optimizing resource allocation so that every state expenditure provides maximum benefits to the public. From a good governance perspective, budget efficiency is part of the principles of accountability, effectiveness, and efficiency in public financial management.[10]Thus, the spending efficiency policy is an effort to improve the quality of state spending and strengthen fiscal discipline.

From a state financial management perspective, spending efficiency is also necessary to ensure fiscal space remains available for financing national priority programs, including infrastructure development, education, health, and social protection. Without spending efficiency, the increasing fiscal burden has the potential to reduce the state's capacity to carry out public service functions and

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[8]Jimly Asshiddiqie, 2006, Introduction to Constitutional Law (Jakarta: Secretariat General and Registrar of the Constitutional Court of the Republic of Indonesia), pp. 281–283.
[9]Ibid.
[10]Philipus M. Hadjon, 1994, Introduction to Indonesian Administrative Law (Yogyakarta: Gadjah Mada University Press), pp. 130–135.

national development. Therefore, spending efficiency is part of a sustainable fiscal management strategy.

However, the urgency of spending efficiency policies does not necessarily override the principles of the rule of law and constitutional procedures in state financial management. In Indonesia's state financial system, the State Budget (APBN) is a legal instrument established by law and reflects an agreement between the government and the House of Representatives (DPR), as representatives of the people.[11]Therefore, every policy that impacts the budget structure must remain implemented within the constitutional corridor and the hierarchy of legal norms.

Thus, the issuance of Presidential Instruction No. 1 of 2025 can be understood as a policy response to the need for fiscal efficiency and increased effectiveness of state spending. However, its implementation must still consider the principles of legal certainty, constitutional supremacy, and checks and balances within Indonesia's financial system.

3.2. Weaknesses in the Implementation of Deposit Insurance Corporation (LPS) Regulations in the Liquidation Case of Sharia Rural Financing Banks (BPRS)

a. Legal Certainty in APBN Management

Legal certainty is a fundamental constitutional principle in the management of the State Budget (APBN), as it is directly related to the legitimacy of the use of public finances and the protection of citizens' rights. Article 1 paragraph (3) of the 1945 Constitution of the Republic of Indonesia affirms that Indonesia is a state of law, meaning that every government action must be based on valid legal norms and be constitutionally accountable.[12]

In the Indonesian constitutional system, the State Budget (APBN) serves as a law reflecting the people's fiscal sovereignty. Article 23 of the 1945 Constitution of the Republic of Indonesia stipulates that the APBN is established by law, so any changes to it must be made through legislative mechanisms with the approval of the House of Representatives (DPR).[13]This provision shows that the state budget

[11]Hans Kelsen, 1967, Pure Theory of Law, trans. Max Knight (Berkeley: University of California Press), p. 221–224.
[12] Jimly Asshiddiqie, 2006, Introduction to Constitutional Law (Jakarta: Rajawali Pers), pp. 281–283.
[13]Gustav Radbruch, 1950, Legal Philosophy, trans. Kurt Wilk (Cambridge: Harvard University Press), p. 107–110.

system is not built on administrative flexibility, but rather on the principle of fiscal democracy that binds the government legally and politically.[14]

As a normative guideline, the State Budget (APBN) imposes strict limits on government organs' use of state resources. Once ratified through constitutional mechanisms, the budget structure must be implemented consistently throughout the fiscal year, unless amended through legitimate legislative procedures. Budget changes through instruments outside these mechanisms have the potential to undermine fiscal stability and create legal uncertainty.

From the perspective of legal certainty theory, Gustav Radbruch places legal certainty as one of the primary goals of law, alongside justice and utility. Law must provide predictability so that society and state institutions can plan actions safely and rationally.[15]

Furthermore, Hans Kelsen, through Stufenbau Theorie, emphasized that legal norms are structured hierarchically and derive legitimacy from higher norms. In the Indonesian legal system, as stipulated in Article 7 paragraph (1) of Law No. 12 of 2011, administrative instruments are not included in the hierarchy of statutory regulations and do not have the normative authority to amend or suspend laws.[16]

Peter Mahmud Marzuki emphasized that legal certainty encompasses two main dimensions: the existence of general rules that enable society to understand what is permitted and prohibited and protection against abuse of government authority.[17]

Budget uncertainty impacting essential public services can also be examined from the perspective of public interest (maslahah) in Islamic law. The principle of maqāṣid al-sharī'ah places the protection of the public interest and welfare as the primary objective of law. Public policies that create uncertainty regarding the fulfillment of basic community needs have the potential to disrupt the public interest.[18]

Thus, legal certainty in the management of the State Budget requires consistency between legal norms and government actions, respect for the hierarchy of laws and regulations, and protection of citizens' constitutional rights.

