

## Employment Law Politics in Indonesia

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### Abstract

Employment law policy in Indonesia reflects the government's efforts to balance worker protection with the demands of national economic development. The enactment of Law No. 11 of 2020, subsequently reinforced by Law No. 6 of 2023 concerning Job Creation, has significantly transformed Indonesia's employment legal framework by promoting labor market flexibility while raising concerns regarding the protection of workers' rights. This study aims to analyze the direction of Indonesia's employment law policy, examine the evolution of labor regulations, and evaluate the implementation of legal protection for workers amid contemporary economic and technological developments. The research employs a normative legal method using statutory, conceptual, and analytical approaches. Data were collected through a comprehensive review of primary, secondary, and tertiary legal materials and analyzed qualitatively. The findings indicate that although Indonesia has established a comprehensive legal framework governing employment relationships, labor protection, and industrial dispute resolution, significant challenges remain in its implementation. Amendments introduced through the Job Creation Law have increased flexibility in fixed-term employment agreements and outsourcing, enhancing business competitiveness but also creating greater job insecurity. Furthermore, the rapid expansion of the digital economy and platform-based employment has exposed regulatory gaps, leaving many gig workers without adequate legal protection. Weak law enforcement, limited government supervision, and the unequal bargaining position of workers further undermine the effectiveness of existing regulations. Therefore, Indonesia's employment law policy should be strengthened through more adaptive legislation, effective enforcement mechanisms, and balanced legal reforms that simultaneously promote investment, legal certainty, and the protection of workers' rights.

## I. INTRODUCTION

Employment law policy in Indonesia reflects the state's efforts to regulate the relationship between workers, employers, and the government in order to create fairness in the world of work. Legal policy is understood as the direction of state policy in forming and implementing laws to achieve certain goals, including ensuring public welfare. In the employment context, legal policy plays a crucial role in ensuring a balance between worker protection and economic development interests. This is in accordance with Article 27 paragraph (2) of the 1945 Constitution, which affirms that every citizen has the right to employment and a decent and prosperous life.

The development of employment law in Indonesia in recent years has shown increasingly complex dynamics, particularly since the enactment of regulatory changes through Law Number 11 of 2020, which was later strengthened by Law Number 6 of 2023 concerning Job Creation. These regulatory changes have significant implications for the employment system, particularly in terms of workforce flexibility and legal protection for workers. Recent research indicates that these regulations facilitate investment and the business world, but on the other hand, have the potential to reduce job security for workers, particularly under the fixed-term employment agreement (PKWT) system (Sari, 2023).

Furthermore, the development of the digital economy has influenced the direction of labor law policy in Indonesia. The emergence of the gig economy has transformed employment relationships from formal to more flexible and partnership-based. This situation presents new challenges, as many workers in this sector do not receive adequate legal protection compared to formal workers. This demonstrates that labor law has not fully adapted to current developments (Pratama, 2022).

On the other hand, labor law policy also faces a dilemma between economic interests and social justice. Existing regulations often spark debate because they are perceived to favor investment interests over labor protection. Recent research suggests that labor policies in Indonesia still tend to place workers in a weak position in industrial relations, resulting in suboptimal legal protection (Hidayat, 2024).

Furthermore, in the context of labor protection, current labor law in Indonesia demonstrates a paradigm shift from normative protection to labor market flexibility. This shift has implications for increased job insecurity for workers, particularly in contract and outsourcing employment systems. Recent studies indicate that this situation can lead to decreased worker welfare if not balanced with adequate protection policies (Rahmawati, 2023).

Based on the description, the problems studied in this research include: (1) the definition of labor law policy, (2) labor regulations in Law Number 13 of 2003 and its amendments, and (3) the concept of labor law protection in Indonesia. This research aims to provide a comprehensive analysis of the direction of labor law policy in Indonesia and its implications for labor welfare in the context of current regulatory developments.

