

CHAPTER I

INTRODUCTION

A. Background

The history of labor in various works that address the subject of labor in Indonesia frequently starts with slavery, which more accurately refers to things connected to status than things related to work itself. Various other names, such as laborers, servants, coworkers, and coolies are also used to refer to those who work, and now there is a word including employees.¹

When the 1945 Constitution's Article 27 paragraph (2) specifies that each individual in Indonesia has a constitutional right to a decent life and a workplace, the issue of labor in that country continues. The acceptable outcomes of this assertion also included the emergence of legal provisions to provide facilities and possibilities that are as extensive as possible for everyone to look for work while understanding that labor is something else to mankind.²

Since Indonesia achieved independence, the authorities have developed a variety of labor-related legislative instruments that essentially address every part of the challenges.³ The rights, obligations, and positions of the parties involved in labor are covered by a number of special laws, such as

¹ Agusmidah, 2010, *Dinamika & Kajian Teori Hukum Ketenagakerjaan Indonesia*, Bogor, Ghalia Indonesia, p. 127.

² Husni, L., 2015, *Pengantar Hukum Ketenagakerjaan di Indonesia*, Edisi Revisi, Jakarta, PT. Raja Grafindo Persada, p. 22-23.

³ Wahyudi, E., et al., 2016, *Hukum Ketenagakerjaan*, Jakarta, Sinar Grafika, p. 32.

Law No. 23 of 1948 about Labor Supervision, Law No. 21 of 1954 regarding Labor Agreements, and Law No. 22 of 1957 regarding Labor Dispute Settlement.

Later, as the world became more globalized, Indonesia entered a period that ultimately necessitated several reforms to take place across all industries.⁴ There is no exception in the work market. The effects are apparent in two ways: first, there are many vacant positions available for job applicants, particularly to fill positions abroad; and second, there is growing competitiveness in the domestic labor market due to the large number of foreign workers in Indonesia.⁵ Labor also raises worker understanding of their rights, which must be maintained without discrimination, in the area of democratization. In the meantime, the expanding influence of the government in the labor market served as an indication of the revolutionary period of decentralization.⁶

The establishment of policies on labor legislation and governance, particularly in the sector of legislation, emphasizes the type of government engagement in this field.⁷ Referenced in Law No. 2 of 2004 regarding Settlement of Industrial Relations Disputes, Law No. 13 of 2003 about Labor, and Law No. 21 of 2000 concerning Labor Unions and the Regulations Under Them. Law No. 1 of 1970 concerned Work Safety, Law

⁴ Sarnawa, B., 2010, *Hukum Ketenagakerjaan*, Yogyakarta, Laboratorium Hukum, p. 18.

⁵ Asikin, Z., 2006, *Dasar-Dasar Hukum Perburuhan*, Jakarta, PT. Raja Grafindo Persada, p. 77.

⁶ *Ibid.*

⁷ Rosenbloom, D. H., et al., 2022, *Public Administration: Understanding Management, Politics, and Law in Public Sector*, New York, Routledge, p. 16.

No. 7 of 1981 concerning Mandatory Labor Monitoring in Corporations, and Law No. 3 of 1992 addressing Workers' Social Security (JAMSOSTEK). A variety of regulations were developed in response to labor challenges in Indonesia, specifically regulations that are lower than the Law.⁸

Briefly described, the relationship between workers and employers is where the 'labor difficulties' in Indonesia primarily begin. Making work agreements, however, has developed in an inadequate working relationship between employers and workers during its growth.⁹ Making agreements is not the only aspect that is unbalanced; in addition, there is an environment of tougher and fiercer business competition, which encourages companies to achieve production cost reductions, which ultimately leads to work demands on labor or in the form of work limitations up to terminating (PHK).

In addition, there are other parties involved in labor issues, such as the government or other institutions authorized or established by the government, in along with the two parties involved in labor issues (employers and workers).¹⁰ In this circumstance, labor relations issues must also be considered as industrial relations issues because they become more complicated and involve all aspects of the industry.

⁸ Uwiyono, A., 2014, *Asas-Asas Hukum Perburuhan*, Jakarta, PT. Raja Grafindo Persada, p. 75.

⁹ Syahrizal, and Rukiyah, 2013, *Undang-Undang Ketenagakerjaan & Aplikasinya*, Jakarta, Dunia Cerdas, p. 43.

¹⁰ Khakim, A., 2014, *Pengantar Hukum Ketenagakerjaan Indonesia*, Bandung, PT. Citra Aditya, p. 20.

By studying the condition of its people, a country can determine one of its social development achievements. Without an assurance of life that will undoubtedly be accomplished, an improvement in the standard of labor, and protection for labor that must be adjusted to human dignity, this improvement in humanity in its entirety is unable to be reached. The value of workers to businesses, the government, and society as a whole, it is important to consider how workers can preserve their safety while working. These are ideas for worker's rights programs, which can be implemented in real life to help keep the company safe and productive.

Labor law works to protect and maintain a sense of stability, peace, and prosperity in the pursuit of justice for all. In an ideal situation provided by relevant legislation, labor law protection must be founded on two legal aspects. This field of law must be able to produce legal products that are in accordance with the principles of fairness and justice, have clarity, and are valuable to the parties who participated in the production process.¹¹

When compared to the socially disadvantageous position of businesspeople, who are typically incredibly rich, labor law protects workers rather than becoming exclusively concerned with business actors. The law benefits disadvantaged workers' social and economic position, including welfare benefits, rates of pay, and conditions for workers.¹²

¹¹ Kahfi, A., "Perlindungan Hukum terhadap Tenaga Kerja", *Jurisprudentie: Jurusan Ilmu Hukum Fakultas Syariah dan Hukum*, Vol. 3, No. 2 (2016), p. 60.