[14]Hans Kelsen, 1967, Pure Theory of Law, trans. Max Knight (Berkeley: University of California Press), p. 221–224.
[15]Peter Mahmud Marzuki, 2017, Introduction to Legal Science (Jakarta: Kencana), pp. 158–160.
[16]Lon L. Fuller, 1964, The Morality of Law (New Haven: Yale University Press), p. 33–39.
[17]Wahbah az-Zuhaili, 1989, Al-Fiqh al-Islami wa Adillatuhu (Damascus: Dar al-Fikr), p. 45–47.
[18]Abu Ishaq al-Shatibi, 1997, Al-Muwafaqat fi Usul al-Shariah (Beirut: Dar al-Ma'rifah), p. 8–10.

b. Conflict of Norm Hierarchy in the Legal Regulation System

The use of administrative instruments as a basis for state budget efficiency raises fundamental issues within the structure of Indonesia's legal system, particularly regarding the principle of norm hierarchy and legality. In a state governed by the rule of law, where the constitution is the supreme norm, every government action must align with the order of legal norms, ensuring consistency, legitimacy, and legal certainty. When administrative instruments are used to modify the substance of norms established by law, a vertical conflict of norms arises, potentially undermining the integrity of the legal system.

Theoretically, Hans Kelsen through Stufenbau Theorie explains that legal norms are structured in a hierarchical manner, where lower norms obtain validity from higher norms and must not conflict with them.[19]In the Indonesian legal system, the hierarchy of statutory regulations is affirmed in Article 7 paragraph (1) of Law No. 12 of 2011, which places laws as generally binding norms and has a higher status than administrative instruments. Therefore, the use of administrative instruments to change the substance of statutory norms gives rise to vertical norm conflicts that have no formal legal validity.

This conflict in the hierarchy of norms is not only structural but also has direct implications for the principle of legality. The principle of legality requires that every government action be based on legitimate legal authority and carried out in accordance with procedures determined by statutory regulations. Administrative instruments essentially function as tools for implementing policy, not as a source of authority to change legislative norms. Therefore, the use of administrative instruments to shift the state budget reflects an expansion of administrative authority that lacks adequate legal attribution and has the potential to exceed the limits of legitimate authority.

This mismatch between legal norms and administrative practices creates legal uncertainty in the management of state finances. Gustav Radbruch places legal certainty as one of the fundamental values of law, alongside justice and utility.[20]Legal certainty demands consistent norms and predictable state action. When administrative norms conflict with statutory norms, normative ambiguity arises, disrupting legal stability and eroding trust in the legal system. In the context of the state budget, this uncertainty directly impacts development planning, the certainty of public program implementation, and national fiscal stability.

[19]Hans Kelsen, 1967, Pure Theory of Law, trans. Max Knight (Berkeley: University of California Press), p. 221–224.
[20]Gustav Radbruch, 1950, Legal Philosophy, trans. Kurt Wilk (Cambridge: Harvard University Press), p. 107–110.

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Besides disrupting legal certainty, normative disharmony also undermines the internal consistency of the legal system. Lon L. Fuller emphasized that good law must be free from contradictions and consistent across norms as part of the inner morality of law.[21]When administrative norms are subordinated to legislative norms, the law loses its internal coherence and fails to fulfill its primary function as a predictable guide to behavior. Under such conditions, the law risks transforming from a stable system of norms into a policy instrument subject to administrative whims.

The conflict over the hierarchy of norms also has a democratic dimension. Budget laws are the result of a deliberative and representative legislative process, a manifestation of popular sovereignty. Using administrative instruments to alter the substance of legislative norms shifts public decisions from the deliberative to the administrative sphere, thereby undermining the democratic legitimacy of fiscal policy. John Locke asserted that the rule of law requires that all government actions be subject to legally established and publicly recognized laws.[22]When public policy changes are made through administrative instruments outside the legislative process, the normative legitimacy of the decision is weakened and has the potential to undermine the principles of constitutional governance.

If this practice is allowed to persist, the systemic implications are significant. Normative conflict can develop into legal deformation, a condition where norm formation no longer follows formal legislative procedures but shifts to administrative instruments lacking equivalent normative legitimacy. In the long term, this situation has the potential to blur the line between legal norms and executive policy, weaken the rule of law, and undermine public trust in the legal system.

To clarify the normative conflict between the constitutional legal framework and the practice of using administrative instruments in budget efficiency, the following comparison shows the fundamental differences between the applicable legal norms and the implementation of the policies carried out.

Table 3.1.

Analysis: Comparison between Constitutional Norms and Practice

Use of Presidential Instruction No. 1 of 2025

[21]Lon L. Fuller, 1964, The Morality of Law (New Haven: Yale University Press), p. 33–39.
[22]John Locke, 1988, Two Treatises of Government (Cambridge: Cambridge University Press), p. 324–326.