## II. RESEARCH METHODS

This research employs normative legal research. This research is conducted by reviewing literature or secondary data as its primary sources. Normative legal research focuses more on analyzing legal rules contained in legislation

and various legal concepts developed in the literature (Soekanto & Mamudji, 2021). The approaches used in this research include several approaches, namely:

- Statute approach

This approach is carried out by examining various laws and regulations related to employment, such as Law No. 13 of 2003 concerning Employment, Law No. 11 of 2020, and Law No. 6 of 2023 concerning Job Creation. This approach aims to determine the consistency and compatibility between applicable legal norms.

- Conceptual approach

This approach is carried out by examining legal concepts related to legal and employment politics through expert opinions and legal doctrine. This approach is used to theoretically understand the meaning and scope of employment legal politics (Marzuki, 2022).

- Analytical approach

This approach is used to analyze problems that occur in employment practices, particularly those related to labor protection and the dynamics of current legal policies.

The data sources in this study consist of:

- Primary legal materials, namely laws and regulations relating to employment.
- Secondary legal materials, namely books, scientific journals, and relevant research results, especially from publications in the last 4 years.
- Tertiary legal materials, namely legal dictionaries and encyclopedias that support understanding of concepts.

Data is collected through literature studies, namely searching for and reading various books or written sources that are relevant to the research topic.

Furthermore, the data analysis technique used was qualitative analysis, which systematically describes and interprets data to draw conclusions relevant to the research problem. The analysis was conducted by connecting applicable legal norms with empirical conditions in society, thus obtaining a comprehensive picture of labor law policy in Indonesia (Hidayat, 2023).

### III. RESULTS AND DISCUSSION

#### A. Research result

The results of this study indicate that labor law policy in Indonesia is aimed at creating a balance between the interests of workers and employers within the framework of national economic development. Normatively, the state has regulated various aspects of labor through Law Number 13 of 2003 concerning Manpower and its amendments in Law Number 11 of 2020 and Law Number 6 of 2023 concerning Job Creation.

The study found that employment regulations in Indonesia encompass several key aspects, namely employment opportunities, employment relationships, employee protection, and industrial relations dispute resolution. However, various problems remain in their implementation, such as the imbalance between workers and employers and weak oversight of the implementation of employment norms.

Furthermore, research findings also indicate that regulatory changes through the Job Creation Law have impacted the flexibility of employment relationships, particularly in fixed-term employment agreements (PKWT) and outsourcing. While this flexibility provides convenience for businesses, it also has the potential to create job insecurity for workers (Sari, 2023).

In the context of labor protection, it was found that although normative protections, such as occupational safety and health and social security, exist, in practice, these protections are not fully implemented. This is due to weak law enforcement, inadequate government oversight, and the low bargaining power of workers in industrial relations (Hidayat, 2024).

Furthermore, the development of the digital economy has also impacted the employment system in Indonesia. The emergence of platform-based workers (gig workers) demonstrates that there are labor groups that are not yet fully accommodated by existing labor regulations. This

situation emphasizes that labor law policy in Indonesia still requires adjustments to be more adaptive to changing modern work patterns (Pratama, 2022).

Thus, the results of this study indicate that although normatively employment regulations in Indonesia are quite complete, in their implementation there are still various challenges that require further attention from the government and other stakeholders.

#### B. Discussion

##### 1. Employment Law Politics in Indonesia

Employment law policy is part of national legal policy aimed at regulating the relationship between workers, employers, and the government in order to achieve social justice. In this context, the state plays a strategic role as both regulator and protector of the workforce. Legal policy is not limited to the process of formulating and establishing rules or norms that apply in society, but also has a broader role as a tool to direct legal policy to achieve a greater goal, namely public welfare. Through legal policy, the state can determine the direction of legal development that is not merely formal and administrative, but also truly touches on the social, economic, and justice needs of citizens. Thus, law is not only a set of binding provisions, but also a living and functional tool for realizing a more just, prosperous, and socially just society.

In practice, Indonesia's labor law policy demonstrates a tendency toward dual interests, namely between labor protection and economic growth. On the one hand, the state strives to protect workers through various regulations, while on the other, it also strives to create a conducive investment climate. This situation often places labor law policy in a dilemma (Hidayat, 2024).

Furthermore, employment law policy is also influenced by the dynamics of globalization, which demand flexibility in the labor market. This flexibility is often interpreted as making it easier

for employers to manage their workforce, such as through contract systems and outsourcing. However, without strict oversight, this flexibility has the potential to reduce worker protection (Rahmawati, 2023).