¹² Sugiman, 2015, *Hak-Hak Perlindungan Hukum terhadap Tenaga Kerja di Indonesia*, Bandung, Rineka Cipta, p. 58-60.

Two fundamental components of protections for workers are defense against employer dominance and defense against action by the government. If labor laws and regulations require employers to start behaving in accordance with the legislation that is actually implemented by all parties, legal protection against employer power is applied. This is due to the enforceability of the law cannot be assessed solely legitimately but also sociologically and philosophically.¹³

Workers should cope with speculative difficulties in their workplace interactions, which almost always result in losses.¹⁴ Risk is a term that frequently refers to this explicit uncertainties. Fundamental risks and particular risks are the two basic categories within which problems, whose are present throughout numerous industries, can be divided. To address with this issue, we need a system or instrument that can potentially prevent or at basic level stop it from developing in the first place.¹⁵ This object is called social security.

Workers in this situation require social security because they constitute the basis of the business and have an important function in it. The business cannot take part in development without its workers.¹⁶ Especially in the context of workers to businesses, the government, and society as a whole, it is important to consider how workers can preserve their safety while performing their jobs. Therefore, it is important to work toward the welfare

¹³ *Ibid.*

¹⁴ Rosenbloom, David H., et al., *Op. Cit.*, p. 18.

¹⁵ Sugiman, *Loc. Cit.*

¹⁶ Kahfi, A., *Op. Cit.*, p. 62.

and peacefulness of workers so that they would pay as much attention as possible to what they experience at work and are guaranteed to be attentive in carrying out their duties. These are ideas for worker protection programs that can be implemented in the project reality to keep the industry operating and secure.¹⁷

In accordance with Article 5 of Law Number 13 of 2003 Concerning Labor, regulatory requirements attach concerning workers' protection. According to the preferences and abilities of the worker, including fairness and equality for workers who have disabilities, every worker is entitled to the same chance to get a respectable job and a decent living regardless of their gender, ethnicity, color, religion, or political preferences. Additionally, Article 6 states that companies ensure workers' rights and duties regardless of their gender, ethnicity, race, religion, skin colour, or political preferences.

Human dignity includes social security. Civil rights are, in principle, a set of rights that are established in human being like creatures of the All-Powerful God; they are His treasures that must be respected and protected by the state, the law, and everyone else in order to preserve human dignity.¹⁸ The right to social security is one of the rights that comes with being a person because of our nature and existence. As a result, it is usually suggested that social security is a program that is universal or comprehensive in nature and that all countries must undertake this.

¹⁷ Syahrizal and Rukiyah, *Op. Cit.*, p. 45.

¹⁸ Husni, L., *Op. Cit.*, p. 27.

The implementation of social security programs fulfills one of the responsibility of the state to provide social economic protection to the public at large, including workers.¹⁹ PT. Jamsostek is in charge of coordinating the implementation of this social security, which covers not only economic protection but also social and health security. In short, the labor security program intends to ensure the continuity of the family income which has been substantially lost.

The social security program for workers comes with advanced features, which include:

1. Providing the needed security enough so workers and their families could fulfill their daily needs.
2. In order to prevent being forced to rely on other people for support in the event that risk in a working relationship occurs, such as work accidents, illness, old age, and others, it is a compliment to the workforce that educates workers' independence.

On October 19, 2004, the Indonesian Parliament enacted Law No. 20 of 2004 about the National Social Security System (here referred as the SJSN Law), fulfilling the requirement of the Indonesian Constitution. After the enactment of the SJSN Law, the government has set up one institution that will supervise a number of programs for the Indonesian state social security system. Following the law's approval, the government established

¹⁹ Wahyudi E., et al., *Op. Cit.*, p. 80-83.

a number of policies to protect everybody within Indonesia's health-care rights.²⁰

Along with agreement of Law No. 24 of 2011 referring to the Social Security Administration Agency (BPJS), which is made up of BPJS Health and BPJS Labor. According to Article 62 paragraph (1), PT. Jamsostek changed its title to BPJS Labor and started doing business on July 1, 2015.²¹ Protections relating to the work place are included in programs offered by BPJS Labor, including worker injury security, death security, old age security, and pension security. Following the definitions given earlier, social security for workers is described as protection for workers in the form of financial compensation (for work-related accidents, deaths, and retirement funds), along with health services and health insurance.

B. Problem Formulation

The formulation of the problems highlighted by the preceding background explanation, notably:

1. How is the Social Security Program at PT. Mandiri Jogja Internasional being implemented?
2. What problems that appears in PT. Mandiri Jogja Internasional during the implementation of Social Security Program?

²⁰ Kahfi, A, *Op. Cit.*, p. 70.

²¹ Sugiman, *Op. Cit.*, p. 68.

C. Research Objectives

1. To understand how PT. Mandiri Jogja Internasional implements the Worker's Social Security Program in accordance with the Labor Law.
2. To identify what issues would occur in PT. Mandiri Jogja Internasional from implementing its worker's social security program.

D. Research Benefits

1. Theoretical Benefit

Advancing legal research by distributing information, particularly in the field of labor law and its connection to the implementation of social security based on the Labor Law.

2. Practical Benefit

Can offer some suggestions to authorized institutions during the process of creating policies to repair and correct any flaws that may be present, particularly those related to the implementation of social security based on the Labor Law.