Aspect	Constitutional Norms & Laws	Practice Through Presidential Instruction No. 1 of 2025
Legal Foundation	Article 23 of the 1945 Constitution & Law No. 17 of 2003	Presidential Instruction (not included in the legal hierarchy)
APBN Change Procedures	Must go through the approval of the DPR and be stipulated by law	Not through the DPR, only administrative in nature
Types of Norms	Law (generally binding and legal)	Administrative instructions (internal, technical)
Position in the Norm Hierarchy	High – below the Constitution, equal to other laws	Low – outside the formal structure of legislation
The Power of Budget Change	Has binding power and can legally change the budget posture	Does not have the normative authority to change the APBN Law
Violated Principles	Irrelevant – the procedure is valid	Violating the principles of legality, legal certainty, and the supremacy of law
Impact on Checks and Balances	Maintaining the role of the DPR and public participation	Ignoring the role of the DPR, increasing executive power
Legal certainty	Providing assurance of stability and predictability	Gives rise to legal uncertainty and ambiguity

Source: Author's processing

The table above shows that the use of administrative instruments to modify the substance of the state budget not only creates a conflict of normative hierarchy but also violates the principle of legality, undermines legal certainty, and weakens the mechanism of checks and balances. This inconsistency between constitutional norms and administrative practices indicates a dysfunction in the mechanisms for creating and implementing law, potentially undermining the integrity of the rule of law and the legitimacy of fiscal democracy.

Thus, the conflict over the hierarchy of norms in the use of administrative instruments to alter the substance of the state budget not only raises legal issues but also impacts the stability of the legal system, the legitimacy of fiscal democracy, and the integrity of the rule of law. Within a democratic rule of law, administrative instruments should be positioned as tools for implementing norms, not as substitute mechanisms for legislative norms. Therefore, the use of administrative instruments to modify the substance of the state budget contradicts the principles of the hierarchy of norms, the principle of legality, and the principles of sound legal formation.

c. Analysis of the Theory of Authority: The Limits of the Legality of Executive Action

From the perspective of state administrative law, the legality of government actions is determined by the existence of legitimate authority. Every government action must have a clear basis for authority, because without authority, the action lacks legal legitimacy. Therefore, analysis of the use of administrative instruments to improve state budget efficiency must be placed within the framework of the theory of authority and the principle of legality.

Constitutionally, Article 23 of the 1945 Constitution of the Republic of Indonesia stipulates that all state revenues and expenditures must be included in the State Budget (APBN), and any changes to it may only be made through legislation. This provision is attributive because it grants direct authority to the President and the House of Representatives (DPR), acting jointly as fiscal legislators. Therefore, changes to the APBN structure are only valid if implemented through formal legislative mechanisms, not through unilateral administrative action.

In the doctrine of state administrative law, Philipus M. Hadjon explains that government authority is obtained through three sources, namely attribution, delegation, and mandate.[23]Attribution is the direct granting of authority by the constitution or law; delegation is the transfer of authority from a higher body; and mandate is the exercise of authority on behalf of the mandate giver. In the context of the budget efficiency policy through the Presidential Instruction, there is no attribution of authority from the constitution or law that grants the President the right to unilaterally change the state budget structure. Similarly, there is no delegation of authority from the House of Representatives (DPR) or specific law that allows for reductions or reallocations of the state budget through administrative instruments.

[23]Philipus M. Hadjon, 1994, Introduction to Indonesian Administrative Law (Yogyakarta: Gadjah Mada University Press), pp. 130–135.

Therefore, administrative actions used to change the substance of the state budget can be qualified as ultra vires actions, namely actions that exceed the limits of legitimate authority according to law.[24]This principle is part of the principle of legality which demands that every government action be based on clear and accountable legal authority.

Law Number 17 of 2003 concerning State Finances stipulates that changes to the APBN can only be made with the approval of the DPR and stipulated by law.[25]This provision embodies the principle of checks and balances in the constitutional relationship between the executive and legislative branches. By ignoring this mechanism, the use of administrative instruments to alter the budget structure not only violates positive law but also disrupts the balance of power within the constitutional system.

From a legal perspective, it's also important to distinguish between authority and power. Ateng Syafrudin explains that authority is formal power derived from statutory regulations, while authority is the concrete implementation of that authority.[26]The President has administrative authority to implement the state budget, but lacks formal authority to change budget norms established by law. Therefore, administrative actions that impact the structure of the state budget constitute an exercise of authority without a legitimate formal basis.