Thus, employment law policy in Indonesia needs to be directed at a proportional balance between economic interests and social protection so as not to create inequality in industrial relations.

## 2. Labor Regulations Law No. 13 of 2003 concerning Manpower is the primary legal basis governing employment relations in Indonesia.

This law covers various important aspects, such as employment opportunities, job training, employment relations, labor protection, and the resolution of industrial relations disputes.

Normatively, this law guarantees protection for workers, including the right to a decent wage, social security, and occupational safety and health protection. However, its implementation remains fraught with weaknesses, particularly in oversight and law enforcement.

Regulatory changes through Law No. 11 of 2020 and Law No. 6 of 2023 concerning Job Creation have brought significant changes to the employment system in Indonesia. One crucial change concerns the flexibility of employment relationships, particularly in the regulation of fixed-term employment agreements (PKWT) and outsourcing.

On the one hand, this policy makes it easier for businesses to manage their workforce, thereby increasing efficiency and economic competitiveness. However, on the other hand, this policy also raises concerns regarding reduced job security and the increased potential for labor exploitation (Sari, 2023).

Therefore, stricter supervision from the government is needed to ensure that the implementation of these regulations remains within the scope of labor protection and does not harm workers.

## 3. Legal Protection for Workers

Legal protection for workers is one of the primary objectives of labor law policy. This protection encompasses various aspects, such as occupational safety and health, social security, wage protection, and protection from unfair termination.

Normatively, Indonesia has various regulations governing labor protection. However, in practice, this protection remains suboptimal. One of the main factors contributing to this is weak law enforcement and a lack of government oversight of the implementation of labor regulations.

Furthermore, the relatively weak bargaining position of workers compared to employers also hinders effective protection. Many workers lack the courage to assert their rights for fear of losing their jobs. This demonstrates that legal protection depends not only on regulations but also on the social and economic conditions of the community (Pratama, 2022).

The development of the digital economy has also added complexity to labor protection. The emergence of platform-based workers (gig workers) highlights a group of workers who lack adequate legal protection. This situation demands reform of labor laws to be more adaptive to current developments.

Thus, legal protection for workers in Indonesia needs to be strengthened not only from a regulatory perspective, but also from an implementation and oversight perspective to ensure fairness for all workers.

## IV. CONCLUSION AND SUGGESTIONS

### A. Conclusion

Employment law policy in Indonesia is essentially a manifestation of the state's responsibility to guarantee workers' rights while supporting national economic development. The constitutional basis of Article 27 paragraph (2) of the 1945 Constitution states that every citizen has the right to work and a decent living, so all employment policies must

be oriented towards worker protection and the creation of a fair working climate.

Over time, employment regulations in Indonesia have continuously evolved in line with social, political, and economic dynamics. Law No. 13 of 2003 concerning Manpower became a significant milestone in regulating employment relations, although it was later amended through Law No. 11 of 2020 concerning Job Creation, which has sparked various debates in society.

This demonstrates that labor law policy in Indonesia is constantly in a tug-of-war between the interests of workers, employers, and the state. Overall, labor law policy still faces significant challenges, particularly in maintaining a balance between protecting workers' rights and the interests of investment and economic growth.

Therefore, in the future, a legal policy is needed that is more in favor of social justice, legal certainty, and improving the welfare of workers without ignoring the needs of the business world.

## B. Suggestion

Based on these conclusions, the suggestions that can be given are as follows:

The government needs to strengthen supervision and law enforcement in the employment sector to ensure optimal worker protection. Furthermore, the government needs to evaluate employment policies to ensure they are more aligned with social justice without neglecting economic growth.

Employment regulations need to be updated to be more adaptive to current developments, particularly in accommodating workers in the informal sector and the digital economy to ensure adequate legal protection.

Entrepreneurs are expected to apply the principles of justice and social responsibility in carrying out business activities, especially in

treating workers in accordance with applicable legal provisions.

- For Workers

Workers are expected to better understand their rights and obligations and improve their abilities and skills to be more competitive in the world of work.

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