Within the framework of bestuurshandeling, administrative actions are only valid if they are carried out within the limits of legal authority and do not alter public rights or obligations established by law. Paul Scholten emphasized that government actions must always be based on law and subject to the principle of legality.[27]When administrative actions have a direct impact on the allocation of the state budget and public rights inherent in the education, health and social services sectors, then these actions have gone beyond the administrative scope and entered the realm of legislation.

Thus, the use of administrative instruments to alter the state budget structure lacks a legitimate basis for attribution or delegation of authority. This action exceeds the legal limits of executive authority, disrupts the balance of power, and potentially sets a precedent for abuse of authority within the public legal system. Within a democratic, rule-of-law framework, the President's administrative

[24]Ridwan HR, 2014, State Administrative Law (Jakarta: Rajawali Pers), pp. 98–101.
[25]Republic of Indonesia, Law Number 17 of 2003 concerning State Finance.
[26]Ateng Syafrudin, 2000, Towards the Implementation of Clean and Responsible State Governance (Bandung: Mandar Maju), pp. 52–55.
[27]Paul Scholten, 1974, Algemene Begrippen van Recht (Zwolle: WEJ Tjeenk Willink), p. 45–47.

authority must be limited to budget execution, not to changes to budget norms established by law.

d. Implications for Fiscal Democracy and Checks and Balances

In a democratic legal system, state financial management is not merely an administrative matter, but rather part of the mechanism of popular sovereignty, manifested through the budget legislation process. The state budget (APBN) serves not only as a fiscal instrument but also as a political contract between the state and citizens regarding the allocation of public resources. Therefore, any changes to the state budget must comply with the principles of fiscal democracy and the mechanism of checks and balances.

From the perspective of state administrative law, Ateng Syafrudin distinguishes between authority as formal power originating from statutory regulations and authority as the concrete implementation of that power.[28]The President has administrative authority to implement the state budget, but lacks formal authority to alter the budget structure established by law. Administrative instruments used to achieve budget efficiency without formal authority constitute an exercise of authority without a valid legal basis and violate the principle of legality.

Sudarsono and Ridwan HR emphasized that government actions are only legitimate if they are based on laws and regulations or principles of good governance.[29]When the legal basis cannot be clearly demonstrated, the action not only loses legal legitimacy, but also creates a precedent of abuse of administrative power that is dangerous for the sustainability of democratic governance.

From a constitutional perspective, budget efficiency impacting strategic sectors such as education has serious implications for citizens' constitutional rights. Article 31 paragraph (4) of the 1945 Constitution of the Republic of Indonesia requires the state to prioritize the education budget at a rate of at least 20% of the state budget. Diversion or reduction of the budget without amending the law has the potential to violate this constitutional provision and disrupt the fulfillment of citizens' basic rights. In this context, fiscal efficiency must not compromise the state's constitutional obligations.

Broader implications are evident in the disruption of the principle of checks and balances within the state system. The power of the purse concept places the legislative body as the primary controller of state spending to prevent the concentration of fiscal power in the executive branch. When budget efficiency

[28]Ateng Syafrudin, 2000, Towards the Implementation of Clean and Responsible State Governance (Bandung: Mandar Maju), pp. 52–55.
[29] Ridwan HR, 2014, State Administrative Law (Jakarta: Rajawali Pers), pp. 98–101.

policies are implemented through administrative instruments without legislative mechanisms, the role of the House of Representatives (DPR) as the people's representative in fiscal oversight is diminished.

Montesquieu emphasized that separation and distribution of powers are necessary to prevent abuse of power.[30]When the executive unilaterally changes the state spending structure that has been authorized by law, a concentration of fiscal power occurs, potentially leading to executive dominance. This situation risks leading to fiscal absolutism, a situation in which fiscal policy is implemented without adequate democratic oversight.

4. Conclusion

The issuance of Presidential Instruction No. 1 of 2025 was motivated by the government's need to maintain fiscal stability, increase state spending efficiency, and respond to economic pressures and limited fiscal space. From the perspective of public policy and state financial management, spending efficiency measures are a strategic instrument for ensuring fiscal sustainability, optimizing budget utilization, and increasing the effectiveness of development programs. The urgency of budget efficiency policies can also be understood as the government's effort to control unproductive spending, direct budget priorities to strategic sectors, and maintain fiscal discipline for national economic stability. Amidst global economic dynamics and pressures on the state budget, spending efficiency policies are administrative measures that can be understood as a response to the need for adaptive and responsive fiscal management. However, the urgency of these policies does not necessarily override constitutional principles in state financial management. Fiscal efficiency must still be implemented within a legitimate legal framework to avoid legal uncertainty and conflicts of authority within the state system.

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[30]Montesquieu, 1989, The Spirit of the Laws (Cambridge: Cambridge University Press), p. 157–162

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